

MINUTES OF CABINET

Tuesday, 19 November 2013
(5:00 - 5:06 pm)

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

Also Present: Councillor J Ogungbose

Apologies: Councillor R Gill and Councillor J R White

54. Declaration of Members' Interests

There were no declarations of interest.

55. Minutes (22 October 2013)

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

56. Budget Monitoring 2013/14 - April to September 2013 (Month 6)

The Cabinet received a report on the Council's capital and revenue position for the 2013/14 financial year as at 30 September 2013.

The General Fund showed an improved year end surplus projection of £8.4m while the Housing Revenue Account (HRA) continued to show a projected break-even position. The Capital Programme had a projected spend of £140.6m against the total revised budget of £142.7m.

Cabinet resolved:

- (i) To note the projected outturn position for 2013/14 of the Council's General Fund revenue budget at 30 September 2013, as detailed in paragraphs 2.3 to 2.9 and Appendix A of the report;
- (ii) To note the progress against the 2013/14 savings targets at 30 September 2013, as detailed in paragraph 2.10 and Appendix B of the report;
- (iii) To note the position for the HRA at 30 September 2013, as detailed in paragraph 2.11 and Appendix C of the report; and
- (iv) To note the projected outturn position for 2013/14 of the Council's Capital Programme at 30 September 2013, as detailed in paragraph 2.12 and Appendix D of the report.

57. Treasury Management Strategy Statement Mid-Year Review 2013/14

The Leader introduced the report.

Cabinet **resolved to recommend the Assembly** to approve the following changes to the Treasury Management Strategy Statement 2013/14:

- (i) Removal of the variable counterparty limit for Lloyds Bank, currently the higher of £40m or 40% of total investable cash, to a fixed limit of £50m;
- (ii) To allow the in-house Treasury section to manage (hold and sell), but not purchase, UK government GILTS with maturities in excess of one year and up to a maximum maturity period of five years; and
- (iii) To allow the in-house Treasury section to invest in non-UK banks that meet the minimum credit rating colour band up to a maximum of £10m per counterparty and up to a total limit of £30m for all non-UK banks.

58. Proposal for Elevate East London to Apply to Join the Modification Order

The Cabinet Member for Customer Services presented a report on the proposal for Elevate East London to make an application to the Secretary of State for Communities and Local Government which, if successful, would extend continuity of employment rights to staff who join Elevate from elsewhere in local government.

Cabinet **resolved** to support the making of an application by Elevate East London for membership of the Modification Order under the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999.

59. Leasehold Property Major Works Payment Options

The Cabinet Member for Housing introduced the report.

Cabinet **resolved**:

- (i) To approve the introduction of payment options in respect of leasehold charges as detailed in paragraphs 3.2 to 3.6 of the report; and
- (ii) That the payment options detailed in paragraphs 3.2 and 3.3 of the report be limited to owner occupiers.

60. Procurement of Castle Green, Arden House and Halbutt Street Day Nursery Services

The Cabinet received a report on proposals for the procurement of day care nursery services at three sites in the Borough as part of the Council's commitment to providing child care and early education services to young children.

Cabinet **resolved**:

- (i) To approve the procurement of seven-year contracts, with extension options of up to three years, for the provision of day care nursery services at Castle Green Nursery (Lot 1) and Arden House and Halbutt Street Nurseries (Lot 2), as detailed in the report; and
- (ii) To delegate authority to the Corporate Director of Children's Services, in consultation with the Chief Finance Officer, to award and enter into the

contracts and coterminous leases with the successful tenderers upon conclusion of the procurement process.

61. Proposed Amalgamation of Northbury Infant and Junior Schools

The Divisional Director of Education presented a report on the proposed amalgamation of Northbury Infant and Junior Schools and confirmed that there had been no responses to the public consultation which ended on 29 October 2013.

Cabinet **resolved** to approve the amalgamation of Northbury Infant and Junior Schools to create an all-through Primary School from 1 January 2014 via the closure of the existing infant school and expansion of the premises and age range of the existing junior school.

62. School Funding Formula 2014/15

The Divisional Director of Education presented a report on the proposed formula to be applied to school funding for the 2014/15 financial year, which reflected changes from the 2013/14 formula which were required by the Department for Education and brought the ratio between primary and secondary school funding closer together in view of the particular pressures being faced in the primary sector.

Cabinet **resolved**:

- (i) To note the outcome of the Schools Funding Formula briefing sessions, as referred to in paragraphs 2.5 to 2.7 of the report;
- (ii) To note the comments of the Schools' Forum following the presentation of the funding model options and the proposed funding model for 2014/15, as referred to in paragraphs 2.10 to 2.11 of the report; and
- (iii) To adopt Model 1 as the method for allocating school funding in 2014/15, as set out in paragraphs 2.8 to 2.9 of the report.

63. Localism Act 2011: Community Rights

The Cabinet Member for Crime, Justice and Communities introduced the report.

Cabinet **resolved**:

- (i) To approve the policies, procedures and timescales for the implementation of the Community Rights to Challenge and Bid, as set out in the report and its appendices;
- (ii) To delegate authority to the Chief Executive, in consultation with the Cabinet Member for Crime, Justice and Communities and the Head of Legal and Democratic Services, to make any necessary amendments to the Council's policies, procedures and timescales in relation to the Community Rights to Challenge and Bid;
- (iii) To delegate authority to the Chief Executive to make arrangements for

decision making (including the appointment of relevant officers to undertake statutory functions) in relation to the Community Rights to Challenge and Bid; and

- (iv) To delegate authority to Corporate Directors, in consultation with the appropriate Portfolio Holders, to make and implement arrangements within their respective departments in relation to the Community Rights to Challenge and Bid.

64. 2012/13 Annual Report on the Financial and Service Performance of the Elevate Joint Venture

The Cabinet Member for Customer Services introduced the report and advised that a number of the key performance indicators used to monitor service delivery would be reviewed to ensure that they were still relevant.

Cabinet **resolved** to note the summary of the financial and service performance of Elevate East London LLP for its second full year (2012/13) as detailed in the report.

65. 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 paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

66. Abbey Sports Centre - Future Site Options and Disposal

Further to Minute 82(viii) (22 January 2013), the Leader presented a report on the proposed disposal and marketing of the Abbey Sports Centre site, which would be available for redevelopment in late 2014 to coincide with the opening of the new Leisure Centre in Axe Street, Barking.

Cabinet **resolved**:

- (i) That the Abbey Sports Centre site, outlined in red on the plan attached as Appendix 1 to the report, be marketed for sale as a mixed use commercial leisure-led development; and
- (ii) That a further report be presented to Cabinet on the outcome of the marketing process and bids received for the site.

67. Energy Company Obligation (ECO) and Green Deal Investment in Housing Stock

The Cabinet Member for Housing introduced a report on the opportunity for the Council to benefit from approximately £35m of funding under the Government's Energy Company Obligation (ECO) scheme via a partnership with British Gas plc.

The project would involve energy efficiency works, such as cavity wall, loft and solid wall insulation and the installation of modern district heating systems, to approximately 7,900 flats throughout the Borough in the period up to 30 March

2015, as well as other initiatives aimed at vulnerable private sector residents and owner occupiers, all at no direct cost to the Council.

Cabinet resolved:

- (i) That the Council enter into a partnership arrangement with British Gas plc under which the company shall unlock ECO finance and undertake energy efficiency works to Council housing stock and other property, deliver improved heating and insulation in high-rise and medium-rise flatted accommodation, as well as accessing additional funding streams for vulnerable private sector homes;
- (ii) To delegate authority to the Divisional Director of Housing Strategy, in consultation with the Chief Finance Officer and the Head of Legal and Democratic Services, to negotiate and agree the terms and conditions of the agreement with British Gas plc;
- (iii) To delegate authority to the Divisional Director of Housing Strategy to approve the implementation and delivery of district heating networks, subject to local consultation and a feasible business case; and
- (iv) To delegate authority to the Divisional Director of Housing Strategy to approve the implementation and delivery of a supporting fuel poverty project for 2014 and 2015, whereby the Council shall work with British Gas plc to advise residents on alleviating fuel poverty, promoting income maximisation, encouraging behaviour cultural change and supporting the take up of the Green Deal among owner occupiers.