

Notice of Meeting

CABINET

Tuesday, 14 July 2020 - 5:00 pm
Meeting to be held virtually

Members: Cllr Darren Rodwell (Chair); Cllr Saima Ashraf (Deputy Chair) and Cllr Dominic Twomey (Deputy Chair); Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Margaret Mullane, Cllr Lynda Rice and Cllr Maureen Worby

Date of publication: 6 July 2020

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Please note that this meeting will be webcast to enable the press and public to listen in to the proceedings of this 'virtual' meeting. To view the webcast click [here](#) and select the relevant meeting (the weblink will be available at least 24-hours before the meeting).

AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.

3. Minutes - To confirm as correct the minutes of the meeting held on 16 June 2020 (Pages 3 - 9)

4. Medium Term Financial Strategy and Reserves Policy 2020/21 to 2024/25 (Pages 11 - 27)

5. Contract for the Provision of Personal Protective Equipment (PPE), Corporate Uniform and Equipment (Pages 29 - 38)

6. Any other public items which the Chair decides are urgent

7. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). ***There are no such items at the time of preparing this agenda.***

8. **Any other confidential or exempt items which the Chair decides are urgent**



Our Vision for Barking and Dagenham

ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND

Our Priorities

A New Kind of Council

- Build a well-run organisation
- Ensure relentlessly reliable services
- Develop place-based partnerships

Empowering People

- Enable greater independence whilst protecting the most vulnerable
- Strengthen our services for all
- Intervene earlier

Inclusive Growth

- Develop our aspirational and affordable housing offer
- Shape great places and strong communities through regeneration
- Encourage enterprise and enable employment

Citizenship and Participation

- Harness culture and increase opportunity
- Encourage civic pride and social responsibility
- Strengthen partnerships, participation and a place-based approach

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MINUTES OF CABINET

Tuesday, 16 June 2020
(5:01 - 6:21 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Margaret Mullane, Cllr Lynda Rice and Cllr Maureen Worby

7. Declaration of Members' Interests

There were no declarations of interest.

8. Minutes (19 May 2020)

The minutes of the meeting held on 19 May 2020 were confirmed as correct.

9. Revenue and Capital Outturn for the Financial Year 2019/20

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue and capital outturn position for 2019/20, which represented the expected final position for the year subject to external audit.

The Cabinet Member opened his presentation by paying tribute to Marcus Rashford of Manchester United Football Club who had successfully lobbied the Government over the provision of free school meals to children throughout the summer holiday period, in response to the Government's initial stance of stopping provision at the end of the school summer term. The Cabinet Member also welcomed the announcement by the Secretary of State for Housing, Communities and Local Government that he would be leading the development of a comprehensive plan to ensure financial stability for local authorities for the remainder of the current financial year in the light of the COVID-19 situation. The Cabinet Member called, however, for the Government to look beyond the current financial year and commented that the Fair Funding Review should properly reflect the extra costs borne by boroughs such as Barking and Dagenham that have high levels of deprivation. He also called on the Government to fully fund social care services to the most vulnerable in society and to reinvigorate the New Homes Bonus scheme in order to support the Council's ambitions to provide new homes that met the needs of all residents of the Borough.

In respect of the outturn position, the Cabinet Member advised that the General Fund revenue expenditure for the financial year was £157.931m and the final Corporate income position was £154.741m, against the budget of £148.820m. Once transfers to reserves to reflect the carry forward of grants, income for specific purposes and monies held on behalf of partnership organisations had been taken into account, the net budget variance showed an overspend against the General Fund budget of £4.930m. It was noted that the deficit would be funded from the specific Budget Support reserve account, leaving the overall General Fund reserve unaffected at £17.031m. The Cabinet Member paid tribute to staff, Unions and the Council-owned companies for their efforts in helping to

control expenditure during the year and particularly over the past few months, which had seen an improvement of £3.8m in the projected position for Care and Support services and an overall improvement on the month 10 position of £1.813m.

The Housing Revenue Account (HRA) showed a projected year-end overspend of £1.625m, reducing the HRA reserve to £9.674m. The Dedicated Schools Grant showed an overspend of £1.474m against the revised funding forecast of £221.539m, primarily due to pressures within the High Needs Block. The Cabinet Member for Educational Attainment and School Improvement also commented on the ongoing pressures within the DSG and took the opportunity to commend the Borough's schools for continuing to provide schooling to children of key workers and other vulnerable children and encouraged parents to allow their children to return to school whenever it was safe to do so.

With regard to the Capital Programme, the Cabinet Member advised that of the total revised budget for 2019/20 of £401.930m, only £220.692m had been spent at the year end. Whilst he acknowledged that a level of slippage would inevitably occur in a programme of such size, he felt that the extent of the slippage was excessive and he would ensure that monitoring was strengthened to ensure that potential delays were identified at the earliest opportunity and steps taken to ensure that spend levels on the Capital Programme were maintained in the future.

In response to a question regarding the overspend in the HRA in relation to outstanding Council Tax bills, the Cabinet Member for Finance, Performance and Core Services referred to the Council's excellent collection record and support arrangements for those finding it difficult to pay all their bills. He stressed, however, that the current COVID-19 pandemic was having a significant impact on many more people's ability to pay their bills. Current projections indicated a £13m shortfall in the collection of Council Tax and Business Rates and the first couple of months of the current financial year showed a £2m drop in income compared to the corresponding period last year. Following on from that point, the Leader referred to the £320bn financial package given by the Government to the private sector to support them during the current pandemic, whereas local authorities had only been provided with between 1% - 2% of that amount to maintain vital services to the local community.

Cabinet **resolved** to:

- (i) Note the revenue outturn for the Council's General Fund for 2019/20 as set out in section 2 and Appendix A and the details of the individual service variances as set out in section 3 of the report;
- (ii) Note the outturn for the Housing Revenue Account for 2019/20 as set out in section 4 of the report;
- (iii) Note the outturn on the 2019/20 Capital Programme as set out in section 5 and Appendices B and C of the report;
- (iv) Approve the carry forward of capital programme slippage from 2019/20 totalling £155.067m, giving a revised total programme for 2020/21 of £470.988m as detailed in Appendix C to the report;

- (v) Approve the transfers to and from reserves as set out as set out in section 6 and Appendix D of the report;
- (vi) Note the consequent position for the Council's reserves as set out in Appendix E of the report; and
- (vii) Note the outturn on the Dedicated Schools Budget for 2019/20 as set out in section 7 of the report.

10. Housing Innovation Programme - Small Sites

The Cabinet Member for Regeneration and Social Housing introduced a report on proposals to launch a 'Housing Innovation Programme' centred around small sites owned by the Council.

The Cabinet Member advised that the key aim of the programme was to deliver innovative new-build housing schemes in the following categories, either directly by the Council (through Be First) or via the disposal of sites to external organisations (which could include community groups):

- Innovative/specialist housing meeting particular housing needs (such as the housing needs of vulnerable groups);
- Innovative housing design / delivery methods – such as modern methods of construction and innovations in building sustainability;
- Community participation and engagement – including community-led housing.

Five sites had been identified for the first phase of the programme and the Cabinet Member referred to the proposed criteria for assessing bids from external organisations which would take account of their alignment with the Council's strategic framework relating to new homes, alignment with the Council's wider strategic framework, value for money / viability, deliverability and quality.

Cabinet **resolved** to:

- (i) Approve the aims of the Housing Innovation Programme to bring forward small sites owned by the Council for innovative projects, as detailed in section 2 of the report;
- (ii) Agree that the sites listed in paragraph 4.1 and Appendix 1 to the report form the initial programme;
- (iii) Approve the assessment criteria for schemes put forward by external organisations/groups, as outlined in section 3 of the report;
- (iv) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, to approve the inclusion of other Council-owned small sites to the programme when it would meet the objectives of the programme as set out in the report;
- (v) Delegate authority to the Chief Operating Officer, in consultation with the

Director of Law and Governance and the Chief Financial Officer, to approve specific proposals for Be First-led schemes proposed for any small site in the programme on the advice of the Director of Inclusive Growth in consultation with the Cabinet Member for Regeneration and Social Housing;

- (vi) Delegate authority to the Chief Operating Officer to agree to the disposal of any small site in the programme, in consultation with the Investment Panel, where it is identified as the best way to meet the objectives of the programme as set out in the report;
- (vii) Delegate authority to the Chief Operating Officer to agree to the appropriation of sites in the programme under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund; and
- (viii) Authorise the Director of Law of Governance, or an authorised delegate on her behalf, to execute all the legal agreements, contracts and other documents on behalf of the Council to enable schemes in line with the aims outlined in the report.

11. Semi-Independent Accommodation for Care Leavers via West London Alliance

Further to Minute 79 (22 January 2019), the Cabinet Member for Social Care and Health Integration presented a report on the intention to extend the Council's participation in the West London Alliance (WLA) Dynamic Purchasing Vehicle (DPV) programme to include the provision of semi-independent accommodation for care leavers.

The Cabinet Member advised that it had previously been agreed for the Council to join with eight other London Boroughs via the WLA to source placements in respect of independent fostering and children's residential homes. Extending that participation to include semi-independent accommodation for care leavers would reap the same benefits in terms of driving up quality standards and generating efficiencies through increased purchasing power.

In response to a question from the Cabinet Member for Equalities and Diversity, the Cabinet Member for Social Care and Health Integration confirmed that every effort was made to accommodate care leavers within the Borough where that was in their best interests. In those instances where it was in the person's best interests to be housed outside of the Borough, participation in the WLA would enable the Council to source good quality accommodation elsewhere.

Cabinet **resolved** to:

- (i) Agree to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for care leavers by entering into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle, in accordance with the Council's Contract Rules and on the terms detailed in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation

with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the Access Agreement and all other ancillary call-off agreements upon conclusion of the procurement process.

12. Treasury Management Annual Report 2019/20

The Cabinet Member for Finance, Performance and Core Services introduced the Treasury Management Annual Report for 2019/20 which set out the key areas of performance during the year.

The Cabinet Member referred to the major factors during the past 12 months that had effected the UK economy, those being the uncertainty over Brexit and the COVID-19 pandemic, and the significant cut in what were already very low interest rates by the Bank of England as a means of stimulating the economy. Against that backdrop, the Cabinet Member praised the success of the Council's treasury management activities during 2019/20 which he attributed to the Council's vigorous assessment of investment opportunities, prudent approach to borrowing and the excellent work of the Treasury Management team. He acknowledged, however, that the COVID-19 pandemic would impact on the Council's treasury management plans going forward, particularly in the short-term.

Key highlights within the report included income from interest of £8.8m compared to a budget projection of £6.6m; an average treasury interest return of 1.35% which was 0.51% higher than the average London Peer Group return and 0.53% higher than the Local Authority average return; an average return on loans of 3.57%; and additional borrowing of £140m to support the Council's Investment and Acquisition Strategy. In respect of the latter, the Cabinet Member alluded to the need for many local authorities to seek out additional sources of income due to Government cuts to public sector finances.

Cabinet **resolved** to recommend the Assembly to:

- (i) Note the Treasury Management Annual Report for 2019/20;
- (ii) Note that the Council complied with all 2019/20 treasury management indicators;
- (iii) Approve the actual Prudential and Treasury Indicators for 2019/20, as set out in Appendix 1 to the report; and
- (iv) Note that the Council borrowed £140.0m from the Public Works Loan Board (PWLB) in 2019/20.

13. Fire Safety Policy Annual Report

The Cabinet Member for Regeneration and Social Housing introduced the first annual report on fire safety issues relating to the Council's role as a corporate and residential landlord which also included proposals to introduce three new fire safety policies.

The Cabinet Member referred to the Fire Risk Assessment Report approved by

Cabinet on 19 September 2017 (Minute 41) which gave an update on the fire safety systems and procedures already in place for the Council's housing stock and the additional measures introduced in response to the Grenfell Tower tragedy. The annual report gave an update on further progress made since that time, covering aspects such as the Council's fire door replacement programme, fire suppression and sprinkler system installations, resident engagement and metal gates and grilles.

A further issue covered in the annual report related to communal areas and, in that respect, the Cabinet Member advised on the development of three new policies relating to the overall management of communal areas, a permit scheme for works by external utilities companies and other contractors and the use and storage of mobility scooters. The policies had been developed in response to concerns expressed by many local residents regarding the general 'clutter' within some communal areas which could cause an obstruction in the case of a fire. An additional concern related to the storage and charging of mobility scooters in communal areas due to the associated risks of fire.

Cabinet Members spoke in support of the new policies and some of the initiatives that had taken place in their respective wards, such as the removal of unsafe cladding at Council-owned flatted accommodation and the installation of new sprinkler systems in sheltered accommodation. The Leader also expressed his disappointment at the poor response of the private sector to making medium and high-rise accommodation within their ownership safe for tenants and suggested that if public money was to be used to carry out those works, those properties should be transferred to public sector ownership.

On the issue of mobility scooters, the Cabinet Member for Equalities and Diversity enquired as to the impact on those tenants and leaseholders who lived above ground-floor level. The Cabinet Member for Regeneration and Social Housing responded that he would expect those with recognised mobility issues to be housed at ground-floor level and the Council would assess all cases on an individual basis. He also referred to the Council's programme of new-build housing which would include specialist, single-storey properties for those with mobility issues.

Cabinet **resolved** to:

- (i) Note the fire safety updates provided in the report;
- (ii) Agree the introduction of a 'Zero Tolerance' policy for the management of all Council low-rise, medium-rise and high-rise blocks communal areas and a 'Managed Use' policy for Extra Care and Part 2 Sheltered Accommodation schemes with communal lounges and kitchens, as detailed in section 3.2 of the report;
- (iii) Agree the introduction of a Permit to Work in LBBB Residential Buildings scheme for utilities companies and contractors, as detailed in section 3.3 and Appendix 3 to the report; and
- (iv) Agree the introduction of a Mobility Scooters in Shared Communal Areas Policy, as detailed in section 3.4 and Appendix 1 to the report.

14. Debt Management Performance and Write-Offs 2019/20 (Quarter 4)

The Cabinet Member for Finance, Performance and Core Services introduced the performance report for the final quarter of the 2019/20 financial year in respect of the debt management functions carried out on behalf of the Council by the Revenues and Benefits service within Elevate East London, including the debt write-offs for the quarter.

The Cabinet Member advised that collection targets had been achieved or surpassed in most areas during 2019/20, with only leaseholder income showing a significant under-achievement, although on a positive note the actual sums collected across each area was higher in 2019/20 than in previous years.

The Cabinet Member reiterated his comments earlier in the meeting that the COVID-19 pandemic was having a considerable impact on many people's ability to pay all of their bills and, as a result, collection levels were expected to be impacted quite considerably during 2020/21 despite the Council continuing to do a significant amount to support those in debt. He also referred to the negative impact of the Government's Universal Credit scheme which had already proved itself to be a major issue in the collection of both rents and Council Tax, which was exemplified in table 7 of the report which showed that over 60% of those in receipt of Universal Credit were in arrears, compared to less than 22% of those in receipt of Housing Benefit.

Cabinet Members discussed issues relating to the impact on household incomes of residents being made redundant or furloughed as a consequence of the COVID-19 restrictions and the struggles that those on low incomes have in making ends meet.

Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; and
- (ii) Note the emerging impact of Universal Credit on collection levels and particularly Council Tax and rents.

15. Any other public items which the Chair decides are urgent

The Leader expressed his thanks to Council staff and local residents for their positive response to the COVID-19 restrictions which had enabled Barking and Dagenham to have the lowest infection rate for the disease across London. The Leader encouraged those needing help and support to contact the Council or the local Citizens Alliance Network, BD CAN, and he also placed on record the excellent work of the local community sector and faith groups during the current crisis.

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CABINET**14 July 2020**

Title: Medium Term Financial Strategy and Reserves Policy 2020/21 to 2024/25	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Philip Gregory, Finance Director	Contact Details: Tel: 020 8227 5048 E-mail: philip.gregory@lbbd.gov.uk
Accountable Director: Philip Gregory, Finance Director	
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive	
<p>Summary</p> <p>This report sets out a draft Medium-Term Financial Strategy (MTFS) and Reserves policy for the period 2020/21 to 2024/25 for key council (General Fund) services. It shows how the delivery of a strategy for a new kind of council goes hand in hand with organisational financial health. It has been prepared recognising the financial uncertainty as a result of the COVID-19 pandemic and from uncertainty facing the sector in light of plans to delay fair funding reforms and 75% business rates retention until 2022/23 at the earliest, whilst taking into account anticipated demands and pressures.</p> <p>The MTFS identifies a cumulative gap of £39.6m during the MTFS period. This gap is to be closed through targets for both short term and longer-term interventions which will require budget savings to be delivered to ensure a medium term financially balanced position. The report also sets out principles for a robust reserves policy.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to approve the Medium Term Financial Strategy and Reserves Policy 2020/21 to 2024/25 as set out in Appendices A and C to the report and the approach proposed to ensure the financial health of the Council over the medium term.</p>	
<p>Reason(s)</p> <p>The setting of a robust and balanced Medium Term Financial Strategy will enable the Council to provide and deliver services within its overall corporate and financial planning framework. The Medium Term Financial Strategy underpins the delivery of the Council's vision of One borough; one community; London's growth opportunity and delivery of the priorities within available resources.</p>	

1. Introduction and Background

- 1.1. This report sets the context for the future financial position for the London Borough of Barking and Dagenham. The Medium Term Financial Strategy (MTFS) is a statement on the council's approach to the management of its financial resources to meet its Corporate Priorities. The MTFS also considers the appropriate level of reserves that the Council holds to mitigate current and longer term risks.
- 1.2. In February 2020, Assembly approved the budget for 2020/21 including an indicative forward forecast for future years.
- 1.3. Since then the COVID-19 pandemic has had a profound and unprecedented impact on the activity and finances of the council. The pandemic has resulted in three major financial effects on the council's financial position:
 - Additional costs
 - Income loss
 - Agreed savings at risk
- 1.4. The financial effects of the pandemic are affecting the whole of local government and whilst the council is not alone in facing these challenges this does not lessen the scale of the challenge.
- 1.5. The last decade has seen significant changes to local government and its financial position, with a huge reduction in the amount of funding provided by central government alongside increasing demographic pressures, initially from an aging population but recently increasingly also from housing, children's and disability services. The financial framework was anticipated to change as a result of the Ministry of Housing, Communities and Local Government (MHCLG) Fair Funding review from 2021/22 but this has been delayed by at least a year. The impact on the council is by no means clear. However, the MTFS brings together anticipated demands and pressures and sets out how the council will ensure a balanced medium-term position.
- 1.6. Medium term financial planning must make assumptions about the future demand profile and cost pressures on expenditure and on factors that affect income sources. The MTFS represents a summary of these assumptions and their impact on the funding of the council.
- 1.7. The MTFS sets the financial envelope within which the council must fund its activities in order to set a balanced budget in each of the next 4 years. In order to begin the budget setting process for 2021/22 and beyond it is therefore prudent to revise the MTFS at the beginning of the budget setting process. Throughout the summer and autumn services plans and budgets will be produced to deliver a balanced budget for 2021/22. In addition, this process will allow the council to identify where savings may be achieved in future years and begin planning their delivery.
- 1.8. The MTFS provides assurance on the intended use and the overall level of reserves and the extent of underpinning commercial and financial planning risk.

2. Council Priorities and Strategic Framework

2.1. The MTFS is underpinned by three key strategic priorities for the council to ensure that resources are aligned with their delivery:

- **Inclusive Growth.** All activity related to homes, jobs, place and environment will be organised into a single strategy, focused on intervening in our economy in order to improve economic outcomes for all residents.
- **Prevention, independence and resilience.** All activity relating to people facing public service will be organised into a single strategy, focused on intervening in society in order to improve health and wellbeing outcomes for all residents, at every stage of life.
- **Participation & engagement.** All activity related to community engagement and social infrastructure will be organised into a single strategy focused on giving every resident the power to influence local decisions, and to pursue their version of the good life.

2.2. These strategic priorities will sit alongside our continued efforts to build and embed our **new kind of council** and will drive all council activity in the years ahead. Critically, each has an important part to play in managing future demand on council services. The financial position set out in the MTFS is designed to reflect this position.

3. COVID-19

3.1. The cost to the council of the COVID-19 pandemic response at the time of writing is £41.3m in 2020/21. Government emergency grant funding of £12.1m has been received leaving a residual cost pressure to the council of £29.2m. If council tax and business rates income losses of £13.0m are excluded the pressure reduces to £16.2m (council tax and business rates losses are accounted for within the Collection Fund where deficits are accounted for in future financial years). The council can manage this cost pressure of £16.2m by utilising reserve balances.

3.2. The working assumption is that there are few additional costs that will continue beyond 2020/21 and that the majority of income will return to pre-pandemic levels in 2021/22. The impact of the continued lockdown will continue to be closely monitored, should a second wave of the pandemic materialise or behaviour within the community alter substantially these assumptions may need to be revised.

3.3. There are, however, exceptions where COVID-19 is driving greater demand for particular services and consequently increases in costs. Anticipated latent demand is expected to emerge in some Care and Support services as lockdown and shielding restrictions ease, e.g. domiciliary care in Adults and LAC support in Children's.

3.4. In addition, costs that are not yet quantified may arise and these maybe dependant on the actions that partner organisations take or avoid which results in increased costs for the council. We work closely with partner organisations to ensure that our plans do not cause each other unintended financial consequences.

3.5. There are a number of savings proposals that were agreed and built into the 2020/21 budget. Some of these savings proposals are unable to be delivered whilst

the council is focused on the pandemic response. Where these savings are not achieved they will be funded from reserves as described above and the planned saving achieved in 2021/22.

- 3.6. The council is in discussions with our leisure centre provider to support their business through the pandemic and recovery period. The operator of 2 of our hotel investments has progressed to issue a company voluntary arrangement (CVA) which will limit the amount of income received over the next two years. Both of these are fluid and rapidly moving situations and a verbal update on the latest position will be provided at the Cabinet meeting.

4. **Medium Term Financial Strategy Forecasts**

- 4.1. The budget report to Cabinet in February 2020 set out the following financial forecasts:

Table 1: Financial position reported in February 2020

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Expenditure	155.796			
Funding	(155.796)			
Budget Gap (incremental)	-	4.623	4.468	3.340
Budget Gap (cumulative)	-	4.623	9.091	12.431
Council Tax assumption	3.99%	2.99%	2.99%	2.99%

- 4.2. A review of the assumptions within the MTFs has been undertaken to inform this update, rolling forward these to 2024/25 to present the updated MTFs position. As shown in Table 2 the budget gap has increased from £12.431m to £39.653m.

Table 2: Recommended changes to the MTFs

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Budget Gap (incremental)	4.623	4.468	3.340	-
Updates	8.033	5.323	7.437	5.905
Budget Gap (incremental)	13.180	9.791	10.777	5.905
Budget Gap (cumulative)	13.180	22.971	33.748	39.653

- 4.3. The CFO has assessed the minimum level of general fund balances at £12m and the Council currently holds £17m. It is proposed to utilise £2m of the general fund reserve to mitigate the COVID-19 cost to the council in 2020/21

5. **Key Assumptions**

- 5.1. There are a number of assumptions that underpin the updated MTFs including:
- 5.2. There is an assumption of full achievement of previously approved transformation savings of £12.7m. These savings were planned to be realised in 2020/21 however, £5.4m of these savings will be funded from reserves in 2020/21 and reprofiled into 2021/22 as a result of the COVID-19 pandemic.

- 5.3. Settlement funding from Government will continue on the same principles that were applied in 2020/21 without the continuation of the London Business Rates Pool in its current 75% retention form. The Government will bring forward the fair funding review and business rates reset in 2022/23. The impact of the delay to the business rates reset is a reduction in income of c£5m per year across the MTFs period.
- 5.4. Indicative council tax increases of 2.99% have been included. This may include a proportion of Adult Social Care Precept although the Government are yet to publish guidelines on council tax referendum limits. Growth in the council tax base each year of 1.5% is included.
- 5.5. New Homes Bonus funding will continue to be allocated until the Fair Funding review is implemented on a single year basis. Legacy payments from previous years will continue to unwind.
- 5.6. Growth in budgets has been included where this has previously been agreed by Cabinet. This has also been updated to take into account forecast budget pressures in Care and Support as a result of expected continued increases in demand in Children's and Disability services totalling £20.5m across the MTFs period.
- 5.7. An inflation budget of £3m has been included in each year, £2m of which will be used to offset salary inflation (though this does not compensate services in full). Services are otherwise expected to absorb inflationary pressures within existing budgets. £1m per year has been included to allow for risks to the budget, e.g. cost pressures which can't be managed within a service, delays to savings or other unexpected items.

6. **Budget Risks**

- 6.1. There are a number of risks that continue to influence the MTFs including the following:
- 6.2. **Recovery from COVID19:** The impact of COVID-19 on the finances of the Council is an evolving position. Broadly we are assuming that costs and income will return to pre-COVID-19 levels but this will need to be monitored with care throughout 2020-21 to ensure that emerging risks are brought to the attention of Members in a timely way.
- 6.3. **Brexit:** The impact on Local Government upon leaving the EU may have significant impacts on funding from Government, especially as the economic, social and financial implications of Brexit become clearer. There will be a continued assessment of the impact to the council as a result of the referendum vote to leave the EU which could include impacts on interest rates, migration, employment and business.
- 6.4. **Capacity to deliver approved savings:** If Agreed savings are not achieved this will result in overspends and budget shortfalls in future years. Regular monitoring and reporting takes place, however, non-achievement of savings will require compensating reductions and management action to find compensating cost reductions where savings are no longer possible.
- 6.5. **Government funding:** The Government intends to change current funding mechanisms to reflect an increased emphasis on need and to reset the current business rates retention system. These proposals have been delayed by at least a

year which carries a high degree of uncertainty into the quantum of Government funding in 2021/22 and beyond. In the light of the extreme uncertainty surrounding Government funding the MTFP has included forecast income in 2021/22 based on current assumptions.

- **Budget and Spending Review:** A Budget update from the Government is expected in early July followed by a Spending Review in the autumn. It is unclear whether this will be a single year or multi-year Spending Review and therefore whether local government will receive a single year or multi-year Settlement.
- The **Fair Funding Review** of local government is likely to shift resources away from London. The design of new funding formula is predicated on moving to a more dynamic, realistic method of allocating funding that is able to respond to demographic changes. On this basis and considering the demographic changes within Barking and Dagenham, this approach may prove beneficial to us. We expect the new funding formula to be used to allocate funding from 2022/23 at the earliest.
- The **Business Rates Retention** scheme is also being redesigned and is expected to be introduced from 2022/23 at the earliest. It is anticipated that the implementation of 100% business rates retention will be accompanied by additional responsibilities and therefore an increase in the costs borne by Local Government. The details of these responsibilities are to be confirmed.
- The **New Homes Bonus** funding for 2021/22 is expected to be allocated for one year only and will not result in legacy payments in future years. It is expected that the New Homes Bonus funding will be wrapped up within the Fair Funding Review. It is unclear how the Government will incentivise local authorities to deliver additional housing within the new funding regime.

- 6.6. **Achievement of Council Priorities:** a new strategic framework has been developed. This will require appropriate oversight and governance to ensure it is delivered through effective programme management. Where performance indicators are not on target, corrective action will be required.
- 6.7. **Commercial Risks** arise from undertaking investments and from action taken by the Council's subsidiaries. These risks can be mitigated through effective due diligence on new commercial investments and continued robust appraisals of subsidiary business plans and forecast returns.
- 6.8. **Demand Pressures** arise from changes within the population and economic activity within the Borough. Assumptions on future demand for services have been included in the MTFP. Exceptional demands that emerge will result in spending control within departments or corporate budgets.
- 6.9. **Pension Fund** risks include changing economic conditions and investment returns less than assumptions in the Pension Fund's investment strategy increases the risk of a deterioration in the Pension Fund's funding position and as a consequence there is a risk of an increase in the employer's contribution.
- 6.10. **Legislative changes** or the imposition of new responsibilities upon the council without adequate funding remains a risk.

- 6.11. Impact of variations to forecast **interest rates**, both in terms of investment returns and also on assumptions made on borrowing costs. Interest rate risks are managed through effective treasury management and the use of fixed rate loans where appropriate.

7. Review of Reserves

- 7.1. Reserves are used to manage risks and are either usable or unusable. Unusable reserves arise from statutory accounting transactions and cannot be used to fund revenue or capital expenditure. This report only considers the Council's usable reserves. The Council's Reserves Policy is included in **Appendix C**.
- 7.2. A review of reserves has been carried out as at 31 March 2020 and balances based on the draft final accounts are summarised in **Appendix D**.
- 7.3. General fund balances are set aside to provide an emergency fund for exceptional circumstances. This fund is reviewed regularly and assessed as a minimum of £12m. Currently, the Council has some £17m in this reserve.
- 7.4. The forward forecast of reserves is maintained by the CFO using assumptions on certain investment decisions and no additional budget pressures emerging during the course of the current financial year. Due to the exceptional nature of the COVID-19 pandemic there may be a call on the general fund reserve if there is no further significant Government funding.
- 7.5. The aim of the Medium Term Financial Strategy is to set out an affordable financial plan that provides for sustainable levels of spending, not dependent upon the use of one-off reserves, whilst providing for a prudent level of reserves for contingencies.

8. Approach to Budget Setting for 2021/22

- 8.1. The Medium Term Financial Strategy identifies a savings requirement of £39.7m by 2024/25. Proposals to meet this savings requirement will be presented to Cabinet in December alongside a public consultation for all proposals members are happy to proceed with as part of the Budget consultation process. The proposals, along with consultation results will be presented again to Cabinet in advance of Assembly in February.

9. Financial Implications

Implications completed by: Philip Gregory, Finance Director (S151 Officer).

- 9.1. The detailed financial implications have been covered throughout the report. Members are asked to note the revised MTFs position as set out in section 4 of this report.

10. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 10.1. A local authority is required under the Local Government Finance Act 1992 to produce a 'balanced budget'. The current budget setting takes place in the context of significant and widely known challenges to the funding of local authorities. As the time of the composition of this report the United Kingdom is under the unique

pressures on resources cause by the Covid 19 pandemic. This has inevitably brought with it unplanned for expenses, additional costs and a negative impact on income streams and uncertainty with investments. This in turn means that the MTFs is being called to address a period of negative economic uncertainty calling for the MTFs to maintain flexibility to provide resilience. As a result it will be anticipated that priorities may be forced by events to change and consequently resource allocations be revised. Where there are reductions or changes in service provision as a result of changes in the financial position the local authority is free to vary its policy and consequent service provision but at the same time must have regard to public law considerations in making any decision lawfully as any decision eventually taken is also subject to judicial review. Members would also wish in any event to ensure adherence as part of good governance. Specific legal advice may be required on the detailed implementation of any agreed savings options. Relevant legal considerations are identified below.

10.2 Whenever there are proposals for the closure or discontinuance of a service or services, there will be a need for appropriate consultation, so for example, if savings proposals will affect staffing then it will require consultation with Unions and staff. In addition to that Members will need to be satisfied that Equality Impact Assessments have been carried out before the proposals are decided by Cabinet. If at any point resort to constricting expenditure is required, it is important that due regard is given to statutory duties and responsibilities. The Council must have regard to:

- any existing contractual obligations covering current service provision. Such contractual obligations where they exist must be fulfilled or varied with agreement of current providers;
- any legitimate expectations that persons already receiving a service (due to be cut) may have to either continue to receive the service or to be consulted directly before the service is withdrawn;
- any rights which statute may have conferred on individuals and as a result of which the Council may be bound to continue its provision. This could be where an assessment has been carried out for example for special educational needs statement of special educational needs in the education context);
- the impact on different groups affected by any changes to service provision as informed by relevant equality impact assessments;
- to any responses from stakeholders to consultation undertaken.

10.3. **Corporate Policy and Equality Impact**

10.4 The Equality Act 2010 requires a public authority, in the exercise of its functions, to have due regard to the need to eliminate discrimination and to advance equality of opportunity between persons who do and those who do not share a relevant protected characteristic. As well as complying with legislation, assessing the equality implications can help to design services that are customer focussed, in turn leading to improved service delivery and customer satisfaction.

10.5 The Council's Equality and Diversity strategy commits the Council to ensuring fair and open service delivery, making best use of data and insight and reflecting the needs of the service users. Equality Impact Assessments allow for a structured,

evidence based and consistent approach to considering the equality implications of proposals and should be considered at the early stages of planning.

- 10.6 There are no new savings proposals that put forward and EIAs have also been carried out for all existing saving to ensure the Council properly considers any impact of the proposal. The Council's transformation programme aims to redesign services to make them more person-centred and focussing on improving outcomes for residents. Therefore, in most cases the proposals have either a positive or neutral impact. However, where a negative impact has been identified, the Council will ensure appropriate mitigations are considered and relevant affected groups are consulted.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix A – Medium Term Financial Strategy 2020/21 to 2024/25
- Appendix B – Budget Growth and Savings
- Appendix C – Reserves Policy 2020/21 to 2024/25
- Appendix D – Reserve Balances as at 31 March 2020

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2019/20 Outturn	2020/21 Budget	2020/21 Forecast Outturn	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
£m	£m	£m	£m	£m	£m	£m

NET COST OF SERVICES	157.933	152.869	152.869	165.638	165.474	168.211	171.881
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Financial Planning

Savings - Existing Plans	-	(12.696)	(12.696)	-	-	-	-
Savings - to be identified	-	-	-	(13.180)	(9.791)	(10.777)	(5.905)
Growth	-	18.896	23.357	13.444	10.652	12.570	9.691
Capital	-	0.040	0.040	0.260	0.600	0.600	-

COVID-19 Response

Additional Costs	-	-	9.118	-	-	-	-
Income Reductions	-	-	13.713	-	-	-	-
Reprofiled Savings	-	-	5.473	-	-	-	-
Government Grants	-	-	(12.133)	-	-	-	-
Net Expenditure	157.933	159.109	179.741	166.162	166.935	170.604	175.667

Reserves

Contributions to Earmarked Reserves	5.400	3.407	3.407	-	-	-	-
Contributions from Earmarked Reserves	(8.592)	-	(4.461)	(3.407)	-	-	-
COVID-19 use of Reserves	-	-	(14.171)	-	-	-	-
Use of General Reserve	-	-	(2.000)	-	-	-	-
Net Expenditure after Reserves	154.741	162.516	162.516	162.755	166.935	170.604	175.667

Funding

NDR/RSG	(81.160)	(80.608)	(80.608)	(81.653)	(79.411)	(81.804)	(83.458)
Section 31 Grants	-	-	-	-	-	-	-
Other Grants	(7.707)	(7.656)	(7.656)	(7.231)	(7.132)	(7.032)	(7.032)
(Surplus)/Deficit on Collection Fund	(1.793)	(1.745)	(1.745)	6.000	-	-	-
Company Dividends	(2.295)	(5.958)	(5.958)	(12.490)	(12.995)	(12.807)	(12.807)
Investment Income	-	(0.762)	(0.762)	(0.712)	(0.877)	(2.877)	(2.877)
NHB Payments	-	-	-	2.102	5.369	9.064	9.064
Demand on Collection Fund	61.786	65.787	65.787	68.771	71.889	75.149	78.557

Council Taxbase	50,009	51,204	51,204	51,972	52,752	53,543	54,346
Council Tax at Band D (£)	1,235.50	1,284.80	1,284.80	1,323.22	1,362.78	1,403.53	1,445.50

Council Tax Precept £m	61.786	65.787	65.787	68.771	71.889	75.149	78.557
Percentage Increase in Council Tax	-	3.99%	3.99%	2.99%	2.99%	2.99%	2.99%

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Appendix B**Medium Term Financial Strategy - Summary Position 2020/21- 2023/24**

	2020/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
	Dec' 19	Feb' 20	Revised	Revised	Revised
Prior Year (Surplus) / Deficit	-				
Budget Increases					
Corporate Growth					
ELWA levy increase	725	725	740	765	800
Pensions remove advance payment element	1,200	200	1,000		
Cross Cutting Items					
Staff pay award and capacity building	2,000	2,000	2,000	2,000	2,000
Non staff inflation	1,000	1,000	1,000	1,000	1,000
Service Pressures					
Public Realm	400	400		530	
Childrens TOM	1,500	1,500			
LAC/Care	3,000	3,000	600	600	600
Adults	3,000	3,000	1,000	1,000	1,000
Adults Fourth Locality					250
Disabilities	3,000	3,000	500	500	500
Care and Support Pressures		4,461	5,836	4,047	6,160
Community Solutions	260	260	260	260	260
Participation & Engagement	400	400	(110)	(50)	
Parks			600		
Welfare Reform Impact	800	800			
London Fraud Hub Subscription	70	70			
Community Safety	150	150			
Legal Services	240	240			
Further recurrent pressures - Disabilities	2,000	2,000			
Care Leavers Council Tax Exemption		151			
Census Information Scheme 2021			18		
Total Additional Costs	19,745	23,357	13,444	10,652	12,570
MRP policy change	(1,000)	(1,000)			
Additional MRP changes	(500)	(500)	150	150	150
Investment in the capital programme	450	450	450	450	450
Extra cost of Capital borrowing (6% for MRP & 3% for Interest)	750	750			
Capital Financing Costs		340	(340)		
Total Capital Costs		40	260	600	600

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Reserves policy 2020/21 to 2024/25

1. Reserves can be classed as general reserve or earmarked reserves and they represent funds that are not part of the normal recurring budget but are distinct “pots” of finite funds.
2. The level of reserves is a key component of a robust and prudent medium-term financial strategy ensuring that funds are set aside for specific purposes or can be called upon to provide a buffer in the event of any unforeseen financial pressure. They are in effect the “shock absorbers” of the council’s finances and are the last line of defence to ensure resilience.
3. The council has a statutory duty under the Local Government Finance Act 1972 to determine the level of General Fund balances and reserves it maintains before it decides on the level of council tax. The level of balances should be based on the council’s own specific circumstances taking into account the risk exposure of the Council.
4. General reserves are set aside to provide an emergency fund for exceptional circumstances. This fund has been reviewed and assessed as having a minimum requirement of £12m. This money is set aside as a fund of last resort when all other reserves or budgets have been depleted. Currently, the council has some £17m in this reserve.
5. Other earmarked reserves are held for specific purposes. Some reserves such as dedicated schools grant are held for statutory purposes outside the direct control of the Council. Other non-ringfenced reserves are held for strategic purposes or to support operational delivery of services. For us, the key strategic reserve is the budget support reserve, which is intended to even out fluctuations year on year in the council financial performance. The use of this reserve is overseen by the CFO.
6. The day to day running of operational reserves is managed by the relevant budget holder under council delegation arrangements. These cover a wide range of activity – from elections, to replacing IT, to having an insurance fund.
7. Reserves should not be used to pay for continuing expenditure but are available as funding for one off items, invest to save initiatives or to provide time-limited support to manage transition.
8. As part of the Council’s review of risk and recognising the increasing commercial environment the Council is operating within, an additional investment risk reserve has been created.
9. The forward forecast of reserves is maintained by the CFO. There are exceptional budget pressures emerging during 2020/21 as a result of the COVID-19 pandemic which may require the Council to utilise a significant amount of reserves to mitigate the emerging financial pressures. Where earmarked reserves are utilised to fund this one-off financial shock, they will be replenished in future financial years if the Government do not fund these pressures in full in 2020/21. The Council anticipates the general fund balance being maintained at a minimum of £12m.

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RESERVES

	Balance at 31/03/2019 £000	Transfers in 2019/20 £000	Transfers out 2019/20 £000	OVERSPEND £000	Balance at 31/03/2020 £000
GENERAL FUND BALANCE	17,031	0.00	0.00	0.00	17,031
EARMARKED RESERVES - GF					
PFI reserve	12,628	778			13,405
Departmental Reserves	1,182				1,182
Budget Support	12,295	210	(1,226)	(4,930)	6,349
Corporate Restructuring	735				735
Collection Fund Equalisation Reserve	3,503	571			4,074
Other Miscellaneous	952	822	(1)		1,773
Insurance	1,639				1,639
Capital Investment Reserve	3,576				3,576
Public Health	563	532			1,095
Legal Trading Reserve	815		(375)		440
LEP Housing Rental Reserve	205		(161)		44
Elections Reserve	297				297
VAT Market Repayment	168	55			223
Council's Entities	774				774
Investment Reserve	4,333		(1,254)		3,079
Education, Youth and Childcare	901	169			1,070
Closure Adjustments	3,047		(533)		2,514
Corporate Infrastructure	1,214		(109)		1,105
SERVICE GRANT CARRY FORWARDS	-	1,351			1,351
EAST LONDON HOUSING PARTNERSHIP	-	912			912
HRA	11,299			(1,625)	9,674
Leasehold Repairs	5,546	1,428	-		6,974

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CABINET**14 July 2020**

Title: Contract for the Provision of Personal Protective Equipment (PPE), Corporate Uniform and Equipment	
Report of the Cabinet Member for Public Realm	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Adissa Ouedraogo – Senior Operations Manager – Public Realm	Contact Details: E-mail: Adissa.Ouedraogo@lbbd.gov.uk
Accountable Director: Lisa Keating - Director of My Place	
Accountable Strategic Leadership Director: Graeme Cooke - Director of Inclusive Growth	
<p>Summary:</p> <p>This report seeks Cabinet approval for the procurement and award of new Term Contracts for Personal Protective Equipment (PPE), Corporate Uniform and Equipment for a term of three years from 1 April 2021 to 31 March 2024, with an extension option of one year to 31 March 2025 subject to satisfactory performance of the appointed supplier(s).</p> <p>The Council has a legal and statutory obligation to provide its staff with the necessary, fit for purpose work wear required for staff to complete their duties as stated in the Health and Safety at Work Act 1974. The Council must also satisfy its own due diligence to ensure the well-being of its staff.</p> <p>The key benefits of the contracts will be:</p> <ul style="list-style-type: none"> • Provide good quality and cost-effective PPE, corporate uniform and other relevant protective equipment; • Cost efficiencies and effectiveness through economies of scale; • Continuing with a multi lot approach as it provides variety and volume required to meet the Council's requirements; • Streamlined approach to ensure that all requirements are captured under this contract. 	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <p>(i) Agree that the Council proceeds with the procurement of contracts for Personal Protective Equipment (PPE), Corporate Uniform and Equipment in accordance with the strategy set out in the report; and</p>	

- (ii) Delegate authority to the Director of My Place, in consultation with the Cabinet Member for Public Realm, the Finance Director and the Director of Law and Governance, to conduct the procurement and enter into the contracts and all other necessary or ancillary agreements and periods of extension with the successful supplier(s) in accordance with the strategy set out in the report.

Reason(s)

The procurement will ensure the Council:

- fulfils its legal and statutory obligation to provide its staff with the necessary, fit for purpose work wear required for staff to complete their duties as stated in the Healthy and Safety at Work Act 1974;
- Satisfies its own due diligence to ensure the well-being of its staff;
- is compliant with its Contract Rules.

1. Introduction and Background

- 1.1 The Council has a legal and statutory obligation to provide its staff with the necessary, fit for purpose work wear required for staff to complete their duties as stated in the Healthy and Safety at Work Act 1974.
- 1.2 The current PPE, Corporate Uniform and Equipment contracts were let for a period of three years commencing on 1 April 2017, with an option to extend each contract for a further year. The option to extend each contract for a further year was presented at Procurement Board and approved on 16 March 2020. The current contracts all expire on 31 March 2021.
- 1.3 The details of each current contract and its supplier is detailed below:
- Lot 1 – Footwear, including boots and trainers – SMI Int Group Ltd.
 - Lot 2 – Heavy work wear and high visibility wear – SMI Int Group Ltd
 - Lot 3 – Corporate uniform, including LBBB branded uniform – MWUK Ltd T/A Alexandra Plc
 - Lot 4 – Equipment, including first aid kits, safety helmets, respirators and safety spectacles – Bunzl UK Ltd T/A Greenham Trading Ltd
- 1.4 The current contracts do not include PPE requirements for Civil Enforcement Officers, which includes Parking, Security and Market staff. PPE requirements for these staff are specific and are purchased outside of the current contracts. This provision will be included in the new procurement as a separate lot.
- 1.5 The estimated total value across all contracts for the full four years, up to 31 March 2021, is estimated at £647,541. This is calculated from the management information provided by the current contractors and any ad-hoc PPE suppliers used outside the existing contracts.
- 1.6 The estimated total contract value excludes Traded Services and Be First. Traded Services and Be First have confirmed that they will carry out their own

procurement for new PPE, Corporate Uniform and Equipment provision for their staff.

- 1.7 The new procurement will exclude COVID-19 related PPE as the Council's senior management team agreed that COVID-19 PPE and general PPE requirements should be procured separately.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

- 2.1.1 A multi lot approach to provide the PPE, Corporate Uniform and Equipment requirements for the Council as follows:

Lot 1 - Footwear, (including boots and trainers), Heavy Work Wear and High Visibility Wear.

Lot 2 - Corporate Uniform, including LBBB branded Corporate Uniform

Lot 3 - Parking and Security Uniforms

Lot 4 - Fire Retardant Wear

Lot 5 - Equipment, including safety helmets, respirators, safety spectacles, gloves, aprons, first aid kits and refills

Lot 6 - Body Armour

2.2 Estimated Contract Value, including the value of any uplift or extension period

- 2.2.1 The estimated contract value for all lots over three years including 3% uplift is £500,225.58. The estimated total contract value, including the year's extension and 3% uplift is £666,967.44.

- 2.2.2 The actual total value of the contracts is dependent on the Council's requirements and budget. The contracts will provide the Council with economies of scale based on the volume of PPE, Corporate Uniform and Equipment required and will enable the Council to standardize its PPE, Corporate Uniform and Equipment usage and requirements which complies with the Healthy and Safety at Work Act 1974

2.3 Duration of the contract, including any options for extension

- 2.3.1 Each lot will be let for three years with an option to extend for one year, giving a total duration of four years from 1 April 2021 to 31 March 2025.

2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

- 2.4.1 Yes. The contracts are for goods and are not subject to the Light Touch Regime.

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 Utilising the open procedure following an advertisement in the Official Journal of the European Union (OJEU), Contracts Finder, Bravo and Council's website. Tenders will be sought with an e-auction via Bravo portal. The proposal is to use the multi-lot approach as below:

Lot 1- Footwear, (including boots and trainers), Heavy Work Wear and High Visibility Wear

Lot 2- Corporate Uniform, including LBBB branded Corporate Uniform

Lot 3- Parking and Security Uniforms

Lot 4- Fire Retardant Wear

Lot 5- Equipment, including safety helmets, respirators, safety spectacles, gloves, aprons, first aid kits and refills

Lot 6- Body Armour

Each lot will be awarded to a single bidder, but suppliers are able to bid for multiple lots.

2.5.2 Suppliers will be assessed based on particular requirements; including their economic and financial standing, health and safety standards, technical capability, pricing, as well as a qualitative assessment on a range of criteria relevant to the contracts. All goods will be required to meet, as a minimum, UK standards and must comply with the Council's responsibilities under the Health and Safety at Work Act 1974.

2.5.3 Outline Procurement Timetable:

Procurement Strategy Report to Procurement Board	15 June 2020
Procurement Strategy Report to Cabinet	14 July 2020
Issue Tender	w/c 27 July 2020
Tenders returned, evaluation and e-auction	September – October 2020
Contract Award Report sign off	November 2020
Alcatel	December 2020
Implementation	January 2021
Contract Commencement	1 April 2021

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 The contracts will be let using the Council's standard Terms and Conditions, which are appropriate for use for PPE, Corporate Uniform and Equipment.

2.6.2 The contracts will work on a "call off" basis for a number of Departments within the Council, including but not limited to; My Place, Public Realm, Core Services, Policy and Participation, Community Solutions, Care and Support. The "call off" arrangements will not commit the Council to guaranteed payments to the Contractors by way of any stand-by arrangements, but will ensure continued supply of important goods during the contract term

2.6.3 The successful contractors will be required to maintain a full electronic set of information on the goods provided to the Council. This data will be accessible to LBBB officers in the form of Management Information when requested

2.7 Outcomes, savings and efficiencies, expected as a consequence of awarding the proposed contract

- 2.7.1 This procurement will provide the Council with a cost effective and high-quality service through leveraging economies of scale by reviewing the range of products purchased.
- 2.7.2 This procurement will ensure that all PPE, Corporate Uniform and Equipment needs of staff are met thus reducing the need for off contract purchases of products that have not been approved for Health and Safety.
- 2.7.3 This procurement will provide cost savings on PPE, Corporate Uniform and Equipment as all requirements will be captured in the contracts and will be purchased from the contracts.

2.8 Criteria against which the tenderers are to be selected and contract is to be awarded

- 2.8.1 The contracts will be awarded through a scoring matrix based on 70% price and 30% quality of which 10% is social value. The process will include full quality testing of the proposed goods and an e-auction to ensure competitive pricing is achieved.
- 2.8.2 The quality of products procured under these contracts will adhere to all Health and Safety requirements and be fit for purpose.
- 2.8.3 The Council will provide the contractors with a detailed specification which will be used throughout each contracts term.

2.9 How the procurement will address and implement the Council's Social Value policies

- 2.9.1 It is important to maintain sustainable procurement, by engaging with local and regional suppliers to promote the local economy and taking account of the social and environmental impact of spending decisions.
- 2.9.2 The Council, along with its policies, is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimizes any adverse impact on community well-being.
- 2.9.3 The Council plans to approach competition positively, taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and voluntary sectors.

2.10 Contract Management methodology to be adopted

- 2.10.1 The Council will provide the contractors with a detailed specification which will detail the contracts management methodology to be adopted by the contractors throughout the contracts term.

3 Options Appraisal

3.1 Do Nothing - Rejected

- 3.1.1 This option was rejected as the Council has a legal and statutory obligation to provide its staff with the necessary, fit for purpose work wear required for staff to complete their duties as stated in the Healthy and Safety at Work Act 1974. Doing nothing means the Council does not satisfy its own due diligence to ensure staff well-being.
- 3.1.2 The financial value attached to this procurement means that a full, comprehensive, and transparent procurement is required in order to remain compliant with EU regulations and the Council's Contract Rules.
- 3.1.3 This procurement has a critical role to play in achieving potential financial savings, meeting the Council's social value and ensuring that the Council's spending on PPE, Corporate Uniform and Equipment is captured under contract while fulfilling the Council's PPE objectives. It also ensures the Council complies with the Health and Safety at Work Act 1974

3.2 Utilise existing contracts - Rejected

- 3.2.1 This option was considered but rejected as the existing contracts has exercised the option to extend for a further year to 31st March 2021.
- 3.2.2 This would mean from 1st April 2021, the Council would be purchasing its PPE, Corporate Uniform and Equipment off contract and at risk of maverick purchasing.
- 3.2.3 As the Council will be out of contract, it will be unable to achieve its PPE objectives and potential financial savings. The Council will not be complying with its contract rules and will be unable to meet its social value.

3.3 Procurement using Framework Agreements - Rejected

- 3.3.1 The option was considered but rejected as although this option is a compliant route to market and reduces the timeframe required for this procurement, it restricts potential suppliers from participating in this procurement.
- 3.3.2 The varied scope of the PPE, Corporate Uniform and Equipment requirements means a framework agreement may not provide the required variety required to meet the Council's PPE objectives.

Frameworks considered in support of this route to market were:

YPO (Yorkshire Purchasing Organisation) Framework 798 Control and Restraint Equipment – this framework runs from 19 May 2017 to 30 April 2021 with no option to extend – this framework could not be utilised as it does not offer the variety of products required to meet the Council's PPE objectives. It would also not provide opportunity for suppliers outside the framework to participate in this procurement

YPO (Yorkshire Purchasing Organisation) Framework 550 Emergency Services Uniforms – this framework runs from 13 October 2017 to 12 October 2021 with no option to extend – although this framework could not be utilised as it does not offer the variety of products required to meet the Council's PPE objectives. It would also not provide opportunity for suppliers outside the framework to participate in this procurement

ESPO (Eastern Shires Purchasing Organisation) Framework 144_19 PPE and Clothing – this framework runs from 07 September 2019 to 06 September 2021 with an option to extend to 06 September 2023 – this framework could not be utilised as it does not offer the variety of products required to meet the Council's PPE objectives. It would also not provide opportunity for suppliers outside the framework to participate in this procurement

3.4 Open Tender Procurement – Recommended

- 3.4.1 This option was recommended as it requires the procurement to be advertised thus providing opportunity for more potential suppliers to tender for these contracts thus meeting the Council's social value requirements.
- 3.4.2 A higher volume of suppliers tendering for this contract ensures a multi lot approach will provide the variety and volume required to meet the Council's PPE, Corporate Uniform and Equipment needs and achieve economic advantage through economies of scale.
- 3.4.3 This option provides competitive advantage as it is open to more suppliers locally and nationally to compete.
- 3.4.4 The wider supplier base provides opportunity for efficient and cost-effective procurement through economies of scale. An open procurement will also provide the opportunity for our incumbent suppliers to tender for the contracts.

4. Waiver

- 4.1 Not applicable to this contract.

5. Consultation

- 5.1 The proposals in this report were considered and approved at Procurement Sub-Group on 1 June 2020 and Procurement Board on 15 June 2020.
- 5.2 The Cabinet Member and Portfolio Holder for Public Realm, Directors of My Place and Inclusion and Growth, Health and Safety Officer and Unions were consulted in April, May and June 2020

6. Corporate Procurement

Implications completed by: Sam Woolvett, Category Manager

- 6.1 Corporate Procurement has supported the Senior Operations Manager for Public Realm to ensure that the recommended procurement process detailed in this report is transparent, fair and is in compliance with the Council's contract rules.

- 6.2 Corporate Procurement supports the recommendation to procure for this service by an Open Tender. This route to market ensures that the Council can provide the volume and variety of PPE, Corporate Uniform and Equipment needs of its staff while complying with EU regulations, the Council's Contracts Rules, Healthy and Safety at Work Act, its social value requirements and achieve economic advantage through economies of scale in an efficient and cost-effective manner.
- 6.3 Corporate procurement shall be managing the end to end procurement in conjunction with the Senior Operations Manager – Public Realm.

7. Financial Implications

Implications completed by Sandra Pillinger Group Accountant

- 7.1 This report seeks approval for the procurement and award of new term Contracts for Personal Protective Equipment (PPE), Corporate Uniform and Equipment at an estimated cost of £666,967.44 over the 4year contract term. As this is a call-off contract the actual cost will depend on usage and does not commit the Council to a pre-defined level of expenditure.
- 7.2 The budget for PPE, Uniforms and Equipment is held by individual services including My Place, Public Realm, Core Services, Policy and Participation, Community Solutions, and Care and Support. Individual services will be required to maintain expenditure within the allocated budgets.

8. Legal Implications

Implications completed by: Graham Marlow, Contracts and Procurement Solicitor.

- 8.1 This report seeks permission to procure Personal Protection Equipment (PPE), Corporate Uniform and Equipment for London Borough of Barking and Dagenham.
- 8.2 A procurement of this nature and value is subject to the requirements for a full competitive tender in accordance with the Public Contracts Regulations 2015 ("the Regulations") and LBBD's constitution and contract rules.
- 8.3 The proposed procurement route set out in this report is compliant with the above requirements.
- 8.4 Therefore, if Cabinet agrees that the proposals set out in this report are the correct way forward, then this is legally permissible.

9. Other Implications

9.1 Risk and Risk Management

Risks

- 9.1.1 No formal contract means the Council will not be able to continue to provide its staff with appropriate PPE, Corporate Uniform and Equipment required for staff to

continue to perform their duties as stated in the Health and Safety at Work Act 1974. This is a legal and statutory requirement

- 9.1.2 No formal contract means the PPE, Corporate Uniform and Equipment used by staff may not have health and safety standards approval. This could leave the Council open to legal challenge under the Health and Safety at Work Act 1974.
- 9.1.3 Uncontrolled spending on PPE, Corporate Uniform and Equipment due to no formal contracts in place could leave to the Council open to challenge through FOI and audit.
- 9.1.4 There is risk of overspending on PPE, Corporate Uniform and Equipment across all Council divisions due to maverick buying and unagreed prices on non-contractual PPE, Corporate Uniform and Equipment products.

Risk Management

- 9.1.5 Having contracts in place will ensure the procured PPE, Corporate Uniform and Equipment meets the health and safety standards stipulated under the Healthy and Safety at Work Act 1974 and ensures the Council meets its duty of care and obligations.
- 9.1.6 The contracts will provide a strict performance monitoring which all providers will be required to adhere to in order to ensure that the right quality of products, the correct agreed costs of PPE, Corporate Uniform and Equipment products ordered is delivered on time thus reducing the issues of unapproved products and unagreed prices.
- 9.1.7 The contracts will help the Council to forecast and budget for its PPE, Corporate Uniform and Equipment provision and associated costs as full auditable data will be available to all divisions to monitor their PPE, Corporate Uniform and Equipment spend.
- 9.1.8 The Terms and Conditions will set out the operations of the Contracts and ensure all parties meet their contractual obligations.

9.2 Corporate Policy and Equality Impact

- 9.2.1 By providing staff with appropriate and fit for purpose PPE, Corporate Uniform and Equipment, staff can carry out their duties to ensure a clean and safe environment for the Councils residents, the general public and its staff.
- 9.2.2 This procurement sets out the route to market that will meet the Councils social value requirements, achieve economic advantage through economies of scale, provide options for competitions from suppliers locally and nationally and provide opportunities for efficient, cost effective procurement.

9.3 Health Issues

- 9.3.1 The Council has a duty of care, legal and statutory obligation as required by the Health and Safety at Work Act 1974 to provide its staff with the necessary fit for purpose work wear required for staff to complete their duties. The PPE, Corporate

Uniform and Equipment under this contract will be fit for purpose and adhere to all Health and Safety requirements and will be what staff will be recommended and approved to purchase. A HR Health & Safety representative and Trade Union representatives will be consulted throughout the procurement process.

9.4 Property / Asset Issues

- 9.4.1 Keeping the borough clean and safe for its residents, the general public and staff requires the use of appropriate PPE, Corporate Uniform and Equipment. If staff are unable to complete their duties safely, the Council is likely to incur additional costs from repairs, insurance and legal costs.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None