

MINUTES OF CABINET

Tuesday, 15 December 2015
(7:02 - 8:02 pm)

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

Apologies: Cllr Cameron Geddes and Cllr Lynda Rice

70. Declaration of Members' Interests

There were no declarations of interest.

71. Minutes (10 November 2015)

The minutes of the meeting held on 10 November were confirmed as correct.

72. Budget Monitoring 2015/16 - April to October (Month 7)

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 October 2015.

The General Fund showed a projected end of year spend of £157.29m against the approved budget of £151.44m, which represented a slightly improved position to that at 30 September, although the Cabinet Member pointed out that the current overspend of £5.85m was likely to remain around that level for the remainder of the financial year. With that in mind and to ensure that the Council's General Fund reserves remained above the preferred minimum threshold of £15m, it was proposed to bring forward the implementation of 2016/17 savings proposals wherever possible.

The Housing Revenue Account (HRA) continued to show a predicted breakeven position, although the Cabinet Member referred to a slight underperformance on rent collection levels which was being addressed. It was further noted that the in-year General Fund savings for 2015/16 were largely on target, with a forecast saving of £21.99m against the overall target of £23.52m, while the projected spend within the Capital Programme was in line with the reprofiled budget of £131.5m.

The Cabinet Member elaborated on the request for an additional £0.6m allocation from reserves to support the development of final business cases for several projects being progressed under the Council's Ambition 2020 programme. Clarification was also provided in respect of a number of other matters, which included:

- The elements that made up the "other available reserves" within the General Fund;
- The continued availability of HRA decanted properties for use as temporary

accommodation for at least the next few years, as a consequence of the Council's borough-wide estate renewal programme;

- The need to factor known inflationary increases for aspects such as tenants' water charges into the HRA budget setting process in the future; and
- The need to realign the allocations within the Capital Programme that related to the Decent Homes North and South projects to properly reflect the accelerated funding and spend levels.

Cabinet **resolved** to:

- (i) Note the projected outturn position for 2015/16 of the Council's General Fund revenue budget at 31 October 2015, 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 October 2015, as detailed in paragraph 2.11 and Appendix B of the report;
- (iii) Note the overall position for the HRA at 31 October 2015, as detailed in paragraph 2.12 and Appendix C of the report;
- (iv) Note the projected outturn position for 2015/16 of the Council's capital budget as at 31 October 2015, as detailed in paragraph 2.13 and Appendix D of the report;
- (v) Agree that all Chief Officers be instructed to implement any agreed 2016/17 savings during the current financial year to assist in reducing the Council's overspend, as detailed in paragraph 2.2.3 of the report; and
- (vi) Agree to the use of £0.6m of Council reserves to fund the development of business cases for the Ambition 2020 programme, as detailed in paragraph 2.9.7 of the report.

73. Corporate Delivery Plan - Quarter 2 (2015/16) Update

The Strategic Director of Finance and Investment introduced a report which provided an update on the priority projects and performance indicators agreed by the Cabinet in October 2014 as part of the Corporate Delivery Plan, in addition to progress against the LGA Peer Challenge implementation plan.

In noting the main areas of improved performance, Members praised the work of the active volunteers in the Borough who had already recorded over 20,000 hours of support during the year. The Leader referred to several events and publications that had recognised the work of volunteers and undertook to ensure that the latest achievements were also publicised.

A number of other issues were also highlighted:

- a) East London University Technical College (ELUTEC) - The Cabinet Member for Education and Schools was pleased to report that ELUTEC had now relocated to the londoneast-uk Business and Technical Park (former Sanofi site).

- b) Pupil Attainment - The latest data showed that primary schools in Barking and Dagenham had improved at a faster rate than other London boroughs, with an increase of 8% over the last year, which meant that 78% of the Borough's primary schools were rated "good" or "outstanding". In relation to secondary education, the percentage of "good" or "outstanding" schools was even stronger at 82%, above the national level (74%) and closing the gap with the London average (85%). The Cabinet Member for Education and Schools pointed out that Barking and Dagenham was outperforming a number of other London Boroughs, several of which were in far more affluent areas.
- c) Demographic Growth - The Cabinet Member for Children's Services and Social Care referred to the impact of demographic growth for Barking and Dagenham and other London Boroughs and it was noted that the issue was a key priority amongst London Leaders in discussions with Government Ministers and officials. Officers also referred to the provisional 2016/17 Local Government Finance Settlement that was due to be announced later in the week and the potential benefits for Barking and Dagenham as a consequence of a proposed new method for distributing Revenue Support Grant.
- d) Capital Programme Review - It was noted that the Public Accounts and Audit Select Committee (PAASC) had planned to carry out a review but it was suggested that an alternative Member-led body could take on the role.

Cabinet **resolved** to note the performance for the priority projects, key performance indicators and LGA Peer Review implementation plan for quarter 2 of the 2015/16 financial year.

74. Barking Housing Zone Update and Clockhouse Avenue / Broadway Project

Further to Minutes 26 (21 July 2015) and 64 (10 November 2015), Members received a report on progress relating to the Barking Housing Zone proposals which included specific plans to purchase leasehold interests in a site, the entering into of a grant funding agreement with the Greater London Authority (GLA) and outline plans relating to the financing of up to 500 shared ownership units.

Councillor Twomey, presenting the report on behalf of the Cabinet Member for Regeneration, referred to the benefits of securing the leasehold interests in respect of the site bordered by Clockhouse Avenue / Broadway / East Street / Grove Place at the present time even though the longer-term vision for the area had still to be determined. The grant funding agreement with the GLA related to the North Street site, between the London Road junction and Whiting Avenue, and the former Kingsbridge site at King Edwards Road. Councillor Twomey confirmed that the 38 properties across the mixed tenure sites would each attract £24,000 Affordable Housing Grant funding.

In welcoming the proposals, Members asked officers to ensure that all new developments included 'designing out crime' measures within the specifications and that sensible consideration was given to resident parking in the light of experience with other developments in the area. The Divisional Director of Regeneration confirmed that the Council would hold the nomination rights for the shared ownership properties that would be developed and he advised that a policy

report on shared ownership would shortly be presented to the Cabinet.

Cabinet **resolved** to:

- (i) Agree, subject to the completion of satisfactory due diligence, to the purchase from Flodrive Holdings of leasehold interests of the site bordered by Clockhouse Avenue / Broadway / East Street / Grove Place shown hatched in the plan at Appendix 1 to the report, on the terms set out in the exempt Appendix 2 to the report;
- (ii) Agree to the payment of fees and taxes of up to £180,000 associated with the land purchase and due diligence;
- (iii) Agree to enter into a grant funding agreement with the GLA for the North Street and Kingsbridge sites as set out in paragraph 5.2 of the report; and
- (iv) Note that, subject to the agreement of satisfactory terms, a further report will be submitted to Cabinet seeking approval to enter a funding agreement with the GLA and Horizon Infrastructure to finance up to 500 shared ownership new build units, as detailed in section 5.3 of the report.

75. Contract for Provision of Agency and Temporary Staff

The Cabinet Member for Finance and Central Services presented a report on the proposed procurement of a new contract for the supply of agency and temporary staff to the Council, to commence on the expiry of the current contract on 10 June 2016.

The Cabinet Member advised that a detailed options appraisal had identified the current Master Service Provider (MSP) delivery model as the preferred route for the new contract. It was noted that the contract would require the MSP and second-tier suppliers to maximise local growth opportunities through a number of initiatives, such as engaging with local suppliers and working with the Job Shop to maximise the number of local people on the contractors' books.

Cabinet **resolved** to:

- (i) Approve the re-procurement of a contract for the provision of agency staff through the East Shires Purchasing Organisation (ESPO) Framework Lot 2 – Managed Service Provider, in line with the strategy outlined in the report, on an initial term of three years with an option to extend by up to one year; and
- (ii) Delegate authority to the Strategic Director of Customer, Commercial and Service Delivery, in consultation with the Cabinet Member for Finance and Central Services, the Strategic Director of Finance and Investment and the Head of Legal and Democratic Services, to award and enter into the contract and any period of extension.

76. Procurement of New Nursery Service and Annual Childcare Sufficiency Assessment Report 2015

The Cabinet Member for Education and Schools introduced a report on the procurement of a new nursery service which would help to alleviate childcare pressures in Gascoigne, Abbey and Thames wards, together with the Council's Childcare Sufficiency Assessment Report for 2015.

The Cabinet Member explained that the new nursery service would provide 80 full-time equivalent places for children aged between three months and five years. It was also noted that the contract and co-terminus lease arrangement for the nursery building would be for up to 10 years and tenderers' submissions would be assessed against a criterion of 95% quality / 5% price.

Cabinet **resolved** to:

- (i) Agree the procurement of a seven year contract, with an extension option for up to three years, for the provision of nursery services at a new nursery on the Shaftesbury Estate;
- (ii) Delegate authority to the Corporate Director for Children's Services, in consultation with the Cabinet Member for Education and Schools, the Strategic Director of Finance and Investment and the Head of Legal and Democratic Services, to award and enter into the contract and coterminous lease to the successful bidder in accordance with the strategy; and
- (iii) Note the Childcare Sufficiency Assessment Report 2015 as set out at Appendix 1 to the report.

77. Debt Management Performance and Write-Offs 2015/16 (Quarter 2)

The Cabinet Member for Finance and Central Services introduced the performance report for the second quarter period ending 30 September 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 rent collection rate issue that had been raised during his presentation of the earlier Budget Monitoring report and confirmed that the most recent data showed the collection rate at 98.85%, compared to 98.34% at 30 September. Although that continued to be slightly below target levels, the Cabinet Member referred to the reasons behind the underperformance and other variations against targets. Members concurred that, overall, Elevate East London was performing well in difficult circumstances and in the context of increasingly challenging targets.

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 second quarter of 2015/16 and that a

number of the debts would be published in accordance with the policy agreed by Cabinet.

78. London NHS Devolution

The Cabinet Member for Adult Social Care and Health advised on the Chancellor of the Exchequer's announcement earlier in the day of the launch of five pilot schemes across London, one to be led by Barking and Dagenham Council, which would see powers over NHS services transferred from Whitehall to local authorities. The Barking and Dagenham pilot scheme would integrate primary and secondary care more closely, focusing on intervening early and managing the chronically ill, through the creation of an Accountable Care Organisation (ACO) in partnership with Havering and Redbridge Councils. It was noted that the scheme would also provide the Boroughs with the opportunity to integrate approaches to commissioning and take more radical action on prevention through the sharing of financial risks and benefits.

The Cabinet Member whole-heartedly welcomed the devolution arrangements which she felt represented a great opportunity to make a difference to the health and wellbeing of the local community.