

THE CABINET

Tuesday, 15 February 2011
(5:00 - 5:50 pm)

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

Also Present: Councillor E Keller, Councillor J E McDermott and Councillor J Ogungbose

Apologies: Councillor J L Alexander and Councillor J R White

101. Declaration of Members' Interests

There were no declarations of interest.

102. Minutes (25 January 2011)

Agreed.

103. Extension of Contract for the Provision of Care Services within Colin Pond Court and Darcy Gardens (Extra Care Schemes)

Received a report from the Cabinet Member for Health and Adult Services on proposals to extend the current contracts for the provision of Extra Care services at Colin Pond Court and Darcy Gardens.

Extra Care housing is part of the provision of support which is available to older people who require extra help and services to enable them to continue living independently for as long as possible. The Cabinet Member advised that the proposal to extend these contracts will enable the existing services to continue while longer-term commissioning options, such as the current "Up2Us" national pilot schemes, are considered. The Cabinet Member also confirmed that savings of approximately 10% are expected to be achieved as a result of negotiations with the existing service providers on the terms of the contract extensions.

Agreed, in order to support the Community Priority "Healthy", to:-

- (i) Approve a two-year extension to the contract with Care UK Homecare Limited for the Provision of Care Services in Housing with Extra Care Schemes at Colin Pond Court and Darcy Gardens; and
- (ii) Authorise the Corporate Director of Adult and Community Services to negotiate and agree the terms of the extended contract.

104. Solar Panels for Council Housing and Schools under the Feed-In Tariff

Received a report from the Cabinet Member for Environment on the proposal to install electricity-generating solar photovoltaic panels to initially up to 1,000 Council

houses and buildings within the corporate estate, including up to 55 of the borough's schools, through the Government-backed Feed-in Tariff (FIT) scheme.

The proposal would involve the procurement of a private sector partner to supply, install, maintain, insure and finance the panels. The private sector partner would benefit from preferential generation and export rates under the FIT scheme while residents and occupiers have the opportunity to benefit from reduced energy bills. The Council would also benefit from the scheme by saving over 1,165 tonnes of carbon each year and receiving rental income from the private sector partner for the roof space.

The Cabinet Member advised that the proposal to initially limit the number of Council houses within the scheme to 1,000 and 50% of potential roof space for schools enables the Council to explore other renewable energy initiatives such as the Renewable Heat Incentive (RHI) which comes in to effect from April 2011. The contract would, however, be framed in such a way to give the Council the future option to expand the contract beyond these initial targets.

In noting the proposed procurement of the private sector partner via the Official Journal of the European Union (OJEU) Restricted Procedure, the Cabinet Member for Regeneration expressed his frustration at the constraints that EU contracting legislation places on local authorities letting medium / large contracts, as this typically prevents small local businesses that employ local people from successfully bidding for works. The Corporate Director of Finance and Resources advised that due to the value of the contract, procurement through the OJEU procedure is a legal requirement. She added that all the Council's major contracts include relevant clauses encouraging the use of local suppliers and employment of local residents but she confirmed that the legislation prohibits the Council from being more specific in its requirements or to break up contracts to make them more accessible to small local businesses. The Cabinet Member of Regeneration was encouraged to take up these concerns with the Secretary of State.

Agreed, in order to support the Community Priorities "Clean", "Prosperous" and "Inspired and Successful", to:-

- (i) Authorise the Corporate Director of Finance and Resources to procure and award a contract for a private sector partner to supply, install, maintain, insure and finance solar photovoltaic panels to Council properties and buildings within the corporate estate, including schools, on the terms detailed in the report;
- (ii) The housing project being restricted to between 500 - 1000 Council properties in the first instance;
- (iii) The school project initially being restricted to up to 50% of the potential roof space;
- (iv) The contract specification providing the Council with an option at a later date to expand the scheme beyond the initial targets in (ii) and (iii) above; and
- (v) The terms of the contract being designed to ensure that the investment is directed to areas within the Borough with particularly high levels of deprivation and fuel poverty.

105. Children's Personal Support Framework Agreement

Received a report from the Cabinet Member for Children and Education on proposals to procure a Framework Agreement for the provision of Personal Support Services principally for children with a disability.

The Cabinet Member advised that the Framework Agreement would be procured via an East London Solutions exercise, led by the London Borough of Redbridge and also including Havering and Waltham Forest Councils, with a view to securing more competitively priced services as well as significantly better quality assurance through the improved monitoring of providers.

Agreed, in order to support the Community Priority "Inspired and Successful Young People", to:-

- (i) The procurement, via East London Solutions, of a Children's Personal Support Framework Agreement on the terms detailed in the report; and
- (ii) Authorise the Corporate Director of Children's Services to enter into the contract on behalf of the Council.

106. In-Depth Review of Fly-Tipping Services

The Lead Member of the Living and Working Select Committee, Councillor Ogungbose, presented the Select Committee's draft final report of its in-depth review of fly-tipping issues within the Borough.

The Select Committee has made 11 recommendations which will be considered for adoption by the Assembly on 30 March 2011. These include proposals to raise awareness amongst businesses and local residents of the wide-ranging impacts of fly-tipping and how they can help to prevent it, closer cross-borough working and improving the Council's systems to enable local people to track progress of reported incidents.

The Cabinet very much welcomed the report and commended its adoption by the Assembly.

107. Urgent Action - Clarification of Joint Working Arrangements with NHS Barking and Dagenham

Further to Minute 55 (2 November 2010), received and noted a report from the Chief Executive on the action that he had taken under the urgency procedures contained within paragraph 17 of Article 1, Part B of the Council's Constitution in authorising the Corporate Director of Adult and Community Services to enter into an agreement with NHS Barking and Dagenham for the continued joint commissioning and delivery of services through formal arrangements under Sections 75 and 256 of the National Health Service Act 2006.

It was also noted that subsequent events outside of the Council's control meant that NHS Barking and Dagenham was unable to sign the agreements by the initial deadline of 28 January 2011, and this is now expected to take place towards the end of this month.

108. Budget Monitoring 2010/11

Received a report from the Cabinet Member for Finance, Revenues and Benefits on the Council's revenue and capital position for 2010/11 as at the end of December 2010.

The projected service overspends, taking account of in-year savings, have decreased from £2.7m to £2.2m since the last report, as a result of continued reductions in the projected overspends in the Customer Services and Children's Services departments. The Cabinet Member advised that efforts will continue in the drive to achieve a balanced year-end position but he stressed that the Children's Safeguarding and Rights budget continues to be under significant pressure as a result of the volume and complexity of cases.

The General Fund balance is now projected to be £8.8m at the year end, compared to a planned level of £10m, and the Housing Revenue Account (HRA) position has improved significantly, with a projected underspend of £1m which would result in a final balance of £4.4m.

In respect of the Capital Programme, the Cabinet Member reported on the proposed re-profiling of a number of further schemes and current projections suggest a £5.3m slippage in overall budgeted expenditure.

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 budget as detailed in paragraphs 3 and 5 of and Appendices A and C to the report,
- (ii) Note the position for the HRA as detailed in paragraph 4 of and Appendix B to the report;
- (iii) Note the position of the Contingency Fund as detailed in paragraph 3.1.5 of the report;
- (iv) Approve the changes to capital budgets as detailed in paragraph 6 of and Appendix D to the report;
- (v) Note the Financial Health Indicators for the third quarter as detailed in paragraph 7 of and Appendix E to the report.

109. Housing Revenue Account Estimates and Review of Rents and Other Charges 2011/12

Received a report from the Cabinet Member for Housing on the Housing Revenue Account (HRA) estimates, rents and other related charges for 2011/12, together with proposals to enable the implementation of the full first phase of the Council's Estate Renewal Programme.

The Government's rent restructuring policy has determined that Council dwelling rent levels must increase by 7.06%, which equates to an average weekly increase of £5.22. The Divisional Director of Housing Strategy confirmed that if the Council

was to resist implementing the mandatory increase it would not only receive a comparative reduction in subsidy from the Government but also that there would be an equivalent shortfall in HRA income. This would, in effect, place a double burden on the HRA and, in turn, Council tenants.

The same percentage increase is proposed for garage rents while communal heating and hot water charges need to increase by 22% to address recent energy price increases and the deficit accrued in 2009/10 when a projected reduction in energy prices did not materialise.

The Cabinet Member recognised that these enforced increases will place a significant extra burden on many tenants and he outlined some of the steps that are being taken by the Council to help mitigate the impact of the rent increase. The point was also made that current inflation levels and other price increases from April 2011 will only add to the difficulties that all local residents will face in the current economic climate. In response, the Divisional Director of Housing Strategy suggested that effective lobbying and also enhancing access to benefits could prove effective.

The Cabinet Member also referred to a range of reductions in expenditure which will enable the HRA working balance to be brought back to a prudent level without impacting of service delivery.

The Cabinet Member confirmed that the Council will be required to contribute £18.931m from the HRA to the Government's National Housing Subsidy System in 2011/12 (a revised version of Appendix 6 showing the detailed figures was tabled at the meeting). Although the Government is expected to introduce new, fairer arrangements by April 2012 the Cabinet Member stressed that the ability to move forward on key tenant aspirations will continue to be difficult until the Council is in a position to retain all of its income and have greater discretion over how it is spent.

With regard to the Estate Renewal Programme, capacity has been created to support the proposal to borrow £16.4 million which, together with the £7.1m agreed by Minute 49 (2 November 2010), will enable the full first phase to be implemented at a total cost of £23.5m.

Agreed, in order for the Council to meet its statutory responsibilities, ensure rent levels conform to the Government's rent restructuring proposals, produce a balanced HRA and support the Community Priority of "Prosperous", to:-

- (i) The HRA estimates for 2011/2012, as set out in Appendix 1 to the report, and in particular;
 - (a) A Council dwelling rent increase of 7.06%, calculated in accordance with the Government's rent restructuring policy, which represents an average weekly rent increase of £5.22;
 - (b) An increase to tenant service charges of 0.72% (an average of £0.20 per week);
 - (c) An increase to communal heating and hot water charges of 22.1% (an average of £2.11 per week);

- (d) An increase to garage rents of 7.06% (an average of £0.77 per week);
- (ii) The increases in (a) to (d) above taking effect on 4 April 2011;
- (iii) Note that rents for commercial properties will increase in line with lease agreements;
- (iv) Borrowing of £16.4m to pump prime the Council's Estate Renewal Programme, subject to (a) the finalisation of the "debt settlement" cap operating under the new HRA self-financing system and its impact on resulting borrowing capacity, and (b) confirmation by the Corporate Director of Finance and Resources and the Corporate Director of Customer Services that the conditions for prudential borrowing have been met; and
- (v) A further report being brought to the Cabinet following a review of HRA costs and charges with a view to identifying additional potential savings which may provide capacity for greater investment in services.

110. 2011/12 Budgetary Framework

Received a report from the Cabinet Member for Finance, Revenues and Benefits on the proposed budgetary framework for 2011/12 incorporating the following:-

- The three-year Council Plan;
- The Medium Term Financial Strategy (MTFS) and a two-year summary level financial model for the Council,
- The four-year Capital Investment Programme,
- The detailed annual revenue estimates for 2010/11 and 2011/12; and
- The proposed level of Council Tax for 2011/12

The Cabinet Member confirmed that the Council is facing a reduction of approximately £20m in its resources over the next two years. To this end, a range of savings options are proposed for 2011/12 to address the immediate budget gap and the MTFS also identifies detailed savings options for 2012/13 and 2013/14. The Cabinet Member explained that difficult decisions have had to be made to ensure that a robust budget is set which protects core services and provides value for money to local residents, while also achieving, for the third consecutive year, a freeze to Council Tax levels for residents.

The proposed Capital Investment Programme similarly focuses the limited capital resources on the Council's priorities, the principle schemes being the school expansion and improvement programme, Housing Futures and Council House New Build projects.

It was also noted that some assumptions have been made in the estimates for 2011/12 as not all Government grant allocations have been confirmed at this point in time, and therefore the final report to the Assembly on 23 February 2011 may include some updated information.

Agreed, in order to assist the Council to achieve all of its Community Priorities through the setting of a prudent budget and Council Tax, to:-

- (i) **Recommend the Assembly** to approve:
 - (a) The Council Plan "Building a Better Life for All" as set out at Appendices A and B to the report;
 - (b) The Medium Term Financial Strategy for 2011/12 - 2013/14 as set out at Appendices C and D to the report;
 - (c) The Capital Investment Programme for 2010/11 - 2014/15 as set out at Appendix G to the report;
 - (d) The savings summary for 2010/11 - 2013/14, revised budget for 2010/11 and base budget for 2011/12 as set out at Appendices E, J and K to the report;
 - (e) The position on reserves as set out in paragraph 2.7 of the report;
 - (f) The Council's Prudential Indicators as set out in Appendix H to the report.
 - (g) A freeze in Council Tax levels for 2011/12, for the third year in succession, as set out at Appendices L and M to the report (subject to the final precept announcement for the Greater London Authority);
- (ii) Authorise the Corporate Director of Finance and Resources, in consultation with the Cabinet Member for Finance, Revenues and Benefits and subject to further reports to the Cabinet on the detail of the proposals, to:
 - (a) allocate initial savings targets across all services for the 2012/13 budget process, to commence in April 2011;
 - (b) allocate Invest to Save Funds to support departments in achieving savings following receipt and acceptance of a robust business case
- (iii) Note the current capital accounting arrangements and Prudential Indicator capital guidelines as set out in section 3 of the report; and
- (iv) Note the continuing need to identify relevant efficiency gains throughout the organisation.

111. Treasury Management Annual Strategy and Prudential Indicators

Noted that this issue will now be considered at our meeting on 15 March 2011.

112. 2012 Olympics - Host Borough Membership

Further to Minute 64 (23 November 2010), received a report from the Leader of the Council on proposals for the London Borough of Barking and Dagenham to be formally recognised as the sixth Host Borough for the 2012 Olympic and Paralympic Games, alongside the London Boroughs of Hackney, Greenwich, Newham, Tower Hamlets and Waltham Forest.

Since 2006, the original Host Boroughs have been party to an Inter Authority Agreement aimed at fostering and developing co-operative joint working as well as securing local benefits and a sustainable legacy from the Olympic Games. In the summer of 2009 the five Host Boroughs also established a Joint Committee to facilitate the discharge of executive functions regarding joint arrangements in respect of the Games and legacy. In the light of the invitation to Barking and Dagenham to become the sixth Host Borough, it is necessary for each Council to enter into new Joint Committee arrangements via an agreed Memorandum of

Understanding and Terms of Reference.

Agreed, in order to support the Council's Olympic legacy ambitions, to:-

- (i) The London Borough of Barking and Dagenham joining and participating as a member of a Joint Committee of the six Host Boroughs for the 2012 Olympic and Paralympic Games with effect from 1 April 2011, subject to approval of same by all the current Host Boroughs;
- (ii) The London Borough of Barking and Dagenham
 - a. entering into and signing up to the revised Memorandum of Understanding, the revised Inter Authority Agreement and any other necessary documents to be entered into between the six Host Boroughs, and
 - b. Delegate power to the Chief Executive to do everything and give effect to any matter necessary to achieve their objectives.
- (iii) The Terms of Reference specified in Appendix 1 to the Memorandum of Understanding or any amended version thereof;
- (iv) All executive powers, duties and functions required to be executed by the London Borough of Barking and Dagenham to facilitate the objectives of the Host Boroughs in connection with the Games and their legacy, being delegated to and discharged by the Joint Committee with effect from 1 April 2011;
- (v) Appoint the Leader of the Council and Councillor McCarthy as the Council's representatives on the Joint Committee; and
- (vi) Authorise the Leader of the Council to nominate two other Members to be the Council's substitute representatives on the Joint Committee.

The Leader also referred to his meeting earlier today with JJ Jegede, a former pupil of Manor and Barking Abbey Schools and the current No. 1 ranked men's long jumper in Great Britain. The Leader spoke of his personal admiration for JJ's drive, enthusiasm and passion and was pleased to announce that he had given a commitment on behalf of the Council to support JJ in his efforts to win the gold medal at the 2012 Olympics.

113. Council Debt Write-Offs 2010/11 - 1 October to 31 December 2010

Received and noted a report from the Cabinet Member for Finance, Revenues and Benefits on the value and type of debts written off from the Income and Collection, Rents and Benefits Service areas as uncollectable for the third quarter (April to December 2010) of the 2010/11 financial year, together with comparable information for the first two quarters and previous years.

114. Private Business

Agreed to exclude the public and press for the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

115. Review and Commissioning Plan: Mental Health Accommodation, Employment and Day Services

Received a report from the Cabinet Member for Health and Adult Services on proposals in relation to the commissioning of services for people with mental health needs.

Reviews undertaken by the Council and NHS Barking and Dagenham, who jointly are the two commissioning bodies, indicated a need to modernise in the areas of supported accommodation, employment and day services. Feedback from service users, carers and other stakeholders has helped to shape the proposals and a way forward has been established which will deliver quality services that are tailored to meet individual needs.

Agreed, in order to support the Community Priorities “Safe”, “Fair and Respectful” and “Healthy”, to:-

- (i) The proposals for the provision of mental health services in relation to accommodation, employment and day services, as detailed in section 2 of the report; and
- (ii) Authorise the Corporate Director of Adult and Community Services to procure and award the related contracts.

116. Mr David Woods, Acting Chief Executive

The Leader of the Council announced that this was to be the last meeting of the Cabinet to be attended by David Woods, Acting Chief Executive, who will shortly be retiring from the Council after 40 years of service.

The Leader presented Mr Woods with his long service certificate and placed on record the Council’s sincere appreciation and very best wishes for the future.