

MINUTES OF CABINET

Tuesday, 19 June 2018
(7:00 - 8:21 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Syed Ghani, Cllr Margaret Mullane, Cllr Lynda Rice and Cllr Maureen Worby

Apologies: Cllr Cameron Geddes

1. Declaration of Members' Interests

There were no declarations of interest.

2. Minutes (20 March 2018)

The minutes of the meeting held on 20 March 2018 were confirmed as correct.

3. Revenue and Capital Outturn Report 2017/18

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue and capital outturn position for 2017/18, which was expected to represent the final position for the year subject to external audit.

The General Fund revenue expenditure for the financial year was projected at £150.73m against the revised budget of £145.13m, representing an overspend of £5.6m at the year end. The Cabinet Member referred to the main areas of overspend and explained that many were a result of long-standing structural budget deficits that had been corrected as part of the budget setting process for 2018/19. There were also a number of proposed carry forwards and transfers to / from reserves that had been accounted for in the outturn position.

The Housing Revenue Account (HRA) showed a projected year-end surplus of £0.671m which would be transferred to the HRA reserve while Dedicated Schools Grant (DSG) expenditure was £210.713m against the budget of £211.386m after adjustments and Department for Education (DfE) clawback. With regard to the DSG, it was noted that there was an ongoing pressure in the High Needs block due to DfE funding not keeping pace with the population growth in the Borough and the increasing complexity of high-level need for a small number of children with special educational needs. The Cabinet Member for Educational Attainment and School Improvement advised that the Government was being lobbied for a fairer settlement for Barking and Dagenham and Jon Cruddas MP was also expected to raise the Borough's plight in the House of Commons.

The Council's Transformation Programme was on target to deliver £7.7m of the planned £8.1m savings for 2017/18 and the overall Capital Programme showed expenditure of £170.329m against the revised budget of £199.678m, with the most significant variance relating to the Street Property Purchasing Scheme which had allocated only £17.516m of the £30m budget. The need for Cabinet Members to receive early notification of potential slippage on capital projects was reiterated.

The Cabinet **resolved** to:

- (i) Note the provisional 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) Approve the carry forwards and transfers to/from reserves as detailed in section 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) Note the overview of the Dedicated Schools Grant budget for 2017/18 as detailed in section 6 of the report;
- (v) Note the overview of the 2017/18 Capital Programme as detailed in section 7 and Appendix C of the report;
- (vi) Note the overview of the Transformation Programme for 2017/18 as detailed in section 8 and Appendix D of the report; and
- (vii) Note the position of the reserves as detailed in section 9 and Appendix E of the report.

4. Parsloes Park 'Parklife' Football Hub

Further to Minute 28 (11 July 2017), the Cabinet Member for Community Leadership and Engagement presented a report on proposals to significantly enhance the football and associated facilities at Parsloes Park.

The Cabinet Member explained that Parsloes Park was a regionally significant park for its football pitch provision. The pitches and associated facilities had become run down and required significant investment in order to deliver the aims of the Council's Parks and Open Spaces Strategy, the Borough Manifesto and the Corporate Plan. Discussions had taken place with The Football Foundation, Sport England and the Essex County Football Association regarding a major improvement project via the 'Parklife' programme, a national scheme that provided capital investment for sites such as Parsloes Park and the Cabinet Member advised that a c.£6m project had been developed which would deliver accessible, state-of-the-art facilities including:

- New changing facilities incorporating eight team changing rooms (suitable for use by children and adult teams) and changing rooms for officials;
- 55 station gym, dance studio and gym change;
- Bar, café and social space;
- Public toilets and disabled toilets (to 'changing places' standard);
- Three artificial grass pitches with floodlighting that could be used for 11-a-side football matches and compartmentalised to accommodate multiple mini, junior and five-a-side games being played simultaneously; and
- Subject to funding, one of the pitches to be stadia standard (National Ground Grading Category F criteria), which allowed for football to be played up to Step 5 level.

The Cabinet Member outlined the capital funding required for the project to proceed, which included a £3.6m contribution from The Football Foundation and a total of £1.35m of Council funding. Of that sum, £0.6m was proposed to be met from Strategic Community Infrastructure Levy (Strategic CIL) funding and £0.35m from Section 106 funding. It was also acknowledged that all revenue costs associated with the operation of the new facilities would be met by the London Football Trust, a pan-London charitable trust set up to manage the new facilities via a long-term lease from the Council with full repairing and insuring responsibilities at a peppercorn rent.

Cabinet Members spoke in support of the project and were pleased to learn that a minimum of 40% of the available usage time at the new facilities would be made available to local groups. The Leader also referred to the intention to invite the local community to choose between two designs for a statue of Bobby Moore and suggested that Parsloes Park would be an appropriate location as he had honed his skills on the pitches back in the 1950's.

The Cabinet **resolved** to:

- (i) Approve the creation of a football hub of regional significance to replace and greatly enhance the life-expired sports facilities in Parsloes Park, as set out in the report and the site plan at Appendix 1 to the report;
- (ii) Note that the delivery of the c£6 million scheme to the proposed specification shall be dependent on a significant level of external capital funding that had yet to be confirmed, although decisions were pending;
- (iii) Note that there shall be no additional revenue cost to the Council from the operation of the new facilities;
- (iv) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, to enter into a 30-year lease, on a full repairing and insuring basis at a peppercorn rent, for the new Parsloes Park football hub facilities with the London Football Trust, subject to satisfactory negotiation of the lease requirements set out in the proposed funding agreement with the Football Foundation;
- (v) Approve the procurement of a design and build contract for new sports facilities at Parsloes Park (to be funded as part of the Parklife programme) utilising the existing 3G AGP Framework and the Modular Supplier Framework for Changing Rooms used by The Football Foundation and its funding partners, in accordance with the strategy set out in the report;
- (vi) Delegate authority to the Commissioning Director of Culture and Recreation, in consultation with Cabinet Members for Community Leadership and Engagement and Finance, Performance and Core Services, the Chief Operating Officer and the Director of Law and Governance, to conduct the procurement and enter into the contract and all other necessary or ancillary agreements with the successful bidder(s) in accordance with the strategy set out in the report; and

- (vii) Note the intention of the London Football Trust to undertake a single stage tender process to procure the services of a leisure operator to manage the new sports facilities at Parsloes Park via a Service Concession Contract.

5. Allocation of Community Infrastructure Levy to Strategic Projects

Further to Minute 71 (12 December 2017), the Cabinet Member for Finance, Performance and Core Services introduced a report on the proposed allocation of Strategic Community Infrastructure Levy (CIL) funding.

The Cabinet Member advised that three projects had been submitted for consideration and had passed through the assessment route previously agreed by Cabinet. All three bids related to the implementation of strategic projects that formed part of the Council's Parks and Open Spaces Strategy, including the 'Parklife' project referred to in the earlier item on the agenda.

In response to a request for consideration to be given to new children's play facilities in the Becontree ward, the Leader encouraged all Councillors to consider potential initiatives within their wards that could be supported by either Strategic or Neighbourhood CIL funding in the future and to pass on their ideas to the relevant officers.

The Cabinet **resolved** that Community Infrastructure Levy funding be allocated to the following strategic projects:

- Parsloes Park 'Parklife' project - £600,000;
- Children's Play Spaces and Facilities - £275,000 over five years;
- Parks and Open Spaces Strategy 2017 Implementation - £500,000 over five years.

6. Children's Social Care Annual Self-Assessment 2017/18 and OFSTED Focused Visit of Children's Social Care

The Cabinet Member for Social Care and Health Integration presented a report on the first Annual Self-Assessment of Children's Social Care Services in the Borough, as required under the new OFSTED Inspection of Local Authority Children's Services regime, and the outcome of the OFSTED Focused Visit of Children's Social Care Services that took place in March 2018.

With regard to the Annual Self-Assessment, the Cabinet Member commented that a very comprehensive, fair and balanced picture of services had been presented and the response from OFSTED had overall been positive. Areas that received recognition included the "front door" service and Early Help offer to clients via the new Community Solutions service, performance on key safeguarding indicators, the support offered to Care Leavers and effective joint working between the Council's Legal and Social Services teams. Aspects that were highlighted as requiring focus included the agency staff rate and social worker caseloads, although it was acknowledged that the Council had already reduced its agency rate down from 55% to below 30%. All the aspects requiring focus had been addressed under an improvement plan that was outlined in the report, which included the drafting of a Child Sexual Exploitation Strategy and a Neglect Strategy for future consideration by the Cabinet.

In respect of the Focused Visit, Cabinet Members were especially pleased to note that OFSTED had recognised the strong corporate leadership to meet the diverse needs of children and their families, the focus given to equalities issues and the effective working of the multi-agency safeguarding hub (MASH).

The Cabinet Member for Educational Attainment and School Improvement made particular reference to the effectiveness of the Virtual School initiative, the number of Care Leavers going on to University education and the 2016 attainment results which showed that the Borough's Looked After Children were ranked joint first in the country at Key Stage 2. It was also noted that the Council's commitment to "No One Left Behind" had been recognised by OFSTED.

The Cabinet **resolved** to note:

- (i) The first Annual Self-Assessment of Children's Social Care Services in Barking and Dagenham, including the service improvement and challenges contained within and the actions taken, as set out at Appendix A to the report;
- (ii) The areas identified as priorities for 2018/19 as set out in paragraphs 2.36 to 2.47 of the report; and
- (iii) The outcome of the first OFSTED Focused Visit of Children's Social Care Services that took place in March 2018, as set out at Appendix B to the report.

7. Treasury Management Annual Report 2017/18

The Cabinet Member for Finance, Performance and Core Services introduced the Treasury Management Annual Report for 2017/18 which set out the key areas of performance during the year.

Investment income for the year was £4.1m compared to the budget of £2.6m, while the Council's average interest return of 1.22% was 0.51% higher than the average London Peer Group return and 0.61% higher than the Local Authority average return. The Cabinet Member also referred to the investment priorities and borrowing strategy that supported the Council's Investment and Acquisition Strategy. The point was made that the £89m loan secured from the European Investment Bank in January 2015 at just 2.2% over the 30-year term had funded the recent Weaver's Quarter development as part of the regeneration of the Gascoigne Estate. The revenue from the new development was now fully covering the interest payments on the loan while providing genuinely affordable new homes for the local community, including those on the London Living Wage.

The Cabinet **resolved to recommend the Assembly** to:

- (i) Note the Treasury Management Annual Report for 2017/18;
- (ii) Note that the Council complied with all 2017/18 treasury management indicators;

- (iii) Approve the actual Prudential and Treasury Indicators for 2017/18;
- (iv) Note that the Council borrowed £119.6m from the Public Works Loan Board (PWLB) in 2017/18 to fund the Council's regeneration strategy and borrowed a further £15m from other local authorities to fund the Council's land acquisition strategy; and
- (v) Maintain the delegated authority to the Chief Financial Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to continue to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to reflect the additional cash holdings resulting from borrowing from the European Investment Bank and the PWLB.

8. Pen To Print Project

The Cabinet Member for Community Leadership and Engagement presented a report on the Pen to Print project, a literature development project which was run by the Council's Library Service.

The Council had been successful with an application to the Arts Council for a £720,000 grant over four years to support the expansion of the project in the Borough. The project was first established in the Borough in 2014 and had been very well received, attracting 5,362 people at 141 events to date. As well as encouraging creative writing, with several local authors having had books published as a direct result of the project, a key aim was to improve reading and writing skills at all levels and throughout the local community.

The Cabinet Member explained that Barking and Dagenham was the only Library Service in London, and one of only seven nationally, to secure the four-year grant from the Arts Council. The funding commitment would enable a full programme of classes, events and workshops to be delivered in partnership with local organisations such as the Adult College and Creative Barking and Dagenham.

The Cabinet **resolved** to approve the business plan for the Pen to Print project as set out at Appendix 1 to the report.

9. Procurement of Cashless Catering and Online Payment Supplies and Services

Further to Minute 64 (14 November 2017), the Cabinet Member for Educational Attainment and School Improvement reported on the proposal to vary the procurement strategy for a cashless catering hardware replacement system including software upgrade, support, installation and maintenance of the new system.

The Cabinet Member explained that it was now proposed to follow a Restricted Procurement route, in order to engage and elicit responses from the entire market while restricting the number of tender submissions received to a manageable quantity. The scope of the contract had also been varied to provide for additional functional requirements.

The Cabinet **resolved** to:

- (i) Approve the revised approach for the procurement of supplies and services' contracts for the provision of a cashless catering and online payment solution, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Commissioning Director for Children's Care and Support, in consultation with the Cabinet Member for Educational Attainment and School Improvement, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the contract(s) with the successful bidder(s).

10. Corporate Plan 2017/18 - Quarter 4 Performance Reporting

The Cabinet Member for Finance, Performance and Core services introduced the corporate performance framework report for the fourth quarter of the 2017/18 financial year.

The Cabinet Member drew attention to the areas of improved performance and those requiring further improvement amongst the Key Accountabilities and the 47 key performance indicators (KPIs) and stressed the importance of setting challenging, realistic targets going forward in order to ensure that the performance monitoring regime was delivering real improvement to the lives of residents. In that respect, the Cabinet Member confirmed that the current performance reporting arrangements were being reviewed.

Issues that arose during the discussions included:

- Green Garden Waste Service – The Cabinet Member for Public Realm advised that the number of subscribers to the paid-for service had increased from the 6,441 quoted in the report and the service continued to prove popular and successful in its second full year.
- Teenage Pregnancy rates – The Cabinet Member for Social Care and Health Integration commented that despite the ongoing reduction in the number of conceptions, Barking and Dagenham continued to have one of the highest rates across London and it was important, therefore, to understand the reasons for this as part of the new performance arrangements.

The Cabinet **resolved** to:

- (i) Note progress against the Key Accountabilities for the 4th quarter 2017/18 as detailed in Appendix 1 to the report; and
- (ii) Note performance against the KPIs for the 4th quarter 2017/18 as detailed in Appendix 2 to the report.

11. Debt Management Performance and Write-Offs 2017/18 (Quarter 4)

The Cabinet Member for Finance, Performance and Core Services introduced the performance report for the fourth 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 the performance of Elevate was predominantly positive against the stretched targets, with more money being collected in real terms during 2017/18 despite the challenges that many faced as a consequence of the Government's austerity programme.

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 fourth quarter of 2017/18.

12. Urgent Action - Barking Abbey School Longbridge Road Site Sub-Station Lease

The Cabinet Member for Educational Attainment and School Improvement introduced a report advising on action taken by the Chief Executive, on behalf of the Cabinet, to facilitate the expansion of Barking Abbey School Longbridge Road site in time for the September 2018 new intake.

The Cabinet **resolved** to note the action taken by the Chief Executive, in accordance with the Urgent Action procedures set out in Part 2, Chapter 16, paragraph 4 of the Constitution, in relation to the entering into of a 99-year lease with UK Power Networks in respect of a new electricity sub-station at Barking Abbey School Longbridge Road site.

13. 'Made in Dagenham' Film Studios Land Assembly

Further to Minute 85 (23 January 2018), the Cabinet Member for Finance, Performance and Core Services introduced a report on the proposal to purchase the freehold of the Londoneast-uk surplus land site and the freehold purchase of The Cube site at the former Sanofi site, Rainham Road South, Dagenham.

The Cabinet had previously agreed terms for the freehold purchase of the Londoneast-uk surplus land site and the lease of The Cube site. Ongoing discussions with the owner had led to the opportunity to purchase the freehold of both sites, which had been the Council's preferred position from the outset, on revised terms.

The Cabinet Member explained that ownership of both sites, in addition to the land already owned by the Council at the location, should lead to an uplift in land values given the plans for a world-class film studios development as part of the major regeneration of the location. It was also proposed that capital funding be set aside for potential investment in The Cube site, with a view to generating more lettable floorspace or increasing the value of the site for future sale.

The Cabinet **resolved** to:

- (i) Approve the revised terms of the freehold purchase of the Londoneast-uk

surplus land site and the freehold purchase of The Cube site on the terms set out in Appendix 2 to the report, for inclusion in the Council's Investment and Acquisition Programme;

- (ii) Authorise the Chief Operating Officer, in consultation with the Director of Law and Governance and the Cabinet Member for Finance, Performance and Core Services, to enter into all necessary agreements to complete the freehold purchase of the sites identified in the plan at Appendix 1 to the report;
- (iii) Agree that up to £6.5m of capital funding be set aside for improvement / extension works to The Cube to enhance its longer-term viability; and
- (iv) Authorise the Chief Operating Officer, as advised by the Investment Panel and/or Assets and Capital Board as appropriate, to determine the future arrangements for The Cube site in accordance with the Council's Investment and Acquisition Strategy.