

NOTICE OF MEETING

CABINET

**Tuesday, 8th October, 2019, 6.30 pm - Civic Centre, High Road,
Wood Green, N22 8LE**

Members: Councillors Joseph Ejiofor (Chair), Zena Brabazon (Vice-Chair), Charles Adje, Kaushika Amin, Mark Blake, Gideon Bull, Seema Chandwani, Kirsten Hearn, Emine Ibrahim and Sarah James

Quorum: 4

1. **FILMING AT MEETINGS**

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. **APOLOGIES**

To receive any apologies for absence.

3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under Item 27 below. New items of exempt business will be dealt with at Item 40 below).

4. **DECLARATIONS OF INTEREST**

A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

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

On occasions part of the Cabinet meeting will be held in private and will not be open to the public if an item is being considered that is likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.

This agenda contains exempt items as set out at **Item [28] : Exclusion of the Press and Public**. No representations with regard to these have been received.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet meeting will be partly held in private for the reasons set out in this Agenda.

6. **MINUTES (PAGES 1 - 30)**

To confirm and sign the minutes of the meeting held on 10th September 2019 as a correct record.

7. **DEPUTATIONS/PETITIONS/QUESTIONS**

To consider any requests received in accordance with Standing Orders.

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

Cabinet to consider the Scrutiny Reviews on Day Care Opportunities and Care Home Commissioning and further consider the response to the Scrutiny recommendations.

The Scrutiny Reviews to be introduced by Cllr Pippa Connor - Chair of the Adults and Health Scrutiny Panel

Response to the Scrutiny recommendations – Cllr Sarah James - Cabinet Member for Adults and Health

9. SCRUTINY PANEL REVIEW ON CARE HOME COMMISSIONING (PAGES 31 - 44)

[Report of the Assistant Director for Commissioning. To be introduced by the Cabinet Member for Adults and Health.]

This report provides a response to implementing the Overview and Scrutiny Committee recommendations on care home commissioning.

10. SCRUTINY PANEL REVIEW ON DAY CARE OPPORTUNITIES (PAGES 45 - 56)

[Report of the Director of Adults and Health. To be introduced by the Cabinet Member for Adults and Health.]

This report provides a response to implementing the Overview and Scrutiny Committee recommendations on day opportunities and community provision in Haringey.

11. DEVELOPMENT OF INSOURCING POLICIES (PAGES 57 - 68)

[Report of the Director of Environment and Neighbourhoods. To be introduced by the Leader of the Council.]

This report sets out the rationale, purpose, and scope of an Insourcing Policy for the Council.

12. PROCUREMENT STRATEGY (PAGES 69 - 96)

[Report of the Director for Environment and Neighbourhoods. To be introduced by the Cabinet Member for Local Investments and Economic Growth.]

This report sets out a refreshed Procurement Strategy for the Council which covers the period 2020 – 2025.

13. COMMUNITY WEALTH BUILDING (PAGES 97 - 110)

[Report of the Director for Housing, Regeneration and Planning. To be introduced by the Cabinet Member for Local Investments and Economic Growth.]

This report sets out Haringey's Community Wealth Building approach (CWB), including: What CWB means in Haringey and why it is relevant; and key actions to implement CWB over the next year.

14. SMALL BUSINESS LOAN FUNDS IN HARINGEY - ADOPTING A COMMUNITY WEALTH BUILDING APPROACH (PAGES 111 - 130)

[Report of the Director for Housing, Regeneration and Planning. To be introduced by the Cabinet Member for Local Investments and Economic Growth.]

This report seeks approval for the proposed Opportunity Investment Fund expansion to cover the Wood Green regeneration area and industrial estates in the east of the borough.

15. EXTENSION OF DISTRICT HEATING CONTRACT BROADWATER FARM (PAGES 131 - 140)

[Report of the Director for Housing, Regeneration and Planning. To be introduced by the Cabinet Member for Housing and Estate Renewal.]

This report relates to the ongoing works to install a new modern District Heating system on Broadwater Farm. This report seeks to extend the existing contract to allow for additional works to be completed

16. APPOINTMENT OF MASTERPLANNERS FOR THE SELBY AND BULL LANE PROJECT (PAGES 141 - 158)

[Report of the Director of Housing, Regeneration and Planning. To be introduced by the Leader of the Council.]

This report seeks approval to appoint the recommended contractor, Contractor B, to undertake a Masterplanning exercise and design development across RIBA Stage 0-3+.

17. DELEGATED AUTHORITY FOR PROCUREMENT OF PROFESSIONAL ADVISORS FOR DEN PROGRAMME (PAGES 159 - 170)

[Report of the Director for Housing, Regeneration and Planning. To be introduced by the Cabinet Member for Climate Change and Sustainability.]

This report seeks approval to award contracts for: DEN technical advisory services to Contractor A for a period of 3 years from 1/11/19 to 31/10/22; and DEN legal advisory services to Contractor 1 for a period of 3 years from 1/11/19 to 31/10/22.

18. EXTENSION OF THE AUTUMN GARDENS & ANASTASIA LODGE CONTRACTS (PAGES 171 - 176)

[Report of the Director of Adults and Health. To be introduced by the Cabinet Member for Adults and Health.]

The existing contract allows provision for a further 12-month extension, and this report will seek cabinet approval to both extend the contract within existing terms and further extend the lifetime of the contract by 12 months. Extending the block for a further 2 years ensures that we achieve good value from culturally specific placements.

19. AWARD OF CONTRACT FOR THE PROVISION OF THE CUSTOMER PLATFORM (PAGES 177 - 184)

[Report of the Director for Customers, Transformation and Resources. To be introduced by the Cabinet Member for Neighbourhoods.]

This report seeks Cabinet approval to award the contract for Front Office Back Office (FOBO) customer platform software by selecting one or more contractors from a framework to replace the current Agilisys Digital system (My Account).

20. AWARD OF CONTRACT FOR PROVISION OF SAP MANAGED SERVICE (PAGES 185 - 192)

[Report of the Director for Customers, Transformation and Resources. To be introduced by the Cabinet Member for Corporate and Civic Services.]

This report seeks approval from Cabinet to award a contract, for a term of 2 years with an option to extend for 2 further 1-year periods, by way of a call-off from the Crown Commercial Service's GCloud 11 framework to replace the current SAP managed service supplier.

21. AWARD OF CONTRACT FOR THE HOMES FOR HARINGEY MAJOR WORKS YEAR 2 PROGRAMME, 3 LOTS (PAGES 193 - 200)

[Report of the Director for Housing, Regeneration and Planning. To be introduced by the Cabinet Member for Housing and Estate Renewal.]

This report sets out an overview of the External Capital Investment Programme for Year 2 and seeks approval for the award of contracts for the Housing Asset Investment Plan for Year 2, 2019/20.

22. PROPOSAL FOR THE AWARD OF CONTRACT FOR THE DELIVERY OF A PUPIL REFERRAL UNIT PROVISION: SEPTEMBER 2019 TO AUGUST 2020 (PAGES 201 - 208)

[Report of the Director of Children's Services. To be introduced by the Cabinet Member for Children and Families.]

This report seeks authorisation for a direct contract award without prior publication of an advertisement to TBAP Trust (TBAP) for the delivery of Haringey's Pupil Referral Unit (PRU) for one academic year.

23. SEEKING APPROVAL TO AWARD BLOCK CONTRACT FOR IN-BOROUGH NURSING PROVISION (PAGES 209 - 214)

[Report of the Director of Adults and Health. To be introduced by the Cabinet Member for Adults and Health.]

This report seeks approval to award a block contract to Priscilla Wakefield House (the Home) for 61 nursing beds from 1st November 2019 to 30th October 2022, with the option to extend for a further 2 years in 12-month intervals at the rate of £950 per week.

24. NUISANCE VEHICLE (REMOVALS) CONTRACT (PAGES 215 - 224)

[Report of the Director for Environment and Neighbourhoods. To be introduced by the Cabinet Member for Neighbourhoods.]

To consider procurement outcomes for Nuisance Vehicles in Haringey.

25. INTRODUCTION OF RISK BASED VERIFICATION IN THE BENEFITS SERVICE (PAGES 225 - 244)

[Report of the Director for Customers, Transformation and Resources. To be introduced by the Cabinet Member for Corporate and Civic Services.]

This report seeks approval for Haringey's Risk Based Verification Policy as the means by which the Council processes claims for Housing Benefit and Council Tax Reduction.

26. SIGNIFICANT AND DELEGATED ACTIONS (PAGES 245 - 252)

To note significant and delegated actions taken by directors in August/September 2019.

27. URGENT BUSINESS

To consider any urgent business submitted at item 3.

28. EXCLUSION OF THE PRESS AND PUBLIC

Note from the Acting Democratic Services and Scrutiny Manager

Items 29 to 40 allow for consideration of exempt information in relation to items 16 to 25 and 3.

TO RESOLVE

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.

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

29. APPOINTMENT OF MASTERPLANNERS FOR THE SELBY AND BULL LANE PROJECT (PAGES 253 - 254)

As per item 16

30. DELEGATED AUTHORITY FOR PROCUREMENT OF PROFESSIONAL ADVISORS FOR DEN PROGRAMME (PAGES 255 - 258)

As per item 17

31. EXTENSION OF THE AUTUMN GARDENS & ANASTASIA LODGE CONTRACTS (PAGES 259 - 260)

As per item 18.

32. AWARD OF CONTRACT FOR THE PROVISION OF THE CUSTOMER PLATFORM (PAGES 261 - 262)

As per item 19.

33. AWARD OF CONTRACT FOR PROVISION OF SAP MANAGED SERVICE (PAGES 263 - 264)

As per item 20.

34. AWARD OF CONTRACT FOR THE HOMES FOR HARINGEY MAJOR WORKS YEAR 2 PROGRAMME, 3 LOTS (PAGES 265 - 274)

As per item 21.

35. PROPOSAL FOR THE AWARD OF CONTRACT FOR THE DELIVERY OF A PUPIL REFERRAL UNIT PROVISION: SEPTEMBER 2019 TO AUGUST 2020 (PAGES 275 - 278)

As per item 22

36. SEEKING APPROVAL TO AWARD BLOCK CONTRACT FOR IN-BOROUGH NURSING PROVISION (PAGES 279 - 280)

As per item 23.

37. NUISANCE VEHICLE (REMOVALS) CONTRACT (PAGES 281 - 284)

As per item 24.

38. INTRODUCTION OF RISK BASED VERIFICATION IN THE BENEFITS SERVICE (PAGES 285 - 300)

As per item 25.

39. EXEMPT CABINET MINUTES (PAGES 301 - 302)

To approve the exempt Cabinet Minutes for the 10th September 2019 meeting.

40. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at Item 3 above.

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Monday, 30 September 2019

MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 10TH SEPTEMBER, 2019, 6.30pm

PRESENT:

Councillors: Joseph Ejiofor (Chair), Zena Brabazon (Vice-Chair), Charles Adje, Kaushika Amin, Gideon Bull, Seema Chandwani, Kirsten Hearn, Emine Ibrahim and Sarah James

Also Present: Councillor Morris

1. FILMING AT MEETINGS

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

2. APOLOGIES

Apologies for absence were received from Cllr Mark Blake.

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST

The following personal interests were declared.

- Cllr Brabazon in relation to item 9 as a close relative had a disabled parking bay.
- Cllr Ibrahim in relation to item 12 as a resident in the Noel Park Conservation area.
- Cllr Hearn in relation to item 9 as she is a blue badge user
- Cllr Chandwani in relation to item 14 as a leaseholder in Homes for Haringey
- Cllr Bull in relation to item 14 as leaseholder in Homes for Haringey

5. 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.

6. MINUTES

RESOLVED

To approve the minutes of the cabinet meetings held on the 9th of July 2019 and 5th of August 2019 as a correct record.

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

There were no matters from Overview and Scrutiny for consideration.

8. DEPUTATIONS/PETITIONS/QUESTIONS

There were no deputations, petitions or public questions put forward to the meeting.

9. POLICY ON DISABLED BAYS AND BLUE BADGES

The Cabinet Member for Neighbourhoods introduced the report which sought approval to: the introduction of Dedicated Disabled Parking Bays in the borough, a change in eligibility criteria for Disabled Parking Bays and introduction of an appeals process for unsuccessful Disabled Parking Bay applications.

The Cabinet Member for Neighbourhoods thanked disabled residents who had made representations and had drawn attention to the inequalities of current policies for disabled parking in the borough and also for their participation in the Scrutiny Review of blue badges, underlining the right of disabled residents to live life as independently as possible.

The Cabinet Member gave assurance that the report and its recommendations were the first steps to taking forward these changes, acknowledging that there was still more for the Council to do, to ensure the policies were as fair and accessible as possible. Councillors would continue to consider evidence and best practice at Scrutiny on: implementing the policy on dedicated disabled bays, the change in eligibility criteria for disabled parking bays and the proposed appeals process.

The Cabinet Member continued to draw attention to the change in the Disabled Bay eligibility criteria which would contain a mobility assessment, meaning that entitlement criteria would not solely consider disabled residents that were accessing disabled benefits. This would help resolve the discriminatory element of the scheme.

Furthermore, the introduction of dedicated disabled bays would allow disabled residents with existing disabled parking bays to convert them into dedicated bays. These changes would help disabled residents better access their homes and their independence. At the moment some disabled residents living near local amenities or train stations were encountering daily issues accessing their homes, medications and toilet facilities, if their bay was in use. Therefore, the introduction of these dedicated bays would have life changing effects. Disabled residents with an existing allocated bay would be prioritised and would need to resubmit their application as part

of the 'Opt in' approach described in the report. This change would also mean that future new applications for a disabled parking bay would allow installation of a dedicated bay outside the resident's home or work place for sole use by them. The changes to these policies took account of Blue badge holders being able to park for free in the borough as dedicated bays were felt to be vital for disabled people with access issues to their home.

The Cabinet Member further expressed that it was important that an appeals process be created for rejected disabled bay applications and it was expected that this appeals process would replicate the process for rejected blue badge applications.

Also changes to the blue badge scheme, as outlined in paragraph 6.1.6, would also need to be taken forward to encompass changes required by the DFE on hidden disabilities.

The Cabinet Member continued to thank officers who had worked hard to re-profile the Highways budget allowing these proposals to come forward and to include a dedicated officer allocated to implementing these policy changes. She further thanked the Environment and Community Safety Scrutiny panel for their in-depth review and for helping shape these new policies from a user perspective.

In response to questions from Cllr Bull, Cllr Brabazon, Cllr Hearn and Cllr Morris, the following information was noted:

- There would be a dedicated resource to take on the growing issues associated with disabled bays such as underused bays and ensuring residents with hidden disabilities were able to access this provision. It was further noted that, as the staffing structure was refreshed, there would be a permanent post allocated which would be subject to the same considerations of any permanent post in a local authority. The Parking service fully recognised the need for this post and would build this into the structure of the team.
- In relation to maintaining independence, the appeals process would likely be drawn up through two phases of work. The first phase would involve the service considering the consensus view on the appropriate practice. In the second phase, the Scrutiny panel review would continue to provide guidance on the shape of this particular policy.
- It was envisaged that the existing routes for reporting parking issues would need to be accessed to report illegal parking in a dedicated disabled bay. Also introduction packs to the dedicated bays could include appropriate information on how to report such incidents.
- The cost of implementing the new policies was based on the estimate that there were 2800 disabled parking bays in the borough with the potential for conversion to a dedicated disabled bay. This was an over estimate which took into consideration that not all residents with a disabled parking bay will 'opt' in to have their bays dedicated and took account of changes to the Blue badge scheme in relation to the hidden disabilities criteria which will likely cause an increase in disabled bay applications.

- In relation to increasing generic disabled bays, it was noted that blue badge holders were able to park in all parking schemes in the borough and consideration would be given by the project manager to the number of increased generic disabled parking bays and their locations.
- It was noted that blue badge holders could be advised, at their renewal stage, on the new availability of dedicated disabled bays. Also the project manager was expected to factor in communication of the new dedicated disabled scheme in their project plan. They would be exploring the best way to contact disabled residents to let them know of this right.
- It was noted that no highways project would be withdrawn to fund the cost of this scheme. Careful assessment of the highways capital projects schemes had identified those capital projects that could be re-profiled and re-prioritised to allow this important scheme to come forward.

RESOLVED

- i. To approve the introduction of Dedicated Disabled Parking Bays pursuant to paragraphs 6.3-6.8 of this report.
- ii. To approve the change in eligibility criteria for Disabled Parking Bays pursuant to paragraph 6.10 of this report.
- iii. To approve the Introduction of an appeals process for unsuccessful Disabled Parking Bay applications pursuant to paragraph 6.13 of the attached report.
- iv. To approve delegation to the Director of Environment and Neighbourhoods authority, in consultation with the relevant Cabinet Member, to publish a revised policy to give effect to recommendations 3.1 (i) to (iii) above.
- v. To approve the establishment of a Dedicated Disabled Bay/Blue Badge capital scheme within the approved capital programme.
- vi. To approve a Capital Budget Virement from the Borough Roads capital scheme contained within the approved capital programme for 2019/20, into Disabled Bay/Blue Badge capital scheme for the amount of £0.38m to meet the estimated costs associated with the recommendations in this report.
- vii. To note the changes to the eligibility criteria for Blue Badges as set by the Department for Transport (DfT), described in paragraphs 6.17 to 6.21 of this report.

Reasons for decision

Haringey has a statutory duty to install disabled parking bays. At present those bays may be used by any Disabled Blue Badge holder. These bays are introduced in town

centres and other areas of general interest as well on streets where requested by residents who meet the established criteria. Residents are not charged for this service. There are increasing levels of complaints from residents in areas with high parking demand that they cannot access the disabled parking bay installed for their use due to other Blue Badge holders using it.

In addition, our current eligibility criteria for Disabled Bays, as is the case with many London Boroughs, is based on the **automatic entitlement** for the Disabled Blue Badge and involves, in the main, entitlement to disability benefits. Many of our residents with Blue Badges still need Disabled Parking Bays due to their disability but fall outside of this automatic entitlement. Should their application be rejected, there is currently no formal appeals process for their application to be reconsidered.

As per Recommendation (3.1iv) approval is therefore sought to introduce Dedicated Disabled Parking Bays, which will be provided for the sole use of the applicant, with proposed new eligibility criteria when considering applications and the introduction of an appeals process, where applications have been refused.

Alternative options considered

The service considered remaining as it is, but this was not deemed appropriate due to the lifeline, that disabled parking offers those with severe mobility issues. The Council has a statutory obligation to provide disabled parking bays and we need to ensure that this is done in a manner that is meaningful and meets the requirements of disabled people.

10. MANDATE TO CONSULT ON OSBORNE GROVE NURSING HOME CLOSURE

The Cabinet Member for Adults and Health introduced this report which sought approval for consultation with stakeholders for the proposal to close Osborne Grove Nursing Home and relocate residents to alternative nursing home provision that was capable of meeting their care and support needs and promoting their wellbeing. The closure would allow for the development of an expanded 70 bed nursing home provision on site.

The Cabinet Member expressed that the July 2019 decision, to build a new 70-bed nursing home on the Osborne Grove site, demonstrated the Council's commitment to providing high quality nursing care in the borough and represented a major investment in new facilities. As demand for nursing care continued to grow in the borough, the proposed development would assist in increasing the supply of residential nursing care places.

The Cabinet Member highlighted the Feasibility Study determined that the redevelopment of Osborne Grove would have implications for the current residents, in terms of health and personal wellbeing due to the inevitable disruption that would result from the building work and site preparation. Therefore, it was proposed to consult on the proposal to move the remaining residents and to close the Home pending development of the site.

In response to questions from the Leader, Councillors Hearn and Morris, the following information was provided:

- It was confirmed that there were two residents still residing at the Osbourne Grove Nursing Home.
- The Cabinet Member acknowledged Osbourne Grove Caring Home had previous issues which the Council sought to address through rebuilding and redeveloping the site for nursing care. There was an improvement plan in place at the nursing home which had been recognised as helping to improve the difficulties but there was still greater improvement required.
- The Cabinet Member informed that the impact of the redevelopment on the surrounding area would be taken into consideration when the Council moved forward with the detailed redevelopment plan.
- The Cabinet Member noted the Council was proposing a lengthy consultation process to ensure that the remaining residents at the nursing home, their relatives and carers had the opportunity to be properly consulted and have their preferences or alternative arrangements acknowledged. The Council would then facilitate those wishes, insofar as it was possible to do so, such as relocating them inside or outside the borough.
- The Cabinet Member noted that the policy of the Council was to relocate affected residents to care homes recognised as being either only good or outstanding.

RESOLVED

- 1) To approve for consultation with residents, carers and other stakeholders the proposal to close Osborne Grove Nursing Home and relocate residents to alternative nursing home provision that is capable of meeting their care and support needs and promoting their wellbeing. The reason for the proposed closure is to allow for the development of an expanded 70 bed nursing home provision on site to meet current and future care needs in the Haringey.
- 2) To agree that a report on the findings of the consultation and the proposed recommendation be brought back to Cabinet for a decision on the proposal.

Reasons for decision

In June 2018 a decision was taken by Cabinet to stop the previously agreed closure of the Home, pending a feasibility study to be undertaken for the future development of the site. Part of this decision was that the existing residents should be allowed to remain in the Home if they choose, pending the outcome of the feasibility study report.

In July 2019 the feasibility report was presented to Cabinet and they agreed to endorse the preferred option: that is, to demolish the current building and rebuild a 70 bed nursing provision including the clinic site, ensuring that the use of the site overall is maximised.

It was further noted in the report that none of the future development Options including the preferred option could be safely commenced with the current residents on site given the levels of disturbance (including noise and dust) that will result from the

demolition and construction works and their likely impact on these very vulnerable residents with significant health needs. A further report should be presented to Cabinet in September 2019 on the plans for consultation with residents on the proposals to close the Home and relocate residents for the purpose of the development before a final decision is made.

There must be a period of consultation with residents, family members and other stakeholders to allow them to give their views on the proposals to close the Home which Cabinet will consider before a decision is made.

Alternative options considered

The option to retain the current 32 bed dual registration residential/nursing home on the site was considered but rejected, primarily because it would not increase the registered nursing capacity within the borough and because it would not address a number of fundamental design issues with the current building which prevent it functioning effectively as a nursing home and which could not be fully addressed due to structural limitations.

The existing building has a number of shortcomings which have been confirmed through the Feasibility Study, although the scheme was a new build only completed in 2008. The building was originally designed as a residential care home, but has been used as a nursing home as the acuity of needs of residents has increased. The design of the building is unsuitable to cater for the needs of an increasingly frail resident population. Below is a list of some, though by no means all, of these issues:

- The building only has one lift located some distance away from a large proportion of residents' bedrooms. The lift is not wide enough for a hospital bed which creates significant problems from a mobility perspective and to ensure bed bound residents have an opportunity to move with some ease around the building or in an emergency.
- Department for Health: Care Homes for older people national minimum standards/care home regulation 3rd edition's guidance for the provision of all new build nursing homes that Bedrooms should exceed 12sq metres of usable floor space excluding ensuite facilities. The bedrooms in the current building inclusive of ensuites are 15.5m² which means the rooms fall short of current standards for new build older peoples care homes. In practical terms, this means that care staff cannot access the beds from both sides, but only from one side.
- There is a lack of en-suite wet rooms in the building which impedes the ability of residents to wash within their own rooms (as opposed to washing in assisted bathrooms) or independently should they be able to.
- The width of the doors in a number of bedrooms is not sufficient for a hospital bed or for residents with mobility issues.
- The layout of the building creates numerous 'blind-spots' which necessitate a more intensive staffing structure than that generally associated with schemes of the current size. Each wing comprises 8-beds this compares with most purpose-built nursing homes where there are 12-15 beds per unit.
- There are a number of additional fire safety concerns with the property which the Council has been addressing with the London Fire Brigade relating to the

building's ability to withstand heat for an adequate length of time in the event of a fire.

- The building is not built to withstand progressive collapse. Current building guidance states that only residents who are able to mobilise would be able to reside in these rooms therefore this limits which residents the Council could place in these beds.
- Structural walls limiting design team ability to adjust room composition.

As part of the detailed feasibility study that was conducted, options for being able to accommodate the remaining residents on site were considered but this in itself would require a move to another part of the building and presented considerable risks to wellbeing and quality of life. Therefore this was not deemed appropriate.

The option of not consulting on the proposal to close the home and relocate residents to allow for the preferred development Option was considered and rejected. Fairness demands that residents, carers and other stakeholders are consulted before a final decision is made.

11. HARINGEY SELF-BUILD AND CUSTOM-BUILD REGISTER – ELIGIBILITY CRITERIA AND CHARGING FEES

The Cabinet Member for Climate Change and Sustainability introduced the report which sought approval to changes to Haringey's self-build register, including introduction of a local eligibility criteria - a location connection test and a financial resources test - to qualify for inclusion on Haringey's self-build register, as well as the introduction of a registration and renewal fee.

The Cabinet Member highlighted that there were currently 344 entries on the Self Build register of people and organisations wanting to self -build in the borough. The new criteria would help assessments and give consideration to achieving the housing objectives in the Borough Plan. These changes also further helped ensure that there was an appropriate balance between providing opportunities for self -build and reducing the scale of the register to a sustainable level so that it did not compromise the Council's ability to make the most efficient use of land and to deliver other forms of housing. The changes would also support the Council's objectives around Equalities and people, ensuring the opportunity for self -build prioritises local residents, enabling them to maintain their connections in the borough.

RESOLVED

1. To note that following the clarifications set out in Section 7, the proposals were endorsed by Regulatory Committee for approval by Cabinet without any changes for consideration;
2. To agree the introduction of the local connection test, as set out at paragraph 6.11 of this report, to qualify for inclusion on Part 1 of the Haringey Self-build Register;

3. To agree the introduction of the financial resources test, as set out at paragraph 6.13 of this report, to qualify for inclusion on Part 1 and Part 2 of the Haringey Self-build Register;
4. To agree to charge a £144 (inclusive of VAT) fee for registration of valid applications to the Haringey Self-build Register; and an annual re-registration fee of £144 (inclusive of VAT) to remain on Part 1 of the register thereafter; and
5. To agree to maintain the existing entries on the register until 30 October 2019 after which date they will be re-assessed against the new eligibility criteria and subject to payment of the £144 annual fee for Part 1 registrations.

Reasons for decision

This report proposes the introduction of two local eligibility criteria that will apply to applications for registration on Haringey's self-build register as follows:

- a **Financial Resources Test**: to be entered onto the register applicants would have to demonstrate that they have access to the finance needed to acquire land valued at £330,000 (land valuation evidence commissioned by officers indicates that this is the minimum likely cost of a 0.01ha serviced plot in Haringey suitable for development of a single home - see Appendix A for more information about the land valuation evidence); and
- a **Local Connection Test**: to be entered onto Part 1 of the register (which triggers the duty to grant planning permission), applicants would also have to demonstrate that they have been living in the borough continuously for at least 3 years or are a serving member of the regular forces or have been such a member within the 5 years preceding their application to be placed on the register, or have been working in the borough for at least 3 years (this is consistent with the connection test incorporated in the Council's adopted Housing Allocations Policy 2015, as amended in March 2018). The criteria regarding serving members of the regular forces is also specified in the Self-build and Custom Housebuilding Regulations.

If the above two local eligibility conditions are approved, Part 1 of the self-build register will comprise applicants who pass both the local connection test and the financial resources test. Applicants placed on Part 2 of the register will be those who satisfy the financial resources test but do not satisfy the local connection test.

At present, Haringey's single-part self-build register contains 344 entries in total comprising 339 individuals and 5 associations. In line with the regulations, where there is a single-part register the Council must grant sufficient planning permissions to meet the demand indicated by the number of entries on the register within 3 years of their year of registration.

The self-build register is one form of evidence of the housing need in Haringey for a very specific type of housing, which the Council has a duty to take into account. In considering how to respond to the level of demand indicated by the existing self-build register, the Council will need to consider the likely impact of self-build and custom-

build housing on the overall land supply for housing in the borough and our ability to meet other housing needs. Particular concerns about the self-build register and its relationship with other housing needs are as follows:

- the vast majority of those on the self-build register are individuals and would be expected to seek a single-home plot, so self-build homes are likely to be built at very low density (and require more land) than the apartments more commonly developed in the borough;
- Haringey's adopted Local Plan (2017) sets a challenging target for the Council to deliver a minimum of 19,802 additional homes over the period 2011 – 2026 (1,320 homes per year);
- the Local Plan has identified sufficient housing sites to meet this target but not to exceed it significantly, so the provision of self-build homes at lower densities could harm our ability to meet the overall targets;
- Haringey's housing target is proposed to increase further through the new London Plan (currently subject to examination in public), requiring the provision of 1,958 homes per annum;
- Haringey has significant competing demand for different land uses of a limited supply of land, including for new housing;
- an overestimation of the local demand for self-build homes could result in the Council having to grant permission for self-build on sites more suited to higher density housing or other forms of housing;
- provision for self-build and custom-build homes could also harm our ability to meet other specific needs identified by the Local Plan, such as affordable housing and specialist housing for older people;
- there is no realistic prospect of the Council being able to identify sufficient land to meet the level of demand indicated by the existing self-build register, which represents over 25% of our annual housing target;
- 288 (circa 83%) of those on the existing self-build register do not currently live in the borough. Whether the people who make up this number are working in Haringey (and would therefore meet the local connection test) is unknown. However, as currently stands, the register could be considered to give a distorted understanding of the local demand for this type of housing;
- The majority of those on Haringey's self-build register are also seeking plots from other authorities, including the majority of those who live or work in the borough.

The introduction of the two proposed local eligibility criteria is considered to be necessary so that the Council can:

- ensure Haringey's self-build register accurately reflects genuine local demand for this type of housing, and thus improve the ability of the Council to satisfy its duty to grant suitable planning permissions without prejudicing its ability to meet other local housing needs;
- ensure that those on the register have a reasonable prospect of acquiring land in the borough; and
- Limit the duty to grant planning permission to those that the Council wishes to prioritise as existing borough residents.

Introducing a fee for entry onto the register will deter speculative / non-genuine entries from people who have no genuine intention of self-building or custom housebuilding in Haringey. The introduction of additional local eligibility criteria for entry onto Haringey's self-build register will filter out applicants who do not have a connection to the Borough and/or do not have the means to self-build here. These changes will help ensure the evidence base for the Local Plan housing policies are not distorted and that we continue to make the most efficient use of land.

Alternative options considered

The Council could choose to maintain its existing self-build register unaltered. However, the implications would be that the Council would have a duty to grant planning permission in the borough in relation to 344 serviced plots suitable for self-build and custom housebuilding. For the reasons outlined in paragraph 4.4 and 4.5 this option is not considered an appropriate response.

The Council could also choose to introduce just one of the local eligibility criteria – either the local connections test or the financial resources test. However, officers are of the opinion that both tests are relevant, in that it is both appropriate that the Council should seek only to provide self-build opportunities within the Borough to residents or those working in Haringey but that the individuals must also have the resources to realistically acquire the land to be able to realise this opportunity.

As land values vary significantly across Haringey, as demonstrated in the supporting evidence base report at Appendix A (LB Haringey Self Build Report – BNP Paribas Real Estate, May 2019), a higher land value benchmark could be applied. However, officers consider that using a higher figure could potentially exclude some people from being on the register who have a reasonable prospect of acquiring land and a significant local connection, which may cause public complaints and reputational damage to the Council.

The Regulations provide for authorities to seek a Government exemption from the duty to grant sufficient planning permissions to meet self-build demand in certain circumstances, but Haringey does not qualify for exemption under the relevant regulatory provisions, so this is not an option available to the Council.

The Council could also choose not to charge a fee for registrations and renewal on the register. However, officers are of the view that the time and resource spent maintaining the register should not fall to existing budgets, and that those that meet the financial resources test will be able to afford a relatively small administrative fee to apply.

The Government guidance on self-build recommends that the introduction of local eligibility criteria should be subject to public consultation. Officers consider the proposed Local Connection Test is based on Haringey's connection test in the Council's Housing Allocation Policy 2015 (as amended in March 2018) and has already been subject to public consultation. The proposed financial resources test is based on evidence from an independent valuation report of the minimum likely cost of a self-build plot in Haringey. On this basis, officers consider that public consultation on

the proposed changes would be unlikely to provide more accurate evidence or raise matters not previously considered.

Officers will address issues with the implementation of the changes to the register through monitoring and can recommend amendments where necessary to maintain an appropriate balance between providing opportunities for self-build and reducing the scale of the register to a sustainable level.

12. PROPOSED REVISED ARTICLE 4 DIRECTIONS FOR THE FOLLOWING CONSERVATION AREAS: NOEL PARK, PEABODY COTTAGES, ROOKFIELD ESTATE, TOWER GARDENS

The Cabinet Member for Climate Change and Sustainability introduced this report which sought approval for the making of the new Article 4 directions for Noel Park, Peabody Cottages, Rookfield Estate and Tower Gardens.

The Cabinet Member noted that the Council currently restricted permitted development rights in four Conservation Areas via Article 4 directions. The proposed revision of the Article 4 directions would make them easier to understand and operate and help ensure that the Council's planning objectives for the borough were achieved by giving it greater ability to control development.

The Cabinet Member closed by informing that the report had been approved by the Regulatory Committee.

RESOLVED

1. To note that following the clarifications set out in Section 12, the proposals were endorsed by Regulatory Committee for approval by Cabinet without any changes for consideration;
2. To note the regulatory requirements for the cancellation of existing Article 4 directions and the making of new Article 4 directions, as prescribed by the Town and Country Planning (General Permitted Development) (England) Order 2015;
3. To approve the making of the new Article 4 directions for Noel Park, Peabody Cottages, Rookfield Estate and Tower Gardens outlined below on a non-immediate basis to withdraw permitted development rights in the respective Conservation Areas and to expand the geographical scope of the directions for Noel Park, Tower Gardens and Rookfield Estate as set out in Appendix A;

4. To authorise the Director for Housing, Regeneration & Planning to approve the cancellation of the existing Article 4 directions for Noel Park, Peabody Cottages, Rookfield Estate and Tower Gardens at the same time as their replacements are confirmed; and,
5. To authorise the Director for Housing, Regeneration & Planning to carry out the necessary publicity, notification, consultation and subsequent decision on whether to confirm the directions, as prescribed by the Town and Country Planning (General Permitted Development) (England) Order 2015, in that respect.

Reasons for decision

The cancellation of the existing Article 4 directions for Noel Park, Peabody Cottages, Rookfield Estate and Tower Gardens and their replacement with four new Article 4 directions will result in the following benefits:

- the Article 4 directions will be updated to accord with the relevant legislation currently in force;
- additional forms of development which have the potential to harm local amenity or the well-being of the area will be controlled;
- additional properties within the Conservation Areas that were not covered by the existing Article 4 directions will be covered by the new directions and thereby protected from those same potential harms; and,
- Better clarity for residents and Council officers with regards to what forms of development require planning permission.

Alternative Options Considered

The alternative options available to the Council are: to cancel the current Article 4 directions and not replace them; to leave the existing Article 4 directions in place (i.e. the 'do nothing' option); or, to replace the existing Article 4 directions with immediate Article 4 directions.

The Council's evidence indicates that the existing Article 4 directions have, and continue to be, important tools for protecting the special interest and special qualities of the Noel Park, Peabody Cottages, Rookfield Estate and Tower Gardens Conservation Areas. The option of cancelling the current directions and not replacing them is dismissed for this reason.

The Council's evidence base has identified considerable harm in some of the Conservation Areas that are currently subject to Article 4 directions. In order to prevent unsympathetic alterations, the evidence recommends that the Council reviews

the existing Article 4 directions and assess the extent to which they are effective. Officers have carried out a review and found that modifying the existing directions would generate significant benefits. In these circumstances, the 'do nothing' approach has been dismissed.

As set out in earlier sections, there is the possibility that the Council would be liable for compensation if immediate Article 4 directions are pursued, so this approach has been dismissed for this reason.

13. QUARTER 1 BUDGET MONITORING

The Cabinet Member for Finance and Strategic Regeneration introduced the report, which set out the Council's Finance position at quarter 1 of this financial year. This included information on the balances of the General Fund, Capital budget, Housing Revenue Account and Dedicated Schools grant budgets.

The Cabinet Member was pleased to report an improved budgetary position at quarter one, compared to the same period in 2018/19. He highlighted the positive impact of budget management strategies agreed by the Cabinet previously, which were having the intended impact. The Live budgeting agenda was also referred to which explored working more agilely as an organisation and enabling the Council to take advantage of opportunities that arise, helping to manage issues outside of the control of the Council.

The Cabinet Member referred to section 6 of the report which outlined the overspend/underspend in Council departments and advised that he and senior finance officers were having monthly meeting with Cabinet Member Adults and Health and Director of Adults and Health to monitor and discuss reductions in the overspend. Similar meetings would be held with the respective officers and Cabinet Members for Children's and Highways.

In response to questions from the Leader of the Council, Cllr Brabazon and Councillor Morris, the following information was noted.

- The Cabinet Member was comfortable that appropriate actions were being implemented to meet budget targets for the end of the financial year. Meetings with Cabinet colleagues and senior officers were taking place where there was overspend.
- With regards to the overspend in Community Safety and Enforcement, set out at the second bullet point in paragraph 6.16, a meeting had been arranged to discuss these issues and the Cabinet Member agreed to provide the outcome to Cllr Brabazon.
- With regards to the virement set out at appendix 5 for approval, and related to realignment of IT salary budgets to reflect the transition back to an in-house service, this was a repositioning of the budget and the Director of Finance

agreed to provide a written response to Cllr Morris outlining the background leading to this proposed virement.

- The Council were making representations to government to seek funding from the contingency budget allocated to Brexit preparations. All London Councils were making a joint representation to the government on the Brexit funding issue through London Councils. Council departments also had an officer working on Brexit preparations and there was consideration being given to the impact on suppliers and provision of services.
- There was a weekly monitoring of the green waste budget to consider how to bring this in line with budget projections. Consideration was being to the income target as well as a review of the bulky waste collection and green waste collections. The service were looking at what actions other boroughs were taking forward and exploring changes in resident behaviour on recycling and fly tipping. This would culminate in a review being considered at Cabinet by the end of the year.

RESOLVED

1. To note the forecast revenue outturn for the General Fund (GF), including savings pressures, of **£5.2m overspend** (£13.4m Qtr1 18/19) (Section 6, Table 1, and Appendix 1).
2. To note the net HRA forecast of **£0.2m underspend** (Section 6, Table 2, and Appendix 2).
3. To note the net DSG forecast of **£1.8m overspend**, the actions being taken to seek to address this and the potential implications for the GF (Section 7 and Table 3).
4. To note the forecast budget savings position in 2019/20 which indicates that 8.1% (£1.1m) will not be achieved. (Section 8, Table 4 and Appendix 3). This is incorporated into the GF budget pressure in recommendation 3.1.
5. To approve the proposed budget adjustments, virements and rephrasing to the capital programme as set out in table 5 and Appendix 4 and note the forecast expenditure of £208.45 in 2019/20 which equates to 75.5% of the revised capital budget (Section 9, Table 5 and Appendix 4).
6. To approve the revenue budget virements as set out in Appendix 5.

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

The report of the management of the Council's financial resources is a key part of the role of the Director of Finance (Section 151 Officer) in helping members to exercise their role and no other options have therefore been considered.

14. ADDITIONAL COST FOR FIRE RISK ASSESSMENT (FRA) PACKAGE 8 WORKS[SANDLINGS ESTATE]

The Cabinet Member for Housing and Estate Renewal introduced this report which requested approval for variations to the Fire Risk Assessment Package 8 (Fire safety works) which was approved under delegated authority by the Director of Housing, Regeneration and Planning in line with the December 2017 framework approval of individual call off projects.

The Cabinet Member reported that the works were being carried out in line with the Borough Plan as it sets out housing as a priority and particularly to ensure safety in housing of all tenures across the borough. This variation was in response to changes in guidance and advice concerned with the safety of Residents in relation to Fire Safety.

The Cabinet Member further noted that the AMP for FRA Package 8 was approved by Director of Housing, Regeneration and Planning in May 2018, and works began in October 2018. In November 2018 the MHCLG announced its investigation into fire door testing due to notification from the Metropolitan Police that the Manse Masterdoors fitted at Grenfell did not pass the 30 minute fire test, Homes for Haringey immediately placed replacement of all doors on hold pending the investigation. In July 2019 the MHCLG issued its final set of test results indicating that all solid timber doors had fully passed. As part of Homes for Haringey's ongoing commitment to resident safety, contractors were asked to provide the additional cost for installing the solid timber fire doors.

The Cabinet Member informed that there were some errors contained in the report. For clarity, these required minuting and noting:

- 1.3 'May' on the first line should read July.
- 6.4 – the timeline has been reviewed and should read:
 - May 2018 – MHCLG announce that Manse Master Door's batch numbers SG11 and SG34 had failed the half hour fire test.
 - June 2018 – HfH review all fire doors installed and identify Manse Masterdoors at the Sandlings.
 - July 2018 – FRA Package 8 approved by the Director of Housing, Regeneration and Planning under delegated authority.
 - July 2018 – FRA Package 8 varied under the framework to include Noel Park and the Sandlings Manse Masterdoors replacements.
 - October 2018 – started on site to complete full design and carry out the work.
 - November 2018 – MHCLG announce investigation into fire door testing programme due to general concerns over testing of fire doors.
 - November 2018 – FRA Package 8 varied under the framework to include replacement of intake cupboard and riser doors.

The remainder of the timeline was an accurate reflection.

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

- Regarding the timescale for delivering the work, Officers informed that delivery of the replacement Manse Masterdoors was expected at the end of October. It was expected that the installation would take four to five weeks.
- The Cabinet Member noted the Council was looking into recovering costs of the defective doors from the manufacturers. It was expected that the issue of the defective doors would affect a number of local authorities and it was likely the recovering of costs might take time.
- Officers noted the increase in cost was not solely down to the Manse Masterdoors. The total contract building costs was comprised of Manse Masterdoors not in the original contract, fire stopping work on the Sandlings, intake cupboard doors, and riser panels that were being renewed.
- Officers informed there was a proposal in the report that leaseholders who had doors replaced in 2012 were not recharged for doors the Council was proposing to install. It was noted that the Council was looking, along with other local authorities and housing associations, at a potential legal recourse against manufacturers to get recompense for the defective doors that were installed.

RESOLVED

1. To approve the variation of the (FRA) Package 8 Works contract with Engie Regeneration Ltd to add additional building contract cost of £570,501 for the fire protection works, specifically Fire Doors.
2. To approve the consequential additional consultancy fees of £46,222 as set out in paragraph 6.14 within this report.
3. To approve the waiving of leasehold charges of £134,333 where replacement of the Manse Masterdoors installed in 2012 is undertaken.

Reasons for decision

Authority to enter into the contract with the contractor was obtained under officer delegated authority approval from the Director of Housing, Regeneration and Planning on 13th July 2018. However, following the Grenfell Tower fire it was established that the front doors installed in the block at The Sandlings were Manse Masterdoors which failed to provide the fire protection that they were designed to achieve. It was established by Homes for Haringey (HFH) that some of the doors installed at The Sandlings were manufactured by the same company that supplied the composite fire doors that failed at Grenfell Tower and that Manse Masterdoors had been installed in 2012. It was further established that some fire stopping work was required to service risers to meet current regulations.

Once it was identified that Manse materdoors were installed at the Sandlings FRA package 8 was varied under the framework to include Noel Park Ward and the work required at the Sandlings so that replacement work could start as soon as the Ministry

of Housing, Communities and Local Government fire door testing process was complete.

Now that the Ministry of Housing, Communities and Local Government (MHCLG) fire door testing process is complete and HFH have been able to identify a suitable replacement that meets the test requirements, these doors need to be replaced as soon as possible. Officers have now obtained advice and guidance to replace the doors with solid timber fire doors which following testing regimes have been deemed compliant. Accordingly, this report recommends approval of:

- 1) The additional cost between the planned installation of composite doors on the original projects and the cost of installing solid timber doors.
- 2) The replacement of the Manse Masterdoors on the Sandlings that were not part of the original project scope.
- 3) The introduction of additional fire stopping works identified through surveys.

These works will ensure that the doors will now comply with current Fire Protection regulations.

Alternative options considered

The option of doing this work as a separate contract was considered, but rejected as the time taken in the tendering process would leave residents vulnerable for an unacceptable period of time. It has been established that the doors to be replaced do not comply with current standards. The Council, as landlord, must comply with current Fire and Building Regulations.

15. SHORT TERM AWARD OF HIGHWAYS TERM MAINTENANCE CONTRACT

The Cabinet Member for Neighbourhoods introduced the report which sought approval to award an interim highways contract, covering both planned and reactive highways works, to Marlborough Highways Limited for a period of up to 9 months and a maximum value of £4m (four million pounds) under the London Construction Programme (LCP) framework;

This decision followed on from the Cabinet decision in July 2019 not to award Lot 1 (Highway Term Maintenance Contract) and the Cabinet Member outlined that the Council needed to put in place an interim contractual arrangement, to ensure it complied with the statutory requirements under the Highways Act 1980 and Traffic Management Act 2004 and maintained the programme of works as stated in the Sustainable Transport Works Plan approved by Cabinet in June 2019.

Cabinet noted that awarding an interim contract, through the LCP framework, allowed direct better control and performance management of highways maintenance works which was lacking with the previous award of contract through the LoHac agreement. This interim award would allow the Council time to undertake a review of the highways services and consider the future delivery options (i.e. in-house, via a partnership with

another Borough, 3rd party contractor, hybrid etc.). This review would also inform the scope (if any) of re-procuring a future term highways contract.

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

- The current contractor Ringway Jacobs would remain in place for a transition period until December and the new contractor would start in September.
- There would be no change in the cost, due to this being an interim contract, the works for this 9 month period were up to £4m. This cost was based on the number of jobs agreed to be completed by the contractor for this period which would not have altered according to the contract arrangement.
- The minutes of the 9th of July meeting were referred to as providing information on taking forward an interim contract rather than long term contract.

Further to considering exempt information at item 20,

RESOLVED

To agree, pursuant to CSO 7.01 (b) (by selecting one or more contractors from a Framework) and CSO 9.07.01(d) (All contracts valued at £500,000 (five hundred thousand pounds) or more may only be awarded by Cabinet), to award an interim highways contract, covering both planned and reactive highways works, to Marlborough Highways Limited for a period of up to 9 months and a maximum value of £4m (four million pounds) under the London Construction Programme (LCP) framework.

Reason for decision

The delivery of the Highways requirement, both planned and reactive, contribute to the delivery of a number of Council priorities, as well as supporting the Council in complying with its statutory duties arising out of the Highways Act 1980 and Traffic Management Act 2004.

The current provider (Ringway Jacobs) has commenced demobilisation activity, having assumed a new provider would be place by the end of September 2019. There have been continued challenges with the current provider in delivery of the works and performance levels.

The Council needs to undertake a review of the highways service delivery options.

The Council would need to re-procure a highways term contract; however, the time taken to undertake this activity would go beyond the current arrangements with Ringway Jacobs and leave the Council exposed in relation to not being able to undertake its statutory duties or planned maintenance in accordance with the current programme of works. The LCP Framework was established in June 2019 and has a

Highways Lot (5). The framework has provision for a direct award; directly awarding to Marlborough Highways offers the most expedient and practical solution ensuring the Council has no break in service provision for reactive and planned highways works. The primary reasons for selecting Marlborough Highways Limited instead of one of the other four providers are:

Marlborough were successful in securing the street lighting term contract and therefore will be mobilising their operation at the same time;

- Any TUPE of staff will be simplified and contained within a single provider (i.e. staff will TUPE from Ringway Jacobs for street lighting and highways services).
- Both street lighting and highways will operate out of a single site within the Borough. An alternate framework provider would either need to establish a site within the Borough or within a distance that would enable them to service the contract within contractual timescales.
- It is extremely unlikely an alternate provider on the LCP framework would be willing to establish a site within, or nearby, the Borough for a contract with a maximum duration of 9 months.
- Marlborough are already delivering a number of highways works within the Borough as part of previously tendered works packages.
- The rates under LCP framework are more favourable than those under the current LoHAC contract.

Alternative option considered

Continue with current provider under the LoHAC framework – our experience of using Ringway Jacobs (RJ) over the past years has demonstrated that the provider is not delivering the level of performance required or the savings initially anticipated. Whilst continuation with RJ would appear to offer the Council a seamless way forward, there are a number of historic commercial issues yet to be resolved. Therefore, it would be prudent for the Council to carefully consider the risk, financial or otherwise, associated with an arrangement beyond the end of September.

The rates under the LCP framework are more favourable than those under the LoHAC framework and therefore presents better value to the LoHAC framework.

Conducting another full OJEU procurement or Mini Competition under an existing framework for a longer-term contract. These options could not be considered due to the time constraints and the fact that it would not be possible to establish a contract by 30th September 2019.

16. AWARD OF CONTRACTS FOR FLOATING SUPPORT SERVICES

The Cabinet Member for Housing and Estate Renewal introduced this report which detailed the outcome of an open tender process and sought approval to award the contracts to the successful tenderer for the Provision of Housing Related Floating Support Services to Haringey residents in accordance with Contract Standing Order (CSO) 9.07.1 (d), as the current contracts are due to expire in March 2020.

The Cabinet Member noted the Council was committed to ensuring that residents who were homeless or at risk of homelessness had access to high quality support to prevent or resolve immediate challenges and address underlying contributory factors. The services within those contracts would support families and single adults to develop their independent living skills, maintain or establish sustainable housing and overcome problems that could lead to homelessness. The Floating Support contracts were therefore strategically important in delivering our commitments set out in the Borough Plan (2019-23).

The Cabinet Member welcomed the outcome of the procurement exercise that had identified an organisation with the expertise and commitment required to meet the needs of Haringey residents and the outcomes of the service. Contract monitoring would help to ensure that a good quality support service was maintained throughout the life of the contracts and that excellent outcomes for residents are achieved.

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

- The Cabinet Member noted the Council had considered bringing the contract for floating support services inhouse. However, due to the Council not having the resources available, and the need to continue quickly with a seamless provision to vulnerable residents, it was recommended continuing with the commissioning of these services.

The Cabinet Member further emphasised that insourcing these services had not been ruled out in the long term but, due to the urgent need to provide these services, continuing to commission these services was the only current viable option available.

Further to considering exempt information at item 21,

RESOLVED

To approve the award of contracts (Lots 1 and 2) to the successful tenderer in accordance with CSO 9.07.1(d) each for an initial term of 3 years, commencing from 1st April 2020 to 31st March 2023 with an option to extend for a further period/periods of up to a total of four (4) years. Details of the successful tenderer is outlined in Appendix 1 - Part B (exempt information) of the report.

The estimated value of Lot 1 for an initial term of 3 years will be £1,156,171 and the total value £2,730,235 over the period of 7 years.

The estimated value of Lot 2 for an initial term of 3 years will be £2,163,828 and the total value £5,109,764 over the period of 7 years.

The total value of the two contracts (Lots 1 and 2) for the initial term of 3 years will be £3,320,000 and the total value £7,840,000 over the period of 7 years.

Reasons for decision

Haringey residents face significant challenges related to housing and homelessness:

- Of private rented homes, 1 in 3 of these do not meet Decent Homes standards.
- 9% of households in Haringey are overcrowded.
- Haringey has around 3,000 households in Temporary Accommodation, the 4th highest figure in London.

There is a clearly identified need within Haringey for services to support residents with the wide-ranging factors that contribute to and cause homelessness. These Floating Support services will help to meet that need, providing a flexible and person-centred service which will support clients in a holistic way to maintain or establish sustainable housing and overcome problems that can contribute to homelessness.

In 2018 the Homelessness Reduction Act brought about a range of changes to the way that local authorities respond to households who are homeless or at risk of homelessness. A key element of the new legislation is an extended duty, for the Council and its partners, to prevent homelessness at the earliest possible stage. This focus on early prevention will be a key element of these Floating Support services and the services will therefore support the Council in meeting its statutory duty.

The services will play an integral role in the delivery of Haringey's Homelessness and Rough Sleeping Strategies, by:

- Helping to prevent and relieve homelessness
- Reducing the use of temporary accommodation
-

These Floating Support services will contribute to delivery of the Council's Borough Plan (2019-2022) objectives, by supporting single adults and families to secure positive housing, health and community outcomes.

The decision to award contracts to the successful tenderer is based on the conclusion of a competitive procurement process. The proposed recommendation to award the contracts is made according to the outcome of the Most Economically Advantageous Tender, as detailed in section 6 of this report.

The recommended provider submitted a strong tender bid that clearly demonstrated their expertise and commitment to providing the services required and to meeting the service outcomes as specified. They have a strong track record of delivering housing-related floating support services.

Alternative options considered

Do nothing

The Council could elect not to re-commission these Floating Support services. However, this would leave Haringey without a service to support households to prevent and resolve housing and homelessness issues. This would be likely to cause an increase in cases of homelessness within the borough, which would have a significant detrimental impact on the residents affected as well as increasing demand for statutory services to respond to cases of homelessness which could have been

avoided, had Floating Support been available. Therefore the option of doing nothing was considered and rejected.

Extend existing contracts

Extension periods available within the existing contracts have already been exhausted.

Deliver the services in house

The Council could elect to deliver these Floating Support services itself and consideration was given to this option. However, the investment required to develop and manage the staff and services required, was found to be significantly greater than the resources available, and more than commissioning from an external organisation. The successful provider has an extensive track record in delivering these services, which will ensure a quality service for residents and good value for the Council.

17. EXTENSION OF CIVICA PARKING SYSTEM CONTRACT AND AWARD OF CONTRACT FOR THE PROVISION OF A REPLACEMENT SYSTEM

The Cabinet Member for Neighbourhoods introduced the report which sought approval to the extension to the Parking IT managed service contract with the incumbent provider, Civica UK Ltd, for two years and also sought agreement for the award of a contract for provision of a replacement system to a preferred contractor, Supplier D, for a contract period of 10 years pursuant to CSO 9.07.1(d), with an option to extend for a further 5 years. These proposed decisions would provide a cost effective updated parking system, moving away from a paper based system of issuing permits, to a modernised electronic system, significantly reducing delays and allowing for a better customer experience.

The Cabinet Member emphasised the need to have cost effective parking systems which took advantage of new technologies to give residents the service they expected, entering this new contract would facilitate this. It was noted that remaining with the current provider would cost an additional £300k per annum and would not enable the Council to meet £348k of savings allocated to the FOBO [Front Office and Back Office] savings programme. The report set out the reasons for recommending, concurrently operating the existing Civica system with the new provider's system for a period of 2 years and the Cabinet Member highlighted that the Council would need a backup system as cover until April 2020 and also as a safety measure in case of delays with the start date of the new contract. This decision would protect the customer offer and maximise the PCN recovery process with £4.6m of income to be collected this financial year.

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

- With regards to the length of the contract extension, two years was the minimum extension required and started from November 19 before the new

system starts in April 2020. The Cabinet Member explained that a warrant on a PCN fine lasted 18 months and given the Council would be issuing fines on the Civica system until 31st of March, it would need to remain in place to capture the warrant process and allow fines to be collected. Therefore, two years was acceptable in this context.

- Civica was holding fines on IT software but the Council maintained the responsibility to enforce these fines locally.
- Migration of the system had been explored, prior to the tendering exercise being taken forward. This was through a comprehensive soft market exercise. The Council had listened to key market suppliers on the plans for this data migration exercise. Taking account the significance of the data transfer, it was felt that there would be risks connected to PCN migration and more detailed permit holder migration. Some suppliers felt they could manage this risk easily but others described this as a high risk, particularly in permit migration given the condition of existing data in terms of duplication and cleanliness of data. There was also a high risk that customer accounts would not have been as clean as possible and residents taking a new permit or renewing on the 1st of April would have had a less pleasant customer experience.
- In relation to the PCN data, each stage of PCN process was considered to make sure the migration covered each stage and it was felt better not migrating existing data and keeping this on the Civica system. This would provide clean PCN data which gives the council a better opportunity to do a good job and make sure cases are progressed as soon as possible. The new system would start taking forward new PCNs issued after April 2020.

Further to considering exempt information at item 22,

RESOLVED

- 1) To approve, pursuant to Contract Standing Order 10.02.1 (b), the extension of the Civica CE parking IT managed service contract for two years at a cost of £1m in year one, which includes a one off £0.25m licence cost, and £0.8m in year 2 for a total cost of £1.8m; and
- 2) To approve, pursuant to CSO 9.07.1d), the award of a contract to preferred supplier D for ten (10) years at a cost of £2.91m with an option to extend for an additional five (5) years, exercisable at the sole discretion of the Council, at a further cost of £1.44m for a total cost of £4.35m.

Reasons for decisions

Introduction of PMIS

Parking Services require a new Parking Management IT System (PMIS) to underpin and be at the centre of a transformed service, which will deliver a much improved and

enhanced customer experience. Additionally, the new PMIS will streamline back office processes, improving customer response times. These improvements cannot be achieved through the continued use of the Civica system.

Based on the offer received from the preferred supplier, the new IT system will offer the service in the region of £0.3m per annum savings or £3m over the initial 10-year term of the contract. There are also a further £0.348m per annum of Customer Service savings identified with the introduction of new PMIS due to the enhanced digital offer.

Whilst the option for making a paper-based permit application will remain, residents able and willing to make applications on-line will benefit significantly through the use of automated checks and the ability of the Council to issue the permit instantaneously.

The system automatically verifies residency online. Applicants only have to upload proof of vehicle ownership (it is not possible to check this against the DVLA record automatically) for audit and fraud prevention purposes. Permits are still issued 'virtually' immediately. This means that resident vehicle details are loaded onto the Council's approved database at the point the permit is issued. Automatic Number Plate Recognition (ANPR) technology is used to ascertain whether a vehicle is legally parked or not. There is no need for paper permits nor all the associated resources which create delays and have high associated costs.

Retaining Civica – 2 Years

Because the "lifetime" of unpaid PCNs is up to 2 years and because of the very high risks of data migration, running 2 systems alongside each other is ideal. PCNs will be issued with a new prefix from the new system from April 2020. New permit applications will also be processed from then onwards. All legacy permit and PCN data will remain on the Civica system until it is turned off in 2021. Data protection and GDPR matters can be planned and managed appropriately.

Switchover to a new system alone upon expiry of the Civica contract would not be possible without a significant loss of income and a further risk of reputational damage. There would not be sufficient time to tender for some 3rd party services e.g. Pay by Phone that are provided under the PMIS contract.

In order to cut off Civica, prior to 2 years elapsing, and move to a new system, both PCN and permit data would have to be migrated. After investigating, Officers noted the Council's permit data contains records that would make migrating the data a challenging prospect; the migration of PCN data may be more straightforward, but risky and undesirable none the less.

Whilst there are additional costs associated with some parallel running, an analysis of costs of unpaid PCNs within the current system now and the fact that substantial numbers of PCNs that would need to be written off without parallel running, supports the recommendation to run both systems concurrently for 2 years:

The total current value of **unpaid PCNs** within the Civica system is:

2016/17 £1.8m
 2017/18 £7.8m
 2018/19 £8.4m
 2019/20 £4.6m
Total £22.6m (as of report date)

If the decision were not to run 2 systems in parallel, and the recommendation not to migrate data is accepted, the Council would have to write off any unpaid PCNs upon expiry of the Civica contract. Even allowing for recovery that would take place prior to the expiry date, the Council would lose far in excess of the costs of running Civica for 2 years (Civica costs are shown in section 4.9 below). Other benefits include:

- A 2-year extension of the Civica contract and parallel running would ensure we maximise recovery and allows us to carry appropriate archiving or deletion of old data.
- The parking industry acknowledges that a change of IT system will inevitably result in loss of income due to various reasons, including losing challenge/representation and formal appeal information and having no other option other than to cancel cases. This risk is eliminated, and income protected and allows for a well-planned and orderly shutdown of the Civica PMIS.
- There would be no requirement to migrate permit data: migrating permit data would carry a very high risk due to duplicate data currently existing for the same permit holders. Running a new system with “clean data” from “go live” is highly desirable. A 2-year Civica extension would allow existing permits to run their course; after 1 April 2020 first time applicants and residents renewing their permits would apply for a new permit on the new system. This would be very likely to attract very positive feedback from residents and other stakeholders alike.

The table below illustrates the cost of running Civica and the new PMIS over 3 years. Whilst the Civica costs will only be incurred if the recommendation to parallel run is accepted, this report highlights the risks of not parallel running and the likely loss of income (estimated at £13m pa in section 5, 14); it can be seen that this likely loss of income is over £11m higher than the cost of running Civica for 2 years.

| | Year 1 | Year 2 | Year 3 | Total |
|--------------------------------------|-------------------|-------------------|-----------------|-------------------|
| Civica CE Licence Fixed and variable | £624,064 | £624,064 | 0 | £1,248,128 |
| Civica Re-licence cost one off | £250,000 | 0 | 0 | £250,000 |
| Camera licence** | £142,047 | £146,309 | 0 | £288,356 |
| Total Civica | £1,016,111 | £770,373 | 0 | £1,786,484 |
| New PMIS | £403,110* | £278,410 | £278,410 | £959,930 |
| Camera Licence New PMIS ** | 0 | 0 | £146,309 | £146,309 |
| Total new PMIS | £403,110 | £278,410 | £424,719 | £1,106,239 |
| Total Civica and new PMIS | £1,419,221 | £1,048,783 | £424,719 | £2,892,723 |

**Includes implementation and bespoke development costs*

*** The unattended traffic enforcement camera licensing costs are applicable to both systems. Currently these are paid through Civica. However, these arrangements are being reviewed as part of a wider CCTV maintenance contract.*

The expectation is that the annual contract costs will remain at £278,410 for years 4 through to year 10.

Alternative options considered

Extend the existing Civica CE Contract and do not tender

The move to a virtual permit system is considered to be one of the most, if not the most important part of the parking transformation programme. Whilst Civica could provide a paperless permit solution, the Civica enforcement solution and in particular the software application to allow the Council's Civil Enforcement Officers (CEOs) to issue Penalty Charge Notices (PCNs) has already failed separate User Acceptance Tests (UATs) and is not deemed suitable in its current form to provide the robust enforcement solution required to support a transition to virtual permits.

Civica charges for or does not have modules that other systems (including the one proposed) include as standard.

The Civica system includes a removal module; this works inefficiently, and one part does not work properly. The proposed system includes a far more detailed and effective module which will maximise opportunities and improve income through a more effective work flow process, especially allowing the Council to deal with those vehicles that accumulate high numbers of PCNs and fail to pay, as well as those without registered keepers, making recovery very difficult.

Civica's current delivery schedule does not include enhancements to some of the modules the Council considers key e.g. PCN and permit workflow.

Had this option been recommended then the Council would have to choose between transitioning to virtual permits, without the necessary enforcement solution - this would present an exceptionally high risk of catastrophic loss of PCNs and associated income - or delay the implementation of virtual permits and the Council would have to continue to bear the cost of resourcing the existing customer service models and associated pressures. Neither option is considered acceptable.

Extend the existing Civica CE Contract for 2 years and do not implement the new PMIS

Whilst the Council would not incur the costs of parallel running the transformation programme would be delayed.

The equipment that the Council's Civil Enforcement Officers (CEOs) use is considered "end of life" and needs replacing urgently. New equipment would have to be procured

via a contract with Civica. This would cost more than buying through the new provider and the Civica software that sits on it has failed the Council's user acceptance tests twice.

Prior to the expiry of an extended contract the Council would need to retender with all the associated costs.

All of the points listed from 5.2 to 5.6 would also apply to this option and thus this option is not recommended.

Implement and go live with the new PMIS at the point the Civica contract expires (December 2019)

This would require both PCN and permit data migration. This was deemed to have too much risk for the reasons outlined above. The Council's soft market testing research and existing intelligence about each of Civica's competitors and systems revealed that more development would be required for go live. The time available between contract award and go live includes this important development time and also sufficient time for training, summarised as follows:

- April 2019 – Commence tender process
- September 2019 – Cabinet decision on new IT supplier
- October 2019/March 2020 – Mobilisation, testing, training
- April 2020 – Operational go live of new IT system

Having a replacement permit regime, new policies and work processes carries the highest risk, given the shift from paper to virtual which would be an entirely new operating model for enforcement, front office and back office. The worst-case scenario would be not having workable enforcement and/or the ability to issue a permit from the expiry of the Civica contract, resulting in reputational damage and risk of the Council not being able to issue parking permits or manage parking through being able to issue PCN's; this would have associated road safety implications. In the absence of a new IT system, the financial risk would be in excess of £13m per annum.

18. SIGNIFICANT AND DELEGATED ACTIONS

RESOLVED

To note significant and delegated actions taken by Directors during July and August.

19. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the remaining items contained exempt information, as defined under paragraph 3 and 5, Part 1 schedule 12A of the Local Government Act 1972.

20. SHORT TERM AWARD OF HIGHWAYS TERM MAINTENANCE CONTRACT

As per the exempt minutes and item 15.

21. AWARD OF CONTRACTS FOR FLOATING SUPPORT SERVICES

As per item 16.

22. EXTENSION OF CIVICA PARKING SYSTEM CONTRACT AND AWARD OF CONTRACT FOR THE PROVISION OF A REPLACEMENT SYSTEM

As per item 17.

23. EXEMPT CABINET MINUTES

RESOLVED

To approve the exempt minutes of the meeting held on the 9th of July 2019.

24. NEW ITEMS OF EXEMPT URGENT BUSINESS

None

CHAIR: Councillor Joseph Ejiofor

Signed by Chair

Date

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Report for: Cabinet 8 October 2019

Title: Response to findings of the Scrutiny Panel review of Care Home Commissioning

Report authorised by: Charlotte Pomery – Assistant Director for Commissioning

Lead Officer: Paul Allen, Head of Integrated Care

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1 During 2018/2019, the Adults and Health Scrutiny Panel undertook a review to gain a deeper understanding of the processes connected with care homes with the aim of improving systems to directly enhance both the staffing offer and retention and the client in receipt of that care. Following this review, a report containing a number of recommendations was presented to Overview and Scrutiny Committee for approval.
- 1.2 This report provides a response to the Overview and Scrutiny Committee recommendations, as set out in Appendix 1.

2. Cabinet Member Introduction

- 2.1 I welcome the work of the Adults and Health Scrutiny Panel to consider the commissioning of care homes for Haringey residents. This is an important issue and any opportunity to learn from best practice elsewhere and to enhance practice in Haringey is much welcomed.

3. Recommendations

- 3.1 The Cabinet is asked to agree the response to the recommendations of the Review of Care Home Commissioning, carried out by Adults and Health Scrutiny Panel and endorsed by Overview and Scrutiny Committee.

4. Reasons for decision

- 4.1 There is a duty on Cabinet to respond to a report from the Overview and Scrutiny Committee – and in any event, the commissioning of care homes are both important issues for local residents, contributing to improved health and wellbeing.

5. Alternative options considered

- 5.1 There is a duty on Cabinet to respond to a report from the Overview and Scrutiny Committee and therefore no alternative option was considered.

6. Background information

- 6.1 At its meeting on 21st November 2017, the Overview and Scrutiny Committee agreed the scoping document for a review of care home commissioning by the Adults and Health Scrutiny Panel. The overarching aim of the project was to ensure residents in Haringey received high quality care in care home settings (residential and nursing) and that contracts incentivised care homes to provide high quality care.
- 6.2 The terms of reference for this review were to make recommendations on:
- Improving systems to directly enhance both the staffing offer and retention; and develop a skilled and valued workforce.
 - Protect and enhance the care provision across all settings, with the end goal of improving residents' care, whether within their own homes, or within a residential or Nursing Home setting.
- 6.3 The response to the recommendations (at Appendix 1) makes clear that there is already a significant piece of work underway across the five boroughs (Barnet, Camden, Enfield, Haringey and Islington) to support commissioning in this area. This is in recognition of the importance of this part of the health and care landscape, the levels of funding which are invested, the skills required of care workers and the impact on users and carers. Equally, the work with residents to improve flows of information is being led through a network of community-based practitioners including Local Area Co-ordinators, the Reach and Connect Service, Social Prescribers as part of the Primary Care Networks and Connected Communities. The co-ordination of these strands of activity is already well underway to reduce the risk of duplication or lack of coverage.

7. Contribution to strategic outcomes

- 7.1 The recommendations and responses made will contribute to objectives within both the Place and People Themes of the new Borough Plan
- 7.2 Place Theme: A place with strong, resilient & connected communities where people can lead active and healthy lives in an environment that is safe, clean and green.
- 7.3 People Theme: Our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

- 8.1.1 Recommendations and responses set out in Appendix 1 are cost neutral. There are financial implications but as detailed in the responses, these are subject to:
- External funding being achieved

- Separate decision-making processes

8.2 Legal

8.2.1 Under Section 9F of the Local Government Act 2000 ('LGA'), the Overview and Scrutiny Committee has the power to make reports or recommendations to Cabinet on matters which affect the Council's area or the inhabitants of its area.

8.2.2 Under Section 9FE of the LGA there is a duty on Cabinet to respond to the Report, indicating what (if any) action Cabinet proposes to take, within two months of receiving the Report and recommendations.

8.3 Equality

8.3.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.3.2 The recommendations of the Panel when fulfilled will contribute towards improving outcomes in care homes for disabled and older people, advancing equality of opportunity between them and the wider population.

9. Use of Appendices

9.1 Appendix 1 – Responses and updates to the Overview and Scrutiny Committee report recommendations.

10. Local Government (Access to Information) Act 1985

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Appendix 1

Care Home Commissioning – Conclusions and recommendations of Overview and Scrutiny Committee, responses to recommendations

| Overall comments on the report | | | | |
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| The Council welcomes the attention being given to the processes surrounding care homes, their commissioning and how they can be improved. The Council notes the significant work already underway across North Central London, in which Haringey is playing a prominent role both strategically and operationally, and which is reflected in the response below. | | | | |
| Recommendation | Response (Agreed / Not agreed / Partially agreed) | Who and when | Update – Current Progress, March 2019 | |
| Developing a skilled and valued workforce | | | | |
| 1 | To set up a Body to recognise the role and job description of a care worker. This would include care workers within the Domiciliary, care home and nursing home setting. This body would regulate pay and conditions across the care sector. It would also ensure that there was scope for staff to progress in their careers. Whilst this | Not agreed | Charlotte Pomery | <p>The Council has been working with the other four boroughs in North Central London (Barnet, Camden, Enfield and Islington) to develop the Proud to Care portal – a local jobs website for people who would like to start a career in adult health and social care. The portal gives advice about careers pathways, insights into a range of job roles, and also features local jobs with a range of employers.</p> <p>Proud to Care also has a network of ICare Ambassadors who go into the community, schools and colleges to share their stories and showcase the range of jobs and careers on offer, both to increase the awareness of caring as a career option and to improve its status within society.</p> <p>Proud to Care North London was set up by the North London Sustainability and Transformation Partnership. It is a</p> |

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| | <p>would start at a local level, the aim would be to gain national recognition.</p> | | | <p>partnership between local councils, Clinical Commissioning Groups, NHS Trusts, GP practices and independent care providers across Camden, Islington, Haringey, Barnet and Enfield.</p> <p>The Proud to Care Portal is focusing first on recruitment, retention and career progression for care workers across the health and care sector.</p> <p>It is worth noting that the Council has adopted the Ethical Care Charter to drive improved standards in home care.</p> <p>Taking on a regulatory function as suggested is outside the remit of a local authority and would need careful consideration given by other bodies, notably the Care Quality Commission, operating in this area.</p> |
| 2 | <p>To ensure that all care workers receive a yearly appraisal, with pay review, based on an incremental system of pay within grades.</p> | Partially agreed | Charlotte Pomery | <p>It is for providers to work directly with their staff to ensure they have the necessary skills and development and receive appropriate levels of pay. In our quality assurance work, as with that of the Care Quality Commission, we monitor the quality and consistency of the workforce and the infrastructure which supports them, both of which are fundamental elements in delivering quality to users.</p> <p>As part of our service improvement and quality assurance function with providers, we monitor whether staff have appropriate appraisals and supervision and ensure that care home are meeting their statutory and contractual obligations.</p> <p>The Council has signed up to the Ethical Care Charter (which focuses on home care) and is also a LLW Accredited Organisation.</p> |

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| 3 | To provide accredited training for care workers, whilst ensuring there is a recognised difference of care workers within the care system, for example, frail elderly home care, learning disability care, mental health care. Training courses should be tailored to suit each speciality. | Not agreed | Farzad Fazilat | This responsibility sits with providers rather than with the local authority, except where it is itself a provider. The Council does set up some regular training courses, for example on safeguarding, but also monitors and audits the training provided within the sector which should be led by the needs of the workforce and of the particular specialism. |
| 4 | To set up a forum for care workers to meet any issues or ideas to improve care within their settings or working conditions. | Partially agreed | Charlotte Pomery | The Proud to Care portal will, over time, develop this function which will be a useful offer for care workers to learn and develop. |
| 5 | To consider working with North Central London partners to develop actions from Recommendations 1-4 on a cross-borough basis. | Partially agreed | Charlotte Pomery | This work is already in place and being developed across North Central London. |
| Improving care provision and support for service users and carers | | | | |
| 6 | To set up an Independent Advocate service which would | Not agreed | Aphrodite Asimakopoulou | There is already an Independent Advocacy service in place in the borough to respond to any issues raised with regard to Care Act assessments and a separate one in relation to |

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| | provide information and support to service users and designated carers, particularly in relation to the first Social Worker review for care assessment. | | | mental capacity. |
| 7 | To ensure that annual reviews of care provision / placements take place, in order to assess whether the services provided are still appropriate for the client. Establish a secure online portal to enable service users and carers (as well as Social Workers) to have easier and faster access to all assessment and review documents in order to a better understanding of any changes to the Service User's care plan. Enable Service Users and Carers to be able to comment directly via this portal with the Social Worker who undertook the | Noted for inclusion in the specification of requirements for a care management system | Chris Atherton, Principal Social Worker | <p>Annual reviews are monitored to ensure they are undertaken and should address the wider wellbeing issues for the user as well as the sufficiency of the provision.</p> <p>There is an opportunity, in the recommissioning of the Council's care management system currently underway, to specify requirements with regard to ensuring users and carers, as well as practitioners, have access to assessment and review documents as a matter of practice. This recommendation will be fed into this wider piece of work to ensure it can be responded to fully.</p> |

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| | assessment in relation to any queries around the care plan. This would allow changes in care to be tracked and rational behind any changes to be explained. | | | |
| 8 | To request that Healthwatch carry out spot checks in every provider where there is a Haringey contract in place, and reports provided to the Local Authority and CCG. | Not agreed | Georgie Jones-Conaghan, Lead Commissioner | <p>The current approach to commissioning HealthWatch is based on a set of statutory requirements and spot checks are carried out in response to themes identified with partners. To carry out spot checks in every provider where there is a Haringey contract would affect the way HealthWatch operates and risk not having a proportionate response to risk and issues in the system.</p> <p>The quality assurance function is carried out by the Council and by the Clinical Commissioning Group (CCG) working together to ensure they know their provider landscape and respond efficiently to issues and risk.</p> |

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| 9 | <p>To ensure that better information is provided to service users and carers in relation to community provision, via Community Asset Mapping, particularly before admission to a care or nursing home setting. Specific measures could include:</p> <ul style="list-style-type: none"> • Social workers putting service users and carers in touch with their local Community Care Navigators in appropriate circumstances so that they can get access to other local community groups or services that would be useful to them (e.g. in cases where the | Partially agreed | Charlotte Pomery | <p>The ongoing Voluntary and Community Sector (VCS) Asset mapping includes regularly updated information about over 1,000 local providers. The outward facing information is available publicly at http://bridges.force.com/directory/ and is searchable by locality, service type and beneficiary. The Social prescribing tab includes physical activity and exercise and can be selected within cohorts to show activities currently available.</p> <p>Asset mapping has continued and we are keen to incorporate more information and listings as these become verified and known. Local Area Co-ordinators, Care Navigators and many voluntary and community sector organisations are utilising the VCS Directory in order to connect residents up with local support, services and activities, including activities for older people, as well as advertising their current offer. We are establishing an Engagement Forum so that all the existing co-ordinator roles share information on community based activities and issues together, for direct work with residents.</p> <p>We are reviewing information available to users and family carers, although a printed leaflet may not be the preferred medium.</p> <p>We continue to update and refine Haricare in line with changing information and feedback from those using the system.</p> |

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| | <p>Service User accesses 'paid care' for less than 5 days a week due to budget limitations)</p> <ul style="list-style-type: none">• To update the Haricare website page to ensure that information is presented in a way that is accessible and user-friendly.➤ To provide service users and carers with a booklet at the first contact with the Social Care team that would include details about the assessment process, advice about the rights of service users and carers and useful contact numbers and addresses. | | | |
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| 10 | To ensure that Safeguarding information is provided to clients and carers (e.g. leaflet upon first contact on noticeboards at care homes) with clear contact numbers (if home care, then within the home care contract). | Agreed | Chris Atherton and Farzad Fazilat | There has been a programme of safeguarding promotion but we will continue to ensure that users and carers have easy access to safeguarding information. |
| The relationship between care providers and the local authority/CCG | | | | |
| 11 | To set up quarterly forums, attended by CCG and Council commissioners, for service providers to raise any issues or concerns that they have about funding. This forum should report the service providers' concerns and any identifiable solutions to the Cabinet Member to improve their understanding of the stress within the system and how the Council is working to address any problems within its remit. | Agreed | Farzad Fazilat | <p>A quarterly Provider Forum (indeed it often meets more frequently) is already in place and offers information sharing, promotion of best practice and opportunities for providers to raise issues.</p> <p>A line of communication to the Cabinet Member is already in place on an informal basis, but will be formalised to ensure that it takes place after each Forum.</p> |

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| | | d & e - Agreed | | |
| 12 | To encourage a dialogue with providers in relation to recommendations 1 – 3, to ensure that there is consistency across the board. | Agreed – subject to the status of the recommendation responses | Farzad Fazilat | This recommendation is being taken forward through the Provider Forum mentioned above. |
| 13 | To work with the CCG to address concerns around funding for local providers. | Agreed | Charlotte Pomery | This issue and possible funding solutions are the focus of existing work between the CCG and the Council. |
| 14 | To embed Social Workers within the staff of the new GP hubs to enable better coordinated care delivered in a community setting. | Agreed | Jon Everson | The localities work in North Tottenham is progressing integrated working in Locality Teams, which will include a multi-agency offer, including social workers. |

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Report for: Cabinet 8 October 2019

Item number:

Title: Response to findings of the Scrutiny Panel review of day opportunities and community provision

Report authorised by: Charlotte Pomery – Assistant Director for Commissioning

Lead Officer: Paul Allen, Head of Integrated Care

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1 Across 2018/2019, the Adults and Health Scrutiny Panel undertook an in-depth piece of work regarding day opportunities and community provision in Haringey following which a number of recommendations were made to Overview and Scrutiny Committee.
- 1.2 This report provides a response to implementing the Overview and Scrutiny Committee recommendations, as set out in Appendix 1.

2. Cabinet Member Introduction

- 2.1 I welcome the work of the Adults and Health Scrutiny Panel to review day opportunities and community provision in Haringey. As Chair of the Adult Social Care Redesign Group, I also have recognised the importance of this area of work and have established a distinct working group to focus on day opportunities. This group actively engages with users, carers, partners, Members and other stakeholders to co-design our wider offer for all disabled and older residents as well as to ensure that the opportunity afforded by bringing back into use two former day centres for day provision, with the further third earmarked for supported living, is optimised for the benefit of local residents.

3. Recommendations

- 3.1 The Cabinet is asked to agree the response to the recommendations of the Review of Day opportunities and community provision, carried out by Adults and Health Scrutiny Panel and endorsed by Overview and Scrutiny Committee at appendix 1.

4. Reasons for decision

- 4.1 There is a duty on Cabinet to respond to a report from the Overview and Scrutiny Committee – and in any event, the provision of day opportunities and access to a strong community offer are both important issues for local residents, contributing to improved health and wellbeing.

5. Alternative options considered

- 5.1 There is a duty on Cabinet to respond to a report from the Overview and Scrutiny Committee and therefore no alternative option was considered.

6. Background information

- 6.1 Having received a number of reports on the provision of day opportunities in Haringey, the Adults and Health Scrutiny Panel concluded that further engagement with service users and officers was required to get a better understanding of the day provision following the gradual move, since 2016, to a new model of day opportunities and specifically following the closure of some in-house day centres.

- 6.2 At its meeting on 19th November 2018, the Overview and Scrutiny Committee agreed the scoping document for a review of day opportunities by the Adults and Health Scrutiny Panel. The terms of reference were to review the current day opportunities provision in Haringey in order to learn from the past and improve care in the future for residents, including:

- Looking at services from a resident's perspective - what has happened to service users and their carers since the day care closures?
- The financial impact - has this move from day centre based care to the community saved Haringey Council money?
- Current placements - where are Haringey residents being cared for now?
- Good practice elsewhere – what services are provided by other boroughs and what have residents groups in other boroughs experienced on co-design of adult social care services?

- 6.3 As the Review report made clear, the terms of reference acted as a starting point for the Review but that after speaking to carers, service users and service providers the Panel widened its scope to pursue other issues and concerns that had arisen. Additionally, in the Foreword, the Chair of the Panel noted that the recommendations should be read as a springboard for a wider discussion with the Cabinet Member and senior officers and that how these recommendations are delivered or improved upon is the remit of the Adult Social Care Review and the Cabinet. The Review of Adult Social Care is ongoing and a sub-group focused on day opportunities is still meeting, most specifically to bring back into use for day provision the former day centres at The Haven and the Roundways. The third day centre, Woodside, mentioned in the Scrutiny Panel report is being brought back into use as supported living and is therefore not considered as part of this response.

7. Contribution to strategic outcomes

- 7.1 The recommendations and responses made will contribute to objectives within both the Place and People Themes of the new Borough Plan
- 7.2 Place Theme: A place with strong, resilient & connected communities where people can lead active and healthy lives in an environment that is safe, clean and green.
- 7.3 People Theme: Our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential.

8. Statutory Officers comments

8.1 Finance and Procurement

- 8.1.1 There are no direct financial implications arising from the recommendations and responses set out in Appendix 1. However, where a formal decision is required to implement proposals and they then have a financial implication, these will be subject to:

- Funding source being identified and agreed
- A separate decision-making to be followed where required

8.2 Legal (Head of Legal Services and Deputy Monitoring Officer)

- 8.2.1 Under Section 9F of the Local Government Act 2000 ('LGA'), the Overview and Scrutiny Committee has the power to make reports or recommendations to Cabinet on matters which affect the Council's area or the inhabitants of its area.
- 8.2.2 Under Section 9FE of the LGA there is a duty on Cabinet to respond to the Report, indicating what (if any) action Cabinet proposes to take, within two months of receiving the Report and recommendations.

8.3 Equality

- 8.3.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - advance equality of opportunity between people who share those protected characteristics and people who do not;
 - foster good relations between people who share those characteristics and people who do not.
- 8.3.2 The recommendations of the Panel when fulfilled will contribute towards improving day opportunities for disabled and older people, advancing

equality of opportunity between them and the wider population.

9. Use of Appendices

9.1 Appendix 1 – Responses and updates to the Overview and Scrutiny Committee report recommendations.

10. Local Government (Access to Information) Act 1985

Appendix 1

Day opportunities and community provision in Haringey – Conclusions and recommendations of Overview and Scrutiny Committee, and responses

| Overall comments on the report | | | | |
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| | The Council recognises the importance of access to a wide range of day opportunities in the community for disabled and older people, to meet their identified needs and outcomes. | | | |
| Recommendation | Response (Agreed / Not agreed / Partially agreed) | Who and when | Current Progress, October 2019 | |
| Mental health | | | | |
| 1 | In developing proposals to transform the site at Canning Crescent to support people with mental health problems, commissioners should consider what lessons could be learned from the model of mental health adopted by Mosaic Clubhouse in Lambeth | Agreed | Tim Miller, Lead Commissioner for Mental Health October 2019 | This recommendation is timely as commissioners are keen for the Canning Crescent provision both to be built on the voice of the user and to reflect best practice across London and beyond. Co-design work with users and other stakeholders is already underway as is research into similar models of community-based support elsewhere. The Cabinet Member for Adults and Health has recently visited Mosaic and is also interested in this model. |
| Former day centres being brought back into use | | | | |
| 2 | Of the three former day centres proposed to be brought back into use: One should be used to expand capacity to support service users by | Partially agreed | Charlotte Pomery October 2019 Through the Day Opportunities | There are proposals for each of the three former day centres to be brought back into use as follows: a. One is being developed to offer specialist learning disabilities/autism day opportunities and support b. One is being developed to offer an autism hub focused on autistic people without a learning disability and employment |

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| | <p>providing specialist dementia support in the east of the borough</p> <p>One should be used to expand capacity to support service users by providing specialist learning disabilities/autism support</p> <p>One should be used to expand capacity to support a broader range of service users with physical disabilities and other conditions</p> | | <p>Working Group of the Adult Social Care Redesign Group</p> | <p>support to a range of disabled and older people</p> <p>c. One is being developed as supported living for people with complex needs including behaviour that challenges rather than as day provision, because of its location and the wider need in the borough</p> <p>There are proposals to develop the provision of specialist dementia support in the East of the borough.</p> <p>These proposals are being led through the Day Opportunities Working Group of the Adult Social Care Redesign Group</p> |
| 3 | <p>The spaces provided by the re-opened centres should be used as part of a wider community offer, including after 4 o'clock when day centre service users are not using them, in order to generate income and provide an additional community resource</p> | <p>Agreed</p> | <p>Georgie Jones-Conaghan, Lead Commissioner for Learning Disabilities and Autism</p> | <p>The staffing for the repurposed day provision at Waltheof Gardens includes a Resources Manager to ensure use of the buildings is optimised throughout the week, including evenings and weekends, to offer a wider community resource and to generate income as appropriate.</p> <p>These proposals are being led through the Day Opportunities Working Group of the Adult Social Care Redesign Group</p> |
| 4 | <p>That the capital allocation provided to bring the former day centres back into use must be sufficient to ensure that they are fit</p> | <p>Agreed</p> | <p>Georgie Jones-Conaghan, Lead Commissioner for Learning Disabilities and Autism</p> | <p>The importance of the physical design and condition of the buildings and wider site is not underestimated and work is underway to ensure these support the wider offer.</p> <p>These proposals are being led through the Day Opportunities Working Group of the Adult Social Care Redesign Group</p> |

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| | for purpose, that they be suitably adapted to meet the needs of specific type of service users and that all service users, carers and providers will have confidence that they are suitable high quality spaces to use | | | |
| 5 | That commissioners should report to the Adults and Health Scrutiny Panel on an annual basis about progress at the new day centres to enable the Panel to monitor the quality of service delivery and value for money that is being achieved | Agreed | Charlotte Pomery, Assistant Director Commissioning Annually | An annual report will be brought forward to Adults and Health Scrutiny Panel providing an update on the delivery of the day opportunities offer at Waltheof Gardens These proposals are being led through the Day Opportunities Working Group of the Adult Social Care Redesign Group |
| Council-owned community buildings | | | | |
| 6 | To provide more support to service providers on how they can demonstrate social value in order to benefit from rent reductions from Haringey Council, including by allocating each applicant with a named officer tasked with providing guidance on how to navigate this | Noted for inclusion in the Community Buildings Review | Charlotte Pomery, Assistant Director Commissioning | A review of the offer from the Council as landlord to community organisations is currently underway and will be reported in due course, this recommendation has been noted for inclusion in the wider review. |

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| | process and helping them to understand what actions are required to deliver the Council's social value objectives | | | |
| 7 | To give the reduction of social isolation strong consideration in the assessment of eligibility for rent discounts for Council-owned community buildings | Agreed | Charlotte Pomery, Assistant Director Commissioning | Social isolation is already included and considered, as it falls within the Health and Wellbeing domain of the Social Value Framework |
| Transport | | | | |
| 8 | To emphasise the lack of strong east to west transport links and the strength of feeling about the need for accessible and reliable transport needs to be taken into account when determining which services should be provided at the three ex-day centres in order to ensure that more service users can access support in their part of the borough | Agreed | Georgie Jones-Conaghan, Lead Commissioner Learning Disabilities and Autism | <p>Ensuring access to any provision is a core element of its design and development and is being taken into account in both the offer to be made from each provision and the identification of users to be supported there.</p> <p>These proposals are being led through the Day Opportunities Working Group of the Adult Social Care Redesign Group</p> |
| 9 | To ensure that part of the funding offer for day opportunities needs to include transport as this | Agreed | Georgie Jones-Conaghan, Lead Commissioner Learning | Assessing travel needs and ensuring the requisite support is in place to enable users to travel to those provisions which will meet their needs is already a core part of the assessment and provision process. |

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| | is a high level need which is essential to enable accessibility. Proposed transport arrangements should always be included in the written information provided to service users after an assessment (see recommendations 13 & 14). Senior officers should have oversight of the written information given to service users around the different transport offers and how they will be assessed. | | Disabilities and Autism Ongoing | |
| Access to information | | | | |
| 10 | To redesign the Haricare website page to ensure that information is presented in a way that is accessible and user-friendly. | Partially Agreed | Ngozi Anuforo, Head of Strategic Commissioning Early Help and Culture | There has been considerable development, based on engagement with users, carers and wider stakeholders, on Haricare leading to a series of ongoing improvements in design and functionality. These will continue to ensure that high quality, up to date information is presented in the most accessible way |
| 11 | To provide guidance on adult social care provision in the Borough, including clear information about the pathways to services in | Partially agreed | John Everson, Assistant Director Adult Social Care | As part of the work of the wider Adult Social Care Redesign Group, consideration will be given to how information about adult social care provision is best presented and whether a printed booklet can remain up to date and relevant. The current thinking is that the expanded co-ordinator offer, described |

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| | a printed booklet, based on a similar format to that of the Preparing for Adulthood Pathway Guide, which could be made available in a range of community settings and distributed by front-line staff including social workers, GPs and other primary care staff and Local Area Coordinators. | | | <p>below, might form a stronger basis for an improved information offer given it will always be more up to date and responsive to individual needs. The issues are always about relevance and accuracy.</p> <p>In addition, Bridge Renewal Trust has developed a comprehensive asset map for the borough, with deep dives into specific wards. And Haringey Over 50s Group has also recently produced a number of directories to provide information.</p> |
| 12 | To expand the use of Local Area Coordinators and/or Dementia Care Navigators in Haringey to improve access to information about day opportunities and community care provision, particularly for people who are more socially isolated. | Agreed | Charlotte Pomery, Assistant Director Commissioning | <p>The expansion of our network of community based co-ordinators has already got underway and includes:</p> <ul style="list-style-type: none"> • 4 more Local Area Co-ordinators bringing the number up to 6 in total • A Reach and Connect offer for all residents over 50 • Social prescribing resources for each of the 8 Primary Care Networks • Expanded Connected Communities offer, now operating across the borough • Dementia care navigators still in place <p>The workers operating across these services are aware of each other and will meet regularly through an Engagement Forum to ensure best exchange of information and intelligence about the full range of community provision.</p> |
| Assessments | | | | |
| 13 | To check and verify that all individuals that are assessed by Haringey Council under the Care | Agreed | Chris Atherton, Principal Social Worker | This forms part of the ongoing quality assurance function within Adult Social Care which is monitored through regular audit, listening to the voice of users and carers and continuous professional development for staff. |

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| | Act are all receiving a written copy of their assessment. | | | |
| 14 | To establish a secure online portal to enable service users and carers (as well as Social Workers) to have easier and faster access to all assessment and review documents in order to a better understanding of any changes to the Service User's care plan. Enable Service Users and Carers to be able to comment directly via this portal with the Social Worker who undertook the assessment in relation to any queries around the care plan. This would allow changes in care to be tracked and rational behind any changes to be explained. | Noted for inclusion in the specification of requirements for a care management system | John Everson, Assistant Director Adult Social Care | There is an opportunity, in the recommissioning of the Council's care management system currently underway, to specify requirements with regard to ensuring users and carers, as well as practitioners, have access to assessment and review documents as a matter of practice. This recommendation will be fed into this wider piece of work to ensure it can be responded to fully. |
| Contracts | | | | |
| 15 | To provide further information to the Adults & Health Scrutiny Panel throughout the course of | Agreed, subject to the Council's policy | Farzad Fazilat, Head of Quality Assurance and Brokerage | Information as requested, subject to any commercial confidentiality, will form part of the annual update report to Adults and Health Scrutiny Panel agreed above. |

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| | <p>the ongoing refresh of day opportunities about the payment levels being made to service providers and to ensure that service providers are paid at a sufficient rate to enable them to pay their staff at or above the level of the London Living Wage.</p> | <p>position and the need for commercial confidentiality</p> | | <p>Haringey Council has signed up to the Ethical Care Charter and is a LLW Accredited organisation, commitments which it is delivering in a planned way within a sustainability and affordability framework.</p> |
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Report for: Cabinet, October 8th 2019

Title: Insourcing Policy Statement

Report authorised by : Stephen McDonnell, Director of Environment and Neighbourhoods

Lead Officer: **Barry Phelps**
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Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This report sets out the rationale, purpose, and scope of an Insourcing Policy for the Council, attached at Appendix 1. The new Insourcing Policy marks a significant shift away from the Council's previous approach, and identifies a new policy where insourcing is the default preference.
- 1.2. The Insourcing Policy also commits to a strategic review of all commissioned services when contracts come up for renewal; efficient management and a frank review of the workings of all externally commissioned services and the development of a framework and implementation plan for in-house delivery of services over the longer term.
- 1.3. The Council's commitment to insourcing is grounded in a belief in public services, in public ownership and control, and that in taking responsibility for direct service delivery outcomes for residents can be improved by:
 - making it easier for the Council to work collaboratively with communities in the design and delivery of public services which reflect what they need, recognising that service delivery is a core element of our relationship with residents;
 - strengthening the Council's organisational sustainability and resilience, by further developing the skills and knowledge of the Council's workforce, organisational capacity and infrastructure;

- increasing the numbers of locally employed people who will benefit from the excellent terms and conditions the Council offers as an employer;
 - opening services to increased scrutiny and accountability to drive improved outcomes; and
 - squeezing the maximum financial and social value from each pound spent.
- 1.4. It is important to note the Council already has a strong baseline in delivering services in-house that are commonly outsourced by other comparable local authorities, such as parking enforcement. The Council has also made significant progress in the last year in bringing services back in-house, enabling service improvements and financial savings:
- Cabinet agreed in July 2019 that the Council would bring the facilities management function back in house to be delivered by a combination of the Council and Homes for Haringey
 - The CCTV operations were brought back in house in August 2018
 - 27 new jobs have been created in Children’s Services as part of “invest to save” proposals, including proposals designed to increase in the number of in-house, rather than agency, foster carers, and investment in a team to operate the Pause model in Haringey, which will work with women who have experienced, or are at risk of, repeated pregnancies that result in children needing to be removed from their care.
 - School HR services are being redesigned and retained in house ICT are developing in-house capacity instead of outsourcing a £2m network contract
- 1.5. The Council’s approach to commissioning has at its heart principles that ensure a focus on delivering the best possible services and outcomes for residents, grounded in understanding residents’ needs.
- 1.6. The introduction of the Insourcing Policy places a greater emphasis on how services are delivered and notably on developing in-house delivery as the default preferred option. This will require some amendments to the commissioning framework.
- 1.7. This policy includes an immediate commitment to a structured programme of work to support sustained progress on this agenda, building on work to date. The Council recognises that this will significantly change the shape and size of the organisation and require changes to its infrastructure and organisational capacity which may take some time to deliver in full. In many areas, a phased approach may be required which builds the skills and capability of in-house staff before moving comprehensively to new models of delivery.
- 1.8. As part of this work, an implementation plan for insourcing will be produced by March 2020 which will set out further detail on the Council’s approach to bringing services back in-house, how the Council will make individual decisions about insourcing particular services, and will set out how we will deliver the resource and infrastructure needed to support this programme of work.

- 1.9. The Insourcing Policy supports the Council's Community Wealth Building approach to economic development by enabling the Council to keep wealth in the local community, keep public assets in public ownership, offer quality employment opportunities that are accessible to local residents, and create social wealth and enhance community activity. As such, the Insourcing Policy links to other forthcoming Council strategies that support the Community Wealth Building approach, notably the Procurement Strategy, Asset Management Plan, Housing Strategy, Community Buildings Strategy, Workforce Strategy, and Economic Development Strategy.

2. Cabinet Member Introduction

- 2.1 The Council's commitment to insourcing is grounded in a belief that all public spending should firstly deliver a public benefit, and that every council's plan for the delivery of services on behalf of their residents should seek to maximise every pound spent on the delivery of the service itself.
- 2.2 Consequently, this Insourcing Policy signals a significant change of direction for Haringey Council. The Council should no longer be perceived as a Commissioning Council, but a municipality committed to finding ways to directly deliver services to residents.
- 2.3 In doing this, our administration is moving to reverse at a local level the almost forty year national trend towards outsourcing, which has resulted from not just the 'opening up' of public services to the market, but also a legislative regime that has made in-house provision of local services more difficult. This policy has caused a range of harms: it has unfairly meant that local councils have lost control over some local services whilst retaining ultimate responsibility for their quality and delivery; it has eroded worker protections and the power and mutual support of organised labour; and the artificially low costing of outsourced projects has meant that the public sector and society more widely have been left footing the bill.
- 2.4 Introducing a preference for insourcing supports my administration's goals to improve local services for local people, maximise the community benefit we achieve with our budget, increase quality job opportunities and good working conditions for residents, and secure democratic accountability of public services.
- 2.5 In Haringey we have a strong starting point: we have retained in-house many services which have been outsourced elsewhere and have already made good progress in bringing more services in-house. The introduction of this policy signals our commitment to build on this work.
- 2.6 This Policy will commit the Council to a strategic review of all externally commissioned services as their contracts come up for renewal. This will assess

the efficient management and workings of all externally commissioned services and anticipate opportunities to bring services back in-house, in a way that focusses on what is most important to us, and sustainably increases the capacity of the Council.

- 2.7 I firmly believe that the Insourcing Policy will have a significant and positive impact on our Council, on local services, and on Haringey's economic development.

3. Recommendations

It is recommended that Cabinet:

1. Notes progress made to date in relation to insourcing services that could otherwise be delivered by commercial providers;
2. Approves the Insourcing Policy, as set out in Appendix 1;
3. Approves the development of an implementation plan and the commencement of work to build the capacity of the organisation to insource services;
4. Notes links with the Council's Community Wealth Building approach and the forthcoming Economic Development Strategy.

4. Reasons for decision

- 4.1. The trend among local authorities towards insourcing is driven by several factors, including:

- Financial pressures, noting that insourcing and direct delivery may be more cost efficient and provide better value for money
- Risk management, noting the collapse of Carillion and the need to insulate critical services from commercial failure
- Public expectations, noting that insourced services have achieved higher degrees of user satisfaction than the previously outsourced services

- 4.2. In addition, the following potential benefits of bringing services in-house have contributed to the case for insourced services:

- Better quality services, compared to under-performing outsourced services;
- Value for money and flexibility whereby councils, by virtue of having direct control of services, are better able to respond to changing needs;
- More strategic, holistic delivery of local public services as part of integrated delivery models, made possible by insourcing of services;
- Contribution to local economy, whereby insourcing can result in stronger local supply chains and enhanced local employment;
- Sustainability, whereby direct control can enable service delivery to reflect environmental considerations and sustainability commitments

- 4.3. It is important to note that these benefits can only be realised, and the Council's objectives met, when insourcing is done well. The challenge for Haringey, and all local authorities, is not just to make the right individual decisions about insourcing specific services, but also to set the parameters for determining what is practically feasible in terms of insourcing, taking into account capability, capacity, and financial implications relating to the transition to insourced services.
- 4.4. The proposal to approve the Insourcing Policy is being made in order to signal a clear step-change in the Council's service delivery policy. Having a clear policy will ensure that decisions about whether to insource services are taken in ways which maximise the chances of success.
- 4.5. It also makes a commitment to a structured programme of work to support sustained progress on this agenda, building on work to date. As part of this work, an implementation plan for insourcing will be agreed by Cabinet by March 2020 which will set out further detail on how the Council will adopt a strategic approach to bringing services back in-house, make individual decisions about insourcing services using an updated commissioning framework, and develop the resource and infrastructure needed to support this programme of work.
- 4.6. The policy recognises that the desire to insource services underpins the political priorities of this administration and remains the Council's preferred model of service delivery. However, the Council must make decisions on a sustainable and legal basis. Where the council looks at proposals of how to deliver any service going forward, the quality of that delivered service and the social and financial value for money must be considered. Furthermore, proposals must be subject to assessment as part of our commissioning processes.
- 4.7. Decision options will include direct delivery by the Council, working with other public sector organisations, extension of current contracts, commissioning of alternative third-party providers shared services, working with community and voluntary sector organisations, or a hybrid model whereby various aspects of a service are delivered by different providers that may be in-house or external. Decisions may also be taken to insource services at a later date, subject to development of sufficient organisational capability and/or capacity.

5. Alternative options considered

5.1 Do Nothing

The Council could not adopt an Insourcing Policy. This would mean that either a) no decisions to insource would be made, or b) such decisions would be made in an ad hoc manner with insufficient consideration for the criteria for successful transition to in-house delivery noted at para 4.6. This option would either a) not deliver the administration's manifesto commitment, or b) would result in an unsustainable degree of legal and financial risk to the Council. On this basis the option to not adopt an Insourcing Policy has been rejected.

6. Background information

- 6.1. The Council administration's 2018 local election manifesto vision describes a '*...preference is for in-house services over outsourcing – services from social*

care to street cleaning, where this doesn't diminish quality and is financially prudent.'

- 6.2. The manifesto also undertakes to 'review all of our commissioned services to see whether savings can be made if we deliver the service ourselves.'
- 6.3. Haringey has already made progress to bring certain services in-house where it has been possible or necessary to do so in order to maintain service quality and value for money, as noted at para 1.5.

7. Contribution to strategic outcomes

- 7.1 The proposal supports the delivery of first Economy priority outcome of the Borough Plan, "A growing economy and thriving local businesses, supported by a community wealth-building approach" and its first objective to "maximise the benefits of Council, other public sector funding and private investment for the local area." The Insourcing Policy is included as a deliverable for the Economy priority in the Borough Plan Delivery Plan 2019/20, approved by Cabinet in July 2019.
- 7.2 The proposal also supports the delivery of the Your Council priority outcome to "be a council that uses its resources in a sustainable way to prioritise the needs of the most vulnerable residents" and its objective to "deliver value for money by acting creatively and innovatively to design and deliver services that are good value for residents and taxpayers." The Insourcing Policy is included as a deliverable for the Your Council priority in the Borough Plan Delivery Plan 2019/20, approved by Cabinet in July 2019.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1. This report seeks Cabinet approval for the Insourcing Policy detailed in Appendix 1.
- 8.2 The cost of developing this policy will have been contained within existing budgets.
- 8.3. Future projects that arise from the implementation of this policy will require individual consideration and will be supported by a financial assessment to assist in establishing affordability; and best value and will follow the normal governance process.

Strategic Procurement

- 8.3. Strategic Procurement fully supports the adoption of an Insourcing Policy as outlined in the report and Appendix 1.
- 8.4. The Insourcing Policy is a primary consideration both in the Procurement Strategy and builds upon the key themes of Community Wealth Building and delivering value for money. Whilst it could be conceived a Procurement

Strategy and an Insourcing Policy can be 'at odds with one another', Strategic Procurement believe they can complement one another in ultimately delivering common goals (i.e. local services delivered by local people, value for money, community wealth and social value etc.).

- 8.5. The Council's Commissioning framework is key to ensuring we fully consider the best value delivery options for our services. Updating the Commissioning framework to ensure we apply a consistent approach to assessing service delivery options, will be paramount to identifying insourcing opportunities.
- 8.6. Strategic Procurement already undertake a challenge review of contracts in excess of £160,000; however, the adoption of this Insourcing Policy provides a more robust framework for assessing the suitability of these contracts being delivered directly by the Council.

Legal

- 8.7 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and the Insourcing Policy.
- 8.8 The Assistant Director of Corporate Governance confirms there are no legal implications at this stage. If the Insourcing Policy is approved by Cabinet legal advice should be obtained on a project by project basis.
- 8.9 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

Equality

- 8.10 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.11 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.12 The decision is to approve an Insourcing Policy for the Council. The Policy provides a framework for decision-making regarding who provides services for Haringey residents. Equalities considerations in this instance relate to the providers of services and the recipients, meaning Haringey residents.

- 8.13 Looking at the demographic profile of the working-age population in Haringey, it is notable that a high proportion of frontline staff are likely to be from BAME communities regardless of whether they are employed by the Council or another service provider. One of the main aims of the Insourcing Policy is to, by bringing more services back in-house, ensure that more local people benefit from the excellent terms and conditions offered as part of employment by the council, and given the profile of frontline service workforce, there is a potential disproportionately positive impact on BAME staff.
- 8.14 It is likely that there will be a high proportion of individuals with protected characteristics among the recipients of any given service due to the nature of local authority services. The Insourcing Policy maintains a commitment to service quality so that no service users experience a preventable deterioration in the service they receive. Moreover, it is the Council's ambition to improve service quality and thereby help to advance equality of opportunity for residents with protected characteristics by better meeting their needs where these are different to the needs of others.
- 8.15 Screening for equality impacts will be undertaken as and when individual proposals to change delivery models are developed. If appropriate, detailed equality impact assessments will be completed for individual proposals.

9. Use of Appendices

Appendix A: Insourcing Policy

10. Local Government (Access to Information) Act 1985

Borough Plan Delivery Plan 2019/20, approved by Cabinet in July 2019

http://www.minutes.haringey.gov.uk/documents/s110229/Cabinet%20Report%20Borough%20Plan%20delivery%20plans%20-%20July%202019%20FINAL_18.24.pdf

Appendix 1

Haringey Council's Insourcing policy

This policy supports Haringey Council's intention to deliver more services directly and to shape a sustainable future for the authority.

Current position

Haringey spends £350m - £400m per year on services, goods and works to meet the needs of our residents. We are committed to ensuring every public pound that we spend delivers social value, value for money, and creates wealth in our communities. Insourcing is one of the core levers we will use to fulfil these commitments, alongside our procurement strategy and community wealth building approach.

Principles

Our commitment to insourcing is grounded in a belief in public services, in public ownership and control, and that in taking responsibility for direct service delivery we can improve outcomes for our residents, by:

- making it easier for us to work collaboratively with our communities in the design and delivery of public services which reflect what they need, recognising that service delivery is a core element of our relationship with residents;
- strengthening our organisational sustainability and resilience, by further developing the skills and knowledge of our workforce; and our organisational capacity and infrastructure;
- increasing the numbers of locally employed people who will benefit from the excellent terms and conditions we offer as an employer;
- opening services to increased scrutiny and accountability to drive improved outcomes; and,
- squeezing the maximum financial and social value from each pound spent.

The introduction of this policy represents a significant change in direction: it signals the Council's policy of insourcing by default. The council is now fully committed to finding ways of directly delivering services to its residents, moving away from the practice of outsourcing delivery to third parties.

Work will start now on a strategic review of service delivery, using the principles set out in this policy, and the development of a sustainable implementation plan for in-house delivery of services over the longer term. In the short term, decisions on whether to deliver individual services in-house or not will be taken using the criteria defined in our commissioning framework, which include affordability, capacity and capability.

Wider context

In introducing a policy which signals a default preference for in-house service delivery, Haringey is seeking to reverse the orthodoxy of the past few decades, which has favoured the outsourcing of public services. This is in acknowledgement not only of the significant risks associated with outsourcing key services, as illustrated in high profile failures of providers like Carillion and Interserve, but also of the wider impact of these decisions in circumscribing the control and democratic accountability councils have over public service delivery. Haringey is not alone in seeking to redress the balance in favour of in-house delivery, joining other neighbours including Islington, Camden, Enfield and Hackney, who are using it alongside other approaches which build community wealth.

Local context

By introducing this policy, we are signalling the beginning of a structured programme of work to support sustained progress on this agenda, prioritising those service areas where we anticipate that insourcing will have greatest benefit to our residents, whilst fulfilling our duty to maintain the financial sustainability of our organisation.

The impact of this policy will mean significant change for the organisation as it develops and expands, following years of contraction as a result of reductions in funding and a focus on outsourcing. We need to manage this change in a way that: is financially responsible and sustainable; ensures we can continue to reflect our values; and, delivers on our strategic objectives, as set out in the Borough Plan. The report from the recent Local Government Association (LGA) Peer Review of the Council recognised this challenge: *“The sequencing of in-sourcing alongside the capacity of the organisation to support a larger and more delivery focused organisation will be critical to its success.”*

In acknowledgement of this challenge, the council’s programme of work will continue to prioritise the insourcing of services where there is a particularly strong benefit to our residents in doing so because: there are concerns about service quality and impact; the service involves personal contact with service users, relates to at risk groups or affects people’s rights; the service make exceptional demands on workers, whose employment rights and interests will be better protected in-house; improved value for money and affordability can be achieved; and/or the council wants to develop its organisational capacity in the relevant service area. Our proposed Implementation Plan will include wider, more strategic considerations which will determine the future shape of the Council and respond to the ongoing challenges of building a capable infrastructure for the future.

These priorities are reflected in the programme of insourcing work to date, including, the decision by the council in July 2019 to work with Homes for Haringey and internal

services to create a Hybrid in-house model for facilities management services, bringing 100 jobs back in house.

Relationship to existing council policy

Commissioning is the process by which public service organisations work with residents and other stakeholders to identify needs and outcomes and to plan, procure, deliver and evaluate the services they deliver for their residents. Commissioning a service to address a need does not equate to outsourcing a service to the private sector. A central means of ensuring services improve, and stay relevant to the needs of residents, our existing commissioning framework focuses first on understanding the outcomes required, whether of a service or an approach.

Our commissioning approach has at its heart the principles of delivering affordable, value for money, quality services; putting social value at the centre of our commissioning and procurement functions; and, supporting social and sustainable outcomes for our residents, the local economy and our environment. Where possible, the Council already seeks to deliver local services by local people, whether through directly employing staff or utilising local organisations.

The introduction of the Insourcing Policy places a greater emphasis on how services are delivered and notably on developing in-house delivery as the default option, where this is financially and environmentally sustainable and delivers quality services. This will require some amendments to the commissioning framework.

We recognise the valuable contribution specific sectors make to delivering improved outcomes and good quality services. For example, our local voluntary and community sectors have a reach into, and impact on, communities which the Council may not be able to achieve, and the NHS brings specialist knowledge and expertise to the delivery of specific services. We will continue to reflect the importance of partnership working, and as part of the commissioning approach we will continue to consider a range of delivery options, including working with other public sector or voluntary sector organisations, as well as third party providers to identify opportunities for social and financial value and improved service user experience.

Where we assess that it is not appropriate to insource service delivery, for example for reasons of affordability, safeguarding, risk, or because we assess others providers to be better placed to deliver the best outcomes for residents, we will seek to deliver our strategic objectives by using other key levers available to us. This will include procuring services in line with our Procurement Strategy, wherever possible sourcing local providers who, regardless of sector, share our values, look after their workforce and contribute to building the strength and resilience of our residents and communities.

As part of the commissioning process, we may take the decision to adopt a hybrid approach, insourcing some, but not all, elements of a service, for example, where there are specialist services (e.g. lift maintenance and repair) it is not always feasible to employ staff directly. This may result in a hybrid model, where we deliver some aspects of a service and other elements are delivered by community or commercial partners, depending on whom we assess to be best equipped to do this.

Implementation plan

This policy signals the Council's default preference to deliver services in-house where this is financially and environmentally sustainable and delivers quality services. It sets out an immediate commitment to a structured programme of work to support sustained progress on this agenda, building on work to date. We recognise that this will significantly change the shape and size of the organisation and require changes to our infrastructure and organisational capacity which may take some time to deliver in full. In many areas, a phased approach may be required which builds skills and capability in in-house staff before moving comprehensively to new models of delivery.

An implementation plan for insourcing will be agreed by Cabinet by March 2020 which will set out further detail on how we will adopt a strategic approach to bringing services back in-house, make individual decisions about insourcing services, and develop the resource and infrastructure needed to support this programme of work.

Report for: Cabinet, October 8th 2019

Title: Procurement Strategy 2020 - 2025

Report authorised by Stephen McDonnell, Director of Environment and Neighbourhoods

Lead Officer: Barry Phelps, Head of Procurement
(barry.phelps@haringey.gov.uk)

Ward(s) affected: All

**Report for Key/
Non-Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. The Council does not currently have an up to date Procurement Strategy. This report sets out a refreshed Procurement Strategy for the Council, attached at Appendix 1; for the period 2020 – 2025.
- 1.2. The Procurement Strategy (Strategy) is included as a deliverable for the Economy Priority in the [Borough Plan Delivery Plan](#) 2019/20, approved by Cabinet in July 2019 and has been updated to reflect the priorities contained within the Borough Plan, as well as changes to legislation. In developing the Strategy, we have consulted with colleagues across the Council, members and the supply chain, whilst also considering the Council's Insourcing Policy, Community Wealth Building commitments, Commissioning Framework, Public Contracts Social Value Act, Public Contract Regulations and the National Procurement Strategy.
- 1.3. The Council's Insourcing Policy clearly states the Council's preference is to deliver services in-house where it is financially prudent and does not diminish quality. The Commissioning process determines who will deliver the services, where it is determined to use a third party, our preference is to have the services delivered by local organisations where possible provided the costs remain within the affordability envelope.
- 1.4. The primary aim of this Strategy is to focus on the following priorities:
 - 1.4.1. Value for Money
 - 1.4.2. Community Wealth Building

1.4.3. Promotion of Social Value

1.4.4. Commercialisation

1.4.5. Contract and performance management

1.4.6. Measuring our success

A Delivery Framework within the Strategy defines how we will deliver these priorities.

- 1.5. The Council has a legal obligation to ensure it obtains value for money when spending public money. In this era of ever-increasing cuts to funding and increasing demands on services, it is paramount the Council ensures it can afford to deliver services within its budgetary constraints. This can at times become a conflict between competing priorities (i.e. some of our social value aspirations may push us outside of the available commercial envelope), we therefore need to consider which of our priorities take precedence and be prepared to compromise during our decision-making process.
- 1.6. It is a legislative requirement through the Social Value Act (2012) that we consider social value in our procurement activity for contracts where we are required to undertake a tender process. Social value within the Strategy incorporates social, economic and environmental considerations that has a wider community or public benefit. Obtaining the right balance between social value, value for money and affordability is key in ensuring we can successfully deliver the Borough Plan and support our local business and communities within our budgets.
- 1.7. Supporting the Community Wealth Building agenda, promoting Social Value whilst continuing to deliver value for money is at the heart of this Strategy and is embedded throughout our Procurement Strategy. Strategic Procurement has already made significant progress over the past couple of years in embedding these principles into our procurement activity. We have set ourselves realistic performance targets that are measured in line with [National Procurement Strategy 2018](#).
- 1.8. The Council's commitment to supporting social value is reflected throughout the Strategy with a number of key themes highlighted, including:
 - Supporting local business – our preference is to enable local services to be delivered by local people:
 - Increasing our contract expenditure with local business from circa 25% (circa £110m) to 30% (circa £130m) p.a.

- Introducing quality weightings in our tender process of 10% - 25% for social value;
- Increasing local employment opportunities;
- Enhanced fair working practices that include better terms and conditions for employees, payment of London Living Wage and job security;
- Sustainability throughout our supply chain through use of green energy, reducing the amount of waste going to landfill, reduced use of plastics, re-use and recycling of materials etc.;
- Reducing carbon footprint, increasing air quality, use of green and renewable energy.

Through the introduction of a flexible framework that applies proportionate application of social value requirements, we expect to be able to support the Borough Plan and bring forward tangible benefits for our communities and the environment.

- 1.9. The Council's housing and regeneration programme provides an opportunity to deliver significant community benefits and social value for the Borough through its interface with procurement. Strategic Procurement will work with our colleagues and partners to ensure we can support the delivery of this programme and respective benefits through our commissioning and procurement activity.
- 1.10. With the Council facing ever growing challenges in respect of its finances and increasing demands on its services, it is essential we embed commercialism throughout the organisation. The Strategy outlines key considerations and how we can achieve this.
- 1.11. The Council will bring forward a refreshed contract management tool kit and new technology that will enable the Council to monitor and analyse performance levels of our supply chain. This is essential in understanding if our supply chain is delivering the outcomes stated in our contracts. Where there are contractual failings, we will ensure the supplier is held accountable for non-performance, this can be administered in a number of ways, from ensuring the services are delivered at no extra cost, to seeking compensation for the failings. The contract and performance management will vary from contract to contract and will be proportionate according to the type of contract, risk, value and strategic importance of the services.
- 1.12. It is equally important that the Council measures its own performance in relation to procurement activity and meeting our goals. This will align with measurements stated in the National Procurement Strategy with the returns submitted to central government and continued oversight and scrutiny from within the Council.

- 1.13. Strategic Procurement has a vision to be a self-funding, 'best in class' department; this Strategy provides a framework on which to achieve this ambition. Building upon our achievements to date and through investing in our staff and our services relating to the London Construction Programme and Dynamic Purchasing Systems team, we believe we can generate the revenue to achieve this and develop the team into a 'best in class' department the Council can be proud of.

2. Cabinet Member Introduction

- 2.1. The Council faces significant budgetary, social, economic and environmental challenges over the next few years. The Procurement Strategy will play a key part in addressing these challenges. We will do this through ensuring that community wealth building, value for money, social value, being more commercial and improving efficiency are at the forefront of our approach, whilst driving savings through continuously reviewing our operating models and ways of working.
- 2.2. Council policy is to deliver services in-house in preference to outsourcing, where it is financially prudent and does not diminish quality; however, we recognise that the Council is not always able or best placed to deliver a service. In these cases, responsible procurement can be the best option. The Strategy continues to support the ambition of local services being delivered by local people.
- 2.3. The Council typically spends between £350m - £400m a year on procuring works, goods and services. It encompasses everything from personal care in a resident's home through to the construction of a new building. With the likely continuation of reductions in financial support from central government and the ongoing increase in demand for a significant proportion of our services, it is critical that we get procurement right, so that the outcomes in the Borough Plan can be achieved within the budget available.
- 2.4. Our procurement activity already supports many of the Council's priorities through:
 - 2.4.1. Supporting local businesses - 25% of our contract expenditure is already going to organisations based within a Haringey post code;
 - 2.4.2. Having the largest portfolio of Dynamic Purchasing Systems (DPS) in local government that supports small and medium enterprises (SMEs) and local businesses to access public procurement opportunities. 90% of the DPS expenditure (c£50m) in care related categories is placed with SMEs.

- 2.4.3. Our Strategic Procurement department was the 2019 winner of the 'Best Small Business Friendly Procurement to Support Local Business'.
 - 2.4.4. Ensuring payment of London Living Wage is adopted throughout our supply chain;
 - 2.4.5. Incorporating social value requirements in our tender activity;
 - 2.4.6. Encouraging suppliers to be located within the Borough.
- 2.5. This Procurement Strategy is clearly aligned with the Borough Plan and Council's priorities that will undoubtedly bring benefit to our business community as well as our residents. I therefore fully support the adoption of this Strategy.

3. Recommendations

It is recommended that Cabinet:

- 3.1. Approves the 2020 – 2025 Procurement Strategy, as set out in Appendix 1;

It is further recommended Cabinet notes:

- 3.2. The progress made to date in relation to Strategic Procurement and its achievements in supporting Community Wealth Building, small businesses and promoting social value;
- 3.3. The links with the Council's Commissioning framework, Insourcing Policy and Community Wealth Building approach;
- 3.4. Compliance with the Social Value Act, Public Contract Regulations and National Procurement Strategy.

4. Reasons for decision

- 4.1. The Council's current outdated Procurement Strategy was established in 2010. Since then, the Public Contract Regulations have changed, we have seen the introduction of the Social Value Act, both of which have significantly altered the way in which we are able to procure works, goods and services. The emergence of the Borough Plan and the changes to the Council's priorities have meant we need to adopt a new Procurement Strategy that reflects these changes.
- 4.2. A revised Procurement Strategy is a deliverable of the Borough Plan (outcome 13) and supports many of the priorities within the Borough Plan.

- 4.3. In 2018 a new National Procurement Strategy was released; the Strategy presented to Cabinet (Appendix 1) is aligned to the National Procurement Strategy, which the Council is required to submit returns to central government.
- 4.4. The Strategy provides a Delivery Framework and key considerations in how we structure our procurement activity. Applying this structure and consistency across our commissioning and procurement activity will assist deliver the Council's priorities.
- 4.5. This strategy sets out the ambition for the Council's use of Procurement to positively impact on our economy and communities in recognising the commercial, social, economic and environmental benefits to be gained from taking a sophisticated intelligent approach to our Procurement activity.
- 4.6. Adopting the Strategy will enable significant social, economic and environmental benefits to be delivered to our local businesses, residents, community groups.

5. Alternative options considered

- 5.1. **Do Nothing** - This is not a realistic option as the 2010 Procurement Strategy is not aligned to the current Regulations, Borough Plan, Council Priorities or National Procurement Strategy.

6. Background information

- 6.1. The 2010 Procurement Strategy was produced to reflect the legislation and Council priorities that were applicable at that time. Following extensive consultation with key stakeholders across the Council, members and the supply chain during the past 12 months, the 2020 - 2025 Procurement Strategy has been updated to reflect changes in Regulations and feedback from stakeholders.
- 6.2. Strategic Procurement has been delivering the key themes contained in the Strategy for the past 12 – 24 months and is now somewhat mature in delivering some of the outcomes. This Strategy seeks to put in place a framework that enables the Council to build on this experience and be more ambitious in its goals.
- 6.2. The Council typically spends £350m - £400 a year on procuring works, goods and services. Circa £100m of this expenditure falls within categories managed via the DPS. The remainder is procured via a dedicated Haringey procurement portal.

- 6.3. Strategic Procurement has increased the portfolio of DPS categories during the previous two years and in 2018 established a dedicated DPS team to support these categories. Haringey now has the largest portfolio of DPS categories in local government and is seen as a centre of excellence across London in this area. The increase of DPS categories has enabled small business both locally and regionally to benefit significantly from securing Council contracts. Through simplifying accreditation and enrolment criteria, smaller suppliers are able to access contract opportunities and compete with larger companies. Some of our DPS categories have seen the supply chain increase by 50% and up to 90% of contracts secured by smaller companies. This in turn has enabled the Council to secure services at much more competitive prices and increased local and regional expenditure with smaller companies. The Strategy seeks to build upon these foundations and expand the use of DPS within Haringey as well as offer other public sector organisations the ability to ‘piggyback’ on our DPS’s, thus providing further opportunities for small local business to benefit.
- 6.4. The Council currently spends 25% (circa £110m) of all expenditure on goods, works and services with local companies and has set a target to increase this to 30% (circa £130m) p.a. by 2023; this Strategy supports this ambition through the Delivery Framework and utilising contractual vehicles recently put in place by the London Construction Programme (LCP) and expanding our DPS portfolio.
- 6.4. The LCP is operated by the Council’s Strategic Procurement service. 2019 has seen a significant step forward in the LCP establishing a ‘one-stop-shop’ for construction related contractual vehicles that can be used by all public sector organisations in London and the Home Counties; having establish £10bn of contracts through a framework and DPS. These contract vehicles have been structured to provide support and opportunities for local SME’s across the region. In addition, the LCP generates revenue for the Council and has provisions within its contracts that lead the way in requiring demanding social, economic and environmental provisions of its supply chain.

7. Contribution to strategic outcomes

- 7.1. The proposal supports the delivery of first Economy priority outcome of the Borough Plan, “A growing economy and thriving local businesses, supported by a community wealth-building approach” and its first objective to “maximise the benefits of Council, other public sector funding and private investment for the local area.” The Procurement Strategy is included as a deliverable (Outcome 13) for the Economy priority in the [Borough Plan Delivery Plan](#) 2019/20, approved by Cabinet in July 2019.
- 7.2. Procurement activity provides a pivotal role in contributing to all the Council’s strategic outcomes, all of the priorities interface with procurement to some

degree and is therefore an enabler to support these ambitions, some of which are highlighted below:

- 7.2.1. Delivering 1,000 new Council homes at Council rents by 2022;
 - 7.2.2. Secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough;
 - 7.2.3. Expand the range of supported housing for care leavers and vulnerable young people;
 - 7.2.4. Give residents access to better technology options that can help them to stay safe, independent and connected;
 - 7.2.5. Deliver a range of parks improvement projects across the borough,
 - 7.2.6. Improving air quality;
 - 7.2.7. Implementing A new Procurement Strategy;
 - 7.2.8. Regeneration with social and economic renewal at its heart, focused on Tottenham and Wood Green;
 - 7.2.9. We will be a council that uses its resources in a sustainable way to prioritise the needs of the most vulnerable residents;
 - 7.2.10. We will deliver value for money by acting creatively and innovatively to design and deliver services that are good value for residents and taxpayers
- 7.3. This updated Procurement Strategy reflects the Council's drive to remove unnecessary complexity from its processes and procedures and retains only those that add value to the services we deliver.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1. This report seeks Cabinet approval of the 2020 – 2025 Procurement Strategy.
- 8.2. The cost of developing this strategy is mainly staffing related and contained within existing budgets.
- 8.3. Any further costs that arise from the implementation of these strategies contained within this report will require financial consideration.
- 8.4. Future contractual awards will be considered on a case by case basis and funding identified in advance prior to their approval and will go through the normal governance process.

Strategic Procurement

- 8.5. Strategic Procurement fully supports the adoption of the Procurement Strategy as outlined in the report and Appendix 1.
- 8.6. The Insourcing Policy is a primary consideration both in the Procurement Strategy and builds upon the key themes of Community Wealth Building and delivering value for money. Whilst it could be conceived a Procurement Strategy and an Insourcing Policy can be 'at odds with one another', Strategic Procurement believe they can complement one another in ultimately delivering common goals (i.e. value for money, community wealth, social value, local people delivering local services etc.).

Legal

- 8.7. The Assistant Director of Corporate Governance has been consulted in the preparation of this report.
- 8.8. Where appropriate commissioners should seek advice from Legal Services when commissioning contracts to ensure compliance with legislation and the Council's Contract Standing Orders.
- 8.9. The Assistant Director of Corporate Governance sees no legal reasons preventing the Cabinet from approving the recommendations in this report.

Equality

- 8.10. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.11. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.12. The decision is to approve a Procurement Strategy for the Council. The Strategy provides a framework for procurement activity and who provides

services for Haringey residents. Equalities considerations in this instance relate to the providers of services and the recipients, meaning Haringey residents.

- 8.13. Noting the demographic profile of the working-age population in Haringey, it is notable that a high proportion of frontline staff are likely to be from BAME communities regardless of whether they are employed by the Council or another service provider. The Procurement Strategy incorporates consideration of employment rights in order to prevent any discrimination against workers with protected characteristics.
- 8.14. It is likely that there will be a high proportion of individuals with protected characteristics among the recipients of any given service due to the nature of local authority services. The Procurement Strategy maintains a commitment to service quality so that no service users experience a preventable deterioration in the service they receive. Moreover, it is the Council's ambition to improve service quality and thereby help to advance equality of opportunity for residents with protected characteristics by better meeting their needs where these are different to the needs of others.
- 8.15. Screening for equality impacts will be undertaken as and when individual proposals to change delivery models are developed. If appropriate, detailed equality impact assessments will be completed for individual proposals.

9. Use of Appendices

Appendix 1 – Procurement Strategy

10. Local Government (Access to Information) Act 1985

None

PROCUREMENT STRATEGY 2020-2025

DELIVERING BETTER OUTCOMES AND A STRONG LOCAL ECONOMY

September 2019

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CONTENTS

| | | |
|----|---|----|
| 1. | Cabinet Member Introduction | 1 |
| 2. | Introduction | 3 |
| 3. | Commissioning Approach | 5 |
| 4. | Value for Money | 6 |
| 5. | Community Wealth Building | 7 |
| | Supporting local and smaller providers | 7 |
| | Working with anchor organisations | 9 |
| | Embedding social value | 9 |
| 6. | Sustainability and Environmental Initiatives | 11 |
| 7. | Commercialism | 12 |
| 8. | Contract and performance Management | 14 |
| 9. | Key Outcomes and Measuring Success | 15 |

1. CABINET MEMBER INTRODUCTION

As Cabinet Member for Procurement, I am pleased to introduce this Procurement Strategy covering the next five years. Whilst the Council's primary aim is to deliver services directly, there will be requirements for some of our services to be delivered through third party partners.

This strategy plays a pivotal role in ensuring we capture the key considerations in our procurement activity that align with and deliver our manifesto commitments, Borough Plan priorities, and our Community Wealth Building approach.

The Council faces significant budgetary, social, and economic challenges over the next few years. The Procurement Strategy will play a key part in addressing these challenges. We will do this through ensuring that value for money, social value, and improving efficiency are at the forefront of our approach, whilst driving savings and ensuring the highest quality is being delivered through continuously reviewing our operating models and ways of working.

As part of our Community Wealth Building agenda we are committed to utilising procurement to increase good quality local jobs, support a thriving local economy and promote wider social value in our contracts and practices, as well as assisting our partners do the same.

We are also promoting growth within the local economy, through engagement with, and making it easier for small and medium enterprises (SMEs) and local businesses to access public procurement opportunities. The introduction of the Dynamic Purchasing Systems (DPS), of which, the Council now has the largest portfolio of DPS in local government, has been instrumental in enabling local business and SME's to access Council contracts, with 25% of our expenditure being spent with Haringey located businesses. 90% of the DPS expenditure (c£50m) in care related categories is placed with SMEs. The expansion of the DPS portfolio over the coming years will enable more of the Council's expenditure to be directed at local SMEs, this will include the construction sector, supporting not only the Council's commitment to build new Council homes, but local employment initiatives.

Social value is being driven through our continued commitment to being an accredited London Living Wage provider and ensuring the London Living Wage is adopted within our supply chain, we require the use of apprentices and local employment within larger contracts, encouraging providers to be located within the Borough and to provide services for our most vulnerable residents and providing community benefits where possible. For the first time, we have defined a range of 10%-25% of the scoring

methodology within our tenders to be dedicated to social value (in addition to other qualitative requirements within the tender). This exceeds that which is routinely used around other London Authorities (generally 10%) and demonstrates our commitment to recognising the importance of social value, establishing a new benchmark for other public sector organisations to follow.

Environmental policies are now at the forefront of our considerations when procuring goods and services. This ranges from the use of sustainable materials, retaining our World Wildlife Fund gold accreditation for sustainable timber (Haringey was the first local authority to achieve this), through increasing air quality for the residents by encouraging the use of low emission vehicles, dust and noise control measures in our contracts.

The procurement department has evolved considerably over the past two years as it migrated to a more strategic function, introducing a more forward thinking and commercially focused approach to how the Council procures its goods, works and services.

Council policy is to deliver services in-house in preference to outsourcing, where it is financially prudent and does not diminish quality; however, we recognise that the Council is not always able or best placed to deliver a service. In these cases, responsible procurement can be the best option. We will continue to strive to have local services delivered by local people.

Ultimately, an effective procurement service will enable the council to meet its Borough Plan commitments and provide a better quality of life for our residents, whilst making every penny count.

Cllr Gideon Bull

Portfolio holder for Procurement.

2. INTRODUCTION

- 2.1. This updated Procurement Strategy has been deliberately kept short and straight forward to reflect the Council's drive to remove unnecessary complexity from processes and procedures and to retain only those that add value to the services we deliver.
- 2.2. The Borough Plan sets out the strategic priorities for the borough. These priorities are achieved by working with communities to understand their needs and assets, defining positive outcomes together and finding the right way to achieve those outcomes and best value for people in Haringey - this is delivered through our commissioning activity. It is the commissioning strategy that will consider the appropriate delivery options for the service, including inhouse delivery (in accordance with the Insourcing Policy), external delivery or a hybrid.
- 2.3. Procurement comes into effect when the best outcomes and value can be achieved through purchasing goods, works or services from another organisation. These may be procured from other public sector organisation, the voluntary and community sector, social enterprises, Small and Medium Size Enterprises (SMEs) or other private sector providers. It encompasses everything from personal care in a resident's home through to the construction of a new building. The council historically spends approximately £350-400 million a year through procurement. With the likely continuation of reductions in financial support from central government and the ongoing increase in demand for a significant proportion of our services, it is critical that we get procurement right, so the outcomes in the Borough Plan can be achieved within the budget available.
- 2.4. The Council has embarked on a significant housing and regeneration programmes (the latter focused on Wood Green and Tottenham) that will positively impact our communities and bring significant community wealth building opportunities. Work is also underway on an Economic Development Strategy. Strategic Procurement will work with our colleagues and partners to ensure we deliver value for money and the socio-economic benefits through our commissioning and procurement activity.
- 2.5. This strategy sets out the ambition for the Council's use of Procurement to positively impact on our economy and communities by recognising the commercial, social, economic and environmental benefits to be gained from taking a sophisticated and intelligent approach to our procurement activity. In the context

of this Strategy, Social Value incorporates social, economic and environmental values (referred to as Social Value in this Strategy) from improving health and well-being, supporting stronger communities, air quality and sustainability, to mention but a few. The strategy also recognises the policy and financial challenges faced by local authorities and the wider public sector. We continue to strive to achieve excellence in our procurement activity, this includes safeguarding the Council against litigation and providing value for money for both the Council and its residents, ensuring that the costs of delivering services are reasonable and proportionate.

- 2.6. Our aim is to build the Council's reputation as leaders in procurement, securing innovation, agility, value for money and quality of services from our supply base. We will develop a culture where efficiency and continuous improvement are at the heart of how we do business. To achieve this, we have adopted the Delivery Framework stated throughout this Strategy.
- 2.7. In order for this Strategy to achieve its ambitions for improved performance, financial benefits and contribution to the Council's corporate social and environmental agenda, we will all need to embrace a change to our existing ways of working, and crucially develop a more strategic approach with internal stakeholders to our procurement and commissioning functions. Working in partnership and collaboratively with internal stakeholders and other public sector organisations we can achieve our vision.
- 2.8. This strategy is aligned with the [National Procurement Strategy for Local Government in England 2018](#) and sets out the key priorities for Strategic Procurement over the next three years, namely:
 - Community wealth building
 - Promotion of social value
 - Value for money
 - Commercialisation
 - Contract and performance management
 - Measuring our success
- 2.9. These will be achieved through a 'Delivery Framework' outlined in the relevant sections below, which aligns to the National Procurement Strategy and enables us to measure our maturity levels against our aspirations stated in Section 9 below (Key Outcomes and Measuring Success).

3. COMMISSIONING APPROACH

- 3.1. The Borough Plan sets out the strategic priorities for the borough. These priorities are achieved by working with communities to understand their needs and assets, defining positive outcomes together and finding the right way to achieve those outcomes and best value for people in Haringey - this is called commissioning. Procurement comes in when the best outcomes and value can be achieved through purchasing goods, services or works from another organisation.
- 3.2. For us commissioning means:
- achieving the right outcomes by working closely with partners and stakeholders to agree needs and outcomes and to shape how services should be delivered;
 - apply a rigorous assessment process to ensure the service is delivered by the provider demonstrating best value that could be in-house provision, private or third sector organisation, another public body or a shared service with another Council; and
 - ensuring we have appropriate resources with the right skills to achieve the above
- 3.3. As part of the commissioning approach, decisions on whether to deliver individual services in-house or not will be taken using the criteria defined in our commissioning framework.
- 3.4. Commissioning and procurement are two sides of the same 'value' coin: both are fundamentally about generating value for Council residents. Our commissioning is all about securing the outcomes we need to deliver our services. The technical process of procuring goods, works and services that can follow, brings the question of value for money to the table, ensuring that we secure the right price for everything we buy whilst trying to integrate other Social Value elements.
- 3.5. The Strategic Procurement team will support Council commissioning staff to ensure that commissioning intentions are translated into efficient service delivery models that provide value for money services to the residents of Haringey.

4. VALUE FOR MONEY

- 4.1. The Council has a legal obligation to ensure it obtains value for money when spending public money and it is paramount the Council ensures it can afford to deliver services within its budgetary constraints. Procurement plays a pivotal role in ensuring we achieve this. Obtaining the balance of risk vs reward within an appropriate commercial envelope is essential; however, this can often lead to conflicts in priorities (i.e. some of our social value aspirations may push us outside of the available commercial envelope), we therefore need to be prepared to compromise at times around which of our prioritise need to take precedence in our decision making process.
- 4.2. Value for money is about getting the maximum benefit from goods, works and services within the resources available. It is not just about cost reduction, but at the same time saving opportunities cannot be ignored.
- 4.3. In assessing value for money, we will consider whole of life costs to deliver services and social value impact on the local economy and residents, through considering tools like the local economic multiplier, which indicates the impact on the local economy dependent upon where and how we spend our money.

Delivery Framework

- Continue to have the highest level of governance and oversight on key strategic procurements through the Commercial Board and Corporate Governance Structure.
- Continue to improve our systems and use of technology to reduce unnecessary cost in the procurement process.
- Introduce technology that enables us to quantify the social value being delivered through our procurement and commissioning activity.
- Continuously challenge business units on the need for the services and whether the approach is the optimum to obtain best value.
- Monitor continuous improvement through contract and performance management.
- Be flexible on routes to market to support innovation to drive value for money over the longer term.

5. COMMUNITY WEALTH BUILDING

5.1. Community Wealth Building (CWB) is at the heart of this strategy. Over the past decade or so, CWB has received increasing recognition as a potentially powerful tool for shaping local economic development and achieving a wider set of social and environmental aims. As an approach, it seeks to: give local communities a greater stake in their economies; maximise the impact of public expenditure; ensure that wealth is more widely held and circulated; and, increase resilience and opportunity for all. CWB approaches often have at their core the aim of increasing fairness, and good health and wellbeing for the residents and communities in the areas in which it is pursued.

5.2. This translates into the procurement strategy by:

- Making sure that every public pound spent delivers maximum benefit to the public and our communities;
- Ensuring our procurement activity encompasses the promotion and use of local labour, supply chains, payment of London Living Wage to staff and employment opportunities are available to our residents
- Supporting local and smaller providers - which are more likely to spend money locally and employ a local workforce.
- Embedding Social Value – to achieve relevant outcomes across Borough Plan priorities with every procurement.
- Working with our partners and supply chain to embed a community wealth building approach across the Borough to achieve shared objectives;
- Working with anchor organisations to encourage them to spend locally and enhance social value.

5.3. The Council's housing and regeneration programme as outlined in the Borough Plan (Housing Priority and Economy Priority respectively), provide an excellent opportunity to deliver significant community wealth building benefits. Ensuring we have the right infrastructure in place in relation to resources, skills and contracts is essential to maximising this opportunity, and as work on the Economic Development Strategy continues it will be important to ensure alignment to this strategy.

SUPPORTING LOCAL AND SMALLER PROVIDERS

- 5.4. We will make it easier for local businesses, SMEs, social enterprises (including community interest companies) and the Voluntary and Community Sector Companies (VCS) to access our procurement opportunities. Over 25% (£110m) of the Council's contract expenditure in 2018/19 was with businesses located within a Haringey postcode, and the Borough Plan sets a target to increase this further to 30% (£130m) of our contractual expenditure. We aim to be an innovator and leader in engaging local SMEs not just in Haringey but across the Capital.
- 5.5. We will explore ways we can work more closely with the VCS to encourage their access to procurement opportunities as well as supporting them to access inward investment opportunities.
- 5.6. The Council already has the largest portfolio of Dynamic Purchasing System (DPS) categories in local government. The use of a DPS is a meaningful tool to assist SME's in accessing Council contracts. The DPS enables companies to join an approved list of suppliers (subject to completing the accreditation and enrolment criteria) at any time; once enrolled suppliers can bid for contracts within their category. These contracts are generally for the provision of services that are commissioned frequently (i.e. daily/weekly). This has enabled the Council to significantly increase the use of SME's in its supply chain. In some categories 90% of contracts awarded are with SME's.
- 5.7. The Council was the 2019 winner of the 'Best Small Business Friendly Procurement to Support Local Business'. We will build upon this success and continue to provide opportunities for local companies.

Delivery Framework:

- Break down contracts into small values where feasible to assist smaller local companies and VCS to access these opportunities.
- Where contracts cannot be broken down, encourage the use and fair treatment of smaller local providers within supply chains.
- Increase awareness and publicise procurement opportunities to local business and SMEs.
- Increase the use of Dynamic Purchasing Systems (DPS) and dedicated Haringey only procurement portal, enabling SME's and local business to bid for contracts according to their capability and capacity.
- Adapting some of our processes to make contract opportunities more accessible to small and local enterprises.
- Ensuring the Council and its supply chain adhere to fair payment requirements and pay invoices within 30 days.

- Being flexible and agile in our approach to different market sectors to create opportunities for small and local enterprises.

WORKING WITH ANCHOR ORGANISATIONS

- 5.8. Community Wealth Building is a partnership approach, embedding social value and supporting local organisations and SMEs to access procurement opportunities will help to achieve the Council's objectives, but it can also help other anchor organisations to achieve their objectives.
- 5.9. Anchor organisations are organisations like Homes for Haringey, hospitals and universities, which, alongside their main function, also play a significant and recognised role in the local area by making a strategic contribution to the local economy. Haringey currently has relatively few public sector anchor organisations located within the Borough. It is therefore proposed that our anchor organisations may also include some private sector organisations (primarily those who are unlikely to move out of the borough).

Delivery Framework:

- Through the preparation of an Economic Development Strategy, work with anchor organisations to understand how we can increase expenditure within the Borough and local area, whilst increasing social value considerations within their procurement activity.
- Work with organisations to encourage them to be located within Borough and bring employment opportunities.

EMBEDDING SOCIAL VALUE

- 5.10. We are committed to using the Public Service (Social Value) Act 2012 in our procurement and commissioning functions to deliver broader social value to our residents, the local economy and our environment, prioritising outcomes relating to: early help and prevention; local employment; healthy life expectancy; equity and social inclusion; building strong communities; and creating a sustainable environment.
- 5.11. Social Value is already a key consideration within our procurement activity and is a requirement of legislation to be considered in our procurements. As previously mentioned in this Strategy, social value incorporates a wide range of considerations cutting across economic (e.g. payment of London Living Wage,

employment and training opportunities etc.), social (e.g. promoting physical activity etc.), and environmental (e.g. improving air quality, carbon reduction etc.) initiatives. Obtaining the right balance between social value benefits and the cost of incorporating social value in our procurement is essential to ensure we continue to obtain value for money and our demands do not disproportionately increase the cost of provision. Obtaining the right balance can bring forward huge benefits to our communities and directly reduce pressures and demands on other supporting services provided by the Council or other statutory partners (e.g. providing employment opportunities can reduce demands on housing and the need for financial support, increasing air quality and reducing carbon foot print can reduce health related support, increasing sustainability and reducing use of plastics reduces the waste we produce and increases longevity of our resources across the planet).

5.12. We intend to build upon the current foundation and migrate to an agile social value model that introduces a range of between 10% and 25% of our evaluation criteria dedicated to social economic and environment values (social value). This enables procurement activity to flex according to the evolving priorities of the Council and our communities, whilst addressing areas that we are unable to contractually mandate due to restrictions in legislation. We will introduce a mechanism that enables us to effectively monitor the social value outcomes and ensure we are achieving our objectives.

Delivery Framework

- All tendered contracts will include 10%-25% of the scoring methodology dedicated to social value, which is in addition to other qualitative requirements within the tender.
- Strategic Procurement will lead and evaluate on social value requirements in tender opportunities to ensure the consistency and proportionality is applied.
- Create a concise list of priority Social Value considerations, directly linking to the Borough Plan;
- Develop guidance for staff on implementing Social Value;
- At a minimum, contracts valued over £1m will require at least one of the following:
 - One employment opportunity
 - One apprentice
 - Use of local labour
 - Enhanced modern slavery checks
 - Use of local supply chain

- Additional considerations will be incorporated into our procurements depending upon value and nature of works, goods and services. In addition to employment related requirements, we will include considerations around environmental sustainability, air quality, fair working practices, broader community benefits etc.
- Develop solutions for recording social value delivered in our contracts, so that our performance can be benchmarked, and outcomes monitored over time.
- Work with suppliers to establish working partnerships with local agencies (including Haringey Works) to support employment opportunities for those residents who have difficulties in securing employment.

5.13. Not all social value elements will be equally relevant for all contracts, therefore consideration will be given at pre-market stage to determine which aspects are the most appropriate for the specific contract. The amount of social value contributions will also be proportionate to the size and nature of the contract. For some larger contracts, certain social value contributions (i.e. apprenticeships) will be mandatory.

5.14. In construction related contracts, the Council will seek to apply the above to per million pound of contract value. This is beyond the requirements of the Public Service (Social Value) Act 2012 and demonstrates the Council's commitment to become a leader in this field.

6. SUSTAINABILITY AND ENVIRONMENTAL INITIATIVES

6.1. The Council is already an accredited World Wildlife Fund (WWF) gold award organisation for use of sustainable timber, the first local authority to achieve this. We will continue to ensure this accreditation is maintained.

6.2. Air quality is high on the Council's environmental agenda and is committed to improving air quality through its Air Quality Action Plan. Strategic Procurement can plan a significant part in achieving this and will seek to introduce initiatives through the procurement function that incentivise the supply chain to improve air quality (i.e. through the adoption of lower emission or electric vehicles, building design, efficient transportation mechanisms etc.).

6.3. Reducing carbon footprint across the supply chain will continue to be supported through the procurement process and our evaluation methodology.

- 6.4. Maintain sustainable procurement practices that drive social and environmental benefits locally and nationally to support 'green' initiatives, reduce CO₂, re-use and recycling of plastics and other materials, will feature heavily in our requirements where it is appropriate to do so.

Delivery Framework:

- Introduce requirements within our procurement that require and reward suppliers for using low emission and electric vehicles;
- Require our supply chain to demonstrate sustainability of materials within the goods and services provided;
- Probe into what suppliers are doing to reducing their carbon footprint and off- setting CO₂ emissions.

7. COMMERCIALISM

- 7.1. The current financial climate faced by the Council is very challenging. The funding for our services comes from Government grants and funding raised by the Council through collection of Council Tax and commercial activity.
- 7.2. The Council has recognised the need to become more commercially focused, developing strength and depth in our activity and creating commercial returns which underpin the delivery of crucial frontline services.
- 7.3. Commercialism in Haringey means adapting and applying commercial principles to all areas of our policies and strategies, whether generating income or simply becoming more efficient.
- 7.4. In order to get the most from the market, we need to understand how the market operates as a whole; how businesses make money; their likely reaction to changing requirements or routes to market; and how to structure and balance risk in a contract to achieve the best outcomes for residents.

Commercial Vision

To develop a range of commercial activity that delivers both social and financial benefit by becoming a Council that uses its skills and assets to generate significant levels of new income or increased efficiencies to support the delivery of crucial front-line services.

7.5. Commercialism has many meanings and may include the following considerations in the context of the Council operations:

- Making a profit, from trading and investments;
- Maximising value for money from contractual relationships;
- Making robust decisions on a consistent basis, supported by evidence and a sound business case;
- Balancing risk versus reward;
- Thinking about the return on investment for every pound we spend;
- Collaborating with partners and markets to develop alternative models for greater return;
- Considering new and innovative ways of generating income; and
- Maximising use of revenue, sources of capital, funding and assets.

Delivery Framework

- Work with commissioners at an early stage to understand market dynamics relating to capability, capacity and affordability parameters to ensure we identify the best route to market.
- Continue to deliver procurement support through strategic category management, identifying areas of opportunity to secure better value and advise on commercial structures in our contracts.
- Identify revenue generating opportunities from our assets.
- Understand the dynamics of our markets, locally, regionally and nationally to adapt to emerging opportunities or challenges.
- Increase our commercial capacity and competency throughout the Council.
- Continue to enhance contract and performance management controls to ensure contracts deliver their intended outcomes.
- Work collaboratively with other Public Sector partners to leverage buying power and gain greater control over challenging markets.

8. CONTRACT AND PERFORMANCE MANAGEMENT

- 8.1. Improving contract and supplier performance management continues to be a key deliverable for the Council. Ensuring we are applying a robust contract and performance management framework is essential to monitoring if our services are being delivered in line with the expected outcomes of the contract. Where there are contractual failings, we will ensure the supplier is held accountable for non-performance, this can be administered in a number of ways, from ensuring the services are delivered at no extra cost to seeking compensation for the failings, or even termination of the contract where applicable.
- 8.2. The contract and performance management will vary from contract to contract and will be proportionate according to the type of contract, risk, value and strategic importance of the services. Low value or simple contracts (i.e. computer licenses) will require no or minimal contract and performance monitoring, compared to contracts such as waste collection, which require robust contract and performance monitoring.
- 8.3. We will encourage our contractors to be as transparent as possible (without infringing commercial confidentiality).
- 8.4. A contract management tool kit has recently been developed and will be rolled out across the Council. Introduction of new technology will enable the Council to record and analyse performance at contract and supplier level, this will enable the Council to consider whether we are achieving value for money and consider the data in our decision making and commissioning process, especially when considering whether to deliver services in-house.

9. KEY OUTCOMES AND MEASURING SUCCESS

9.1. How we measure the success of this strategy will focus on where we are in the maturity spectrum in each of the main areas of focus in this strategy.

9.2. The following table outlines our ambition of continuous improvement in each of the main focus areas for the next five years.

| Focus Area | Year 1 | Year 3 | Year 5 |
|---|------------|------------|-----------|
| Community Benefits | | | |
| Social Value | Developing | Mature | Leader |
| Engaging Local SME's | Mature | Innovator | Innovator |
| Behaving Commercially | | | |
| Creating Commercial Opportunities | Developing | Mature | Innovator |
| Managing Contracts and Relationships | Minimum | Developing | Mature |
| Managing Strategic Risk | Developing | Mature | Leader |

9.3. We will measure our performance in accordance with Appendix 1 below and the guidelines stated in the [National Procurement Strategy 2018](#), in addition to the internal scrutiny and governance oversight within the Council

Appendix 1



Haringey
PS_Appendix 1 Measu

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Report for: Cabinet, 8 October 2019

Title: **Community Wealth Building Approach**

Report

authorised by : Dan Hawthorn – Director Housing, Regeneration and Planning

Lead Officer: Jean Taylor – Head of Policy 020 8489 1383

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Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

1.1 Community Wealth Building (CWB) is an approach to economic development. It aims to create prosperity for all by focusing on who is benefiting from wealth creation; building an economy which is rooted in the local place; and working with anchor organisations to agree collective action.

1.2 This report sets out Haringey's Community Wealth Building approach (CWB), including:

1.2.1 What CWB means in Haringey and why it is relevant; and

1.2.2 Key actions to implement CWB over the next year.

2. Cabinet Member Introduction

2.1. Community wealth building is fundamentally about equality and fairness. It is about using the council's direct powers and working with partner organisations to promote resilience and wealth – both financial and social – in our families and communities.

2.2. Haringey has a high proportion of residents living below the poverty line (34%). This is evidence that our economy is not working - especially for our poorest families and communities. Community Wealth Building offers an alternative approach which directly seeks to address the fairness in our economic system and wider society.

2.3. Firstly, it puts a greater emphasis on the levers the Council has within its own control. Procurement spend is the obvious starting place for this work. As a Council we are already leading the way in getting Small and Medium Sized

Enterprises into our procurements. We will continue to build on this and emphasise Social Value within our procurements. This is about maximising the public good from every pound the Council spends.

- 2.4. Secondly, it reinforces and brings into sharper focus the question of who is benefiting from changes. For example, when looking at jobs in the borough, CWB focus on the quality of those jobs and who is getting them above and beyond the number of new jobs created.
- 2.5. Thirdly, it emphasises the need for partnership working with other anchor organisations who are invested in Haringey and our residents. Working together we can have a more significant impact. As Lead Member for Local Investment and Economic Growth, I will drive forward this work with partners and look forward to having early conversations on how we can work together.
- 2.6. Community Wealth Building is an approach. Preston, the area in the UK which has fully embraced this approach, has seen tangible benefits over the last 10 years. Many of our neighbouring boroughs are actively developing their CWB approaches, which offers us a clear opportunity to work in partnership to improve the economic and social wealth of residents.

3. Recommendations

3.1. That Cabinet:

3.1.1. Approve Haringey's approach to and definition of Community Wealth Building, i.e.

- Using all the Council's available levers, to make sure that every public pound delivers maximum public good and wherever possible builds the prosperity of local people and businesses as it travels through the local economy;
- Employing these levers to support and enrich Haringey's residents and communities, economically, through employment, and socially, with an emphasis on those who are struggling;
- Residents having more of a stake in public services and the Haringey economy;
- Working with partners, i.e. other public bodies, businesses and voluntary organisations, to embed a Community Wealth Building approach across the borough.

3.1.2. Agree key areas of implementation over the next year:

- focusing on five key priority areas – Procurement, Economic Development Strategy, Insourcing, Workforce Strategy and Asset Management;
- developing an approach to anchor organisations; and
- embedding the CWB approach throughout the Council.

4. Reasons for decision

- 4.1. Community Wealth Building has been identified within the Borough Plan as a strategic priority for the Council because a different approach to economic development is needed to help achieve better outcomes for those who are most disadvantaged, and to create a better and more equal borough.
- 4.2. This decision will mark the launch of this work. A clear definition is needed of what is meant by Community Wealth Building in Haringey so that work can be prioritised and progress can be assessed, and to use as an expression of the Council's values that can serve as a call to action for local organisations, institutions and businesses that share the Council's values.

5. Alternative options considered

- 5.1. Do nothing – This is not considered to be a viable option given the commitment already made to Community Wealth Building in the Borough Plan, and the need to further define and then implement this approach.

6. Background information

6.1. Why does Haringey need a new approach to local economic development?

- 6.1.1. The UK economy has been growing over the last 70 years. Conventional economic theory suggests that this growth should enhance everyone's prosperity. However, in reality, this growth has not benefitted everyone evenly: nationally, the rich have become proportionately richer, resulting in increased income inequalities.
- 6.1.2. While this is a national trend, the impact on Haringey is clear. More than a third of Haringey's residents (34%) live below the poverty line. The borough's economy is characterised by low wage, low skilled and often insecure employment; there is a high percentage of households with incomes below London Living Wage (estimated at 19%); and, labour market disadvantage is more heavily concentrated amongst specific groups of residents.
- 6.1.3. In addition, the 2008 financial crash demonstrated how susceptible local areas are to wider regional, national and international events.
- 6.1.4. CWB tests an alternative approach to economic development, by seeking to grow local economies which have broader and more embedded roots into their local areas, are less reliant on external investment, and so are less exposed to some of the uncertainty associated with this.

6.2. What does Community Wealth Building mean and why is it relevant?

- 6.2.1. A leading UK organisation on this approach, the Centre for Local Economic Strategies (CLES) uses the term local wealth building and defines it as follows

- 'Local wealth building aims to reorganise the local economy to put control back into the hands of the local communities, so that wealth is broadly held, with local roots and where benefits are recirculated. The local wealth building movement seeks to provide resilience where there is risk, local economic security where there is precarity, and to ensure opportunity, dignity and well-being for all.'

- 6.2.2. CLES views CWB as an alternative economic model to the trickledown economy. It has a greater focus on who benefits from wealth, with the aim of generating wealth locally, which is not extractive, is socially purposeful and environmentally considerate.
- 6.2.3. Preston was one of the first councils to explicitly pursue a CWB approach in 2011. Preston was named as the most improved city in the UK in the PwC/Demos 2018 Good Growth for Cities Index, which seeks to measure success for cities beyond increases in GDP. Several other Local Authorities, including Islington and Newham, are taking forward CWB. Manchester City Council has worked for over 10 years on transforming the approach to procurement to focus on building local community wealth. While much of this work started during - and in some cases - as a direct response to economic recession, this approach can be applied irrespective of the state of the economy.
- 6.2.4. Each of these areas have interpreted CWB slightly differently and have included a wide range of work under this banner (Annex A provides further details). However, these approaches all share the objective of generating local wealth which benefits disadvantaged communities, by employing the following levers:
 - 6.2.4.1. Procurement spend – this is typically the first area of focus, with the ultimate goal to redirect more public spend towards locally rooted organisations and maximising the public good from this spend through increased emphasis on Social Value (which incorporates economic, social and environmental value). For example, Preston is now spending £4 million more in the city as a result of re-directing its procurement spend and doubling the proportion going to businesses based in Preston, from 14% in 2012 to 28% in 2016.
 - 6.2.4.2. Economic development – this is a more deliberate approach to economic development which focuses on the Council's direct levers to influence and supporting the development of a locally rooted economy for the benefit of disadvantaged communities. For example, placing a greater emphasis on supporting local business and focus on the quality of jobs not only the number of jobs being created.
 - 6.2.4.3. Anchor organisations – a core part of this work involves galvanising partners to take up this agenda, and to use their own levers to build community wealth. For example, creating a pledge

which anchor organisations can sign up to which sets out their approach to procurement spend outlined above.

6.3. Defining Community Wealth Building in Haringey

6.3.1. CWB can mean different things to different people. It is therefore important that a clear definition is agreed about what it means in Haringey, so that work areas can be prioritised, and progress can be assessed. It is recommended that the following definition is adopted, whereby in Haringey Community Wealth Building means:

- 6.3.1.1. Using all the Council's available levers, to make sure that every public pound delivers maximum public good and wherever possible builds the prosperity of local people and businesses as it travels through the local economy.
- 6.3.1.2. Employing these levers to support and enrich Haringey's residents and communities – economically, through employment, and socially - with an emphasis on those who are struggling.
- 6.3.1.3. Residents having more of a stake in public services and the Haringey economy.
- 6.3.1.4. Working with partners – other public bodies, businesses and voluntary organisations – to embed a community wealth building approach across the Borough.

6.3.2. Two key points to note on the definition:

- 6.3.2.1. Unlike Preston, Haringey is located in a major capital city, and is by no means a self-contained functional economic area. Haringey residents often work, study and/or receive services within another Local Authority area, and not always in London. Haringey also shares several key anchor organisations with other boroughs. While it is the Council's central priority to support the prosperity of people and businesses in Haringey, it is equally critical that this approach is not seen to be putting walls up around the borough. With that in mind, the Haringey approach to CWB will also support activity that takes a broader definition of 'local' where that supports wider local economic development to the potential benefit of Haringey's communities. Haringey will actively engage with nearby boroughs to deliver on this.
- 6.3.2.2. Approaches to CWB elsewhere have not typically included building social wealth. Social wealth is broadly defined along the same lines as social capital. It is about relationships, shared identity, trust, cooperation and reciprocity. This applies within communities, whether they be geographic, cultural or interest-based communities, and across different communities (bridging social capital). The inclusion of this recognises that social wealth

and financial wealth are often connected and both can have a direct impact on quality of life, including for example economic opportunities and health and wellbeing. It is therefore proposed that this is included in the definition and forms part of Haringey's CWB approach, to be further defined and refined in the second phase of this work.

6.3.3. In Haringey, as has happened elsewhere, the approach will develop and evolve over time. Given resources, it is recommended that the primary focus in the next year includes:

- 6.3.3.1. Five specific work areas - procurement, economic development insourcing, workforce development and asset management. It is recommended that these work areas have the most significant alignment to CWB;
- 6.3.3.2. Develop an anchor approach; and
- 6.3.3.3. Embedding the CWB approach throughout the Council.

6.3.4. Each of these are explained further below.

6.4. Procurement

6.4.1. Procurement has been the starting point for CWB in most of the places that have adopted this approach. Preston, Manchester, Islington and others all looked at this as one of the foundations of their CWB approaches. This is also where work with anchor organisations typically begins as there is a clear and specific ask. It aligns and contributes to Haringey's approach to CWB as follows:

- 6.4.1.1. Keeps more money recirculating in the local economy by awarding a higher percentage of contracts (by value) to local organisations, in particular small business, social enterprise, co-operatives and voluntary and community organisations. The assumption is these organisations are more likely to a) spend money with other local business and b) employ local people (who then spend this money locally).
- 6.4.1.2. Enhancing the use of Social Value can deliver maximum public good for every pound spent and can help support and enrich residents economically and socially. Social Value, includes economic, social and environmental value. For example, when commissioning a homecare service the contribution to economic priorities in terms of local employment opportunities and environmental factors, such as reducing travel by car, can all be considered when awarding the contract.

6.4.2. This approach is reflected in the Procurement Strategy also due to be considered by Cabinet at its October 2019 meeting.

6.5. Economic Development (including employability and skills)

6.5.1. CWB is fundamentally about a new economic development approach. Therefore, it is proposed that embedding this approach in a new Economic Development Strategy (due in early 2020) will be critical to implementation.

6.5.2. A CWB approach will be reflected in the strategy with the focus on developing a good local economy:

6.5.2.1. Fairness – supporting residents who are the most economically disadvantaged.

6.5.2.2. Good jobs – as well as looking at the number of jobs, there will be a greater emphasis on creating jobs which offer London Living Wage, opportunity for progression and good terms and conditions. Apprenticeships offer a key progression route, especially for young people, and will be central to the strategy.

6.5.2.3. Environmental sustainability – economic development at a minimum should be considerate of environmental concerns and ideally should seek to contribute to environmental borough plan priorities.

6.5.2.4. Health and Wellbeing – Recognising that good work supports good health and wellbeing and that those with health and wellbeing needs may require additional support to get into employment.

6.5.3. There will also be an enhanced focus on supporting existing local businesses and residents who wish to start their own businesses. This recognises that local business often employ local people; they are more likely to spend with other local businesses keeping wealth recirculating in the local economy; and that businesses owned by women, BAME and minority groups can help to make the economy more reflective of local communities. The Business Loan Funds, which are subject of another October Cabinet paper, can be seen as part of this.

6.6. Insourcing

6.6.1. Insourcing is a priority for the Council and has strong alignment to CWB, especially aspects related to:

6.6.1.1. The Council directly controlling the terms and conditions of staff providing local public services, many of whom are also local residents.

6.6.1.2. Residents having more of a stake in public services – the mechanisms for holding outsourced services to account are often not as strong as when they are delivered in-house, where Councillors have greater ability to scrutinise performance.

6.6.1.3. Keeping wealth local as profits do not need to be paid to shareholders/business owners and money can be directly reinvested by the commissioning body into other local services.

6.6.2. There is a report that sets out the policy statement on Insourcing that is also on the Cabinet agenda for October 2019.

6.7. Workforce Development

6.7.1. The Council is one of the largest employers in the borough (a direct lever to support CWB) and offers good jobs, which are stable and provide good terms and conditions. Two of the key themes in the workforce strategy are valuing difference and enabling people to grow. Valuing difference will help to ensure that council staff are representative of the communities the Council serves, therefore leading to better services. Enabling people to grow, including increasing apprenticeships, will provide staff with an opportunity to progress. To note, 28% of staff are also residents and a further 44% live in one of the six neighbouring boroughs.

6.8. Asset Management

6.8.1. The Council plays an important role as a landowner, with the land and premises being tenanted by local businesses, community organisations and the Council itself. This is a clear lever which the Council can employ to maximise public good and build prosperity in the local economy. From supporting community groups who in turn help to build social wealth and support some of our most disadvantaged residents, through to local businesses who provide valuable jobs in the local area. It is recommended that a CWB approach is used to help to shape the Council's approach on asset management.

6.9. Anchor Approach

6.9.1. Acting alone, the Council will have limited impact. At its heart, CWB is a partnership approach, and a core part of this work involves galvanising partners to take up this agenda, and to use their own levers to build community wealth.

6.9.2. The role of anchor organisations has been key in the approach taken by other areas. Haringey has relatively few public sector anchor organisations geographically located here, unlike Preston who had a number who were critical to the local economy. It is therefore proposed that anchor organisations may also include some private sector organisations (especially those who are unlikely to move out of the borough).

- 6.9.3. Potential anchor organisations include: Whittington Health NHS Trust; North Middlesex University Hospital NHS Trust; Barnet, Enfield and Haringey Mental Health Trust; College of North East London; Enfield and Haringey Police; North Central London Partners; Schools; Tottenham Hotspur; and Alexandra Palace.
- 6.9.4. In addition to this, a number of neighbouring boroughs, local businesses and VCS organisations share the commitment to CWB and work will be initiated to identify potential areas for collaboration.
- 6.9.5. Some of the areas to explore with anchor organisations include; procurement spend with local businesses and how they embed social value in procurements; London Living Wage accreditation and its extension to suppliers; apprenticeships within their workforces; and use of assets to support communities.
- 6.9.6. A partnership engagement plan will be developed subject to approval of this as a key priority for the next year.

6.10. Embed the approach within the Council

- 6.10.1. Recognising the importance of leadership and culture, it is proposed that the approach is embedded within the Council. This will enable Council officers to understand the approach to CWB; see how their work can support this; and identify further opportunities. Subject to agreement that this is one of the key areas of action, a full engagement plan will be developed.

6.11. Measuring success

- 6.11.1. The following four borough plan measures are key to assessing the impact of the CWB approach:
 - 6.11.1.1. Reduction in proportion of Haringey workers paid below the London Living Wage.
 - 6.11.1.2. Increase percentage of the council's expenditure on goods and services spent with Haringey businesses.
 - 6.11.1.3. Targets on residents being supported into employment and apprenticeships.
 - 6.11.1.4. Increase skills levels specifically residents in Tottenham with high level qualifications.
- 6.11.2. In addition:
 - 6.11.2.1. Each of the five priority areas will develop additional measures of success, many of which will be directly relevant to CWB.

6.11.2.2. A success measure will be developed for the work with anchor organisations following more detailed analysis and initial discussions.

6.11.2.3. Wider measures of success will evolve as this approach develops e.g. measures on social wealth.

7. Contribution to strategic outcomes

7.1. Community Wealth Building is referenced in the Economy priority within the Borough Plan. The plan states that: “Community wealth building will be at the centre of our approach. We will focus on building wealth within the community and will pursue this agenda across all of our activities. We want to build the strength, depth and wealth of our local economy and will create safe and attractive environments for both businesses and our residents to thrive.” It also links with other Borough Plan priorities, in particular, the commitment (outcome 8) to create strong communities where people look out for and care for one another.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

8.1.1. Community wealth building’s (CWB) definition in Haringey highlights a positive approach to maximising Council’s resources and involving residents in public service. It ensures that Council resources are used for the prosperity of residents and local businesses.

8.1.2. CWB is aligned towards the Council’s priorities; thus, some of the key areas of implementation will not require additional financial resources. Each key area, prior to implementation will go through the Council’s governance process and financial impact duly assessed before approval.

8.2. Procurement

8.2.1. Strategic Procurement has been consulted in the CWB approach and is fully supportive of the recommendation made in this report.

8.2.2. The new Procurement Strategy is aligned with the CWB approach and is very much focused on achieving the outcomes referenced in this report.

8.2.3. Through consideration of the Social Value Act in procurement activity, levers can be used that will enable the Council to focus on supporting local services being delivered by local people/organisations.

8.2.4. Strategic Procurement will come forward with new guidance on how to maximise supporting CWB through the Council's commissioning and procurement functions.

8.3. Legal

8.3.1 The Council has the general powers to put in place a strategy or an approach, as set out in the recommendation, designed to promote the economic and social wellbeing of its areas and its residents. Section 1 of the Localism Act 2011 provides the Council with a general power of competence.

8.3.2 Under the Public Services (Social Value) Act 2012, when procuring certain services, the Council is required to consider how it might improve the economic, social and environmental well-being of the area in which the services are to be provided.

8.4. Equality

8.4.1. The Public Sector Equality Duty (PSED)¹ is a duty requiring public bodies and others carrying out public functions to have due regard to:

- 8.4.1.1. eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010;
- 8.4.1.2. advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- 8.4.1.3. foster good relations between people who share a protected characteristic and those who do not.

8.4.2. A CWB approach will help Haringey Council to fulfil its requirements under the PSED duty by:

- 8.4.2.1. Addressing structural inequalities and working with anchor organisations to promote fair and inclusive work practices.
- 8.4.2.2. Focusing on good quality local jobs, improving take up of apprenticeships, and targeted skills and employment programmes, to help to reduce labour market inequalities faced by those who share a protected characteristic. This will assist the council in advancing equality of opportunity between people who share a protected characteristic and those who do not.
- 8.4.2.3. Increasing social wealth, which would enable residents to build connections with those different to them, enabling the fostering of good relations between people who share a protected characteristic and those who do not.

9. Use of Appendices

Annex A: Community Wealth Building Elsewhere

10. Local Government (Access to Information) Act 1985

¹ <https://www.legislation.gov.uk/ukpga/2010/15/section/149>

10.1. Procurement Strategy

10.2. Insourcing Policy

Annex A – Community Wealth Building Elsewhere

Preston

The first area in the UK to take forward a CWB approach was Preston in the North West. There was two main reasons why they changed their approach to economic development in 2011:

- The City Council was one of the 10 worst-hit local authorities in Britain impacted by austerity.
- A £700 million redevelopment plan for the city centre, based around a new shopping centre, collapsed after John Lewis pulled out.

Since then they have focused on:

- Harnessing the spending power of “anchor institutions”- government, universities, hospitals, and more- to redirect spending and contracts to local suppliers and employers.
- Where no local service provision exists or there is an identified gap in the market, the Council has looked to encourage local co-operatives to enter those markets.

Other Local Authorities

A number of other Local Authorities are taking a CWB approach, most notably Manchester, Islington and Newham.

The vast majority of areas start with their procurement spend. They focus on increasing spend with local and SME businesses; and increasing consideration of social value when awarding contracts.

This is then broadened to include a wide range of activities. For example:

- Islington are focusing on obtaining business floorspace from developers at peppercorn rents and equipping smaller local businesses to articulate their social value in order to access public service markets.
- Newham are encompassing a number of elements within their approach including: young people’s skills strategy; developing a new relationship with the voluntary sector; and supporting residents on low wages.

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Report for: Cabinet 8 October 2019

Title: Small Business Loan Funds in Haringey – Adopting a Community Wealth Building Approach

Report authorised by: Dan Hawthorn, Director of Housing, Regeneration and Planning

Lead Officer: Peter O'Brien, Assistant Director of Regeneration and Economic Development

Ward(s) affected: All Tottenham and Wood Green Regeneration Area wards

**Report for Key/
Non Key Decision:** Non-Key decision

1. Describe the issue under consideration

This report:

- provides an overview of the two council-run small business loan funds; the Opportunity Investment Fund (OIF) and the new Productive Valley Fund (PVF)
- outlines that OIF is a GLA/Haringey-funded small business loan fund, established in 2015 that has loaned £2.78M to 20 businesses to date, open to businesses looking to grow and locate in Tottenham
- outlines that PVF is a £3M Strategic Infrastructure Pot-funded business loan fund, due to launch in Autumn 2019, covering the Upper Lee Valley industrial estate areas of Haringey, Enfield and Waltham Forest
- sets out how both PVF and OIF will operate in the future and contribute to Haringey's Community Wealth Building, Economic Development Strategy and Borough Plan objectives
- seeks approval for the proposed OIF expansion to cover the Wood Green regeneration area and industrial estates in the east of the borough; and
- summarises the development of OIF from inception to the present day, outlines its achievements and lessons learnt and details the future arrangements for both OIF and PVF in the appendices.

2. Cabinet Member Introduction

- 2.1 It is a key objective of this administration to make Haringey a better, safer and more inviting place for businesses to develop, flourish and grow. Haringey is home to a modest, but important business base. This includes both a low number of businesses overall and lower employment density (jobs per head of

population) than most of our London peers. In parallel, almost one in five households in Haringey earn below the London Living Wage (LLW) and low wage, low skilled, insecure employment is too common.

- 2.2 And yet, Haringey is a place of unique diversity and opportunity. The borough is home to the only metropolitan town centre in North London and, despite the fluctuations and difficulties experienced in the UK economy over the last decade, businesses are nonetheless hugely creative and have profile – an excellent example being the burgeoning music industry in the area.
- 2.3 The Council is developing a Community Wealth Building approach, a Procurement Strategy which focuses on social value, and a new Economic Development Strategy which together set out how we and our partners are ensuring that our business base is able to grow and succeed, while also joining the council in its determination to provide residents with access to quality jobs. The Opportunity Investment Fund and Productive Valley Fund and the lending they provide to businesses are two of the ways in which we can help to make this happen.
- 2.4 Assisting new and growing businesses to access the support and finances they need will help create local jobs paying LLW as a minimum. We will also commit to enabling more training/apprenticeship opportunities, modernising and intensifying employment space, encouraging more trading with existing businesses, keeping more money circulating within the local economy, and encouraging closer working between businesses and schools/colleges.
- 2.5 Our Borough Plan and the Business Pledge set out how the Council will support local small businesses and employers. OIF and PVF are key instruments in delivering this objective. The launch of PVF also allows the opportunity to expand OIF to cover Wood Green commercial centre and other areas of industrial employment previously outside the OIF area.
- 2.6 We are ambitious as a Council to develop the borough's local economy in such a way that builds on the cultural foundation of diverse and independent businesses in the area. This administration's efforts to help make finance available to Haringey businesses is an important first step in achieving this goal.

3. Recommendations

It is recommended that Cabinet:

- 3.1 Agrees that the Opportunity Investment Fund is expanded to cover the Wood Green regeneration area and industrial estates in the east of the borough in addition to the existing coverage of the Tottenham regeneration area for the reasons outlined in sections 4-5, so that the balance of Opportunity Investment Fund (£1.26M to date) and future repayments will also be eligible to cover businesses in this expanded area going forward.

- 3.2 Notes the achievements of the Opportunity Investment Fund to date and the soon to launch Upper Lee Valley Productive Valley Fund, as well as the management arrangements of both funds.

4. Reasons for decision

- 4.1 A recent business survey in Wood Green found that almost three-quarters of them had plans for expansion, although not all of these will need public sector support to realise those plans. By expanding, OIF would support businesses to remain and expand in Wood Green and Tottenham and reduce the number of those needing to relocate outside of the borough.
- 4.2 Wood Green is also the borough's metropolitan town centre and a prime employment area with well-advanced Council and partner plans to enhance and improve the commercial space offer through a jobs-led programme of change which will bring forward a pipeline of commercial space over several years. Despite this, the demand for housing land, and values achievable through housing development, put existing commercial space, especially near major transport interchanges, under pressure and at risk of being converted to housing.
- 4.3 The town centre also neighbours areas of high socio-economic deprivation. Allowing OIF to expand to Wood Green would generate employment opportunities paid at London Living Wage (LLW) or above for local residents within close proximity of their homes.
- 4.4 By widening the scope of OIF to Wood Green and industrial estates outside Tottenham, the benefits of OIF will be accessible to many more businesses and cover the borough's two growth areas and major employment areas (the other being Tottenham).
- 4.5 The new PVF loan fund, covering the industrial estates in the Upper Lee Valley, enables OIF to expand to Wood Green, given that further applications from industrial estates in Tottenham can now be covered by PVF. 11 out of the 20 OIF loans awarded to date have been provided to businesses located in Tottenham industrial estates.
- 4.6 Reporting to Cabinet on the OIF loan fund and forthcoming PVF loan fund is timely in order to reaffirm and align their objectives to the Borough Plan, the Economic Development Strategy and to embed Community Wealth Building principles. Appendix 1 outlines achievements to date against various objectives.
- 4.7 The Council is committed to growing and sustaining the borough's business base and supporting local people to access employment opportunities created by the local economy – increasing jobs and commercial space. The loan funds enable businesses to access finance, where otherwise they may have been unable from conventional lenders, or to bring forward their expansion plans quicker. The loan agreements enable the Council to set targets for the business to deliver jobs (with LLW as a minimum),

apprenticeships/traineeships, offer discounts and services to local residents and community groups, develop local supply chains with existing small businesses and create attractive, appealing destinations and services for people to enjoy and retain money in the local area. Businesses also sign up to deliver activities through the Tottenham Charter with local schools and colleges such as work experience, school visits and talks.

4.8 The recyclable nature of the funds mean that loan repayments are returned to the Council to loan out again to the next generation of applicants. It is a strong example of the Council ensuring that public pounds deliver the maximum public good.

4.9 The fund also helps to protect and enhance employment land in our town centres and industrial estates, modernising and intensifying our commercial areas and making our town centres more attractive and desirable to live, work and visit.

5. **Alternative options considered**

5.1 The following options were considered:

a) **No change** - OIF continues to be eligible only for businesses currently based or moving into Tottenham. This is not considered a desirable status quo.

b) **Expand OIF over the whole borough** – this is not considered the optimal solution as, despite its positive impact, the fund is relatively small in scale and will have a more intense impact focused on the larger areas of commercial activity in the borough (the major centres of Wood Green and Tottenham) and the larger industrial estates in the east of the borough. This would also put a strain on resources, expanding to cover such a large area. The current pot of OIF funding available to applicants stands at £1.26M as of now (which represents approximately 10-12 loans based on the average loan size awarded to date) and the anticipated return rate of 70% will mean the fund will see diminishing returns over subsequent years resulting in a maximum of 8-10 loans awarded over the next few years. The impact of this would therefore be diluted if spread over the borough as a whole.

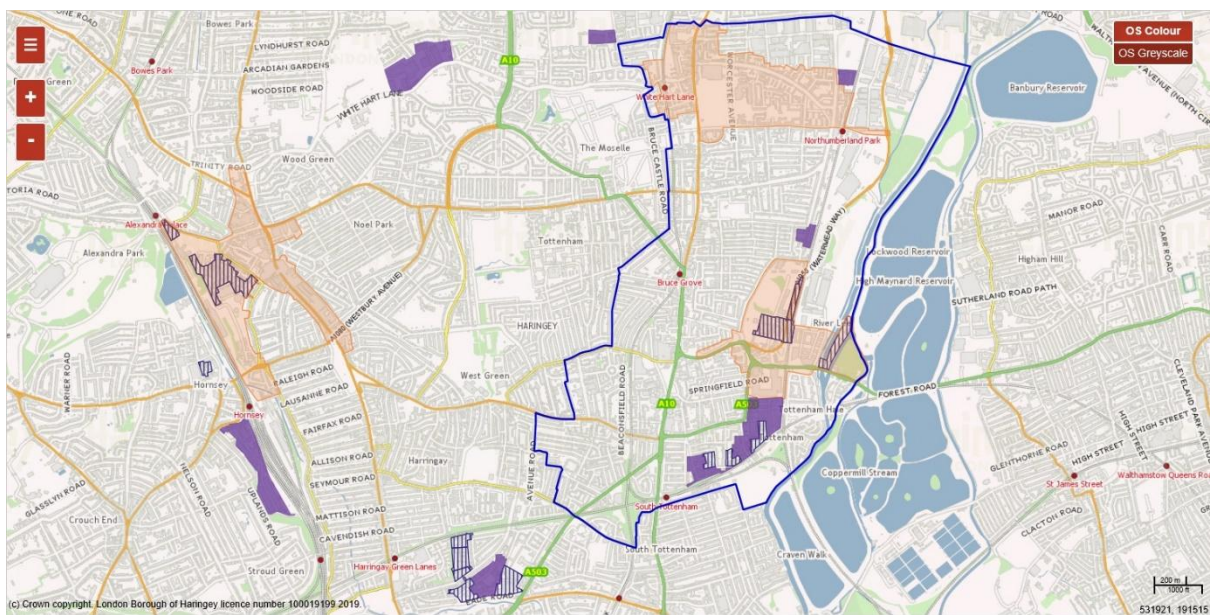
c) **Expand to cover Wood Green and Tottenham only** – this option would allow the fund to focus on the borough's major commercial centres. However, this would exclude several industrial areas under pressure from residential and mixed-use development in the east of the borough.

d) **Expand to cover Wood Green, Tottenham and industrial estates in the east of the borough - this is considered the preferred option for the OIF fund**, covering, for the reasons outlined above, the major commercial centres and key industrial areas at risk of seeing a diminished commercial/employment offer. This steady expansion would also not put a strain on resources. Launching the PVF loan fund will provide the

opportunity to expand the OIF area for the next three years as a minimum. Industrial estate-based businesses have so far received around half of the OIF loan funding to date, allowing the Council to widen the area of coverage of OIF at least for this fixed period.

- 5.2 It is proposed that this expansion is reviewed after 12 months (October 2020) to assess whether the area has been widened too far (diluting the place-making and commercial-space protection aspects of the fund) or not enough (needing to be expanded into other areas seeing an equally pronounced pressure on conversion/loss of employment space). The take-up of PVF and OIF will be considered in this review.

Figure 1: Proposed Area of Coverage for OIF



Tottenham ACP area – blue boundary

Wood Green town centre and industrial estates – shaded brown and purple

6. Background information

Purpose of the Funds

- 6.1 OIF project grant funding totals £3.674m (i.e. £2.674m from GLA and £1m from LBH), approximately 66% (£2.41m) worth of loans have been awarded to 16 successful applicants, consisting mainly from the GLA grant. Of the remaining funding, there is £0.264m of GLA grant conditionally approved, yet to be lent and £0.8m of LBH grant to be lent, of which circa £51k has been conditionally approved.
- 6.2 OIF is open to small and medium-sized businesses (under 250 employees) in any sector seeking finance to grow with targets focused on increasing employment and commercial floorspace within Tottenham. Originally devised as part of a package of support following the 2011 riots, it has been refined over time to focus, since its launch in 2015, on new and existing local

businesses looking to grow in Tottenham with an emphasis on creating local jobs and protecting and enhancing employment land and premises. Further details of loans awarded and outcomes achieved are provided in Appendices 1 and 2. As the fund and lessons learnt / experience has matured, increasingly more local benefits have been obtained from loan recipients, aiding in Community Wealth Building.

- 6.3 A wide range of businesses have been funded to date (including manufacturers, workspace / recording studio providers, service and leisure providers and the food and drink sector). Beneficiaries include a mix of high street and industrial estate-based businesses, all within the Tottenham regeneration area. OIF is a fund for growing businesses with targets focused on increasing employment and commercial floorspace within Tottenham.
- 6.4 OIF was expected to see a return rate of 70%, accounting for natural business failure and the element of risk in funding some businesses. One in five new businesses fail within two years and fifty percent fail within five years. Currently the return rate for the fund is at 80%, based on amount paid out and amount defaulted.
- 6.5 PVF, a sub-regional loan fund led by Haringey, is to launch in October and is more sector and area specific than OIF, being designed to target the Upper Lee Valley industrial estates within Haringey, Waltham Forest and Enfield. The Strategic Investment Pot is a London-wide scheme administered by the Corporation of London and funded through business rates with a focus on schemes that support business growth. PVF is fully funded by SIP – a £2.7m grant to loan and a grant of £0.3m to cover administration of the fund. It is expected to target manufacturing, production, creative, green and workspace businesses.
- 6.6 The characteristics of each fund are outlined in the table below:

| Opportunity Investment Fund | Productive Valley Fund |
|--|--|
| Open to all business sectors | Focus on manufacturing and production, cultural, creative / maker businesses and green industries |
| Tottenham Regeneration area including industrial estates (and proposed to extend to Wood Green) | Upper Lee Valley industrial estate areas |
| Funds for employment and floorspace growth | Funds for employment, floorspace and business rate revenue growth |
| Not dependent on match-funding | Requires an element of business match-funding for overall programme |
| Not a 'loan of last resort' but applications from businesses with no credit history or ability to secure alternative funds are welcomed, including start-ups | Not a 'loan of last resort' but applications from businesses with no credit history or ability to secure alternative funds are welcomed. Expected to focus more on existing businesses rather than start-ups |

6.7 Outputs to be achieved by the loan funds are as follows:

| OIF Outputs | PVF Outputs |
|--|--|
| Vacant premises brought back into use | Vacant premises brought back into use |
| Sq. ft of vacant space brought back into use | Sq. ft of vacant space brought back into use |
| Work units / studios created | Work units / studios created |
| Jobs created (FTE) | Jobs created (FTE) |
| Apprenticeships / trainees | Apprenticeships / trainees |
| Tottenham Charter sign-ups (or similar Corporate Social Responsibility actions outside Tottenham area) | Tottenham Charter sign-ups (for Haringey businesses) |
| Housing units created (when part of a mixed use/commercial-led development) | Additional Business Rate uplift (£) |

6.8 OIF applicants must demonstrate how the loan would increase employment and / or commercial floorspace / bring commercial space back into use and / or that it would contribute to place making. For PVF, as well as these outputs, there should be an uplift in business rates. Local community benefits in the form of resident discounts or workspace for Haringey businesses, local supply chain commitments, school and college engagement are also expected from both funds.

Evaluation and Achievements to Date

6.9 The external evaluation of OIF found that a major positive feature of the fund was that it has a community-focus without any specific tailoring to a sector or industry and that this makes it unique at a national and local level.

6.10 To date OIF has:

- Facilitated the creation of 119 jobs lasting a minimum of 26 weeks (46% of which were filled by local people) with a further 166 committed to be created over the loan period
- Of the 20 businesses benefitting from OIF, 50% were new start-ups and 50% were led by Haringey residents
- Approximately 20% of businesses awarded loans were BAME-led
- Five OIF loans have created / committed workspace and production / creative studio space for c136 SMEs
- Over £3M of private sector investment into Tottenham commercial premises has matched OIF funding.

- 6.11 The loan helps business owners with a manageable debt to build economic assets and opportunities and create space for new and expanding businesses. The employment opportunities generated are quality, local jobs paid at LLW level or higher and zero-hour contracts are actively discouraged. The loan agreements provide further opportunities for businesses to contribute to increased social value.
- 6.12 Although BAME-led beneficiaries (17%) are higher than the London average, targeted effort will be made to promote the fund to BAME-led businesses, business support organisations and communities of interest to increase this percentage further. More detail is provided below in the Targeting Businesses section (para 6.23).
- 6.13 Further details regarding loan performance and achievements are outlined in Section 7 and Appendix 1.

OIF expansion to cover Wood Green and Industrial Estates

- 6.14 In the last year, applications to OIF have reduced compared to previous years. This is suspected to be for several reasons including uncertainty in the current economic climate, businesses adopting a 'wait and see' approach prior to making considerable investment decisions, and a lack of available property in Tottenham.
- 6.15 Wood Green's employment spaces also face a moment of risk and opportunity; London's housing crisis has put pressure on employment land to deliver housing. Many existing businesses face having to move out of the borough, away from established supply chains and local employment networks. As a major landowner, Haringey is leading on a proactive, long-term, jobs-led approach to the town centre's physical regeneration that will create the conditions for job growth including the delivery of new and improved employment floorspace.
- 6.16 Given the conditions for growth, demand is anticipated for OIF from existing small and micro businesses looking to move to the next stage and from more established SMEs where the criteria of OIF is met. It is anticipated that over the coming years a pipeline of new and improved employment space will be available and OIF loans will allow Haringey to work with existing businesses who are an established part of the business community to ensure that they stay in the borough.
- 6.17 Most Wood Green businesses (73%) expect growth in the next year yet cost and availability of space is a key concern. Wood Green has both a rich network of creative and cultural businesses while also accommodating an important set of social and community infrastructure; often the two are intertwined. 15% of the total non-retail Wood Green businesses and 19% of a recent survey sample (14 businesses) identified being part of the social economy and community infrastructure. The three prevailing creative and cultural industries identified during the study were (1) Fashion Design and Manufacturing (2) Music Industry and (3) Bespoke Manufacturing; the Food

and Beverage sector is also an important sector on the High Road and in Turnpike Lane.

- 6.18 A number of businesses known to the Council may be eligible for growth funding. Anecdotally, about five OIF enquiries to the Wood Green Regeneration Team in the last 18 months have been from Wood Green businesses without any solicitation. The demand from businesses will be directly linked to the availability of space, which is due to grow incrementally, so demand is not expected to be too low or great to be a cause for concern. The pipeline of applications and funding available to lend will be reviewed every 12 months.
- 6.19 The fund will also extend to cover industrial estates shown in Figure 1 above, targeting areas of employment concentration that fall outside the two growth areas of Tottenham and Wood Green.

Proposed administration and monitoring arrangements for PVF and OIF

- 6.20 Under the terms of the City of London grant agreement, PVF loans must be targeted at the Upper Lee Valley industrial estates across the three partner boroughs of Haringey, Enfield and Waltham Forest.
- 6.21 It is proposed that OIF will be made available for businesses in the Wood Green regeneration area and industrial estates in the east of the borough seeking funding to grow (either by increasing their workforce or floorspace) under the same terms as OIF businesses in Tottenham.
- 6.22 If OIF demand in the expanded area is high and more businesses come forward than Haringey's 'third share' amongst the three boroughs for PVF, demand may outstrip supply. Businesses offering the most locally added value (jobs, floorspace, community wealth building) would be prioritised.

Targeting businesses

- 6.23 The OIF loan fund will be targeted at businesses in Tottenham, Wood Green and industrial estates in other parts of the east of the borough, including social enterprises. It will also be promoted to local business networks and community groups who have contact with businesses and start-ups. Those businesses led by people with protected characteristics (BAME-led, female-led and people with disabilities-led) will be encouraged to apply through active promotion of the fund through community groups and representative bodies. The effectiveness of this will be closely monitored.
- 6.24 Both funds will also be promoted through the borough's network of business support providers (such as The Trampery, MLB, NWES, FSB, Princes Trust, Bridge Renewal Trust, Business Lounge, Wayra, Selby Centre) and programmes (such as Start-Up in London Libraries and The Enterprise Bursary Scheme). Loan beneficiaries will be encouraged to take up business support on offer and similarly businesses attending business support sessions will be made aware of the loan opportunity. Previous beneficiaries of the loan

fund will also be encouraged to act as mentors for new applicants and promoted in communications.

- 6.25 Existing council commercial tenants will also be made aware of the loan fund opportunity, both in industrial areas and on the high street. The Property Team will help promote the fund to businesses looking to grow and improve their premises and also promote the opportunity of using the fund when seeking new tenants for the Council’s vacant premises.
- 6.26 OIF is expected to be more high-street-focused in Tottenham and Wood Green, aimed at more under-represented groups and for lower amounts than PVF, which will be targeted at the Upper Lee Valley industrial areas, more established and larger businesses.

7. Contribution to strategic outcomes

- 7.1 Under Haringey’s **Borough Plan**, one of the Council’s five priorities is Economy under which is the objective of **Building and Retaining Wealth in Our Community**, including supporting our small and medium sized businesses (SMEs), especially independents. The OIF and PVF loan funds directly address the aim to ‘use all the levers we have to retain money in the local economy’ by exclusively targeting SMEs for jobs and growth’.
- 7.2 Appendix 1 sets out in more detail how the OIF and PVF loan fund programmes support various Borough Plan objectives and outlines key OIF achievements to date.
- 7.3 The business loan funds directly contribute to several facets of the Council’s community wealth building approach. Half of the OIF business owner recipients to date are Haringey residents and they have employed over 100 new recruits, with a further 166 pledged.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1 The report is recommending a change to the geographical coverage of the OIF so that it can support business in the Wood Green regeneration area and industrial estates. This recommendation in and of itself gives rise to no financial implications provided that the risk profile is the same.
- 8.2 The report also recommends that the achievements of the OIF be noted and these are set out in more detail in Appendix 1. The table below provides the financial position on the OIF as at the end of 2018/19:

| Financial Year | Loan Amount Awarded (£) | Loan Principle Amount Repaid (£) | Loan Interest Paid (£) |
|----------------|-------------------------|----------------------------------|------------------------|
|----------------|-------------------------|----------------------------------|------------------------|

| | | | |
|---------|------------------|----------------|---------------|
| 2015/16 | 600,000 | - | - |
| 2016/17 | 597,800 | 41,976 | 2,264 |
| 2017/18 | 492,200 | 129,085 | 12,256 |
| 2018/19 | 720,000 | 225,617 | 13,581 |
| | 2,410,000 | 396,677 | 28,101 |

N.B: 2015/16 Loan amount includes £90,000 grant award

Loan Amount Awarded does not include conditional agreements not yet paid out to businesses

- 8.3 Since the 31st March 2019 a further £160,195 has been repaid making a total for repayments of £556,872 to date. Of the outstanding balance of £1.853m, approximately £0.63M worth of loans awarded to four organisations are in default. Actions are currently being taken by both the responsible service area and debt management team to recover the outstanding loans. The majority of loans have been made with an interest rate of 6%.
- 8.4 Of the total OIF project funding of £3.674m (i.e. £2.674m GLA & £1m LBH), approximately 66% (£2.41m) worth of loans have been awarded to 16 successful applicants. To date the loans have been funded via the GLA grant. Of the remaining funding, there is £0.264m of GLA grant conditionally approved, yet to be lent and £0.8m of LBH grant to be lent, of which circa £51k has been conditionally approved. These sums are included in the agreed capital programme and £0.2m of the £1m funding by LBH has been earmarked towards general management and administration.
- 8.5 The report also informs Members of the success of the Productive Valley Fund (PVF) bid to the Strategic Investment Pot (SIP). The SIP is a London-wide scheme administered by the Corporation of London and funded through business rates with a focus on schemes that support business growth. The PVF has an investment pot of £2.7m and a grant of £0.3m to cover administration of the fund.
- 8.6 The funds will be lending to a variety of businesses in varying stages of maturity. To date an interest rate of 6% has been used on the loans. However, this may not apply to start-up businesses, where a bespoke rate could be derived. Security against the loans will be sought as appropriate to the circumstances of the individual applicant.

Procurement

- 8.7 There are no procurement implications in this report.

Legal

- 8.8 The Council has the power under section 1 of the Localism Act 2011 to provide the loans. Under this section the Council as local authority has power to do anything that individuals generally may do. However this general power does not enable a local authority to do (a) anything which the authority is unable to do by legislation, or (b) anything which the authority is unable to do by virtue of a post-commencement limitation which is expressed to apply (1)

to the general power, (2) to all of the authority's powers, or (3) to all of the authority's powers but with exceptions that do not include the general power.

- 8.9 In granting the loans the Council must comply with the rules on state aid. The financial assistance must not be used to distort market competition. The Council may rely on the De Minimis aid if it wishes to grant a small amount of aid but must comply with the de minimis regulations. When granting de minimis aid the Council must ensure that the award does not breach an undertaking's de minimis ceiling over a three-year fiscal period (which is currently 200,000.00 Euros for most service sectors).

Equality

- 8.10 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.11 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion / faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.12 The council will encourage those with protected characteristics (BAME-led, female-led and people with disabilities-led businesses) to apply for loan funding. This will enable the council to have a positive impact for those key groups and ensure that there is a diverse range of recipients.
- 8.13 Furthermore, the council seeks to improve its understanding of the demographics of the business owner population in Haringey.
- 8.14 However, equalities data for business owners/directors is scarce at even a regional level. Around 6-8% of businesses in London are BAME-owned, although this figure is likely to be higher in Haringey and Tottenham given the residential population profile. OIF BAME-led business beneficiaries make up 17% of all businesses. The ethnicity of all OIF and PVF businesses will continue to be monitored. Communications will also be targeted at local business support and community organisations who engage with BAME communities in order to ensure awareness of the funds and ensure take-up continues to be comparable to these percentages as a minimum.

9. Use of Appendices

Appendix 1: Loan Fund Achievements and Alignment with Borough Plan Objectives

Appendix 2: OIF Loans Awarded to Date

10. Local Government (Access to Information) Act 1985

No background documents referenced.

Appendix 1: Loan Fund Achievements and Alignment with Borough Plan Objectives

As well as directly contributing towards 10 Borough Plan objectives listed below the loan funds increase the success and quality of our business community, strengthen business networks, increase promotion of the individual business and Haringey as a whole, encourage more local supply chain trade (retaining more money in the local area) and increase compliance with licensing, regulatory services and planning. Loan fund beneficiaries are also encouraged to pay LLW as a minimum, to participate in community engagement and promotional offers to residents, to raise the take-up of apprenticeships and traineeships among SMEs and their engagement with local schools, colleges and council initiatives such as the Tottenham Charter.

The loan funds' investment in local businesses helps support local, independent small business owners and generates local jobs in the sub-region, increasing the prosperity of Haringey residents and further strengthening Haringey's reputation as a positive, fair place to do business.

| Borough Plan Objective | OIF / PVF Achievement |
|---|--|
| <p>Objective 14c) Increase the number of entrepreneurs who develop new start-ups in the borough and who choose Haringey as a place to do business - where we will 'continue to seek external funding to provide investment and loan support to our local businesses. Provide effective advice and support to those starting new businesses and continue to seek external funding...that supports the development of our key sectors and economic areas, including...Productive Valley in the Upper Lee'.</p> | <p>To date, OIF has attracted 11 businesses into the Tottenham area.</p> <p>10 businesses supported by OIF (50%) have been new start-ups in the borough.</p> <p>10 businesses (50%) have been led by Haringey residents.</p> <p>OIF brought in £2.674M of GLA grant funding and PVF has secured £3M of Strategic Investment Pot funding from the City of London Corporation.</p> |
| <p>Objective 14d) Secure the delivery of a range of workspaces to meet the needs of a modern economy - by piloting 'employment intensification approaches in key employment areas where space is at a premium, such as the Upper Lee Valley' and 'seek to maximise employment intensity in Haringey's industrial estates'.</p> | <p>Five OIF loans have created / committed workspace and production / creative studio space for c136 SMEs.</p> <p>PVF will specifically target industrial estates within the Upper Lee Valley, intensifying employment space and enabling it to be modernised for business' needs.</p> |
| <p>Objective 14e) support our town centres and high streets</p> | <p>8 'high street' businesses have been supported by OIF to date, enabling them</p> |

| | |
|---|---|
| <p>to thrive in a changeable economy - supporting a thriving business community, offering jobs and opportunities to local people is critical to a successful borough and enhancing community wealth.</p> | <p>to change and grow to respond to the current economic climate.</p> |
| <p>Objective 16a) Ensure investment in the borough increases the number of quality jobs for local people by 'leveraging agreements with...partners [businesses] to maximise benefits for local people'</p> | <p>119 jobs lasting at least 26 weeks have been created by OIF businesses to date; 46% of these job opportunities were filled by local people.</p> <p>Many other local benefits have been derived from OIF businesses and are detailed below</p> |
| <p>Objective 16b) We will become a London Living Wage borough and use our own purchasing power to promote quality jobs by 'where reasonably possible, insist[ing] on London Living Wage as a minimum on all Council procured contracts'</p> | <p>All OIF businesses (and future PVF businesses) are required to offer, or work towards offering, all staff LLW as a minimum.</p> |
| <p>Objective 16c) Help grow those sectors of the economy which offer the best opportunities for our residents including 'support growth in key opportunity sectors and areas notably in the Productive Valley (Upper Lee Valley)' and 'seek to secure new investment into the borough'</p> | <p>OIF has supported growing sectors in Tottenham such as production studios and workspaces, leisure services and food and beverage businesses. As well as investing £2.78M of OIF funding, OIF businesses have secured or matched from their own resources £3.1M investment.</p> <p>PVF will target the Upper Lee Valley area exclusively.</p> |
| <p>Objective 17a) Investment for the benefit of our communities within Tottenham and Wood Green to 'deliver new investment and improvements in Tottenham' and 'continue to invest in Tottenham Hale, including new jobs, shops and community facilities'</p> | <p>To date, OIF has invested in Tottenham and Tottenham Hale, resulting in 119 new jobs being created, a further 166 committed and safeguarding many more, investing in 20 businesses/sites and 14 new facilities/services for local people to access. OIF is proposed to expand to cover Wood Green.</p> |
| <p>Objective 17b) Keep people at the heart of our Tottenham and Wood Green programmes by 'continuing to secure the support of businesses working or investing in the area. This will build on the commitments already</p> | <p>20 businesses have been supported and have, in turn, provided local facilities and opportunities for local people, including 73 apprenticeships / commitments. OIF is proposed to expand to cover Wood Green as well as Tottenham.</p> |

| | |
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| made through the Tottenham Charter' | |
| Objective 18a) 'Businesses feel engaged with and show high levels of trust in the Council through the OIF/PVF loan programme engagement and support | OIF businesses have demonstrated a positive relationship with the council, across many departments and work closely with regulatory services to ensure a high standard of compliance. They regularly make use of networking opportunities with each other, the Council and its partners, including investing in other local businesses such as through their supply chains. |
| Outcome 6a) 'All young people will be able to access routes to achievement and success' | Through the Tottenham Charter and work with local schools, three OIF businesses have already undertaken activities with local schools, with several more pledged to do so. |

| Business Name | Address | Loan Value | Type of Business | Status of Business | Repayment Status | Purpose of Loan | Loan Released | Jobs target | Jobs to date |
|-----------------------------|--|--------------------------|---|--------------------|--|---|---------------|-------------|--------------|
| Mill Co. | Gaunson House, Markfield Road | £100,000 | Workspace provider | Operating | Up to date | Refurbishment of warehouse to create workspaces | yes | 2.75 | 2.75 |
| Chicken Town | The Old Fire Station, Town Hall Approach Road | £210,000 & £90,000 grant | Restaurant | Closed | £200k o/s. Negotiating with potential new occupier to take on loan | Refurbish building into a restaurant | yes | 7 | 9 |
| Albion Knit | 12 Crusader Ind. Estate, Hermitage Road | £100,000 | Designer knitwear manufacturer | Operating | Up to date | Buy knitting machines to increase production | yes | 6 | 40.5 |
| Redemption | Unit 16 Compass West Estate, West Road | £100,000 | Craft brewery with associated tap room | Operating | Up to date | Refurbish building into a brewery and buy equipment | yes | 0 | 3 |
| Ten87 (1) | 39B Markfield Road, Tottenham Hale | £100,000 | Workspace and music studio provider | Operating | Up to date | Refurbishment of warehouse to create workspaces and recording studios | yes | 1 | 1 |
| Inspiral Visionary Products | 4B Triumph Trading Estate, Tariff Road | £300,000 | Healthy snack producer | Closed | £45k repaid. Balance of £282k in arrears | Purchase machinery and renovation of factory | yes | 30 | 25 |
| ALP (Stronghold) | 18 Ashley Road, Tottenham Hale | £90,000 | Climbing / fitness centre, café and event space | Operating | Up to date | Refurbish building to provide climbing wall, gym and café | yes | 28 | 15 |
| Pressure Drop Brewing | Unit 6, Lockwood Industrial Park | £155,000 | Craft brewery with associated tap room | Operating | Up to date | Refurbish building into a brewery and tap room and buy equipment | yes | 12 | 5 |
| Five Miles | 39B Markfield Rd, Tottenham Hale | £150,000 | Music venue / cafe / bar | Operating | CVA entered into £146k o/s (incl interest) | Fit out of music performance and event space / bar | yes | 19 | 9 |
| Electric Grubb | 286 High Road, Tottenham | £65,000 | Cafe / juice bar | Operating | Up to date | Refurbish new premises and purchase equipment | yes | 5 | 1 |
| High Cross | Former Monument Way Toilets, Tottenham High Rd | £72,000 | Bar | Operating | Up to date | Refurbish and fit out bar | yes | 4.5 | 3 |
| Loven Presents | 44 Eagle Heights, Hale Village | £38,000 | Bakery / café and community space | Operating | £1,600 in arrears | New community focused cafe | yes | 9.5 | 3.5 |
| True Craft Pizza and Beer | 68 West Green Road | £80,000 | Bar/pizza restaurant/bottle shop | Operating | Up to date | Refurbish and fit out vacant public house to restaurant and bottle shop | yes | 6 | 3 |
| Unit58 | 58 Mill Mead Industrial Estate | £170,000 | Workspace and event space provider | Operating | Up to date | Refurbishment of warehouse to create workspaces and studios | yes | 1 | 0 |
| TEN87 (2) | High Cross Business Park | £75,000 | Workspace and music studio provider | Operating | Up to date | Refurbishment of warehouse to create workspaces and studios | yes | 0.5 | 1 |
| Roller Nation | 117 Bruce Grove | £370,000 | Roller disco and restaurant | Operating | Up to date | Refurbish former snooker club to roller disco and diner | yes | 31 | 0 |
| StackN15 | Westerfield Road Car Park, Seven Sisters | £300,000 | Container retail / office / food / leisure village | Yet to open | Loan partially released. Repayments not yet due. | Investment in container units to be placed on site and fitted out | 50% released | 107 | 0 |
| Looks Like Me | 1 Birdsmouth Court | £45,000 | Talent/model agency for range of ethnicities and children with disabilities | Operating | Loan not yet released | Fit out as photography studio and buy equipment | no | 3 | 0 |

| | | | | | | | | | |
|--------------------------|--|----------|---------------------------|-------------|-----------------------|---|----|---|---|
| Chuku's | Premises not yet identified | £120,000 | Nigerian tapas restaurant | Yet to open | Loan not yet released | Fit out restaurant | no | 7 | 0 |
| LCR Music Company | 1st Floor Unit 3D, Mill Mead Industrial Estate | £55,000 | Recording studio | Yet to open | Loan not yet released | Refurbish warehouse to create music studios | no | 3 | 0 |

Total Awarded

£2,785,000

Total

235.25 114.25

| Floorspace target sqft | Floorspace to date sqft |
|------------------------|-------------------------|
| 15,000 | 50,000 |
| 1,500 | 1,500 |
| n/a | n/a |
| 9,200 | 9,200 |
| 16,250 | 16,250 |
| n/a | n/a |
| 17,600 | 17,600 |
| 5,872 | 5,872 |
| n/a | n/a |
| n/a | n/a |
| 470 | 470 |
| 1,076 | 1,076 |
| 1,259 | 1,259 |
| 8,300 | 8,300 |
| 3,000 | 3,000 |
| 10,000 | 10,000 |
| 22,000 | 0 |
| n/a | n/a |

| | |
|-------|-----|
| tbc | n/a |
| 1,130 | 0 |

| | |
|--------|---------|
| 89,022 | 124,527 |
|--------|---------|

Report for: Cabinet 8 October 2019

Title: Contract variation report for Broadwater Farm District Heating works

Report

Authorised by: Dan Hawthorn, Director of Housing Regeneration & Planning, Haringey Council

Lead Officer: David Sherrington, Director of Broadwater Farm, Homes for Haringey

Ward(s) affected: West Green

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1 Cabinet received a report on 14 August 2018 which described how 11 of the 12 blocks on Broadwater Farm had failed key structural tests relating to Large Panel System blocks, and set out the works necessary to address that failure. This report describes additional works and variations required under the contract between the Council and Engie Regeneration Ltd (the contractor), which have resulted in additional costs. The report seeks Cabinet's approval for the additional costs.
- 1.2 Specifically, the report requests approval for additional funding for variations to the Broadwater Farm District Heating contract which was approved by Cabinet on 14 August 2018. This request is made under CSO 10.02 which sets out the requirements of contract variations above £500k.
- 1.3 The contract commenced in 2018 and since work commenced on site, the Council and Homes for Haringey have agreed a number of variations from the original scope. These have been to enhance the outcomes for residents and deliver additional works in tandem with the district heating project. These are listed in more detail under section 6.7 but include new kitchens and bathrooms, new cold water supplies throughout homes and enhanced management systems for the district heating system to ensure ongoing efficiency and lower bills for residents.

2. Cabinet Member introduction

- 2.1 Since the health and safety issues at Broadwater Farm became known, the Council has taken decisive action to manage the risks and ensure the safety of residents. This includes the replacement of all gas cookers, estate wide door knocking and engagement, the fitting of gas interrupter valves and the decant of two blocks.

2.2 This report relates to the ongoing works to install a new modern District Heating system on the estate. Since the inception of the project, officers have identified a number of enhancements to the programme to improve outcomes for residents and the quality of the upgraded heating system. These are detailed under 6.7. This report seeks to extend the existing contract to allow for these additional works to be completed.

3. **Recommendations**

It is recommended that Cabinet:

3.1 Approves the variation of the District Heating contract with Engie LTD (formerly Keepmoat LTD) of an additional £5,531,172. More details of the variations required are set out in section 6.7 of this report.

3.2 Approves the additional consultancy fees of £180k as set out in paragraph 10.1 in this report.

3.3 Agrees not to seek to recharge leaseholders their proportion of the cost of these works

4 **Reasons for decision**

4.1 The nine medium rise blocks on Broadwater Farm (Croydon, Debden, Hawkinge, Hornchurch, Lympne, Manston, Martlesham, Rochford and Stapleford) have failed structural tests for Large Panel System buildings.

4.2 To mitigate the risks, Cabinet gave authority to enter into the contract with the contractor on 14 August 2018. The work set out in the original contract was established following structural surveys which identified that it was not safe to have individual gas supplies within each flat on Broadwater Farm.

4.3 The project was divided into two substantive elements. Firstly, the Council was required to remove all gas supplies from flats and replace them with a new heating system by the end of October 2018. This deadline was set by the statutory gas body, Cadent (who have statutory responsibility for the provision of gas supplies) and required the switch over of 725 flats from gas to district heating over a six week period (this deadline was met last year).

4.4 The second element of the scheme was to complete the site wide distribution of the new energy network and upgrade the energy centre, from which the new network would be powered. The current forecast date of completion for this element is November 2019.

4.5 Due to the time constraints, officers focussed on developing a detailed strategic design for the heating system in the absence of some survey data, such as survey data within flats and survey data of the other mechanical and electrical systems across the estate

4.6 Since the project has commenced, a number of technical opportunities and constraints have arisen which have allowed Homes for Haringey to amend its approach. These have led to the variations in 6.7. The variations mean that

Homes for Haringey will be delivering additional works for residents and reducing future disruption.

5. **Alternative options considered**

5.1 The option of undertaking this work under a separate contract was considered but was discounted on the basis that it would: -

- Prevent the technical completion of the existing agreed district heating contract. For example:
 - Fire stopping in flats is essential where compartmentation issues are identified
 - Renewal of floors where they have collapsed is essential to upgrade kitchens and bathrooms
 - Renewal of kitchens and bathrooms essential as re-piping of water pipes required removal of units. Due to condition some units are impossible to retrofit.
- Cost the council considerably more to deliver if separated out into different contracts. For example:
 - Returning to flats to complete kitchen and bathroom upgrades would require additional visits from contractors which would be an additional cost to the Council.
 - Similarly, returning to flats to upgrade water supplies to the bathrooms and separate WCs would require additional visits from contractors which would be an additional cost to the Council.
- Cause considerably more disruption to residents if delivered through a separate contract. For example:
 - Doing as much work inside people's flats at the same time reduces the number of visits required to people's flats and the amount of disruption each resident experiences. By upgrading all water supplies, kitchens, bathrooms and WCs where necessary, we reducing the number of times we are disrupting the residents.
 - Returning to flats to complete kitchen and bathroom upgrades would leave residents without essential services for an unacceptable period of time

6. **Background information**

6.1 In the summer of 2017, Homes for Haringey initiated structural surveys on the Broadwater Farm estate. The surveys were commenced following a letter from the MHCLG asking Local Authorities to check their records regarding large panel system buildings to ensure buildings passed the required standards.

6.2 Following a review of the archive data, the Council could not satisfy itself that the records it held were comprehensive, which led to the commissioning of structural engineers to provide up-to-date survey data for the 12 blocks on Broadwater Farm.

- 6.3 The first set of survey results were received in December 2017 and identified that some of the blocks did not meet building regulations. In particular, 10 of the blocks did not meet the standards necessary for large panel system buildings with individual gas supplies.
- 6.4 Guidance on Large Panel System buildings stipulates that where individual gas supplies are present, they must be able to withstand the explosive force caused by a gas explosion. 10 blocks failed this test, meaning that they were at risk of progressive collapse in the event of a gas explosion.
- 6.5 An option appraisal was carried out to determine the most appropriate solution and the consulting engineers concluded that a new district heating system was the most appropriate solution. A copy of the option study is available on the Homes for Haringey website.
- 6.6 Ahead of the district heating, the Council removed all gas cookers across the estate and replaced them with electric cookers, installed gas interrupter valves in flats to shut the gas off in the event of a leak, and undertook a significant programme of engagement and communications with residents. The Residents' Association were consulted throughout the process and officers continue to meet the Residents' Association every two weeks to discuss concerns and issues.
- 6.6 Since the District Heating contract was awarded in August 2018, all gas has been disconnected from the estate and all flats now receive heating and hot water via a centralised system.
- 6.7 Key proposed variations to the contract since it was let are as follows:
- **Inclusion of kitchen and bathroom upgrades:** The re-piping of cold water feeds for the energy network within flats required the removal of existing kitchen and bathroom units. A significant number of kitchens and bathrooms did not meet the Decent Homes standard and once removed, would have been impossible to retrofit. Replacing kitchens and bathrooms under a separate contract would have left residents without kitchen and/or bathroom services for an unacceptable period of time. Officers therefore recommend that kitchen and bathroom upgrades are included as part of the work where existing units cannot be retrofitted. Delivering the works as part of the heating scheme is more cost effective for the council and will lead to less disruption to our residents. The council has an existing programme of works to upgrade kitchens and bathrooms and this work is being funded through that pre-existing programme budget.
 - **Inclusion of full upgrade of cold-water systems:** The existing contract envisaged the re-piping of cold-water feeds to kitchens only. Further survey work identified that the remaining cold water systems for bathrooms and separate WCs was at the end of its life cycle. Therefore it is proposed to upgrade all cold water supplies across the estate. It is more cost effective for the Council to do the work together with existing cold water feed upgrades to kitchens, as it requires fewer visits from the

contractor, it is less disruptive to residents and it tackles persistent issues of leaking pipework on the estate.

- **Upgrade to the existing energy centre:** The original contract had an allowance for a Building Management System within the central Energy Centre. Working with the Council's Carbon Reduction team and their specialist advisors, WSP, Homes for Haringey has enhanced designs for Building Management System in the energy centre and technology that supports the ongoing running of an efficient system. The enhancements ensure the network is closely aligned with the Council's broader strategy of decentralised energy, will lead to lower energy bills for residents and will enhance our ability to identify potential fuel poverty on the estate.
- **Additional oil costs:** All heating and hot water is currently provided by temporary oil boilers, installed in advance of the connection to the new energy centre. Costs for the temporary boilers were included within the contract but oil costs were omitted in error and form part of the costs for the boilers. These are now included within the contract sum.
- **Fire stopping to flats:** Survey work on the kitchen and bathroom programme has identified some fire stopping required behind services and in ducts to ensure that compartmentation within flats is maintained. It was not possible to identify this work until the kitchens and bathrooms were removed in the relevant flat and as fire stopping is required by fire safety legislation, it is being completed as part of the contract. The current figure used for budgeting purposes is a provisional sum subject to further survey work.
- **New flooring in flats:** Detailed survey work identified a number of failing suspended floors in flats when cold water pipes have been replaced. When identified these are being upgraded as part of the programme.
- **Additional heating pipework:** Some additional pipework has been installed across the estate to allow the energy network to be extended to the Broadwater Lodge site in the future.
- **Various other minor additions:** Includes a number of additional smaller additions, including new secure doors on plant rooms, roofing upgrades to the energy centre, car park upgrades and protective bollards in car parks. All additions are proposed pursuant of completing the existing contract.

6.8 Because these elements were not included within the original contract, Cabinet is requested to approve the variation of the contract as per the Council's Contract Standing Orders.

6.9 The project is due to conclude in February 2020 following the connection of new water supplies, the upgrade to the estate's central boiler house, fire stopping works, kitchen and bathroom upgrades and the installation of metering equipment.

7. Leasehold Implications

- 7.1 As a result of applications made under the Right to Buy legislation, there are 116 leaseholders living in properties affected by the works, detailed in this report.
- 7.2 Under the terms of their lease, the lessee is required to make a contribution towards the costs of maintaining in good condition: The main structure, the common parts and common services of the building. These works would be covered by that contribution obligation. Such contributions are recovered by the freeholder (the Council) through the lessees' service charge account.
- 7.3 At its meeting on 14 August 2018 awarding the contract Cabinet decided that leaseholders should however not be recharged for the District Heating works, noting that unrecovered charges would be no greater than £2m.
- 7.4 The recommended variation to the contract will not lead to unrecovered charges to leaseholder increasing beyond £2m.

8 Contribution to strategic outcomes

- 8.1 The works are being carried out in line with the Borough Plan Outcome three, which states: We will work together to drive up the quality of housing for everyone: Deliver the Capital Programme

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 9.1 This report seeks approval for the additional works amounting to £5,531,172 and additional consultancy fees of £180K. This brings the total cost of the scheme to £18,720,435.
- 9.2 Cabinet approved a £13m budget for Broad water farm heating scheme in August 2018 and approved a direct contract award to Engie of 12.6m.
- 9.3 This variation represents a 44% increase in the original sum (£12.6m) approved by Cabinet in August 2018.
- 9.4 The total variation sum will be funded from the Broadwater Farm District Heating budget within the 2019/20 Housing Capital programme; currently forecasting an underspend.
- 9.5 Phasing of estimated expenditure is set out below:

| Financial Year | Building Works | Consultancy Fees | Total |
|----------------|----------------|------------------|-------------|
| 2017/2018 | £0 | £65,000 | £65,000 |
| 2018/2019 | £10,456,853 | £255,108 | £10,711,427 |

| | | | |
|-----------|-------------|----------|--------------------|
| 2019/2020 | £7,674,853 | £269,433 | £7,944,008 |
| Totals | £18,131,172 | £589,263 | £18,720,435 |

- 9.6 It is estimated that potential recharges to leaseholders for these works will not be in excess of £2m, which will represent lost income if leaseholders are not recharged for these works.

Strategic Procurement (SP)

- 9.7 Strategic Procurement (SP) notes the 2018 Cabinet Approval of £12,600,000 for the BFW District Heating Contract.
- 9.8 SP notes the request for a variation of £5,531.172 to the contract to Engie Limited for additional Works for the District Heating Contract and the agreed final account sum of £18,131,172, including contingency.
- 9.9 SP acknowledges recommendation 3.1 of the report for the Cabinet to approve a contract variation to Engie Limited for the key variations summarised in section 6.7 of the report.
- 9.10 SP also notes the request for additional consultancy fees of £180k as set out in paragraph 8.2 within this report.
- 9.11 SP has no objections to recommendations 3.1 and 3.2 of the report subject to CSO 10.02.1 Variations and Extensions, pursuant to PCR Regulation 72(1) (b) (ii) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement , where change of the contractor would cause significant inconvenience or substantial duplication of costs to for the contracting authority (The Council), provided that the increase in price does not exceed 50% of the value of the original contract.
- 9.12 SP has no objections under CSO 10.02.1(b) Variation and Extension to the above variation request to extend the contract value by £5,531.172 which is an increase of 44% of the original contract sum.

Legal

- 9.13 The Assistant Director for Corporate Governance has been consulted in the preparation of this report.
- 9.14 It is open to the Council in the circumstances outlined in this report and that considered by Cabinet on 14 August 2018 not to seek to enforce leaseholders' obligations to pay charges under the terms of the lease.
- 9.15 Regulation 72(1)(b)(ii) of the Public Contracts Regulations 2015 allows the Council to vary a contract on the ground that additional works, services or supplies which were not included in the initial procurement have become necessary and a change of the contractor would cause significant inconvenience or substantial duplication of costs to for the Council, provided that the increase in price does not exceed 50% of the value of the original contract. Paragraph 5.1 of this report demonstrated that a change in contractor would not only have resulted in significant inconveniences but would have

resulted in considerable additional cost to the Council. Additionally, the additional cost of £5,531,172 is less than 50% of the original contract price.

9.16 Pursuant to the Council's Contract Standing Order 10.02.1(b), Cabinet may approve the variation of a contract if the value of the contract is £500,000 or more.

9.17 The Assistant Director of Corporate Governance sees no legal reasons preventing the approval of the recommendations in the report.

Equality

9.18 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

9.19 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

9.20 The report is to approve costs associated with works on the Broadwater Farm estate, noted at para. 6.7. Those most affected by the decision will be Homes for Haringey tenants, among whom BAME communities, women, and those with long-term health conditions and/or disabilities are overrepresented relative to the population of Haringey. Tenants can expect to benefit from upgrades and measures to improve safety.

10 Use of Appendices

10.1 None

11 Local Government (Access to Information) Act 1985

11.1 The background papers relating to this report are:

11.2 Cabinet meeting August 2018 – award of contract

<https://www.minutes.haringey.gov.uk/documents/g8908/Public%20reports%20ack%2014th-Aug-2018%2018.30%20Cabinet.pdf?T=10>

11.3 Options appraisal on solutions (see 6.5)

https://www.homesforharingey.org/sites/default/files/broadwater_farm_heating_and_hot_water_options_appraisal.pdf

11.4 Structural reports on blocks

<https://www.homesforharingey.org/your-neighbourhood/safety-estates/broadwater-farm/broadwater-farm-reports-june-2018>

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Report for: Cabinet 8 October 2019

Title: Appointment of Masterplanners for the Selby Urban Village Project
Report

authorised by: Dan Hawthorn, Director of Housing, Regeneration and Planning

Lead Officer: Helen McDonough, and Head of Socio Economic Regeneration

Ward(s) affected: White Hart Lane

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks approval to appoint the recommended contractor, Contractor B, to undertake a Masterplanning exercise and design development across RIBA Stage 0-3+ (including preparation and submission of two planning applications for the Selby Centre and Bull Lane sites) at a cost of £741,666.20.
- 1.2 The proposed mixed use development on the Selby Centre and Bull Lane sites has the potential to deliver up to 200 new homes, including council housing (appx 50%); re-provision of the Selby Centre in a new dedicated community hub; new retail, and sports and recreation facilities in the adjacent Bull Lane Playing Fields.

2. Cabinet Member Introduction

- 2.1 The Selby Urban Village project is an ambitious development arising from a shared aspiration between Haringey Council and the Selby Trust to deliver a community focused, mixed-use scheme on the Selby Centre and Bull Lane Playing Field sites and will support the Council's Priorities set out in the Borough Plan.
- 2.2 This scheme is an example of the council's commitment to building new homes and in particular council homes and improving living standards for, and in partnership with, our local community, to ensure they can participate and benefit from the investment in their neighbourhood.
- 2.3 For the Selby Centre this is a great opportunity to improve the existing provision for the community. By being part of the co-design and delivery of a centre, and building, in which the Trust and its users really thrive and continue to be a valued asset to the community.
- 2.4 The inclusion of Bull Lane (Playing field) as part of the re-development, could deliver significant improvements to the area, including state-of-the-art community sporting provisions – enabling local people to participate and enjoy recreational and sports activities.

- 2.5 Both the council and the Selby Trust are committed to the collaborative re—development of the site to ensure this best serves the local community by providing housing, community provisions as well as space for businesses to thrive and local people to enjoy and prosper.
- 2.6 The tenders to appoint Masterplanners have been returned and assessed with a preferred bidder having been identified as described within this report.
- 2.7 The timing of the contract award for this appointment is crucial in order to deliver on the pre-determined target dates in the project’s timeline. I therefore commend this report to Cabinet.

3. Recommendations

Cabinet is recommended to:

- 3.1 Approve the award of the contract to undertake Masterplanning and Design Development work to the successful tenderer (Contractor B) in accordance with the provisions of the Council’s Standing Order (CSO) 9.07.1(d) for a total sum of £741,666.20;
- 3.2 Create a capital scheme called the Selby Urban Village Project with a budget of £1.4m; and
- 3.3 Vire £1.4m from the Strategic Regeneration & Community Assets scheme to the Selby Urban Village project.

4. Reasons for decision

- 4.1 The Selby Urban Village project arises from a shared aspiration between Haringey Council and the Selby Trust to deliver a community focused, mixed-use development on the Selby Centre and Bull Lane Playing Field sites. The proposed development will comprise the re-provision of the Selby Centre’s community hub in a new building, and new housing, including Council homes, along with sports and recreation facilities. Both sites are in the ownership of Haringey Council, although the adjacent Bull Lane Playing Fields is located within the administrative area of the London Borough of Enfield.
- 4.2 Following a competitive tender process, a preferred bidder has been identified to undertake Masterplanning and design development work across RIBA Stage 0-3, including the preparation and submission of two planning applications to LB of Haringey (Selby site) and LB of Enfield (Bull Lane playing fields).
- 4.3 **There will be a clear gateway contract break clause at the end of each RIBA Stage** to review the central viability of this mixed-use scheme, as a whole. This will take into consideration financial, planning and community priorities as the scheme progresses and making a recommendation on next steps.

5. Alternative options considered

The authority procured the contract through LOT 4 of the GLA's ADUP and TFL framework. The authority considered the use of alternative procurement options but upon consideration, and due to time constraints, it was decided to proceed with the ADUP Framework.

6. Background information

- 6.1 Haringey Council and the Selby Trust have developed a high-level vision to "Create an integrated, inclusive, healthy, sustainable, diverse and connected urban village" on the sites of the Selby Centre and Bull Lane Playing Fields. The proposed development will comprise the re-provision of the Selby Centre's community hub in a new building, and new housing, including Council homes along with sports and recreation facilities and new retail units. Both sites are in the ownership of Haringey Council, although the adjacent Bull Lane Playing Fields is located within the administrative area of the London Borough of Enfield. Previous work explored disposal of the land and later the development of a Campus School on the Selby site and separately the delivery of 3G football pitches on Bull Lane. In July 2018 Members gave a steer to treat both sites as a whole for masterplanning purposes. Integration of the two sites would provide significant advantages in terms of space and costs but would also require careful planning as part of the feasibility work, to ensure issues of accessibility to the site and between related parts of the scheme were co-ordinated. It is proposed that the Selby Centre is retained on a smaller footprint on the Site, with new housing to be built alongside which will also improve the viability of redevelopment.

Context

- 6.2 The Haringey Local Plan adopted in 2017 recognises the Selby Centre as an Asset of Community Value. The Site Allocations Development Plan Document (DPD) proposes the Selby Centre as a site for 'Community use-led mixed use development, including consolidation of community uses with potential housing development'. The DPD identifies an opportunity to link the adjacent Bull Lane playing fields in LB of Enfield with the Selby Site development with potential grant funding from the Football Foundation and Sport England.
- 6.3 The Selby Centre has been operated by the Selby Trust and is held on a lease (expiring in 2022) from Haringey Council currently at zero cost to the Selby Trust. It was originally built as a school which was closed with the Trust taking over the building in 1992. The Centre takes up the entire Site which is approximately 1.2 hectares in size with a floorspace of appx 7,200 sq metres over six blocks and associated car parking. Bull Lane playing fields is a 4 hectare site located directly north of the Selby Site and is designated as 'Local Open Space'. Whilst located within Enfield's planning jurisdiction, the site is owned by the London Borough of Haringey and sits within the Council's Education portfolio and is maintained by Parks.

Project Governance Arrangements

- 6.4 As part of the Council's commitment to working closely with the Selby Trust and other relevant partners, joint working arrangements have been put in place to support the delivery of the project. For the Masterplanning exercise, the key decision making mechanism will be Haringey Council's Cabinet. The joint working arrangements to develop agreed options are as follows:

| Name | Membership | Purpose | Frequency |
|---|---|-------------------------------------|--|
| Selby Urban Village Joint Steering Group | Haringey Elected Members Haringey Council Senior Officers Selby Trustees Selby Trust Senior Officers Sport Representative | Joint working for project oversight | Quarterly |
| Selby Urban Village Joint Project Group | Haringey Council Officers Selby Trust Officers GLA Representative Sports Representative officers | Operational | Quarterly or more frequently as required |

In addition, a Memorandum of Understanding has been entered into by the Council and Selby Trust which sets out arrangements for joint working and collaboration on the project – see Appendix 1.

Work so far

- 6.5 The project is being developed through a close working relationship between both the Council and the Selby Trust and an intention from both parties to build on and enhance the existing social capital and community networks already created through the current Selby Trust's offer.

The Council and the Selby Trust have developed a high-level vision and set of objectives for the site, which have been developed to help shape the masterplanning exercise for the project as follows:

- **Housing:** To deliver a mixed-use development of up to 200 residential units that maximises the delivery of new high quality homes, prioritising new council homes, in line with the Council's Borough Plan and its emerging Housing Strategy. The council's ambition is to achieve 50% council homes.
- **Community:** To re-provide the Selby Centre, which provides social, economic and community benefits and supports a sustainable and mixed-use scheme.
- **Sport and Recreation:** To deliver high quality accessible and affordable sports and recreational facilities on the adjacent Bull Lane playing fields that achieve a range of social, health and educational benefits for Haringey residents.

- **Connectivity:** To support the creation of a connected and integrated community, and promote safe accessibility and connectivity to new and existing services and open spaces.
- **Sustainability:** A key driver in the masterplan is to deliver new spaces which are lean, green and clean embodying sustainable materials, reuse and recycling and principles of the circular requirement. The sites present the opportunity to be part of a decentralised energy network.
- **Viability:** There will be a clear gateway contract break clause at the end of each RIBA Stage to review the central viability of this mixed-use scheme, as a whole. This will take into consideration financial, planning and community priorities as the scheme progresses and making a recommendation on next steps.
- **Finance:** to deliver the objectives at no ongoing revenue cost to the Council and a community centre that is affordable to run for the Selby Trust.

The project aims to be an exemplar of how the Local Authority and the Third Sector can work together to deliver against shared goals including the Council's ambition to build council housing as well as a new dedicated Community hub and new sports and recreational facilities. The Masterplan and options appraisal will help in identifying a preferred option and determine the viability of the scheme, prior to next steps to identifying and securing external funding and agreeing a preferred delivery method. A Memorandum of Understanding has been signed between the two organisations and Joint Governance arrangements have been put in place, with ultimate decision making residing with Cabinet – see Appendix 1.

- 6.6 The Selby Trust has secured £50k of development funding from the Mayor of London's Good Growth Fund, to develop a detailed organisational vision and associated operating model for the future community uses on the site. This work is being independently commissioned by Selby, with support from Council Officers, and the work needs to be undertaken in a timely manner in order to align with and inform the masterplanning exercise. The detail of this work has been agreed between the GLA and Selby.
- 6.7 Internally, this project has involved very close joint working between Regeneration, Leisure, Property and Commissioning, with each department represented on both the Steering and Working Groups.

Tender Process

- 6.8 An Invitation to Tender for the Masterplanning Brief was issued to LOT 4 of the GLA's ADUP Framework to appoint an Architect-led multidisciplinary design team. There are 10 panel members and 7 initially expressed an interest in the opportunity to tender. The ITT design brief was issued on 1st July 2019 with a return date set on 19th August 2019.
- 6.9 Four responses were received and evaluated. During the evaluation process post tender clarifications were sought, and the Council responded to these.
- 6.10 The tender was evaluated on **70% quality and 30% price.**

6.11 The evaluation was a joint team of Council officers and Selby Centre staff.

A pre-agreed list of evaluation criteria was included in the tender as part of the Qualitative Delivery Proposals (QDP). Each question was offered a score between 0 (question not answered) and 5 (excellent) together with a weighted score.

6.12 The outcome of the quality and price scores is shown in the table below:

| | Quality % | Price % | Total % | Final Rank |
|--------------|-----------|---------|---------|------------|
| Contractor A | 27.6 | 18.76 | 46.36 | 3 |
| Contractor B | 36.2 | 30.00 | 66.20 | 1 |
| Contractor C | 36.8 | 17.49 | 54.29 | 2 |
| Contractor D | 19.6 | 12.27 | 31.87 | 4 |

6.13 Further clarifications were not required with regards to quality, but they were in regard to price. All clarifications returned for price have been satisfied.

6.14 The whole tender process was overseen and moderated by the Strategic Procurement Team from the very outset of the procurement process.

6.15 The recommendation is to award the contract to Contractor B as their bid was the most economically advantageous compliant tender and scored the highest combined marks for quality and price. The recommended tender submission is considered to offer good value for money.

Key Considerations

6.16 **There will be a clear gateway contract break clause at the end of each RIBA Stage** to review the central viability of this mixed-use scheme, as a whole. This will take into consideration financial, planning and community priorities as the scheme progresses and making a recommendation on next steps.

6.17 The contract is to be awarded on a fixed price basis, broken down per each RIBA Stage.

6.18 The estimated construction costs for Housing, re-provision of the Community Hub and Sports and Recreation is in the range of £60m-£80m. It should be noted that after a key gateway stage in the design development process, finances will need to be confirmed and hence overall likely construction costs.

6.19 The scheme will need to be self-financing in capital terms and sustainable.

6.20 Currently the land that the Selby Trust occupy is held in the general fund, as is the Bull Lane playing field. At this stage it is proposed to develop the scheme via the general fund capital programme. As part of the budget setting process a capital bid will be made to include the scheme within the agreed capital programme on the basis that it is self-financing. Once the project and the business case are further developed and the project is shown to be self-

financing, a decision will need to be made as to how the finished project will be accounted for, either wholly in the general fund, wholly within the HRA or a hybrid solution.

- 6.21 A high level indicative timeline is set out in the table below. The project programme will be further developed and consolidated after the Masterplan Design Team has been appointed.

| No | Task | Timeline |
|----|---|----------------------|
| 1 | Agree Masterplan Brief | May 2019 |
| 2 | Issue ITT to GLA Framework | July 2019 |
| 3 | ITT Returns | August 2019 |
| 4 | Cabinet Decision to Appoint Masterplanners | October 2019 |
| 5 | Appoint Masterplanners | November 2019 |
| 6 | RIBA Stage 0 – Strategic Brief | Nov 2019 - Feb 2020 |
| 7 | RIBA Stage 1 – Design Development | Feb 2020 – May 2020 |
| 8 | RIBA Stage 2 – Options Appraisal and identify preferred Option | May 2020 – Sept 2020 |
| 9 | Develop Business Case for Investment | Oct 2020 – Feb 2021 |
| 10 | RIBA Stage 3 – Detailed design and prepare planning docs | Oct 2020 – Feb 2021 |
| 11 | Finalise Business Case for Investment | Feb 2021 – Apr 2021 |
| 12 | Planning (3 months) | Feb 21 – Apr 2021 |
| 13 | Secure Funding | 2021 |
| 14 | Procurement and Delivery Strategy | 2021/22 |
| 15 | Start on site | 2022 |

7. Contribution to strategic outcomes

- 7.1 The recommendations in this report will support the delivery of the **Housing Priority** in the new Borough plan, which sets out in its first outcome that “We will work together to deliver the new homes Haringey needs, especially new affordable homes”. In particular, the recommendations in this report will contribute to the aim to deliver new council homes. The proposals in this report contribute directly to the strategic outcomes on new housing supply, that are at the core of the aims of the Council as expressed in the Borough Plan.
- 7.2 Social value principles are embedded throughout the design brief and in the aspirations of the development. Good quality community engagement is crucial to achieving good design that is inclusive and participatory. To that end, mapping out exercises to plug gaps to ‘hard to reach’ groups including BAME and religious demographics will be undertaken to ensure there is broad engagement. The Masterplanning design team will lead this process aided by the Selby Trust and the Council. These fundamental aims and the re-provision of the Selby Centre in a new dedicated community hub will contribute to the **People Priority** “where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential”.

- 7.3 The project seeks to support the **Place Priority** where Haringey is “a place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green”. To that end, the delivery of high quality, accessible and affordable sports and recreational facilities on Bull Lane playing fields that achieve a range of social, health and educational benefits for Haringey’s residents will contribute to this aim. Allied to this, a key masterplan objective is to deliver new spaces which are lean, green and clean, embodying sustainable materials, reuse and recycling and principles of the circular requirement. The sites present the opportunity to be part of a decentralised energy network.
- 7.4 The proposed new Selby Centre aims to continue on the valuable work it currently does to offer workspaces and opportunities to local people and businesses which are in turn committed to providing a social input. A key requirement of appointing the Masterplanners is the commitment to working with local schools and young people to promote equality, diversity and inclusion in the built environment sector (lectures, talks, bursaries, apprenticeships, structured outreach). These are all linked to the **Economy Priority** - “A growing economy which provides opportunities for all our residents and supports our businesses to thrive”.

8. Statutory comments (legal, finance, procurement, equalities)

8.1 Finance

- 8.1.1 The report is recommending that a new scheme is created within the agreed capital programme, the Selby Urban Village Project, and that a virement of £1.4m is made from the Strategic Regeneration & Community Assets scheme to the Selby Urban Village scheme. The report is also recommending that Contractor B is appointed to undertake the masterplanning for the scheme.
- 8.1.2 The appointment of Contractor B to undertake the masterplanning will be funded from the agreed capital programme scheme Selby Urban Village Project. Any scheme developed will have to be self-financing which is consistent with the jointly agreed objectives.
- 8.1.3 It is anticipated that the overall cost for this stage of the project, including the masterplanning appointment and a range of other consultancy services such as quantity surveying and viability, Planning, plus internal costs such as legal, property and finance, will be £1.4m. At this stage of the project these are high level estimates and may well change. Similarly, the anticipated spend profile, as set out below, is a high level one and may change:

Estimated Spend Profile

| | 19/20 | 20/21 | 21/22 | Total |
|------------------------|--------|--------|--------|--------|
| | £000's | £000's | £000's | £000's |
| Total Funding required | £227 | £495 | £679 | £1,400 |

8.2 Procurement

- 8.2.1 The Strategic Procurement Team notes the request to appoint Contractor B to carry out the Multi-Disciplinary Design requirements to the Selby Urban Village Project for the sum of £741,666.00. This is in accordance with CSO 7.01.b and 9.07.1.d.
- 8.2.2 The Strategic Procurement Team also confirms this is a fully compliant tender and represents the best value for money offer for Haringey Council.

8.3 Legal

- 8.3.1 The Assistant Director of Corporate Governance notes the content of the report.
- 8.3.2 Strategic Procurement has confirmed that tender process was fully compliant and represent best value for money.
- 8.3.3 Pursuant to the Council's Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contracts Regulations 2015, the Council may select one or more Contractors from a Framework established by a public body where the Council has been named as an approved user in the OJEU Contract Notice and it is confirmed that the Council is an approved user of the GLA ADUP Framework from which the services was procured.
- 8.3.4 Pursuant to CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the contract in this Report.
- 8.3.5 The Assistant Director of Corporate Governance sees no legal reasons preventing the approval of the recommendations in the report.

8.4 Equality

- 8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.2 This will have a positive impact upon housing provision in the borough, including affordable housing, and community facilities which benefit local residents. This will be particularly relevant for key groups in the borough which are disproportionately affected by housing needs. Achieving a housing mix which maintains community balance is key and housing needs data will be used to aid this process.

The Selby Centre is used by a mix of people including young people, the elderly and women - predominantly from working class BAME groups, which also reflect the surrounding community. The re-provision of the Selby Centre in a new dedicated community hub and sports and recreation facilities in Bull Lane Playing Fields will benefit the local community.

9. Appendices

- Appendix 1 – Memorandum of Understanding (MOU)
- Exempt Cover Report

10. Local Government (Access to Information) Act 1985

Memorandum of Understanding (MOU)

The Partners: London Borough of Haringey (“Council”) and The Selby Trust

The Project:

1. The Council and The Selby Trust are committed to the re-provision of community facilities on the Selby site as part of a housing led, mixed-use redevelopment proposal. A Visioning Workshop was held in November 2018. This workshop was externally facilitated and focused on developing a vision, agreeing principles for working together and exploring likely challenges. The agreements achieved at the workshop are reflected in the MOU and are attached to this document as Appendix 1.
2. Based on the vision agreed at the workshop it was agreed that LB Haringey and Selby Trust will work together in an open and transparent manner to develop proposals for the site. The vision that emerged from this workshop was:

“To create an integrated, inclusive, healthy, sustainable, diverse, connected urban village on the site”.
3. The Council owns the freehold of the land and is the planning authority. The Selby Trust has, over a 26-year period, built up its operations on the site and extensive user base of over 130 groups. It will therefore be important that both parties engage in regular dialogue to determine the comprehensive future requirement for community facilities on the site and create synergy with the housing and new community that will be part of the completed development as well as with other potential functions.
4. This MOU sets out the joint aspirations and agreed ways of working, , between the Partners to ensure a successful re-provision and redevelopment of the Selby site.

The Visioning Workshop Agreed that:

- 1) *“LB Haringey and Selby Trust would work together collaboratively, sharing information and ideas openly and transparently to create an effective partnership*
- 2) *Both parties would support each other to increase and make best use of the human and financial resources deployed on the project*
- 3) *GLA would be invited to be part of the process (and potentially a Bull Lane playing fields sports provider)*

- 4) *the local community and current occupiers would be comprehensively engaged, including via community organising, in the process*

- 5) *Selby would continue to occupy until their new premises were completed (which will require a phased approach to development, an onsite, single move decant strategy that maintains Selby's income and agreement of terms for a new long-term lease of the new premises)".*

To realise this vision and agreement made at the workshop:

5. The London Borough of Haringey will:

- Commit the staffing resources to lead and fully support the achievement of the project within the agreed target timescales.
- Commit to establishing a project governance structure with monthly Project Group and quarterly Steering Group meetings to monitor and share information on progress.
- Attend all project meetings as programmed and table papers and agenda items in advance. [reciprocal to below]
- Develop a partnership working arrangement with The Selby Trust to allow continual engagement with redevelopment plans for the Selby site. This would include:
 - Membership at Joint Project Group and Steering Group level
 - Sharing of briefs, design and architectural plans, throughout development stages with the opportunity to comment and shape proposals.
- Provide any available technical information, drawings surveys or relevant information currently held on the land at the Selby Centre
- Work with The Selby Trust to enable a sustainable business model into the future on the basis they are a future community occupier on the site including recognition of the importance of existing income streams and need to plan a sustainable decant programme for tenants.
 - .
 - Commit to and agree Heads of Terms for an agreement to lease new premises to The Selby Trust, as part of the redevelopment, based on the agreed footprint and requirements for community use on the site on terms to be agreed in the expectation that Selby will be granted a lease of at least 25 years.
 - Engage in regular dialogue to determine the future requirement for community facilities on the site and synergy with other proposed users.
 - Fund and allocate resources to undertake an assessment of the accommodation requirements for the re-provided community facilities.
 - Support The Selby Trust in relation with major funding applications in order to enable The Selby Trust's participation in the site development plan and process.

- Provide a site development timescale which will be regularly updated.
- Share with the Selby Trust draft and final bids relating to the redevelopment to funding bodies before submission.[reciprocal to below]
- Work together with The Selby Trust and other key stakeholders, such as the Greater London Authority (GLA) to secure the necessary resources to progress proposals in a transparent partnership approach for the site redevelopment.
- To make proposals for the procurement, contracting and statutory processes (including planning) that will be required to deliver development at the site as well as the budgeting, project management and risk controls appropriate for the development.

6. The Selby Trust will:

- Commit to working with LB Haringey to raise the resources to contribute the staffing resources to fully support the achievement of the project within the target timescale.
- Attend all project meetings as programmed and table papers and agenda items in advance.
- Develop a partnership working arrangement with LBH to allow continual engagement with redevelopment plans for the Selby site. This would include:
 - Sharing and co-commissioning of briefs, design and architectural plans, throughout development stages with the opportunity to comment and shape proposals [reciprocal to above]
 - Provide contractual, sub-lease and license documentation and any available technical information, drawings surveys or information currently held on the Selby Centre site and to notify the Council of any intended new contractual commitments which may have bearing on the intended development of the site.
 - Work with the Council to enable a sustainable business model into the future on the basis they are a future community occupier on the site, that enables the Selby Trust to retain existing multiple income streams and devise new ones.
 - Work with the Council to produce a mutually agreeable lease based on the agreed footprint, floorspace and the future operational model of the Trust in order to secure the long-term legacy and viability of the Trust.
 - Submit a proposal for a long term lease in line with Haringey Council's Community Asset Transfer policy (approved July 2017).
 - Commit to and agree Heads of Terms for an agreement of a lease for new premises as part of the redevelopment on terms to be agreed based upon the community model lease or other lease terms as may be agreed.
 - Share with the Council draft and final bids relating to the redevelopment to funding bodies before submission;
 - Work together with the Council and other key stakeholders, such as the GLA to secure the necessary resources to progress proposals in a transparent partnership approach for the site redevelopment.
 - Notify the Council of any proposed change to the legal status of the Selby Trust and changes to its governance and senior management.

- Work with the Council to ensure that a viable process is identified for the procurement, contracting and statutory processes (including planning) that will be required in order to deliver development at the site as well as the budgeting, project management and risk controls appropriate for the development.

7. Communications and PR

Having reached consensus on the content of communications, the Partners commit to share relevant information and to work together on relevant joint communications for the project throughout or in advance of the project, with dedicated resource. Arrangements for this will be captured in a Communications Plan which will be agreed by both parties.

The arrangements proposed in this Memorandum of Understanding are Subject to Contract, to the usual decision-making processes of the Council and Selby Trust and the Partners agree that this Memorandum of Understanding shall not be legally binding.

The Chair of The Selby Trust: Edward Ihejirika

Leader of the Council: Cllr Ejiofor

March 2019

Appendix 1

Selby and Bull Lane Future Vision

Record of the Selby Trust and Council Workshop held on the 22nd November 2018

Facilitator Introduction

These notes summarise **the meeting, on 22nd November 2018**, involving key stakeholders from LB Haringey (the landowner) and Selby Trust (the tenant and principal occupier), to establish the foundations for a vision for the place (the Selby Trust site in Haringey, the adjoining Bull Lane playing fields - in Enfield - and adjoining land) and a way of working towards delivering it.

It was clear from the introductory statements that both parties are committed to working together.

This appears to be an exemplar approach to this situation, engaging the skills and knowledge of key stakeholders to optimise outcomes for all. Inevitably there will be differences of view, as individual stakeholders represent different constituencies with different objectives, and this approach, with mutual respect, substantially aligned outcome objectives, and a balance of power, should achieve the optimum outcome.

“Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody.”

– **Jane Jacobs, The Death and Life of Great American Cities**

The symbiotic relationship between the Council and the Trust, that led to Selby occupying the former school in 1992, and the efforts of the Trust, over nearly three decades, in maintaining the buildings and delivering exemplary social impact in the local community, are an inspiration for this next phase in the site’s history. An external participant in the meeting described Selby Trust as a ‘diamond in Tottenham’.

Another comment at the meeting suggested that this was “an opportunity to reset the approach to regeneration in Haringey”.

My thanks go to everyone who attended the meeting for their positive, respectful, collaborative, innovative and ultimately productive contributions to the meeting outcome. And particularly to each of the minute takers.

I have attempted to summarise the conclusions from these notes. Any errors are mine.

Facilitator Summary of meeting

Vision

The meeting reacted positively to this facilitator proposed vision:

To create an integrated, inclusive, healthy, sustainable, diverse, connected urban village on the site.

Ideally, this would have a mix of uses including housing, workspace, community space, sports leisure and green space. Social rented housing was a priority. Selby would be retained on site, with a long-

term leasehold interest, to preserve the embedded value of the community networks and ensure their financial viability to continue the delivery of local social impact.

The project would seek to optimise social, economic, environmental and financial value.

Challenges

The financial trade-off between providing affordable residential *and* affordable workspace *and* community and leisure uses was recognised and the need to maximise external grant funding agreed. There was a recognition that there will need to be a prioritisation of uses across the site.

It was agreed that investment in affordable workspace and community uses needs to deliver community benefit and that flexibility would be required from all participants to optimise outcomes.

The delivery route given the mix of uses on site will be a challenge. Disposal of the whole site to a third party was unlikely. It is also unlikely that the council's in-house new build housing team would build out the whole site given the range of mixes, which are likely to come forward on the site

The council's regulatory functions would be separate from the process.

Delivery

It was agreed that;

- 6) LB Haringey and Selby Trust would work together collaboratively, sharing information and ideas openly and transparently to create an effective partnership
- 7) Both parties would support each other to increase and make best use of the human and financial resources deployed on the project
- 8) GLA would be invited to be part of the process (and potentially a Bull Lane playing fields sports provider)
- 9) the local community and current occupiers would be comprehensively engaged, including via community organising, in the process
- 10) Selby would continue to occupy until their new premises were completed (which will require a phased approach to development, an onsite, single move decant strategy that maintains Selby's income and agreement of terms for a new long-term lease of the new premises).

Next Steps

- 1) To finalise and implement the Project Group and Steering Group arrangements including;
 - to set up an operational project board and a steering group, both with agreed terms of reference, including consensus decision making
 - these groups would meet regularly, with meeting dates diaried at least a year in advance, and clear minutes
 - the operational project board would agree an approach to procurement (test delivery models) and a programme for delivery
- 2) To inform the brief;
 - audit how the existing spaces are used
 - produce a plan for the social value to be delivered from the site
 - consider the spatial requirements of delivering that value
 - undertake local social infrastructure mapping (including sports)
 - jointly investigate precedent delivery models from elsewhere
 - test the brief for viability and feasibility

- 3) To decide on the appointment of an academic to track and evaluate the process
- 4) To review participation in the Future of London community led housing programme

Notes

The facilitator was Chris Brown of igloo Regeneration, acting pro bono.

Attendees were: Dean Hermitage - Head of Development Management, Charlotte Pomery - Assistant Director of Commissioning, Sarah Lovell - Head of Area Regeneration, Andrea Keeble - Head of Commissioning, Leisure Services; Judy Wills - Senior Programme SP Officer, Anwar Puneka - Regeneration Officer, Robbie McNaugher – Team Manager Haringey Planning, Helen McDonagh - Head of Socio-economic Regeneration, Steve Carr - Assistant Director, Economic Regeneration and Strategic Property, David Moynihan – Locality, Seema Chandwani – Project Manager, Moussa Amine Sylla – Community Organiser, Robert Danso – Company Secretary, Trustee & Licensee, Ahmed Mohamed – Centre Manager, Anne Stennett- Trustee, Seema Manchanda – Smart Urban Ltd, Edward Ihejirika – Chair of Trustees, Narendra Makanji – Trustee, Sona Mahtani – Chief Executive, Amit Desai – Trustee & Licensee, Paige Smith – Communications & Admin Support officer.

Several separate detailed meeting notes were also taken, have informed this summary, and are available.

A memorandum of understanding and terms of reference for the project board have also been drafted and are under discussion.

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Report for **Cabinet 8th October 2019**

Title: **Decentralised Energy Network Programme Award of Contracts**

Report authorised by : Dan Hawthorn, Director of Housing Regeneration and Planning

Lead Officer: Tim Starley-Grainger, Energy Infrastructure Manager, x1180
tim.starley-grainger@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 Haringey Council has a programme of Decentralised Energy Network (DEN) projects.
- 1.2 DENs are energy infrastructure which supply heat to buildings via a network of buried, insulated pipes. By connecting multiple buildings together, DENs create a single large heat load. The scale of the heat load makes it possible for DENs to source heat from technologies and/or locations which would not normally be viable for smaller loads. There are several heat producing technologies which can produce lower cost, more environmentally friendly heat but which only work at very large scale and/or particular locations. DENs make these sustainable energy sources available to customers who would not normally be able to access them
- 1.3 Construction is underway to refurbish and expand the DEN at Broadwater Farm. Other projects are in development. An Outline Business Case for the North Tottenham DEN was approved by Cabinet in January 2017 and a scheme will proceed here assuming the High Road West development scheme proceeds. Projects at Tottenham Hale and Wood Green are currently at feasibility stage and, through the planning system (notably s106 agreements with St William in Wood Green and Argent-Related in Tottenham Hale), the Council is committed to engaging with developers to seek to bring these schemes forward.
- 1.4 Extensive professional advice will be required to support delivery over the coming years and this paper makes recommendations for appointments and explains the procurement processes followed.

- 1.5 Note that the Council has already appointed technical and legal advisors for North Tottenham jointly with the GLA. However,
- this work is currently on hold due to delays at High Road West;
 - the North Tottenham contracts cannot be varied easily to include additional work; and
 - the contracts allow for the GLA to fund the work but the GLA's budget is potentially expiring in March 2020.

The scope of work considered here is therefore focussed on Wood Green, Tottenham Hale, Broadwater Farm and the Council's other housing and regeneration projects many of which will involve decentralised energy networks. If the GLA's budget expires in 2020, the Council has the option to either vary the new contracts to include the North Tottenham work or to novate the existing North Tottenham contracts from the GLA to the Council.

- 1.6 Estimated spend for professional advice for the DEN programme (excluding North Tottenham) over the next 12-18-months across three workstreams covering technical, legal and financial services is estimated to be in the region of £300k/£200k/£100k respectively. Beyond this period, more work is likely to be required which is expected to increase to total spend on technical/legal/financial advisors to be in the region of £500k/£500k/£200k respectively.

- 1.7 The intent is to agree an initial scope of work and then to instruct follow-on work through the same contract in due course. The scope (and therefore cost) of future work is currently unclear and will be determined by work over the next 12-18 months. Once the scope is clarified, a price for the work can be agreed with the consultants before being presented to the Council as part of the decision to proceed / release additional budget.

- 1.8 This approach will deliver value as it allows:
- Better rates through aggregating work into a larger contract
 - More interest from the market in a larger piece of work
 - Continuity in advice including lessons learned on one project being applied to another
 - Work to be instructed more quickly with less risk of opportunities being missed due to delay and less internal resource spent re-procuring;

- 1.9 It should be noted that this contract award report is for technical and legal workstreams only where the value is sufficient to require Cabinet approval. The third workstream for financial advice is expected to be c.£200k and will be awarded under delegated authority by the Director of Housing, Regeneration & Planning.

2. Cabinet Member Introduction

The Decentralised Energy Network programme is the single largest contribution the Council can make to reducing carbon emissions in Haringey. This procurement of a team of technical, financial, and legal experts will enable the Council to deliver this ambition and will meet the Borough Plan commitment on

exploring setting up an energy services company to deliver affordable, low carbon energy.

3. Recommendations

3.1 For Cabinet to approve the implementation of Contract Standing Order 9.07.1c. and award two contracts for:

- 1) DEN technical advisory services to Bidder A ,set out in the exempt report for a period of 3 years from 1/11/19 to 31/10/22, with provision for extension for 12-months. The contract allows for work to be instructed incrementally with additional fees determined by the precise scope of work. The contract value over the life of the contract (contract period + extension) is estimated to be up to £1m. The first phase of work which will be instructed has a value of c£270k.

And

- 2) DEN legal advisory services to Bidder 1, set out in the exempt report, for a period of 3 years from 1/11/19 to 31/10/22, with provision for extension for 12-months. The contract allows for work to be instructed incrementally with additional fees determined by the precise scope of work. The contract value over the life of the contract (contract period + extension) is estimated to be up to £1m. The first phase of work which will be instructed has a value of c£120k.

4. Reasons for decision

- 4.1 These appointments contribute directly to delivery of Borough Plan objectives to reduce Haringey's carbon emissions, to lead on delivery of an energy network within the borough, to explore setting up a local energy company and to develop a plan for Haringey to be Zero Carbon by 2050. They also allow the Council to meet commitments in the Local Development Framework and undertakings within s106 agreements to engage with developers in Wood Green and Tottenham Hale on set-up of DENs.
- 4.2 In each case, the awards are based on an assessment of Most Economically Advantageous Tender (MEAT) as required for contracts of this size. Strategic Procurement confirms the processes set out in the tender documents are suitable and have been followed correctly.
- 4.3 Budget has already been approved (as part of the capital programme) for the first phase of work to be instructed, including an allowance for the accompanying financial advice work packages which will be approved in parallel under Delegated Authority by the Director of Housing, Regeneration & Planning. Future phases of work will follow on only after further decisions to progress the project to the next stage, and will require either confirmation that budget is in place or the seeking of additional budget).

5. Alternative options considered

5.1 Do nothing

This would not deliver a step change in carbon reduction and would not enable the Council to deliver a regional energy savings company as set out in the Borough Plan.

5.2 Appoint an in-House Team

This was ruled out as there is a need for specialist knowledge with a limited pool of candidates. The work also requires a broad skillset and ideally a blend of junior and senior input. This lends itself to a small team of a dozen or so individuals working part-time rather than a small team of in-house staff working more intensively. Outsourcing gives the Council some liability protection through professional indemnity. Also, the external funding streams (such as the GLA's DEEP Framework and HNDU funding) does not allow for in-house appointments.

5.3 Run multiple small procurements on an as and when basis

This would slow down the DEN programme and may not keep pace with linked external projects and funding streams which is likely to see opportunities slip away. And it would be time consuming in terms of officer time. It would not be able to link efficiencies between projects. Therefore it was ruled out.

5.4 Use other frameworks to deliver the teams

In terms of the choice of framework, while there are other options, the DEEP framework is preferred. It includes a comprehensive list of firms active in the specialist field of DENs and has the USP that its use allows the GLA to fund some or all of the work. It is a requirement of the GLA's DEEP funding (which runs to March 2020 and may be renewed for the period 2020-23) that services are procured via the DEEP framework. LBH has received c£340k of funding from the GLA to date and hopes to secure more. It is therefore difficult to look past DEEP as use of this route provides a clear financial benefit to LBH.

This framework (Schedule 6B) is a three-party agreement between the appointed Service Provider, GLA and Haringey, under which the service provider may be paid by either the GLA or Haringey. This allows the Council to take advantage of current GLA funding of £45k and future GLA funding should it become available.

6. Background information

6.1 The Borough Plan sets out several objectives around energy and Climate Change which require the Council to explore DENs (see section 7 for more detail). Building on this, Full Council declared a Climate Emergency in March 2019.

6.2 In addition, the Council's Local Development Framework recognises the benefits of DENs. Via the planning system, the Council has made several commitments to lead on implementation of DENs in the Borough and has several specific undertakings within s106 agreements to work with large

developments in Tottenham Hale and Wood Green on the implementation of DENs in these areas (again, see section 7 for more detail).

- 6.3 In 2017, Cabinet approved the Outline Business Case for a DEN in North Tottenham based initially around the High Road West scheme. Cabinet also approved budget to finalise the necessary arrangements to proceed with the North Tottenham scheme and to develop additional Outline Business Cases for Wood Green and Tottenham Hale.
- 6.4 Cabinet approved a budget of £1.6m for the DEN programme, including £0.3m specifically for the next phase of work at Wood Green and Tottenham Hale in January 2017. An additional HRA budget of £131k has been allocated, split across Financial Years 19/20 and 20/21 to cover work at Broadwater Farm and on new housing projects with communal heating.
- 6.5 The GLA and the Council jointly appointed Technical and Legal advisors to progress the DEN at North Tottenham in 2017 with the GLA agreeing to fund the work. However, this is on hold as High Road West has stalled. It is anticipated work for the DEN at North Tottenham will eventually be delivered via these appointments and so it has not been included within the initial scope of this round of appointments.
- 6.6 In addition, the GLA has agreed to fund £45k of work between now and March 2020 when their funding programme expires (and hopes to fund more if their funding is renewed in April 2020 – the GLA have funded around £350k of work for Haringey to date). The GLA's ability to fund further work should become clear in early 2020.
- 6.7 Furthermore, LBH has applied for £170k from BEIS's Heat Network Delivery Unit fund and have been informed the bid is successful subject to completion of a Memorandum of Understanding. BEIS have also indicated the funding may increase up to a maximum of 50% of the external spend. If the bid is fully approved, the grant will be used to reduce LBH's direct costs (but the grant also provides a degree of contingency). Note, BEIS have funded around £300k of LBH's work on the DEN Programme to date (and so completion of the Memorandum of Understanding is not seen as an issue).
- 6.8 Should the recommendations in this report be approved, the contracts will deliver detailed business cases to allow the Council to make an informed decision about progressing DENs in Wood Green and Tottenham Hale.
- 6.9 In addition, the contracts will support effective delivery of the expanded DEN at Broadwater Farm and facilitate other new build housing projects which will be required to include small DENs by the planning system.
- 6.10 The appointments will ensure the Council delivers on the Borough Plan and lives up to its commitments and undertakings made via the planning system.

- 6.11 With that in mind, Strategic Procurement has conducted two mini-competitions using the TfL / GLA Decentralised Energy Enabling Project (DEEP) framework via the HPCS portal including:
- Technical - inviting 15 suitably qualified and experienced specialist Contractors on Lots 2.1 and 2.3 to bid to deliver the work. Two bids were received and clarifications were sought from bidders.
 - Legal – inviting 11 suitably qualified and experienced specialist Contractors on Lots 3.1 and 3.2 to bid to deliver the work. One bid was received.
 - Note: a third mini-competition will be run in September for a financial advisor contract. This procurement will be awarded under Delegated Authority by the Director of HRP.
- 6.12 Both the technical and legal procurements were weighted 60:40 for price and quality respectively. Ten percent of the quality score was based on social value with the remainder based on bidders' skills and experience related to delivery of DEN-specific services.

For the technical procurement:

- 6.13 Evaluations and moderation were undertaken with Carbon Management service, Procurement Teams, and the Council's Critical Friend.
- 6.14 The quality and price bids were confirmed – in line with clarifications.
- 6.15 The result of the bid evaluation of the two submitted bids show that Bidder A was the preferred bidder.
- 6.16 Bidder A's bid has been assessed as the Most Economically Advantageous Tender.
- 6.17 Bidder A's Tender Sum is £358k which is considered to be fair and reasonable.
- 6.18 In respect to the Quality score, Bidder A's submission was Satisfactory/Good in line with scoring mechanism set out in the brief.
- 6.19 The contract is structured to include a fixed fee for individual work packages. Fourteen work packages were priced in the tender and there is scope to add additional work packages over time. At this time, the intent is to instruct twelve work packages for the DEN programme and one for Broadwater Farm (HRA).
- 6.20 Note that the Tender Sum includes the cost for some aspects of the project to run for 3 years. Work will initially be instructed for the first year only and so the tendered sum for the initial scope of work to be instructed is £300k.
- 6.21 In reviewing Bidder A's bid, officers have identified several areas where savings can be achieved through contract management following award and so expect to reduce the initial fee to £270k.

For the legal procurement:

- 6.22 Evaluations and moderation were undertaken with Carbon Management service and Haringey's legal department.
- 6.23 A single bid was received from Bidder 1. Five other firms had engaged with the procurement process but declined to bid. Strategic procurement will engage with these firms to understand the reasons for declining to bid.
- 6.24 Bidder 1's bid was evaluated as excellent in respect of the Quality score in line with scoring mechanism set out in the brief. Additional commentary on the price of Bidder 1's bid is included in the exempt submission accompanying this report.
- 6.25 The Tender Sum was £320k although initially work packages with a fixed fee of £102k will be instructed.
- 6.26 Bidder 1's bid has been assessed as the Most Economically Advantageous Tender.

7. Contribution to strategic outcomes

- 7.1 The DEN programme contributes directly to delivery of the following Borough Plan objectives:
- a) To reduce Haringey's carbon emissions by 40% by 2020 against a 2005 baseline
 - b) To lead on delivery of an energy network where more sustainable energy is generated for use within the borough
 - c) To explore setting up an alternative local or regional energy savings company(s) that would serve our community by helping to tackle fuel poverty
 - d) To develop a plan for Haringey to be Zero Carbon by 2050

As well as supporting several other objectives.

- 7.2 Note that the majority of the DEN Programme is driven by planning policies with a strategic nature. The Council is required through policies in the London Plan to "identify opportunities for expanding existing [decentralised energy] networks and establishing new networks" and the National Planning Policy Framework requires us to "develop a positive strategy for energy from these [low carbon] sources that maximises the potential for sustainable development."
- 7.3 Local Development Framework SP4 responds to this as the Council has committed to "promote low- and zero-carbon energy generation through
- *Establishing local networks of decentralised heat and energy facilities*
 - *Requiring all developments to assess, the potential to link into a wider network*
 - *Working with neighbouring boroughs ... to explore ways of implementing sub-regional decentralised energy networks including ... in the Upper Lee Valley Opportunity Area*

- 7.4 As suggested above, the long-term strategy is to set up neighbourhood schemes using the planning system to support customer acquisition and then to interconnect these neighbourhood schemes into a larger borough wide scheme connected to the forthcoming Energy Recovery Facility at Edmonton. This will yield significant carbon savings.
- 7.5 The driver behind the DEN programme is the Climate Emergency. The UK's energy infrastructure needs to be upgraded to be low carbon and to meet the growing demands of the 21st Century.
- 7.6 Promotion of DENs is a high priority for BEIS and the GLA in order to contribute to regional and national Climate Change targets – hence the grant funding they have provided to LBH.
- 7.7 These contracts will deliver value for money through allowing:
- Better rates through aggregating work into a larger contract;
 - More interest from the market in a larger piece of work;
 - Continuity in advice including lessons learned on one project being applied to another; and
 - Work to be instructed more quickly with less risk of opportunities being missed due to delay and less internal resource spent re-procuring;

8. Statutory Officers comments (Chief Finance Officer, Head of Procurement), Assistant Director of Corporate Governance, Equalities)

Finance Comments

- 8.1 This report seeks the award of DEN contracts of up to £1m each to Bidder 1 for legal services and Bidder A for technical advisory services; over a period of three years, plus one year possible extension provision.
- 8.2 The DEN services being procured need to be split between General Fund and the Housing Revenue Account (HRA).
- 8.3 The cost of the recommendations within this report will be met from existing budgets, which comprise of funding from both LBH and other external sources, for example BEIS's Heat Network Delivery Unit fund and GLA funding via DEEP framework contract agreement.

Strategic Procurement Comments

- 8.4 Strategic Procurement (SP) confirms that the services were procured by undertaking a mini-competition under the GLA/TfL Framework Agreement, and that the procurement of these contracts are compliant with LBH standing orders and procurement regulations.
- 8.5 SP has no objections to the recommendations set out in section 3.1 of the report.
- 8.6 SP notes that the contract values over the life of the contracts (contract period + extension) is estimated to be £500+k.

- 8.7 SP notes that the ITT submissions were evaluated according to the selection criteria of a quality (40%) / price (60%) basis.
- 8.8 SP has no objections to award the technical contract to Bidder A for the Haringey DEN specialist Technical consultancy as allowed under CSO 9.07.1.c (Bid Acceptance and Contract Award) for a contract period of 3 years.
- 8.9 SP has no objections to award the legal contract to Bidder 1 for the Haringey DEN specialist Legal consultancy as allowed under CSO 9.07.1.c (Bid Acceptance and Contract Award) for a contract period of 3 years.

Legal

- 8.10 The Assistant Director of Corporate Governance notes the contents of the report.
- 8.11 Pursuant to the provisions of CSO 7.01(b) and pursuant to the Public Contracts Regulation, the Council may select a contractor from a Framework established by a public sector body where the Council has been identified in the OJEU Contract Notice as an approved user and the Framework under which the Council conducted 2 mini-competitions by which the technical and legal service providers were each selected was established by the Greater London Authority (GLA) and the Council was identified in the OJEU Contract Notice as an approved user.
- 8.12 Pursuant to the provisions of CSO 9.07.1(d), Cabinet may approve the award of a contract where the contract is value £500,000 or more and as such Cabinet has power to approve the award of the contracts in this Report.
- 8.13 The Assistant Director of Corporate Governance sees no legal reasons preventing the Cabinet from approving the recommendations in the Report.

Equality

- 8.14 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.15 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race,

religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

- 8.16 The decision is to award contracts for advisory services relating to the Decentralised Energy Network Programme. The planned locations for decentralised energy networks in Haringey include Broadwater Farm, North Tottenham, Tottenham Hale, and Wood Green. It follows that those most affected by the decision will be the residents of these areas. [Haringey Ward Profiles](#) indicate that these areas tend to have younger populations with higher proportions of residents coming from BAME communities.
- 8.17 The overall likely impact of the Decentralised Energy Network Programme will be to reduce local carbon emissions. It is notable that climate change is likely to have disproportionate impacts on vulnerable groups. There is no indication that this decision will have any adverse effects for any individual or group who share protected characteristics.
- 8.18 As a body carrying out a public function on behalf of a public authority, the contractor will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above. Arrangements will be in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur that may have a disproportionate negative impact on any groups who share the protected characteristics.

9. Use of Appendices

9.1 None

10. Local Government (Access to Information) Act 1985

10.1 The January 2017 Cabinet Report which approved funding for the DEN programme is available at the following link:

https://www.minutes.haringey.gov.uk/documents/s90564/North%20Tott%20DEN%20Cabinet%20Report%20160117_public%20clean%2018.30.pdf

10.2 In addition, an exempt background document, 'DEN Professional Advisor Award Background', accompanies this report containing additional financial information which is confidential.

10.3 It is NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

Report for: Cabinet, 8th October 2019

Title: Extension and Variation of block contracts for residential and nursing care beds

Report authorised by : Charlotte Pomery, Assistant Director Commissioning

Lead Officer: Farzad Fazilat, Head of Brokerage and Quality Assurance

Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1 Describe the issue under consideration

- 1.1 This report seeks approval to vary and extend existing block contracts with Ourris Residential Homes Ltd for 18 residential beds at Anastasia Lodge and with Ourris Properties Ltd for 21 nursing care beds at Autumn Gardens, as allowed under CSO 10.02.1(b), which provides that Cabinet may authorise a variation and/or extension of contracts valued above £500,000 (five hundred thousand pounds) subject to satisfactory outcomes monitoring.
- 1.2 Extending these contracts will maintain access to specialist provision as the care homes specialise in the care and support of Greek and Cypriot older people and maintain much needed nursing care capacity within the sub-region. The extension will also maintain certainty over price, which secures sustainable prices for placements for Haringey residents.

2 Cabinet Member Introduction

- 2.1 This proposal to continue these block contracts will both secure capacity for nursing and residential care and most importantly enable specialist provision to be available locally to Haringey residents.
- 2.2. In addition, in the challenging financial environment, this proposal supports efficient market management and an ability to maintain costs in a planned way.

3 Recommendations

3.1 Cabinet is asked to approve:

- 3.1.1 pursuant to Contract Standing Order 10.02.1(b), the variations to allow a further extension period of one year in order to execute a 2 year extension of the contract with Ourris Residential Homes Ltd for 18 residential beds at Anastasia Lodge and a 2 year extension of the contract with Ourris Properties Ltd for 21 nursing care beds at Autumn Gardens.
- 3.1.2 the commencement of the extension period to start on 28th November 2019 and run to 27th November 2021.
- 3.1.3 the value of the block contract with Ourris Residential Homes Ltd for the provision of care at Anastasia Lodge over the 2 year extension period at £1,400,272, bringing the total value of the contract to £2,695,430, over the four year period.
- 3.1.4 the value of the block contract with Ourris Properties Ltd for the provision of nursing care at Autumn Gardens over the 2 year extension period at £2,244, 628, bringing the total value of the contract to £4,489,256 over the four year period.

4 Reasons for decision

- 4.1 The market for residential and nursing care is largely a sub-regional one and the Council commissions nursing and residential care for its residents across North Central London (Barnet, Camden, Enfield, Haringey and Islington). As with neighbouring authorities, Haringey commissions across this area in order to meet demand and to respond to specialist needs
- 4.2 In order to ensure both capacity and flexibility, the Council is keen to have a mixed economy of spot and block purchase arrangements in place. Many placements are commissioned on a spot purchase basis, but the proposal set out here – to continue and expand two existing block contracts – reflects the need to maintain capacity for a particular cohort of the population, notably Greek and Cypriot older people, and to ensure best value in commissioning this provision.
- 4.3 Anastasia Lodge and Autumn Gardens are homes which offer culturally specific provision, catering largely – but not exclusively – for residents of Greek or Cypriot heritage. They are the only residential and nursing homes in the sub-region offering such specialist provision and Haringey has considerable demand for such placements.
- 4.4 Due to the unique position in the market the Council awarded a block contract to Ourris Properties for a period of 2 +1 years in November 2017 to cover nursing care beds and to Ourris Residential Homes Ltd for the same period for residential care beds. The contracts will expire on 27th November 2019.
- 4.5 Approval is sought to vary the contracts so that the extension period runs to 27th November 2021 and so that the annual value can be increased from £1,769,893 per annum to £1,822,450 per annum which represents a 3% increase overall for the two contracts.

- 4.6 The costs for residential care will increase from £690 per week to £746 per week. Extending the contracts for a 2 year period will hold these rates for the Council which compares favourably with the rate for spot purchasing this type of care, which is £1400 per week for nursing care and £800 per week for residential care.
- 4.7 The Council has managed two block contracts with these providers for the last year and has maintained very high levels of occupancy, with the home rated 'Good' by the Care Quality Commission (the CQC) throughout this period with consistently good levels of quality.
- 4.8 As well as securing both nursing and residential care provision for the future, the arrangement also ensures that commissioning rates for existing residents can continue to deliver best value.

5 Alternative options considered

- 5.1 An option is for the Council to 'do nothing' and let the contracts lapse at the end of the period. This would result in the existing block contracts with the provider lapsing and the Council having to either pay an increased spot rate to the provider or find alternative accommodation for the residents, which are likely to be at significantly increased rates. Either option would create issues, be that a budget pressure for the former, and significant disruption to residents for the latter. Doing nothing and allowing the block contracts to lapse would also deprive the Council of being able to offer other Greek & Cypriot residents the choice of living in a culturally specialist care home; whereas a block would secure supply and allow the Council to do so.
- 5.2 An alternative option is for the Council to extend the contracts for 1 year only which is compatible with the provisions of each of the contracts regarding extension. Given the pressure on capacity and the requirements to safeguard provision for this cohort of residents going forward, the Council is keen to optimise the opportunities of the block arrangements for the additional period as set out in this report.

6 Background information

- 6.1 Haringey Council has operated a block contract arrangement with Ourris Properties and with Ourris Residential Homes Ltd for a number of years to provide nursing and residential provisions with a cultural specialism. These contracts are due to expire on 27th November 2019. Anastasia Lodge and Autumn Gardens are two care homes based in Enfield catering specifically to meet the needs of Greek and Cypriot older people.
- 6.2. In line with Medium Term Financial Strategy savings targets in relation to market efficiencies the Council has a need to yield savings against commissioning placement costs. As part of the approach to achieving these savings, the Council is seeking to establish a new block contract with both Ourris Residential Homes Ltd and Ourris Properties Ltd. The intention here is to secure supply of beds for a specific cultural group (Older Greek & Cypriot residents) and protect the potential loss of supply which would result in allowing the existing block contracts with Ourris Residential Homes Ltd and Ourris Properties Ltd to lapse without

replacement. Anastasia Lodge and Autumn Gardens currently meet 80% of demand for care home placements for Greek and Cypriot residents. Because of their consistently good Care Quality Commission (CQC) rating and their proximity, they are the only two specialist homes for this cohort of the population which the Council is actively using. The market in these services is very limited and there are no other provisions specifically meeting the needs of Greek and Cypriot older people subregionally.

- 6.3 There continue to be generally high demand and limited capacity for nursing and residential care placements in the sub-region. The ability to block purchase nursing and residential care placements is one way in which the Council can maintain a fair price for care and ensure local capacity in these areas. As agreed by Cabinet in July 2019, the Council is also developing additional capacity in-borough for nursing care through a major redevelopment at Osborne Grove Nursing Home which is planned to come on stream in 2022.
- 6.4 Officers have been working with colleagues across North Central London to secure capacity and to ensure standards remain at Good or Outstanding across nursing and residential care provision and this proposal is an output from this collaborative work.

7 Contribution to strategic outcomes

- 7.1 The Borough Plan sets out the Council and partners' approach to ensuring that strong families, strong networks and strong communities nurture people to live well and achieve their potential through through a range of partnership approaches, focused on meeting the specific needs of residents. The proposals here align with that approach by maintaining a focus on the specific cultural needs of older people as they become more frail.

8 Statutory Officers comments

8.1 Finance

- 8.1.1 This report is seeking to vary the rates and extend by 1 year the existing block contract to Ourris Residential Homes Limited at Anastasia Lodge for 18 residential beds to make a total contract value for the four years of £2,295,430; and to extend the existing block contract to Ourris Properties Limited at Autumn Gardens for 21 nursing beds to make a total contract value over four years of £4,489,256. The proposed contract rates are detailed in the table below.

| Ourris Residential Homes Limited: Anastasia Lodge - 18 Residential beds | | | | | | |
|--|--|--------|--------|------|--------------|-------------------|
| | Gross | | Net | Beds | Annual value | Value for 2 years |
| Original contract | 690.00 | - | 690.00 | 18 | £ 647,579 | £ 1,295,158 |
| Proposed extension & variation | 746.00 | - | 746.00 | 18 | £ 700,136 | £ 1,400,272 |
| Proposed total contract value | | | | | | £ 2,695,430 |
| | Annual increase in contract value | | | | £ 52,557 | |
| | Percentage increase annualised for extension 2 years | | | | 4.1% | |
| Ourris Properties Limited: Autumn Gardens - 21 Nursing beds | | | | | | |
| | Gross | FNC* | Net | Beds | Annual value | Value for 2 years |
| Original contract | 1,025.00 | 165.56 | 859.44 | 21 | £ 1,122,314 | £ 2,244,628 |
| Proposed extension | 1,025.00 | 165.56 | 859.44 | 21 | £ 1,122,314 | £ 2,244,628 |
| Proposed total contract value | | | | | | £ 4,489,256 |
| | Annual increase in contract value | | | | £ - | |
| | Percentage increase | | | | 0% | |
| *FNC = Funded Nursing Care contribution from health | | | | | | |

8.1.2 The proposed rates compare favourably with the current spot contract rates. In order for value for money to be achieved vacant beds are prioritised to be filled as all beds are payable whether or not they are filled. The negotiated rates can be met from existing agreed budgets.

8.2 Procurement

8.2.1 These contracts are within scope of the Light Touch Regime of the Public Contracts Regulation 2015 and variation of the contracts is permitted under Clause 36.1 of the Contracts between the Council and Service Providers both dated 6th December 2017 and Regulation 72(1)(e) of the Public Contracts Regulations 2015.

8.2.2 This request is also compliant with CSOs and the Procurement Code of Practice. Anastasia Lodge and Autumn Gardens have been providing a good, culturally specific service which serves the borough's large Cypriot community. Moreover buying block beds enables the Council to secure the supply of limited nursing and residential provision in a time of high demand whilst obtaining best value.

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance notes the content of this report.

8.3.2 Pursuant to the Council's Contract Standing Order (CSO) 10.02.1(b), Cabinet may approve the variation and extension of a contract if the value of the variation or extension is £500,000 or more.

8.3.3 Regulation 72(1)(e) of the Public Contracts Regulations the Council permits the Council to vary the provisions of a contract where the variation to be made is not substantial and the Assistant Director of Corporate Governance considers the variation to the contract in this report not to be substantial.

8.3.4 The Assistant Director of Corporate Governance's further comments are contained in Part B of this report.

8.4 Equality

8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act

Advance equality of opportunity between people who share those protected characteristics and people who do not

Foster good relations between people who share those characteristics and people who do not.

8.4.1 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.2 Establishing a block contract with Ourris Residential Homes Ltd for provision at Anastasia Lodge and with Ourris Properties Ltd for provision at Autumn Gardens will secure supply of culturally specific Greek & Cypriot residential and nursing care which will ensure to a greater extent that this is available as a choice to residents from this group requiring a care home placement. There is a large Greek and Cypriot community in Haringey and therefore there is a demand for these placements.

8.4.3 Renewing the existing contracts will also ensure that Greek & Cypriot residents currently living in these homes will not have to be moved to alternative accommodation and will be able to access relevant cultural services.

8.4.4 The renewing of the existing contracts will require the home to continue to comply with policies to prohibit discrimination, harassment and victimisation.

9 Use of Appendices

10 Local Government (Access to Information) Act 1985

Report for Cabinet – 8 October 2019

Title: Request to award a contract for the supply and support of a Customer Platform

Report authorised by: Richard Grice, Director for Customers, Transformation & Resources

Lead Officer: Elaine Prado, Head of Customer Experience and Operations, Corporate and Customer Services

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks Cabinet approval to award the contract for Front Office Back Office (FOBO) customer platform software in accordance with CSO 7.01(b) by selecting one or more contractors from a framework and CSO 9.07.1(d) to replace the current Agilisys Digital system (My Account).
- 1.2. This contract would be for a period of 2 years with options to extend for up to 2 further 1-year periods at a total cost for the 4 years not exceeding £877,438.

2. Cabinet Member Introduction

- 2.1 Haringey Council has initiated the Front Office, Back Office (FOBO) Transformation Programme in order improve the end to end contact experience for residents, businesses and visitors while supporting Haringey staff to help customers when it is needed. To enable delivery of FOBO transformation, the Council is looking to enhance the digital offer to customers and the way contact is managed through provision of a new Customer Platform.
- 2.2 The Council currently uses the Agilisys Digital system (My Account) to manage its main online (resident) accounts, dealing with over 110,000 registered users transacting on several services including revenues, benefits, libraries, environmental reporting and payments. The contract for provision of the Agilisys Digital system ends in March 2020.
- 2.3 The new Customer Platform procured under Crown Commercial Service's (CCS) G-Cloud 11 Framework will provide Residents, Businesses, Landlords and other groups' access to a range of Council services. It will deepen and broaden the digital services available, managing and tracking customer enquiries, service requests and 'one and done' transactions. This includes the services already provided through My Account and additional service areas including Parking and Housing.
- 2.4 The Platform will deliver significant financial and non-financial benefits to the Council and customer groups including:
- Supporting identified annual savings in the FOBO Programme of circa £300,000 and a saving in the current annual platform license fee cost of £53,750
 - Potential for further savings in Corporate & Customer Services and other Council services
 - Improving the digital offer for customers, making more Council services accessible online, providing customers better access to services and updates at their convenience
 - Providing a simple, intuitive and personalised system to use which becomes the desired channel for accessing Council services. Improving the overall experience of using digital services
 - Managing and tracking customer enquiries, service requests and end to end transactions, regardless of if the customer is transacting through a customer account
 - Generating easy to understand management information to support service development.

3. Recommendations

- 3.1 That Cabinet **approves**, in accordance with Contract Standing Order (CSO) 9.07.1(d), the award of a contract for the supply and support of Customer Platform software to supplier A for a 2 year period at a maximum cost of £518,938 with options to extend for up to 2 further 1-year periods at an annual

maximum cost of £179,250 per additional year for a total cost not exceeding £877,438.

4. Reasons for decision

- 4.1 The current contract for My Account was awarded in March 2015 for 3 years with an option for a further 2 years to March 2020. The optional additional years were agreed and therefore, a new contract is required.
- 4.2 The new contract will significantly enhance the digital service offer to customers making it easier to access and receive updates on Council services. The platform directly supports identified annual savings in FOBO of £300,000 with the potential for future savings and provides a saving in the current annual platform licence fee of £53,750.

5. Alternative options considered

5.1 Do Nothing

This is not a viable option as the current contract for the existing customer platform expires on 27th March 2020. There are approximately 16,000 customer transactions through the platform with the Council per month, therefore customers would be disadvantaged, and in direct contrast to public expectations, if we were to withdraw this service.

5.2 Renew existing contract

The existing contract has already been extended to the maximum amount of time allowed within OJEU regulations, therefore this option is not viable.

6. Background information

- 6.1 The contract for the current Digital Platform (My Account) will fully expire on 27th March 2020 and, as a result, Haringey Council needs to put in place arrangements to ensure continuity of service.
- 6.2 The project team completed a 3-day agile design sprint in March 2019 to establish a digital vision for Haringey and the high-level requirements for a new Customer Platform. The requirements recognised that services such as Parking, Housing, Revenues and Benefits have, or are likely to have, IT systems with their own customer 'front end' capabilities. For example, the Council has already purchased the Northgate Citizen Access Portal (CAP) and plans to transition online Revenues and Benefits services to this software later in 2019. As such Haringey Council is looking to explore solutions that could overarch, rather than duplicate, these capabilities and bring them together into what should feel like one single customer account to the end user.
- 6.3 Following the sprint, a Pre-Market Engagement (PME) exercise was undertaken to understand the market, the products currently available, and to share

Haringey's digital ambitions. Nine suppliers, including the incumbent supplier Agilisys, responded to our invitation.

6.4 From the PME it was clear that the market had generally moved away from the types of platforms previously being procured by local authorities for their digital contacts. This was as a result of increased customer (resident) expectations, coupled with Line of Business (LoB) suppliers developing their own customer self-service options and a willingness in the market to assist with systems integration work. During this exercise, it became clear that the products seen could be broadly categorised into three distinct groups we classified as:

- Enterprise-type platform - Large scale platforms. High levels of functionality but typically less flexibility. Generic roadmaps for all users adding new functionality that may/may not be relevant for Haringey Council.
- Modular options - Vendors with proven, service specific modules and integrations. Allow modular creation of required functionality and high flexibility at lower cost. Service specific roadmap/upgrades.
- Bespoke options - Solutions where all required functionality must be built. Relatively rapid development (compared to traditional software development) and highly flexible, but with higher maintenance and limited upgrade options.

6.5 Modular products were the most appropriate for further consideration because they combined speed of delivery with flexibility and would provide the Council with a more manageable platform to adapt to changing customer needs. It also enables the Council to leverage existing/planned investments in systems that have or will have front end capabilities.

7. Procurement Process

7.1 The option to undertake a full EU tender had been considered. However, it was deemed that the level of the Council's resources and time required to complete an EU tender process was not justified when suitable EU compliant Framework Agreements were available.

7.2 The programme identified the G-cloud 11 framework as the most expedient method for procuring a new Customer Platform. G-Cloud provides access to a wide range of suppliers and reduces the risk we would need to extend the Agilisys My Account contract. The proposed G-Cloud contract length is for a 2-year period with options to extend for up to 2 further 1-year periods.

7.3 Four suppliers were initially identified in a shortlist on G-Cloud using a keyword search based on a requirements specification produced by the project team. Each of the suppliers attended a clarification meeting, provided written responses to Council clarification questions including completing a pricing schedule. Pricing included costs for the core functionality required and optional functionality / services provided by the suppliers.

- 7.4 Scoring was based on a 50% price criteria weighting (for the core functionality only), and 50% quality criteria weighting. A consensus meeting was held by the project team / evaluation panel and a representative from Strategic Procurement on the 5th September to agree the final scores.
- 7.5 The project team concluded that Supplier C did not respond fully, as requested, to the pricing clarifications which did not enable the Council to evaluate whether the solution could meet its budgetary requirements or provide an equal footing to compare pricing on a like for like basis with the other suppliers. The project team agreed that Supplier C's offering could not be evaluated fairly alongside other suppliers and as such should be discounted with three suppliers progressing to final scoring. The final scores are as follows:

| Company | Total Price for core functionality only | Price (Score) | Quality (Score) | Overall |
|------------|---|---------------|-----------------|---------|
| Supplier A | £456,263 | 50% | 44.6% | 94.6% |
| Supplier B | £460,231 | 49.57% | 31.4% | 81% |
| Supplier D | £780,000 | 29.25% | 38.8% | 68% |

8. Contribution to strategic outcomes

The procurement of a new Customer Platform contributes to the Borough Plan 2019-23 priority Your Council in the following ways:

| Outcome | Supports following objectives |
|---|--|
| 17 - A Council that engages effectively with its residents and businesses | <ul style="list-style-type: none"> Residents and businesses feel engaged with and show high levels of trust in the Council We make available to our residents and businesses the information and connections they need to make their own decisions and to thrive individually and collectively |
| 18 - Residents get the right information and advice first time and find it easy to interact digitally. | <ul style="list-style-type: none"> Self service will be customer's first choice, because we will make it easy to use Those customers that need a more personalised service will receive it A customer of any Council service will receive a consistently good, fair, timely and professional experience |
| 20 - We will be a Council that uses its resources in a sustainable way to prioritise the needs of the most vulnerable residents | <ul style="list-style-type: none"> We will deliver value for money by acting creatively and innovatively to design and deliver services that are good value for residents and taxpayers |

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Digital Services, Equalities)

9.1 Finance

The maximum cost of this four-year contract award being an initial two years plus the option to extend for two further one-year periods is £877,438. This is split between the core solution costing £456,263 and the optional functionality and services costing £421,175.

The total core solution (£456,263) costs are made up of the implementation costs and the year one licences totalling £197,513 which will be funded from the existing FOBO capital budget. The remaining £258,750 represents the on-going licence costs for years 2 – 4 which will be funded from the existing software revenue budget within Customer Services. This represents a saving of £53,750 on the current licence fee.

Should the Council choose to take up any or all of the optional functionality the expectation is that the implementation and year one licence costs will be funded from the existing Capital Programme and the ongoing licence costs will be offset by the associated efficiency savings in the services affected.

9.2 Strategic Procurement

Procurement fully support the award of this contract as the procurement is allowed under CSO 7.01(b) by selecting contractor from G-Cloud 11 and also approve award by Cabinet as allowed under CSO 9.07.1(d to the preferred supplier). This procurement process is fully compliant under EU procurement directive and Public Contract Regulations 2015.

9.3 Assistant Director of Corporate Governance comments

9.3.1 This report is proposing the award of a contract by way of a direct award call-off from the Crown Commercial Service's G-Cloud 11 framework agreement.

9.3.2 Pursuant to Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contract Regulations 2015 the Council may award contracts called off under a framework established by another public sector body.

9.3.3 External lawyers have provided guidance in this procurement on the compliant use of the G-Cloud 11 framework to do a direct award of a contract without doing a mini-competition.

9.3.4 Pursuant to CSO 9.07.1(d) contracts valued at £500,000 or more must normally be awarded by Cabinet.

9.3.5 The Assistant Director of Corporate Governance is not aware of any legal reason preventing Cabinet approving the recommendations in this report.

9.4 Digital Services and SIRO

Digital Services has been a core part of the project team throughout this process and can confirm their support of this decision. G-Cloud ensures a level of pre-evaluated standards such that suppliers' credibility is sound.

Progression of a 'modular' style of platform is in line with our strategy to provide collaborative in-house development in the interest of achieving the best possible customer experience.

9.5 Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Ensuring the platform is fully accessible to support all customers was an important part of the procurement process. Requirements included ensuring the Platform:

- Is compliant (to WCAG 2.1 AA standards) so that users with visual impairments and other accessibility issues can navigate and interact
- Includes features that enable users for whom English is a second language to navigate and interact with it in order to complete desired transactions

Overall implementation of a new Customer Platform will enhance the digital services available making it easier for all services users to contact and transact with the Council.

However, as some customers will be unable to or have more difficulty accessing digital channels or would prefer to use traditional channels such as telephone and face to face, the Council will continue to ensure that customers are fully able to access Council services while encouraging and supporting customers to use the new digital offering.

10. Use of Appendices

N/a

11. Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. The exempt information is contained in the Part B Exempt Report and is not for publication. The information is exempt under amended schedule 12A of the Local Government Act 1972, category 3:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Report for **Cabinet 8 October 2019**

Title: Award of Contract for SAP Hosting and Support Services

Report authorised by : Director of Customers, Transformation and Resources

Lead Officer: Carla Villa, x3111, carla.villa@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Key Decision

1 Describe the issue under consideration

This report seeks approval from Cabinet to award a contract, for a term of 2 years with an option to extend for 2 further 1-year periods, by way of a call-off from the Crown Commercial Service's GCloud 11 framework to replace the current SAP managed service supplier. The new contract will facilitate the continuation of critical SAP support and hosting for the Finance, Payroll, HR and Procurement systems.

2 Cabinet Member Introduction

- 2.1 In 2013 a contract was let for a SAP Managed Service for a term of 6+2+2 years. The initial 6-year term is coming to an end, and accordingly, the options and associated costs of extension or migration to another supplier have been explored.
- 2.2 The incumbent supplier, Axon Solutions Ltd t/a HCL Axon and HCL Technologies Ltd ("HCL Axon"), was requested to propose a reduced cost for the optional contract extension, and alternative suppliers on GCloud were also considered. A supplier which already provides licensing for SAP was found to provide hosting and support services that meet our requirements. These services from the proposed new supplier represent a saving of over £1.2m over a maximum four-year contract term.

3 Recommendations

It is recommended that Cabinet approves, in accordance with Contract Standing Order 9.07.1d), the award to the supplier identified in the exempt report of a contract for SAP hosting and support services for an initial 2-year term valued at £533,816.00 with an option to extend for two further one-year periods valued together at £533,816.00 with a total contract value of £1,067,632 over the maximum term of 4 years.

4 Reasons for decision

- 4.1 The current SAP managed service contract with HCL Axon expires in March 2020 and so the Council needs to either extend the current contract or replace it with a new contract with an alternative supplier.
- 4.2 The incumbent supplier was only able to offer a minimal reduction of just £16k per year.
- 4.3 Haringey already have a satisfactory relationship with the proposed supplier.
- 4.4 The proposed supplier are able to provide an equivalent service to the current one at £330k per annum less than the incumbent supplier.

5 Options considered

- 5.1 Request the incumbent supplier to review its pricing model to reduce the costs for the final 4 optional extension years to see if savings could be made. This did not achieve any significant savings and does not meet the savings target.
- 5.2 Request an alternative supplier(s) to provide a quotation so as to compare costs against the current service to see if this proves advantageous enough to move the service. This achieved significant saving which the incumbent was unable to match.
- 5.3 Look to expand the current insourced SAP support team to take on this specialist role. This would require expensive specialised SAP resources to be recruited that would not be fully used. Haringey already have the SAP in-house team to manage most of the administration of the system – this contract is only from specialist SAP support. So the Council already has the correct level of in-house arrangements for the application. This contract is for very specialist SAP support and hosting. It is not an economically viable option to maintain these sorts of skills as part of the Haringey Digital Services section.
- 5.4 Do nothing – this is not a realistic option. This would mean that we would not have a Finance, Payroll, HR, and procurement system

6 Background information

In 2013 a contract was let for the SAP Managed Service for a term of 6+2+2. The initial term (6 years) ends on 15/9/19 and would require the contract to be extended as allowed for under the contract or the contract can be allowed to lapse. The current supplier (HCL Axon) was approached to see what could be done in order to reduce the cost for any extension. A search for alternative suppliers was also done under the Crown Commercial Service's G-Cloud 11 framework and the proposed supplier, identified in the exempt report, was selected for an award of a new contract as the supplier best able to meet the Council's service requirements. A comparative cost for this supplier to provide

hosting and support services was established as they support the SAP licences that are used with this contract and could also host and support the service as part of their service offering. While HCL Axon were not in a position to offer any significant savings, the cost proposal received from the proposed new supplier reduced the cost for the required services significantly.

There is a cost to migrating the service from the Sunguard Data Centre (a sub-contractor under the HCL Axon offering) to Amazon Cloud at a cost of £221,676.00 which will be funded from flexible capital receipts as they are one-off 'transformation' costs that are necessary to deliver ongoing back office revenue savings. There are also Exit costs from HCL Axon chargeable under HCL Axon's contract the exact amount of which are dependent on how long it takes to transition to the new supplier though these have been capped at £70K. The migration program is likely to take between 3-6 months. The time taken is mainly dependent on the testing required. The proposed new supplier has stated that a transition usually takes around 4 months.

It was agreed between the project team and the procurement team that the G-cloud 11 framework was the most expedient route to market to procure these services. G-cloud 11 provides access to a wide range of suppliers and due to being able to procure at a faster pace, minimised the amount of time that the incumbent contract needed to be extended for.

Ten suppliers were initially shortlisted on G-Cloud using a keyword search based on the specification produced by the project team.

In accordance with G-Cloud guidance, assessments were then carried out for all shortlisted suppliers based on the suppliers' detailed service descriptions. This was completed by two members of the project team. Based on the service descriptions, the project team concluded that only one supplier could fully meet the specification, and this was mainly because the majority of suppliers could only migrate or host the solution, and were not able to support the application without sub-contracting this out to a third party.

G-Cloud guidance stipulates that if only one service meets your requirements, you can award a contract to the supplier without doing anything else.

The proposed new supplier's service has been procured through a GCloud 11 Framework under a direct award for a term of 2 years with an option to extend for a further 1+1 years, as allowed for under the framework.

The HCL Axon contract has been extended under Delegated Authority for 6 months to allow for transition to the new supplier. The managed service cost and SLAs under the extended HCL Axon contract will apply during the transition to the proposed new hosting and support provider so there will be no loss of services during transition.

7 Contribution to strategic outcomes

This proposal to award a contract aligns to the corporate strategic need to reduce costs on back office operations. It represents a low-risk option for the council, preserving and potentially enhancing the support and maintenance of one of the council's key software systems. This is a model which has been followed by a number of other local authorities and which would deliver savings of over 50% on the current situation.

8 Statutory Officers comments (Chief Finance Officer, Head of Procurement), Assistant Director of Corporate Governance, Equalities)

8.1 **Finance**

The SAP system represented significant revenue expenditure to the authority in 2018/19 at over £900,000 across two contracts, one for licence support and maintenance and the other for the managed service and hosting. The current MTFS targeted an annual saving of £300,000 from 2019/20 across these contracts with £190,000 already achieved by moving the licensing and support and maintenance from SAP to a third party.

This 2+1+1 year contract award addresses the managed service and hosting element and will generate further cost savings of £330,550 per annum (£1,322,201 over the contract period).

Between these two contract awards total savings of £520,550 per annum will be achieved bringing the total running costs of SAP within the revised revenue budget envelope and achieving additional savings which will be used to support and enhance the Council's digital transformation programme.

The one-off upfront costs in changing supplier, notably the £221,676 fixed cost of migrating to the new hosted provider and HCL's exit costs which are payable under the HCL Axon contract and capped at £70,000, will be funded from the approved flexible capital receipts programme.

8.2 **Assistant Director of Corporate Governance**

8.2.1 This report is proposing the award of a contract by way of a direct award call-off from the Crown Commercial Service's G-Cloud 11 framework agreement.

8.2.2 Pursuant to Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contract Regulations 2015 the Council may award contracts called off under a framework established by another public sector body.

8.2.3 Strategic Procurement have confirmed that the G-Cloud 11 framework provisions for direct award of a contract without the need for a mini-competition were followed in calling off the proposed supplier.

8.2.4 Pursuant to CSO 9.07.1(d) contracts valued at £500,000 or more must normally be awarded by Cabinet.

8.2.5 The Assistant Director of Corporate Governance is not aware of any legal reason preventing Cabinet approving the recommendations in this report.

8.3 Strategic Procurement

The procurement is being undertaken in accordance with the rules of the CCS GCloud 11 framework. A search of the GCloud framework provided results which were filtered to focus the results towards the service offering required. The filtered service offerings were then reviewed and compared by 3 members of staff and the winning service offering selected. The winning service providers pricing was subject to clarification prior to the recommendation to award to ensure a correct understanding of filtered offerings.

The procurement has been undertaken in a compliant process and award of contract by Cabinet is permitted under CSO 7.01 (b) (by selecting one or more contractors from a Framework) and CSO 9.07.1(d) (All contracts valued at £500,000 (five hundred thousand pounds) or more, may only be awarded by Cabinet).

Strategic Procurement have no objection to this award.

8.4 Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Ensuring the platform is fully accessible to support all users was an important part of the procurement process.

9 Use of Appendices N/A

10 Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. The exempt information is contained in the exempt report and is not for publication. The exempt

information is under the following category (identified in amended schedule 12A of the Local Government Act 1972 (3)):

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Report for: Cabinet 8 October 2019

Title: Award of Contract for the Homes for Haringey Major Works Year 2 programme, 3 lots

Report authorised by: Dan Hawthorn, Director of Housing, Regeneration and Planning

Lead Officer: Malcolm Peek, Interim Head of Major Works, Homes for Haringey

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1 The report sets out an overview of the (external) capital investment programme for year 2 and seeks approval for the award of 3 contracts for the Housing Asset Investment Plan for Year 2, (2019/20). The contracts have an aggregate value of £16.6m.
- 1.2 This is in accordance with the capital investment budget approved in February 2018 (see 12.5) and the approved Asset Management Plan 2018-2023 (see 12.2).
- 1.3 This report sets out a recommendation to appoint two contractors to provide construction services for three contracts (Programme A, B and C). The contractors will work with Homes for Haringey to deliver the external capital investment programme for Year 2 (2019/20) to Haringey's Council Housing Stock.

2 Cabinet Member Introduction - Cabinet Member for Housing and Estate Renewal

- 2.1 This award of contract enables Homes for Haringey to progress the external capital investment programme for year 2 (2019/20). This will enable external works such as the renewal of roofs, windows, external brickwork repairs and improvements to communal areas. These will contribute to the Borough Plan target to ensure that a minimum of 95% of homes meet the Decent Homes Standard by 2022. Plus, by incorporating communal and environmental works within the programme, this will improve the lives of residents on our estates.

3 Recommendations

3.1 For Cabinet, pursuant to the Council's Contract Standing Order (CSO) 9.07.1(d), to approve the award of the contracts in respect of the External Major Works Year 2 Programme A, B and C.

- Programme A for renewal of roofs, windows, external brickwork repairs and improvements to communal and external areas at a total cost of £5,231,064.82.
- Programme B for renewal of roofs, windows, external brickwork repairs and improvements to and external communal areas at a total cost of £5,774,875.42.
- Programme C for renewal of roofs, windows, external brickwork repairs and improvements to and external communal areas at a total cost of £5,594,154.97.

3.2. Details of the successful tenderers are outlined in Part B (exempt information) of the report.

4 Reasons for decision

4.1 In line with the Council's plans to invest in the Housing stock, Homes for Haringey intends to deliver the three packages outlined in the report through an external and communal works programme. The report recommends the appointment of two contractors to work with Homes for Haringey to deliver the capital investment programme for Year 2 (2019/20).

4.2 Homes for Haringey require approval for the award of contracts to deliver the year 2 external capital works programme. This is following a tender process in conjunction with Haringey Council Procurement, via the London Construction Programme (LCP) framework and processes.

4.3 The tender process was carried out in accordance with the framework requirements that incorporate price and quality. The successful bidders scored the highest points in relation to these criteria in each associated tender lot.

5 Alternative options considered

5.1 An alternative option would be for Homes for Haringey either to use third Party industry frameworks or an OJEU compliant tender process to deliver the capital programme. Homes for Haringey sought support and advice from Haringey Strategic Procurement and determined the LCP framework as being the optimum route to the market. This was due to the speed of access to quality-checked contractors and focus on companies that focus their resources in the local area.

5.2 A do-nothing option would mean the Council is not able to deliver external capital investment works to the housing stock. This is in accordance with the agreed Asset Management Strategy (see link in section 12.2) and the condition of the stock would be likely to deteriorate significantly.

6 Background information

- 6.1. Homes for Haringey manages 20,387 homes on behalf of Haringey Council comprising the following properties: -
 - 14,240 general needs homes
 - 1,328 units of supported housing
 - 4,819 leasehold homes
- 6.2. As the landlord, the Council has a statutory and legislative duty to maintain the housing stock in a good state of repair.
- 6.3. From 2008, the stock investment programme was largely targeted at the renewal of components that fell within the scope of the Government's Decent Homes Standard. This enabled improvements to be made to specific key building components (roofs, windows etc) but largely omitted any wider estate improvements. The Asset Management Strategy 2018-23 (see link in section 12.2) sets out a broader and more holistic approach to stock investment from 2019 onwards to that achieved under the Decent Homes programme. These works will be delivered through an external and communal works programme running in parallel with an internal works programme.
- 6.4. In putting together the programme a 'worst first' approach has been taken, as far as possible, to ensure that those homes with the greatest need are prioritised. This approach is designed to ensure the Council achieves and maintain full decency within the stock while also investing in areas that fall outside the scope of the Decent Homes Standard.
- 6.5. Each year of the programme contains a mix of estates and scattered dwellings. Scattered (non-estate) dwellings have generally been grouped by street for programming purposes. For estate dwellings the intention is to carry out works on an estate-wide basis. The remaining estates and scattered properties have been allocated to a year within the programme according to the following criteria: -
 - 6.5.1. High Need – Decent Homes Standard building components
 - 6.5.2. High Need – Non-Decent Homes Standard building components
 - 6.5.3. Years since last worked on.
 - 6.5.4. Average repair cost over the last three years.
- 6.6. Year 2 addresses have been drawn from the highest priority dwellings based on the criteria outlined in 6.5. However, to expedite delivery, blocks with Leaseholders have been omitted from year 2. Blocks with Leaseholders that would otherwise have been included in year 2 have been prioritised for the year 3 programme.
- 6.7. Cabinet agreed in February 2018 to appoint Ridge and Partners LLP as Homes for Haringey's multidisciplinary construction related consultant. The projects under consideration will be project managed, designed and cost managed by Ridge and Homes for Haringey.

7 Contribution to strategic outcomes

- 7.1 The works and programme are being carried out in line with the Housing priority in the Borough Plan. Specifically, it will contribute to the Outcome 3: We will work together to drive up the quality of housing for everyone, Objective a) improve the quality of Haringey's Council Housing, including by ensuring that a minimum of 95% of homes meet the Decent Homes standard by 2022

8 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

- 8.2. The 2019/20 external works programme budget was approved by full council in February 2019. There is a budget provision of c£28.0m for these aspects of work in 2019/20.
- 8.3. The total cost of these schemes is estimated at £16.6m and it is estimated to be spent as shown below:

Phasing of Expenditure Table:

| | 19/20 | 20/21 | 21/22 (Retention) | Contract Sum |
|-------------|-------|-------|-------------------|--------------|
| Programme A | £3.9m | £1.2m | £0.1m | £5.2m |

| | 19/20 | 20/21 | 21/22 (Retention) | Contract Sum |
|-------------|-------|-------|-------------------|--------------|
| Programme B | £4.3m | £1.4m | £0.1m | £5.8m |

| | 19/20 | 20/21 | 21/22 (Retention) | Contract Sum |
|-------------|-------|-------|-------------------|--------------|
| Programme C | £4.2m | £1.3m | £0.1m | £5.6m |

- 8.4. The contractors were selected following a tender and evaluation process based on price (60%) and quality (40%).
- 8.5. The schemes identified are for works on tenanted properties. Therefore, there is no cost recovery from leaseholders as there are no leasehold properties within this project.
- 8.6. It is projected that a total of £12.5m of the estimated £16.6m will be spent in 2019/20 as shown in the table in 8.3 above "phasing of expenditure"; with £4.1m carried forward in 2020/21.

8.7 Procurement

- 8.8 The strategic procurement advice and technical services for this project were provided by London Borough of Haringey Strategic Procurement.
- 8.9 Upon consideration of the available options, the Council advised HfH to use the new LCP (London Construction Programme) Major Works Framework.

Mini Competition Stage

- 8.10 In order to prove best value and select the most appropriate contractor for the works, the works were divided up into 3 lots and a mini competition was held. The contract was advertised to the contractors on the MW2019 Housing North London lot.
- 8.11 An electronic tendering portal (Delta eSourcing) was utilised for the mini competition.

Evaluation

- 8.12 The deadline for tender submission was 28th August 2019 and could only be submitted via the electronic tendering portal. All bids were received on time.
- 8.13 Evaluation of tender documents commenced on 29th August 2019. The team consisted of 2 panel members. Each individual team member evaluated and awarded scores on the quality submission of all bidders.
- 8.14 Following this a moderation meeting was held on 2nd September 2019, chaired by the Procurement Manager. At this session, the panel members deliberated on individual scores and ensured that scores awarded were based on consensus from the majority panel members. The award of this contract is based on the most advantageous tender.

9. Legal

- 9.1. The Assistant Director of Corporate Governance notes the content of the report.
- 9.2. Strategic Procurement has confirmed that the service was procured through the London Construction Programme (LCP) Major Works Framework.
- 9.3. Pursuant to the Council's Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contracts Regulations 2015, the Council may select one or more Contractors from a Framework established by a public body where the Council has been named as an approved user in the OJEU Contract Notice and it is confirmed that the Council is an approved user of the GLA ADUP Framework from which the services was procured.
- 9.4. Pursuant to CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the contract in this Report.
- 9.5. The Assistant Director of Corporate Governance sees no legal reasons preventing the approval of the recommendations in the report

10. Equality

- 10.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to: -

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

- 10.2. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 10.3. The decision is to award contracts for the Housing Asset Investment Plan for Year 2, 2019/20. The decision will primarily impact residents living in properties managed by Homes for Haringey. It is notable that women, BAME communities, and individuals with disabilities and/or long-term health conditions are over-represented among Council housing tenants in Haringey. There is no indication that this decision will result in any foreseeable negative impacts on any individual or group that shares the protected characteristics.
- 10.4. As a body carrying out a public function on behalf of a public authority, the contractor will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above. Arrangements will be in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur that may have a disproportionate negative impact on any groups who share the protected characteristics.

11 Use of Appendices

11.1 Part B exempt information

12 Local Government (Access to Information) Act 1985

- 12.1 In October 2016 Cabinet agreed to adopt a new approach and standard for delivering investment in the housing stock, following the end of Decent Homes funding as noted in section 6.2. Cabinet also agreed that Homes for Haringey should develop a new Asset Management Strategy and Investment Plan; with approval of the plan delegated to the then Director of Regeneration, Planning and Development, after consultation with the Lead member for Housing and Chief Operating Officer.

12.2 Asset Management Strategy 2018-23

<https://www.homesforharingey.org/repairs-and-maintenance/major-works>

12.3 Stock Investment and Estate Renewal Policy

<http://www.minutes.haringey.gov.uk/documents/s88262/>

12.4 In February 2018 Cabinet agreed to appoint Ridge and Partners LLP as multi-disciplinary professional consultants.

Award of contract for multi-disciplinary professional services

<http://www.minutes.haringey.gov.uk/documents/s99594/>

12.5 In February 2018 Cabinet approved the capital budget to deliver a 5 year investment plan.

Medium Term Financial Strategy 2018/19-2022/23

<http://www.minutes.haringey.gov.uk/documents/s99632/>

Part B is:

NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

This report is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

Report for: Cabinet, 8th October 2019

Title: **Award of Contract for the Delivery of a Pupil Referral Unit Provision**

Report authorised by : Charlotte Pomery, Assistant Director, Commissioning, charlotte.pomery@haringey.gov.uk, 020 8489 3751

Lead Officer: Ngozi Anuforo, Head of Strategic Commissioning, Early Help and Culture, ngozi.anuforo@haringey.gov.uk , 020 8489 4681

Ward(s) affected: All

**Report for Key/
Non Key Decision: Key Decision**

1. Describe the issue under consideration

- 1.1 Under the Education Act 1996 (Section 19) local authorities are required to make arrangements for the provision of suitable education at school or otherwise for children of compulsory school age who have been excluded from school.
- 1.2 This report sets out the grounds for the award of a contract for the delivery of such education provision through the commission of a dedicated Pupil Referral Unit (PRU) for the academic year 2019-20. The PRU model is not a new approach to meeting the needs of Haringey pupils who may not receive a suitable education unless arrangements are put in place for them by the Council. It forms part of a range of provision seeking to address the educational needs of some of Haringey's most disadvantaged and vulnerable children and young people and to this end, is an important part of the wider alternative provision network and offer across the borough. The current proposal for the commission of the PRU on a one year basis sits within the context of an on-going strategic review of Alternative Provision, in its widest sense, and a real drive to transform the outcomes for children and young people who have been excluded, or are at risk of exclusion, from school.
- 1.3 This purpose of this report is to seeks authorisation of Cabinet for a direct contract award under Council's Contract Standing Order (CSO) 9.01.2 (g) negotiation without prior publication of an advertisement to TBAP Trust (TBAP) for the delivery of Haringey's Pupil Referral Unit (PRU) for one academic year, covering the period 1st September 2019 to 31st August 2020 at a total cost of not exceeding £857,580.00.

2. Cabinet Member Introduction

- 2.1 This report asks the Cabinet to award a one year contract to Contractor A for the academic year 2019/2020.
- 2.2 This proposal sits within the context of an on-going strategic review of Alternative Provision, in its widest sense, and a real drive to transform the outcomes for children and young people who have been excluded, or are at risk of exclusion, from school.
- 2.3 This extensive and strategic review is due to report by the end of this calendar year. It will provide recommendations for alternative commissioning arrangements for children and young people who need to access alternative provision. These will be brought to Cabinet in due course.
- 2.4 In the meantime ensuring a one year contract for this academic year will enable the Council to meet its statutory duties in relation to children and young people who are in need of alternative provision, whilst doing the necessary parallel planning for the new arrangements to be introduced from September 2020.

3. Recommendations

- 3.1 That Cabinet pursuant to the provisions of CSO 9.01.2(g) and in accordance with CSO 9.07.1(d), approve the award of the contract for the provision of Haringey's Pupil Referral Unit (PRU) to TBAP for a period of one academic year covering the academic period 1st September 2019 to 31st August 2020 at a total cost of not exceeding £857,580.00.

4. Reasons for decision

- 4.1 The recommendation for Cabinet to agree the proposal to award a contract for one year only to TBAP is made on the basis that:
 - A Strategic Review of Alternative Provision is underway which will lead to new arrangements affecting longer term commissioning of a PRU for Haringey and this approach will enable the continuation of educational services for some of the most vulnerable young people in the borough whilst it reaches its conclusion in autumn 2019. The wide-ranging review encompasses fresh consideration of the current delivery models for existing PRUs within the borough. It is anticipated that one outcome of the review will be a set of recommendations that will be put forward to Cabinet later in the year, including proposals for the longer term approach to and delivery model for PRU provision in Haringey.
 - this would maintain the Council's ability to fulfil its statutory duties in relation to the arrangements for the provision of suitable education at school or otherwise for those children and young people permanently excluded from school or at high risk of permanent exclusion from school. The award of a contract for one academic year only will support the Council's ability to manage the transition from existing arrangements to any future arrangements in a way that reduces the risk of disruption for the children and young people being supported via the PRU.

- taking into account the above, and the complexity of the provisions of the Academy Arrangements 2010, making preparations for the re-provision of the PRU in the longer term requires more time. Initial testing of the market for a short term commission through a Prior Information Notice yielded little interest and were anyway rejected on the grounds that they could lead to a disrupted education for vulnerable children and young people in the borough.

5. Alternative options considered

- 5.1 An alternative option would have been to undertake a competitive tendering exercise to secure a longer term provider of the PRU service working to the same model as currently from September 2019. However, this was not considered to be a viable option as the Alternative Provision Review will lead to change which will need to be reflected in the future model for a PRU.

6. Background information

6.1 National Context

- 6.1.1 The Education Act 1996 (Section 19) requires local authorities to make arrangements for the provision of suitable education at school or otherwise than at school, for those children of compulsory school age who, due to illness, exclusion from school or otherwise, may not, for any period, receive suitable education unless such arrangements are made for them.

- 6.1.2 In the context of increasing youth violence and on-going concerns about children missing from education and those young people not in education or employment, there has been national attention on the impact of school exclusion on outcomes for children and young people. Changing patterns of exclusions highlighted the need for attention to be paid to the profile of pupil being excluded, as well as the nature of these exclusions.

- 6.1.3 In 2017, the Department for Education (DfE) signalled the Government's intention to review policy on school exclusion and alternative provision and this was reflected in its commission of the review of school exclusion, led by Edward Timpson and published in May 2019. Amongst the 30 recommendations made by the Timpson review, and subsequently accepted by Government, were some strong indications towards the reform of practice amongst schools, local authorities, alternative provision providers and OFSTED.

- 6.1.4 The findings of the Timpson Review provide a strong sense of the future direction of travel for education legislation and policy. The Council is ensuring that consideration is given to potential Government action in the near future and how this informs the development of future PRU provision in the borough.

6.2 Local Context

- 6.2.1 Since 2014, Haringey Council has discharged elements of its duties through the commission of a Multi-Academy Trust (MAT) provider, contracted to deliver a high quality education provision for children and young people unable to attend mainstream school due to permanent exclusion or those at risk of permanent

exclusion. The MAT provider, under the provisions of the Academy Arrangements 2010, maintains an existing, direct funding agreement with the Department for Education which provides the base element of funding for an agreed number of education places. It is the responsibility of Haringey Council to provide a top-up element to the base funding, drawn from the High Needs Block (HNB) within the Dedicated Schools Grant (DSG).

- 6.2.2 Places commissioned have generally comprised of a mixture of places for primary and secondary school pupils. In general, the large majority of places have been taken up by secondary aged pupils. The number of places proposed for the 2019/20 academic year, and covered by this commission, is 53. This reflects the average demand across three academic terms seen in previous years. The terms of this contract will allow for additional places, up to a maximum of 5, to be purchased on an ad hoc basis.
- 6.2.3 It is clear that continuing to improve outcomes for these cohorts of children and young people, through the provision of ambitious learning environments, must be a priority. Over the coming year, the Council will ensure that work with Haringey's schools, education partners and wider services to achieve higher levels of successful reintegration back into mainstream school for the greater majority of pupils and good levels of attainment for those who may be unable to return to mainstream education. In addition to this, attention will be paid to the role of families, social networks and communities in supporting these ambitions, through partnership work across key strategies, such as the Young People at Risk of Violence and SEND strategies.
- 6.2.4 The current contract period expired on 31st August 2019 and there is a need for new funding arrangements to be put in place for the academic year, commencing 1 September 2019.

6.3 **Review of Alternative Provision in Haringey**

- 6.3.1 The current review of Alternative Provision in the borough provides the scope and rationale to reshape the way in which the PRU offers education and support to excluded pupils and those at risk of exclusion. Proposals for the future configuration of the PRU provision are emerging from the AP review work, with options for the shape and function of an effective provision in the longer term, being informed by discussions with school stakeholders, parents, children and young people, statutory and community partners and AP providers. There is also scope to learn from developments in other areas of London and across the country.

6.4 **Proposal for the award of a one-year contract**

- 6.4.1 Emerging from the Alternative Provision Review, is the understanding that the size, shape and function of the PRU may need to change and any recommissioning of the provision needs to be informed by the outcome of the review exercise. Given this, it was felt that a one-year contract to cover the forthcoming academic year would be a sensible approach, minimising the risk of disruption for pupils whilst allowing the development of the specification for the longer-term model from September 2020. Implementation of the longer-term model is likely to adopt a phased approach with for example the establishment

of a smaller, redesigned PRU over the first period and the possibility of creating a landscape without the need for a PRU over a three to five year period.

- 6.4.2 A Prior Information Notice (PIN) was issued on the Official Journal of the European Journal (OJEU) on 15 May 2019. The PIN was used to gauge market interest from interested suppliers. There was only one response but this organisation said that it was only interested in bidding for the contract start date 1 September 2020.
- 6.4.3 Given there were no expressions of interest received in response to the PIN, negotiations commenced with TBAP, the current supplier of the service with a view to securing an arrangement covering the 2019-20 academic year. Work has been undertaken to develop a service specification that sets out detailed expectations for the quality and rigour of an educational and pastoral support offer that would be delivered from September 2019.
- 6.4.4 Haringey's ambitions for all pupils, including those excluded, or at risk of exclusion, remain high. The proposal to award a one year contract is underpinned by intentions to work closely with Contractor to ensure that the education offer delivered is of a standard that those pupils accessing it could expect to receive in a well performing mainstream school. There will be a focus on how the, often complex, needs of the young people accessing the provision are being addressed and in articulating the Council and partners' drive to see improved outcomes. There will be a continued approach in which service delivery and impact on outcomes for children and young people are closely monitored.
- 6.4.5 Through this commission, the Council will be ensuring that a multi-agency approach is embedded across the PRU and delivers more effective support to children, young people and their families. The expectations for a robust multi-agency working will be central to any future delivery model for a PRU in Haringey and it is intended that this be an explicit element of any future model/arrangements for supporting children and young people to remain engaged in education.
- 6.4.6 For background and for clarity, agreement has been reached with the current supplier to ensure that services continue to be provided for the period 1st September 2019 to 8th October 2019 whilst the proposed award of contract is considered for decision by Cabinet.

7. Contribution to strategic outcomes

- 7.1 The proposals set out in this report will contribute to Haringey's Borough Plan (2019-23) ambitions. In particular, the following outcomes:
- Best Start in Life: the first few years of every child's life will give them the long-term foundations to thrive
 - Happy Childhood: all children across the borough will be happy and healthy as they grow up, feeling safe and secure in their family and in our community
 - Every young person, whatever their background, has a pathway to success for the future
 - Strong communities where people look out for and care for one another

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

8.1.1 The Octagon Academy PRU has been provided by TBAP for the previous contract period from 01 September 2017 to 31 August 2019..

8.1.2 There is a specific revenue funding to deliver this service of £857,580 p.a. as part of the dedicated schools budget (DSG-HNB), which should be sufficient to run this service.

The High Needs Block (DSG) overall has a carried forward deficit of £2.3m. The in year deficit is forecast to be £5.5m, bringing the end of year position to a deficit £7.8m. However, this is a national issue and government are assessing the level of funding currently provided

8.1.3 The 53 places commissioned under this contract reflects the average number of pupils in place across a given academic year, however the contract provision allows for a fluctuation of up to 5 pupils which would otherwise be required to be purchased on a spot purchase basis. These are generally more expensive.

8.1.4 The contract will make provision for the Council to commission up to five additional places from TBAP, depending on demand. The top up rate for these places will not exceed the standard place rate agreed with the Council.

8.1.5 This proposal, provides assurance that there are places available, which often required at short notice due to exclusions and also ensures that the top up rate is set at a maximum.

8.1.6 The nature of the contract requires the Council to identify key performance indicators for the provision to monitor the performance of TBAP, both financial and operational, to ensure that teaching and learning standards are being monitored and raised.

8.1.7 The commissioned organisation is required to ensure that they remain within the contracted costs provided and maintain a balanced budget at the end of every financial year.

8.2 Strategic Procurement

8.2.1 Strategic Procurement recommended the use of the Negotiated Procedure without prior advertisement under Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 because there was no interest in the market for a one-year contract to provide the service. The Council issued a Prior Information Notice (PIN) to test the market for a potential supplier and only one potential supplier responded to the PIN issued by the Council and the only potential supplier that responded said that they were only keen to participate in a procurement

process to select a provider for the service that would commence in September 2020 and not a one year contract commencing September 2019.

8.2.2 Strategic Procurement also recommended the use of Negotiated Procedure without prior publication of advertisement for the award of the year contract to the incumbent supplier because of the degree of complexity of unbounding the current complex arrangement with the Department for Education (DfE) and the need for the Council to continue to fulfil its statutory duties regarding the provision of suitable education at schools or otherwise for those children and young people permanently excluded from school or at high risk of permanent exclusion from school.

8.2.3 Strategic Procurement is supportive of the comments made in this report.

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance notes the content of this report.

8.3.2 Pursuant to the Council's Contract Standing Order (CSO) 9.01.2(g) and Regulation 32 of the Public Contracts Regulations 2015, the Council may procure a contract through the negotiated procedure without prior publication of an advertisement following consultation with the Head of Procurement.

8.3.3 Pursuant to CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the Contract in this Report.

8.3.4 The Assistant Director of Corporate Governance further comments is contained in Part B of this report.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

Exempt information in Part B under paragraph 3 Schedule 12A to the 1972 Act
Information relating to the financial or business affairs of any particular person
(including the authority holding that information).

Report for: Cabinet, 8th October 2019

Title: Block contract for the provision of nursing home beds

Report authorised by: Charlotte Pomery, Assistant Director Commissioning

Lead Officer: Farzad Fazilat, Head of Brokerage and Quality Assurance

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 This report seeks approval to award a block contract to Magicare Limited for 61 nursing beds from 1st November 2019 to 30th October 2022, with the option to extend for a further 2 years in 12-month intervals at the rate of £950 per week.

2. Cabinet Member Introduction

- 2.1 I present this report which secures nursing home provision for local residents in-borough for the next three years at a sustainable rate. This block contract will ensure we have high quality local provision, offering local employment and opportunities for career progression ensuring older people can remain in their local communities as far as is possible.

3. Recommendations

- 3.1 That, pursuant to Contract Standing Order 10.02.1b, Cabinet approves the award of contract to Magicare Limited for 61 nursing beds from 1st November 2019 to 30th October 2022, with the option to extend for a further 2 years in 12-month intervals, at the rate of £950 per week. The total cost of the contract over 5 years would be £15,412,751.

4. Reasons for decision

- 4.1 The market for residential and nursing care is very tight at the moment and demand in the the sub-region (Barnet, Camden, Enfield, Haringey and Islington) outstrips the supply of nursing beds. Priscilla Wakefield House is one of only two nursing homes in Haringey and the only one which is currently rated at Good or above. The home is rated 'Good' by the Care Quality Commission (CQC), and was recently named as one of the prestigious and innovative new cohort of 'teaching care homes' by the Foundation of Nursing Studies: <https://www.fons.org/resources/documents/Teaching-Care-Homes/TCH-Yr-3-Teams-Announced.pdf> The selection of Priscilla Wakefield House as a teaching care home, is a mark of the confidence placed by the Foundation of Nursing Studies in the quality of leadership and management at the Home.
- 4.2 Councils have a duty to shape their local marketplace and offer choice to local residents. Establishing a block contract with Magicare Limited is an important means of securing local beds for Haringey residents. The only other nursing home in Haringey is currently under a temporary embargo as a result of concerns notified by the CQC. There is no other home in the sub-region able to provide this number of beds to Haringey Council.
- 4.3 In order to ensure both capacity and flexibility, the Council is keen to have a mixed economy of spot and block purchase arrangements in place. Many placements are commissioned on a spot purchase basis, but the proposal set out here – to continue and expand a block contract – reflects the desire to maintain capacity in Haringey and to ensure best value in commissioning this provision. The Council has been working closely with the provider over a period to sustain improvements in the quality of care provided and will continue to monitor the contract closely to ensure high quality standards and the achievement of outcomes for residents.
- 4.4 As well as securing nursing care in Haringey provision for the future, the arrangement also ensures that commissioning rates for existing and future residents can continue to deliver best value and be maintained at an affordable rate.
- 4.5 The Home is a significant local employer and has participated fully in the development of the North Central London Proud to Care Portal which seeks to attract a more diverse range of people, including young people, to join the care sector and to ensure a stronger focus on skills development and career progression. This has involved working closely with the local further education sector to grow skills and knowledge and to present the care sector as an attractive career route. As a teaching care home, the only one in London, the potential for the Home to develop the skills of local residents as valued employees in the care sector and to offer a strong social value package is being included in the contract arrangements. In line with the Council's approach to Community Wealth Building, the Home offers a range of benefits to local residents keen to join the care sector as well as to potential residents and their carers and contributes to the local Haringey economy.

- 4.6 There are 77 Haringey residents currently living at Priscilla Wakefield House, delivered by Magicare Limited. They are all extremely vulnerable and frail and many are very elderly. It would not be possible to find alternative nursing care accommodation in the borough for these residents, or in boroughs adjacent to Haringey, where existing residents would be able to live together and to receive the same quality of care.

5. Alternative options considered

- 5.1 One alternative option is for the Council to 'do nothing' which will see the continued reliance on spot purchases and the risk of a significant increase in expenditure over the proposed period of this contract. This would result in the Council having to pay either an increased spot rate to the provider or find alternative accommodation for the residents, which would currently be outside of Haringey, at rates which are not known, but are likely to be significantly increased and in provision which has not yet been identified.
- 5.2 A second option would be to tender for an equivalent scale block contract for the provision of a local nursing home. There is no other nursing home in the sub-region, however, which can put forward a tender proposal at the scale required or close enough to the Haringey borders to be considered fully local. In addition, there are insufficient grounds for the Council to seek to move any resident from the provision delivered by Contractor A given their level of vulnerability and frailty.

6. Background information

- 6.1 In line with Medium Term Financial Strategy savings targets in relation to market efficiencies, the Council has a need to yield savings against commissioning placement costs. As part of the approach to achieving these savings, the Council is seeking to establish a new block contract with Magicare Limited. The intention here is to secure a supply of beds for Haringey residents and protect the potential loss of supply which would result in allowing the prices to be determined solely by supply and demand from other parts of London market and capacity to be lost to other commissioning authorities. Because of their consistently Good CQC rating, and the only nursing provision with a Good rating in Haringey, the Council is actively using this provider already. The market in these services for older people is very limited subregionally given other pressures on land, the high cost of land acquisition and the .
- 6.3 There continues to be generally high demand and limited capacity for nursing and residential care placements in the sub-region. The ability to block purchase nursing care placements is one way in which the Council can maintain a fair price for care and ensure local capacity in these areas. As agreed by Cabinet in July 2019, the Council is also developing additional capacity in-borough for nursing care through a major redevelopment at Osborne Grove Nursing Home which is planned to come on stream in 2022.
- 6.4 Officers have been working with colleagues across North Central London to secure capacity and to ensure standards remain at Good or Outstanding across nursing and residential care provision and this proposal is an output from this collaborative work. Should at any point in the future the Council not be able to fill all block contracted beds for Haringey residents, the relationship with

colleagues across North Central London is such that arrangements to share access to the provision could be arranged, and at pace reducing the risk of bed voids.

7. Contribution to strategic outcomes

- 7.1 The Borough Plan sets out the Council and partners' approach to ensuring that strong families, strong networks and strong communities nurture people to live well and achieve their potential through through a range of partnership approaches, focused on meeting the specific needs of residents. The proposals here align with that approach by maintaining a focus on the specific cultural needs of older people as they become more frail.

8. Statutory Officers comments

8.1 Finance

- 8.1.1 This report is seeking to award a contract to Magicare Limited operating Priscilla Wakefield House for 61 nursing beds at a weekly rate starting at £950. The annual value in the first year will be £3,021,513.

| Provider | Weekly Cost per bed | number of beds | cost for year 1 |
|----------|---------------------|----------------|-----------------|
| PWH | 950 | 61 | £ 3,021,513 |

- 8.1.2 The contract value is enabled to increase by 1% per year. The total contract value should the contract be in operation for 5 years would be £15,412,751 as shown in the table below:

| | Annual contract values £ |
|----------------------|-----------------------------|
| Year 1 | 3,021,513 |
| Year 2 | 3,051,728 |
| Year 3 | 3,082,245 |
| Year 4 | 3,113,067 |
| Year 5 | 3,144,198 |
| Total contract value | 15,412,751 |

- 8.1.3 The proposed rates compare favourably with the current spot contract rates. In order for value for money to be achieved vacant beds are prioritised to be filled as all 61 beds are payable whether or not they are filled. The negotiated rates can be met from existing agreed budgets.

8.2 Procurement

- 8.2.1 This contract is within scope of the Light Touch Regime of the Public Contracts Regulations 2015. As the value of the contract is above threshold it would normally require an advertisement in the Official Journal of the European Union

8.2.2 However, under Regulation 32 of the Public Contracts Regulations 2015, it is permissible to let a negotiated contract without the requisite advertisement if there are cogent reasons including that competition is absent technical reasons. As commissioning asserts there are no reasonable alternatives or substitutes for this provision in borough or the surrounding boroughs, there appears to be a genuine absence of competition, which is not due to the artificial narrowing of down of the parameters of procurement and is outlined in 4 above.

8.2.3 Strategic Procurement's further comments are contained in Part B of this report.

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance notes the content of this report.

8.3.2 Pursuant to the Council's Contract Standing Order (CSO) 9.01.2(g) and Regulation 32 of the Public Contracts Regulations 2015, the Council may procure a contract through the negotiated procedure without prior publication of an advertisement following consultation with the Head of Procurement.

8.3.3 Pursuant to CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the Contract in this Report.

8.3.4 The Assistant Director of Corporate Governance further comments are contained in Part B of this report.

8.4 Equality

8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.4.1 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.2 This report seeks approval for the award of a block contract to Magicare Limited for nursing beds over a three year period. It represents a step to meet the needs of older Haringey residents with various disabilities and/or long-term health conditions. In addition, women and those from BAME communities are likely to be over-represented among those affected by the decision.

8.4.3 There is no indication that service users will experience any change in the service they receive, and so it is not reasonably foreseeable that this decision

could result in any negative impact for any individual or group who shared the protected characteristics. The report notes at paras 4.7 that the provision is rated as 'Good' by the CQC.

8.4.4 The Public Sector Equality Duty applies to private and voluntary sector organisations carrying out public functions. Magicare Limited, as a contracted provider to the local authority, will be expected to have due regard to the need to achieve the three aims of the general equality duty, noted above, in the exercise of all functions. They will be expected to demonstrate a strong commitment to making Haringey a fairer and equal borough for all. Equalities considerations will form part of performance monitoring and oversight.

9. Use of Appendices: N/A

10. Local Government (Access to Information) Act 1985: N/A

Report for: Cabinet 8th October 2019

Title: Contract Award - Nuisance Vehicles Contract

Report

Authorised by: Stephen McDonnell, Director of Environment & Neighbourhoods

Lead Officers: Ann Cunningham, Head of Operations
ann.cunningham@haringey.gov.uk, 020 8489 2223

Ward(s) affected: All

Report for: Key Decision

1. Describe the issue under consideration

1.1 This report seeks approval, pursuant to Contract Standing Order (CSO) 9.07.1(d), for the award to Supplier A (identified in the exempt report) of a nuisance vehicle contract for a period of four (4) years with optional extensions for a total contract value of £8.73m over a maximum contract term of 8 years including all extensions.

2. Cabinet Member Introduction

2.1 Local Authorities have a statutory duty to remove Abandoned Vehicles from the public highway and any other land in the open air, such as car parks. These vehicles are sometimes in a burnt out or in a dangerous condition posing risks to other drivers and the public alike. Notwithstanding this statutory duty, the Council considers it essential to utilise its removal powers to help manage parking and traffic across the borough, particularly as vehicles are often parked in hazardous places e.g. parked on zig zag lines. Additionally, some parked cars may also be causing a nuisance and hindrance to residents e.g. occupying a disabled parking bay without having a blue badge themselves. The proposed contract will allow the Council the means to carry out the removal of abandoned and other nuisance vehicles the Council has powers to remove.

2.2 I fully support the award of this contract.

3. Recommendations

3.1 It is recommended that Cabinet approves:

Pursuant to CSO 9.07.1(d) the award to Supplier A of a nuisance vehicle contract for four (4) years with options to extend for an additional period of two (2) years plus two further periods of one (1) year, exercisable at the sole discretion of the Council, at a cost of £1.1m per annum or a total cost of £8.73m if all extension options are taken up. Details of Supplier A is outlined in Part B (exempt information) of the report.

4. Reasons for decision

4.1 The existing nuisance vehicle contract was awarded by Cabinet to NSL on 25th September 2014 for an initial period of three years with an option to extend for a further two years.

4.2 The existing contract was extended in November 2017 and will expire at the end of November 2019.

4.3 A new contract is required in order to support the wider transformation of the Parking service, which includes the roll out of further Controlled Parking Zones. The proposed contract includes a re-written specification and a requirement for the successful provider to deploy more removal vehicles and operate the vehicle pound for longer hours. The significant changes to the specification can be summarised as follows:

- An extra removal truck deployed throughout the day.
- Longer opening hours at the pound: 7am to 10pm Mon-Sat (but to midnight including on Sundays for event day operations) and Sundays 8am to 8pm.
- Additional vehicle storage capacity at the pound (150 vehicles) to cater for the increased expected volumes of removals.
- Quicker response times achieved through the new parking IT system.
- Provision for a 4th truck to be dedicated to events taking place at the Tottenham Hotspur Stadium.

5. Alternative options considered

5.1 Stop the Nuisance Vehicle Removal Service altogether. If the Council does not have a nuisance vehicle service in place upon expiry of the existing contract, the Council:

1. Could not meet its statutory duties in relation to abandoned vehicles and to keep traffic moving safely.
2. Could not remove the very high number of unregistered vehicles that are identified as part of its normal on-street parking enforcement. These vehicles often have high numbers of outstanding PCNs attributable to them.
3. Could not effectively deal with persistent evader vehicles and would lose the opportunity to recover the associated outstanding debt (more information is provided in section 6 of this report).
4. Could not meet its commitments under the Local Area Management Plan (LAMP), to provide a removals service on Tottenham Hotspur event days.

This was not deemed an acceptable option.

5.2 Operate an in-house removals service. This option was and will always be entirely contingent on the Council finding a suitable pound site. After an extensive search and with the co-operation of other services e.g. Homes for Haringey it was not possible to find a suitable site either in the borough or close to the borough boundary with Enfield. The only suitable site is already being used by the Council's incumbent provider NSL, as a shared pound with Islington and Waltham Forest.

Without a pound site, this was not deemed a realistic or feasible option.

- 5.3 **Hybrid model.** Under this option, which is an alternative to a fully outsourced service model, the contractor provides the pound, frontline staff and equipment. The Council provides supervisory staff to control and to run the operation. As part of the tender for this contract, the Council received one bid which included pricing for the hybrid option. Whilst the supplier's costs would remain the same overall under both models, under the hybrid model the Council would have to provide sufficient supervisory and management resources to run the operation. It would not be possible to generate additional revenue to cover the additional costs associated with the hybrid model (the Council cannot set targets or incentivise a supplier to carry out more removals in order to generate revenue). Whilst the Council's invitation to tender documents contained indicative numbers, these cannot be guaranteed and the actual number of removals will always remain variable from day to day.

This was not deemed a feasible option on grounds of cost.

6. Background information

- 6.1 The current Nuisance Vehicle contract ends in November 2019. Prior to publishing the tender opportunity, an assessment was carried out to explore the option of running the service in house. As referenced in section of 5.2 of this report, after an extensive search across the borough and close to the borough boundary (Enfield), a suitable pound site could not be identified.
- 6.2 One of the parking service's objectives is to 'keep traffic moving and reduce congestion'. To achieve this, the Council prioritises the removal of the vehicles highlighted in the Cabinet Member Introduction (section 2.1), as well as vehicles that have a large number of outstanding Penalty Charge Notices (PCNs) that can no longer be challenged or appealed. These are often referred to as "Persistent Evaders" and deprive the Council of significant sums of money (the Council currently collects over £0.25m per annum PCN income, from Persistent Evaders removed to the car pound and has plans to increase this further).
- 6.3 Given the high numbers of removals (2315 removals in 2018/19) it is essential that any pound site should be able to accommodate the number of removals envisaged and offer the level of security required. Additionally, it is preferable for the site to be located inside the borough boundary or within a short travelling distance outside the borough boundary. Despite an extensive search for such a site Council Officers were unable to find one suitable.
- 6.4 Although the Council went through an open tender exercise, only one tender response was received. This is reflective of the problems described above i.e.

it would be difficult for any provider to source a suitable pound site, whereas an incumbent provider may wish to make use of their existing site(s).

- 6.5 Vehicles may be removed from any street, car park, housing estate, garage (including underground garage), industrial estate, park, playground, water course, river, stream, lake, pond, brook or other site, open land, or space within the Borough of Haringey upon the instructions of the Authorised Officer to the supplier.
- 6.6 Under the pricing contained in the single bid there is an additional cost of £0.5m per annum compared to the current contract. Whilst additional costs would be expected because of the extra deployment and longer opening hours requiring additional staff resources, the cost of the premises and site alone is over £0.1m higher than present site costs. As stated above no alternative site or proposal is available and despite these increased costs the recommendation set out in 3.1 remains.
- 6.7 Notwithstanding the comments in 6.6 the new Parking Management System includes an improved module to manage removals. This will allow us to substantially shorten and speed up notifications to the removal trucks i.e. along with the extra removal vehicle we will be able to identify and remove those vehicles with high levels of PCN debt (including unregistered vehicles) more frequently and more quickly. This will contribute to improving the Council's on street recovery.
- 6.8 Performance will be monitored under the broad Key Performance Indicator (KPI) headings below, with specific measures against each KPI:
- KPI 1 – Effective Parking enforcement.
 - KPI 2 – Good quality motivated and informed staff.
 - KPI 3 – Gathering of good quality information for each case.
 - KPI 4 – Effective and quality pound management.
 - KPI 5 – Nuisance vehicles
 - KPI 6 – Disposal of vehicles

7. Procurement Process

- 7.1 In July 2019, the Council put out the Nuisance Vehicle Contract to tender.
- 7.2 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 Contracts Finder. The Competition was based on:

Price 60%

Quality 40%

- 7.3 The above evaluation weighting was applied to ensure the Council's requirement for a high quality, cost effective and efficient service was met by the winning supplier.

In total one bid was received. Table 1.0 is a summary of the supplier's price submission.

| Supplier | Annual Contract Cost Outsourced Model | Annual Contract Cost Hybrid model |
|------------|---------------------------------------|-----------------------------------|
| Supplier A | £1,091,390.21 | £1,083,741.20 |

Table 1.0

- 7.4 Table 1.1 below shows the summary of the outcome of the tender evaluation and clarification process for the bid received.

| Supplier | Price Score | Quality Score | Final Score | Ranking |
|------------|-------------|---------------|-------------|---------|
| Supplier A | 60% | 18% | 78% | 1st |

Table 1.1

This is a fixed price contract and does not allow for inflation.

8. Contribution to strategic outcomes

- 8.1 The Nuisance Vehicle Contract is part of the wider Haringey Parking Transformation Programme which is a series of parking related projects and work streams, which are designed to revolutionise parking operations in Haringey and create better outcomes for residents and service users.
- 8.2 The removal of nuisance vehicles, contributes directly to Priority 3 in the Borough Plan 2019-23, which aims for Haringey to be “a place with strong, resilient and connected communities where people can lead active healthy lives in an environment that is safe, clean and green.”
- 8.3 In particular we align with outcome 10 of Priority 3, as we endeavour to provide safe and accessible roads, pavements and other public spaces for

everyone, especially vulnerable users. We are committed to contributing to an attractive, safe and well-maintained public realm.

- 8.4 It also supports and aligns with Outcome 4 of the Haringey Transport Strategy, which aims to have a well-maintained road network that is less congested and safer.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities

9.1 Finance Comments

This report seeks Cabinet approval to award the Contract for the removal of nuisance vehicles to supplier A for a 4-year term with an option to extend for a further 4 years. The Annual cost of this contract will be £1.1m per annum.

These costs will be contained within the existing budget resources and will be closely monitored by the service whom will report any key variances through the normal governance process.

9.2 Strategic Procurement comments

- 9.2.1 CSO 9.07.1 (d) allows that contracts with a value of £500,00 (five hundred thousand pounds) or more may be awarded by the Cabinet.

- 9.2.2 An Open tender process was undertaken with the opportunity correctly advertised on Tenders Electronic Daily.

- 9.2.3 The bid received was fairly evaluated and clarified to determine that an award of contract would be appropriate.

- 9.2.4 The procurement process was undertaken in a compliant manner and Procurement have no objection to the award of contract.

9.3 Comments of the Assistant Director of Corporate Governance

- 9.3.1 The report is recommending the award of a replacement contract to the preferred supplier selected through a tender process undertaken under EU procurement rules. Legal Services has been advising on this procurement from the outset and has been consulted in the preparation of this report.

- 9.3.2 Given the value of the proposed contract, under CSO 9.07.1(d), the award of the replacement contract must be approved at Cabinet level.

- 9.3.3 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing approval of the recommendations in paragraph 3.1 of this report.

10. Equality

- 10.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 10.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 10.3 The report seeks approval for the award of a contract to operate a nuisance vehicle service in Haringey. Under the terms of this contract vehicles may be removed from certain areas by the supplier within upon the instructions of the Authorised Officer to the supplier.
- 10.4 While the award of this contract has no direct equalities implications, it is notable that in the operation of this service the supplier will be required to have due regard to the need to achieve the three aims of the Public Sector Equality Duty, noted in para 10.1. Haringey Council will monitor this service for any disproportionate impact on any individuals or groups with protected characteristics and take appropriate mitigating measures if undue negative impact is identified.

11. Use of Appendices

None

12. Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. The exempt information is contained in the Exempt Report and is not for publication. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972 (3)):

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Report for: Cabinet on 08 October 2019

Title: Introduction of a Risk Based Verification (RBV) policy for Housing Benefit and Council Tax Reduction claims

Report authorised by: Andy Briggs, Assistant Director for Corporate and Customer Services

Lead Officer: Rupinder Shergill, FOBO Project Manager
rupinder.shergill@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non-Key Decision:** Key

1. Describe the issue under consideration

- 1.1 As part of the FOBO Transformation Programme we would like to introduce Risk Based Verification (RBV) to assist with the processing of Housing Benefit and Council Tax Reduction claims.
- 1.2 RBV relates to the level of checks that are undertaken on a claim before benefit is awarded. Its primary purpose is to target resources to where fraud and error are more likely to occur and thus help minimise fraud and error.
- 1.3 The DWP have used RBV on their claims for many years and extended the scheme on a voluntary basis to all Local Authorities from April 2012 under HB/CTB Circular S11/2011.
- 1.4 When a claim is submitted to the Benefits service, the customer is asked to provide evidence to support the claim.
- 1.5 All customers are required to provide some form of evidence to verify income and identity to support their claim. Some customers may then be asked to provide further proofs.
- 1.6 RBV is a method of applying different levels of checks to different types of claims. Each claim would be given a risk category, Low, Medium or High. This risk determines the likelihood of fraud or error occurring on the claim.
- 1.7 The risk profile is determined by specific software using statistical information gathered over many years about what type of claims represents what type of risk. The company already provides this software to 65 other local authorities.
- 1.8 In line with DWP guidance (HB/CTB Circular S11/2011) a policy has been created to determine how the Benefits service would process claims that fall into each of the risk categories.
- 1.9 As claims are received, the amount of supporting evidence required would have been pre-determined according to the risk category assigned. The risk category being based on the type of claim submitted. Each claim will automatically be assigned either a Low, Medium or High risk and then processed in line with the agreed policy for that category.

- 1.10 Based on the guidance provided by the DWP over a third of our claims would require less evidence than is currently requested (low risk).
- 1.11 In the last financial year, we received 4471 new claims and 145,819 changes of circumstances for customers. We sent out 21,049 letters to customer requesting further information. It takes on average 10mins extra processing time for each letter we send out for additional information, and adds on average, 2 weeks onto the processing time for each customer.
- 1.12 With RBV we would send out approx. 6,000 fewer letters as low risk claims could be processed without the need for additional information. This would reduce handling time in the back office by around 1,578 hours and significantly improve processing times for the customer.
- 1.13 The remaining two thirds (medium and high-risk claims) would remain broadly the same. However, the verification approach to these claims would be more structured, consistent and based on statistical evidence.
- 1.14 An Equalities Impact Assessment attached at appendix B has determined that this policy will not have an adverse effect on our residents. We are likely to see waiting times for assessments remaining the same or being improved. The application process itself will remain the same or will be made simpler with the requirement on customers to provide supporting evidence being reduced for many claims.

2. Cabinet Member Introduction

- 2.1 The FOBO programme was initiated in September 2018 to modernise our services, reduce the number of unnecessary contacts and simplify the experience for residents and businesses when using our services. Introducing Risk Based Verification (RBV) into the Benefits service will allow us to deliver on all the programme's objectives.
- 2.2 RBV will mean that over 30% of our residents in receipt of Housing Benefit will need to provide less evidence to support their claim than they are currently required to do. This will result in the process to claim Benefits being significantly quicker and easier for them.
- 2.3 For our staff it will mean sending significantly fewer requests for further information before a claim can be assessed. This will allow staff to spend more time making assessments and checking more high-risk cases rather than asking all our customers for more information.
- 2.4 The intelligence-based software used to apply RBV means that only those claims which are more likely to result in fraud or error will be subject to the additional checks which are currently applied to everyone. The result is a better service and experience for our customers and an improvement in our fraud and error detection rates.
- 2.5 The RBV software is already being used successfully in 65 other local authorities and introducing it in Haringey will help bring our service in line with the service provided at other local authorities.

3. Recommendations

- 3.1 It is recommended that Cabinet approves Haringey's Risk Based Verification Policy - Appendix A [exempt] as the means by which the Council will process claims for Housing Benefit and Council Tax Reduction having regard to the Equalities Screening Tool (set out in Appendix B)

4. Reasons for decision

- 4.1 To help reduce fraud and error in the processing of Benefit claims by targeting our resources to those claims which provide a higher risk of fraud and error. The software company has confirmed that those claims that carry the very highest risk rating in the high-risk group have a 40% chance of error. A case study in Bolton found that since the introduction of RBV, error detection rates had increased by 13.4%.
- 4.2 Reduce processing times for customers whose claims are at low risk of fraud and error. The software company has confirmed that low risk category claims see improvements in processing times up to an average of 10 days per claim. A case study in Bolton found that since the introduction of RBV processing times for all claims reduced from 24.8 days to 17 days, and for low risk claims it reduced to 5.4 days.

5. Alternative options considered

Do Nothing:

Without targeting our resources to those claims which pose a higher risk, we will not be making the most of our limited resources and are potentially delaying payments for customers with low risk claims. Our average processing times for 2018/19 was 18.14 days. We are also not in a position to identify and focus on those claims which are highly likely to have an element of fraud or error.

6. Background information

- 6.1 This policy was presented to and agreed at Corporate Committee on 25th July 2019.
- 6.2 The DWP have used RBV on their claims for many years and extended the scheme on a voluntary basis to all Local Authorities from April 2012 under HB/CTB Circular S11/2011
- 6.3 RBV has been successfully implemented in other Local Authorities where fraud and error rates had been improved and overall processing time reduced.
- 6.4 The DWP have confirmed (HB/CTB S11/2011) that results from LAs that operate RBV show that the % of fraud and error identified has increased against local baselines taken from cells 222 and 231 of the Single Housing Benefit Extract (SHBE). In addition, in common with the experience of the JCP and PDCS there have been efficiencies in areas such as postage and processing times have improved

- 6.5 HB/CTB S11/2011 states: The policy must allow Members, officers and external auditors to be clear about the levels of verification necessary. It must be reviewed annually but not changed in-year as this would complicate the audit process
- 6.6 Performance using RBV will be monitored monthly to ensure its effectiveness. Reporting will include, as a minimum, the % of cases in each risk category and the levels of fraud and error detected in each.
- 6.7 Auditors will check during the annual certification that the subsidy claim adheres to the RBV Policy which states the necessary level of verification required to support the correct processing of each type of HB/CTB claim. The risk category will be recorded electronically against each claim.

7. **Contribution to strategic outcomes**

- 7.1 The policy will contribute to Your Council Priority, specifically outcome 20: Using our resources in a sustainable way to prioritise the needs of the most vulnerable residents
- It will provide value for money by targeting our limited resources to areas where we are most likely to prevent fraud and error.
 - By preventing fraud and error we are protecting the council's finances.
 - It will allow us to process low risk claims much quicker providing a better service to those customers.

8. **Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

Finance – Section 151 Officer comments

The implementation of Risk Based Verification is a key element of process automation that will deliver the FOBO Programme savings for the Benefits Service that are included in the current Medium-Term Financial Strategy.

In addition, targeting resources to those claims which pose a higher risk will help to mitigate the risk of benefit overpayment and its potentially adverse impact on Housing Subsidy loss.

To minimise the risk of adverse financial consequences RBV performance will be monitored monthly and the policy reviewed annually. I recommend this policy for approval.

Head of Audit & Risk Management

Audit have confirmed there are no points to raise from an audit perspective at this stage. They will be involved in understanding how the framework will be implemented, key risks and controls to manage the operations once/ if we are Live.

Strategic Procurement

There are no Procurement implications in this activity. Procurement has no objections to this.

Legal

The Assistant Director of Corporate Governance has been consulted in the preparation of this report and makes the following comments.

The Department for Work and Pensions Subsidy Circular - HB/CTB S11/2011 - sets out the Department's policy on Risk-Based Verification (RBV) of Housing Benefit and Council Tax benefit claims, making the point that adoption by local authorities with effect from April 2012 is on an entirely voluntary basis.

The Circular also sets out the process to be followed in order to adopt RBV. That process consists of two stages, namely an examination of the bespoke policy for this Council by Corporate Committee which occurred on 25th July 2019 followed by approval and sign off by Members, which in this case means Cabinet with express support from the Council's Section 151 officer.

In light of the above, there is no legal reason why Cabinet cannot adopt the Recommendations contained in this report.

Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The implementation of this proposal will lead to applicant waiting times either remaining the same or being reduced. As outlined in the accompanying EqIA there are no negative effects anticipated as a result of this proposal on any protected characteristic group and as such there are no equalities concerns.

9. Use of Appendices

Appendix A – Haringey's Risk Based Verification Policy – This is exempt under paragraph 3 - Schedule 12A to the 1972 Act

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Appendix B – EqlA

10. Local Government (Access to Information) Act 1985

HB/CTB Circular S11/2011:

<https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2011>

EQUALITY IMPACT ASSESSMENT

The **Equality Act 2010** places a '**General Duty**' on all public bodies to have '**due regard**' to the need to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advancing equality of opportunity between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on protected characteristics, please proceed to stage 2 and complete a full Equality Impact Assessment (EqIA).

Stage 2 – Full Equality Impact Assessment

An EqIA provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an EqIA has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the Council's Equality Impact Assessment Guidance before beginning the EqIA process.

1. Responsibility for the Equality Impact Assessment

| | |
|---|---|
| Name of proposal | Haringey's Risk Based Verification Policy |
| Service area | Benefits |
| Officer completing assessment | Rupinder Shergill |
| Equalities/ HR Advisor | Lucy Fisher |
| Cabinet meeting date (if applicable) | 08.10.19 |
| Director/Assistant Director | Andy Briggs |

2. Summary of the proposal

Please outline in no more than 3 paragraphs

- The proposal which is being assessed*
- The key stakeholders who may be affected by the policy or proposal*
- The decision-making route being taken*

This EqIA accompanies a report seeking to approve a policy relating to Risk Based Verification (RBV). RBV is a method of applying different levels of checks to claims. Each claim would be given a risk category, Low, Medium or High. This risk determines the likelihood of fraud or error occurring on the claim. The risk profile is determined by specific software using statistical information gathered over many years about what type of claims represents what type of risk. Currently when a claim is received the customer will be asked to provide evidence to support the claim. All claims are required to provide some form of evidence to verify income and identity. Some customers may subsequently be asked to provide further proofs.

In line with DWP guidance (HB/CTB Circular S11/2011), a policy would be created to determine how the Benefits service would process claims that fall into each of the risk categories.

As claims are received, the amount of evidence that would be required for each claim would have been pre-determined according to the risk category assigned. The risk category is based on the type of claim submitted and is determined by specific software provided by a company working in partnership with our Housing Benefit software supplier. Each claim will automatically be assigned either a Low, Medium or High risk and then processed in line with the agreed policy for that category.

Based on the guidance provided by the DWP around a third of our claims would require less evidence that is currently requested i.e. they would be classified as low risk. The remaining two thirds, medium and high risk would remain broadly the same in terms of supporting evidence required.

The RBV report, policy and this document will be put before Corporate Committee for approval.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. Please include any gaps and how you will address these

This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national. For restructures, please complete the

| <i>restructure EqIA which is available on the HR pages.</i> | | |
|---|--|---------------------------------------|
| Protected group | Service users | Staff |
| Sex | <p>Service data has been used to inform this EqIA.</p> <p>Reports and data are available on this protected group, but at this stage we are not able to provide a breakdown on which claim will fall into which risk category.</p> <p>Once the policy is Live we can collate data to identify which risk category this protected group is falling into. However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |
| Gender Reassignment | <p>Although the service does not hold data in relation to gender reassignment, at a national level we know that LGBT+ people are more likely to earn below £20,000 a year, and transgender people are less likely to have been in paid employment in the last 12 months, compared to non-transgender people. It is therefore likely that transgender residents are more likely to be claiming benefits than non-transgender residents.</p> <p>However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |
| Age | <p>Service data has been used to inform this EqIA.</p> <p>Reports and data are available on this protected group, but at this stage we are not able to provide a breakdown on which claim will fall into which risk category.</p> <p>Once the policy is Live we can collate data to identify which risk category this protected group is falling into. However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |
| Disability | <p>Service data has been used to inform this EqIA.</p> <p>Reports and data are available on this protected group, but at this stage we are not able to provide a breakdown on which claim will fall into which risk category.</p> <p>Once the policy is Live we can collate data to identify which risk category this protected group is falling into. However, it is not expected that if this group is over-</p> | Staff are not affected by this policy |

| | | |
|-----------------------------------|--|---------------------------------------|
| | represented in any one category that this proposal will have a negative impact. | |
| Race & Ethnicity | <p>Service data has been used to inform this EqIA.</p> <p>Reports and data are available on this protected group, but at this stage we are not able to provide a breakdown on which claim will fall into which risk category.</p> <p>Once the policy is Live we can collate data to identify which risk category this protected group is falling into. However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |
| Sexual Orientation | <p>Service data has been used to inform this EqIA.</p> <p>Although the service does not hold data in relation to sexual orientation, at a national level we know that LGBT+ people are more likely to earn below £20,000 a year. It is therefore likely that LGBT+ residents are more likely to be claiming benefits than non-LGBT+ residents. However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |
| Religion or Belief (or No Belief) | <p>Service data has been used to inform this EqIA.</p> <p>Although the service does not hold data in relation to religion or belief, across London we know that certain religions are more likely to earn below the LLW, with Muslims, Sikhs, Hindus and Buddhists most likely. It is therefore likely that residents from these faiths are more likely to be claiming benefits than other residents. However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |
| Pregnancy & Maternity | <p>Service data has been used to inform this EqIA.</p> <p>The service does not hold data in relation to pregnancy and maternity, though national data suggests that this group is more likely to be claiming certain benefits. However, it is not expected that if this group is over-represented in any one category that this proposal will have a negative impact.</p> | Staff are not affected by this policy |

| | | |
|--------------------------------|--|---------------------------------------|
| | | |
| Marriage and Civil Partnership | Service data has been used to inform this EqIA. The service does not hold data in relation to marriage and civil partnership, and there is no reason to think that this group could be disproportionately affected by the proposal. | Staff are not affected by this policy |

Outline the key findings of your data analysis. Which groups are disproportionately affected by the proposal? How does this compare with the impact on wider service users and/or the borough's demographic profile? Have any inequalities been identified?

Explain how you will overcome this within the proposal.

Further information on how to do data analysis can be found in the guidance.

1. Sex

The current Housing Benefit and Council Tax Reduction caseload consists of 58% Female and 40% Male claimants, (2% are undeclared).

We cannot currently determine which risk category individuals in this group will be likely to fall into. If residents of a certain sex are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on residents in this protected characteristic group.

There is no evidence to suggest that they will be impacted in a detrimental way with the introduction of RBV

2. Gender Reassignment

We do not currently hold any data relating to gender re-assignment.

While transgender residents may be over-represented in the overall cohort, if this group is found to be over-represented in any one category as a result of the change to the service, will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on transgender residents.

3. Age

The current Housing Benefits/ Council Tax Reduction caseload is made up of 76% working age households and 24% Pensioners.

The implementation of this policy will have a positive impact for many pensioners as a large proportion will be in the low risk Housing Benefit and Council Tax Reduction cohort of claims and so will be required to produce less evidence to support their claim.

We cannot currently determine which risk category individuals in other age groups may be more likely to fall into, though there is currently no evidence to suggest that any certain age groups will be impacted in a detrimental way with the introduction of RBV. If any age groups are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on residents in this protected characteristic group.

4. Disability

Within the current Housing Benefits/ Council Tax Reduction caseload 7.6% of applicants are in receipt of a Disability Benefit.

We cannot currently determine which risk category individuals in this group will be likely to fall into. If residents with a disability are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on residents in this protected characteristic group.

5. Race & Ethnicity

Of the 30% of Housing Benefit/ Council Tax Reduction applicants who have declared their ethnicity, the breakdown was as follows:

- 18% White British
- 33% White Other
- 17% Black or Asian/ British
- 23% Black African/ Caribbean
- 5% Asian
- 4% Mixed

We cannot currently determine which risk category individuals of different ethnic groups will be likely to fall into. If residents of certain ethnicities are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities

concerns around the impact of this proposal on residents in this protected characteristic group.

6. Marriage & Civil Partnerships

We do not currently hold any data relating to Marriage & Civil Partnerships.

There is no evidence to suggest that residents in this protected characteristic group will be impacted in a detrimental way with the introduction of RBV.

7. Sexual Orientation

We do not currently hold any data relating to sexual orientation, and we therefore cannot currently determine which risk category individuals in this group will be likely to fall into. If LGBT+ residents are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on residents in this protected characteristic group.

8. Religious Belief or No Belief

We do not currently hold any data relating to religious belief or non-belief. We cannot currently determine which risk category individuals in this group will be likely to fall into. If residents of a certain religion or belief are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on residents in this protected characteristic group.

9. Pregnancy & Maternity

We do not currently hold any data relating to pregnancy and maternity. We cannot currently determine which risk category individuals in this group will be likely to fall into. If residents in this protected characteristic group are found to be over-represented in any one category, the change to the service will either reduce waiting times or have no impact on them at all for this group. There are therefore no equalities concerns around the impact of this proposal on residents in this protected characteristic group.

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please outline which groups you may target and how you will have targeted them

Further information on consultation is contained within accompanying EqIA guidance

The service does not propose to consult with residents on the contents of the Risk Based Verification Policy.

The DWP have stated:

The information held in the policy, which would include the risk categories, should not be made public due to the sensitivity of its contents

It is not envisaged that this policy will have an adverse impact on people with protected groups or residents and service users. Conversely, the proposal is expected to positively impact certain protected characteristic groups who are more likely to claim benefits and are more likely to fall into the category of 'low risk', and whose waiting times for applications will therefore be reduced.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

Consultation has not taken place in relation to this policy

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqIA guidance

1. Sex

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as

they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected. At this stage we cannot determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

2. Gender reassignment

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected.

We do not hold data on gender re-assignment so we will not be able to determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

3. Age

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected, such as some pensioners. At this stage, however, we cannot determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

4. Disability

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected. At this stage we cannot determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

5. Race and ethnicity

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected. At this stage we cannot determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

6. Sexual orientation

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected.

We do not hold data on sexual orientation so we will not be able to determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

7. Religion or belief (or no belief)

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected.

We do not hold data on religious belief or non-belief so we will not be able to determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

8. Pregnancy and maternity

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected.

We do not hold data on pregnancy and maternity so we will not be able to determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

9. Marriage and Civil Partnership

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected.

We do not hold data on marriage and civil partnerships so we will not be able to determine which category individuals in this group will fall into.

| | | | | | | | |
|----------|--|----------|--|----------------|--|----------------|---|
| Positive | | Negative | | Neutral impact | | Unknown Impact | X |
|----------|--|----------|--|----------------|--|----------------|---|

10. Groups that cross two or more equality strands e.g. young black women

Claims falling into the Low Risk category will be impacted positively as they will be required to provide less evidence.

Those falling into Medium or High-Risk categories will remain broadly the same as they are now.

It is not anticipated that anyone will be adversely affected, and some may be positively affected. At this stage we cannot determine which category individuals that cross two or more equality strands will fall into

Outline the overall impact of the policy for the Public Sector Equality Duty:

- Could the proposal result in any direct/indirect discrimination for any group that shares the relevant protected characteristics?
- Will the proposal help to advance equality of opportunity between groups who share a relevant protected characteristic and those who do not?

This includes:

- a) Remove or minimise disadvantage suffered by persons protected under the Equality Act
 - b) Take steps to meet the needs of persons protected under the Equality Act that are different from the needs of other groups
 - c) Encourage persons protected under the Equality Act to participate in public life or in any other activity in which participation by such persons is disproportionately low
- Will the proposal help to foster good relations between groups who share a relevant protected characteristic and those who do not?

The Risk Based Verification Policy will make it easier for some people to make a claim in that they will be required to provide less documentation to support their claim. For others the level of evidence required will remain broadly the same.

The risk category for each claim is determined by specific software using statistical information gathered over many years about what type of claims represents what type of risk.

Once RBV is implemented we will monitor the caseload on an on-going basis to establish a breakdown of the various groups within each risk category.

The RBV policy must be reviewed every year and this should be accompanied and supported with an EqIA which provides a detailed breakdown of how protected groups have or have not been impacted. It should be noted that any impact should be a positive one.

In other local authorities where RBV has been implemented, a significant improvement in processing times has been established. By making payments to our customers quicker it will help the Council meet its objectives to reduce poverty and deprivation

6. a) What changes if any do you plan to make to your proposal as a result of the Equality Impact Assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance

| Outcome | Y/N |
|--|-----|
| No major change to the proposal: the EqIA demonstrates the proposal is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken. <u>If you have found any inequalities or negative impacts that you are unable to mitigate, please provide a compelling reason below why you are unable to mitigate them.</u> | Y |
| Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy. If there are any adverse impacts you cannot mitigate, please provide a compelling reason below | |

Stop and remove the proposal: the proposal shows actual or potential avoidable adverse impacts on different protected characteristics. The decision maker must not make this decision.

6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

| Impact and which relevant protected characteristics are impacted? | Action | Lead officer | Timescale |
|---|--------|--------------|-----------|
| | | | |
| | | | |
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Please outline any areas you have identified where negative impacts will happen as a result of the proposal but it is not possible to mitigate them. Please provide a complete and honest justification on why it is not possible to mitigate them.

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

No negative impact is expected for any protected characteristic group, as the proposal is expected either to reduce waiting times for applicants, or for waiting times to remain the same. This means that for all protected characteristic groups there will either be a positive impact or a neutral impact.

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|--|---------------|
| 7. Authorisation | |
| EqlA approved by (Assistant Director/ Director) | Date |

| |
|--|
| 8. Publication <i>Please ensure the completed EqlA is published in accordance with the Council's policy.</i> |
| |

Please contact the Policy & Strategy Team for any feedback on the EqlA process.

Report for: Cabinet 8 October 2019

Title: Delegated Decisions and Significant Actions

Report authorised by : Zina Etheridge, Chief Executive

Bernie Ryan AD Corporate Governance

Lead Officer: *Bernie Ryan*
Ayshe Simsek

Ward(s) affected: Non applicable

**Report for Key/
Non Key Decision:** Information

1. Describe the issue under consideration

To inform the Cabinet of delegated decisions and significant actions taken by Directors.

The report details by number and type decisions taken by Directors under delegated powers. Significant actions (decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

2. Cabinet Member Introduction

Not applicable

3. Recommendations

That the report be noted.

4. Reasons for decision

Part Three, Section E of the Constitution – Responsibility for Functions, Scheme of Delegations to Officers - contains an obligation on officers to keep Members properly informed of activity arising within the scope of these delegations, and to ensure a proper record of such activity is kept and available to Members and the public in accordance with legislation. Therefore, each Director must ensure that there is a system in place within his/her business unit which records any decisions made under delegated powers.

Paragraph 3.03 of the scheme requires that Regular reports (monthly or as near as possible) shall be presented to the Cabinet Meeting, in the case of executive functions, and to the responsible Member body, in the case of non executive functions, recording the number and type of all decisions taken under officers' delegated powers. Decisions of particular significance shall be reported individually.

Paragraph 3.04 of the scheme goes on to state that a decision of "particular significance", to be reported individually by officers, shall mean a matter not

within the scope of a decision previously agreed at Member level which falls within one or both of the following:

- (a) It is a spending or saving of £100,000 or more, or
- (b) It is significant or sensitive for any other reason and the Director and Cabinet Member have agreed to report it.

5. Alternative options considered

Not applicable

6. Background information

To inform the Cabinet of delegated decisions and significant actions taken by Directors.

The report details by number and type decisions taken by Directors under delegated powers. Significant actions) decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

Officer Delegated decisions are published on the following web page <http://www.minutes.haringey.gov.uk/mgDelegatedDecisions.aspx?bcr=1>.

7. Contribution to strategic outcomes

Apart from being a constitutional requirement, the recording and publishing of executive and non executive officer delegated decisions is in line with the Council's transparency agenda.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Where appropriate these are contained in the individual delegations.

9. Use of Appendices

The appendices to the report set out by number and type decisions taken by Directors under delegated powers. Significant actions (Decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

10. Local Government (Access to Information) Act 1985

Background Papers

The following background papers were used in the preparation of this report;

Delegated Decisions and Significant Action Forms

Those marked with ♦ contain exempt information and are not available for public inspection.

The background papers are located at River Park House, 225 High Road,
Wood Green, London N22 8HQ.

To inspect them or to discuss this report further, please contact Ayshe Simsek
on 020 8489 2929.

Customers, Transformation and Resources

Significant decisions - Delegated Action - For Reporting to Cabinet on 8 October 2019

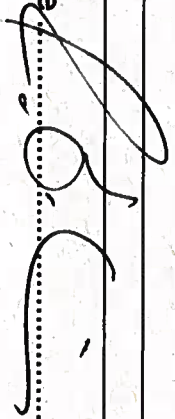
◆ denotes background papers are Exempt.

| No | Date approved by Director | Title | Decision |
|----|---------------------------|--|---|
| 1. | 10 September 2019 | Award of contract – Vary and extend contract for SAP managed service | The HCL SAP managed service contract expires on 15/9/2019 with an option to extend for a further 2 years + 2 years. We wish to reduce the extension option to 6 months. We currently have a Cabinet report for the 9 th October to agree to move to a new supplier. This extension will allow for an orderly exit of the contract and allow the lift and shift implementation of the new service |
| 2. | | | |
| 3. | | | |
| 4. | | | |

Delegated Action

| Type | Number |
|------|--------|
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Corporate Board Officer/Assistant Director Signature



Date

30/08/19

Finance

Significant decisions - Delegated Action - For Reporting to Cabinet on 8 October 2019

◆ denotes background papers are Exempt.

| No | Date approved by Director | Title | Decision |
|----|---------------------------|--|---|
| 1. | 9 September 2019 | Determination of mortgage interest rate effective from 1 October 2019 to 31 March 2020 | To approve and declare that the interest rate applicable to all Harringey Council variable rate mortgages be set at the Local Average rates of 3.98%, for the period from 1 October 2019 to 31 March 2020 |
| 2. | | | |
| 3. | | | |
| 4. | | | |

Delegated Action

| Type | Number |
|------|--------|
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| | |

Corporate Board Officer/Assistant Director Signature  Date 30/9/19

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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