

MINUTES OF CABINET

Tuesday, 17 September 2019
(7:03 - 8:35 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, Cllr Lynda Rice and Cllr Maureen Worby

41. Minute's Silence

A minute's silence was observed at the request of the Leader to mark the passing of Councillor Mohammed Fani, who represented the Abbey Ward between 1990 and 2010 and received the Freedom of the Borough in 2010.

42. Declaration of Members' Interests

There were no declarations of interest.

43. Minutes - 16 July 2019

The minutes of the meeting held on 16 July 2019 were confirmed as correct.

44. 2019/20 Budget Monitoring (April to July - Month 4) and Capital Programme Monitoring (April to June - Q1)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's budget and capital monitoring position for April – July 2019 and April to June 2019.

The forecast expenditure in the General Fund was £158.352m against a budget of £148.820m, equating to a gross General Fund overspend of £9.5m. At the beginning of the financial year there was a high level of uncertainty, particularly around demand and cost increase pressures and so, the position could change. However, if the level of expenditure continued into next year it would exceed the funding plans set out in the Medium Term Financial Strategy. For these reasons, Cabinet was being asked to note the need for possible remedial measures to be identified and that a further report would be presented to an upcoming meeting of the Cabinet.

This report also included the first quarterly Capital Programme report for completeness. The overall general fund capital programme was £169.356m. Forecast spend against the total general fund programme was £156.161 resulting in a forecast underspend of £12.207m.

Members referred to the scale of the challenge faced by the Council in having to deliver services without adequate levels of funding by the Government, particularly for care and support services and the budgetary pressures faced by schools in meeting the needs of children and young people, particularly those with high

needs.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn for Council services as set out in sections 2 and 3 to 11 and Appendix A to the report;
- (ii) Note the forecast outturn on the Dedicated Schools Budget as set out in section 12 of the report;
- (iii) Note the reprofiled Capital Programme and the forecast outturn as set out in section 14 and Appendices B and C to the report;
- (iv) Approve the following additions to the 2019/20 Capital Programme, as detailed in section 16 of the report:
 - An additional £30,000 for further, unforeseen repairs work to Woodlands (Registry Office),
 - An additional £7,614,989 to fully fund the Fleet Replacement capital programme, bringing the total revised allocation to £10,689,989; and,
- (v) Note the need to identify in-year remedial action in relation to General Fund revenue expenditure and that a further report shall be presented to Cabinet in October/November, as set out in section 2.5 of the report.

45. Modern Slavery Charter - Progress Report and Modern Slavery Statement

The Cabinet Member for Social Care and Health Integration presented a report updating the Cabinet on progress made against the Modern Slavery Charter adopted in May 2018 and asking it to endorse a Modern Slavery Statement.

The Cabinet Member stated that a safeguarding review of a vulnerable resident of the Borough published in 2017 highlighted the importance of raising the Council and community's awareness and understanding of modern slavery in tackling the issue. She felt it was important for the Council to be upfront about the prevalence of modern slavery in society, including the Borough, no matter how uncomfortable this may be and to send out a strong message that it would not be tolerated in any form. The Home Office statistics stated that there were approximately 10,000 slaves in the UK and globally there were now more slaves than ever before. The nature of modern slavery was such that it was both in plain sight and hidden, for example, it could be taking place in a local car wash business. She summarised the different categories of modern slavery, listed below, highlighting that in each, debt owed by the victim to the perpetrator could further compound the situation faced by the victim and their ability to leave:

- Labour exploitation: people in forced labour generally working long hours for no or very low pay, and usually in poor working conditions;
- Domestic Servitude: typically involves victims working in a private family home where they are ill-treated and made to work for little or no pay;
- Sexual exploitation (including child sexual exploitation): victims are coerced into sex work or sexually abusive situations; and
- Criminal exploitation: the exploitation of a person to commit a crime for

someone else's gain. A growing phenomenon was the use of children and young people to transport drugs and money between cities and rural areas by crime gangs, known as county lines.

Members felt it was important for the community to recognise the signs that modern slavery may be taking place, such as, an overcrowded house, and that 'slavery' was the right term to describe the situation that victims of all the above categories of slavery found themselves in. They emphasised that whilst slavery was a concern for the whole community, certain groups may be specifically targeted by criminals and therefore it was important for agencies to engage with these groups closely.

Cabinet **resolved** to:

- (i) Note the Council's progress against the Modern Slavery Charter, the structures and responsibilities within the Council for tackling Modern Slavery and some of the priorities that were being addressed in the coming months; and
- (ii) Endorse the Modern Slavery Statement as set out in Appendix 1 to the report.

46. Investment and Acquisition Strategy Update

The Cabinet Member for Finance, Performance & Core Services presented a report providing an update on the Investment and Acquisition Strategy. The Strategy was adopted in September 2017 (and updated in October 2018) in response to the Council's challenge to deliver services with limited resources and recognising that this could not be achieved by continually cutting services and reducing staffing levels. The Council was on track to achieve the key objective of the Strategy which was to generate a net income of £5.12m by 2020/21, which would support the Council to continue to provide services.

The Cabinet Member referred to the investment made in the affordable rent sector as part of the Strategy, stating that the Council should take pride in having created affordable, high quality homes for local people.

The Cabinet Member referred to the Council's bold approach to growth and the range of opportunities this presented to it, for example, its investments in in two 'lease and lease back' arrangements. He acknowledged that each type of investment involved a level of risk, but assured Members that risks and the opportunity for returns were balanced and carefully reviewed against good investment principles.

Cabinet **resolved** to:

- (i) Note the progress being made in meeting the Investment and Acquisition (IAS) income target;
- (ii) Note the governance and controls that were in place to management the IAS;
- (iii) Note the addition of a Lease and Lease Back asset class to the IAS;

- (iv) Note the limitations that impact the IAS through the net interest requirement; and
- (v) Approve the updated IAS contained in Appendix 1 to the report.

47. Risk Management Strategy

The Cabinet Member for Finance, Performance and Core Services presented a report on the Risk Management Strategy. The Strategy was in response to the recognition that risk was an unavoidable consequence of everything the Council did and that embedding the principles of good risk management across the organisation was the key to success. The last risk management strategy was approved in 2012 and since then, the Council had transformed as an organisation, becoming less risk averse and focussing on enterprises that would promote economic growth in the Borough. He commended officers for producing a Strategy that was clear and concise and would enable good decision-making whilst still protecting the Council against taking unmitigated risks.

In response to questions regarding the role of individual Cabinet Members in risk management, the Cabinet Member referred to the 'Key Roles and Responsibilities' section of the Strategy which stated that Cabinet would have ultimate accountability to ensure that risks would be managed effectively; however, he expected that individual Cabinet Members would also have a key role to play in their day to day portfolio discussions and work with service managers.

Cabinet **resolved** to approve the Council's Risk Management Strategy, as set out at Appendix 1 to the report.

48. Refurbishment of Redundant Units via Habitat for Humanity Model

The Cabinet Member for Regeneration and Social Housing presented a report on the refurbishment of several dilapidated flats within the Council's General Fund commercial portfolio which were incapable of being commercially let. Based on a successful pilot project at restoring one of the Borough's oldest buildings at 35 East Street, Barking, it was being proposed that the Council lease the flats to a charitable community housing group, Habitat for Humanity, who would be responsible for returning the properties back to use to provide housing for care leavers at risk of homelessness.

Members noted that a consultation on the proposals had resulted in positive feedback.

Cabinet Members welcomed the report recognising that the Council was making a proactive effort to bring dilapidated units back into use at a high specification, which would enhance local communities.

Cabinet **resolved** to:

- (i) Approve the lease of 4-5 Royal Parade, 16a Woodward Road and 496 Gale Street, Dagenham, to Habitat for Humanity to provide housing for care leavers at risk of homelessness, based on the terms set out in the report; and

- (ii) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, the Director of My Place and the Director of Law and Governance, to finalise the terms and enter into the leases, contracts and all other necessary or ancillary agreements with Habitat for Humanity.

49. Redevelopment of 265 - 285 Rainham Road North & 291 - 301 Oxlow Lane

Further to Minute 84 (27 January 2015), The Cabinet Member for Regeneration and Social Housing presented a report on the redevelopment of 263-285 Rainham Road North and 291-301 Oxlow Lane, which comprised 17 properties, of which 12 were occupied by Council tenants and five by leaseholders.

The existing tenants had been consulted on the development proposal and the vast majority of residents who provided feedback were supportive of the option to comprehensively redevelop the site. It was intended that vacant possession should be achieved through discussion and agreement with the tenants and leaseholders, although the use of the Council's compulsory purchase powers could be required as a last resort.

Cabinet **resolved** to:

- (i) Approve the proposed redevelopment of 263-285 Rainham Road North and 291-301 Oxlow Lane, RM10 7NJ, as shown edged red in the plan at Appendix 1 to the report, having considered the outcomes of the consultation with affected residents as summarised in section 2 and Appendix 3;
- (ii) Agree the service of Initial Demolition Notices on all secure tenants at the affected properties at the appropriate time, in order to suspend the requirement for the Council to complete Right to Buy applications for as long as the notices remain in force and delegate approval and timing of final notices to the Director of Inclusive Growth, in consultation with the Director of Law and Governance;
- (iii) Approve in principle to the use by the Council of its Compulsory Purchase Order (CPO) making powers, should they prove necessary to facilitate the future redevelopment of the site;
- (iv) Approve in principle the appropriation of the land, as shown edged red in the plan at Appendix 2 to the report, under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund;
- (v) Agree to allocate £2,243,000 from the Investment & Acquisition Budget to fund the pre-development costs;
- (vi) Agree the inclusion of the project in the Council's Capital Programme in the total sum of £15,484,000 subject to securing planning permission and procurement of a contractor in accordance with the project outputs and budget;

- (vii) Agree in principle the funding strategy set out in section 4 of the report, including borrowing up to £10,203,000 within the General Fund from the Public Works Loan Board, to finance the development and ownership of the affordable rent homes via a loan agreement made between the Council and any suitable vehicle that the new units may be held in (e.g. a new B&D Reside Registered Provider or other Reside vehicle);
- (viii) Delegate authority to the Director of Inclusive Growth, in consultation with the Chief Operating Officer, the Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to determine the final arrangements and agree the contract and ancillary legal documents to fully implement and effect the proposals set out in the report; and
- (ix) Authorise the Director of Law and Governance to execute all the legal agreements, contracts and other documents on behalf of the Council.

50. Redevelopment of 53 - 135 Roxwell Road and 2 & 4 Stebbing Way, Thames View Estate

Further to Minute 84 (27 January 2015), The Cabinet Member for Regeneration and Social Housing presented a report on the redevelopment of 53 - 135 Roxwell Road and 2 & 4 Stebbing Way in Thames View Estate, which comprised 33 properties, of which 26 were occupied by tenants, and seven by leaseholders.

As per the previous report, the existing tenants had been consulted on the development proposal and the vast majority of residents who provided feedback were supportive of the option to comprehensively redevelop the site. It was intended that vacant possession should be achieved through discussion and agreement with the tenants and leaseholders, although the use of the Council's compulsory purchase powers could be required as a last resort.

Members were pleased to see that the report laid out clearly the right to return offer and that the Council had listened and learned from the feedback of residents of a previous estate redevelopment project in the Gascoigne ward. Members also noted that the proposed scheme was 100% affordable. This represented a significant increase in both the number of affordable homes on the site and the number of homes at London Affordable Rent and Council target rent, which could be allocated to households from the Council's housing register.

Cabinet **resolved** to:

- (i) Approve the proposed redevelopment of 53-135 Roxwell Road and 2 & 4 Stebbing Way IG11 ORD as shown edged red in the plan at Appendix 2 to the report, having considered the outcomes of the consultation with affected residents as summarised in section 2;
- (ii) Agree the service of Initial Demolition Notices on all secure tenants at the affected properties at the appropriate time, in order to suspend the requirement for the Council to complete Right to Buy applications for as long as the notices remain in force and delegate approval and timing of final notices to the Director of Inclusive Growth, in consultation with the Director

of Law and Governance;

- (iii) Approve in principle to the use by the Council of its Compulsory Purchase Order (CPO) making powers, should they prove necessary to facilitate the future redevelopment of the site;
- (iv) Approve in principle the appropriation of the land, as shown edged red in the plan at Appendix 2 to the report, under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund;
- (v) Agree to allocate £2,814,000 from the Investment and Acquisition Budget to fund the pre-development costs;
- (vi) Agree the inclusion of the project in the Council's Capital Programme in the total sum of £21,125,000, subject to securing planning permission and procurement of a contractor in accordance with the project outputs and budget;
- (vii) Delegate authority to the Director of Inclusive Growth, in consultation with the Chief Operating Officer, the Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to determine the final arrangements and agree the contract and ancillary legal documents to fully implement and effect the proposals set out in the report; and
- (viii) Authorise the Director of Law and Governance to execute all the legal agreements, contracts and other documents on behalf of the Council.

51. Corporate Plan 2018-2022: Quarter 1, 2019 Performance Reporting

The Cabinet Member for Finance, Performance and Core Services introduced the Corporate Performance monitoring report for the first quarter of the 2019/20 financial year, which set out progress in respect of the Key Accountabilities and Key Performance Indicators (KPIs). It was noted that 35 % of the KPIs had been 'RAG' rated 'green', 35 % were rated 'amber' and 7 % were rated 'red' (16 % fell into the 'not applicable' category because a target had not yet been set, or performance data being awaited).

The Cabinet Member was pleased to report that the Summer of Festivals programme for 2019, which related to the Key Accountability of ensuring culture was a driver of change, was a huge success and would be built upon next year with a new event, 'Defected London Festival', a large scale dance music event at Central Park.

The Cabinet Member stated that the percentage of staff who had completed mandatory training and sickness absence KPIs were both rated amber. With respect to the first, managers had been tasked with encouraging their staff to complete the training and with respect to sickness absence, the average number of days lost in Quarter 1 was 6.57 days and continued to reduce towards the year-end target of 6 days.

Members made reference to the Council's participation in the PRIDE London event

and the Cabinet Member for Education and School Improvement thanked officers and Cabinet Members for working together with her in compiling data on young people 'not in education, employment or training' so that interventions could be put in place to support the young people identified.

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.

52. Debt Management Performance and Write-Offs 2019/20 (Quarter 1)

The Cabinet Member for Finance, Performance and Core Services introduced a report on Debt Management Performance and Write-Offs for Quarter 1 of the 2019/20 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.

Members noted that of the seven key debt collection targets, four had been exceeded, and three relating to council tax, leasehold income and commercial rent were slightly below target.

The Cabinet Member referred to the statistics in the report that 67% of those on Universal Credit were in rent arrears and that the amount payable in council tax by those claiming Universal Credit would increase to £1.7m by the end of 19/20, with the gap in the collection rate continuing to widen to approximately 10%. He stated that whilst Council services did all they could to support residents out of debt, the reality was that more people would become vulnerable as a result of the Government's welfare policies.

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;
- (ii) Note the debt write-offs for the first quarter of 2019/20; and
- (iii) Note the emerging impact of Universal Credit on collection levels, most notably, Council Tax and Rents.