

THE CABINET

Wednesday, 14 December 2011
(2:00 - 2:17 pm)

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

Also Present: Councillor I S Jamu and Councillor H S Rai

Apologies: Councillor C Geddes and Councillor L A Reason

76. Declaration of Members' Interests

Councillor White declared a personal interest in relation to the report "Debt Management Performance and Write-Offs 2011/12 (Quarter 2)" as he was a Council-appointed representative to the Elevate East London LLP Board.

77. Minutes (22 November 2011)

The minutes of the Cabinet meeting on 22 November 2011 were confirmed as correct.

78. Budget Monitoring 2011/12 - April to October 2011

The Cabinet Member for Finance and Education presented a report on the Council's revenue and capital budget position for 2011/12 as at 31 October 2011.

The General Fund showed an improved position at the end of October with a projected year-end overspend of £1.8m (before the planned £1.5m contribution to balances) compared to £2.2m as reported at the last meeting. The Cabinet Member also referred to directorates' achievement against the savings targets for the current year and the steps being taken to mitigate the projected shortfalls in Adult and Community Services (£200,000), Children's Services (£174,000) and Housing and Environment (£766,000). In respect of the potential savings risk related to community halls, the Corporate Director of Adult and Community Services advised that the agreements with community associations for the transfer of leases had all now been signed.

The Housing Revenue Account (HRA) continued to show a positive position, with a projected additional contribution to the HRA reserve of £197,000, and the Cabinet Member also referred to the current position in respect of the Capital Programme and proposals to adjust some capital budgets to reflect the current status of projects.

Cabinet **agreed:-**

- (i) To note the projected outturn position for 2011/12 of the Council's revenue budget as detailed in paragraphs 2.3 - 2.11 and Appendix A of the report;

- (ii) To note the progress against the 2011/12 savings targets as detailed in paragraph 2.12 and Appendix B of the report;
- (iii) To note the position for the HRA as detailed in paragraph 2.13 and Appendix C of the report;
- (iv) To note the projected outturn position for 2011/12 of the Council's capital budget as detailed in paragraph 2.14 and Appendix D of the report; and
- (v) To approve the capital budget adjustments as set out in appendix E of the report.

79. Budget Strategy 2012/13 to 2014/15

Further to Minute 50 (18 October 2011), the Cabinet Member for Finance and Education reported on the Council's budget preparations for 2012/13 and beyond and, in particular, the outcome of the consultation on the budget savings options for next year.

The Cabinet Member advised on the key issues that would impact on the Council's finances in the years ahead, including the Government's proposed localisation of National Non-Domestic Rates (NNDR) and Council Tax Benefits. He also praised the successful consultation exercise on the budget savings options which had resulted in a number of the options being withdrawn, deferred or amended as a direct result of the feedback from local residents, businesses and partners through the Select Committee scrutiny process and the other engagement methods.

Cabinet agreed:-

- (i) To note the current projected financial position for the Council for 2012/13 and beyond as set out in this report;
- (ii) To note the responses to the budget consultation process via:
 - a. the Select Committees, as set out in paragraph 5.5 and Appendix F of the report;
 - b. public consultation through Leader's Question Time, the Council's website, Facebook and Twitter and the Local Strategic Partnership Board, as set out in paragraphs 5.6 - 5.10 of the report;
 - c. Trade Union and staff consultation, as set out in paragraph 5.11 of the report and the updated version of Appendix A tabled at the meeting.
- (iii) In the light of the above and having regard to the Equalities Impact Assessments at Appendix E, to approve the savings proposals as listed in Appendix B to the report for implementation with effect from 1 April 2012;
- (iv) To note that the following savings options were withdrawn as a result of representations made via the budget consultation process:
 - FIN&RES/SAV/03 - Credit Card charges
 - FIN&RES/SAV/17 - Removal of Free School Uniform awards
 - CUS/SAV/01 - Strategic Commissioning of domestic and refuse services

- CHS/SAV/15 - Social Work restructure
- (v) To note that the savings option in respect of Localities Management (CUS/SAV/02) was deferred pending further consideration;
- (vi) To note that the following savings options were amended following further consideration in the light of the representations made via the budget consultation process:
- ACS/SAV/20 - Community Safety Co-ordinators
 - FIN&RES/SAV/01 - Transfer of Assets and Commercial Services Division to Elevate
 - FIN&RES/SAV/06 - One Stop Shop Opening Hours
 - CUS/SAV/11 - Naturalisation of grassland areas
- (vii) To authorise the Corporate Director Adult and Community Services, in consultation with the Cabinet Member for Culture, Leisure and Sport, to take appropriate measures to implement the savings target identified in ACS/SAV/11 - Termination of subsidy to Broadway Theatre; and
- (viii) Note that officers are to issue notice, with effect from 22 December 2011, to affected staff who are at risk of redundancy as a result of the savings proposals in Appendix B.

80. Calculation and Setting of the Council Tax Base for 2012/13

The Cabinet Member for Finance and Education presented a report on the calculation of the Council Tax Base for 2012/13 and information on powers available to the Council to set locally determined discounts.

Cabinet **agreed**:-

- (i) That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by the London Borough of Barking and Dagenham as its Council Tax Base for the year 2012/13 shall be 53,086.9 Band 'D' properties;
- (ii) That the discount for long-term empty properties and second homes continue to be set at 10%;
- (iii) That no locally determined discounts based on categories of property or occupier be awarded for 2012/13; and
- (iv) That there be no award of reductions for prompt payment during 2012/13.

81. Memorandum of Understanding for Joint Working with NHS Outer North East London

The Cabinet Member for Health presented a report on a proposed agreement, in the form of a Memorandum of Understanding, between the Council and NHS Outer North East London (NHS ONEL) to formalise arrangements between the parties for matters such as accountability structures, terms and standards for joint working and identifying joint priorities.

The Cabinet Member explained that NHS ONEL was formed in February 2011 as a result of the amalgamation of NHS Barking and Dagenham, NHS Havering, NHS Redbridge and NHS Waltham Forest into a new 'cluster management team'. This 'clustering' arrangement left the borough-based Primary Care Trusts (PCTs) in place as legal entities, but brought their management together into a single structure and created a joint Board to be accountable for all four PCTs' work. This was a means of achieving the tough management savings targets imposed on PCTs by the Department of Health and was a step towards the eventual abolition of PCTs in 2013, as proposed in the Health and Social Care Bill currently before Parliament.

The Cabinet Member referred to the key features of the Memorandum of Understanding, namely:

- To ensure that strategic plans are developed jointly, in line with the impending duty on the Council's Health and Wellbeing Board to promote integrated working;
- The expected attendance by NHS ONEL at the Borough's partnership groups and working groups;
- To establish expectations around safeguarding, including representation at relevant forums (not least the Local Safeguarding Children Board and the Safeguarding Adults Board) and adherence to protocols and guidance in planning and delivering services; and
- To establish arrangements for disputes and monitoring.

Cabinet **agreed**:-

- (i) The current draft of the Memorandum of Understanding, as set out in Appendix 1 to the report, as the basis for concluding the negotiations with NHS ONEL; and
- (ii) To authorise the Corporate Director of Adult and Community Services to proceed to conclude negotiations with NHS ONEL on any remaining outstanding items and to sign the Memorandum of Understanding on the Council's behalf.

82. Debt Management Performance and Write-Offs 2011/12 (Quarter 2)

The Cabinet Member for Finance and Education presented a report on the performance during the second quarter of the 2011/12 financial year (July - September 2011) in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London, together with details of the debts written-off as uncollectable during the period and comparable information from the previous financial year.

The Cabinet Member for Housing commented that a considerable proportion of debts were believed to accrue during the period between individuals' actually abandoning properties and the Council becoming aware and closing the account. The Cabinet Member for Finance and Education added that efforts to recover debts continued even after formal write-off and that Members would be provided with appropriate details as part of those efforts.

Cabinet **agreed**:-

- (i) To note the performance of the debt management function carried out by the Revenues and Benefits Service operated by Elevate East London as detailed in the report; and
- (ii) To note the debt write-offs during the second quarter of 2011/12 and that a number of those debts would be publicised in accordance with the policy agreed by Minute 69 (6 November 2007).

83. 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).

84. William Street Quarter and Eastern End of Thames View Disposal and Delivery Options

Further to Minute 135 (10 May 2011), the Cabinet Member for Housing presented an update on the proposals to enter into a partnership with Thames Partnership for Learning Regeneration Limited, the Building Schools for the Future Local Education Partnership (BSF LEP), and an Institutional Funder to secure the regeneration of land at William Street Quarter, Barking Town Centre and the eastern end of Thames View, Barking.

The Cabinet Member referred to the four key Council objectives for the project, namely (i) maximise social rent homes and affordable tenures, (ii) ensure speed and certainty of delivery, (iii) maintain design, sustainability (code level 4) quality and space standards, and (iv) ensure local accountability and developing capacity within the community. He confirmed that all four objectives would be achieved under the proposed partnership agreement through the delivery of 477 new affordable homes, comprising a mix of three and four-bed family properties and one and two-bed flats, all at affordable rent levels.

Cabinet **agreed**:-

- (i) To the disposal by way of long lease (252 years) to a wholly owned subsidiary of the BSF LEP of the parcels of land at William Street Quarter and the eastern end of Thames View as shown in Appendix 1 and on the terms set out in Appendix 2 of the report;
- (ii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services and the Cabinet Members for Finance and Education, Housing and Regeneration, to agree the Master Agreement for both developments and all other related documents to fully implement and effect the Project, as described in Appendix 2 and the body of the report;
- (iii) To authorise the Divisional Director of Legal and Democratic Services, or an authorised delegate on her behalf, to execute all of the legal agreements,

contracts and other documents on behalf of the Council;

- (iv) To authorise the Corporate Director of Finance and Resources to issue, on behalf of the Council, such certificate or certificates under the Local Government (Contracts) Act 1997 to Thames Partnership for Learning Regeneration Limited (the BSF LEP) and the Funder (or such other bodies as may be parties to the Master Agreement) in respect of the Master Agreement, and to the Funder in respect of any Direct Agreement entered into between it and the Council relating to the Master Agreement;
- (v) That the Corporate Director of Finance and Resources be fully indemnified by the Council in the event of any claim against her arising from the provision of any Certificates she may issue in accordance with recommendation (vi) above; and
- (vi) To the appropriation from the Housing Revenue Account (HRA) to the General Fund (GF) of the land at the eastern end of Thames View as shown on the map attached at Appendix 1 to the report.