

# **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 9<sup>th</sup> of July 2019 and 5<sup>th</sup> 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**

- To approve the introduction of Dedicated Disabled Parking Bays pursuant to paragraphs 6.3-6.8 of this report.
- To approve the change in eligibility criteria for Disabled Parking Bays pursuant to paragraph 6.10 of this report.
- To approve the Introduction of an appeals process for unsuccessful Disabled Parking Bay applications pursuant to paragraph 6.13 of the attached report.
- 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.
- To approve the establishment of a Dedicated Disabled Bay/Blue Badge capital scheme within the approved capital programme.
- 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.
- 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 3<sup>rd</sup> 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 15.5m<sup>2</sup> 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 13<sup>th</sup> 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 9<sup>th</sup> 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 30<sup>th</sup> 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 1<sup>st</sup> April 2020 to 31<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 3<sup>rd</sup> 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
<b>Total Civica</b>	<b>£1,016,111</b>	<b>£770,373</b>	<b>0</b>	<b>£1,786,484</b>
New PMIS	£403,110*	£278,410	£278,410	£959,930
Camera Licence New PMIS **	0	0	£146,309	£146,309
<b>Total new PMIS</b>	<b>£403,110</b>	<b>£278,410</b>	<b>£424,719</b>	<b>£1,106,239</b>
<b>Total Civica and new PMIS</b>	<b>£1,419,221</b>	<b>£1,048,783</b>	<b>£424,719</b>	<b>£2,892,723</b>

*\*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 9<sup>th</sup> of July 2019.

**24. NEW ITEMS OF EXEMPT URGENT BUSINESS**

None

CHAIR: Councillor Joseph Ejiofor

Signed by Chair .....

Date .....

This page is intentionally left blank