CABINET
TUESDAY 7 MAY 2019

DECISIONS

The following are the decisions taken by Cabinet at the above meeting.

Please note that these are not the full minutes, which will be published at a later date. In accordance with the Council's Constitution, all decisions listed below are subject to Call-In. The Call-In period will expire in 5 working days from the publication date of this notice.

Publication date: 9th May 2019
Date of decision: 7th May 2019
End of the call-in period is Midnight on: Thursday 16th May 2019
This decision can be implemented from: Friday 17th May 2019

If you have any queries about any matters referred to in this decision notice please contact Joy George, Principal Committees and Partnerships Officer, on 020 3373 1256 or at joy.george@newham.gov.uk

1. Citizens' Assemblies Community Plans - Delivery

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) The provision of Community Infrastructure Levy funding of £25,000 to each of the 8 Community Neighbourhoods to enable the implementation of projects identified within community plans, the sum of which totals £200,000 in the 2019/20 financial year; and

ii) The provision of Community Infrastructure Levy funding allocation of £50,000 towards the costs of enabling the Citizens' Assemblies, in 2019/20, specifically to introduce digital democracy through the development and sourcing of a range of electronic platforms.
Alternatives considered
The following two options were considered:

1. Delivery of the Citizens’ Assemblies programme is secured externally. This would require sourcing external funding to cover additional staffing costs and the community plan budget for each of the eight neighbourhoods. There are considerable advantages to running the programme externally – project ideas would be more transparent, would be costed by non council personnel and have minimal influence from the Community Neighbourhood teams, however dependant on the funding secured, the spend on community plans and projects may be restricted to a smaller range of activities and priorities. The programme may also be postponed by a further six months to allow time to secure an appropriate service provider.

2. Community Neighbourhood teams facilitate borough wide assemblies. This would require the service to deliver one community plan representing the whole borough that sets out a programme of activities that are delivered in each neighbourhood. An enhanced community plan budget may be required to deliver the activities and a borough wide plan may mitigate against residents from talking about matters important to them in their local area and have a negative impact on the participatory culture that is a priority ambition in Newham.

Both these options have been appraised and the recommended approach is for the council to deliver a programme of assemblies in the 8 community neighbourhoods.

2. Canning Town and Custom House Programme - Delivery Approach

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) That the Council would lead as Strategic Master Developer for the remaining regeneration sites at Canning Town and Custom House by de-risking these sites for regeneration, gaining planning consent whilst ensuring full and meaningful resident engagement for the reasons set out in section 5 of the report;

ii) To note that the discussions relating to the land swap and joint venture with River Christian Centre cease forthwith for the reasons
set out in section 4 of the report; and

iii) To use £4.5m of the funding agreed by Council as part of the Medium Term Financial Strategy in February 2019 to enable the Council to act as Strategic Master Developer to lead development proposals and outline planning permission application for Canning Town East, referred to as regeneration areas 1a, 2a, 2b and 11. Including a detailed planning application for the previously cleared area within site 2a and the previously undeveloped area within site 11 as set out in section 8.

Alternatives considered

Master Joint Venture Approach

The previous administration favoured the creation of a Joint Venture (JV) partnership with a private developer, to deliver the entire CTCH programme as well as other strategic projects.

The purpose being to accelerate the delivery of strategic sites as a single development opportunity. A borough wide JV can have positive market outcomes, as specifically larger development partners respond well if large sites are being brought forward as a single tendering opportunity due to economy of scale and the potential for an improved commercial deal.

However, the process of procuring a single (master) private sector developer to regenerate places have proven to be slow, risky, contentious and to produce poor social and financial outcomes for communities and local authorities. The large-scale nature of the proposal ensures that the opportunity is only available to a select number of developers, much reducing the market for smaller competitors. Such a route to market can be difficult to produce true and meaningful resident engagement, particularly in terms of co-design, which is now underway at Custom House Local Centre.

The developer partner can have a disproportionate level of control over Council assets and regeneration. The ensuing private sector demands can be much harder to refuse if they influence the delivery at such a strategic level.

It is for all of the above reasons that a single joint venture methodology to CTCH is being discounted in favour of a Council led Strategic Master Developer approach, which can improve development viability, create truly balanced communities and community wealth building.
3. **CIPFA Finance Review - update**

**Decision status:** Recommendations approved

**Is this a Key decision?:** Yes

**Is subject to call in?:** Yes

**Decision**

For the reasons set out in the report Cabinet RESOLVED to AGREE to endorse the Action Plan set out at Appendix 1.

**Alternatives considered**

The Council could choose not to accept and implement the CIPFA recommendations, but the failure to address the issues and concerns raised in the CIPFA report would leave the Council exposed to continuing problems in terms of budgetary control and the development of a robust and balanced MTFS.

4. **London Counter Fraud Hub**

**Decision status:** Recommendations approved

**Is this a Key decision?:** Yes

**Is subject to call in?:** Yes

**Decision**

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) In principle to Newham Council joining the London Counter Fraud Hub;

ii) To delegate authority to the Interim Executive Director of Financial Sustainability to enter into the contract following consultation with the Lead Member and the Director of Legal and Governance; and

iii) That a report updating Cabinet be presented back to Cabinet in 6 months

**Alternatives considered**

Newham could wait to join until other Councils have embedded the system so that its benefits can be evaluated in light of their experience. However, the hub needs Councils to join to make it a success, so if Newham were to take this approach it would not benefit other London authorities. It is also likely that late
joiners will have higher costs charged.

Newham could decide not to join the hub. If it did so it would not benefit from the additional savings predicted by the business case. Also, it would undermine the likelihood that the hub would proceed because 26 authorities are needed.


Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

To recommend to Full Council the adoption of the final version of the Council’s Statement of Gambling Policy attached as Appendix A and that the Policy be published immediately following the Full Council meeting.

Alternatives considered

Not applicable

6. Stratford Station Carpenters Estate Entrance

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) Funding of £1,000,000 of Community Infrastructure Levy funds to Transport for London to assist in the delivery of the Stratford Station Carpenters Estate Entrance Project;

ii) The wider benefits to the community of the Carpenters Estate Station entrance;

iii) To endorse the Councils continued involvement in the project; and
iv) To note that Planning permission 16/00065/FUL for the Carpenters Estate Station entrance was granted by the London Legacy Development Corporation (LLDC) on 30 September 2016. As such, the planning permission must be implemented within 3 years.

Alternatives considered

1. The £1 million that has been identified for this project was secured specifically for infrastructure purposes within the London Borough of Newham. This limits the scope of how the money can be spent.

2. The proposal to allocate £1 million of funding to the Stratford Station Carpenters Estate Entrance represents good value for money because it forms part of a larger contribution that has been collected to deliver nearly £9 million worth of improvements to the station.

3. As set out in (2) above, the £1 million of funding forms part of a wider funding package for the project of £9 million. Without this funding there would be a shortfall of £1 million and there is a risk that the project would not be able to progress and the other funding sources will be lost.

7. Neighbourhood Operations Restructure

Decision status: Recommendations approved

Is this a Key decision?: No

Is subject to call in?: No

Decision

For the reasons set out in the report Cabinet RESOLVED to NOTE

i) A budget reduction of £1.4m for the Neighbourhood Operations service as agreed by full Council in the budget for 2019/20;

ii) To note the approaches developed in conjunction with Keep Britain Tidy and the residents via dedicated Citizen Assemblies aimed at encouraging behavioural change among residents to prevent littering and flytipping; and

iii) That Cabinet anticipates a further report to the July Cabinet for approval
Alternatives considered

1. Given the level of savings required the only feasible approach would be to reduce staffing levels. Other areas for consideration have included vehicle costs, and additional income from fines but these are marginal and would only form part of the overall £1.4m requirement.

2. One option to reduce the impact would be to look at utilising the Law Enforcement Officers to undertake an ongoing schedule of compliance and safety checks in Newham’s housing blocks to supplement the work of the Resident Services Team. This would represent a significant undertaking and it would be necessary to explore an appropriate additional re-charge to the HRA.

8. Independent Living Support Services Framework Contract

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

  i) To approve, in accordance with Contract Standing Orders (“CSO”) 23, and the Public Contracts Regulations 2015 (“PCR 2015”) 72, the extension and negotiated variation of the Independent Living Support Services Framework Agreement as outlined below:

    a) To trigger the one year-contract extension clause of the Independent Living Support Services Framework Agreement for a further 12 months at a total cost of c.£19.5 million (inclusive of London Living Wage uplift), with a variation (to be negotiated) to include a new London Living Wage clause, effective 31st July 2019, until 30th June 2020;

    b) An increase of the fixed hourly cost from £14.40 to £18.00 per hour from the 1st August 2019; and

    c) The transfer of £3m held in the budget strategy for the implementation of the LLW for Care Workers for 2019/20 to Adult Social Care, rising to £6m in 2020/21.

Alternatives considered

The payment of the LLW to Care Staff is a Council priority for 2019/20, which has been supported by a Council Motion, therefore an alternative on this occasion was not considered.
9. Procurement for the Provision of Accommodation Based Supported Living Services for Adults with MH, LD and Autism

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) The waiver of the Council’s Contract Standing Orders (“CSO”) to allow for a total extension of the current contracts for the period 1\textsuperscript{st} June 2019 to the 31\textsuperscript{st} May 2020, at an estimated cost of approximately £9,300,000, following a nonresponse to the publication of a Voluntary ex ante transparency (VEAT) Notice to advertise the award of the contract extension;

ii) The proposed strategy to procure a Dynamic Purchasing System (“DPS”) under regulation 34 of the Public Contracts Regulations 2015 (“PCR 2015”), for the accommodation based supported living services for adults with Mental Health (MH) conditions, Learning Disabilities (LD) and Autism, with an estimated value of £ 9.3 million per annum;

iii) To approve, (following a successful procurement process) the procurement via the DPS, with a length of five (5) years (initial period) plus up to a further five years (3 + 2) extension period following a Best Value Review (within the meaning of Part 1 of the Local Government Act 1999) of the DPS service contract. Officers will be required to return to Cabinet with a review of the service, to seek approval for any extensions beyond the initial 5 year period or consideration of other options.

iv) To note that at the Mayoral Proceedings meeting held 8\textsuperscript{th} March 2018, the current arrangements were extended until 31\textsuperscript{st} May 2019, for the Council to procure a Framework Agreement for the above referred to service provisions.

Alternatives considered

An alternative would be to procure services via a closed framework arrangement but as outlined above, the DPS is considered a more flexible, less risky and appropriate option for these services.
10. Event Production Services for the London Borough of Newham Events in 2020 - 2023

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) To the commencement of an OJEU Open procurement procedure for the Event Production Services, with expected contract start date of 01/01/2020 for a period of three years with the option to extend up to one year;

ii) To note that the Event Production Services procurement scope would include:

- Production Management
- Audio Visual Equipment Hire
- Marquees
- Outdoor Toilet Facilities
- Roadway & Pedestrian Footway
- Staging
- PA & Backline
- Lighting & Rigging
- Barriers & Fencing
- Tower Lighting
- Plant Equipment
- Temporary Portable Accommodation
- Outdoor LED Screens
- Generators
- Manual Labour & Technical Site Crew
- Furniture

iii) That the above list was not exhaustive. The Event Production Services procurement scope would also include a variety of other items of lower value, such as water coolers, diesel fuel, hardware
items and various consumables.

Alternatives considered

4. Due to the nature of these specialised services, there are no alternative options for delivering these kinds of services other than to source a professional organisation with the necessary skills, technical knowledge and expertise.

5. There is no in-house infrastructure or human resources with the technical expertise and knowledge required to be able to deliver services of this nature.

6. Following advice from the Strategic Procurement Unit over the past two years other procurement options have been tried, such as setting up a London wide DPS (Dynamic Purchasing System) and calling off from existing ESPO frameworks. Unfortunately neither of these options proved successful.

11. Civil Traffic Enforcement and Associated Services (Parking Contract)-Award of Contract

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet **RESOLVED** to **AGREE**

i) To award the contract under lot 1 for On- and Off-street civil traffic enforcement and removal of vehicles to Egis Limited for three years at the cost of £3,033,609.08 per annum with a possibility of an extension of 1 plus 1 years at a total cost of £15,168,045.40; and

ii) To award the contract under lot 2 for Notice Processing IT system and post & document handling to Conduent Parking Enforcement Solutions Ltd for three years at the cost of £329,216.59 per annum with a possibility of an extension of 1 plus 1 years at a total cost of £1,646,082.95.

Alternatives considered

The alternatives considered were set out in the Options assessment presented to Cabinet on 4th December 2018. As part of the initial approval process to look at the possibility of transferring the entire service “in-house” however, this was considered not financially or operationally feasible at the time.

Decision status: Recommendations approved

Is this a Key decision?: No

Is subject to call in?: No

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) To note the process and results of the Highway, Transportation & Parking engagement process as detailed in the report, forming the first phase of the parking and transportation review;

ii) To grant delegated approval to the Commissioning Leader (Highways & Traffic) in consultation with the Cabinet Member for Highways, to proceed in drafting parking policy documents based on the key engagement outcomes identified in section 4 of the report.

iii) To note that the final policy documents would be brought back to Cabinet for final approval.

Alternatives considered

Not applicable

13. Brunel Street Works, Canning Town Hotel

Decision status: Recommendations approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) The forward commitment to purchase of an in-borough, 152 Bedroom hotel which will be let on practical completion to Premier Inn Hotels Limited with a guarantee from Whitbread Group PLC as per the terms set out in Appendix 1/2;
ii) The recommended funding / financing option from the Institutional Investor (Option 3 – see 4.6) to provide 100% of the capital required of £21.250m and additional transaction costs (stamp duty and professional fees) of £1.425m (£22.675m total) relating to the acquisition of Canning Town Premier Inn Hotel; and

iii) The business case for acquisition following the positive outcome of substantial due diligence covering strategic, financial, property, asset and legal) which highlights the attractiveness of the investment.

Alternatives considered

1) The only alternative considered is that the **Council does nothing** due to a lack of alternative in-borough’ investment:

   Council does nothing - The Council would withdraw its offer on the property, losing the certainty of revenue that would be generated from this transaction.

   The Council is under no obligation to purchase the property and could look for other investment opportunities. However, it is considered that this purchase represents a good opportunity to generate income and to contribute to reducing the budget gap.

   The in-borough pipeline of investment opportunities is very limited, and the property is available now and ready for exchange and completion following 3 months of thorough due diligence. If the Council did nothing, it would not be liable for the rent guarantee.

   Properties take time to acquire and choosing not to purchase the property would impact the ability to generate income. Withdrawal from this purchase would affect the overall pipeline and delay achievement of the strategy.

   As a reference, only two opportunities of interest have come to market in the last 9 months ‘in borough’. Given the limited in-borough pipeline of investment opportunities this could be the only viable opportunity for acquisition this year.