

# MINUTES OF CABINET

Tuesday, 19 September 2017  
(7:00 - 8:52 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Laila M. Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

**Apologies:** Cllr Saima Ashraf

## **34. Declaration of Members' Interests**

There were no declarations of interest.

## **35. Minutes (11 July 2017)**

The minutes of the meeting held on 11 July 2017 were confirmed as correct.

## **36. Budget Monitoring 2017/18 - April to July (Month 4)**

The Cabinet Member for Finance, Growth and Investment introduced a report on the Council's revenue budget monitoring position for the 2017/18 financial year, as at 31 July 2017.

The General Fund showed a projected year-end overspend of £5.475m against the budget of £145.129m, which represented an increase of £0.68m on the position for the end of May 2017. The Cabinet Member referred to the ongoing areas of overspend and the new pressures and risks that materialised of late, which were detailed in the report. The Housing Revenue Account was also projecting a shortfall of £0.769m.

The Cabinet Member also advised on the need to realign existing budgets to reflect the new My Place and Be First services that would commence from 1 October 2017, as well as a new charging matrix under the Housing and Planning Act 2016 to address failures by landlords within the private rented housing sector via the issuing of Civil Penalty Notices, with fines of up to £30,000 for the most serious offences. It was further noted that the capital expenditure position would now be reported on a quarterly basis.

Arising from the discussions:

- The Cabinet Member for Social Care and Health Integration commented on the Government's long-standing attack on public sector funding which meant that unexpected costs, such as those relating to the placements of six very vulnerable children with exceptionally complex needs in residential / secure accommodation in recent months, would inevitably mean that planned budgets would overspend;
- The Operational Director for Enforcement Services confirmed that the £0.341m pressure in the Private Rented Property Licence (PRPL) scheme would be met

from the dedicated PRPL reserve; and

- The Cabinet Member for Corporate Performance and Delivery asked officers to provide a briefing note on the detail of the £0.498m overspend within the Elevate service.

The Cabinet **resolved** to:

- (i) Note the forecast outturn position for 2017/18 of the Council's General Fund revenue budget as detailed in section 2 and Appendix A of the report;
- (ii) Note the ongoing and new financial pressures and the suggested mechanisms for resolving them, as detailed in sections 3 and 4 of the report;
- (iii) Note the overview of the HRA for 2017/18, as detailed in section 5 and Appendix B of the report;
- (iv) Approve the virements from existing budgets into the new My Place and Be First service budgets as detailed in Appendix C to the report;
- (v) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment, to approve any additional virements to implement the next stage of the Council's Transformation programme, as outlined in section 6 of the report; and
- (vi) Approve the adoption of the proposed Civil Penalty Scoring Matrix and Scale of charges related to Enforcement Activity under the Housing and Planning Act 2016 Part II (Rogue Landlords and Property Agents), as detailed in section 7 and Appendix D to the report.

### **37. Investment and Acquisition Strategy Update**

Further to Minute 72 (15 November 2016), the Cabinet Member for Finance, Growth and Investment presented an update report in respect of the Council's Investment and Acquisition Strategy (IAS).

The Cabinet Member advised that a commitment to a £250m investment budget and £100m land and property acquisition budget had already been made and he referred to several of the major projects already underway, including the street property purchasing scheme which was helping to provide much needed, affordable accommodation for care leavers, adults with mental health issues and other groups. On that issue, it was noted that plans were being progressed for the purchased properties to be held within a Special Purpose Vehicle, either as a stand-alone entity or within the B&D Reside structure.

The overall total debt required to deliver the 44 schemes in the Future Pipeline Regeneration Programme amounted to a further £2.12bn on top of the £250m already set aside. The Cabinet Member acknowledged that such a level of investment was not without risk but he stressed that it was essential for the Council to raise additional income through its growth agenda if it was going to be able to maintain essential Council services in the future, bearing in mind the

Government's ongoing austerity programme. The IAS was set to achieve £5m+ additional income from 2020/21 onwards and would primarily be delivered by the Council's new development vehicle, Be First.

The Cabinet Member also referred to the proposed establishment of an advisory Investment Panel, which would be responsible for assessing and reviewing investment proposals and decisions, and other governance arrangements that would help to support the delivery of individual projects within the overall programme.

In response to issues raised:

- The Cabinet Member for Finance, Growth and Investment undertook to keep Cabinet colleagues informed of progress on the major projects within the Future Pipeline Regeneration Programme; and
- The Finance Director clarified that the Council had already drawn-down £89m of the £150m loan approval from the European Investment Bank, although the criteria for borrowing the remainder had been made tougher since the Brexit vote.

The Cabinet **resolved** to:

- (i) Note the progress being made in meeting the investment and acquisition income target;
- (ii) Approve the future Pipeline Regeneration Programme, as set out at Appendix 1 to the report;
- (iii) Agree to receive a twice-yearly report on the Investment and Acquisition Strategy and Business Plan, to approve the investment programme and schemes and to enable effective land acquisitions and investments;
- (iv) Approve the principle to establish a Special Purpose Vehicle to hold properties under the street properties purchasing programme as required;
- (v) Approve the Terms of Reference of the advisory Investment Panel, established pursuant to the Chief Operating Officer's delegated powers, as set out at Appendix 2 to the report;
- (vi) Note that the Investment and Acquisitions Decision Framework at Appendix 3 to the report, which will be used to consider and assess each investment decision and land acquisitions, will be reviewed in consultation with Be First and advisors and any material resultant changes will be reported to a future Cabinet meeting;
- (vii) Note that the Investment Panel will be supported by external advisors in respect of property, tax and investment considerations as required;
- (viii) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance and the Cabinet Members for Finance, Growth and Investment and Economic and Social Development, to

negotiate terms and agree investment proposals and land and property acquisitions for projects included in the Investment and Acquisition Strategy and Business Plan, subject to the endorsement of individual projects by the Investment Panel;

- (ix) Note that investment and acquisition proposals not included within the Investment and Acquisition Strategy and Business Plan shall be presented to Cabinet for approval following consideration by the Investment Panel, in accordance with the 'key decision' provisions in Part 2, Chapter 16, paragraph 3.2 of the Council Constitution;
- (x) Authorise the Director of Law and Governance, or an authorised delegate, to execute all the legal agreements, contracts and other documents on behalf of the Council required to implement the investment programme identified in this report.

### **38. Update on Implementation of Be First**

Further to Minute 73 (15 November 2016), the Cabinet Member for Finance, Growth and Investment introduced a progress report on the establishment of Be First, the Council-owned regeneration company, and a proposal for the company to also act as a developer in its own right.

As referred to in the preceding IAS report on the evening's agenda, Be First was established to manage the delivery of the Council's Future Pipeline Regeneration Programme. The Cabinet Member explained that it had always been envisaged that Be First would also act as a developer and that vision had been progressed with representatives of Be First subsequent to the draft Full Business Case being approved at the November 2016 meeting. It was noted that the ability to be the developer for projects would enable Be First to deliver the annual £10.3m contribution to the Council's Medium Term Financial Strategy (MTFS), which was a key component of the approval given in November 2016.

The Cabinet Member referred to the appointments to Be First, staff TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) arrangements and other key areas of progress that would enable the company to formally launch on 1 October 2017. The proposed governance structure and arrangements were intended to provide Be First with the flexibility and freedom to successfully deliver the Council's regeneration aspirations while ensuring appropriate levels of oversight and approval by the Council of business plan proposals. The governance regime would also ensure that Be First met its social responsibility obligations.

In expressing support for the project, Cabinet Members commented that the launch of Be First represented a key achievement in the Council's transformation programme and would be model for the rest of London to follow.

The Cabinet **resolved** to:

- (i) Note progress on the arrangements for Be First to become operational with effect from 1 October 2017; and

- (ii) Agree, in principle, to the proposal for Be First to act as developer in its own right in order to achieve the long-term contribution to the Council's Medium Term Financial Strategy, the detail of which will be incorporated in Be First's first Business Plan to be submitted to Cabinet for approval before the end of this financial year.

### **39. Corporate Plan 2017/18 - Quarter 1 Performance Reporting**

The Cabinet Member for Corporate Performance and Delivery introduced the corporate performance framework report for the first quarter of the 2017/18 financial year.

The Cabinet Member remarked on the regular meetings between Cabinet Members and senior managers at which the data was discussed in detail and referred to a number of the positive performance areas as well as several areas for improvement. The Cabinet Member also commented that the qualitative data that had proved informative in previous performance reports would be revived for future reports.

Other issues that arose during the discussions included:

- The need for the Council to address the problems of indiscriminate parking of lorries and trucks in residential areas to improve the safety and environment of local residents; and
- The interest from a number of other local authorities in the Council's Equality Strategy and the Gender Equality Charter.

The Cabinet **resolved** to:

- (i) Note progress against the Key Accountabilities as detailed in Appendix 1 to the report; and
- (ii) Note performance against the Key Performance Indicators as detailed in Appendix 2 to the report.

### **40. Local Flood Risk Management Strategy**

The Cabinet Member for Environment and Street Scene introduced the Council's Local Flood Risk Management Strategy, which formed part of the Council's statutory obligations under the Flood and Water Management Act 2010.

The Cabinet Member advised that there were an estimated 11,000+ properties across the Borough at risk of surface water flooding or flooding from ordinary watercourses and a key aim of the Strategy was to establish a long-term vision to reduce the likelihood and detrimental consequences of flooding. The Strategy set out plans to provide support and direction for local residents, businesses and other stakeholders to understand the risks and offered best practice advice to reduce the risk of flooding.

The Cabinet Member confirmed that the Strategy had been subject to widespread consultation with neighbouring Boroughs, the Environment Agency and Thames

Water and would be refreshed over time to reflect changes in best practice and other appropriate updates.

In response to the point that the Council should ensure that drains and culverts were kept clear to reduce the risk of flooding, the Leader advised that lessons had been learnt from previous cuts to that service and additional funding had been made available. The Cabinet Member for Environment and Street Scene also advised that she had taken on board a suggestion from the Cabinet Member for Corporate Performance and Delivery and would be working with officers and ward Councillors to develop ward-specific analysis and action plans.

With regard to the recent burst main pipe in Thames ward and the poor response to the incident by Thames Water, the Operational Director for Enforcement Services outlined the steps being taken and agreed to keep the ward Councillors updated on the issue.

The Cabinet **resolved** to:

- (i) Adopt the Local Flood Risk Management Strategy and Action Plan at Appendix A to the report; and
- (ii) Authorise the Operational Director of Enforcement Services, in consultation with the Cabinet Member for Environment and Street Scene, to make any appropriate amendments to the documents arising from best practice initiatives or valid representations from the general public and/or risk management authority partners.

#### **41. Fire Risk Assessment Report**

The Cabinet Member for Finance, Growth and Investment introduced a report on the fire safety systems and procedures in place for the Council's housing stock and the additional measures undertaken in response to the recent Grenfell Tower tragedy.

The Cabinet Member advised that officers were mid-way through the annual cycle of fire risk assessment (FRA) updates for all properties with communal areas at the time of the Grenfell Tower tragedy and additional resources were committed to enable that work to be completed, and any actions points remedied, without delay. The frequency of inspections had also been increased, with all blocks of eight storeys and above now being reviewed every three months.

The findings and action plans stemming from FRAs were to be published to the Council's website as a further means of helping residents understand what to do in an emergency. On that issue, it was noted that residents of the Council's sheltered housing accommodation had each received a Personal Emergency Evacuation Plan (PEEP).

The Cabinet Member confirmed that the Council had always been open and transparent regarding the findings from FRAs and the Leader remarked that it was very unfortunate that one of the national political parties had used the publication of FRAs following the Grenfell Tower tragedy in an attempt to score political points.

The Cabinet **resolved** to:

- (i) Note the fire safety systems and procedures in place for the Council's housing stock, as set out in the report;
- (ii) Agree that the Council publishes a forward programme of FRAs on its website;
- (iii) Agree that the Council publishes a summary of the findings for each FRA on its website; and
- (iv) Agree that the Cabinet be presented with an annual report on fire safety issues.

#### **42. Response to the Mayor of London's Draft Transport Strategy**

The Cabinet Member for Economic and Social Development presented the Council's proposed response to the Mayor of London's inaugural draft Transport Strategy (MTS), which set out the policies and proposals to reshape transport in London over the next 25 years.

A key feature of the MTS was that, by 2041, 80% of all Londoner's trips would be made on foot, by cycle or by public transport. To achieve that, the Mayor was seeking to transform London's streets, improve public transport and create new opportunities for homes and jobs, under the themes of 'Good Growth' and 'Healthy Streets'. The Cabinet Member advised that many of the principles of the MTS supported the vision and themes of the Borough Manifesto and he referred to the 10 transport priorities for the Borough, which included tunnelling and junction improvements along the A13, new and improved rail / tram links and station improvements. A series of short, medium and long-term improvements had also been identified as crucial to the success of the Council's ambitious growth plans, such as the introduction of river passenger services from Barking Riverside to London's key employment hubs, new infrastructure to support cycling and walking, road traffic reduction measures and the potential for a future HS1/HS2 interchange at Barking Station.

Arising from the discussions, it was suggested that:

- The Mayor should be challenged to provide more detail on his proposals and give greater focus to deprived areas, although the Cabinet Member for Economic and Social Development commented that the expectation was for the respective London Boroughs to provide much of the detail to support the Mayor's strategic aims;
- There should be stronger links between the 'Healthier Streets' principles, the MTS and the London Plan;
- Local bus services needed to be more responsive to new developments and school expansion projects in the Borough to reduce traffic congestion and prevent harming children's education, although the Cabinet Member for Educational Attainment and School Improvement acknowledged that Council and TfL's bus network representatives had worked well together and the pace

of change in the Borough was sometimes an issue; and

- Significant improvements were needed to the C2C service through Barking and the Council should consider using the “Save Dagenham Police Station” campaign as a model for lobbying for the necessary improvements.

In response to those points, officers undertook to strengthen the draft response letter to the Mayor.

The Cabinet **resolved** to agree the draft response to the Mayor of London’s Transport Strategy consultation, as set out at Appendix 1 to the report, subject to the enhancement of a number of aspects of the Council’s response as discussed at the meeting, including the importance of bus service and route expansions keeping pace with the Borough’s school expansion plans.

#### **43. Procurement of Integrated Healthy Child Programme**

The Cabinet Member for Social Care and Health Integration introduced a report on the proposed procurement of an integrated programme for improving the health and wellbeing of all children and young people in the Borough.

It was noted that the 0-19 Healthy Child Programme would support a range of public health outcomes including improved sexual health, reduced numbers of teenage pregnancies, healthy diet and exercise, improved educational outcomes, smoking prevention and cessation, substance misuse prevention, and awareness and improved emotional health and wellbeing.

The Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a new Integrated 0-19 Healthy Child Programme commencing 1 September 2018, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the contract and any subsequent extensions with the successful bidder in accordance with the strategy set out in the report.

#### **44. Debt Management Performance and Write-Offs 2017/18 (Quarter 1)**

The Cabinet Member for Finance, Growth and Investment introduced the performance report for the first quarter of the 2017/18 financial year in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London.

The Cabinet Member advised that although performance was slightly below the stretched targets across all areas for the first quarter period, as more and more households were feeling the impact of the Government’s austerity measures, overall performance against the corresponding period for 2016/17 had improved in a number of areas.



The Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; and
- (ii) Note the debt write-offs for the first quarter of 2017/18, as detailed in Appendix A to the report.

#### **45. Private Business**

Cabinet **resolved** 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).

#### **46. Council Sites - Land Disposals: Hooks Hall Farm, Dagenham**

Further to Minute 90(vii) (27 January 2015), the Cabinet Member for Finance, Growth and Investment introduced a report on the proposed sale, leasing and licensing of land at Hooks Hall Farm, Dagenham, to the long-standing tenant and proprietor of the Eastminster School of Riding which operated from the premises.

The Cabinet Member outlined the terms of the proposed sale and leasing arrangements, which were based on a valuation report commissioned from an independent specialist agricultural surveyor, and commented that the proposed terms represented an excellent deal for the Council while also helping to support the growth of a well-established local business.

The Cabinet **resolved** to:

- (i) Approve the disposal of the Council's freehold interest in the farmhouse at Hooks Hall Farm to the current, long-standing tenant on the terms set out in the report;
- (ii) Approve the granting of a 125-year lease of the 16-acre farm land to the tenant to facilitate the continued operation of a riding stables, on the terms set out in the report;
- (iii) Approve the granting of a licence to graze horses within the adjacent country park to the tenant, subject to strict adherence to a management regime agreement and on the terms set out in the report; and
- (iv) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, to execute all of the legal agreements, contracts and other documents on behalf of the Council.