

CABINET

Tuesday, 12 February 2013
(5:00 - 5:35 pm)

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

Also Present: Councillor J E McDermott

Apologies: Councillor J L Alexander and Councillor M M Worby

89. Declaration of Members' Interests

Councillor R Gill declared a non-pecuniary interest in relation to item 12 (Proposed Expansion of Schools from September 2013) as he was a Council-appointed Governor of Manor Infant School.

90. Minutes (22 January 2013)

The minutes of the meeting held on 22 January 2013 were confirmed as correct.

91. Pay Policy Statement 2013/14

The Cabinet Member for Adult Services and Human Resources presented the draft Pay Policy Statement for the Council for 2013/14, setting out the Council's key statements of its pay policy as required under the Localism Act 2011.

As well as covering areas such as the level and elements of remuneration for each chief officer, the policy also dealt with the subject of "fairness", which examined the relationship between the remuneration of chief officers and the lowest paid employees within the Council. Linked to that issue, the Cabinet Member reported on a proposal for the Council to set a minimum pay rate equivalent to £9 per hour for all Council employees (excluding those on apprenticeship schemes) and agency staff working on Council assignments.

The Cabinet Member explained that, as a major employer within the Borough, the measure would support the Council's ambition to raise average household incomes and represented an important statement in terms of pay fairness. The new minimum rate would exceed the London Living Wage level, set at £8.55 per hour from 1 November 2012, and would cost the Council approximately £314,000 to implement but the Cabinet Member suggested that the wider economic and social benefits associated with increasing rates at the bottom of the Council's pay scales was believed to outweigh the cost.

Cabinet agreed:

- (i) That all permanent Council staff and agency staff working on Council assignments be paid the equivalent of at least £9 per hour with effect from 1 January 2013; and
- (ii) **To recommend the Assembly** to approve the Pay Policy Statement for the

London Borough of Barking and Dagenham for 2013/14, for publication with effect from 1 April 2013, as attached at Appendix A to the report.

92. Budget Monitoring 2012/13 - April to December 2012

The Cabinet Member for Finance presented a report on the Council's revenue and capital budget position for the 2012/13 financial year as at 31 December 2012.

The General Fund position had continued to improve and was now projected to achieve an end of year under spend of £1.7m, which would result in the General Fund balance increasing to £16m. The Cabinet Member advised that while that represented a significant improvement on the Council's reserve position of only a couple of years ago it was important to maintain such a level in view of the uncertain future for local authority finances, particularly in view of the risks associated with the Government's benefit reforms.

The Housing Revenue Account (HRA) showed an improvement on the previous month's position, with a projected year-end surplus of £200,000, although it was noted that there continued to be a number of pressure areas within the overall budget.

The Cabinet Member further advised that the Capital Programme forecast reflected further slippage on the position reported at the last meeting, with a projected variance of £48.7m against the total budget of £148.274m.

Cabinet **agreed**:

- (i) To note the projected outturn position for 2012/13 of the Council's revenue budget at 31 December 2012, as detailed in paragraphs 2.3 to 2.11 and Appendix A of the report;
- (ii) To note the progress against the 2012/13 savings targets at 31 December 2012, as detailed in paragraph 2.12 and Appendix B of the report;
- (iii) To note the position for the HRA at 31 December 2012, as detailed in paragraph 2.13 and Appendix C of the report; and
- (iv) To note the projected outturn position for 2012/13 of the Council's capital budget at 31 December 2012, as detailed in paragraph 2.14 and Appendices D and E of the report.

93. Budget Framework 2013/14

(The Chair agreed to allow a supplementary report to be considered at the meeting as a matter of urgency, under the provisions of Section 100B(4)(b) of the Local Government Act 1972, which gave an update on the implications for the Council of the final Local Government Finance Settlement announced on 4 February 2013.)

The Cabinet Member for Finance introduced the Council's proposed budget framework for 2013/14 which incorporated the following:

- The Medium Term Financial Strategy (MTFS) for 2013/14 to 2014/15
- The proposed General Fund budget for 2013/14

- The proposed level of Council Tax for 2013/14
- The financial outlook for 2014/15 onwards
- The draft Capital Programme for 2012/13 to 2015/16

The Cabinet Member advised that the proposed General Fund net budget for 2013/14 was £173.4m, compared to a revised net budget for 2012/13 of £177.4m. The revised sum of £173.4m reflected the savings proposals that had been agreed by the Cabinet at the meeting on 19 December 2012 (Minute 64) and also the updated position, as contained in the report that was tabled at the meeting, in respect of the New Homes Bonus grant allocation which had not been fully reflected in the provisional Local Government Finance Settlement on which the original report had been based.

The Cabinet Member commented that difficult decisions had again had to be made by Members to ensure that the Council maintained a robust and balanced budget going forward which protected front line services as far as possible and provided value for money to residents. The approach taken had also meant that it was possible for the Council to keep its Council Tax at the same level for the fifth consecutive year while, at the same time, implementing new initiatives such as the new minimum pay rate referred to earlier in the meeting.

The Cabinet Member advised that the proposed Capital Programme of £426m reflected a revised projected spend in 2012/13 of £111m and new investment of £315m for the following three years, reflecting the Council's commitment to major programmes such as the expansion of school place provision and the provision of new social housing within the Borough.

Cabinet agreed to recommend the Assembly:

- (i) To approve a base revenue budget for 2013/14 of £173.4m as detailed in the revised Appendix A tabled at the meeting;
- (ii) To approve the adjusted Medium Term Financial Strategy (MTFS) position for 2012/13 to 2014/15 allowing for other known pressures and risks, as detailed in the revised Appendix B tabled at the meeting;
- (iii) To approve the Statutory Budget Determination for 2013/14 as set out in the revised Appendix C tabled at the meeting, reflecting a freeze on the amount of Council Tax levied by the Council, plus the final precept to be announced by the Greater London Assembly on 25 February 2013 (1.2% reduction currently assumed), as detailed in the revised Appendix D tabled at the meeting; and
- (iv) To approve the Council's Capital Programme for 2012/13 - 2015/16 as detailed in Appendix E (unamended) to the report.

94. Housing Revenue Account Estimates and Review of Rents and other Charges 2013/14

The Cabinet Member for Housing presented a report on the Housing Revenue Account (HRA) estimates, rents and other related charges for 2013/14.

The Cabinet Member advised that the proposals were underpinned by the

investment and service delivery objectives set out in the HRA Business Plan and included planned reductions in expenditure to enable the setting of a balanced revenue budget and maintaining of prudent reserves. The Cabinet Member explained that while the proposed increase to rent levels was based on Government's formula rent level policy and was largely influenced by the rate of inflation, the overall package of measures would enable the Council to continue to provide value for money services to its residents. In that respect, the Cabinet Member pointed out that those tenants currently paying service charges in addition to their rent would have an average total increase equal to 3.15% (3.7% in 2012/13), which compared favourably to most other local authorities.

The Cabinet Member confirmed that the budget proposals took into account the likely detrimental impact of the Government's welfare reforms on local residents and referred to the longer-term initiatives which would be supported via the HRA, including maintaining the Council's position as the leading provider of new-build, affordable housing in the country.

Cabinet agreed:

- (i) The HRA estimates for 2013/14 as detailed in Appendix 6 to the report;
- (ii) An overall average Council dwelling rent increase of 4.96% in accordance with the Central Government formula, equivalent to £4.21 per week and comprising the following:
 - New build and acquired Council homes - rents set at 50% or 65% of the Local Housing Allowance for the Borough.
 - Other houses - 5.46% average increase.
 - Other flats - 4.36% average increase.
- (iii) A decrease to tenant service charges of 2.38% (£0.66 per week);
- (iv) An increase to communal heating and hot water charges of 7% (£0.97 per week);
- (v) No increase to the garage rent levels set by Cabinet under Minute 4 (22 May 2012);
- (vi) That rents for commercial properties increase in line with lease agreements; and
- (vii) The above changes taking effect from 1 April 2013.

95. Fees and Charges 2013/14

(The Chair agreed that the report be considered at the meeting as a matter of urgency, under the provisions of Section 100B(4)(b) of the Local Government Act 1972, in order to enable new fees and charges to be implemented with effect from 1 April 2013.)

The Cabinet Member for Finance presented a report on the proposed fees and charges for Council services, to come into effect from 1 April 2013.

The Cabinet Member confirmed that fees and charges were set to increase by an average of 3%, in line with inflation, and had been developed within the framework of the Council's Charging Policy and in the context of the Council's budget framework for 2013/14. The Cabinet Member also referred to the need for some flexibility to be built in to the annual process to enable fees and charges to be reviewed and, if necessary, adjusted during the course of the year to respond to changes in demand and other social and economic factors.

Cabinet **agreed**:

- (i) The proposed fees and charges as set out in at Appendix A to the report, to be effective from 1 April 2013;
- (ii) To note the fees and charges no longer applicable from 31 March 2013, as set out in Appendix B to the report;
- (iii) To authorise the Corporate Director of Children's Services, in consultation with the Chief Financial Officer and the Cabinet Members for Finance and Children's Services, to set the fees and charges which are applied from September for school and academic year based activities; and
- (iv) To authorise Chief Officers, in consultation with the Chief Financial Officer and the relevant Cabinet Member, to amend fees and charges relating to their service responsibilities during the course of the financial year, and to advise the Cabinet of any such amendments.

96. Treasury Management Strategy Statement 2013/14

The Cabinet Member for Finance presented the Council's draft Treasury Management Strategy Statement (TMSS) for 2013/14.

The Cabinet Member advised that the overall TMSS included details of the proposed borrowing limit for the year and a range of other aspects aimed at ensuring that the Council had prudent and robust arrangements in place to meet all of its financial commitments and responsibilities, in line with the requirements of Section 15(1) of the Local Government Act 2003.

Cabinet **agreed to recommend the Assembly** to approve the Treasury Management Strategy Statement for 2013/14 attached at Appendix 1 to the report, and in doing so:

- (i) The current treasury position for 2012/13 and prospects for interest rates, as referred to in sections 6 and 7 of Appendix 1;
- (ii) The revised Authorised Borrowing Limit (General Fund and HRA) of £502m for 2012/13, which includes an estimated £15m borrowing to finance the 2012/13 Capital Programme;
- (iii) The Council's Borrowing Strategy, Debt Rescheduling Strategy and Policy on borrowing in advance of need for 2013/14, including the effects on treasury management of Housing Revenue Account reform, as referred to in sections 9 - 12 of Appendix 1;

- (iv) The Minimum Revenue Policy Statement for 2013/14 setting out the Council's policy on repayment of debt as set out in Appendix 1C;
- (v) The Authorised Borrowing Limit (General Fund and HRA) of £499m for 2013/14, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as set out in Appendix 1B;
- (vi) The Treasury Management Indicators and Prudential Indicators for 2013/14, as set out in Appendix 1B; and
- (vii) The Annual Investment Strategy and Creditworthiness Policy for 2013/14 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 1D.

97. Alcohol Strategy and Delivery Plan 2013-16

The Divisional Director of Community Safety and Public Protection presented the final draft Alcohol Strategy and Delivery Plan for 2013-16 developed by the Barking and Dagenham Community Safety Partnership (CSP).

The Divisional Director provided some statistical data which exemplified the scope of alcohol-related issues within the Borough and explained that the overarching aim of the strategy was to achieve a reduction in alcohol-related harm. To achieve that main aim, the CSP had identified a number of key objectives which were:

- a reduction in the number of hospital admissions for alcohol-related illness for adults and young people;
- a reduction in alcohol-related offending and re-offending, including anti-social behaviour;
- better support to parents, to enable them to talk to their children about alcohol-related issues;
- a reduction in domestic and violent crimes;
- a reduction in child neglect and emotional abuse as a result of alcohol misuse; and
- an increase in the availability of targeted information for all.

The Divisional Director advised that the strategy also contained robust proposals for enforcement, to make those responsible for crime and anti-social behaviour accountable for their actions, as well as measures to support those who are victims of alcohol-related crime and disorder.

Cabinet **agreed** to endorse the Barking and Dagenham Community Safety Partnership's Alcohol Strategy and Delivery Plan 2013-16, as attached at Appendix 1 to the report, for implementation by the Community Safety Partnership.

98. Riverside Secondary School: Temporary and Permanent School Sites

The Cabinet Member for Children's Services presented a report on proposals associated with the establishment of temporary and permanent sites for the Riverside Secondary School, which currently shares premises with George Carey Church of England Primary School.

The Cabinet Member explained that Riverside Secondary School required new premises from September 2013 but that construction works on the intended permanent site at the District Centre of Barking Riverside could not commence until August 2013, meaning that the new school buildings would be unlikely to be ready for use until September 2015. The former City Farm site in Thames Road had been identified as a suitable site for the temporary school and an assessment of demand for school places in the area had suggested that it would be prudent to build a primary school for temporary use by Riverside Secondary School.

The proposers of the Riverside Secondary School, the Barking and Dagenham Learning Partnership, have indicated that they would wish the Council to manage the building project and the Cabinet Member referred to the contractual and financial arrangements that were associated with the overall project.

Cabinet agreed:

- (i) The allocation earmarked in the Capital Programme of £3m for temporary accommodation for the Riverside Secondary School be used to construct primary school facilities at the former City Farm site, to be used temporarily (until the completion of the permanent site) by the Riverside Secondary School;
- (ii) A virement of the capital sum of £1.4m from the project originally intended to support basic need in Dagenham Village to the proposed primary school on the City Farm site;
- (iii) To include the capital sum of £25.09m (inclusive of ICT and fixtures and fittings) allocated by the Education Funding Agency for the construction of permanent school facilities for the Riverside School in the Council's Capital Programme, subject to a formal agreements between the Education Funding Agency and Proposer and the Proposer and the Council;
- (iv) To commission the Thames Partnership for Learning Limited (the Council's Local Education Partnership (LEP)) to undertake preliminary technical work on the Temporary Site for the Riverside School and, subject to the Chief Financial Officer confirming pricing and value for money tests, to carry out the work;
- (v) To commission, subject to (iii) above, the Local Education Partnership (LEP) to carry out the technical work for the Permanent Site and, subject to the Chief Financial Officer confirming pricing and value for money tests, to carry out the work;
- (vi) The freehold transfer of the City Farm site from Barking Riverside Limited to the Council on the terms set out in the report;
- (vii) The leasehold transfer of the District Centre site via a 999 year lease from Barking Riverside Limited to the Council on the terms set out in the report;
- (viii) To authorise the Corporate Director of Children's Services, in consultation with the Head of Legal and Democratic Services, to agree all necessary legal agreements to achieve the freehold transfer of the City Farm site,

proposed leasing arrangements for the City Farm and District Centre sites and suite of construction documents required by Education Funding Agency, including the Development Agreements and Design and Build contract;

- (ix) The conversion of the temporary school site at City Farm to a permanent primary school site following construction of the permanent school at the District Centre site; and
- (x) Authorised the Corporate Director of Children's Services, in consultation with the Chief Financial Officer, the Head of Legal and Democratic Services and the Cabinet Members for Children's Services, Finance and Regeneration, to procure and award the project contracts in respect of the construction of the new schools at the City Farm and District Centre sites, on the terms set out in the report.

99. Proposed Expansion of Schools from September 2013

Further to Minutes 109 (14 February 2012) and 5 (22 May 2012), the Cabinet Member for Children's Services presented a report on the proposed expansion of a number of primary schools to help meet the projected growth in demand for school places in the Borough

Cabinet **agreed** the formal expansion of schools as follows:

- (i) Sydney Russell Comprehensive School - From 10 to 12 forms of entry from 1 September 2013;
- (ii) Manor Infant School (Sandringham Rd) - From four to five forms of entry from 1 September 2013;
- (iii) Manor Junior School (Sandringham Rd) - From four to five forms of entry from 1 September 2016;
- (iv) Roding Primary School (Cannington Rd) - From three to four forms of entry from 1 September 2013; and
- (v) Richard Alibon Primary School - From two to three forms of entry from 1 September 2013.

100. Collective Fuel Switching Scheme

The Cabinet Member for Housing presented a report on an initiative aimed at helping Borough residents, and those in Thurrock, to reduce their fuel bills via a collective fuel switching project with the international switching broker, iChoosr.

The Cabinet Member explained that the two Councils would encourage their residents to register a 'no obligations', on-line interest during a two month period after which iChoosr, acting as the communications intermediary, would facilitate a one day e-auction whereby energy suppliers would be able to out-bid a rival and the lowest offer on the table would then be put to consumers as a one-year dual fuel contract.

The Cabinet Member advised that the scheme was expected to offer participants an annual fuel bill saving of up to £200 and would compliment other energy saving initiatives such as the Council's extensive home insulation programme.

The Leader confirmed that he would join the Cabinet Member and Council officers at a number of promotional events across the Borough as part of the Council's advertising campaign for the project.

Cabinet **agreed** that the Council, in partnership with Thurrock Council, enters into an agreement with the international switching broker iChoosr for the introduction of a collective fuel switching pilot for the benefit of residents in Barking and Dagenham and Thurrock, on the terms detailed in the report.

101. Private Business

Cabinet **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 paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

102. Eyesore Sites - Housing Opportunities

The Cabinet Member for Housing presented a report on proposals to acquire three privately owned sites in the Borough for the delivery of new Council homes.

The Cabinet Member explained that a review had been undertaken of a number of long-term vacant, privately owned sites that had a negative environmental and visual impact on their surrounding neighbourhoods. An assessment of the options had resulted in three sites (site references 1, 2 and 3) being proposed for progression at the current point in time, which would deliver approximately 31 new homes. The Cabinet Member referred to the current planning position and financial and property issues associated with the three sites, as well as the additional sites referred to in the report which had been identified for potential acquisition and development by the Council in the future. The Cabinet Member for Finance referred to the potential acquisition costs of site 3, which had recently been the subject of an approved planning permission by a private developer.

In respect of a site in Eastbury ward not referred to in the report, the Divisional Director of Regeneration provided an update on the ownership and planning position of that site and confirmed that officers would review its suitability for inclusion in future phases of the programme.

Cabinet **agreed**:

- (i) That the Council enter into negotiations with the landowners for the acquisition of the three sites listed as sites 1, 2 and 3 in Appendix 1 to the report, for redevelopment for housing (Use Class C3);
- (ii) To authorise the use by the Council of its compulsory purchase powers pursuant to section 17 of the Housing Act 1985, in the event that they were necessary to acquire any or all of the sites listed in Appendix 1; and
- (iii) To delegate authority to the Chief Executive, in consultation with the

Corporate Director of Housing and Environment, the Head of Legal and Democratic Services and the Cabinet Member for Housing, to agree terms and a detailed financial cost plan and procure the necessary design, consultancy and related services and works necessary to realise the developments in the manner proposed in the report, and to award and enter into all necessary and appropriate contracts and documentation to realise each scheme.

103. Mark's Gate 'Open Gateway' Regeneration Scheme - Update

Further to Minute 10 (22 May 2012), the Cabinet Member for Regeneration introduced a report which set out revised proposals for the regeneration of the Marks Gate 'Open Gateway' area.

The original proposals agreed under Minute 10 included the sale of three plots of Council land to the Diocese of Chelmsford and the subsequent purchase by the Council of the new homes developed on those sites. The revised proposal would mean the Council retained ownership of those sites and would build the new homes itself. The Cabinet Member advised that the revised proposal significantly reduced the risk and cost to the Council and the overall timescale for delivery of the scheme, whilst maintaining the key principles of the original scheme in terms of the new Church building, enhanced community provision and new homes.

The Cabinet Member for Housing welcomed the revised proposal and confirmed that the funding arrangements for the project had been provided for in the HRA Business Plan.

Cabinet agreed:

- (i) To proceed with Option 2 in respect of the Mark's Gate 'Open Gateway' Regeneration Scheme, as detailed in the report;
- (ii) To authorise the Chief Executive, in consultation with the Corporate Director of Housing and Environment, the Chief Financial Officer, the Head of Legal and Democratic Services and the Cabinet Member for Housing, to agree terms and a detailed financial cost plan, including a certified valuation, and enter into all necessary and appropriate contracts and documentation to realise the scheme; and
- (iii) To procure the necessary design, consultancy and related services and works necessary to realise the development of the Council-owned sites in the manner proposed in Option 2.