Present: Cllr Dave Miles (Chair), Cllr Rocky Gill (Deputy Chair), Cllr Tony Ramsay, Cllr Sam Tarry and Cllr Phil Waker

Also Present: Alan Hill; Cllr Maureen Worby

Apologies: Cllr Peter Chand, Cllr Elizabeth Kangethe and Cllr Margaret Mullane

26. Declaration of Members' Interests

There were no declarations of interest.

27. Minutes - To confirm as correct the minutes of the meeting held on 12 September 2017

The minutes of the meeting held on 12 September 2017 were confirmed as correct.

28. Mental Health Safeguarding Audit

A presentation was provided by Tudur Williams, Operational Director Adults Social Care (ODASC). This was in relation to the Internal Audit report on Mental Health Services received by the Committee at its meeting on 12 September and where Members requested to receive a presentation relating to the future of NEFLT.

The presentation covered the following areas:

- NELFT not meeting its statutory duties of the Mental Health Act 1983 (amended 2007) and the Care Act 2014.
- Concerns for compliance with the Safeguarding process and AMHP provision.
- Decision taken to end integrated management through the Section 75 agreement.
- Transformation aligned with ‘A New Kind of Council’ which went live on 1 October 2017.
- The new service included two new teams and an AMHP service, a new Head of Mental Health and an increase in the number of social workers. This service would deliver on statutory duties, broaden its reach and commissioning, prevent and intervene early and act on social isolation.

The ODASC highlighted that a thorough review of the Mental Health service had taken place and reported in January 2017 following a number of areas of concern. The Section 75 agreement with NELFT ended on 1 October 2017 and he advised that all social workers employed by NELFT had transferred back to working for the Council. The actions following the Mental Health audit were being undertaken and a new Head of Mental Health had been appointed in January 2017. The Council
were also in the process of recruiting social workers. By December 2017 there would be a fully functioning social worker service under the Council’s direction.

The ODASC advised that the new service would provide greater intervention at an earlier stage using a new initiative called “Thrive” and it would work with Community Solutions. The Adult Social Care IT system is being replaced with a new one called “Liquid Logic” and would also improve safeguarding. The Council will be one of the pilot boroughs focussing on intervention at an earlier stage. In terms of funding, there would also be additional investment into the new service, which included monies received from the Better Care Fund (BCF).

Councillor Worby (Cabinet Member for Social Care & Health Integration) advised that the Council were not the only local authority that had experienced these problems which had led to social workers being returned to working in-house. There were also safeguarding issues and insufficient intervention and now the service had become more proactive in dealing with issues at an earlier stage. The ODASC added the issues with NELFT and the Council had been settled amicably. It was noted that NELFT were still a mental health provider.

Members noted that up to one third of the population suffered with mental health issues during their lifetime and were concerned about the long-term funding of mental health which the ODASC noted was a challenge. The Cabinet Member Social Care & Health Integration added that the ‘Thrive’ Project did have some additional monies although it was still underfunded and the aim at every stage was to provide the best mental health service as possible to residents.

Members noted that Social Workers in the old service had been designated as Health Care Workers whilst employed by NELFT and so had not focussed on traditional social work, they asked what steps were being taken to help them in their return to their Social Work roles working for the Council. The ODASC advised that a rigorous re-training programme would be taking place in the next few months and the Council were also introducing a new scheme for Mental Health Practitioners. A new retention package was also being introduced to attract Social Workers to work for the Council.

In answer to a question about the potential for escalating social care budgets affecting those with mental health issues, the Cabinet Member for Social Care & Health Integration advised that there was a need for greater earlier intervention and increased understanding about the mental health pressures on social housing. The Street Purchase scheme would be very helpful in this regard and she advised a number of these properties would be ringfenced for social care purposes and providing supported accommodation for those with mental health issues.

(At the conclusion of this item, there was a short adjournment from 6.40-6.45 pm)

29. Investment & Acquisition Strategy Be First Prospectus - including Regeneration of the Sanofi site

The Select Committee received a presentation from Andrew Sivess, Head of Assets and Investment (HAI) in relation to the Investment & Acquisition Strategy. The Strategy had been approved by the Cabinet at its meeting in November 2016.
and a further update had been period to Cabinet in July 2017.

The aim of the Investment & Acquisition Strategy (IAS) is to use the Council’s favourable borrowing terms to make capital investments in schemes which will make a long-term return on investment, with an initial cash target of £5.125m by 2021.

The presentation covered the following areas:

- Overview of the IAS- schemes, income forecasts and timelines
- Contribution work streams – construction of new build properties, acquisitions and land banking, energy supply and distribution (ESCO) and purchasing of street properties
- IAS forecast income by 2021- totalling £5,200,000
- New build schemes, acquisitions and land banking – current schemes under construction and future planned schemes
- Development programme- Be First investment schemes
- Made in Dagenham Multimedia Complex – the Capital’s largest film and TV studios in twenty-five years
- District Heating – Energy Services company (ESCO)- opportunity areas, two out of seven underway
- ESCO income forecasts annual predicted gross income for seven energy schemes by 2027
- Purchasing of street properties: a target of 150 including 35 one bed flats in the borough for young adults leaving care and 15 one bed flats in the borough for mental health clients. Savings against the Children’s and Adults services budgets and an aim to generate £190,000.

The HAI stated that the programme was intended to be in place for the next 20 years working closely with Be First and B & D Reside services., He referred to the proposed ‘Made in Dagenham multimedia complex’ which could include a film studio as well as mixed industrial and residential use with Be First as a potential developer.

The HAI advised that there was an Investment Panel overseeing the Strategy, chaired by the COO and was supported by external Commercial Property advisers. At present forty-four schemes had been reported to Cabinet.

The HAI referred to the Energy Services company (ESCO) which would be important in providing greater energy for seven areas of the borough as fossil fuels were eventually becoming obsolete. A competitive tariff would be provided for residents and it was anticipated that £10m gross would be made in sales over a period of fifteen years. He stated in answer to a question that the Energy Services company is not an energy supplier but a focussed district heating business and providing as much heat to as many customers as possible, this could be provided for customers in areas such as the Town Hall, commercial premises and schools.

Members asked about the sources of funding and referred to the anticipated £5m return on investment. They asked about the costs of regeneration, temporary accommodation and purchasing of street properties. The HAI advised that lessons had been learnt from previous schemes and the Council can act as a funder with market testing taking place. Regeneration was a ‘movable feast’ and needed to be affordable during the 20-year period.
The Select Committee requested more detail about the proposed Made in Dagenham multi-media site and stated that they were not aware of the residential part of the development which would have an impact on Village and Eastbrook Wards. The HAI responded that he would ask the Be First to contact the Dagenham East Regeneration Group which would need to discuss this matter. The HAI added that the Council had been undertaking as soft market exercise, seeking expressions of interest for the development over the previous eight months and this included the funding of a film studios study. The Mayor of London had also expressed his interest in this development.

Members asked for the level of interest and were keen to avoid a situation of wasting £12m on viability costs, they sought assurance. The HAI stated that the full financial appraisal was supported by a firm of London West End surveyors and a film consortium and the next stage would be to go out to tender to formally test the market. This would be started in the next month. He added that the site could be used a variety of purposes prior to the development being finalised. Members asked for a further report on this matter and also for consideration for this to be as a standing item to each meeting. The COO advised that a further report would be submitted to PAASC when the results of the tender exercise had been evaluated.

The HAI referred to Becontree affordable housing and the development of models for greater flexibility in future. He added that there had been a tight financial model in earlier years with borrowing for public works. When income generation grew, it would be possible to adopt more flexible plans for regeneration including the purchase of street properties.

The Select Committee noted the presentation and requested that an e-mail was provided in relation to the detailed costs for Gascoigne Phase I project.

### 30. Housing Revenue Account (HRA) Expenditure

The Select Committee had requested further information about accounting and budgeting arrangements for the Housing Revenue Account (HRA). The Housing Revenue Account is a ring-fenced account, within the General Fund for all expenditure and income connected with the provision of its social housing. Maintaining this account is statutory for all stock holding authorities under the Local Government and Housing Act (1989.) There is a set format for the presentation of the HRA within the Statement of Accounts.

As at 31 March 2017 the London Borough of Barking and Dagenham had a housing stock of 17,923 dwellings available for rent plus approximately 3,500 leasehold properties (generally flats that have been sold under the Right to Buy.) Rent and other charges provided an income to the account of £113,369m and revenue expenditure of £75,792m was incurred. After technical adjustments and interest payments and a £24.9m investment in the HRA capital programme the net surplus on the account was £1.9m which was returned to the HRA reserve.

Members noted the report and expressed concern about some aspects and asked for greater clarity, justification and explanation in future. The Chief Operating Officer (COO) responded that the report sought to provide the principles of how costs are allocated to the HRA in the financial year 2017/18, which is a transitional one for the Council. In this year of the council has created a number of new
service blocks with the splitting of old functions and there was no longer an HRA function. The report also highlighted that there was a lot of work being undertaken in Public Realm to link in with the new IT system in order to ensure greater financial accuracy in future. The Council were seeking to move to a more confident level in this regard and collect as much data as possible. Unfortunately, it was not possible to challenge individual levels of e.g. caretaker timesheets as this would create greater overheads. The outturn for 2016/17 was higher owing to specific issues relating to transformation and voluntary redundancy.

The COO advised that the Public Realm service had been restructured. The Select Committee would receive a report at its meeting on 6 December relating to the review of Public Realm.

Members asked what the total cost of removing graffiti was and noted there were six employees on HRA land. The Group Manager (Finance) would provide this information to the Select Committee in a briefing note.

Members enquired about the costs of voluntary redundancy in 2016/17 which were quite significant. The COO advised that this was in line with the costs across the Council and had been included in the report to PASSC in March 2017.

Members noted the breakdown of Supervision and Management expenditure and the information provided about how the HRA costs are calculated.

The Select Committee:

(i) Noted the breakdown of Supervision and Management Expenditure

(ii) Noted the information provided about how HRA costs are calculated;

(During the discussions on this item the Select Committee agreed that, in accordance with Part 2, Chapter 3, paragraph 7.1 of the Council Constitution, the meeting be extended for a reasonable period beyond the two-hour threshold to enable the matter to be concluded.)

31. Work Programme

The Work Programme was noted.