

THE CABINET

Tuesday, 2 November 2010
(5:00 - 5:50 pm)

Present: Councillor L A Smith (Chair), Councillor R Gill (Deputy Chair), Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor G M Vincent, Councillor P T Waker and Councillor J R White

Also Present: Councillor E Carpenter, Councillor J E McDermott, Councillor A Salam and Councillor M M Worby

Apologies: Councillor L A Reason

46. Declaration of Members' Interests

Councillor Alexander declared a personal interest in respect of item 10 on the agenda (Dagenham and Redbridge Football Club Lease) as she is a member of the Club.

47. Minutes (28 September 2010)

Agreed.

48. 2010/11 Budget Monitoring - April to August 2010

The Cabinet Member for Finance, Revenues and Benefits presented the report on the Council's revenue and capital position for 2010/11 as at the end of August 2010.

The projected service overspends (not taking account of any in-year savings required) have reduced from £3.9m to £3.2m since July 2010, the main reason being a reduction in projected overspends in the Customer Services department. The projected year-end deficit for the Housing Revenue Account (HRA) has increased to £417,000 and an action plan is in place to address the causes.

The Corporate Finance Controller also referred to a number of proposed allocations from the Contingency budget, one of which relates to an additional £750,000 to fund the one-off professional support relating to the joint venture that the Council has recently entered into with Agilisys. In response to a question on this issue, the Cabinet Member for Customer Services and Human Resources confirmed that the original budget provision of £300,000 had not been properly developed at the time and that the new provision has been benchmarked against costs incurred by other local authorities who have undertaken similar projects and is broadly comparable.

The Cabinet Member for Finance, Revenues and Benefits also responded to questions in relation to:

- Budget pressures within the Legal Services division - It was noted that the main

pressure related to safeguarding children cases which had created similar pressures within the Children's Services department. Steps have been taken to meet these additional costs and the Cabinet Member confirmed that a review of the Legal Service is being carried out which will include exploring the possibility of sharing services with other boroughs.

- The £1m contingency previously allocated to Revenues and Benefits - It was noted that the next Budget Monitoring report will seek to formalise the return of £600,000 which has not been required.

With regard to the HRA, the Cabinet Member for Housing advised that he is to chair a Working Group which will look at rent collection issues and the recharging of services to the HRA.

Agreed, as a matter of good financial practice, to:

- (i) Note the current projected outturn position for 2010/11 of the Council's revenue and capital budgets, as detailed in paragraphs 3 and 5 and Appendices A and C of the report;
- (ii) Note the position for the HRA, as detailed in paragraph 4 and Appendix B of the report; and
- (iii) Approve the allocation from the Contingency budget, as detailed in paragraph 3.1.5 of the report, of the following:
 - a. £220,000 to enable specific backlog maintenance projects to be undertaken;
 - b. £750,000 to fund the one-off expert financial, legal and procurement costs for the set up of the Joint Venture;
 - c. £684,000 to regularise the General Finance budgets which contains budgeted corporate savings which the service departments are achieving;
 - d. £100,000 to meet the anticipated shortfall in income arising from not implementing the proposal to charge staff for parking in council owned sites.

49. Borough-wide Estate Renewal Programme - Phasing and Decant Options

Further to Minute 21 (6 July 2010), the Cabinet Member for Housing presented a report on the detailed proposals and costings in respect of the first phase of estate renewal across the Gascoigne (East), Goresbrook Village and The Leys estates, as well as an outline of the issues that will need to be considered to progress the wider programme.

The first phase proposals are for a £7.1m, two-year project taking in the three high-rise blocks at Goresbrook Village, one high-rise and one low-rise block at Gascoigne and an initial phase at Birdbrook Close. The funding would cover decanting, buying back leasehold properties and master planning. For the longer term, a £23m programme has been developed and the Cabinet Member confirmed that a detailed options paper would be presented to Cabinet in the New Year.

In response to questions, the Cabinet Member confirmed that:

- The £7.1m funding is not being met from land sales but from existing borrowing

originally intended for the Council house building programme. He explained that this is no longer needed for this purpose as the new build programme, which is already underway, is to be met directly from the rents on the new properties.

- The reference in the report to the possibility of the Council transferring assets to a development partner is just one of the options that will be explored in the further report, and that no discussions with potential development partners have taken place to date. That further report will also explore the feasibility of establishing a model similar to a Local Housing Company.

The Leader highlighted the need for the Council to replenish its housing stock through the use of land and funding that is earmarked for housing purposes and referred to a positive meeting with the Deputy London Mayor for Housing, Simon Milton, to discuss the Council's housing proposals.

Agreed, in order to assist the Council in achieving the Community Priorities "Safe", "Clean", "Fair and Respectful" and "Healthy" and the improvement priorities for housing set out in the Council's Local Area Agreement, that:-

- (i) The £7.1m funding be apportioned as set out in Table 4 in the report to enable decant and buyback works to progress on the three blocks at Goresbrook Village, one high-rise and one low-rise at Gascoigne (East) and a first phase of flatted accommodation at Birdbrook Close on The Leys estate;
- (ii) A comprehensive Options Appraisal based on the Treasury Five Case Model is undertaken for the whole renewal programme covering the Gascoigne (East), Goresbrook Village and The Leys estates that takes into account potential delivery models, developer interest, value for money considerations, tenure mix and type, and design parameters, the results of which will be reported to the Cabinet alongside the results of an Independent Review of the Options Appraisal following consideration by the Member Estate Renewal Steering Group in the New Year;
- (iii) A programme of community consultation and engagement with residents of the affected areas of the Gascoigne, Goresbrook Village and The Leys estates be undertaken;
- (iv) The decant programme and the purchase of leasehold interests be commenced;
- (v) Initial Demolition Notices be served on all secure tenants within the wider £23 million programme (as detailed in Table D of Appendix 1) in order to suspend the requirement for the Council to complete Right-to-Buy applications for as long as the Notices remain in force;
- (vi) The Council use its Compulsory Purchase Order (CPO) making powers pursuant to Section 17 of the Housing Act 1985 for the acquisition of the outstanding leasehold interests in the properties outlined in the report, for the purposes of securing land needed to allow the redevelopment of the Gascoigne (East), Goresbrook Village and The Leys estates; and
- (vii) The Corporate Director of Finance and Resources, in consultation with Legal Partners, be authorised to take all necessary steps to secure the making,

confirmation and implementation of a CPO including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry following the making of the CPO for the properties outlined in the report.

50. Proposed Provision of a Shared Civil Contingencies Service for Barking and Dagenham and Waltham Forest

The Cabinet Member for Environment presented a report on the success of a pilot project for the provision of a joint Civil Contingencies Service with the London Borough of Waltham Forest (LBWF) and the proposal to formalise the arrangement.

The pilot project commenced on 1 April 2009 with staff from LBWF being seconded to Barking and Dagenham's team to deliver a single service to the two Councils. The Cabinet Member outlined the main advantages that the joint working has brought about and suggested that opportunities to extend the joint service model should be explored with other boroughs, particularly those in North East London.

Agreed, in order to enable the Council to continue to meet the statutory requirements of the Civil Contingencies Act 2004 in a more resilient and cost effective way, to **recommend the Assembly**:-

- (i) That the Council and the London Borough of Waltham Forest form a single Civil Contingencies Unit to meet the needs of their joint populations and the requirements of the Civil Contingencies Act;
- (ii) That the Council enter into a formal agreement with the London Borough of Waltham Forest in a form to be agreed by the Legal Partner, under which the Council accepts a delegation of function from the London Borough of Waltham Forest in respect of their duties and obligations under the Civil Contingencies Act 2004, in return for funding and other contributions to be made by the London Borough of Waltham Forest; and
- (iii) That the Cabinet be authorised to agree the extension of the joint service arrangement to include other Local Authorities in the event that it is considered to be in the Council's interests to do so.

51. Tendering of Sue Bramley Children's Centre Day-Care Nursery Services

The Cabinet Member for Children and Education presented a report on the proposal to commence a tendering exercise for the procurement of a provider of day-care nursery services at Sue Bramley Children's Centre, Thames View, Barking.

The Cabinet Member explained that the three Council-run nurseries - the other two being at Abbey and John Perry Children's Centres - are subsidised by the General Sure Start Early Years and Childcare Grant but the Government's recent Comprehensive Spending Review will inevitably result in significant cuts to this funding. In anticipation of this, officers conducted a review of the services aimed at ensuring their long-term sustainability and the service at the Sue Bramley Centre was considered to be the most attractive to external providers at this point

in time due to its location within a major area of regeneration and its long waiting list for places. The Cabinet Member added that the staff at the Sue Bramley Centre will transfer to the remaining two Council-run sites.

Agreed, in order to assist the Council in achieving its Community Priority of “Inspired and Successful” by ensuring the future sustainability of the nursery, to:-

- (i) The procurement of a provider of day-care nursery services for Sue Bramley Children’s Centre Day Nursery on the terms detailed in this report;
- (ii) Authorise the Corporate Director of Children’s Services, in consultation with the Corporate Director of Finance and Resources and Legal Partners, to award the contract and coterminous lease for Sue Bramley Children’s Centre Day Nursery Services to the preferred bidder directly upon successful completion of the tender process; and
- (iii) Note that a further report will be presented to Cabinet in relation to the future provision of the Council-run nursery services at the Abbey and John Perry Children’s Centres.

52. Essex and Suffolk Water Agreement

The Cabinet Member for Housing presented a report on the outcome of negotiations with Essex and Suffolk Water (ESW), who trade as Northumbrian Water, regarding the collection of water and sewerage charges from social housing tenants by the Council on behalf of ESW.

The negotiations result in the Council receiving an increase in the administration recoupment rate from 6.5% to 13% of the charges made by ESW, with an additional £1 million plus in back-payment of administration recoupment and claw backs for overpayments on the basis that the new agreement will be effective from 1 April 2009. The Cabinet Member confirmed that these and other favourable arrangements would bring significant additional revenue to the Housing Revenue Account (HRA).

Agreed, in order to achieve better value for money for the benefit of the HRA, to the Council entering into the revised three-year agreement with Essex and Suffolk Water effective from 1 April 2009 on the terms set out in this report.

53. Tender for Corporate Contract for the Supply of Security Industry Authority (SIA) Licensed Security Personnel

The Cabinet Member for Crime, Justice and Communities presented a report on the proposal for the renewal of the corporate contract for the supply of Security Industry Authority (SIA) Licensed security personnel, the current contract for which is due to expire on 28 February 2011.

The Cabinet Member highlighted some of the key terms to be included in the new contract and the types of service that will be provided and advised that officers will continue to investigate alternative solutions to address security issues and reduce the need for dedicated security personnel.

Agreed, in order to assist the Council to achieve its Community Priority “Safe”, to:-

- (i) The procurement of a new contract for the supply of Security Industry Authority (SIA) Licensed Security Personnel over a three-year term, with an option to extend for a further year subject to satisfactory performance, on the terms detailed in the report; and
- (ii) Authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources and Legal Partners, to award the new term contract following the conclusion of the procurement process.

54. Dagenham and Redbridge Football Club Lease

The Cabinet Member for Finance, Revenues and Benefits presented a report on the proposed terms of a new 30-year lease for the Dagenham and Redbridge Football Club (D&RFC).

The Cabinet Member explained that the current lease is not due to expire until 2026 but D&RFC is seeking the new lease to enable it to meet the conditions of agreements associated with the development of the stadium. In turn, the Council will benefit from the rent level being brought up to current market levels. In response to a question, the Cabinet Member confirmed the funding arrangements that were agreed by Minute 133 (17 February 2009).

Agreed, in order to assist in achieving the Community Priorities of “Healthy” and “Fair and Respectful”, to:-

- (i) Approve the surrender of Dagenham and Redbridge Football Club’s existing lease and to grant a new 30-year full repairing and insuring lease on the same terms and conditions as the existing agreement, subject to bringing the rent up to date with current open market value and drafting the necessary legal documentation to modern standards.
- (ii) Authorise the Corporate Director of Finance and Resources, in consultation with Legal Partners, to agree the final terms of the lease.

55. Implications of the Health White Paper "Equity & Excellence: Liberating the NHS" for Barking and Dagenham

The Joint Director of Public Health presented a report summarising the key implications of the Health White Paper “Equity & Excellence: Liberating the NHS” which sets out radical reforms to the NHS that will have significant implications for the providers, commissioners and users (patients) of health services.

The Health White Paper also proposes important new powers and responsibilities to local authorities along with other significant changes to the way health services are commissioned and held to account. The Joint Director highlighted the key tasks within the Outline Transition Plans that have been developed between the Council and NHS Barking and Dagenham (NHS B&D) and confirmed that steps will be taken to ensure that the appropriate resources accompany any transfer of responsibility. He also advised that proposals regarding the future NHS management structure will shortly be out for consultation.

The proactive approach taken by the Council and NHS B&D to developing the transition plan means that several aspects can be implemented ahead of schedule and in advance of any resulting legislation. In response to an issue raised regarding the role of local NHS service providers and an example of poor consultation with the local community on services affecting a local area, the Joint Director confirmed that under the proposed new arrangements the Council will be directly involved in the discussions regarding local NHS services and, therefore, in a far better position to influence major service redesign and public awareness

Agreed, in order to assist the Council to achieve its Community Priority of “Healthy”, to:-

- (i) Note the scale of health responsibilities that the Council will gain under the proposals for NHS reform; and
- (ii) The outline transition plan summarised in paragraph 2.10 of the report.

56. Future Operation of the Plant Nursery at Central Park

The Cabinet Member for Culture and Sport presented a report on the proposal to provide a ‘starter farm’ facility from the current site of the Council’s plant nursery at Central Park, Dagenham.

The Council’s plant nursery has experienced a decline in business over recent years which mirrors a nationwide shift in the way that bedding plants and other horticultural supplies are sourced by local authorities. As a result, the nursery is operating at a loss and a study undertaken by officers indicates that this position is unlikely to improve in either the short or long term.

With this in mind, officers explored alternative options for the site and have worked alongside Thames Chase in developing a business plan to provide a development opportunity for a social enterprise to establish a community-led organic food growing starter farm.

The Cabinet Member confirmed that the current nursery staff will be retained to support projects at Eastbrookend Country Park and Dagenham Washlands and the intention is for the new service to be in place from April 2011.

Agreed, in order to assist the Council to achieve its Community Priorities “Clean”, “Healthy” and “Prosperous”, to:-

- (i) The closure of the existing loss-making plant nursery at Central Park; and
- (ii) Authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources and on the advice of Property Services and Legal Partners, to agree the terms of the lease for the nursery site to a suitably qualified organisation under a 10 year commercial lease which allows the tenant to use the site as a community-led starter farm.

57. Update on Remodelling and Tendering Residential Care Services for People with Learning Disabilities

Further to Minute 65 (29 September 2009), the Corporate Director of Adult and Community Services presented a report providing an update on the remodelling and procurement arrangements for residential care services for people with learning disabilities and the proposal to further extend the current contract with the Avenues Trust while the tender process is being completed.

The Corporate Director advised that the remodelling exercise is aimed at providing service users with the level and type of care that they both want and need, moving away from a reliance on traditional residential home care to a “supported living” model, where service users would each have their own tenancy and a personal budget to commission support services. This new approach reduces the costs associated with registered care homes and further efficiencies will be achieved through the remodelling process. The Corporate Director also referred to the present arrangements with Outlook Care and Avenues Trust who currently provide residential care services.

Agreed, in order to accord with the Council’s Contract Rules and statutory obligations and to provide value for money services, to note the report and approve a further extension of the contract with the Avenues Trust for a period up to 31 March 2011 to enable completion of the tender process and award of contract.

58. Darren Henaghan, Corporate Director of Customer Services

The Leader extended the Cabinet’s congratulations to Darren Henaghan on his recent appointment to the post of Corporate Director of Customer Services.