

# Public Document Pack

CABINET - 11.10.2006

## MINUTES OF THE MEETING OF THE CABINET HELD ON WEDNESDAY, 11 OCTOBER 2006

### COUNCILLORS

**PRESENT** Michael Rye (Leader of the Council), Michael Lavender (Deputy Leader of the Council/Finance and Resources), Ertan Hurer (Community Safety & the Voluntary Sector), John Jackson (Sustainable Communities and Employment), Terence Neville (Environment and Street Scene), Glynis Vince (Education & Children's Services) and Alan Barker (Adult Social Services)

**ABSENT** Matthew Laban (Housing), Paul McCannah (Leisure, Culture and Olympics 2012) and Ann Zinkin (Corporate Strategy and Communications)

**CO-OPTED** (none)

**OFFICERS:** Mike Culligan (Assistant Director Community, Housing and Adult Social Services), Judy Flight (CH&SS), Stewart Holton (ALMO Lead Development Officer), Ray James (Head of Health and Adult Social Care), Rob Leak (Chief Executive), Peter Lewis (Director of Education, Children's Services and Leisure), Mark McLaughlin (Director of Finance and Corporate Resources), Andrew Stapleton (Head of Legal Services), Stephen Tapper (Assistant Director (Planning & Transportation)), Keith Trowell (Legal) and David Tullis (F&CR) (none)

### Also Attending:

**75**

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Laban, McCannah and Zinkin.

**76**

### **DECLARATION OF INTERESTS**

Councillor Vince declared a prejudicial interest and left the room during consideration of item 8 – Liquidation of Enfield Leisure Centres Ltd. as she was a member and regular user of the Leisure Centres.

**77**

### **URGENT ITEMS**

NOTED that the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information) (England) Amendment Regulations 2002, with the exception of Report No.125 – Liquidation of Enfield Leisure Centres Ltd. These requirements state that agendas and reports should be circulated at least 5 clear days in advance of meetings.

**AGREED** that Report No. 125 – Liquidation of Enfield Leisure Centres Ltd. (Minute No.83 below refers) be considered as an urgent item. The report was urgent as the Members of the Cabinet needed to be updated on the current situation regarding the liquidation.

**78**

**DEPUTATIONS AND PETITIONS**

There had been no requests for deputations to this meeting.

**79**

**FUNDING AND PROCUREMENT TO COMPLETE THE CHILDREN'S CENTRE AT GALLIARD PRIMARY SCHOOL**

Councillor Vince introduced the report of the Director of Education, Children's Services and Leisure (No.129) setting out the circumstances of a construction project at Galliard School, where the contractor appointed to build a children's centre has made unsatisfactory progress. The report proposes a new approach to complete the work and requests support for the additional costs that will be involved and for the approach to be adopted.

Linda Sless Chairman of the Governors at the School highlighted the tremendous disruption the delay in completing the project had had on the pupils, staff and parents at the school. She advised that the front of the building needed to be completed as a priority.

Councillor Rye apologised on behalf of the Council to everyone inconvenienced at the school by this tremendously disappointing situation.

**Alternative Options Considered:**

A number of procurement options have been explored and considered by the Capital Programme Board, and by ECSL and CTS officers. Among these are:

- a) New contract with the existing contractor, based on JCT 2005, with revised completion dates.
- b) Negotiated contract with other contractors on original tender list.
- c) Negotiation with contractor/s known to the Council from previous successful projects.

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- d) Negotiation or re-tender using tender list compiled for Wilbury School extension (a large scheme for which the tender list was assembled through an extensive EU-compliant advertising / vetting process).
- e) Negotiation or re-tender using standard Approved List.
- f) Any of the above, but separating out the main two elements of the scheme, in order to achieve earlier completion of the Community Building.

### DECISION:

1. That approval be given in principle to the approach to complete the Children's Centre works at Galliard School as detailed below at 6.1 (b);
2. That the Capital Programme Group be asked to note Cabinet's support for meeting the consequent additional cost to the scheme of £750,000,00 by transferring uncommitted resources allocated in the Capital Programme for programmes of work in 2007-08;
3. That the replacement of the resources transferred from these programmes be considered as part of the review of the Capital Programme, once the DfES has announced its next round of school modernisation allocations;
4. That approval be given to the expenditure of the increased funding and the potential costs arising out of any dispute resolution.

**Reason:** A full risk analysis has been undertaken of some of the options above, considering the main criteria of time, quality and cost. Time has been given the highest weighting in this analysis, given the need to retain external funding, and to minimise disruption to the school.

**(Key Decision – reference number 2038)**

## 80

### AUGUST 2006 REVENUE MONITORING

Councillor Lavender (Deputy Leader / Finance and Resources) introduced the report of the Director of Finance and Corporate Resources (No. 122) setting out the Council's revenue monitoring position at the end of August 2006 and actions needed in order to remain within the approved budget.

**Alternative Options Considered:** Not applicable to this report.

### DECISION:

1. to note the potential net underspend set out in the report and the commitments against the central contingency.
2. that an allocation of £194,000 is made from Contingent Items in recognition of unachievable savings in the Sustainable Communities Team.

**Reason:** To ensure that Members are aware of the projected budgetary position for the Authority, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.  
**(Key Decision – reference number 1085)**

**81**

**THE ONE LARGE INTERVENTION TO MAKE FAMILIES MORE PROSPEROUS**

Councillor Rye (Leader of the Council) introduced the report from the Director of Education, Children's Services and Leisure (No. 123) seeking approval to the allocation of funding to refurbish the Angel Community Centre and associated premises running costs. The report also sought approval for revenue costs associated with the capital refurbishment of Marsh House, Claverings Industrial Estate, the funding for which was approved at Cabinet on 13<sup>th</sup> September 2006. Approval was also sought for OLI to undertake a series of interventions to help make families more prosperous in the NRF area in the period to 31<sup>st</sup> March 2008.

**Alternative Options Considered:** The OLI was a proposal developed by the ESP based on analysis of evidence from the Enfield Observatory on the Indices of Child Poverty and worklessness in the Borough. Proposals were developed in consultation with the Voluntary and Community Sector and, in the course of these consultations, interventions were considered. The option to create two centres, of which Marsh House is one, was selected to maximise the benefit of NRF and build on the previous success of NRF interventions.

**DECISION:**

1. To endorse the allocation of Neighbourhood Renewal Funding of £0.988m to the One Large Intervention project.
2. To approve the funding for the refurbishment of Angel Community Centre as a community and centre for services to children and young people, associated premises running costs for this centre; and Marsh House, the refurbishment of which was approved by Cabinet on 13 September 2006. Approval is also sought for revenue expenditure for the delivery of services and interventions. Details of the funding allocations are set out in Appendix A of the report.
3. To approve the addition of the Angel Community Centre scheme to the Council's Capital Programme.
4. To approve the budgets for refurbishment in the estimated sum of £350,000 for the Angel Community Centre.

5. To authorise officers to accept a tender for Angel Community Centre without further reference back to Cabinet subject to the scheme buildings costs not exceeding £350,000. A further £106,000 is to be allocated for fees, IT and equipment.

**Reason:** To provide the necessary permissions and approvals to ensure effective delivery of the OLI.

**(Key Decision – reference number 2023)**

**82**

## **LOCAL AREA AGREEMENT FINANCIAL AND GOVERNANCE ARRANGEMENTS**

Councillor Rye (Leader of the Council) introduced the report of the Assistant Chief Executive (No.124) setting out the financial and governance arrangements for the Enfield Local Area Agreement (LAA), building upon the arrangements reported to Cabinet in February and April 2006.

**Alternative Options Considered:** The Council is the Accountable Body for the LAA, SSCF and NRF and therefore no alternative approach has been considered in detail

DECISION:

1. that the finance and governance arrangements for the LAA set out in this report are approved.
2. that approval is given to funding allocations for LAA pre-emptions totalling £1.444m, as set out in Section 6.

**Reason:** The LAA is the responsibility of the Council and the Local Strategic Partnership (the Enfield Strategic Partnership) and the Council is the accountable body for the majority of funding in the LAA. Part of this responsibility is to ensure that any funds allocated via the LAA are accounted for appropriately.

**(Key Decision – reference number 2015)**

**83**

## **LIQUIDATION OF ENFIELD LEISURE CENTRES LTD. (ELCL)**

Councillor Lavender (Deputy Leader / Finance and Resources) introduced the report of the Director of Finance and Corporate Resources (No.125) will be circulated at the earliest opportunity. The report updated Members on the Voluntary Liquidation of Enfield Leisure Centres Ltd. The liquidation has been underwritten by the Council in order to protect the interests of the customers of the leisure centres operated by ELCL.

**Alternative Options Considered:**

1. If ELCL were to collapse outside of this managed process and its operation cease then the leisure centres would close. This would be an unacceptable situation for the Council and for leisure centre customers. Undoubtedly the Council could re-open them shortly afterwards by directly employing staff. However the Council would at that point become liable for the VAT and NNDR payments that ELCL enjoys by virtue of its status as an Industrial and Provident Society. This cost is approximately £600,000 p.a. – or £50,000 per month.

2 These costs to the Council of approximately £600,000 p.a. are over and above the trading losses that ELCL are experiencing which have led them into the financial difficulties that they are now facing.

3 If the Council were to take the business over, it is possible that some costs could be mitigated, however many of ELCL staff are on terms and conditions that are different from, and lower than, the terms and conditions of Council staff. It is possible that as Council employees, many members of staff would be entitled to improved employment conditions which would represent a further financial risk. Detailed advice would be required as to whether these staff would assimilate to Council terms and conditions, and over what period.

4 Against these risks the options of a funded liquidation using the Members' Voluntary Liquidation route represents a cost effective way of maintaining leisure services to customers. The company in liquidation would continue to enjoy the tax advantages, and the staff would remain on their existing terms and conditions.

5 The option of simply paying ELCL more money can also be discounted. In order to comply with best practice and with legislation the Council would have to seek best value through conducting a procurement exercise with competitive suppliers. ELCL would be perforce excluded from that process because their financial instability would not be an acceptable platform for any contractual relationship. Furthermore the Council does not have confidence in the management of ELCL.

DECISION: To note the report.

**Reason:** To secure continuity of service and employment for customers and staff respectively. The proposed funded Member's Voluntary Liquidation allows ELCL (in liquidation) to continue to provide services and enjoy the tax advantages relevant to an Industrial and Provident Society.

**(Non Key)**

84

#### **ALMO HEADQUARTERS ACCOMMODATION**

Councillor Rye (Leader of the Council) introduced the report of the Director of Finance and Corporate Resources (No.126) considering and making recommendations upon a headquarters building for the Enfield Homes Arms Length Management Organisation. It proposes a scheme with costings and

puts forward a timetable for delivery including all the elements linked to the move sequence and the overall Property Strategy.

**Alternative Options Considered:** These were set out in great detail in the report.

DECISION:

1. the use of first and second floors at Edmonton Centre as the ALMO head office;
2. expenditure of £2.44m in accordance with the funding recommendations contained in the comments from the Director of Finance & Corporate Resources;
3. the scheme design and the implementation programme;
4. the associated moves sequence.
5. to approve the letting of a contract for the refurbishment in accordance with the procurement methodology as outlined in Paragraph 4.2.
6. Officers completing a lease to the ALMO organisation granted by the Council on terms as summarised at paragraph 10.

**Reason:** To secure the most advantageous property solution as the headquarters building for the Enfield Homes ALMO services.  
**(Key Decision – reference number 2042)**

**85**

#### **REFERENCE FROM THE SPECIAL PROJECTS SCRUTINY PANEL**

Cabinet noted the reference from the Special Projects Scrutiny Panel meeting held on 19th September 2006 requesting that all receipts from the disposal of community halls should be ring fenced to the reprovision of community halls.

**86**

#### **REVIEW OF THE HOUSING COMMUNITY HALLS**

Councillor Rye (Leader of the Council) introduced the report of the Assistant Chief Executive (No. 127) making various recommendations to Cabinet regarding the future management and use of the housing community halls within the borough.

**Alternative Options Considered:** The option of retaining the Boleyn Hall has been examined, however, this option is not considered to be financially sound due to the poor condition and low usage of the hall. The site is not ideal in terms of its location and is a poor community facility.

DECISION:

1. to note the decision of the Boleyn Hall Management Committee to cease trading because the hall is not viable and agrees to the disposal of Boleyn Hall.
2. to agree that the capital work required to the remaining halls is funded from the capital receipts from the sale of the Creasy and Flamstead Halls and that any shortfall is made up from the sale of the Boleyn Hall.
3. to agree that the remaining funds from the sale of Boleyn Hall are ringfenced for planned maintenance work to the remaining community halls.
4. to agree the principles identified in paragraph 5.1 regarding the management of the halls.
5. to approve the charging policy outlined in paragraph 6.2.
6. to agree that the management of the community halls be delegated to the Arms Length Management Organisation from 1<sup>st</sup> April 2007 and that the Management Agreement specifies that the halls must continue to be used as community facilities.
7. To agree that a full community halls strategy based on the principles contained in this report will be produced and agreed by the Tenant Participation Working Party.

**Reason:** It is important that the Council invests in the community halls that have the potential to meet the needs of the community by hosting a range of activities. In the view of officers, all of the halls with the exception of the Boleyn Hall have the potential for achieving this aim.

**(Non Key)**

**87**

## **ENFIELD HOMES - PROGRESS REPORT AND MATTERS FOR DECISION**

A report of the Chief Executive is attached (No. 128) summarising information previously reported to Cabinet in October 2005 and June 2006 on the reasons for pursuing an Arms Length Management Organisation for housing in Enfield and updates progress since the June 2006 reports. The report seeks approval of the Shadow Board members recruited to date, the Enfield Homes Memorandum and Articles of Association, and additional funding to cover the set-up costs for Enfield Homes between now and April 1<sup>st</sup> 2007.

NOTED the comments of Cabinet regarding the Memorandum and Articles of Association summarised below:

1. Should the Memorandum include a general power to do any such thing as may be necessary for the business of the company.

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2. In the Articles, there were a number of square brackets that needed to be removed
3. Was a board of 18 too large?
4. Whilst there was provision at in Article 13 for the composition of the board, there were no provisions as to the composition of sub-committees. However, powers can be delegated to sub-committees under Article 22. Not only could significant powers be delegated to sub-committees that may not be "balanced", but Article 22 allowed for decisions by a single member sub-committee.
5. What safeguards are there to prevent the articles being altered without the consent of the Council?
6. What controls are there on the borrowing powers in clause 22?
7. That a report detailing proposed financial control and governance be presented to a future meeting.

**Alternative Options Considered:** None stated

**DECISION**

1. to approve to the Shadow Board members recruited to date.
2. to note the Enfield Homes Memorandum and Articles of Association.
3. to approve additional funding of £190,000 (upper limit) to cover the set-up costs for Enfield Homes between now and April 1<sup>st</sup> 2007, to be funded from Housing Revenue Account balances.
4. that a report on the revised Enfield Homes Memorandum and Articles of Association be presented to a future meeting of the Cabinet.

**Reason:** Not set out in the report.

**(Key Decision – reference numbers 2055 & 2056)**

**88**

**NOTES OF THE BEST VALUE CABINET SUB COMMITTEE - 5 SEPTEMBER 2006**

NOTED the minutes of the meeting of the Best Value Cabinet Sub Committee held on 5 September 2006.

**89**

**ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE/SCRUTINY PANELS**

There were no issues to consider from the Overview and Scrutiny Committee, however a reference from the Special Projects Scrutiny Panel on parking would be considered at the next meeting.

**90  
ITEMS TO BE REFERRED TO THE COUNCIL**

There were no items to refer to Council.

**91  
CABINET AGENDA PLANNING - FUTURE ITEMS**

NOTED the provisional list of items scheduled for future Cabinet meetings.

**92  
KEY DECISIONS FOR INCLUSION ON THE COUNCIL'S FORWARD PLAN**

NOTED that the next Forward Plan was due to be published on 17 October 2006, this would cover the period from 1 November 2006 to 28 February 2007.

**93  
MINUTES**

AGREED that the minutes of the previous meeting of the Cabinet held on 13 September 2006 be confirmed and signed by the Chairman as a correct record.

**94  
MATTERS ARISING**

There were no matters arising from the minutes.

**95  
ENFIELD STRATEGIC PARTNERSHIP FEEDBACK**

Councillor Jackson (Cabinet Member for Sustainable Communities and Employment) and Rob Leak reported on the recent away day which had been well attended and gave an opportunity to go through the Local Area Agreement in more detail.

**96  
NOTICE OF WORK IN PROGRESS**

**90.1 Alma School Community Play Space**

Councillor Vince advised that the Alma School Community School play space had recently opened. She congratulated the School on the project, which was the first of its kind in the country.

**90.2 Care Leavers**

Councillor Vince confirmed that 10 leavers from the Council's care were now going to university.

**90.3 Advertising Award**

Councillor Vince advised that the good work of a member of staff had recently been nominated for an award for an innovative advertising campaign.

**90.4 Attendance Statistics**

Councillor Vince advised that recent attendance figures were very good and had shown improvement on the previous period.

**90.5 Judicial Review**

Councillor Neville confirmed that the Council had been advised that the judicial review of the Mayor for London's decision over the Carterhatch Civic Amenity Site direction would be considered shortly.

**90.6 Work to LAA and Place Shaping Strategy**

Councillor Jackson reported that work was underway in drafting the Place Shaping Strategy.

**90.7 Extending the Powers of the Mayor for London**

Councillor Hurer updated on the work of the Didus Committee, which was arguing against any extension of the Mayor for London's statutory planning powers.

**90.8 Anti Social Behaviour Telephone Helpline**

Councillor Hurer confirmed that the Anti Social Behaviour helpline had now received 1000 call. A recent crime comparator survey also indicated a 6.7% reduction in crime over the last year.

**90.9 Budget Away-day**

Councillor Lavender confirmed that there would be an away day this Saturday to continue the work on reviewing the Council's budget for the next financial year.

**90.10 Ponders End Area Review**

Councillor Lavender reported that in association with the Ponders End Trust a leaflet had been produced for circulation to residents. This advised on the review and sought resident's views on a number of issues.

**90.11 Chase Farm Hospital Consultation Exercise**

Councillor Rye highlighted the leaflet for distribution to residents that had been produced by the Council with cross party support. This sought to retain the current level of service at Chase Farm Hospital. He did not believe the proposals of the Trust addressed the concerns of residents and the process had not been an honest one and had been designed to deliver a predetermined set of outcomes.

**90.12 North Circular Road – Empty Properties**

Councillor Rye reported that he was to meet officers from Transport for London to discuss the empty properties adjacent to the North Circular Road. He felt that this meeting presented an opportunity to make progress and reach a number rational decisions.

**90.13 Departure of Andrew Stapleton**

On behalf of the Members, Councillor Rye took the opportunity to thank Andrew Stapleton for his support to the Cabinet in recent years and wished him well in his new position.

**97**

**DATE OF NEXT MEETING**

The next meeting of the Cabinet is scheduled to take place on Wednesday 1 November 2006 at 8.00pm at the Civic Centre.

**98**

**EXCLUSION OF THE PRESS AND PUBLIC**

AGREED to passing a resolution under Section 100A(4) of the Local Government Act 1972 to excluded the press and public from the meeting for the item of business listed on part 2 of the agenda on the grounds that it involves the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

**99**

**FUNDING AND PROCUREMENT TO COMPLETE THE CHILDREN'S CENTRE AT GALLIARD PRIMARY SCHOOL**

Councillor Vince introduced the report of the Director of Education, Children's Services and Leisure (No.130) setting out the circumstances of a construction project at Galliard School, where the contractor appointed to build a children's centre has made unsatisfactory progress.

NOTED

1. that a further approval, by way of portfolio decision, will be sought to accept a negotiated tender with Lakehouse Contracts Ltd to complete the works.

2. The view of Cabinet Members that officers should review the management of this whole process and learn any lessons to prevent a reoccurrence in the future.

(This report contained exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Schedule 12A to the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) (Order 2006)).

**(Key Decision – reference number 2038)**

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