

THE CABINET

Tuesday, 14 June 2011
(5:00 - 5:25 pm)

Present: Councillor L A Smith (Chair), Councillor R Gill (Deputy Chair), Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor G M Vincent, Councillor P T Waker and Councillor J R White

Also Present: Councillor N S S Gill

Apologies: Councillor L A Reason

1. Declaration of Members' Interests

Councillor Smith advised that, as Chair of the Dagenham Park Church of England School Governing Body, he had declared a prejudicial interest in relation to the item "Urgent Action – Dagenham Park Church of England School: BSF Contract Variation and Funding Support" at the time that the Chief Executive had dealt with the matter, and had taken no part in the decision-making process. At the point of the meeting that this matter was considered, Councillor Smith handed over to the Deputy Chair.

2. Minutes (10 May 2011)

The minutes of the Cabinet meeting on 10 May 2011 were confirmed as correct.

3. Council's Revenue and Capital Outturn 2010/11

Further to Minute 132 of the last meeting, the Cabinet Member for Finance, Revenues and Benefits presented a report on the Council's revenue outturn position for 2010/11, which are subject to final accounting entries prior to approval of the Statement of Accounts for 2010/11 by the Public Accounts and Audit Select Committee at its meeting on 29 June 2011.

The General Fund showed a net underspend of £2.8m against the revenue budget of £154.8m (2%), which improved the year-end balance position to £10.8m. This represented a significant improvement in the Council's financial position over the course of the year and exceeded the £10m target set by the Corporate Director of Finance and Resources at the beginning of the year.

The ring-fenced Housing Revenue Account (HRA) generated a surplus of £1m, enabling the HRA balance to be increased to £4.4m at 31 March 2011, and capital expenditure was £106.1m against the revised budget of £115.6m.

The Cabinet Member also advised on a number of proposed adjustments to revenue and capital budgets and, in response to an enquiry, confirmed that while the year-end underspend position enabled the Council to strengthen its reserves the on-going financial pressures and the package of savings identified to meet those pressures would continue.

Cabinet agreed:-

- (i) To note the outturn and balances position of the Council's General Fund revenue budgets for 2010/11 as detailed in the report;
- (ii) The transfer of reserves of £2.776m to General Fund balances;
- (iii) Final in-year budget adjustments as set out below:
 - a) Provision for redundancy costs arising from the Council's voluntary severance scheme (not covered by the capitalisation order agreed with DCLG) - £1.38m
 - b) Contingency to reflect the increasing true risk of bad debt and write-offs across the Council's services arising from re-adjustment of historic budgets, changes to Housing Benefits, Universal Credit and the continuing, poor economic climate - £1.672m
 - c) Contingency to support the delivery of the Council's budget through the high level of savings risks included as a result of the reduction in government funding - £1m
 - d) Contingency to meet transition costs arising from the creation of the Elevate joint venture in December 2010 - £0.803m
 - e) Increase in the insurance provision to reflect the rising level of claims made in 2010/11 - £0.5m
 - f) Support provided to Customer Services in respect of historic Revenues and Benefits budget issues (the nature of which are the subject of a separate Cabinet report) - £1.405m
 - g) Roll forward of a contingency budget in respect of joint venture costs - £1.75m
 - h) Roll forward of regeneration budgets in Resources and Finance - £0.48m
 - i) Roll forward of Children's Services budgets (including Adult college, music services and Butler Court) - £1.048m
- (iv) To note the outturn and balances position of the Housing Revenue Account as detailed in paragraph 4 of the report;
- (v) To note the outturn position for the 2010/11 Financial Health Indicators as set out in Appendix B to the report;
- (vi) To note the outturn position of the Council's Capital Programme as set out in paragraph 6 of the report;
- (vii) The capital budget adjustments and funding from borrowings totalling £4.4m as detailed in paragraph 6.7 of the report;
- (viii) The carry forward of items from the 2010/11 Capital Programme into the 2011/12 and future years' Capital Programme as set out in Appendix D to the report, subject to a final review by the Corporate Director of Finance and Commercial Services;
- (ix) The roll back of 2011/12 funding to meet 2010/11 Capital Programme costs incurred ahead of schedule as set out in Appendix E to the report;

- (x) The appropriate re-phasing of 2010/11 - 2012/13 capital budgets where expenditure is out of line with actual expenditure; and
- (xi) To note the outturn position for the 2010/11 Prudential Indicators as set out in Appendix F to the report.

4. Housing Capital Investment Programme and Housing Asset Management Strategy

The Cabinet Member for Housing presented a report on the proposed Housing Capital Investment Programme for 2011/12 and the longer-term proposals for investment in Council housing stock which are to be contained in the Housing Asset Management Strategy, due to be presented to Cabinet later this year.

The investment programme for 2011/12 proposed expenditure of £13.498m on a range of projects and officers clarified particular issues raised in respect of the high rise surveys project and remedial works to Oldmead and Bartlett Houses to resolve a problem with low water pressure. The Divisional Director of Assets and Commercial Services confirmed that all projects within the programme would undergo value for money assessments prior to any works being carried out.

The Leader remarked on the reference in the report by the Corporate Director of Finance and Resources to a shortfall of £1m in the funding of the programme and reminded officers that reports should not come before Cabinet with unresolved financial issues. The Corporate Director of Customer Services acknowledged the Leader's point and confirmed that the funding issue had been resolved, with the sum being met from the Leaseholder Reserve fund.

The Cabinet Member referred to the four main threads within the longer term Housing Asset Management Strategy, namely the Decent Homes investment programme, the Estate Renewal programme, the New Build programme and the accessing of additional sources of investment / funding. He also spoke on the benefits that the new national Housing Revenue Account (HRA) self-financing system would bring to the Council and its tenants when it is introduced in April 2012, adding that the £20m+ per annum that this Council had been required to pay to Central Government under the Housing Subsidy system would now be able to be directed to improving and enhancing the Council's housing stock.

Cabinet agreed:-

- (i) The prioritised housing investment programme of works for 2011/12 as set out in Appendix 1 to the report;
- (ii) To delegate authority to the Corporate Director of Customer Services, in consultation with the Cabinet Member for Housing and the Divisional Director of Legal and Democratic Services, to agree in accordance with the Council's CPMO gateway programme the procurement strategies, terms and conditions and award of contracts for the schemes set out in Appendix 1; and
- (iii) That all Councillors be advised of the details of each of the projects listed in Appendix 1 prior to works commencing.

5. Carers Strategy 2011 -15

Cabinet received a report from the Cabinet Member for Health and Adult Services on the inaugural Barking and Dagenham Carers Strategy for the period 2011 to 2015 and proposals for the future provision of the Carers Support Service, the current contract for which expires in March 2012.

The Divisional Director of Adult Commissioning advised that the aims of the "Caring for Carers in Barking and Dagenham" strategy were to bring together the key services for carers and emphasise the borough's continuing commitment to supporting carers. The Divisional Director highlighted the key priorities for improvement, shared with the national strategy, of 'Identification and recognition', 'Realising and releasing potential', 'A life outside caring' and 'Supporting carers to stay healthy' and, in response to a point raised, undertook to provide Cabinet Members with details of the information that the Council holds on the number of adults who live with their children as part of their care.

Cabinet **agreed**:-

- (i) The Barking and Dagenham Carers Strategy 2011-15 and associated action plan, as contained in the appendices to the report;
- (ii) The proposals for the review and re-tendering of the current Carers service, to link to the aims and outcomes of the Strategy; and
- (iii) To authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources and the Divisional Director of Legal and Democratic Services, to award the contract to the successful contractor on completion of the procurement process.

6. Charging for Credit Card Use

This report was deferred pending further consideration of the proposals.

7. Approval of Second Local implementation Plan

Further to Minute 63 (23 November 2010), the Cabinet Member for Environment presented a report on the Second Local Implementation Plan (LIP2) setting out the Council's transport strategy for 2011/12 to 2013/14.

The draft LIP2 had been the subject of extensive consultation and while the fundamental principles of the LIP2 were unaffected several amendments had been put forward, the main aspects being a new indicator to monitor bus journey time, reference to the importance of River Roding Bridge for the Barking to Royal Docks Bus Corridor scheme and added emphasis given to residential 20 mph zones.

In respect of bus services, the Cabinet Member for Environment advised that he had recently attended a meeting with Transport for London (TfL) where the provision of additional bus services in the borough has been raised and while TfL had acknowledged that there was a need to increase capacity it was unable to give any firm commitments. Officers confirmed that the former University of East London site development included a Section 106 funding agreement towards an enhanced No. 5 bus service, and it was suggested that the No. 238 route should

also be taken into account.

Cabinet agreed to **recommend the Assembly** to approve the updated Second Local Implementation Plan (LIP2) for submission to TfL.

8. Tendering of the Marketing Design Contract

The Leader presented a report on proposals to procure a new framework agreement to provide marketing design services, which followed a restructuring of the Council's Marketing and Communications team and the creation of an in-house designer post.

Cabinet **agreed:-**

- (i) The procurement of a Framework Agreement for the supply of design services as set out in the report; and
- (ii) To authorise the Chief Executive, in consultation with the Corporate Director for Finance and Resources, to award the contract upon conclusion of the procurement process.

9. Urgent Action - Dagenham Park Church of England School: BSF Contract Variation and Funding Support

Further to Minute 44 (28 September 2010), Cabinet received and noted a report from the Chief Executive on the action taken on 31 May 2011 under the Urgent Action provisions of paragraph 17 of Article 1, Part B of the Council's Constitution, in approving the following:

- (i) A loan of £650,000 to Dagenham Park Church of England School to support the proposed changes to the Building Schools for the Future (BSF) Private Finance Initiative (PFI) scheme to provide much needed additional learning space within the school, as detailed in the private and confidential appendices to the report;
- (ii) That the loan be repaid by the School over three years, as set out in Option 3 of the report; and
- (iii) That instructions be given to the BSF Local Education Partnership (LEP) for a variation of the works to Dagenham Park Church of England School as specified within the PFI contract.

10. Private Business

Agreed to exclude the public and press for the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

11. Review and Commissioning Plan for Young Single Homelessness Supported Accommodation

Cabinet received a report from the Cabinet Member for Health and Adult Services

on the outcome of a review of the three existing contracts for the provision of supported accommodation services to vulnerable young people, families and mothers and babies.

The Divisional Director of Adult Commissioning advised that the review had identified a number of benefits that could be achieved through the redesign of the services and the letting of new contracts, and the report included details of the procurement proposals. The Divisional Director placed on record her thanks to the Cabinet Members for Health and Adult Services and Children and Education for their contributions to the review exercise and the development of the way forward.

Cabinet **agreed**:-

- (i) The remodelling of existing supported accommodation services;
- (ii) The procurement of supported accommodation services as detailed in the report; and
- (iii) To authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources and the Divisional Director of Legal and Democratic Services, to award the contracts to the successful contractors on completion of the procurement process.