

MINUTES OF CABINET

Tuesday, 21 May 2013
(5:00 - 5:15 pm)

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

Apologies: Councillor M A McCarthy

1. Declaration of Members' Interests

Councillor Geddes declared a non-pecuniary interest in item 8 (Barking Riverside - Riverview Secondary School Infrastructure Front Funding) as he was a Governor at George Carey Church of England Primary School which shared close links with the Secondary School.

2. Minutes (16 April 2013)

The minutes of the meeting held on 16 April 2013 were confirmed as correct.

3. Revenue and Capital Provisional Outturn 2012/13

The Cabinet Member for Finance introduced a report on the Council's provisional revenue and capital outturn position for the 2012/13 financial year.

The provisional outturn position for General Fund budgets showed a net underspend of £3.1m against the net revenue budget of £177.4m. This included a number of revenue roll-forwards into 2013/14 and would result in a year-end projected balance position of £17.4m. The Housing Revenue Account (HRA) had generated a small surplus of £0.2m for the year, increasing the HRA reserve to £8.5m.

In respect of the Capital Programme, the Cabinet Member advised that the projected spend was £84.3m against the revised budget of £110.9m, with a number of underspends proposed to roll-forward into 2013/14. In response to concerns expressed over the number of projects that were not delivered on time and/or budget during 2012/13, the Divisional Director of Finance was asked to prepare a report for Cabinet Members' consideration on the underlying factors for the slippage and the steps to ensure that future years' capital programmes were achievable and deliverable.

The Cabinet Member also referred to additional funding required in respect of the provision of new elderly persons' bungalows at the former sites of The Lawns and Wood Lane Sports Centre (agreed by Minute 17, 26 June 2012), as well as a number of adjustments to revenue budgets for 2013/14.

Cabinet **agreed:**

- (i) To note the provisional outturn position for 2012/13 of the Council's revenue

- budget as detailed in paragraphs 2.3 to 2.9 and Appendix A of the report;
- (ii) To note the provisional outturn against the 2012/13 savings targets as detailed in paragraph 2.10 and Appendix B of the report;
 - (iii) To note the provisional outturn position for the HRA as detailed in paragraph 2.6 and Appendix C of the report;
 - (iv) The roll forward of revenue budgets into 2013/14 and the resulting budget amendments as detailed in Appendix D of the report;
 - (v) To note the provisional outturn position for 2012/13 of the Council's capital budget as detailed in paragraph 2.11 and Appendices E and F of the report;
 - (vi) The roll forward of slippage in capital projects to 2013/14 as detailed in Appendix E of the report;
 - (vii) An increase in the overall budget for the provision of elderly persons' bungalows on Council-owned sites at The Lawns and former Wood Lane Sports Centre from £5.5m to £8.793m to fund the additional costs referred to in paragraph 2.11 of the report, the increase to be met from additional HRA funding; and
 - (viii) Approve the 2013/14 budget adjustments detailed in paragraph 2.12 of the report.

4. Manor Road Sports Ground, Manor Road, Dagenham - Grant of New Lease

The Cabinet Member for Finance presented a report on proposals to greatly enhance the facilities at Manor Road Sports Ground via new lease arrangements with Academy of Dreams plc (AOD), an established company designed specifically to develop outdoor sports facilities at community sites, and Dagenham United Football Club (DUFC), a leading junior football club in the area.

DUFC, the current lessee, had been approached by AOD to develop the site to provide a new clubhouse and pavilion with changing rooms, new floodlit all-weather artificial turf pitches in addition to upgrading the current full size turf pitch, as well as associated fencing and CCTV. The proposals had received planning permission in December 2010 and the intention was for AOD to meet all the costs of the project in return for a 35 year lease of the site at a commercial rent, with a sub-lease in favour of DUFC for the entire period.

Cabinet **agreed**:

- (i) To the surrender of the current lease of the site identified in the plan at Appendix 1 to the report from Dagenham United Football Club (DUFC);
- (ii) To grant an Agreement for Lease to Academy of Dreams plc to enable it to develop the site as a sports facility in accordance with the planning permission granted in December 2010, followed by the grant of a new lease for a term of 35 years to Academy of Dreams plc on the terms set out in the report;

- (iii) That the site be sub-let to the current lessees, DUFC, for the full 35 year period on the terms set out in the report;
- (iv) That the lease require the lessees to have appropriately trained first aiders on site at all times of activity and that all activities be adequately insured; and
- (v) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services and Divisional Director of Finance, to negotiate, agree and complete the legal documentation to facilitate the transaction.

5. Land Appropriation at Goresbrook Village

Further to Minute 54 (13 November 2012), the Cabinet Member for Regeneration presented a report on the appropriate of land at Goresbrook Village as part of the major redevelopment of the estate, following a period of public consultation on the proposal.

Cabinet **agreed** that the area of land at Goresbrook Village shown edged red on the plan attached at Appendix 1 to the report be appropriated to planning purposes pursuant to section 226 (1) of the Town and Country Planning Act 1990 and section 122 of the Local Government Act 1972.

6. Calendar of Meetings 2013/14

The Leader reported on the proposed principles for the calendar of Council meetings for the forthcoming municipal year 2013/14.

Cabinet **agreed** the basis of the calendar of meetings for 2013/14 as detailed in the report.

7. Barking Riverside - Riverview Secondary School Infrastructure Front Funding

Further to Minute 98 (12 February 2013), the Cabinet Member for Children's Services presented a report on funding issues in relation to the preparation works for the permanent site of Riverside Secondary School at Barking Riverside.

The Cabinet Member explained that the site preparation works had been estimated at £5.5m. It had originally been envisaged that Barking Riverside Limited (BRL), the company established to progress the regeneration of the area and jointly owned by Bellway Homes and the Greater London Authority, would fund the works. However, the construction of a lower than expected number of dwellings in the area meant that, under the terms of the Section 106 planning agreement for the area, BRL was not presently obliged to fund the works. It was noted that in order for Riverside Secondary School to be open by September 2015 the construction works would have to start no later than December 2013.

The Cabinet Member presented four options which related to a 'do nothing' approach, delaying the project until such time as BRL were obliged to fund the works, finding an alternative site that would not require front-funding and securing the necessary front-funding. Each option included the implications for school place provision in the Borough as well as the potential consequences for the £26m

funding that had been secured from the Education Funding Agency to meet the cost of construction works, furniture, fixtures and fittings and ICT equipment.

Cabinet agreed:

- (i) To authorise officers to liaise with the Greater London Authority (GLA) in order to obtain front-funding of up to £5.5m for site preparation works to enable the early delivery of the new Secondary and Special Schools at Barking Riverside;
- (ii) Subject to no GLA funding being forthcoming:
 - (a) in principle to provide a short-term loan of up to £5.5m to Barking Riverside Limited on the terms set out in the report which do not financially disadvantage the Council, the loan sum to be met from the Council's Education Funding Allowance; and
 - (b) to delegate authority to the Chief Executive, in consultation with the Cabinet Member for Finance, the Head of Legal and Democratic Services and the Divisional Director of Finance, to negotiate and conclude loan terms and complete the necessary legal agreements.