

# MINUTES OF CABINET

Tuesday, 14 November 2023  
(7:01 - 8:10 pm)

**Present:** Cllr Dominic Twomey (Deputy Chair in the Chair), Cllr Sade Bright, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Kashif Haroon, Cllr Jane Jones, Cllr Elizabeth Kangethe and Cllr Maureen Worby; Cllr John Dulwich

**Also Present:** Cllr Mukhtar Yusuf

**Apologies:** Cllr Darren Rodwell and Cllr Saima Ashraf

## **54. Declaration of Members' Interests**

There were no declarations of interest.

## **55. Minutes (17 October 2023)**

The minutes of the meeting held on 17 October 2023 were confirmed as correct.

## **56. Revenue Budget Monitoring 2023/24 (Period 6, September 2023)**

The Cabinet Member for Finance, Growth and Core Services introduced the Council's revenue budget monitoring report for the 2023/24 financial year as of 30 September 2023 (period 6).

The Council's General Fund revenue budget for 2023/24 was £199.002m and the forecast outturn position at the end of September projected a net overspend of £12.652m. The Cabinet Member explained that whilst there had been a sizeable improvement between periods 4 and 5 following the Star Chamber process, the position between periods 5 and 6 had worsened by £1.614m.

The Cabinet Member referred to several of the issues that were impacting on the in-year position, such as continuing demand pressures and increasing social care costs, as well as the impact that the projected overspend would have on reserves and the Council's ability to set a balanced budget for 2024/25. He pointed out that whilst areas such as Barking and Dagenham, with its high levels of deprivation, had been experiencing the effects of the Government's austerity measures for several years, those effects were now being felt nationwide, with a projected £3billion funding gap over the next two years across the local government sector. The Cabinet Member had consistently called on the Government to put an end to austerity and arising from the discussions, he took on board the suggestion that the Council should coordinate a campaign, in partnership with its North East London neighbouring boroughs, to increase the pressure on the Government via lobbying and Parliamentary Questions raised by the respective local MPs.

The Housing Revenue Account (HRA) was showing a projected overspend of £7.080m for 2023/24, which was slightly higher than the position at period 5 (£6.899m). The Cabinet Member confirmed that, as with the General Fund, that level of overspend was not sustainable and work would continue to reduce

overspends and find mitigating measures to improve the situation by the year end.

Cabinet **resolved** to:

- (i) Note the projected £12.652m revenue overspend forecast at Period 6 for the General Fund for the 2023/24 financial year, as set out in sections 2 and 3 and Appendix A of the report;
- (ii) Note the projected £7.080m revenue overspend forecast for the Housing Revenue Account, as set out in section 4 and Appendix A of the report; and
- (iii) Note the projected returns for the Investment and Acquisition Strategy as set out in section 5 and Appendix A of the report.

## **57. Barking and Dagenham Net Zero Carbon Roadmaps and Framework**

The Cabinet Member for Public Realm and Climate Change introduced a report on the proposed roadmap and framework that would assist the Council in achieving its commitment of becoming a carbon neutral Authority by 2030 and for the wider Borough to become net zero carbon by 2050.

The Cabinet Member advised that the Council had commissioned Anthesis, a leading sustainability consultancy, and the Carbon Trust to identify the Council's and Borough's carbon footprint (based on 2019/20 data). That data showed that the Council itself was deemed to be responsible for 119,000 tonnes of CO<sub>2</sub> emissions through its day-to-day operations, corporate estate, fleet and supply chains, over 70% of which related to purchased goods and services and leased buildings. The Borough-wide footprint had been assessed at 566 kilo-tonnes of CO<sub>2</sub> emissions. The work carried out by Anthesis and the Carbon Trust also included the production of roadmaps that contained ambitious targets and trajectories to support the journey to net zero.

Stemming from that work, the Council had developed a framework of actions and interventions that achieved a balance between ambition and deliverability, reflecting the Council's position as an 'enabler' and agent for change. The Cabinet Member referred to the significant cost challenges associated with achieving net zero, referencing a projected £9m cost merely to upgrade the Council's Refuse vehicle fleet to green energy.

It was noted that the Council had been awarded a £48m grant to support its plans to decarbonise its corporate estate, including homes and buildings, as well as installing additional electric charging points and the Cabinet Member was hopeful that future grant applications would also be successful to enable the Council to continue its journey. Another exciting initiative was the recently signed partnership agreement between the Council, the Seoul Digital Foundation and other organisations which would see the launch of a Smart Homes Innovation Hub in the Borough and the development of solutions to improve the energy and heating efficiency of existing homes. The Cabinet Member also confirmed that the Council had planted 52,000 new trees and restored 50 hectares of wetlands over the past two years to capture carbon emissions and reduce its carbon footprint, with plans to plant a further 50,000 new trees by 2030.

Cabinet **resolved** to:

- (i) Approve the Council's Operational Net Zero Carbon Roadmap at Appendix 1 to the report;
- (ii) Approve the Borough-wide Net Zero Carbon Roadmap at Appendix 2 to the report; and
- (iii) Approve the Net Zero Carbon Delivery Framework at Appendix 3 to the report.

#### **58. Contaminated Land Inspection Strategy 2023 - 2028**

The Cabinet Member for Enforcement and Community Safety introduced a report on an updated Contaminated Land Inspection Strategy (CLIS) for the Borough covering the period 2023 to 2028.

The Cabinet Member explained that legislation implemented in 2000 under Part 2A of the Environmental Protection Act 1990 required local authorities to undertake assessments of potential contaminated land and publish a CLIS. Stemming from that work, thirteen high-risk sites across the Borough were subject to detailed evaluation at a total cost of £2.5m and only one, the Wantz Road Depot site, met the legal definition of contaminated land. That assessment related to groundwater pollution and remediation works were subsequently carried out.

The Cabinet Member advised that the updated CLIS identified no high-risk sites that warranted further detailed land inspections and it was confirmed that any potential future issues or concerns would be dealt with through the statutory planning process.

Cabinet **resolved** to:

- (i) Approve the Contaminated Land Inspection Strategy 2023-2028 as set out at Appendix 1 to the report; and
- (ii) Agree the Council's position that, to the best of its knowledge, the London Borough of Barking and Dagenham no longer had any high-risk sites to investigate.

#### **59. Annual Education Performance Review 2022/23 and Education and Participation Strategic Plan 2023-26**

The Cabinet Member for Educational Attainment and School Improvement presented the annual education performance review report for 2022/23 and the draft Education and Participation Strategic Plan (EPSP) 2023-2026.

The Cabinet Member explained that during 2022/23, many pupils were taking their first exams since the start of the Covid pandemic. Despite the lingering effects of the pandemic and the impact of the cost-of-living crisis on pupils' education and wellbeing, there were a range of successes and improvements during 2022/23 for the Borough's young people and Schools to be proud of, which included:

- 57 of 59 (96.6%) of the Borough's schools were now rated 'Good' or 'Outstanding' by Ofsted.
- At the Early Years Foundation Stage, children achieving the Good Level of Development rose by 2.7% to 65.2%.
- For GCSE English and Maths, performance at grades 9-4 increased by 3.9% to 65.8% in comparison to 2019 (when exams were last taken) and by 5.8% to 48.4% at grades 9-5.
- A Level results were at their highest level excluding the pandemic years, with A\*- B grades improving by 13% to 51.8% and A\*- C grades improving by 11.4% to 78.6%. The Cabinet Member added that the latter meant that the Borough rate was, for the first time, above the national rate of 75.4%, enabling more young people from the Borough to access the most competitive Higher Education (HE) courses and apprenticeships.
- The number of young people progressing to Higher Education (HE) from Barking and Dagenham institutions rose by 8% between 2021 and 2022, representing 81% of the Year 13 cohort, with over a third of those progressing to the most competitive universities.
- The performance of Looked After Children (LAC), disadvantaged pupils and pupils with English as an additional language (EAL) exceeded the national average across many headline measures.

The Cabinet Member for Children's Social Care and Disabilities spoke specifically on the highly inclusive and effective approach within the Borough's schools in respect of children and young people with special educational needs and disabilities (SEND), with many receiving their education in a mainstream setting. The Borough's ARPs had also received quality assurance assessments over the Summer of 2023 and the feedback received highlighted a wealth of strong practice, commitment and passion for those within the ARP setting, many of whom present a range of complex and often highly challenging behaviours and needs.

In respect of the draft EPSP, the Cabinet Member for Educational Attainment and School Improvement advised on the revised priorities for 2023-26, as listed below, which closely mirrored those in the 2018-2022 strategy and which would support the delivery of the overarching "Barking and Dagenham Best Chance Strategy 2022-25: Our partnership plan for babies, children, young people and their families":

- A place in a good or outstanding school or setting.
- Supporting achievement for all, including children exceeding national then London standards.
- Strengthening outcomes, support and opportunities for vulnerable children and young people, including those with SEND.
- Supporting the wellbeing and resilience of children and young people.
- Improving opportunities for young people post 16 and maximising numbers who are in education, employment and training.

Cabinet Members congratulated the Borough's schools and other educational establishments for their contributions to the ongoing improvements and commended the partnership approach that existed between the Council and other agencies.

Cabinet **resolved** to:

- (i) Reaffirm the Council's commitment to strengthening and developing partnerships with Barking and Dagenham's family of schools, BDSIP, Barking & Dagenham College, CU London and other key partners such as Health, to achieve the best possible outcomes and opportunities for the borough's children and young people;
- (ii) Note performance against the priorities of the Education and Participation Strategy 2018-22 as set out in section 2 of the report and in the dataset at Appendix A to the report; and
- (iii) Endorse the draft Education and Participation Strategic Plan 2023-26 as set out in Appendix B to the report.

## **60. Treasury Management and Investment and Acquisition Strategy 2023/24 Mid-Year Review**

Further to Minute 79 (20 February 2023), the Cabinet Member for Finance, Growth and Core Services introduced a report on the mid-year review of the Council's treasury management activities and Investment and Acquisition Strategy (IAS) for 2023/24.

The Cabinet Member highlighted the main factors that had impacted on the Council's treasury management and IAS position, such as the current economic situation, interest rate rises and the Council's borrowing position, and advised that the current projection showed a deficit of circa £6m on the overall forecast for 2023/24. Other factors affecting the overall position included lost income from delayed property lettings and performance issues amongst some of the Council's commercial entities, although the Cabinet Member was confident that the remedial measures being implemented would resolve those issues.

The Cabinet Member commented that successful treasury management and investment and acquisition activities underpinned much of the Borough-wide regeneration aspirations as well as everyday service provision. He stressed, however, that the Council's diligent and prudent approach to investments had never been more important due to the current economic situation and it may be that projects previously assessed as viable may need to be put on hold or even abandoned, to avoid placing even more pressures on the Council's finances.

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

- (i) The Treasury Management Strategy Statement Mid-Year Review 2023/24;
- (ii) The economic update covering the increase in inflation and the Bank of England Base Rate increases;
- (iii) The pressures currently impacting Treasury and Investment and Acquisition Strategy (IAS) returns, including:
  - Significantly increased interest rates impacting on the Council's borrowing requirements to support cashflow and capital programme;
  - Delays to renting of Private Rental units and Disposal of Shared

Ownership units developed by the Council for Reside Group of companies impacting on revenue income via lease payments;

- Loss of income from commercial holdings due to delays in renting the assets and further increased borrowing costs due to debt used to deliver the commercial assets being held for longer than projected.
  - Loss of interest income from wholly owned companies including Be First and BDTP as they are unable to meet interest payments; and
  - Reporting and administrative delays from Reside to accurately forecast rental income back to the Council.
- (iv) That the value of the treasury investments and cash balances at 30 September 2023 totalled £38.2m at a rate of 4.2%;
- (v) That the value of the residential loans lent by the Council to Reside at 30 September 2023 totalled £190.3m at an average rate of 2.6%;
- (vi) That the total value of borrowing incurred for Private Rented Schemes, planned to be transferred to Reside, at 30 September 2023 was £105.7m;
- (vii) That the total of other loans which included loans to LEUK, Energy Loans and Working Capital Loans total £50.4m;
- (viii) That IAS borrowing at 30 September 2023 totalled £844.3m, with an additional £295.9m of Housing Revenue Account (HRA) borrowing and a further £135.4m of General Fund (GF) borrowing taking total borrowing position for the Council of £1.275.6bn;
- (ix) That HRA interest payable was forecast to be £11.033m against a budget of £10.742m, which represented an overspend of £0.291m;
- (x) That IAS and GF borrowing was forecasting a gross interest payable amount of £21.33m, to be covered by capitalised interest of £10.231m and allocation of commercial rent to pay for interest costs of £6.141m, leaving a net interest payable charge of £5m against a budget of £10.139m which represented a surplus of £5.182m;
- (xi) That interest receivable from loans, IAS and treasury activity was forecast to be £10.9m, split into £4.046m (non-IAS Council loans and GF investments) and £6.848m (Reside Loans, treasury investments and IAS treasury investments), against a budget of £6.5m, representing a surplus of £4.4m;
- (xii) That IAS operational income was forecast to be £1.057m against a budget of £6.861m, representing a deficit of £5.8m;
- (xiii) That the net surplus from the IAS was £207k and the net surplus from the GF treasury strategy was forecast to be £454k for a combined surplus of £661k, which would be added to the IAS reserve, increasing it to £31.6m by the year-end; and
- (xiv) That in the first half of the 2023/24 financial year, the Council complied with all 2023/24 treasury management indicators.

## 61. Fees and Charges 2024

The Cabinet Member for Finance, Growth and Core Services introduced a report on the proposed fees and charges for Council services, the majority of which would take effect from 1 January 2024.

The Cabinet Member referred to the three main principles of the Council's Charging Policy for the services that it offered, namely (1) services should raise income wherever there was a power or duty to do so; (2) wherever possible, the income raised should cover the full cost of providing the service, including all overheads; and (3) any departures from the policy must be justified in a transparent manner with reference to the Council's priorities and policies. He confirmed that the proposed fees and charges had been reviewed in the context of those principles, although due to the level of financial pressures on the Council and the high rate of inflation there may be some instances where a proposed charge may not reflect full-cost recovery. In that regard, it was noted that it may be necessary for a further report to Cabinet in the coming months if it was deemed appropriate to raise any charges again from April 2024.

The Cabinet Member further advised that since the publication of the report, it had become apparent that the proposed fee for Green Garden Waste collections for 2024 (line 1200 in Appendix A to the report) should increase from £43 to £50 to achieve full-cost recovery.

Cabinet Members acknowledged that, in order for the Council to continue to provide the wide range of services that it did, it was necessary to increase fees and charges in line with inflation etc. due to the lack of funding from Central Government. The impact of increased fees and charges on the local community was also acknowledged and it was suggested that the Council should initiate a communications campaign to explain the make-up of certain fees and charges, to give a clearer understanding of the costs the Council incurred in providing such services.

Cabinet **resolved** to:

- (i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2024 unless otherwise stated, subject to an increase in the fee for Green Garden Waste collections for 2024 from £43 to £50;
- (ii) Note the fees and charges no longer applicable from 1 January 2024, as set out in Appendix B to the report;
- (iii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Strategic Director, Resources and the relevant Cabinet Members, to set fees and charges to be applied from September for schools and academic year-based activities; and
- (iv) Note that it may be necessary to bring a further report to Cabinet before agreement of the final budget for 2024/25 to propose further changes to fees and charges to reflect full cost recovery and apply those revised fees

from 1 April 2024.

## **62. Procurement Strategy for Housing Major Works**

The Cabinet considered a report on proposals to use the South East Consortium Dynamic Purchasing System (SEC DPS) as the compliant route to market for a mix of refurbishment and improvement projects associated with the delivery of the Council's Housing Major Works programme over the five year period commencing November 2023.

The Cabinet Member for Regeneration and Economic Development advised on the range of works that would be covered under the procurement and confirmed that leaseholders would be consulted on relevant projects in advance of tender documents being issued, in accordance with the Council's obligations as a landlord under Section 20 of the Landlord and Tenant Act 1985 (as amended).

Cabinet **resolved** to:

- (i) Agree that, subject to the endorsement of the Procurement Board, the Council proceeds with the procurement strategy for Housing Major Works and all other necessary or ancillary agreements in accordance with the strategy set out in the report; and
- (ii) Authorise the Strategic Director, My Place, in consultation with the Cabinet Member for Community Leadership and Engagement, the Strategic Director, Resources and the Head of Legal, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements to fully implement and effect the proposals.

## **63. Private Business**

Cabinet **resolved** to exclude the public and press for the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraph 3 of Part 1, Schedule 12A to the Local Government Act 1972 (as amended).

## **64. Potential Acquisition of Land at Thames Road, Barking**

The Cabinet Member for Regeneration and Economic Development presented a report on the potential purchase of two key plots of land within the Thames Road Transformation Area.

The Cabinet Member advised on the current circumstances regarding ownership of the land and the opportunities that purchasing the sites could create for the Council. It was noted, however, that the Council's proposed offer for each of the two sites was based on overall costs having no adverse impact on the performance of the Be First commercial portfolio and the Council's General Fund, meaning that the purchase price and other associated costs must be covered by a sustainable forecast of income generated from the sites.

Cabinet **resolved** to:



- (i) Agree to the submission of bids for the purchase of two parcels of land within the Thames Road Transformation Area on the terms set out in the report; and
- (ii) Delegate authority to the Strategic Director, Resources, in consultation with the Cabinet Member for Finance, Growth and Core Services and the Head of Legal, to complete the necessary documentation to acquire the site(s) should the Council's bid(s) be successful.