

CABINET

**Tuesday 10 November 2020 at 7pm
Minutes**

PRESENT:

Councillors: Bell, J Anand, Camadoo-Rothwell, Gordon, Johnson, Mahfouz, Rai and Sabiers

ALSO PRESENT:

In accordance with paragraph 2.6(a) of the Constitution, Councillors Malcolm and Stafford addressed the Cabinet with regard to the following items:

Item 08 - Budget Update Report 2020/21 (Councillors Malcolm and Stafford)

Item 09 - Council Performance Report YE 2019/20 & Quarter 1 2020/21 (Councillors Malcolm and Stafford)

Item 11 - Options for the Review of the Mattock Lane PSPO (Councillor Malcolm)

Item 14 - Broadway Living Registered Provider (BLRP) Business Plan (Councillor Stafford)

Councillor D Crawford addressed the Cabinet with regard to item 07 in his capacity as chair of this scrutiny panel.

Also in Attendance and Notifications

Councillors Dhindsa and Mahmood were in attendance.

Councillor Bell welcomed Councillor Dhindsa to Cabinet; Councillor Dhindsa was in the process of being appointed to Cabinet with his appointment being effective from 12 November 2020.

Councillor Bell also congratulated the following Cabinet members on their new roles (effective from 12 November 2020) as follows:

Housing, Planning and Transformation: Cllr Mik Sabiers

Business and Community Services: Cllr Kamaljit Dhindsa

Environment and Climate Action (formerly Environment and Highways): Cllr Jasbir Anand

1. Apologies for Absence

There were none.

2. Urgent Matters

There were none.

3. Declarations of Interest

Councillor Bell declared an interest in Item 8 Budget Strategy by virtue of his membership on the Board of TfL. Councillor Bell had recused himself from all discussions at TfL relating to Lower traffic Neighbourhoods (LTNs).

4. Matters to be Considered in Private

Items 10, 13, 14 and 15 contained confidential appendices but was not taken in private as it was not necessary to discuss the confidential information provided.

5. Minutes

Resolved:

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of this Committee.

That the minutes of the Cabinet meeting held on 13 October 2020 be agreed and signed as a true and correct record.

**6. Appointments to Sub Committees and Outside Bodies
Resolved**

That Councillor Sabiers be appointed as a member of the Housing Delivery Cabinet Committee, replacing Councillor Johnson.

**7. Final Report of Health and Adults Social Services Scrutiny Panel: Review of Falls Prevention in Ealing
Resolved**

That Cabinet:

- i) notes the final report of Review of Falls Prevention in Ealing of the Scrutiny Panel, as endorsed by the Overview and Scrutiny Committee (OSC) on 8 October, which was attached as Appendix 1 of the report.
- ii) accepts the Scrutiny Panel's recommendations in Section 9 of the final report with the exception of Recommendation 2 which was rejected for the reasons detailed in the appendix to the report.
- iii) directs Council officers to produce/or finalise an action plan within an agreed timescale on those recommendations that are agreed by Cabinet.
- iv) thanks Anna-Marie Rattray (Scrutiny Officer) and officers across the Council for their work on this report.
- v) thanks former Councillor Morrissey for her work engaging the elderly community.
- vi) thanks Councillor Daniel Crawford for his interest and work on this report.

Reason for Decision and Options Considered

Scrutiny Panel had a role in improving decision-making and service delivery through effective scrutiny. Recommendations from Scrutiny Panels needed to be taken forward in a timely manner and in accordance with the Council's Constitution if the scrutiny function was to be effective. The Scrutiny and Executive Protocol identified the timescale for Cabinet to respond to Scrutiny Panel recommendations. This decision would mean that the response was made in a timely manner and that services could implement the accepted recommendations.

**8. Budget Update Report 2020/21
Resolved**

That Cabinet:

- i) notes the General Fund revenue budget non-COVID forecast outturn position of £8.313m overspend (3.35%) for 2020/21 (section 4 of the report), and a break-even position on Housing Revenue Account for 2020/21 (section 8 of the report).
- ii) notes financial pressures arising from COVID-19 in 2020/21 were currently causing an estimated in-year net budget pressure of £16.248m (section 5 of the report).
- iii) notes the combined General Fund revenue overspend forecast position of £23.260m (section 4 of the report).
- iv) notes that in the absence of sufficient government funding to support the financial commitments made by the Council in relation to COVID-19, mitigations had been put in place to address the forecast overspend as at period 4 had taken effect and that efforts continued across the Council with the aim of ensuring the forecasted overspend was brought down as far as possible and further additional measures would be needed to be implemented as necessary to deliver a balanced budget.
- v) notes the progress on delivering the 2020/21 savings (section 6 of the report).
- vi) notes the in-year Dedicated Schools Grant (DSG) deficit forecast of £2.700m to be

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- charged to the DSG account (section 7 of the report).
- vii) notes the 2020/21 capital programme forecast a break-even position (paragraph 9.3 of the report).
 - viii) approves the re-profiling of 2020/21 capital programme net slippage of £57.685m (appendix 3 of the report) into future years.
 - ix) thanks finance officers and those across the organisation for their work and increased responsibility over this pandemic.

Reason for Decision and Options Considered

To forecast the financial position for 2020/21 based on available information at end of 30 September 2020 for non COVID-19 and COVID-19 pressures. The report outlined the Council's forecasted position on revenue, capital, income and expenditure to the end of quarter 2.

9. Council Performance Report YE 2019/20 & Quarter 1 2020/21

Resolved

That Cabinet:

- i) notes the contents of the report.
- ii) notes the progress made against the Council Plan performance indicators during the year 2019/20, and indicative performance during Quarter 1 2020/21 (April – June 2020).
- iii) thanks the community groups who have taken action supported by officers, at this critical time, for making a tangible difference to services.

Reason for Decision and Options Considered

The purpose of this report was to provide Cabinet with a summary of the council's performance at the end of the year 2019/20, against key indicators set out in the Council Plan for 2018-22. The report had been delayed due to the impact of the Covid19 pandemic.

In addition, this report presented performance of the Council Plan indicators during the first quarter of 2020/21, although as performance targets would be agreed as part of the Council Plan Review at February 2021 Council meeting, current performance had not been assessed against specific targets. The report also highlighted the indicators whose performance information would not be available this year due to the Covid19 pandemic.

10. Agency Worker Contract

Resolved

That Cabinet:

- i) authorises the extension of the existing contract with Adecco UK Limited for the provision of Managed Services for Temporary Agency Resources, dated 5 January 2017, for a duration of one year from 9 January 2021 to 8 January 2022.

Reason for Decision and Options Considered

Cabinet on 13 September 2016 resolved:

“That Cabinet grants approval for the Council to enter into a contract with The Adecco Group from 9 January 2017 for a period of three years, with an option to extend for a further one year under the Eastern Shires Purchasing Organisation (ESPO) Framework Agreement for Managed Services for Temporary Resources (MSTAR2). The Adecco Group has been awarded the contract under Lot 2 (Master Vendor) of the MSTAR2

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Framework Agreement, following a collaborative mini-competition exercise led by the London Borough of Newham on behalf of a number of London Boroughs”

On 10 December 2019 Cabinet granted approval to extend the contract with Adecco UK Limited from 9 January 2020 to 8 January 2021. The reasons for this were:

- oneSource, working on behalf of the London Boroughs of Havering and Newham councils, had been working on arrangements for a new contract and procurement activities had been taking place over Summer/Autumn 2019;
- oneSource were presenting to London councils on Tuesday 3rd December 2019 the launch of future arrangements under MSTAR3 Lot1a and Lot1b Collaboration Launch;
- Decisions needed to be made ahead of this launch on 3rd December 2019 of the best way forward for the council; and
- Options had been considered. These options included: (i) entering into new contractual arrangements from 9 January 2020; and (ii) extending the current contractual arrangements for one year from 9 January 2020 to 8 January 2021 to allow time for the most effective and financially advantageous decisions to be made on behalf of the council. The second option route (ii) was the preferred option which was recommended to Cabinet for approval.

The current contract with Adecco UK Limited would end on 8 January 2021. The ability to extend the contract for a further year from 9 January 2020 was expressly provided for in the contract between the Council and Adecco UK Limited.

This report sought approval from Cabinet to further extend the current contract with Adecco UK Limited from 9 January 2021 to 8 January 2022. As the existing contract was let via the Eastern Shires Purchasing organisation (ESPO) framework agreement for Managed Services for Temporary Resources (MSTAR2), officers had liaised with ESPO to discuss the commissioning route. ESPO had confirmed that other boroughs had delayed rolling out to the new framework agreement and had invoked extensions to their existing contracts pursuant to Regulation 72 (1) (c) (Modification of contracts during their term) of the Public Contracts Regulations 2015 (as amended) due to the exceptional circumstances which had arisen following the outbreak of Covid-19.

11. Options for the Review of the Mattock Lane Public Spaces Protection Order - PSPO Resolved

That Cabinet:

- i) notes the impact and effect of the Mattock Lane PSPO on the behaviours targeted as set out in this report.
- ii) authorises the Director of Community Development to undertake a consultation on the renewal or variation of the Mattock Lane PSPO.
- iii) thanks officers for their work in implementing this PSPO.

Reason for Decision and Options Considered

There had been occasions during the period 2018-20 where groups of individuals who had been involved in protest / vigil in the immediate locality of the Clinic had instead attended Ealing civic centre (Perceval House), where they had stood outside and displayed signs and images expressing a Pro-Life view and objecting to abortion.

The order had complied with for the most part and had been successful in tackling the objectionable activity it was introduced to address. The introduction of the order had not stopped any of the activities of abortion related protest or prayer themselves from

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occurring, it has simply prevented them from occurring within the narrowly and clearly defined area of the PSPO.

The (almost) daily continued use of the designated area by represented groups, the sporadic protests / vigils at Perceval House and the presence of groups involved in protest / prayer at the threshold of the PSPO area all indicate a continued interest in the location by all of the represented groups who had previously been congregating at the entrance to the Clinic. It was reasonable to conclude from their continued presence at these sites that, were the order to expire, they would return to the area outside the Clinic and continue the activities previously engaged in at this location.

12. Authority to tender for Ealing Learning Partnership a Schools Managed Service Provision for Supply staff

Resolved

That Cabinet:

- i) authorises the Director Learning, Standards and School Partnerships following consultation with Cllr Johnson to conduct a mini tender and invite and evaluate tenders for a call off contract for the provision of the managed service for supply staff for ELP Schools from Crown Commercial Service framework for a term of 2 years with an option to extend for 1 year at an approximate total value of £4.5 million.
- ii) delegates the award of the call off contract to Director Learning, Standards and School partnerships following consultation with Cllr Johnson which would be made in early 2021 following receipt and evaluation of tenders, with the new contract commencing April 2021

Reason for Decision and Options Considered

There was no existing contract in place to support schools with the contracting of supply staff under a managed service

The ELP business sustainability committee, on behalf of its member schools, had identified potential cost savings and reduction in administrative work by moving to a managed service provision under the Crown Commercial Service framework

13. The Limes Update

Resolved

That Cabinet:

- i) notes the current position with regard to the Limes, Southall
- ii) delegates authority to the Executive Director, Place on behalf of the Council to:
 - a. negotiate the terms and enter into a new 5-year lease with the WLNHST for the Limes on terms outlined in this report (see confidential appendix 2 of the report)
 - b. work in partnership with Peabody, WLNHST, the GLA and the North West London CCG to consider and agree an alternative development strategy for the site (see paras 2.7-2.8 of the report).
 - c. negotiate and agree terms for an alternative hybrid development should that be a feasible option and to enter into legal agreements as appropriate with Peabody and the WLNHST to facilitate this (see paras 2.9-2.12 of the report).
- iii) notes the application for funding from the One Public Estate fund for funding to support project development.
- iv) delegates authority to Executive Director, Place, on behalf of the Council to negotiate the terms and enter into any associated grant agreement (if appropriate) should the Council's funding bid be successful (see paras 2.13 and 2.14 of the report).

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Reason for decision and Options Considered

Cabinet agreed to dispose of the Council's land at the Limes in February 2018 to Peabody (the neighbouring owner) for a comprehensive redevelopment scheme following discussion with the West London Mental Health Trust (WLMHT), which was in occupation and at that time wished to vacate the site on termination of the lease in 2019. A plan of the site was included as Appendix 1 of the report. Subsequently, in December 2018, the West London NHS Trust (formerly the WLMHT) changed its mind and served a section 26 notice on the Council under the Landlord and Tenant Act stating it wished to remain in occupation under a new lease for a further 15 years at a sub market rent. Officers brought a further report to Cabinet in July 2019 to make sure that the proposed redevelopment and disposal to Peabody was still supported despite the Trust's change of mind. Cabinet did agree to continue to support the redevelopment and on that basis the Council opposed the application for a new lease which triggered legal proceedings. Cabinet also delegated authority to the Executive Director of Place to negotiate and enter into a Development Agreement with Peabody for the redevelopment following consultation with the Director of Legal & Democratic Services subject to securing vacant possession.

At the same time Cabinet authorised officers to continue discussions with the Trust to determine whether a negotiated solution might be possible including a new, short term lease to the Trust so as to allow for a managed departure and redevelopment of the site. These discussions had been positive, and the Trust had agreed that the proceedings should be stayed for 3 months to enable negotiations to be concluded. Details of the discussion were set out in Confidential Appendix 2 of the report.

Peabody had been supportive of the Council's discussions with the Trust and remained committed to work in partnership to deliver a new scheme on site. As part of the ongoing discussions consideration was now being given to the possibility of a new health facility being included in the scheme, should that remain a desirable outcome for the WLNHST and should that meet the Council's wider housing delivery and commercial objectives. A new short term lease to the Trust would allow for time for the parties to consider properly the options for a temporary or permanent move from the site, and make arrangements for the orderly decant of the property, with a full 3 redevelopment, either for a housing only scheme or a hybrid scheme including new health provision to follow. A project team to reconsider options for the future development of the site.

To date a small group of officers from Ealing Council, Peabody, WLNHST, the GLA and the Ealing CCG had been meeting informally to consider options for a new health facility both on and off site. It was accepted by all parties that the current accommodation was not fit for purpose in the medium to long term. Should the site at the Limes be accepted by all parties as the preferred and achievable site for health uses the Project Group would consider the optimum development solution to maximise the housing potential for the site in addition to any replacement and new health uses.

Commercial issues and options for the site

The Limes currently brought in a rental income to the Council which if the new lease and a development agreement was entered into would continue to provide a rental income for the duration of the new lease and a capital receipt at the end of that period. The

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previously agreed deal with Peabody would have resulted in an earlier capital receipt to the Council.

Given the Council's current budgetary position there was an ongoing need to maximise financial income from assets. Therefore the Council's proposed starting point in any future commercial discussion was that any new scheme for the site should enhance not reduce the Council's financial position i.e. it must generate a net positive position in capital and / or revenue terms; any potential financial shortfall to the Council from the inclusion of the health use must be met by contributions from the WLNHST. Any agreed solution would then form the basis for a new contract between the relevant parties (LBE, Peabody and WLNHST) and no new detailed planning could proceed without such a binding agreement being in place so as to reduce the risk of abortive costs.

Should the parties be unable to agree commercial terms then Ealing Council would reserve the right to redevelop the site for housing on a stand alone basis on expiry of the proposed lease either with Peabody or with a suitable alternative development partner such as Broadway Living RP or another party.

Funding to support the Council in taking forward these discussions
In the interim period the Council had no funding either to support project management, design option development, commercial analysis or legal costs. Any costs arising from the project must be recouped from future capital or revenue receipts for the land.

Officers were currently preparing a bid to One Public Estate for some up front funding to support this work. This bid is supported by the Trust, the GLA and the CCG. The deadline for this funding bid to be made is 12 November and a decision was expected prior to Christmas 2020.

14. Broadway Living Registered Provider (BLRP) Business Plan Resolved

Councillor Bell introduced this report explaining that this was crucial for the delivery of 2500 genuinely affordable homes for local residents. New properties would be built across Ealing – predominantly on surplus land where the freehold was owned by the Council. Over the full course of 50 years, as outlined in the business plan, BLRP would borrow in the region of £388million but would be left with assets and no debts, meaning that the investment had paid for itself.

Councillor Sabiers added that this was an important and key campaign pledge addressing fundamental challenges with only 10% of private rents currently being affordable; private rents had increased by 31% in the last decade and over 10,000 people were currently on Ealing's housing register. There were 23 schemes across 18 sites which would deliver over 1500 homes.

Councillor Stafford noted from appendix E to the report, that the potential risks to the Council were listed as mostly reputational; Councillor Stafford asked about the financial risks.

Councillor Stafford asked about what influence the Council was putting on the types of housing being developed including more family housing, housing which did not overlook other properties and which were not sky scrapers given the climate change criteria.

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Councillor Sabiers assured that reputational and financial risks had been considered. In terms of the Council's influence regarding tenure, Cllr Sabiers assured that the Council was a strong driver and owns 100% of the company.

Councillor Mahfouz added that the Council had made a commitment to deliver genuinely affordable homes and wanted to retain these for years going forward through a not for profit organisation. By choosing to use a Council owned company, the Council could retain as much control as possible.

Councillor Mahfouz confirmed that there had been stress tests ensuring that the governance and oversight of this company were sufficiently robust. The Council was committed to delivering 2500 genuinely affordable homes for families who need them for decades going forward, ensuring these properties were retained by this not for profit organisation.

Ross Brown, the Council's Chief Finance Officer, informed that the report set out this significant financial undertaking to the Authority, set over the context of a 50 year whole life cycle approach; requiring Broadway Living to expend in the region of £475m to deliver those objectives which were funded by use of grants from the GLA but primarily via a significant loan funding facility provided by the Council on the appropriate terms to Broadway Living. These are complex undertakings and the stress testing has been undertaken to assess the financial impact based on a set of risks to ensure that Broadway Living and the Council's investment was sustainable, prudent and affordable. The risks and scenarios were set out in section 4.15 of the report which looked at a summary level how each would affect the base model and change the overall viability. The table showed on the base model assumptions that the financial viability, when looked at over the 46-year duration, reported a cash positive position of £96m suggesting that this was a sensible investment for the Council to undertake and ensured that it remained sustainable. Scenario 1 through to 9 were set out in the report and when looked at under adverse scenarios and stress tests, they remained green, denoting positive financial viability. Scenario 9 under two adverse scenario stress tests, the overall scheme viability was near £38m in cash terms and equated to just short of £9m from a net present value.

Officers had worked extensively with suitably qualified and experienced professional advisers from treasury management, taxation, state aid and legal perspective to ensure the overall model was optimised and underpinned with a series of sensible assumptions that were robust and that had had the necessary rigour applied to them.

Councillor Bell, confirmed in terms of tenure mix outlined in 3.5.18 of the report, the table showed the vast majority of the homes would be genuinely affordable; about two thirds of the homes in this genuinely affordable bracket.

Gary Alderson, Executive Director, Place, summarised the governance arrangements set out in the report for Cabinet. These related to the way the company was set up, contractual controls, Member oversight and regulatory controls.

Broadway Living is a 100% council owned company. It has a Teckal relationship in that it is as closely controlled by the Council as any council department. The Council is the sole shareholder. Within articles of association there were specific requirements that were subject to Council agreement which were set out in previous Cabinet reports.

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Broadway Living's purpose was to maximise the provision of affordable housing on council owned land, retaining these assets in a wholly owned subsidiary, BLRP, which was itself governed by the requirements of the Regulator of Social Housing and did not seek to make a developers profit. The intention was that it would operate on a break-even basis and repay loans to Ealing Council over the long term from rental income from tenants with proportionately limited reliance on sales income, although sales income did form a part of the funding strategy.

The Council is a funder of BLRP and exercises control through the loan agreements and covenants.

The Council was also a landlord and would be transferring land on a 250-year lease basis to Broadway Living; the overriding purpose was to maximise delivery of affordable homes with the land that the Council had. The Council therefore controls how the land can be used.

The overall business plan must be agreed by Cabinet and would be updated through Cabinet twice yearly and Cabinet would make recommendations through to Council to provide for the loans. Cabinet decisions were subject to scrutiny via the call-in process.

Within the overall development programme approved in the business plan each individual scheme would be subject to consideration by the Housing Delivery Cabinet Committee which was open to overview and scrutiny through the call-in process.

Monitoring would be undertaken quarterly so that prompt action could be taken if schemes or the programme were deviating from expectations.

The renting out of properties by BLRP was subject to requirements of the Regulator of Social Housing and therefore, there would be further checks on this basis, particularly relating to financial viability.

Broadway Living was also regulated by company law controls – a number of the directors were appointed by the Council and whilst they must abide by company law, they would also have the aligned objective of maximising genuinely affordable housing.

Through all the various contractual, ownership and regulatory controls there was good governance and control appropriate to the size of the undertaking and the Council investment. Should there be any deviation from plans, prompt action could be taken.

Councillor Rai asked how much of a difference would it make in terms of managing risk that Broadway Living was a not for profit company.

Gary Alderson responded, in terms of an organisation targeted to make a profit, their motivations would be different, but the Council had given no less rigour to financial assessment and stress testing than for any other investment of the Council. Investing here was for the delivery of genuinely affordable housing.

Councillor Johnson referred to p294 of the report which stated that the Board would have two Ealing members and two independent members and asked if it would be safer to have three Ealing members.

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Gary Alderson explained that the presence of independent directors on the board brought greater solidity for the authority – the Council had brought in very skilled and experienced people. It was also a requirement of the Regulator of Social Housing to have independent directors who would certify to the regulator that they were content.

Councillor J Anand asked whether Broadway Living, as a limited company, would have more control over its income from sales and lets and could this income be channelled to affordable housing.

Gary Alderson explained that in the model as set up, any income generated from the sale or part sale of properties or award of grants from the GLA would all go to cross subsidise the provision of the genuinely affordable rented properties. No money would be lost to profit making.

Within the loan agreements there was provision for priority in the early years, where there was a sale proceed, that these would be directed back to the authority to seek to contain the volume of debt outstanding at any time.

Resolved

That Cabinet:

- i) notes that BLRP had now been successfully registered as a Registered Provider.
- ii) notes and approves the draft BLRP Business Plan which was considered and approved by the BLRP Board on 9 November 2020 (at Appendix B and Confidential Appendix C of the report) and summarised in paragraph 3.5 of the report.
- iii) notes the existing funding allocation within the Council's General Fund capital programme of £149.212 million for the Broadway Living Capital Loans programme.
- iv) agrees to incept a further £250.788 million funding allocation into the Council's General Fund capital programme for the Broadway Living RP Capital Loans programme, to provide an overall £400 million loan facility, consistent with the BLRP Business Plan, to be funded from prudential borrowing, with all the associated revenue costs being met from the income received from BLRP as summarised in paragraphs 4.1- 4.27 in the report.
- v) notes the £388.368 million loan funding requirement of the BLRP Business Plan, split £337.025m for development/investment loans relating to rent and shared ownership developments and £51.343 million market/commercial loans (£14.721 million development working capital loan and £36.622 million development loan) relating to market sale developments, with an additional £11.632 million providing capacity to respond to any variations during the development phase.
- vi) notes the existing 2020/21 budget allocation within the Councils General Fund capital programme of £4.875 million to ensure that the delivery of the GLA programme can be progressed, approved by Cabinet at its 14 July 2020 meeting in the Housing Delivery Update report.
- vii) agrees to incept a further £31.800 million budget allocation into the Councils General Fund capital programme, providing an overall £36.675 million budget allocation, to cover the pre-transfer costs of sites from the Council to BLRP and the re-provision of existing Council services. To be funded initially from prudential borrowing, with the associated interest costs being recovered from the overall interest receipts flowing back from BLRP to the Council and the capital costs recovered from capital receipts received upon the transfer of sites from the Council to BLRP.
- viii) recommends to Full Council amendments to the necessary Prudential indicators to reflect the above capital commitments including the Capital Expenditure Forecast, the

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Council's Borrowing Need (Capital Financing Requirement), Affordability Prudential Indicator, the Operational Boundary, the Authorised Limit for External Debt and Authorised Limits. Following approval by Cabinet, Council officers will prepare a report to Full Council to amend these Prudential Indicators.

- ix) subject to Full Council approving the required amendments to the Treasury Management Strategy and relevant prudential indicators, delegates authority to the Chief Finance Officer (following consultation with the Director of Legal and Democratic Services and the Executive Director of Place) to agree the terms and authorise the Council to enter into an overarching funding agreement with BLRP, consistent with the funding allocation and the BLRP Business Plan.
- x) agrees that during the development period the Council will receive quarterly reports on the delivery of the Broadway Living RP Business Plan, such reports will include scheme by scheme details at a granular level and show how such schemes meet the Councils overall investment criteria.
- xi) notes that the capital receipts generated through the sale of shared ownership or market sales will flow back to the Council to help manage the debt exposure.
- xii) notes that establishment of a Housing Delivery Cabinet Committee approved by Cabinet in July 2020 was approved by full Council on 21 July 2020.
- xiii) notes that scheme specific reports will generally be considered by the Housing Delivery Cabinet Committee seeking approval for individual schemes including the disposal of Council owned sites and provision of funding to BLRP consistent with the approved Business Plan and overarching funding agreement respectively.
- xiv) delegates authority to the Executive Director of Place to enter into any revised GLA grant agreement necessary to reflect the transfer of responsibility for delivery of part of the GLA programme to BLRP as set out in the approved BLRP Business Plan.
- xv) notes that a further report will be brought to a later Cabinet for approval of the Broadway Living (BL) Operational Business Plan and associated proposed staff transfers.
- xvi) thanks officers for their hard work on this project.
- xvii) thanks Councillor Mason for his contribution and hard work.

Reason for decision and Options Considered

The Council approved setting up of a wholly owned subsidiary in October 2013 and incorporated a company, Broadway Living (BL), in March 2014 in order to progress the delivery of council housing and affordable housing in particular. This approval was considered in the light of a business case and options appraisal that were put together within the constraints of the then funding environment to tackle homelessness and housing pressures caused by the lack of good quality affordable rented homes to meet the needs of Ealing's residents.

The Council delegated authority to the Executive Director of Place in October 2018 to set up and register a new housing company Broadway Living Registered Provider (BLRP) to complement and supplement delivery of homes through its housing company Broadway Living (BL).

It was proposed that the Council (as shareholder, landowner and funder) commission BL Ltd and BLRP to deliver a programme of housing as set out in the BLRP Business Plan which would include the transfer of Council owned land to BLRP at "best consideration" and Council funding alongside GLA grant needed for the development of new homes. As a 'non-profit' RP, surpluses from market sale and shared ownership were reinvested in expanding the programme to deliver more affordable homes. Over the longer term BLRP

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would create a substantial asset base that would be able to support borrowing from other sources and therefore reduce the need for lending from the Council.

A substantial increase in the Council's house building development programme through BLRP provides social benefits of high quality, cheap to heat, secure homes at affordable rents and financial benefits to the Council in reducing the need for Temporary Accommodation, reducing demand on social care and other support services. This also contributed to delivery of the Council and manifesto target of 2,500 genuinely affordable homes.

15. Mechanical Services Framework Resolved

That Cabinet:

- i) authorises the Director of Place Delivery, following consultation with the Director of ICT, IDM & Property Services, to invite and evaluate tenders and appoint providers who meet the qualification criteria to a Mechanical Services Framework for a four year period, commencing June 2021, with an estimated total contract value of £11.17m over a four year period for Lots 1,2 and 6; £20m for Lot 3, £1m for Lot 4 and £1m for Lot 5; a total framework value of £33.17m.
- ii) delegates authority to the Director of Place Delivery to award contracts from the Mechanical Services Framework during its term in accordance with its call off rules, for Housing-specific contracts.
- iii) delegates authority to the Director of ICT, IDM, & Property Services to award contracts from the Mechanical Services Framework during its term in accordance with its call off rules, for Property Services contracts.
- iv) delegates authority to the Director of Place Delivery, following consultation with the Director of ICT, IDM & Property Services, to award contracts from the Mechanical Services Framework during its term in accordance with its call off rules for combined Housing and Property Services contracts.
- v) authorises the Director of Place Delivery to directly award a contract to the best Value for Money boiler supplier from the Central Housing Investment Consortium (CHIC) Merchant Framework – Lot 1 (Plumbing) at an estimated total contract value of £2.02m over a four year period, commencing December 2020. Direct awards are permitted under the Framework.
- vi) agrees to the extension of the existing Housing Gas Servicing, Maintenance, Repair and Installation contract with T Brown Group dated 31 March 2021 by six months to allow sufficient time to undertake the procurement process and comply with Section 20 requirements. The value of the extension will be up to £2.5m.
- vii) notes that when the framework contracts are awarded the respective services will ensure that the contract spends are managed within the approved budget

Reason for decision and Options Considered

The Council had statutory duties under The Health and Safety at Work Act 1974, the Gas Safe (Installation and Use) Regulations 1998, the Approved Code of Practice L8 – Control of Legionella Bacteria in Water Systems, B&ES TR/19 – Internal Cleanliness of Ventilation Systems and COSHH (Control of Substances Harmful to Health) to deliver a range of Mechanical Services to its domestic and commercial properties.

In the interests of delivering Value for Money, the Council's Housing and Facilities Management Teams had been in discussion about joint procurement opportunities for commonly required services. Mechanical services procurement had been identified as a viable joint procurement opportunity.

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of this Committee.

The Housing Service had a term contract for Gas Servicing, Maintenance, Repair and Boiler Installation; the initial term expires on 31 March 2021, but, subject to Cabinet approval, would be extended for a six month period to allow a full competitive procurement process and Section 20 consultation to take place.

There was therefore a need to put a new contract in place for these services from October 2021.

Ealing's Facilities Management (FM) team had a contract for Gas Maintenance and Repair; the initial term expires in March 2022. The Framework would contain sufficient flexibility to allow for FM's requirements to be called off from the Framework at a later date, should this option be identified as the best Value for Money route for the Service at the time.

Through discussion, the following Mechanical Services had been identified as required. Many were covered by the existing contracts named at 2.2 and 2.4, but additional services had been identified in order to 'future proof' the Council. For example, Item 3 on the below list would ensure Ealing had a compliant, value for money delivery mechanism for sustainable improvements to its housing stock:

1. Lot 1 - Domestic Gas Servicing & Installation
2. Lot 2 - Commercial Gas Servicing & Installation
3. Lot 3 -Low-Carbon and Energy Efficient Solutions
4. Lot 4 - Monitoring, Control, Data-Collection & Hosted Services
5. Lot 5 - Support, Training & Consultancy Services
6. Lot 6 - Other Infrastructure (Water Pumping & Ventilation equipment and Water Hygiene Services)

As set out in the Commercial Strategy at Appendix A of the report, a range of procurement options had been considered for how Ealing's needs can be met. The best Value for Money solution had been identified as a joint Council departmental procurement to establish a Framework for Mechanical Services.

In addition to the Framework, analysis by officers had indicated a substantial savings opportunity available through procuring Mechanical materials (namely: boilers and associated parts) directly and free-issuing them to contractors. This paper therefore recommended that Ealing directly award a contract through the CHIC Framework to the most economically advantageous tenderer on the Framework.

16. Date of Next meeting

Resolved

That Cabinet notes that the next meeting of Cabinet would be held on 8 December 2020 at 7pm.

Councillor Julian Bell, Chair

Date

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of this Committee.

The duration of this meeting was 7:00pm to 8:32pm

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