

MINUTES OF CABINET

Tuesday, 17 January 2023
(7:00 - 8:11 pm)

Present: Cllr Saima Ashraf (Deputy Chair in the Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Kashif Haroon, Cllr Jane Jones, Cllr Elizabeth Kangethe and Cllr Maureen Worby

Also Present: Cllr John Dulwich; Cllr Mukhtar Yusuf

Apologies: Cllr Darren Rodwell and Cllr Sade Bright

65. Declaration of Members' Interests

There were no declarations of interest.

66. Minutes (13 December 2022)

The minutes of the meeting held on 13 December 2022 were confirmed as correct.

67. Revenue Budget Monitoring 2022/23 (Period 8, November 2022)

The Cabinet Member for Finance, Growth and Core Services introduced the Council's revenue budget monitoring report for the 2022/23 financial year as at 30 November 2022 (period 8).

The Council's General Fund revenue budget for 2022/23 was £183.06m and the forecast outturn position at the end of October projected a net overspend of £15.001m once movements to and from reserves and income had been taken into account, which represented an improvement of £1.6m compared to the previous month. The Cabinet Member commented that despite the Council adding £9.4m to the 2022/23 budget to meet known demand and cost pressures, the current overspend projection reflected the failure of the Government to properly fund local authorities, particularly Barking and Dagenham, over the past 10 years.

The Cabinet Member confirmed that the Council's Budget Support Reserve was sufficient to cover the current level of overspend and he expected that overspend to reduce slightly by the year-end. He stressed, however, that a significant depletion of that reserve fund or new unforeseen pressures could mean that it would be necessary to drawdown from the main General Fund Reserve in future years.

Arising from the discussions, the Cabinet Member for Adult Social Care and Health Integration asked that the Brocklebank scheme listed in the schedule of proposed savings for 2022/23 be progressed as soon as possible due to its financial impact as well as the need for local provision for adults with disabilities.

Cabinet **resolved** to note the projected revenue outturn forecast for the 2022/23 financial year as set out in section 2 and Appendix A of the report.

68. Council Tax Support Scheme 2023/24 and Council Tax Support Fund

Further to Minute 16 (12 July 2022), the Cabinet Member for Finance, Growth and Core Services reported on the positive outcome of a public consultation on the proposed introduction of a revised Council Tax Support (CTS) scheme for 2023/24.

The Cabinet Member advised that the proposal would reduce the minimum payment applied within the CTS scheme from 25% to 15% of the individual Council Tax bill, as a way of supporting low-income residents during the cost-of-living crisis. The net effect of such a change would mean that households entitled to the full level of CTS would be over £150 better off under the Council's revised scheme. In referring to the responses to the consultation, the Cabinet Member acknowledged that several respondents had not supported any enhancement to the scheme as the additional funding would need to be met directly by the Council and would, therefore, impact on all residents, many of whom would not qualify for CTS but were facing their own financial challenges in the current climate.

Cabinet Members spoke in support of the enhanced CTS scheme and reference was made to the Equality Impact Assessment that accompanied the report which exemplified the benefits of the proposal.

The Cabinet Member also referred to the recent grant allocation from the Department for Levelling Up, Housing and Communities (DLUHC) aimed at providing additional support to low-income households in receipt of CTS with their Council Tax payments. It was noted that the funding would enable the Council to award a rebate of up to £25 to approximately 15,000 low-income households in receipt of CTS in the Borough. While the Cabinet Member questioned the impact that such a small amount would have on those households struggling to make ends meet during the current cost-of-living crisis, he nonetheless welcomed any assistance from the Government towards the most vulnerable in the community.

Cabinet **resolved** to:

- (i) Agree to implement an additional one-off reduction of up to £25.00 for households in receipt of Council Tax Support and delegate authority to the Director of Support and Collections, in consultation with the Cabinet Member for Finance, Growth and Core Services, to determine and implement a scheme for its delivery in line with the guidance issued by the Department for Levelling Up, Housing and Communities;
- (ii) **Recommend the Assembly** to:
 - (a) Agree, in light of the positive response to the public consultation, to adopt Model 2, as detailed in the report, as the CTS Scheme for 2023/24, which would reduce the minimum payment from 25% to 15% of the individual Council Tax bill, as a way of supporting low-income residents during the cost-of-living crisis; and
 - (b) Note that a fundamental review of the CTS scheme shall be undertaken in preparation for the determination of the CTS scheme for 2024/25, with a view to providing a more transparent and simple approach, with

predictable levels of support, via a new banded scheme.

69. Housing Revenue Account: Review of Rents and Other Charges 2023/24

The Cabinet Member for Community Leadership and Engagement presented a report on the review of rents and other charges within the Housing Revenue Account (HRA) for 2023/24.

The Cabinet Member reminded colleagues that for the financial years 2016/17 to 2019/20, the Government had imposed a social housing rent reduction policy that had resulted in a loss of income to the Council of approximately £34m. That arrangement, together with the Government's revitalisation of the Right To Buy initiative and further intervention on the setting of social housing rents, had severely impacted the Council's plans to rejuvenate its housing stock.

Despite those measures, the Council was committed to maintaining, improving and, where possible, expanding its social housing stock and the Cabinet Member set out proposals which sought to balance the financial sustainability of the HRA and the capital needs of the stock with its desire to protect tenants from economic hardship. In that respect, it was proposed that the maximum 7% increase imposed by the Government for 2023/24 be applied to all rents, meaning that the average rate would increase from £100.97 to £108.04 per week.

With regard to other HRA-related charges, the Cabinet Member confirmed that they too had been carefully considered in the context of the current cost-of-living crisis, with a number being kept at 2022/23 levels while others were to rise in line with the Consumer Price Index (CPI). It was, however, necessary to increase communal heating and hot water charges by 109% to reflect the substantial increase in the cost of energy supplies.

Cabinet Members acknowledged the reality of rising costs and the balance that the Council had sought to achieve through the proposals. It was suggested, however, that the communal heating and hot water charges should be reviewed going forward to ensure a more equitable apportionment based on usage levels, as opposed to solely on property size.

Cabinet **resolved** to:

- (i) Agree that rents for all general needs secure, affordable and sheltered housing accommodation be increased by the below-inflation rate of 7%, from the current average of £100.97 per week to £108.04 per week;
- (ii) Agree the following service charges for tenants:

Service	Proposed Weekly Charge 2023/24	Increase
Grounds Maintenance	£2.93	£0.00
Caretaking	£7.65	£0.00
Cleaning	£3.68	£0.00
Estate Lighting	£4.34	£0.40
Concierge	£11.08	£1.02

CCTV (SAMS)	£6.79	£0.62
Safer Neighbourhood Charge	£0.57	£0.05
TV aerials	£0.62	£0.00

- (iii) Agree that charges for communal heating and hot water increase by 109% based on estimated charges, as follows:

Property size	Weekly Charge 2022/23	Weekly Charge 2023/24	Annual Charge 2023/24
Bedsit	£14.36	£30.01	£1,564.85
1 bedroom	£15.24	£31.85	£1,660.74
2 bedroom	£18.26	£38.16	£1,989.84
3 bedroom	£18.62	£38.92	£2,029.07
4 bedroom	£19.11	£39.94	£2,082.47

- (iv) Note that water and sewage charges shall be increased by the provider, currently estimated at a combined rate of 7.8%; and
- (v) Agree that the above charges take effect from 1 April 2023.

70. Dedicated Schools Budget and School Funding Formula 2023/24

The Cabinet Member for Educational Attainment and School Improvement presented a report on the Dedicated Schools Budget and Schools Funding Formula for 2023/24.

The Cabinet Member explained that the primary source of funding for education-related activities came from the Department for Education (DfE) via the Dedicated Schools Grant (DSG). The DSG consisted of four funding blocks: the Schools block (the main allocation to schools), the Central block (central costs for core Local Authority education services), the High Needs block (additional costs for Special Educational Needs pupils) and the Early Years block (childcare and pre-school services). The DfE's ultimate aim was for the Schools Block funding to be passported straight to schools based on the National Funding Formula (NFF), was likely to result in a shift of funding from primaries to secondaries and result in London schools being treated less favourably over time. In the meantime, the Council was required, in consultation with local schools and the Barking and Dagenham Schools Forum, to agree its own formula in line with the prescribed framework in the DfE's national guidance.

The DSG allocation for 2023/24 totalled £340.374m, an increase of £12.881m on the allocation for 2022/23. The Cabinet Member pointed out, however, that once additional funding was factored to account for an increase of 379 pupils, the real-term uplift in the DSG allocation for 2023/24 was below 2%, although the Government had subsequently announced additional grant funding separate from the DSG.

In respect of the local funding formula for 2023/24, the Cabinet Member referred to the appendix to the report which set out the proposed allocations across the various blocks. It was noted that since that document had been published, officers

had reviewed the Early Years funding and further discussions had taken place at the Schools Forum. As a consequence, the Early Years funding rate for three- and four-year-olds was proposed to increase to £5.21 per hour (from £5.15 per hour as stated in the report).

The Cabinet Member concluded that the underfunding by the DfE was pressurising schools into cutting back on much-valued additional services which would, undoubtedly, impact on pupils' learning experience. Despite all of the challenges faced, however, the Cabinet Member was pleased to report that Barking and Dagenham's schools were performing extremely well and Cabinet colleagues joined in extending their appreciation to all concerned.

Cabinet **resolved** to:

- (i) Note the indicative allocation of Dedicated Schools Grant for 2023/24 as set out in section 2 of the report;
- (ii) Approve the strategy for the main Schools funding block as set out in section 3 of the report;
- (iii) Approve the proposed principles for the design of the LBBB Local Schools Funding Formula as set out in section 4 of the report and the consequent funding factors as set out in Appendix 1 to the report;
- (iv) Approve the allocated funding and strategy for the three other funding blocks (High Needs, Central Services and Early Years) as set out in sections 5, 6 and 7 of the report;
- (v) Approve the increases in the Early Years hourly rates, with the funding rate for three- and four-year-olds increased to £5.21 per hour and the two-year-old rate increased to £6.09 per hour; and
- (vi) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Strategic Director, Finance and Investment, the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2023/24 school funding formula for submission to the Education and Schools Funding Agency.

71. Calculation and Setting of the Council Tax Base 2023/24

The Cabinet Member for Finance, Growth and Core Services introduced the annual Council Tax Base report for the 2023/24 financial year, which must be set by 31 January each year in accordance with Section 67 of the Local Government Finance Act 1992.

The Cabinet Member referred to the prescribed method of calculation of the Council Tax Base. It was noted that while the Council Tax Base had increased by 2.4% on last year, an increase of 2.99% had been predicted in the Council's Medium Term Financial Strategy which meant a shortfall of £0.45m on projected income for 2023/24.

Cabinet **resolved** to agree that, in accordance with the Local Authorities

(Calculation of Tax Base) (England) Regulations 2012, the amount calculated by the London Borough of Barking and Dagenham as its Council Tax Base for the year 2023/24 shall be 53,326.90 Band 'D' properties.

72. Corporate Plan - Quarters 1 and 2 2022/23 Performance Monitoring

The Deputy Cabinet Member for Performance and Data Insight introduced a report which summarised performance during quarters one and two of 2022/23 against the numerous metrics and deliverables contained in the Council's Corporate Plan 2020-22.

The Cabinet Member commented that the performance data gave a holistic and balanced insight into the key achievements, challenges and areas of risk across all services. He highlighted some of those aspects and Cabinet colleagues also referred to areas within their individual portfolios, which included:

- the Cost-of-Living communications campaign, developed with community, faith and voluntary sector partners as part of the Cost-of-Living Alliance to provide information to residents on the range of support available in the Borough, which was launched in December 2022;
- the BD Money web platform, which provided a universal source of financial guidance and self-help tools for households struggling with the cost-of-living crisis as well as direct access to financial support and information on the local Credit Union offer, had received over 22,000 views as of November 2022;
- the negative impact that the economic downturn, increases in labour and material costs and supply issues were having on the viability and deliverability of many schemes within Be First's development portfolio, although on a positive note it was forecast that 486 new homes would be completed by the end of the financial year;
- the proportion of Year 12 and 13 pupils in Barking and Dagenham who were not in education, employment or training or whose post 16 destination was 'unknown' decreased significantly from 3.7% to 2.9% (the December-February average), which represented the Borough's best ever position;
- the poor uptake by 'priority groups' in the Borough in respect of the seasonal flu vaccination and COVID-19 seasonal booster vaccination, with the Cabinet Member for Adult Social Care and Health Integration calling on all those who qualified to take advantage of the offer;
- the range of domestic violence and personal safety support services already on offer and in the pipeline;
- the increase in waste recycling rates and other service improvements across waste collection services; and
- the rise in take-up for two- and three-year-old early education places.

Cabinet **resolved** to note the performance highlights and areas of improvement relating to quarters 1 and 2 of the 2022/23 financial year, as set out in Appendix 1 to the report.

73. Procurement of a Resilience Contract for Welfare Services

The Cabinet Member for Finance, Growth and Core Services presented a report on proposals to directly award a maximum two-year contract for the provision of staffing support to the Welfare Service, to assist the Council in meeting its

statutory duties relating to the processing of benefits claims and welfare administration.

The Cabinet Member commented that it was necessary for measures to be put in place to provide the flexibility needed to match resources to service demand and he referred to the options appraisal within the report.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a resilience contract for the Welfare Service via a Direct Award to Consultancy+ (part of the Reed Group) via the YPO Framework 940 (Managing Consultancy & Professional Services), in accordance with the strategy set out in the report; and
- (ii) Authorise the Director of Support and Collections, in consultation with the Cabinet Member for Finance, Growth and Core Services and the Chief Legal Officer, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the contractor, in accordance with the strategy set out in the report.

74. Urgent Action - Approval of Head Lease and Loan for Shared Ownership Properties at Challingsworth House (formerly Crown House), Linton Road, Barking IG11 8TL

Cabinet **resolved** to note the action taken by the Acting Chief Executive, in accordance with the Urgent Action procedure under Part 2, Chapter 16, paragraph 4 and the Special Urgency provision under Part 2, Chapter 17, paragraph 15 of the Council Constitution, in relation to:

- (i) Approving the disposal by way of long lease of Block B, Challingsworth House, comprising 56 Shared Ownership homes, to Barking and Dagenham Homes Ltd (part of the Reside structure) on the terms set out in the report;
- (ii) Approving a loan of £18,582,399 to Barking and Dagenham Homes Ltd to enable the acquisition on the terms set out in the report;
- (iii) Authorising the Chief Legal Officer to execute all the legal agreements, contracts, and other documents on behalf of the Council in order to implement the arrangements; and
- (iv) Authorising the Strategic Director, Finance and Investment, in consultation with the Chief Legal Officer, to finalise the terms of the loan and any other associated financial documents.