CABINET
TUESDAY 5 FEBRUARY 2019

DECISIONS

The following are the decisions taken by Cabinet at the above meeting.

Please note that these are not the full minutes, which will be published at a later date. In accordance with the Council’s Constitution, all decisions listed below are subject to Call-In. The Call-In period will expire in 5 working days from the publication date of this notice.

Publication date: 7 February 2019

Date of decision: 5th February 2019

End of the call-in period is midnight on: Thursday 14th February 2019

This decision can be implemented from: Friday 15th February 2019

If you have any queries about any matters referred to in this decision notice please contact Joy George, Principal Committees and Partnerships Officer, on 020 3373 1256 or at joy.george@newham.gov.uk

1. Budget Scrutiny 2019 Report and Executive Response

Decision status: Recommendations Approved

Is this a Key decision?: No

Is subject to call in?: No

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE an Executive Response to the scrutiny report.

Alternatives considered

The scrutiny committees considered the evidence presented and concluded with the consideration of a draft report and a minority report, which were both attached. The Minority Report was attached as an appendix to the main scrutiny report.

Decision status: Recpmmendations Approved

Is this a Key decision?: No

Is subject to call in?: No

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) The Council’s General Fund Budget Requirement for 2019/2020 to be set at £260.630m as set out in paragraph 4.7 and appendix A of the report;

ii) A 2.9% increase in the Newham element of the Council Tax for 2019/2020 as set out in paragraphs 4.11 to 4.17;

iii) An additional 2% levy for 2019/2020 for the Adult Social Care Precept as in paragraph 4.19;

iv) The Capital Programme, comprising:

   • The four-year Capital Programme set out in appendices D and E.

   • The Housing Capital Programme of £340.180m with the allocation of funding to specific HRA programmes being delegated to the Director of Community and Environment and Housing Delivery) after consultation with the Lead Member for Housing and Customer Services, Executive Director of Financial Sustainability and Mayor of Newham, as set out in paragraphs 4.66 and 4.72 of the report.

v) That in order to ensure the long term viability of the Housing Revenue Account it is proposed that the Council implement a 1% decrease on rents for social housing and sheltered accommodation, and apply an increase of CPI+0.5% to PFI properties, following a consultation with tenants, as set out in paragraphs 4.56 to 4.63 report;

vi) To increase Red Door Ventures (RDV) working capital to £40 million subject to submission of a robust business case and due diligence and to delegate release of funding to the Interim Executive Director
of Financial Sustainability and the Director of Regeneration, Planning and Strategic Housing Delivery after consultation with the Mayor and the Deputy Mayor for Housing (paragraphs 4.41 to 4.43).

vii) The changes to fees and charges at Appendix I that are executive decisions to cabinet for decision under the Scheme of Delegation.

viii) Cabinet support the proposal to commence discussions with the Trade Unions on the terms identified in the paper; and to fund the cost of the revisions to these terms via the unallocated savings associated with the previous changes to terms and conditions of employment;

ix) To note that the provisional level of the Dedicated Schools Grant (DSG) has been set at £414.444m, an increase of £2.297m or 0.71% (para. 4.47);

x) To note that the Government’s Fair Funding Review and other potential funding changes are ongoing, therefore any MTFS position is based on current funding projections and is liable to change;

xi) To note the proposed fees and charges as set out in appendix I that are non-executive decisions;

xii) To note that the implications of the UK’s withdrawal from the European Union continue to be unknown;

xiii) To note the level of reserves (paragraph 4.29-4.36).

Alternatives considered

The alternative is to not reflect the Administration’s priorities or the views of the Citizens Assemblies and leave the council budget as it was in 2018/2019. This would not reflect the current pressures that the Council is under or provide a clear basis for managing budgets for the remainder of the current financial year. It would also not represent an appropriate approach to safeguarding the expenditure of the Council in the most cost effective and efficient way.

3. Revisions to the Council Tax Long Term Empty property premium effective from 1st April 2019

Decision status: Recommendations Approved

Is this a Key decision?: No

Is subject to call in?: No
Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE to recommend to Full Council:

i) To increase the level of premium charged for properties empty for at least 2 years from 1st April 2019 to 100% of the liable charge;

ii) To increase the level of premium charged for properties empty for at least 5 years from 1st April 2020 to 200% of the liable charge; and

iii) To increase the level of premium charged for properties empty for at least 10 years from 1st April 2021 to 300% of the liable charge.

Alternatives considered

The alternative considered was to keep the premium at its current levels but given the priority to increase the availability of affordable housing in the borough this would not help to utilise this measure to encourage owners to bring properties back into occupation.

4. Revisions to the Council Tax Reduction scheme effective from 1st April 2019

Decision status: Recommendations Approved

Is this a Key decision?: No

Is subject to call in?: No

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE:

To recommend to Full Council:

i) To implement the option to reduce further the minimum contribution expected from working age households in receipt of Council Tax Reduction provision;

ii) To not implement the option to provide maximum support to all households receiving Universal Credit; and.

iii) To note the impact of a change to the Council Tax Reduction Scheme has been built into the Medium Term Financial Strategy 2019/ 2023. This additional reduced amount of Council Tax receivable from those eligible will have no additional impact upon the finances of the Council.
Alternatives considered

1. A number of alternatives have been considered to the proposals above. In general these were to reduce the minimum contribution to 15% or to make no changes to the scheme in 2019/2020 and complete a wider review of the CTR scheme and other support available for low income households with the aim of delivering a new scheme in 2020/2021.

2. Neither the smaller reduction to the minimum contribution nor the option to make no change was felt to be an appropriate option given the wish to ensure that the poorest households are protected from financial pressures as much as possible. These options were also not supported in consultation.

3. The changes to how UC is considered for CTR calculation have also been reviewed. The option to set a minimum income charge before an adjustment is made to CTR was considered. On review this option did not deliver the required efficiencies as each notified change in UC would need to be reviewed often without any impact to the level of support for residents.

5. Internal Control Commission

Decision status: Recommendations Approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE:

i) the establishment of an Internal Control Commission with the terms of reference as set out in Appendix 1;

ii) that the Commission should have an independent Chair for which an appointment process should begin immediately with the final decision to be taken by the Mayor;

iii) that the work of the Commission should commence immediately upon the appointment of its Chair and members and should then report within six months;
iv) to delegate to the Interim Chief Executive, in consultation with the Mayor and Cabinet Member for Finance, the arrangements for the recruitment of the Commission Chair and other members and of the Commission and the arrangements for supporting and resourcing the Commission.

Alternatives considered

The Cabinet could have chosen not to establish a Commission or to undertake the work/reviews through internal resources. However, it was considered that an independent Commission with an independent Chair was the best way to address the concerns arising from recent internal control failures in an open and transparent way and ensure that solutions are recommended and actioned to address such failings.

6. Democracy and Civic Participation Commission

Decision status: Recommendations Approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

i) For the reasons set out in the report Cabinet RESOLVED to AGREE:

ii) To establish a Democracy and Civic Participation Commission, as described in this report;

iii) That the appointment process for the independent Chair should begin immediately through an external and transparent selection processes;

iv) The scope of the Commission set out in para 4.3.

v) To delegate to the Chief Executive, in consultation with the Mayor and Cabinet Member for Finance, the arrangements for recruitment of Commission Chair and members and the arrangements for supporting and resourcing the Commission.

Alternatives considered

The previous proposal for a 12 month reporting time is not viable to allow the Commission’s findings to be considered as part of a referendum to take place by May 2020.
The Commission is discretionary activity but delivers a Mayoral priority identified in her manifesto.

7. Establishing the Affordable Homes for Newham Programme and securing GLA funding

Decision status: Recommendations Approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE:

i) For the Council to enter into the programme agreement with the GLA under the Building Council Homes for Londoners programme for the provision of grant funding in respect of the sites as shown in Appendix 1 and 4;

ii) to delegate to the Director of Regeneration and Planning in consultation with the Director of Communities, Environment and Housing and Director of Legal and Governance and Executive Director of Financial Sustainability authority to enter into any appropriate contractual variations (excluding OPS) of the agreement referred to above as necessary;

iii) to include the sites listed in Appendix 1 within the Affordable Homes for Newham programme;

iv) to delegate authority to the Director of Regeneration and Planning in consultation with the Lead Member for Housing Delivery and Executive Director for Financial Sustainability to submit any further bids for grant and loan funding for which the Affordable Homes for Newham programme and regeneration projects may be eligible and which supports the Council’s Housing Delivery Statement;

v) To note that the Council is establishing a single housing and regeneration delivery team of permanent staff and appointing necessary expertise in the short term to support the development and delivery of the Affordable Homes for Newham programme and associated projects;

vi) To note that the Council will be bringing forward reports to seek
approval for individual or grouped housing delivery projects following further development of the HRA business plan, site due diligence and feasibility, financial viability and other necessary work is completed;

vii) To note that the Director of Regeneration and Planning will manage the Affordable Homes for Newham Programme as set out in this report including in 9.2 and 9.3.

Alternatives considered

1.1 The delivery of significantly increased numbers of genuinely affordable homes will require additional direct or indirect subsidy and sources of funding to be deliverable. At present other than the current funding sources there are no other known sources of significant levels of subsidy.

1.2 The current funding approach assumes maximising the provision of homes at social rents. Should viability challenges remain as the programme develops alternative, additional homes at genuinely affordable rent levels or home ownership options may need to be considered.

3 The Council has explored alternative ways of resourcing the programme through working with other boroughs as part of the Future of London Council Building programme. Given its priorities, land, and market conditions, the approach of building an in-house team and growing internal capacity is considered to be the most effective.

8. Proposed changes to the Every Child programme and for a new enrichment programme for children and young people

Decision status: Recommendations Approved

Is this a Key decision?: Yes

Is subject to call in?: Yes

Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE:

i) To consider and take into account the outcome of the consultation process;

ii) To develop and deliver an enhanced enrichment provision for children and young people across Newham, which would be implemented during the 2019/20 academic year, as set out in
the report at paragraph 4.28. It would improve the personal and social development of children and young people in Newham and support them in later life. It would be designed in line with the needs of Newham’s children and young people, as well being responsive to what they say they want;

iii) To end funding the current Every Child Programme from the start of the school year commencing in September 2019, providing a saving of 50% of the current Every Child funding (£1,101,190 for 2020/21 financial year), in order to deliver the saving set out in the Council’s Medium Term Financial Strategy (MTFS); and

iv) To begin a process of engagement with children and young people, schools, and other key stakeholders, including Every Child Ltd to inform the design of a new creative and cultural enrichment programme that includes music.

Alternatives considered

1) A number of alternative options were considered in consultation with key stakeholders. A number of options were discussed at the Every Child review project working group and with the Cabinet Member of Education. Alternative options include:

- **Keeping funding ‘as is’ and not ceasing the current programme.** Due to the continued budget pressure the council is facing, this is not considered to be viable. We need to ensure that we prioritise those programmes which enable us to meet our legal responsibilities and that make the greatest difference to Newham’s residents.

- **Reducing funding by 90%**. This level of saving would not allow the development of an enrichment programme which could meet the Mayor's aspirations.

9. **Plashet Road Development - Procurement**

Decision status: Recommendations Approved

Is this a Key decision?: Yes

Is subject to call in?: Yes
Decision

For the reasons set out in the report Cabinet RESOLVED to AGREE:

i) To commence procurement with the aim to appoint a building contractor to deliver the construction phase of the Plashet Road development site via the OJEU compliant East London Solutions (ELS) Framework; the successful building contractor to be selected following a mini competitive tendering exercise conducted on the Council’s CapE-sourcing procurement system facilitated by the provisions of the ELS framework. The procurement to be undertaken in accordance with paragraphs 8.4.1 to 8.4.4 of the report;

ii) To authorise Officers to enter into an access agreement in order to utilise the ELS framework with the aim to appoint a building contractor to deliver the construction phase of the Plashet Road development; and

iii) That Officers report back to Cabinet, the concluded procurement process and tender evaluation ahead of appointment of a suitable building contractor.

Alternatives considered

1) Do nothing – not viable as this would leave a vacant undeveloped area of land vulnerable to vandalism, unauthorised occupation, anti-social behaviour; significant security costs and risk reputational damage to the Council.

2) There are a number of OJEU compliant Building Contractor frameworks in place and which are available to use for the Plashet Road development, however some of these have been discounted due to expiry of the framework period in the immediate future and some have access arrangements which are restrictive and are therefore not considered further.