

CABINET

Tuesday, 14 February 2012
(5:00 - 5:32 pm)

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

Also Present: Councillor E Carpenter, Councillor G Letchford, Councillor J Ogungbose, Councillor A K Ramsay and Councillor D Twomey

Apologies: Councillor R Gill, Councillor M A McCarthy and Councillor L A Reason

101. Declaration of Members' Interests

Councillor Alexander declared a personal interest in relation to the report "Establishment of an Additional Resourced Provision at Ripple Primary School" as a Council-appointed member of the Ripple Primary School Governing Body.

102. Minutes (17 January 2012)

The minutes of the meeting on 17 January 2012 were confirmed as correct.

103. Budget Monitoring 2011/12 - April to December 2011

The Corporate Director of Finance and Resources presented a report from the Cabinet Member for Finance and Education on the Council's revenue and capital budget position for 2011/12 as at 31 December 2011.

The General Fund continued to show an improved position with a projected year-end underspend of £0.7m (before the planned £1.5m contribution to balances) compared to a projected £1.2m overspend as reported at the last meeting. The Corporate Director advised on the key areas of improvement, which included reductions in the overspend positions within the Children's Services and Housing and Environment directorates as well as underspends in the Chief Executive's and Finance and Resources directorates due to vacant posts and an underspend in the Central Expenses budget due to lower interest payments and a one-off VAT claim.

The Housing Revenue Account (HRA) showed an improvement on the previous month's position, with a projected underspend of £649,000, and the Corporate Director 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 to 2.11 and Appendix A to the report;
- (ii) To note the progress against the 2011/12 savings targets as detailed in

paragraph 2.12 and Appendix B to the report;

- (iii) To note the position for the HRA as detailed in paragraph 2.13 and Appendix C to 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 to the report; and
- (v) The capital budget adjustments as set out in Appendix E to the report.

104. Budget Framework 2012/13

The Corporate Director of Finance and Resources introduced a report from the Cabinet Member for Finance and Education on the proposed budget framework for 2012/13 which incorporated the following:

- The Medium Term Financial Strategy
- The level of savings already approved over the period 2012/13 - 2014/15
- The detailed annual revised estimates for 2011/12 and 2012/13
- The financial outlook for 2013/14 onwards
- The proposed level of Council Tax for 2012/13
- The Capital Programme
- The Prudential Indicators

The Corporate Director advised that the General Fund revised net budget for 2011/12 was £183.381m and the proposed net budget for 2012/13 was £177.379m. The budget for 2012/13 incorporated a c£6m reduction in Central Government funding as well as other statutory, economic and demographic pressures but was mitigated by the budget savings agreed by Cabinet at its meeting on 14 December 2011 and other financial adjustments.

The Corporate Director commented that difficult decisions had again had to be made by Members to ensure that the Council maintained a robust and balanced budget going forward which protected front line services as far as possible and provided value for money to residents. The approach taken had also meant that it was possible for the Council to keep its Council Tax at the same level for a fourth consecutive year while at the same time implementing initiatives such as the London Living Wage which would benefit the Council's lowest paid workers.

The proposed Capital Programme for 2012/13 to 2015/16 was c£459 and reflected the Council's major programmes to expand school place provision and the regeneration of housing estates, which included the building of new Council homes.

In respect of the budget savings agreed by Cabinet on 14 December 2011, the Leader agreed to accept a supplementary paper, under the provisions of Section 100B(4)(b) of the Local Government Act 1972, in respect of the call-in of the specific proposal to delete the post of Divisional Director of Assurance and Risk Management as part of the Chief Executive's senior management organisational review. The matter was considered by the Public Accounts and Audit Select Committee (PAASC) at its meeting on 17 January 2012 who upheld the call-in and recommended the Cabinet to rescind its decision and commit to maintaining the

post for at least two years. PAASC did acknowledge, however, that in the event that it was necessary to achieve savings associated with this post it would support a proposal for a shared arrangement with another Council, along the lines of the arrangement with Thurrock Council in respect of the shared Divisional Director of Legal and Democratic Services role. The Chief Executive referred to the rationale behind her reorganisation proposals and to the commitment that she had given at PAASC regarding the future arrangements that would ensure that the Council had in place robust assurance, compliance and risk management measures going forward.

Cabinet **agreed**:

(i) To **recommend the Assembly**:

- a. To approve a revised revenue budget for 2011/12 of £183.381m as detailed in Appendix B to the report;
 - b. To approve a base revenue budget for 2012/13 of £177.379m as detailed in Appendix C to the report;
 - c. That the current surplus arising from additional specific grant income be held in the Contingency budget, pending the announcement of the top-slice requirement and to mitigate future risks;
 - d. That the Statutory Budget Determination for 2012/13 reflect a freeze, for the fourth consecutive year, on the amount of Council Tax levied by the Council, along with a 1% reduction in the Greater London Authority precept;
 - e. Approve the adjusted Medium Term Financial Strategy position for 2011/12 to 2014/15, which allowed for other known pressures and risks, as detailed in Appendix E to the report; and
 - f. Approve the Council's five-year Capital Programme as detailed in Appendix G.
- (ii) To confirm its decision taken on 14 December 2011 to delete the post of Divisional Director of Assurance and Risk Management as part of the budget savings for 2012/13;
- (iii) To note the capital accounting arrangements and the prudential indicator capital guidelines as set out in the report; and
- (iv) To note the continued need to identify relevant efficiency gains throughout the organisation.

105. Fees and Charges 2012/13

The Corporate Director of Finance and Resources presented a report on the fees and charges for Council services which were proposed to come into effect from 1 April 2012.

The Corporate Director advised that the proposed fees and charges had been

developed within the framework of the Council's Charging Policy and the Council's savings targets for 2012/13. An across-the-board increase was not proposed in the overall best interests of the local community and increases that were proposed were reflective of competitive market rates for those services.

Cabinet agreed:

- (i) The proposed fees and charges for 2012/13 as set out in Appendix A to the report, to be effective from 1 April 2012;
- (ii) That the fees and charges set out in Appendix B no longer be applicable from 1 April 2012;
- (iii) To authorise the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources and the Cabinet Member for Finance and Education, to set fees and charges applied from September 2012 for schools and academic year based activities; and
- (iv) To authorise the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Culture, Leisure and Sport, to amend the Splash Park fees and charges mid-year as required, to enable the continued provision of the service.

106. Housing Revenue Account Estimates and Review of Rents and Other Charges 2012/13

The Cabinet Member for Housing presented a report on the Housing Revenue Account (HRA) estimates, rents and other related charges for 2012/13.

The Cabinet Member advised that Government policy on the formula rent level was dictated by the rate of inflation (5.6%) and other additional factors, and if the Council had followed that approach the average rent increase for 2012/13 would have been 7.98% (or £6.37 per week). However, mindful of the impact on Council tenants of any level of increase in the current economic climate the Cabinet Member confirmed that an average increase of 6.8% (£5.38 per week) was proposed for 2012/13, which represented one of, if not the lowest increase by any London borough based on the information currently available.

The Cabinet Member referred to the proposed changes to other HRA-related services, which included a 10.7% (£1.91 per week) reduction to tenant service charges (excluding concierge services), and outlined the main proposals within the HRA Business Plan, which would be brought to Cabinet at its next meeting, for progressing the major estate renewal and new Council house build programmes. It was noted that those programmes would be supported by changes to the council housing finance regime effective from 1 April 2012 as well as other planned reductions in expenditure, all of which would enable the Council to set a balanced revenue budget and maintain prudent reserves.

Cabinet agreed:

- (i) The HRA estimates for 2012/2013, as set out in Appendix 1 to the report and, in doing so:

- a. An overall average Council dwelling rent increase of 6.8%, equivalent to £5.37 per week, which comprised the following
 - New build Council homes - rents set at 50% of the appropriate Local Housing Allowance level
 - Other houses - 7.1% average increase
 - Other flats - 6.3% average increase
- b. A decrease to tenant service charges (excluding concierges) of 10.7% (£1.91 per week)
- c. An increase in the Concierges charge of 9.6% (£1.02 per week)
- d. No increase to communal heating and hot water charges
- e. That rents for commercial properties increase in line with lease agreements

(ii) The above changes taking effect from 2 April 2012.

107. Treasury Management Strategy Statement 2012/13

The Corporate Director of Finance and Resources presented the Council's draft Treasury Management Strategy Statement for 2012/13 which set out the proposed borrowing limit for the year and a range of other aspects aimed at ensuring that the Council had prudent and robust arrangements in place to meet all of its financial commitments and responsibilities, in line with the requirements of Section 15(1) of the Local Government Act 2003.

The Corporate Director commented on the Investment Strategy and Borrowing Strategy which were the key elements of the overall Strategy and advised that the particular changes proposed in these respects would be kept under constant review in the light of the considerable uncertainty at the present time in the global economy.

Cabinet agreed to **recommend the Assembly** to approve the Treasury Management Strategy Statement for 2012/13 at Appendix 1 to the report and, in doing so:

- (i) The current treasury position for 2011/12 and prospects for interest rates;
- (ii) The revised Authorised Borrowing Limit (General Fund and HRA) of £465m for 2011/12, which included £265m for the HRA self-financing debt settlement and £55m estimated borrowing to finance the 2011/12 Capital Programme;
- (iii) The Borrowing Strategy, Debt Rescheduling Strategy and Policy on Borrowing in Advance of Need for 2012/13, including the Housing Reform and effects on treasury management of Housing Revenue Account reform;
- (iv) The Minimum Revenue Policy Statement for 2012/13 setting out the Council's policy on repayment of debt;
- (v) The Authorised Borrowing Limit (General Fund and HRA) of £528m for 2012/13 as the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003;
- (vi) The Treasury Management Indicators and Prudential Indicators for 2012/13;

and

- (vii) The Annual Investment Strategy and creditworthiness policy for 2012/13, which outlined the investments that the Council may use for the prudent management of its investment balances.

108. Statement of Priorities 2012/13

The Leader of the Council presented a report on the draft Statement of Priorities for 2012/13 which summarised the main actions and activities to be taken by the Council during the coming year, based on its Policy House and set in the context of the Medium Term Financial Strategy.

The Leader outlined some of the key achievements to date in respect of the key priorities of 'Raising Household Incomes', Raising Standards in School and Post-16 Education' and 'Housing and Estate Renewal' and he referred to the plans set out within the draft Statement of Priorities document to further deliver on those aspects.

Cabinet **agreed to recommend the Assembly** to approve the draft Statement of Priorities for 2012/13 as set out at Appendix 1 to the report.

109. School Capital Programme - Basic Need Allocation 2012/13

Further to Minute 51 (18 October 2011), the Corporate Director of Children's Services presented a report on the first phase of investment proposals, aimed principally at primary school schemes, to help meet the projected growth in demand for school places in the Borough, together with procurement proposals in respect of school expansion projects already approved and due for completion for the start of the 2012/13 academic year.

The Leader addressed the members of the public at the meeting who had an interest in the Adult College in Fanshawe Crescent, Dagenham to reassure them that the inclusion of the reference to the 'Fanshawe' project in the table at paragraph 2.2 of the report was entirely in error. The Leader confirmed that any proposals to address the school places shortage in that part of the Borough which impacted on the Adult College would be the subject of a further, detailed report to Cabinet and that representatives of the Adult College would be properly consulted on any proposals before they were put forward for the Cabinet's consideration.

The Corporate Director advised on the Government's recent funding allocation of £49.56m for 2012/13 to support the Council's overall school and children's services estate and referred to the first phase programme totalling £15.6m which would create additional capacity at a number of the Borough's primary schools from the commencement of the 2013/14 academic year.

With regard to the projects that would create additional capacity from the start of the 2012/13 academic year, the Corporate Director referred to the intention to commission the works via the Local Education Partnership (LEP) to ensure their delivery. In respect of the possible expansion project at Village Infant and Junior Schools, issues regarding the feasibility of the project were raised and the Corporate Director agreed to take these on board.

Cabinet agreed:

- (i) That the Basic Need and Redirected Basic Need grants totalling £45,804,949 be included in the Council's Capital Programme for 2012/13;
- (ii) The allocation of £15.6m of that sum to provide additional, mainly primary school places at the schemes detailed in paragraph 2.2 of the report subject to the schemes being approved via the Corporate CPMO process, with the exception of the Fanshawe project which was included in that list in error and which would be the subject of a separate report in due course;
- (iii) To note that a further report would be presented on proposals for the allocation of the remaining £30.2m grant funding which would focus on additional secondary school places and provision for reception classes;
- (iv) The inclusion in the 2012/13 Capital Programme of the School Improvement Grant for capitalised repairs of £3,759,770 to support the improvement of condition and modernisation of the Borough's schools and the wider Children's Services property portfolio;
- (v) The revised procurement proposals, as detailed in paragraph 8 of the report, in respect of the use of the Council secured Local Education Partnership (LEP) for the current year projects to ensure completion for the 2012/13 academic year; and
- (vi) To authorise the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources, to award the respective project contracts based on the checked and independently validated prices.

110. Establishment of an Additional Resourced Provision at Ripple Primary School

The Corporate Director of Children's Services presented a report on the proposal to formally establish an Additional Resourced Provision (ARP) at Ripple Primary School from the start of the Autumn Term 2012.

The Corporate Director advised that the ARP would cater for pupils with statements of Special Educational Needs who had been diagnosed with social, emotional and behavioural difficulties and she outlined the reasons for, and benefits of the new facility.

Cabinet **agreed** the formal establishment of an Additional Resourced Provision at Ripple Primary School for children with statements of Special Educational Needs who had a diagnosis of social, emotional and behavioural disorders.

111. Framework Contract for the Provision of Short Break Activities for Disabled Children and their Families

The Corporate Director of Children's Services presented a report on proposals for the procurement of a Framework Agreement, facilitated by East London Solutions and in collaboration with the London Boroughs of Waltham Forest (the lead borough), Havering, Redbridge and Tower Hamlets, for the provision of short

breaks and activities for disabled children and their families.

Cabinet **agreed**:

- (i) That the Council participate in the joint procurement of a four-year Framework Agreement, commencing April 2012, for the provision of short break activities for disabled children and their families, on the terms detailed in the report; and
- (ii) To authorise the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources, to enter into the framework agreement upon conclusion of the procurement process.

112. Barking Station Masterplan Supplementary Planning Document

Further to Minute 136 (10 May 2011), the Cabinet Member for Regeneration presented a report on the finalisation of the Barking Station Masterplan Supplementary Planning Document following an eight week public consultation on the draft Masterplan.

The Cabinet Member advised that the aims and objectives within the draft Masterplan had been broadly welcomed and he referred to the proposed amendments which had arisen from the consultation. The Cabinet Member confirmed that the final Masterplan would continue to retain a degree of flexibility around future plans in the area.

Cabinet **agreed to recommend the Assembly** to adopt the final Barking Station Masterplan Supplementary Planning Document.

113. Adoption of Supplementary Planning Documents - Biodiversity, Trees and Development and Residential Extensions and Alterations

Further to Minutes 77 (3 November 2009) and 67 (23 November 2010), the Cabinet Member for Regeneration presented a report on the finalised Biodiversity, Trees and Development and Residential Extensions and Alterations Supplementary Planning Documents (SPDs) following public consultation on the draft SPDs.

The Cabinet Member referred to the two significant changes to the Biodiversity SPD, in response to comments from the Environment Agency and Greenspace Information for Greater London, and the one significant change to the Residential Extensions and Alterations SPD.

Cabinet **agreed to recommend the Assembly** to adopt the Biodiversity, Trees and Development and Residential Extensions and Alterations Supplementary Planning Documents.

114. Community Infrastructure Levy

The Cabinet Member for Regeneration presented a report on proposals for the Council to set a Community Infrastructure Levy (CIL).

The Cabinet Member advised on the benefits of moving to a CIL regime and

confirmed that a CIL would largely take over from Section 106 planning agreements as the primary means of obtaining a contribution from developers towards new infrastructure requirements as a consequence of new developments. It was noted that affordable housing would continue to be delivered through Section 106 agreements and the Cabinet Member referred to the approach that had been taken in this regard in the proposed CIL charging schedule, as well as the processes and timetable for implementation and associated consultation requirements.

Cabinet **agreed**:

- (i) The Community Infrastructure Levy Preliminary Draft Charging Schedule, attached at Appendix 1 to the report, for consultation; and
- (ii) The draft Barking and Dagenham Infrastructure Plan for New Development and the Barking and Dagenham 2011 Community Infrastructure Levy and Section 106 / Affordable Housing Economic Viability Assessment for publication.

115. Confirmation of Article 4 Direction for Houses in Multiple Occupation

Further to Minute 74 of the Assembly meeting of 30 March 2011, the Cabinet Member for Regeneration reported on the proposal for the Council to formally implement a direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 withdrawing permitted development rights for change of use of dwelling houses (Class C3) to houses in multiple occupation (Class C4).

The Cabinet Member referred to the particular circumstances within the Borough which led to a policy being adopted in 1995, as part of the Council's Unitary Development Plan, to control the number of family homes that were converted to houses in multiple occupation (HMOs) and the Cabinet Member for Housing commented on the on-going concerns in that respect.

Cabinet agreed to **recommend the Assembly** to confirm an Article 4 Direction, covering the whole borough, withdrawing permitted development rights for changes of use from use class C3 (dwelling house) to use class C4 (house in multiple occupation), to be effective from 14 May 2012.

116. Single Equality Scheme 2012 - 2016

This report was withdrawn pending further discussion on the proposals.