

# MINUTES OF CABINET

Tuesday, 11 December 2018  
(7:00 - 8:43 pm)

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

**Apologies:** Cllr Maureen Worby

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

There were no declarations of interest.

## **60. Minutes (13 November 2018)**

The minutes of the meeting held on 13 November 2018 were confirmed as correct.

## **61. Budget Monitoring 2018/19 - April to October (Month 7)**

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's General Fund and Housing Revenue Account (HRA) revenue budget monitoring position for the 2018/19 financial year as at 31 October 2018 (Month 7).

The underlying General Fund position continued to be similar to that at the end of September, with a projected end of year overspend of £3.818m. The Cabinet Member referred to the People and Resilience Action Plan which sought to manage the significant pressures across both the Adult and Children's service areas and also commented on the other services that were experiencing pressures as a consequence of the Government's underfunding of public services. On that point, the Cabinet Member for Enforcement and Community Safety remarked on the Government's recent announcement that local authorities could support Police funding via the Council Tax, which was yet another example of the Government absolving itself of its responsibilities.

The HRA was forecast to be £0.9m below the planned revenue surplus contribution to the HRA Capital Programme. The Cabinet Member also advised on the receipt of grant funding towards road repairs and an addition to the fees and charges schedule that was approved at the last meeting to reflect new animal licensing regulations.

The Cabinet **resolved** to:

- (i) Note the current forecast outturn position for 2018/19 of the Council's General Fund revenue budget, as detailed in section 2 and Appendix A to the report;
- (ii) Note the forecast outturn position for 2018/19 on the HRA, as detailed in section 4 and Appendix B to the report;

- (iii) Agree the inclusion of Local Transport Capital Grant funding of £0.42m in the Capital Programme, as detailed in section 5 of the report; and
- (iv) Agree the inclusion in the Fees and Charges schedule approved by Cabinet on 13 November 2018 (Minute 54) of new fees and charges relating to animal welfare effective from 1 October 2018, as detailed in section 6 of the report.

## **62. Dedicated Schools Budget and School Funding Formula 2019/20**

The Cabinet Member for Educational Attainment and School Improvement presented a report on the latest position regarding the Government's education funding reforms and the proposed allocation of funding to schools for 2019/20.

The Cabinet Member referred to the provisional allocations for 2019/20 across the four funding areas covering the main allocation to schools (Schools block), central costs for core Local Authority education services (Central block), additional costs for Special Educational Needs pupils (High Needs block) and childcare and pre-school services (Early Years block). It was noted that the overall allocation for 2019/20 would again represent another real-term cut in education funding in the Borough and the High Needs block would continue to be significantly underfunded until such time that the Government fully implemented its proposed reforms. The Cabinet Member explained that as schools were not able to transform in the same way that the Council had in response to the Government's underfunding of public services, the loss of some teacher posts was a real possibility.

The Schools' Forum had been consulted on the proposed funding factors for 2019/20 and the specific allocation for each school was currently subject to final consultation with Headteachers and Governing Bodies. In that respect, the Cabinet Member was seeking authority for approval of the final submission to the Education Funding Agency to be delegated to the Commissioning Director of Education following full consultation.

The Cabinet **resolved** to:

- (i) Note the latest position on the national Education Funding Reform and the expected implications for Barking and Dagenham as set out in section 2 of the report;
- (ii) Approve the 2019/20 strategy for the Dedicated Schools Budget as set out in section 3 of the report;
- (iii) Agree, in principle, the proposed model for allocating school funding in 2019/20, as set out in section 4 and Appendix A to the report; and
- (iv) Delegate authority to the Commissioning Director of Education, in consultation with the Schools Forum, the Cabinet Member for Educational Attainment and School Improvement and the Chief Operating Officer, to approve the final 2019/20 school funding formula submission to the Education Funding Agency.

### **63. Pan London Procurement of Temporary Accommodation Hub - Capital Letters**

The Cabinet Member for Regeneration and Social Housing presented a report on the proposal for the Council to participate in a multi-London Borough initiative aimed at providing a collaborative approach to the procurement of temporary accommodation across London.

The Cabinet Member explained that the current piecemeal approach across London often led to Councils competing against each other for suitable accommodation, which created a false housing market and drove up costs. The new initiative, via the creation of a company limited by guarantee to be known as 'Capital Letters', would enable participating Councils to access more properties via a co-ordinated approach, as well as potentially benefiting from a £34m funding stream from the Ministry of Housing, Communities and Local Government (MHCLG). The intention was to join the company in the first phase, which would give the Council a voting seat on the Board as well as other benefits over those who joined at a later stage.

In response to questions, the Cabinet Member confirmed that the new service was expected to go live in April 2019 and he was aware of approximately six Councils who had currently expressed an interest in joining in the first phase, although it was hoped that the initiative would be London-wide in the longer term.

The Cabinet **resolved** to:

- (i) Agree, in principle, to the Council's participation in "Capital Letters", a company limited by guarantee to be established by the London boroughs, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to make the final determination on the Council's participation and, if appropriate, enter into all the legal agreements, contracts and other documents on behalf of the Council required to implement any aspect of the arrangements, including the appointment of the Council's Company Member Representative and operational arrangements for staff secondment.

### **64. Procurement of Data Analytics and Predictive Modelling for Children's, Homelessness and Adult Services**

The Cabinet received a report on the proposed procurement of the data analytic and predictive modelling platform provided by EYXantura to assist the Council's Community Solutions service in the provision of Children's, Homelessness and Adult Services.

The EYXantura platform would consist of the development and deployment of data analytics and predictive demand models for children's social care (including early help), homelessness and adult social care and assist Community Solutions to achieve its main aims of "Foster resilience and independence", "Resolve early", "Reduce demand" and "Generate savings" by providing a better understanding of

demand factors and helping to identify those most at risk / in need. Members welcomed the holistic family approach that the platform offered and the potential savings to the service from year 3 onwards.

The Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for data analytics and predictive modelling for children's, homelessness and adult's services in accordance with the strategy set out in the report;
- (ii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Social Care and Health Integration and the Director of Law and Governance, to determine the final procurement route, conduct the procurement and award and enter into the contract and all other necessary or ancillary agreements with the provider, in accordance with the strategy set out in the report; and
- (iii) Note the approach proposed for an initial mobilisation and scoping phase, aimed at providing additional assurance and validation on expected benefits prior to commencement of the full contract.

## **65. Sale of Council-Owned Shared Ownership Properties at Leys Estate (Phase 2)**

Further to Minute 84 (27 January 2015), the Cabinet Member for Finance, Performance and Core Services presented a report on the formalisation of arrangements to enable the sale of the shared ownership units constructed as part of The Leys Phase 2 development.

The Cabinet Member explained that the previous report should have included a recommendation regarding the sale of the shared ownership units, as had been the case for similar projects involving shared ownership properties. Authorisation was therefore being sought to enable the planned sales to be finalised. In response to points raised it was noted that approximately 80% of properties across the Council's four shared ownership development sites in the Borough had gone to local people, while the local connection rate across the entire redevelopment of The Leys estate was circa 90%.

Cabinet Members commended the Council's approach to providing a genuine mix of affordable housing that both encouraged and enabled local people to continue to live in the Borough as they progressed up the housing ladder.

The Cabinet **resolved** to authorise the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to approve the final terms in respect of the shared ownership arrangements for the 34 units at Leys Phase 2 and enter into all the necessary agreements.

## **66. Robert Clack School Lyminster Fields Site Sub-Station Lease**

The Cabinet Member for Educational Attainment and School Improvement introduced a report on the proposed terms of a lease with UK Power Networks

(UKPN) to facilitate the supply of power from a new electricity sub-station at Royal Anglian Way, Dagenham, to serve the Robert Clack School Lymington Fields site.

The Cabinet **resolved** to:

- (i) Agree that the Council enters into a 99-year lease with UKPN in respect of the new electricity sub-station at Robert Clack School Lymington Fields site, Royal Anglian Way, as shown on the site plan at Appendix 1 to the report, on the proposed terms; and
- (ii) Authorise the Director of Law and Governance to enter into the lease agreement with UKPN and any other agreements deemed necessary to facilitate the delivery of the Robert Clack School Lymington Fields site project.

#### **67. Purchase of Welbeck Wharf, 8 River Road, Barking**

The Cabinet Member for Finance, Performance and Core Services presented a report on an opportunity for the Council to purchase a key strategic site, known as Welbeck Wharf, at the northern end of River Road, Barking.

The site benefitted from significant frontage onto River Road and the River Roding and was a major gateway into the Barking Riverside Gateways Housing Zone and Barking Riverside areas. In view of the potential benefits to the Council and Be First of securing such a site, Be First officers had entered into preliminary negotiations with the site owners prior to the site being offered on the open market. The Cabinet Member outlined the indicative terms of the proposed purchase and lease-back arrangements, which were detailed in an exempt appendix to the report, and confirmed that the final terms of any deal would be subject to a number of factors. Those factors included the commissioning of an independent expert to produce a flood risk strategy for the area and the findings of any land contamination studies. The Cabinet Member also referred to the potential unlocking of a further 27 acres of development land in the area.

The Cabinet Member stressed the importance of securing the Welbeck Wharf site on the proposed favourable terms prior to it being offered on the open market and confirmed that future reports to the Cabinet would set out the detailed options for the site.

The Cabinet **resolved** to:

- (i) Approve the acquisition by the Council of the Welbeck Wharf site, as shown in Appendix 1 to the report, on the terms set out in the report;
- (ii) Delegate authority to the Chief Operating Officer, advised by the Investment Panel and in consultation with the Director of Law and Governance, the Cabinet Member for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing, to determine any short-term holding arrangements for the site and to enter into any necessary agreements to affect those arrangements;
- (iii) Approve funding 'in principle' for pre-development costs up to the sum

specified in Appendix 3 to the report and delegate authority to the Chief Operating Officer, advised by the Investment Panel and in consultation with the Director of Law and Governance, the Cabinet Member for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing, to approve the release of the appropriate pre-development funding; and

- (iv) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance, to enter into all necessary agreements to complete the freehold purchase and lease back arrangements.

## **68. Institutional Funding Proposal - Hotel Investment**

The Cabinet Member for Finance, Performance and Core Services presented a report on a proposal, as part of the Council's Investment and Acquisition Strategy (IAS), to enter into an investment arrangement with an Institutional Investor and Travelodge Hotels Limited (Travelodge) regarding a new hotel development in Poplar, east London.

The Cabinet Member explained that the successful delivery of the IAS was integral to the future provision of services to local residents as the Council had to find new, innovative sources of funding in the light of the Government's continued cuts to public funding. The hotel investment proposal, together with the Welbeck Wharf purchase discussed earlier in the meeting, were just two examples of how that would be achieved. The Cabinet Member outlined the finances associated with the Head Lease and Sub-Lease arrangements, which were detailed in an exempt appendix to the report, and confirmed that while there were risks associated with any investment, the due diligence and risk analysis work that had been undertaken showed the proposal in a very positive light.

Cabinet Members spoke in support of the proposal and it was suggested that the Council should encourage similar investment opportunities in the future.

The Cabinet **resolved** to:

- (i) Approve Option B1, as detailed in Appendices 2 and 3 to the report, as the preferred option in respect of the Council's participation in the proposed investment arrangement;
- (ii) Subject to (vii) below, agree to the Heads of Terms between the Council and the Institutional Investor as detailed in Appendix 5 to the report;
- (iii) Subject to (vi) and (vii) below, agree that the Council enters an Agreement to Lease with the Institutional Investor and Travelodge Hotels Limited on state aid compliant market terms;
- (iv) Subject to (vi) and (vii) below, agree that the Council enters a 50-year Head Lease with the Institutional Investor on state aid compliant market terms;
- (v) Subject to (vi) and (vii) below, agree that the Council grants a 35-year sub-lease with an option to renew to Travelodge Hotels Ltd;

- (vi) Delegate authority to the Chief Operating Officer, in consultation with Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to negotiate final heads of terms, final commercial and lease terms and agree the contract and ancillary legal documents to fully implement and effect the proposals set out in the report;
- (vii) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, in consultation with the Chief Operating Officer to execute all the legal agreements, contracts and other documents on behalf of the Council; and
- (viii) Delegate authority to the Chief Operating Officer to incorporate a special purpose vehicle (whether a company or Limited Liability Partnership) if, in the Chief Operating Officer's opinion, that would be necessary (such incorporation to include such shareholders or member's agreement as may be required).

## **69. Corporate Plan 2018-2022 - Quarter 2 Performance Reporting**

The Cabinet Member for Finance, Performance and Core Services introduced the corporate performance monitoring report for the second quarter of the 2018/19 financial year, which set out progress at the mid-year point in respect of the Key Accountabilities and the 47 Key Performance Indicators (KPIs).

The Cabinet Member advised that 29% of the KPIs were showing a positive 'green' rating while 12% had a 'red' rating, with the remainder at 'amber'. Sickness absence was highlighted as one of the positive areas, with the average number of days lost continuing to reduce towards the year-end target of 6 days, while the Cabinet Member stressed the importance of working with partner organisations to address many of the poor performing areas.

With regard to the Key Accountabilities linked to Cabinet Member portfolios, particular reference was made to the progress of plans for a new Industrial Heritage Museum at the former Ford Stamping Plant and the public realm improvements as part of the regeneration of the Becontree Estate.

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 KPIs as detailed in Appendix 2 to the report.

## **70. Debt Management Performance and Write-Offs 2018/19 (Quarter 2)**

The Cabinet Member for Finance, Performance and Core Services introduced the performance report for the second quarter of the 2018/19 financial year in respect of the debt management functions carried out on behalf of the Council by the Revenues and Benefits service within Elevate East London.

The Cabinet Member commented that the challenges that many local residents

faced as a consequence of the Government's ongoing austerity programme had impacted on some collection rates and the situation was only expected to worsen once the Government rolled out Universal Credit. On a positive note however, the pro-active approach being taken by the Council's Community Solutions service and Elevate to assisting local residents who faced debt problems was proving very successful and specific mention was made of the 'Money Hub' initiative. The Leader also referred to the Council's new Beam Energy project that was due to be launched very soon which could help local residents save considerable sums on their energy bills.

The Cabinet **resolved** to:

- (i) Note the contents of this report as it relates to 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 2018/19.

#### **71. Any other public items which the Chair decides are urgent**

The following issues were raised:

- (i) The Leader conveyed the Council's condolences to those affected by the suspected terror-related incident in Strasbourg, France that had occurred earlier in the evening;
- (ii) The Leader advised that he had recently appointed Councillors Irma Freeborn and Chris Rice as Member Champions for Quality in Care and Mental Health respectively; and
- (iii) The Leader placed on record the Council's appreciation and best wishes to Richard Wilson, Senior Media Relations Officer, who would shortly be leaving the Council to take up a career as a firefighter with the London Fire Brigade.