

# MINUTES OF CABINET

Monday, 21 February 2022  
(7:00 - 8:20 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 Elizabeth Kangethe and Cllr Maureen Worby

**Apologies:** Cllr Margaret Mullane

## 80. Declaration of Members' Interests

There were no declarations of interest.

## 81. Minutes (18 January 2022)

The minutes of the meeting held on 18 January 2022 were confirmed as correct.

## 82. Revenue Budget Monitoring 2021/22 (Period 9, December 2021)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue budget monitoring position for the 2021/22 financial year as at 31 December 2021 (period 9).

The Council's General Fund revenue budget for 2021/22 was £173.614m and the forecast outturn position at the end of December projected a net overspend of £7.227m once income had been taken into account, which represented a slight improvement on the previous month's position.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2021/22 financial year as set out in sections 2 and 3 and Appendix A of the report; and
- (ii) Note the update on savings proposals, as set out in section 4 of the report.

## 83. Carers Charter 2022-25 and Action Plan

The Cabinet Member for Health and Social Care Integration presented a report on the Carers' Charter 2022-25 and Action Plan which would act as a framework for the delivery and development of services, working practices, the identification of, and support for unpaid or informal carers in the Borough, through a partnership approach.

The Charter, which comprised a series of "I" statements centred around the needs of carers, had been co-produced with carers in the Borough alongside key stakeholders, and the Cabinet Member was immensely proud of the work undertaken. She paid tribute to the Borough's carers, including young carers, who were often forgotten by society and faced many challenges in delivering their

caring role, including the lack of respite. Whilst the Action Plan outlined the steps the Council would take in order to achieve the outcomes laid out in the Charter, her ambition was for all partners to adopt the Charter, so that carers would have the support they needed from all the key services.

The Cabinet Member for Educational Attainment and School Improvement praised the Charter and particularly welcomed the reference within it to support for young carers, including access to services to look after their mental health and wellbeing.

Cabinet **resolved** to:

- (i) Approve the Carers Charter 2022-25 and Action Plan, as set out at Appendices A and B to the report; and
- (ii) Note that the Health and Wellbeing Board shall receive an annual update on the delivery and ongoing development of the Action Plan.

#### **84. Budget Framework 2022/23 and Medium Term Financial Strategy 2022/23 - 2025/26**

The Cabinet Member for Finance, Performance and Core Services introduced the Council's proposed budget framework for 2022/23 which incorporated the following:

- Proposed General Fund revenue budget for 2022/23;
- Proposed level of Council Tax for 2022/23;
- Medium Term Financial Strategy (MTFS) 2022/23 to 2025/26;
- Draft capital investment programme 2022/23 to 2025/26; and
- Update on the Dedicated Schools Grant and Local Funding Formula for Schools.

The Cabinet were reminded that the budget framework for 2022/23 was prepared in the context of consistent reductions in grant by the Government and the cumulative impact of austerity measures since 2010. The Borough was predicted to have the second fastest growing population in the country between 2014 and 2024, which effectively meant that the Council had to do 20% more in terms of demand, with 40% less income. Those challenges meant that the Council was in the undesirable position of having to raise Council Tax by 1.99%, in order to meet some of the extra demand on services.

The Cabinet Member for Educational Attainment and School Improvement referred to the section of the report on the Dedicated Schools Budget and Early Years Funding and stated that 95% of the Borough's schools had been rated 'good' or 'outstanding' by Ofsted, which was better than London and national averages. She took the opportunity to thank all staff within the Borough's schools for their dedication and support to children and young people, particularly during the Covid-19 lockdowns and restrictions. The Cabinet Member also referred to the national funding formula as being less favourable to schools in London, reflecting the Government's persistent theme of putting some of the most deprived areas of the country, including Barking and Dagenham, at a disadvantage. It was noted that many primary schools would only receive the minimum 2% uplift, which meant a real terms cut when inflation was taken into account.

The Cabinet Member for Health and Social Care Integration referred to a previous suggestion that the savings associated with the transfers of Leys, Becontree and Sue Bramley Children's Centres from Community Solutions be reviewed and asked that those savings be postponed while the review took place.

The Cabinet Member and Champion for Disabled People welcomed the further £0.6m of growth funding, on top of the £6.8m of growth funding already allocated, to care and support services for those with disabilities, recognising the increased life expectancy of those with severe and complex disabilities in the Borough.

The Chair referred to the stark disparities in grant funding from the Government between some deprived and affluent boroughs. He cited the examples of Westminster City, Richmond Upon Thames and Kensington and Chelsea, who received approximately £1200 per head of population while Barking and Dagenham was allocated only £850 per head, which he felt was entirely contradictory to the Government's own 'levelling up' policy.

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

- (i) Approve a base revenue budget for 2022-23 of £181.895m, as detailed in Appendix A to the report;
- (ii) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2022-23 to 2025-26 allowing for other known pressures and risks at this time, as detailed in Appendix B to the report, including the revised cost of borrowing to accommodate the capital costs associated with the implementation of the MTFS;
- (iii) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to finalise any contribution required to or from reserves in respect of the 2022-23 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2022;
- (iv) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to make arrangements for one-off £150 Council Tax energy rebate payments to be made to all households in Bands A – D and establish a discretionary fund for households in need who would not otherwise be eligible;
- (v) Approve the Statutory Budget Determination for 2022-23 as set out at Appendix D to the report, which reflects an increase of 1.99% on the amount of Council Tax levied by the Council, an Adult Social Care precept of 1.00% and the final Council Tax proposed by the Greater London Assembly (8.8% increase), as detailed in Appendix E to the report;
- (vi) Note the update on the current projects, issues and risks in relation to Council services, as detailed in sections 8-10 of the report;
- (vii) Approve the proposed projects/allocations of funding as set out in paragraphs 9.5 and 9.6 of the report and delegate authority to the Strategic

Director of Community Solutions in consultation with the Cabinet Member for Community Leadership and Engagement to approve and enter into all necessary contracts, agreements and other documents in order to implement such arrangements;

- (viii) Approve the Council's draft Capital Programme for 2022-23 totalling £522.625m, of which £66.813m are General Fund schemes, as detailed in Appendix F to the report;
- (ix) Approve the Flexible Use of Capital Receipts Strategy as set out section 12 of the report;
- (x) Note the update on Dedicated Schools Funding and approve the Local Funding Formula factors as set out in section 13 and Appendix H to the report;
- (xi) Approve the increased rates for Early Years Education as set out in section 13 of the report; and
- (xii) Note the Chief Financial Officer's Statutory Finance Report as set out in section 15 of the report, which includes a recommended minimum level of reserves of £12m.

#### **85. Housing Revenue Account: Estimates and Review of Rents and Other Charges 2022/23**

The Cabinet Member for Community Leadership & Engagement presented a report on the Housing Revenue Account (HRA) estimates, review of rents and other charges for 2022/23, and the available HRA resources within the context of the 30-year Business Plan and proposed the budgets for 2022/23 for both revenue and capital expenditure.

The Cabinet Member advised that 2022/23 was the third year in which the Council was able to control its own rent setting policy after the Government had imposed a four-year, 1% rent reduction policy on all providers of social housing from April 2016, which had a significant negative impact on the HRA business plan. It was noted that although the Council was able to freeze service charges at 2021/22 levels, it was proposed that rents increased by 4.1 % from April 2022, which represented an average HRA rent increase of £3.97 per week from £97.00 to £100.97 per week, and heating and hot water charges would also increase due to the significant rise in fuel costs.

The Cabinet Member for Finance, Performance and Core Services highlighted the average rent levels for homes under the HRA and the excellent value for money that they represented.

Cabinet **resolved** to:

- (i) Agree that rents for all general needs secure, affordable and sheltered housing accommodation be increased by the Consumer Price Index (CPI) (September 2021) of 3.1% + 1% = 4.1%, from the current average of £97.00 per week to £100.97 per week;

- (ii) Agree the following service charges for tenants:

<b>Service</b>	<b>Weekly Charge 2022/23</b>	<b>Increase / reduction</b>
Grounds Maintenance	£2.93	£0
Caretaking	£7.65	£0
Cleaning	£3.68	£0
Estate Lighting	£3.94	£0
Concierge	£10.06	£0
CCTV (SAMS)	£6.17	£0
Safer Neighbourhood Charge	£0.52	£0
TV aerials	£0.62	£0

- (iii) Agree that charges for heating and hot water increase by 7.1% in anticipation of fuel cost increases, as follows:

<b>Property size</b>	<b>Weekly Charge 2021/22</b>	<b>Weekly Charge 2022/23</b>
Bedsit	£13.41	£14.36
1 bedroom	£14.23	£15.24
2 bedroom	£17.07	£18.28
3 bedroom	£17.39	£18.62
4 bedroom	£17.84	£19.11

- (iv) Note that water and sewage charges will be increased by the provider by an average change of 10.2% for water and 3.1% for sewage, making a combined change of 8.9%;
- (v) Agree that the above charges take effect from 1 April 2022;
- (vi) Agree the proposed HRA budget for 2022-23 as set out in paragraphs 2.13 to 2.18 of the report, and
- (vii) Agree the Investment in Existing Stock programme and the HRA Capital Programme for 2022/23, as set out in sections 3 to 6 of the report.

## **86. Redevelopment of 53-135 Roxwell Road and 2-4 Stebbing Way, Thames View - Review of Costs**

Further to Minute 50 (17 September 2019), the Cabinet Member for Finance, Performance and Core Services presented a joint report on the revised cost of progressing the redevelopment of 53-135 Roxwell Road and 2-4 Stebbing Way on the Thames View Estate to provide 87 new affordable homes.

The Cabinet Member explained that the impact of COVID-19 and Brexit in particular had significantly increased the cost of materials and labour in the UK, while more stringent building regulations, particularly in relation to fire safety and sustainability, had also increased costs across all new housing projects. The original total development cost was estimated at £21.125m; however the recent

tendering exercise for the demolition and construction works had identified a shortfall of £11.275m in the budget which was now estimated at £32.4m.

Cabinet Members considered the advantages and disadvantages associated with the four main options presented in the report, which covered abandoning the project; retendering the project in 6-9 months when there may be a less volatile and uncertain marketplace; disposing of the site to a third-party developer; and allocating the additional funding to progress the project as originally planned. On the understanding that the project would proceed as planned, the Cabinet Member outlined the new funding arrangements for the project that had been endorsed by the Council's Investment Panel.

Cabinet **resolved** to:

- (i) Re-affirm its commitment to the project at 53-135 Roxwell Road and 2-4 Stebbing Way, Thames View, on the terms set out in the report;
- (ii) Agree the use of an additional £5.95m Right to Buy receipts and the allocation of circa £1.5m of S106 funding, available from the first two phases of the Fresh Wharf development towards the delivery of affordable housing in the borough, to support the viability of the project;
- (iii) Agree to the inclusion of a total of £32.4m in the Capital Programme to enable the project to proceed on schedule; and
- (iv) Delegate authority to the Chief Executive, in consultation with relevant Cabinet Members and Directors and on the advice of the Investment Panel, to negotiate terms, agree final arrangements and enter into all necessary contract documents and ancillary agreements to fully implement and effect the delivery of the projects.

## **87. Shareholder Governance Review**

The Cabinet Member for Finance, Performance and Core Services introduced a report on the outcome of a review of the end-to-end governance arrangements for the four Council-owned companies of Be First, Reside, Barking and Dagenham Trading Partnership and B&D Energy Ltd.

The Cabinet Member advised that the reviews found no significant concerns regarding the companies' governance, although there were some recommendations for improvements that reflected the maturing relationship between the Shareholder Panel, which oversees the Council's interests as shareholder, and the companies. One of those recommendations related to the non-strategic reserved matters that, currently, required the approval of Cabinet on behalf of the Council. It was proposed that the Shareholder Panel should have the ability to make recommendations to the Council's Chief Executive, in line with existing delegated power parameters, to approve non-strategic matters such as minor changes to business plans, changes of companies' auditors, changes to Shareholder Agreements and the extension of Company Chairs and non-Executive Director appointments.

Cabinet **resolved** to:

- (i) Endorse the proposal that the Chief Executive, in consultation with the Shareholder Panel, be authorised to agree any non-strategic reserved matters requiring the approval of the Council as Shareholder;
- (ii) Note that all strategic reserved matters shall continue to be the responsibility of the Cabinet on behalf of the Council; and
- (iii) Recommend the Assembly to approve the proposed amendment to the Officer Scheme of Delegation (Part 3, Chapter 1 of the Council's Constitution) as shown in paragraph 6.1(q) and (r) in Appendix 1 to the report, in order to implement (i) above.

## **88. Treasury Management Strategy Statement 2022/23**

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Treasury Management Strategy Statement 2022/23 which set out the Council's borrowing, investment and funding plans for the year ahead.

Cabinet **resolved to recommend the Assembly** to adopt the Treasury Management Strategy Statement for 2022/23 and, in doing so, to:

- (i) Note the current treasury position for 2022/23 in section 4 and prospects for interest rates, as referred to in section 8 of the report;
- (ii) Approve the Annual Investment Strategy 2022/23 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 1 to the report;
- (iii) Approve the Council's Borrowing Strategy 2022/23 to 2024/25, as set out in Appendix 2 to the report;
- (iv) Note that the Capital Strategy 2022/23, incorporating the Investment and Acquisitions Strategy, shall be updated and presented for approval in April 2021;
- (v) Approve the Capital Prudential and Treasury Indicators 2021/22 – 2024/25, as set out in Appendix 3 to the report;
- (vi) Approve the Operational Boundary Limit of £1.60bn and the Authorised Borrowing Limit of £1.70bn for 2022/23, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as referred to in Appendix 3 to the report;
- (vii) Approve the Minimum Revenue Provision Policy Statement for 2022/23; the Council's policy on repayment of debt, as set out in Appendix 4 to the report;
- (viii) Note that changes made to the Prudential Code and Treasury Management code, published in December 2021, will be fully implemented for the 2023/24 TMSS; and

- (ix) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to consider the increase in short-term cash held from borrowing.

## **89. Pay Policy Statement 2022/23**

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Council's Pay Policy Statement for 2022/23.

The Cabinet Member advised that, as required by the Localism Act 2011, the Council must agree, before the start of the new financial year, a pay policy statement covering chief officer posts and other prescribed information.

The report also sought Cabinet's approval to apply the uplift in the London Living Wage with effect from 15 November 2021, which increased the minimum hourly rate of pay from £10.85 to £11.05 per hour.

Cabinet **resolved** to:

- (i) Agree the implementation of the London Living Wage increase from £10.85 to £11.05 per hour for employees and apprentices operating in service areas covered by Green Book terms and conditions, with effect from 15 November 2021; and
- (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2022/23 as set out at Appendix A to the report, for publication on the Council's website with effect from April 2022.