

DECISIONS OF THE CABINET RESOURCES COMMITTEE

24 MAY 2011

COMMITTEE:

*Councillor Daniel Thomas (Chairman)

Councillors

* Brian Coleman
* Andrew Harper
Robert Rams

* Richard Cornelius
* Sachin Rajput

*denotes Member present

1. **MINUTES:**

The minutes of the meeting held on 21 April 2011 were approved as a correct record.

2. **ABSENCE OF MEMBERS:**

Apologies for absence were received from Councillor Robert Rams.

3. **DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:**

None.

4. **PUBLIC QUESTIONS:**

The following questions were received from Ms Tirza Waisel on Agenda Item 12 relating to Adults In House Service Review: Initiation of Full Business Plan.

A. **At various points in the report you refer to the high standards of services delivered by LBB employees. You draw the conclusion that if these standards are to be maintained and not compromised, than the cost of services for the service users has to come down.**

At the same time you hope to secure LATC profits (i.e. generate income to the council) by providing services to self-funders and users from other boroughs in year 3-4 and on, for which, according to the report, you will maintain the same level of staffing or even increase it.

How do you hope to achieve this and reduce costs? Where will the savings/financial benefit for the council come from if you are to maintain the currently high quality of service?

Reply by the Chairman of the Cabinet Resources Committee

The Council is proud of the in-house services currently managed by the Council directly and from feedback received from service users and carers in the development of the business case evidencing that these services are well-regarded. It is both national and local policy that people with ongoing social care needs should have a personal budget

which they control and they are supported to manage this through a direct payment. The business case seeks to ensure that people with a personal budget and direct payments can continue to access these services in the future at a unit cost which provides value for money compared to other similar provision within Barnet where that exists. The achievement of this will enable these services to continue to develop and provide the high quality service that they currently do. If the unit costs are too high, then this could affect levels of demand where an alternative choice exists. To avoid losing income from personal budgets, opportunities have been sought to review and reduce fixed costs to provide "Better services with less money", as outlined in the Council's priorities in order to reduce unit costs. For example, Rosa Morrison and Flower Lane currently have a niche in the social care market in Barnet. There are opportunities to reduce unit costs through longer opening hours and therefore extending access to self funders and from people out of Borough to increase income and capacity to reduce the fixed cost overheads (operational management, facilities costs).

- B. The Council will own the LATC, will appoint the Board of Directors, and will continue to approve the Personal Budgets. Assuming people are assessed as still needing services of the kind provided by the LATC and wish to have their services provided by the LATC, what guarantees are there that the personal budgets issued will always be sufficient for service users to purchase the range, quantity and level of services that will enable them to maintain high quality of life and well-being on all aspects of needs, and to continue using the service in the same way they do now?**

Reply by the Chairman of the Cabinet Resources Committee

The statutory duties of the Authority remain unaltered. The Council will continue to ensure that the assessed eligible needs of services users are met and that the personal budget value reflects this.

- C. It is very difficult to see the difference that transferring services from in-house provision to LATC will make or the benefit to the council or to service users. What guarantees do we have that the LBB will be able to maintain control of the LATC holding company? How will you ensure it will not be sold on in the future to a private profit making company? How will you reassure Barnet residents that payments made to private companies for management of the LATC or for consultation fees will not result in a waste of public or self-funding service users' money?**

Reply by the Chairman of the Cabinet Resources Committee

The LATC will be wholly owned by the Council; therefore the governance arrangements will reflect this. There will be Council representation as the only shareholders on the board and governance arrangements to ensure that the LATC is still subject to Council transparency and scrutiny processes. The Council as commissioners will want to ensure in the future that the management arrangement for these services continues to deliver the quality, choice and value for money that service users, family carers and the Council seek and therefore like all arrangements no fixed guarantees can be made that this arrangement will not change in the future. However, it is worth noting that externalisation of these services by way of tender to a third party was considered during the options appraisal process and it was decided that the Council would go forward with a LATC to retain control and a focus on quality and outcomes whilst promoting the personalisation agenda.

- D. It is clear from your report that you haven't conducted yet a market research to support your claim that from year 3-4 Barnet LATC services will be sought by self-funders and service users of other boroughs. If this is indeed the case, what is the basis for this assumption that there will be a financial benefit to this exercise?**

Reply by the Chairman of the Cabinet Resources Committee

The services referred to already operate in the current market, therefore the preferences of service users are already known. The services are not currently marketed however; some of the services such as Rosa Morrison provide niche services which are highly sought after by neighbouring Boroughs with no such comparable provision. Upon the set up of the LATC , the trading company will be able to market and expand the capacity of these services in order to respond to levels of demand that have already been expressed to the service since these services were re-modelled through the New Choices programme in 2007/08. These known expressions of demand were used to underpin some of the assumptions set out in the business case.

- E. The proposal of creating a LATC under which different entities operate – Barnet Homes and Adults Social Care, involves some risk to Barnet Homes as pointed out in the report. Tenants may have been informed about the change, but what is the extent of the consultation being proposed for tenants and when will tenants be balloted?**

Reply by the Chairman of the Cabinet Resources Committee

Barnet Homes will continue to operate as a separate company and will make their own independent decisions on the business case through their Board.

- F. How many users of services involved in the LATC have expressed a wish to receive their personal budget as a direct Payment?**

Reply by the Chairman of the Cabinet Resources Committee

Adult Social Care Services in Barnet is in the process of ensuring all service users have a personal budget. Direct payments are sought after and have been increasing in number. Currently 18% of all eligible Learning Disability service users have a direct payment.

Ms Waisel asked supplementary questions on questions A – F, above.

The following question was received from Mr Julian Silverman on Agenda Item 12 relating to Adults In House Service Review: Initiation of Full Business Plan.

- G. The business case for establishing a LATC is full of phrases taken from the language of business and commerce. It speaks, for example, of a “more strategic and commercial approach” and at another point, of a “pseudo-commercial setting”[?]. It also expresses some enthusiasm for “trading activities”, “increased income generation”, “a surplus”, “additional income streams” and “competing in the open market”, “the free market” etc. It also refers to the people who elect the council as “customers” and tells us that “the LATC will be able to trade and generate income from persons in receipt of personal budgets”. While the references to “reduced employee costs” and “adjustments in staffing” indicate all too clearly how the council would like to make savings - and at whose expense - it is not clear at whose expense their profits are to be generated: is it going to be the sick, elderly and disabled or is it simply other councils?**

Reply by the Chairman of the Cabinet Resources Committee

The vast majority (92%) of Adult Social Care Services in Barnet funded by the Council are provided by third sector providers, for example voluntary agencies and private companies and through direct payments. Social care is therefore already provided within the context of a competitive commercial market place which has been developed by the Council since the implementation of The NHS and Community Care Act 1990. The establishment of the Local Authority Trading Company owned by the Council will result in the remaining in-house services being able to trade, innovate and expand within this market place. Without changes, the personalisation agenda for social care could result in these well-regarded services not being able to operate within this changing market place as providers need to ensure that they can attract people with personal budgets to their services. The LATC will have opportunities to increase clientele by meeting demand for those who do not qualify for Council funded support and neighbouring Local Authorities. Profits will be achieved through reducing fixed costs to provide "Better services with less money", as outlined in the priorities of the Council.

Mr Silverman asked a supplementary question on question G, above.

5. CONTRACT PROCUREMENT PLAN (Report of the Cabinet Member for Resources and Performance – Agenda Item 5):

For the reasons set out in the Cabinet Members' report, the Committee
RESOLVED –

- (1) That approval be given for Officers to proceed with the procurement activity for the 2011/12 financial year as set out in the Appendix to the report, subject to budget availability and in consultation with Cabinet Members.

6. ESTATES STRATEGY (Report of the Cabinet Member for Resources and Performance – Agenda Item 6):

For the reasons set out in the Cabinet Members' report, the Committee
RESOLVED –

- (1) That the Cabinet Resources Committee approve the Estates Strategy 2011-2015 (as set out in Appendix 1 to the report) and corresponding action plan (as set out in Appendix 2 to the report).

7. 231A COLNEY HATCH LANE AND ADJOINING LAND, FRIERN BARNET (Report of the Cabinet Member for Resources and Performance – Agenda Item 7):

For the reasons set out in the Cabinet Member's report, the Committee
RESOLVED –

- (1) That the terms provisionally agreed with Southgate and Finchley Coaches Ltd for the sale of the Council's freehold interest in their leased site and an area of adjoining land be accepted on the terms set out in the exempt report.

8. WEST HENDON REGENERATION – LEASE FOR LOWER LEVEL CARPARK, TYRELL WAY (Report of the Cabinet Member for Resources and Performance – Agenda Item 8):

For the reasons set out in the Cabinet Member's report, the Committee
RESOLVED –

- (1) That the lease of the Lower Level Car Park at Tyrell Way, West Hendon be granted to Barratt Metropolitan LLP on the terms detailed in the report.

- 9. WEST HENDON REGENERATION – RELEASE OF RESTRICTIVE COVENANTS WITHIN PHASE 2A (Report of the Cabinet Member for Resources and Performance – Agenda Item 9):**
For the reasons set out in the Cabinet Member’s report, the Committee RESOLVED –
- (1) That the lease of the Lower Level Car Park at Tyrell Way, West Hendon be granted to Barratt Metropolitan LLP on the terms detailed in the report.
- 10. CHILDREN AND YOUNG PEOPLE SHORT BREAKS (Report of the Cabinet Member for Education, Children and Families – Agenda Item 10):**
For the reasons set out in the Cabinet Member’s report, the Committee RESOLVED –
- (1) That permission is given for Officers to tender for Short Break provision for disabled children and young people for the period January 2012 to the end of March 2013 with the option to extend contracts by a further year, subject to funding being available and providers meeting performance requirements.
 - (2) That the requirements of paragraph 5.6.1 and 5.6.2 of the Council’s Contract Procedure Rules be waived to allow the extension and variation of existing contracts for short break providers until 30 December 2011.
 - (3) Officers are delegated authority to make minor amendments to the proposed allocation of funds that increase efficiency and improve service delivery.
- 11. STONEGROVE AND SPUR ROAD ESTATES REGENERATION (Report of the Cabinet Member for Housing, Planning and Regeneration – Agenda Item 11):**
For the reasons set out in the Cabinet Member’s report, the Committee RESOLVED –
- (1) That the Cabinet Resources Committee note the financial position of the Stonegrove and Spur Road Estate Regeneration (SGSR) programme as outlined in this report.
 - (2) That Officers are authorised to negotiate changes to the Principal Development Agreement enabling the Council to comply with the Homes and Communities Agency (HCA) funding conditions (as set out in this report and the exempt report).
 - (3) That the deferral of a £5m capital receipt (as set out in paragraph 6.12) and other proposed changes to the Principal Development Agreement as set out in this and exempt report, be approved subject to the Council’s legal advisers, Nabarro LLP, being satisfied that the final form of the legal documents reflects the revised terms.
 - (4) That approval be given to the making of a discretionary payments in lieu of Home Loss and Disturbance payments being made to the secure tenants from the existing rented accommodation on the Stonegrove and Spur Road housing estates when they either move into new rented units in phase 2 (Sterling Green) of the development or voluntarily move off the estate.
- 12. ADULTS IN-HOUSE SERVICE REVIEW: INITIATION OF FULL BUSINESS PLAN (Report of the Cabinet Member for Adults and the Cabinet Member for Customer Access and Partnerships - Agenda Item 12):**
For the reasons set out in the Cabinet Member’s report, and in having given due regard to the statutory Public Sector Equality Duty and the outcomes of equality impact assessments referred to within the report, the Committee

RESOLVED –

(1) That the Cabinet Resources Committee approves the Adults In House Services Business Case, in order that the Council can:

- o Appoint a LATC shadow board to begin contract negotiation between the Council and LATC
- o Set up a holding company in the form of Local Authority Trading Company (LATC), of which Barnet Homes would be a subsidiary
- o Set up a subsidiary LATC for the management of those Adults Social Services currently provided in-house
- o Transfer the adult social care service provision as set out in paragraph 6.2 from the management of the Council to the LATC following approval of the business plan

13. MOTION TO EXCLUDE THE PRESS AND PUBLIC:

RESOLVED – That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of Part 1 of Schedule 12A of the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006):

**Agenda Subject
Item**

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| X1 | Exempt information relating to item 7 in public session – 231A Colney Hatch Lane and adjoining land, Friern Barnet |
| X2 | Exempt information relating to item 11 in public session – Stonegrove & Spur Road Regeneration Estates |
| X3 | Exempt information relating to item 12 in public session – Adults In-House Service Review: Initiation of Full Business Plan |

14. EXEMPT INFORMATION RELATING TO ITEM 7 IN PUBLIC SESSION – 231A COLNEY HATCH LANE AND ADJOINING LAND, FRIERN BARNET (Report of the Cabinet Member for Resources and Performance – Agenda Item X1):

RESOLVED – That the exempt information be noted.

15. EXEMPT INFORMATION RELATING TO ITEM 11 IN PUBLIC SESSION – STONEGROVE AND SPUR ROAD ESTATES REGENERATION (Report of the Cabinet Member for Housing, Planning and Regeneration – Agenda Item X2):

RESOLVED – That the exempt information be noted.

16. EXEMPT INFORMATION RELATING TO ITEM 12 IN PUBLIC SESSION – ADULTS IN-HOUSE SERVICE REVIEW: INITIATION OF FULL BUSINESS PLAN (Report of the Cabinet Member for Adults and the Cabinet Member for Customer Access and Partnerships – Agenda Item X3):

RESOLVED – That the exempt information be noted.

The meeting finished at 7.37pm.