

MINUTES OF CABINET

Wednesday, 9 March 2016
(7:00 - 8:25 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Laila Butt, Cllr Evelyn Carpenter, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

Also Present: Cllr Syed Ahammad

Apologies: Cllr Cameron Geddes

102. Declaration of Members' Interests

There were no declarations of interest.

103. Minutes (15 February 2016)

The minutes of the meeting held on 15 February 2016 were confirmed as correct.

104. Budget Monitoring 2015/16 - April 2015 to January 2016 (Month 10)

The Cabinet Member for Finance and Central Services introduced the report on the Council's capital and revenue position for the 2015/16 financial year, as at 31 January 2016.

The General Fund showed a projected end of year overspend of £5.5m against the approved budget of £151.4m, which represented an improvement of £0.2m on the position reported for the end of December. The Cabinet Member advised that senior management and staff had all played their part in helping to manage the overspend position and he expected it to be brought down to nearer £4m by the end of the financial year.

The Capital Programme for 2015/16 was forecast to exceed the reprofiled budget of £134.7m by approximately £6.7m due to a number of housing and school expansion projects being brought forward from subsequent years, which Members welcomed. The Cabinet Member also advised on the variations within Housing Revenue Account (HRA) income and expenditure budgets, although it was noted that the HRA was projected to show a break-even position at the year end.

With regard to the 'In / Out' European Union (EU) Referendum to take place on 23 June 2016, the Cabinet Member for Children's Services and Social Care asked that Cabinet Members be briefed on the potential implications for the Council of an 'out' vote in terms of funding already sourced via the EU and potential future bids. The Strategic Director of Finance and Investment confirmed that existing funding arrangements, such as the £89m loan from the European Investment Bank to support the Gascoigne Estate (East) Phase 1 and Abbey Road Phase 2 projects, would be unaffected as formal agreements were in place. However, it was likely that any future funding bids would be looked at less favourably if the United Kingdom was to be outside of the EU. The Strategic Director was asked to lead

on a briefing document for Cabinet Members and it was also suggested that the information should be shared with all councillors and the local community to help inform the debate and raise awareness of some of the local issues relevant to the referendum.

Cabinet **resolved** to:

- (i) Note the projected outturn position for 2015/16 of the Council's General Fund revenue budget at 31 January 2016, as detailed in paragraphs 2.1, 2.4 to 2.10 and Appendix A of the report;
- (ii) Note the progress against the agreed 2015/16 savings at 31 January 2016, as detailed in paragraph 2.11 and Appendix B of the report;
- (iii) Note the overall position for the HRA at 31 January 2016, as detailed in paragraph 2.12 and Appendix C of the report; and
- (iv) Note the projected outturn position for 2015/16 of the Council's capital budget as at 31 January 2016, as detailed in paragraph 2.13 and Appendix D of the report.

105. Corporate Delivery Plan 2015/16 - Quarter 3 Update

The Leader of the Council introduced a report which provided an update on achievement levels for key performance indicators (KPIs) within the Corporate Delivery Plan for the period ending 31 December 2015.

The Leader advised that there had been steady progress across the majority of KPIs during quarter 3 and he highlighted some of the key areas for improvement as well as several that were exceeding targets.

A number of issues arose during the discussions which included:

- (a) **Active Age (over 60's) memberships** – It was noted that although the number of memberships was below target the overall number of visits was higher than in 2014/15, which suggested that a number of individuals had held the free membership last year but had not used the service. The Cabinet Member for Adult Social Care and Health commented that, at just £52 per year, an Active Age membership would make an excellent present and the Council should encourage families to buy it for their parents.
- (b) **Bed and Breakfast Accommodation** – The number of families in bed and breakfast accommodation for over six weeks had spiked during the quarter to 16 as a result of enhancements which delayed the opening of Butler Court until January 2016. However, since the opening the number had reduced to seven and was expected to reduce further during the fourth quarter.
- (c) **Long-term empty properties** – It was noted that the Council was now amongst the top five local authorities in London and the UK, with only 174 long-term (more than six months) empty homes across the Borough.

- (d) **Staff Satisfaction** – Members were pleased to note that the latest staff temperature check survey showed an increase in the percentage of staff who were satisfied with working for the Council, which now stood at over 75%.
- (e) **Sickness absence** – The Cabinet Member for Education and Schools particularly welcomed the plans to introduce mandatory health and wellbeing checks for staff who reached trigger points, which she hoped would help to continue the positive trend.

Cabinet **resolved** to note the performance against the key performance indicators for quarter 3 of the 2015/16 financial year.

106. School Alliances

The Cabinet Member for Education and Schools presented a report on proposals to formalise a partnership between eight primary schools, known as the Primary Alliance for Collaborative Engagement (PACE) Network, via the setting up of a School Company under Sections 11 to 13 of the Education Act 2002, the School Companies Regulations 2002 and the School Companies (Amended) Regulations 2014.

The Cabinet Member explained that the eight schools – Becontree, Five Elms, Gascoigne, Grafton, Henry Green, Southwood, Valence and William Bellamy Primary Schools – had approached the Council last year seeking support in identifying the best way to give their partnership a formal legal status without affecting each school's individual status as a local authority community school. The formal establishment of a School Company would open up the benefits of a larger organisation, such as economies of scale, improved purchasing power and the ability to appoint staff to the Company, and assist in meeting their aspirations to be rated as 'outstanding' schools. As part of its role in the Company, the Council would act as Supervising Authority and have two seats on the Board.

Members spoke in support of the initiative and placed on record their appreciation of all those involved in helping to develop the proposals.

Cabinet **resolved** to:

- (i) Approve and provide consent to the formal establishment of a school company as set out in the report, including the appointment of two Council members of the company and subject to the relevant statutory requirements;
- (ii) Agree that the Council's two Member representatives on the School Company shall be one councillor and one senior officer, to be nominated by the Cabinet Member for Education and Schools and the Corporate Director of Children's Services respectively;
- (iii) Delegate authority to the Corporate Director of Children's Services, in consultation with the Cabinet Member for Education and Schools, the Director of Law and Governance and the Strategic Director of Finance and Investment, to negotiate and approve on behalf of the Council the

constitution of the proposed school company in order to discharge its responsibility as the supervising authority under the regulations; and

- (iv) Delegate authority to the Corporate Director of Children's Services, in consultation with the Director of Law and Governance and the Strategic Director of Finance and Investment, to enter into any contracts, agreements and documents necessary to implement the above recommendations.

107. Tenant Shared Ownership Scheme

The Cabinet Member for Housing introduced a report on proposals to establish a non-statutory Tenant Shared Ownership Scheme which would be open to all Council tenants in the Borough, subject to certain qualifying requirements.

The Cabinet Member advised that the report was one of three on the evening's agenda aimed at offering affordable home ownership products, provided or facilitated by the Council. She commented that the range of proposals reflected the Council's status as London's growth opportunity and would help to reverse the negative impact that so many of the Government's initiatives were having on the Council and its community.

The Cabinet Member explained that the Tenant Shared Ownership Scheme would be aimed at Council tenants who aspired to become homeowners but who were unable to secure a mortgage to buy their property outright. A key component of the Scheme was that the tenant would be entitled to own between 25% and 70% of the property, thereby making it affordable to those on lower incomes while ensuring that the Council, as landlord, was able to stipulate the conditions for eligibility and the terms of the lease. The Cabinet Member confirmed that by retaining equity in the property, the Council would retain control over re-sales and sub-letting to ensure that the property was retained as a long lasting, affordable housing option that could be allocated according to the Council's priorities.

Members spoke in support of the innovative scheme, believed to be the first of its kind amongst local authorities in England, and the Leader confirmed that the initiative would enable the Council to reinvest more than £100m in its housing stock which would not have otherwise been available. It was also noted that the Shadow Minister for Housing and Planning, The Right Honourable John Healey MP, had given his support to the initiative during his visit to the Borough the previous week.

Cabinet **resolved** to:

- (i) Approve the proposals for the introduction of a Tenant Shared Ownership Scheme as detailed in the report;
- (ii) Agree that the proposals be subject to public consultation for a minimum six week period; and
- (iii) Note that a report advising on the outcome of the public consultation and proposing the final policy and implementation date shall be presented to the Cabinet in due course.

108. Delivery of Low Cost Homes for Sale on the Gurdwara Way / Whiting Avenue site - Barking Town Centre Housing Zone

The Cabinet Member for Housing presented a report on plans for a pilot, low cost home ownership scheme on the Gurdwara Way / Whiting Avenue site within the Barking Town Centre Housing Zone that would provide at least 44 one-bed flats, to be available only to first time buyers under 40 years of age at no less than 20% under market value.

The preferred development partner for the project was Pocket Living London, an established and specialist low cost home provider, and the Cabinet Member confirmed that the intention was for initial sales to be targeted at current Borough residents, with priority awarded to those who qualified under the national key workers criteria. Other key components of the project included the requirement for the 20%+ discount and restrictions on sub-letting to remain in perpetuity to ensure that the homes continued to be available to those on lower incomes who wished to set up home in the Borough, unlike the Government's wider plans for starter homes which were expected to place only five-year restrictions.

With regard to funding issues, it was noted that Greater London Authority (GLA) grant funding of £854,718 had been secured to off-set the cost of some of the significant civil engineering and remediation works needed to facilitate the development. In response to Members' enquiries, the Divisional Director of Regeneration confirmed that:

- (a) While Pocket Living's initial development appraisal suggested that the land had a nil residual value due to the significant pre-development costs and relative low sale value of the new properties, an independent valuation would be commissioned to inform the negotiations with Pocket Living and ensure best value for the Council; and
- (b) Any contaminated materials removed from the site would be taken to a fully licensed contaminated waste disposal facility, none of which existed in the Borough.

Cabinet **resolved** to:

- (i) Authorise the Strategic Director of Growth and Homes, in consultation with the Strategic Director of Finance and Investment, to approve grant funded expenditure for site remediation and facilitation works up to £854,718, which represents the maximum grant funding available for the works under the Grant Funding Agreement with the Greater London Authority;
- (ii) Authorise the Strategic Director of Growth and Homes, in consultation with the Cabinet Member for Regeneration, the Strategic Director of Finance and Investment and the Director of Law and Governance, to enter negotiations with Pocket Living for the potential freehold transfer of the site for the delivery of low cost home ownership, with the precise value to be ascertained following the specification of remediation costs, the amount of defrayed eligible expenditure on remediation works under the Funding Agreement with the GLA and the results of an independent valuation; and

- (iii) Note that a further report shall be presented to Cabinet detailing any representations received following the publication of a public notice, under Section 122 (2A) of the Local Government Act 1972, on the proposed appropriation of land for planning purposes and future disposal, pursuant to Section 233 of the Town and Country Planning Act 1990, of the site shown hatched on the plan at Appendix 1 to the report, the outcome of negotiations with Pocket Living and the proposed residency criteria and key worker categories.

109. Kingsbridge Site Residential Development

The Cabinet Member for Housing presented a report on plans for the construction of 27 shared ownership homes on the Kingsbridge site within the Gascoigne Estate (East) regeneration area.

The properties would be developed, held and managed within the existing B&D Reside delivery structure and funded from the Council's General Fund, with a contribution of £24,000 per unit via GLA Housing Zone grant funding. The Cabinet Member advised that the properties would be quality, family homes made up of a mix of three-bed houses and two-bed maisonettes and it was suggested that they would be particularly popular amongst existing residents of the Gascoigne Estate whose current properties would be affected by the major regeneration programme and wished to stay in the area.

Members expressed their full support for the project and commented that the combined impact of the three housing-related proposals on the agenda meant that the Council was already delivering the Growth Commission recommendations by providing the residents of Barking and Dagenham with long-term, affordable social housing options.

Cabinet **resolved** to:

- (i) Agree the tenure and unit mix for the development of 27 shared ownership units on the vacant Kingsbridge site shown edged in red at Appendix 1 to the report, as detailed in paragraph 2.2 of the report;
- (ii) Agree to use an existing entity within the B&D Reside structure (or the establishment, if required, of a new Special Purpose Vehicle within that structure) to develop, sell, own and procure the construction, management and maintenance of common parts and structure of the 27 shared ownership units on the Kingsbridge site;
- (iii) Agree the principle of borrowing up to £6.75m within the General Fund to finance the development and ownership of the shared ownership homes unsold equity via a loan agreement made between the Council and the shared ownership Special Purpose Vehicle;
- (iv) Delegate authority to the Chief Executive, in consultation with the Director of Law and Governance, the Strategic Director of Finance and Investment and the Cabinet Members for Finance, Housing and Regeneration, to negotiate terms and agree the contract documents to fully implement and effect the Kingsbridge project; and

- (v) 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.

110. Review of Tenancy Management Policies

The Cabinet Member for Housing reported on a review of a number of the Council's tenancy management policies which was undertaken to ensure that the arrangements were relevant and in line with best practice.

Three policies had been reviewed, namely the Succession of Tenancy Policy, the Management Transfer Policy and the Domesticated Animals Policy which, in future would be referred to as the Keeping Dogs and Other Pets Policy. A new Relationship Breakdown Policy had also been produced to establish the principles to be applied in cases where joint tenants of a property were no longer together.

The Cabinet Member referred to the key aspects of the new policies, which had each been subject to an Equalities Impact Assessment, and confirmed that all Council tenants would be consulted on the proposals in line with statutory requirements.

In respect of the Keeping Dogs and Other Pets Policy, officers agreed to revise the draft policy wording to reflect that the intention of the policy was to promote reasonable and responsible pet ownership rather than being overly prescriptive regarding the number and type of pet that could be kept in a Council property. The Leader also referred to the positive impact of the Council's pilot Dog DNA registration scheme which had seen a 60% reduction in dog fouling in parks in the three wards covered by the pilot.

Cabinet **resolved** to:

- (i) Adopt the revised Succession Policy as set out at Appendix 1 to the report;
- (ii) Adopt the revised Management Transfer Policy as set out at Appendix 2 to the report;
- (iii) Adopt the revised Keeping Dogs and Other Pets Policy as set out at Appendix 3 to the report;
- (iv) Adopt the new Relationship Breakdown Policy as set out at Appendix 4 to the report; and
- (v) Authorise the Strategic Director of Customer, Commercial and Service Delivery, in consultation with the Cabinet Member for Housing, to agree the implementation date of the policies and any minor changes considered appropriate following the statutory consultation with tenants.

111. Future Management Arrangements for Fanshawe, Galleon and Hedgecock Community Facilities

The Leader of the Council introduced a report on the latest proposals for

transferring the management of the Borough's community centres to local community organisations.

The principle of transferring the management of community centres to local community organisations was established by the Cabinet under Minute 76 (21 December 2010). Since that time the management of the majority of the Council's community centres had successfully transferred and the latest proposal related to the Fanshawe, Galleon and Hedgecock Community Centres.

The Leader referred to the proposed lease arrangements and the organisations that would be taking on the responsibilities of managing and maintaining the facilities. The Cabinet Member for Environment commented that the meetings to establish the new Hedgecock Community Association had been very well attended and she looked forward to the new facility opening its doors to the whole community.

Cabinet **resolved** to:

- (i) Authorise the Chief Executive, in consultation with the Director of Law and Governance and Strategic Director of Finance and Investment, to negotiate final terms, enter into a management agreement and grant a 30 year lease for the Fanshawe Community Centre to the Fanshawe Community Association on a commercial rent and full repairing and insuring basis, and for the lease to include provision permitting the tenant to grant a sub-lease to the Dagenham Islamic Welfare Association to regularise its current occupation of part of the premises;
- (ii) Authorise the Chief Executive, in consultation with the Director of Law and Governance and Strategic Director of Finance and Investment, to negotiate final terms, enter into a management agreement and grant a 30 year lease on a commercial rent and full repairing and insuring basis for the new Hedgecock Community Centre to the Hedgecock Community Association, which shall be established by the Council to manage the facility; and
- (iii) Authorise the Chief Executive, in consultation with the Director of Law and Governance and Strategic Director of Finance and Investment, to negotiate final terms, enter into a management agreement and grant a 30 year lease for the Galleon Centre to Studio 3 Arts on a commercial rent and full repairing and insuring basis.

112. Land Acquisition and Lease (Royal British Legion), Rectory Road, Dagenham

The Cabinet Member for Finance and Central Services introduced a report on proposals to lease the former Rectory Road Library to the Royal British Legion (RBL) and, as part of the arrangement, for the Council to acquire the site in Rectory Road currently owned and occupied by the RBL with a view to developing it for residential purposes.

By Minute 17 (25 June 2013), the Cabinet had approved the use of the former Rectory Road Library as a Territorial Army (TA) Centre. For a number of reasons the TA did not take up the option and the building had remained vacant until recently when it became occupied under license by the local Leaping Toads

children's educational group while the group sourced more permanent accommodation in the Borough.

The Cabinet Member advised that the RBL had expressed an interest in relocating to the former Library premises and wished to sell its current site to fund the relocation. The current RBL site was flanked by Council-owned land which meant that, if the site was purchased by the Council, there would be a number of options open to the Council regarding future development.

The Cabinet Member referred to the legal and planning issues that needed to be resolved regarding the former Library and the current RBL site and the market valuation for the freehold of the RBL site.

Cabinet **resolved** to:

- (i) Approve the granting of a 10 year lease for the former library site in Rectory Road, as shown in Appendix B to the report, to the Royal British Legion on market terms and, in doing so, amended the decision made by Cabinet under Minute 17 (25 June 2013);
- (ii) Approve the acquisition of the Royal British Legion site in Rectory Road as shown in Appendix A to the report following formal valuation and consultation with Planning officers, in line with the arrangements set out in section 4 of the report;
- (iii) Delegate authority to the Chief Executive, in consultation with the Director of Law and Governance, the Strategic Director of Finance and Investment and the Cabinet Members for Finance and Regeneration, to agree terms and negotiate the contract documents to fully implement and effect the sale and lease of the sites; and
- (iv) Delegate authority to 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.

113. Debt Management Performance and Write-Offs 2015/16 (Quarter 3)

The Cabinet Member for Finance and Central Services introduced the performance report for the third quarter period ending 31 December 2015 in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London.

The Cabinet Member referred to the increasing pressures on local residents' finances as a consequence of the Government's austerity measures which, in turn, had impacted on collection rates and debt levels. He also explained that Elevate's targets had been stretched year-on-year which meant that although there was under-achievement against targets in several areas the actual amount of revenue collected by Elevate was generally increasing across the board.

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 third quarter of 2015/16 and that a number of the debts were published in accordance with the policy agreed by Cabinet.

114. Schools National Funding Formula Consultation

(The Chair agreed that the report could be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency, in order for the Cabinet to consider a Government consultation launched on 7 March 2016.)

The Cabinet Member for Education and Schools introduced a report on the launch by the Department for Education (DfE) of two separate consultations, one on the schools national funding formula and the second on the high needs funding formula (for special educational needs).

The Cabinet Member advised that both sets of proposals had potentially significant implications for Barking and Dagenham children and schools, with discretionary services likely to be most affected. Furthermore, the DfE's proposals would suggest that local authorities and schools in London were likely to lose funding while those in other parts of the country would benefit. The Cabinet Member stressed that the issue should not be seen as one between London and the rest of the country and it was crucial for the Government to make a commitment that no one would be worse off under any new arrangements, given that there was a need for increased investment in children's education across the country.

The Cabinet Member for Children's Services and Social Care criticised the DfE's decision to apply the statutory minimum six week consultation period for such important and far-reaching proposals. The Cabinet Member for Education and Schools offered possible reasons for the timing and length of the consultation and added that the Council was only being asked to comment on the main principles at the present time. An assessment of the detailed impact for the Borough would only be possible once the DfE issued a second stage consultation later in the year. The Leader also commented on the anticipated additional cuts to public service expenditure that were expected to be announced as part of the Chancellor of the Exchequer's Budget Statement 2016.

Cabinet **resolved** to:

- (i) Delegate authority to the Corporate Director of Children's Services, in consultation with the Cabinet Member for Education and Schools, the Leader of the Council and the Chief Executive, to respond to the consultation by the deadline of 17 April 2016; and
- (ii) Agree that details of the Council's response to the consultation be sent to all Members of the Council.