

# MINUTES OF CABINET

Tuesday, 23 January 2024  
(7:00 - 8:45 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Dominic Twomey (Deputy 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

**Apologies:** Cllr Saima Ashraf

## 70. Declaration of Members' Interests

There were no declarations of interest.

## 71. Minutes (19 December 2023)

The minutes of the meeting held on 19 December 2023 were confirmed as correct.

## 72. Revenue Budget Monitoring 2023/24 (Period 8, November 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 November 2023 (period 8).

The Council's General Fund revenue budget for 2023/24 was £199.002m and the forecast outturn position at the end of November projected a net overspend of £10.54m after transfers to and from reserves, which represented an improvement of £1.065m on the position at period 7. The Housing Revenue Account (HRA) was showing a projected overspend of £5.0528m for 2023/24, which represented an improvement of £2.029m from period 7.

The Cabinet Member welcomed the reduced overspend positions and encouraged Cabinet Members and Directors to continue to make every effort to further reduce the overspend position by the year-end, especially in light of the continuing risks, such as demands on social care services, that continue to threaten the Council's ability to achieve a balanced budget. He also referred to a recent letter from over 40 Conservative MPs criticising the Chancellor of the Exchequer for failing to provide sufficient additional funding in the draft Local Government Finance Settlement for 2024/25 to meet excessive inflationary costs and increased demand for local authority services, adding that had the Government introduced the Fair Funding reforms that it had previously promised, it was likely that the Council would be operating at a small surplus instead of facing an overspend position.

Cabinet **resolved** to:

- (i) Note the projected £10.540m revenue overspend forecast at Period 8 for the General Fund for the 2023/24 financial year, as set out in sections 2 and 3 and Appendix A of the report and note the net projected year end drawdown of £4.88m reserves to support the in-year position;

- (ii) Note the projected £5.052m revenue overspend forecast for the Housing Revenue Account, as set out in section 6 and Appendix A of the report;
- (iii) Note the projected returns for the Investment and Acquisition Strategy as set out in section 4 and Appendix A of the report;
- (iv) Note the movement in Reserve drawdown as indicated in section 5 of the report and that the Cabinet shall be asked to approve the drawdown of reserves to support any overspends at final outturn (post March 2024), subject to finalisation of the actual spend against budget; and
- (v) Note that a review of reserve balances was being conducted and an updated position shall be provided as part of the Budget Setting report in February 2024.

### **73. HRA Budget and Rent Setting for 2024/25 and Draft 30-Year Business Plan**

The Cabinet Member for Finance, Growth and Core Services introduced a report on the review of rents and other charges within the Housing Revenue Account (HRA) for 2024/25 and the draft HRA 30-year Business Plan.

The Cabinet Member referred to previous Government policy that imposed a social housing rent reduction for the financial years 2016/17 to 2019/20. Furthermore, although the Government reinstated previous national rent policy from 2020/21 of social rents being increased annually in line with the Consumer Price Index (CPI) plus 1%, a capping of that level to 7% last year, when inflation was over 11%, meant that the HRA had to absorb the difference. The combined effect of those measures was a loss of income to the Council in excess of £35 million which severely impacted plans to rejuvenate the Council's housing stock and reduced capacity for the Council to implement lower increases in future years. As a consequence, it was proposed that for 2024/25, rent levels for Council tenants would increase by an average of £8.35 per week to £117.07 per week under the CPI + 1% arrangement. In recognising the impact that any level of rent increase would have on local residents during the current economic climate, the Cabinet Member stressed the importance of the Council continuing to invest in its housing stock and pointed out that those receiving Housing Benefit / Universal Credit should find that their benefit would increase to cover any uplift.

The annual review of service charges continued to focus on achieving full cost recovery where appropriate, which meant that services for grounds maintenance, concierge, CCTV and TV aerials would increase by CPI plus 1% for those receiving such services, while caretaking, cleaning and Safer Neighbourhood-related services would increase by varying degrees. The charge for estate lighting would remain at the 2023/24 level, while heating and hot water charges would be reduced by 5.5% and water and sewerage charges increased by 10%, to reflect the predicted uplift in suppliers' charges.

The Cabinet Member advised on the principles that underpinned the draft HRA 30-year Business Plan, which showed an expected investment requirement of £1.8 billion over the period once inflationary factors had been taken into account and a borrowing requirement for the HRA up to 2053/54 of £987.3m. The planned HRA Capital Programme for 2024/25 was proposed at £24.688m.

Cabinet Members acknowledged the reality of rising costs and the balance that the Council had sought to achieve through the proposals. Reference was also made to the Council's new homes programme through B&D Reside, which had helped provide affordable, good quality properties for local people and reduce the reliance on temporary accommodation, and the numerous avenues of advice and financial support that the Council offered for those struggling to make ends meet.

Cabinet **resolved** to:

- (i) Agree that rents for all general needs secure, affordable and sheltered housing accommodation be increased by 7.7%, in line with the Government's current rent policy of CPI +1% (with CPI for September 2023 of 6.7% being used as the base), meaning an increase to the average rent for general needs from £108.72 per week to £117.07 per week;
- (ii) Agree the following service charges for tenants:

<b>Services</b>	<b>Weekly Charges 2024/25</b>	<b>Increase / (Reduction)</b>	<b>Basis of Increase</b>
Grounds Maintenance	£3.16	£0.23	CPI+1%
Caretaking	£8.03	£0.38	Cost Recovery
Cleaning	£3.86	£0.18	Cost Recovery
Estate Lighting	£4.34	nil	Cost Recovery
Concierge	£11.93	£0.85	CPI+1%
CCTV (SAMS)	£7.31	£0.52	CPI+1%
Safer Neighbourhood Charge	£0.60	£0.03	Cost Recovery
TV Aerials	£0.67	£0.05	CPI+1%

- (iii) Agree that charges for heating and hot water be reduced by 5.5% in line with decreases in the estimated charges for 2024/25 provided by suppliers as follows:

<b>Property size</b>	<b>Weekly Charges 2023/24</b>	<b>Weekly Charge 2024/25</b>
Bedsit	£29.52	£27.89
1 bedroom	£31.56	£29.82
2 bedroom	£38.21	£36.11
3 bedroom	£38.92	£36.78
4 bedroom	£39.94	£37.74

- (iv) Note that following the annual review of current charges and insight from the provider, water charges shall increase by 10% while sewerage charges shall remain at the current year's rates;
- (v) Agree the HRA Income and Expenditure budget for 2024/25 and note the changes from the 2023/24 budget, as detailed in section 3 of this report.

- (vi) Agree a £24.7m capital programme for the HRA in 2024/25 and note the indicative 4-year HRA capital programme detailed in section 4 of the report;
- (vii) Agree that the above charges take effect from 1 April 2024;
- (viii) Note the draft HRA 30-year business plan, as detailed in section 2 of the report, and the indicative 30-year financial forecasts set out in Appendices A and B to the report; and
- (ix) Note that the final version of the HRA Business Plan shall be presented to Cabinet in March 2024 after a comprehensive review by the Strategic Director, Resources.

#### **74. Dedicated Schools Budget and School Funding Formula 2024/25**

The Cabinet Member for Educational Attainment and School Improvement presented a report on the Dedicated Schools Budget and Schools Funding Formula for 2024/25.

The Cabinet Member explained that the main source of funding for education-related activities came from the Department for Education (DfE) via the Dedicated Schools Grant (DSG) and was allocated under four blocks that funded different components of the 3 - 16 year old education system, namely 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 future intention was to allocate the Schools block directly to schools based on a National Funding Formula (NFF). In the meantime, the Council, as the Local Education Authority, retained the ability to set its own formula for the allocation of Schools block funding along with the other funding blocks, in consultation with schools and the local Schools Forum.

The Cabinet Member advised that in view of the fact that all 43 primary schools in the Borough were funded at the 'funding floor', receiving only the minimum increase 0.5% in per pupil funding, the preferred option for 2024/25 was to apply a local model (referred to as Model C) that allocated additional funding to the primary sector to achieve a 1:1.36 ratio between primary and secondary phases, compared to a 1:1.42 ratio under the NFF. The Schools' Forum had endorsed that approach at its meeting on 16 January 2024 and further supported the proposed allocation arrangements for the other three blocks.

The DSG allocation for 2024/25 (including Academy school funding) totalled £367.846m, an increase of £25.5m on the allocation for 2023/24. The Cabinet Member pointed out, however, that factors such as inflation and the significant increase in pupils with special educational needs and/or Education, Health and Care Plans (EHCPs) meant that pressures on all areas and especially the High Needs block would remain and some services, such as the Community Music Service and the Trewern Outdoor Education Centre, would continue to experience budget reductions.

Speaking in support of the proposals, the Cabinet Member for Finance, Growth and Core Services also remarked on the benefits of having a National Funding

Formula in place for school funding. He encouraged the Government to avoid any further delay in implementing Fair Funding reforms across all Local Authority service areas, especially in Children's and Adults' social care, to similarly recognise the additional and ongoing financial support that communities with high levels of deprivation and vulnerability required.

Cabinet **resolved** to:

- (i) Note the indicative allocation of Dedicated Schools Grant for 2024/25 as set out in section 2 of the report;
- (ii) Approve the strategy for the Dedicated Schools Budget as set out in section 3 of the report;
- (iii) Approve, subject to consultation with Schools and the Schools' Forum, the proposed principles for the design of the Local Schools Funding Formula as set out in section 4 of the report;
- (iv) Note the allocated funding and strategy for the three other funding blocks as set out in section 5 of the report;
- (v) Approve the increases in the Early Years so that the funding rate for three and four year olds is increased to £5.15 per hour and that for two year olds is increased to £6.09 per hour; and
- (vi) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Strategic Director, Resources, the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2024/25 school funding formula for submission to the Education and Schools Funding Agency.

## **75. School Place Planning and Capital Investment Update**

The Cabinet Member for Educational Attainment and School Improvement presented the latest update report on the forecast demand for education places in primary, secondary and special needs settings, along with details of new grant allocations received from the DfE, new projects using grant funding and some changes to the current programme of capital investment.

The report set out the projected demand for school places up to 2027/28, which showed a future decline in demand particularly in primary year groups, including Reception. The Cabinet Member explained that over the past 15 years, the pupil population in the Borough had increased by 43%, which was borne out by the 2021 Census data which showed that Barking and Dagenham had the highest population (26.1%) of residents aged under 16 in England and Wales. A considerable amount of work had gone into insuring that sufficient school places was available to meet the increase in demand over that period, through the construction of new schools and the expansion of 75% of the existing school estate. In view of the projected decline, the Cabinet Member advised that discussions were now taking place with schools to ensure that, collectively, they remained financially viable. In that respect, a review of the school estate was being undertaken to identify opportunities for rationalisation and the possibility of

creating additional specialist provision in its place, due to exponential demand in that area.

The Cabinet Member referred to new grant allocations received from the DfE, including an allocation of £1.87m in 2025/26 to create additional specialist places, and was particularly pleased to report that an application for rebuilding works at the Sandringham and Longbridge Road sites of Barking Abbey School had been approved by the DfE, with works expected to commence from April 2025. She also provided details of proposed new building and remodelling works at Trinity Special School and Alternative Resource Provision (ARP) expansion projects at Mayesbrook School and All Saints Catholic Secondary School.

Cabinet colleagues welcomed the ongoing data analysis work undertaken by officers within the Education service to maintain the balance between demand and provision for school places and encouraged the Government to properly fund school projects to ensure that young people had the best start in life. Reference was also made to the importance of delivering the Schools' capital programme.

Cabinet **resolved** to:

- (i) Note the actions being taken by officers to manage school places across the Borough and to meet the demand for specialist places;
- (ii) Approve the proposed projects, allocations of funding and procurement routes as set out in paragraphs 8 and 9 of the report, to support the provision of new school places and improvements; and
- (iii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Cabinet Member for Educational Attainment and School Improvement and the Head of Legal, to conduct the procurements and award the respective project contracts.

## **76. Council Tax Support Scheme 2024/25**

Further to Minutes 16 (12 July 2022) and 47 (17 October 2023), the Cabinet Member for Finance, Growth and Core Services presented a report on the outcome of the public consultation on proposals for a new, statutory local Council Tax Support (CTS) scheme for working age recipients for 2024/25.

The Cabinet Member reminded colleagues that the Government's welfare reforms, which included the introduction of the Universal Credit (UC) system to replace Housing Benefit (HB), Income Support and other benefits / tax credits, meant that the Council's current CTS scheme had become far less aligned with HB administration. The welfare reforms also meant that many more individuals became liable for paying towards their Council Tax and the amount of support given to local authorities, to help those on very low incomes with their Council Tax bill, had been cut by approximately 10% by Government.

As a consequence, the Cabinet considered alternative CTS models at its October 2023 meeting and its preferred option was an 'income banded discount' scheme, described as Model 1 in the report, which was more aligned with the new benefits regime, easier for the Council to administer and, most importantly, simpler for

claimants to understand whilst being less reactive to changes to their individual circumstances.

A public consultation exercise took place between 23 October and 24 November 2023 and covered a range of issues, including alternative options. The consultation was widely promoted on the Citizens Alliance Network website alongside the main Council website, via social media and awareness campaigns via the BD\_Collective. Furthermore, every Council Tax Support claimant was written to directly and direct engagement was sought from key voluntary sector partners, the Citizens' Advice Bureau and the Disablement Association for Barking and Dagenham.

The Cabinet Member advised that although the level of survey responses was relatively low, the response to the Model 1 scheme was predominantly positive and acknowledged the need for change. Individual comments and issues raised by respondents had been reflected upon and the intention was for the new CTS scheme, which was set out at Appendix 1 to the report, to be presented to the Assembly on 31 January 2024 for adoption, for implementation with effect from 1 April 2024. The Cabinet Member also referred to the proposal to carry forward £250,000 Council Tax Discretionary Hardship Funding, provided within the Welfare Reserve, from 2023/24 to 2024/25, to provide additional support for those local residents who may be slightly worse off under the new CTS scheme.

Cabinet Members spoke in support of the new scheme and welcomed the commitment to continually review its impact.

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

- (i) Agree, in light of the positive response to the public consultation, to adopt Model 1 as set out in sections 1.17 – 1.20 of the report as the Council's replacement Council Tax Support Scheme for 2024/25; and
- (ii) Agree the carry forward of £250,000 Council Tax Discretionary Hardship Funding, provided within the Welfare Reserve, from 2023/24 to 2024/25.

## **77. Debt Management Performance 2023/24 (Quarter 2)**

The Cabinet Member for Finance, Growth and Core Services presented the latest debt management performance report covering the second quarter of the 2023/24 financial year.

The Cabinet Member referred to the main highlights within the report, including marked increases in collection rates for General Income and Adult social care costs. The collection of arrears from previous years had also improved and the Cabinet Member stressed the importance of maximising collection of both in-year and older debts in order for the Council to continue to provide much needed services to the local community.

Cabinet **resolved** to note the performance of the debt management function carried out by the Council's Collection service, including the improvements in collection in some areas and the challenges in others.

## **78. Calculation and Setting of the Council Tax Base 2024/25**

The Cabinet Member for Finance, Growth and Core Services introduced the annual Council Tax Base report for the 2024/25 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 make-up of the Council Tax Base and the factors that were taken into account as part of the calculation. It was noted that the Council Tax Base had increased by 3% on last year which, when coupled with the projected increase in Council Tax rate of 4.99% referred to earlier in the meeting, would result in an increase in Council Tax income by £6.3m to £84.09m for 2024/25. The Cabinet Member stressed, however, that the additional £6.3m would only help to reduce the projected budget gap for future years.

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 2024/25 shall be 54,916.54 Band 'D' properties.

## **79. Corporate Plan 2023-2026 - Outcomes Framework Performance Report Q1 and Q2 2023/24**

The Deputy Cabinet Member for Performance and Data Insight introduced the corporate performance monitoring report covering the period April to September 2023.

The Deputy Cabinet Member explained that the report reflected the new performance framework which underpinned the Council's Corporate Plan for 2023-2026, approved by the Assembly in May 2023. The report included an assessment of 53 of the 54 outcomes measures within the framework, indicating the direction of travel and 'RAG' status of each. The new approach aimed to provide a holistic and strategic perspective on progress towards the seven priorities within the Corporate Plan, highlighting significant performance improvements and challenges during the period. Key points highlighted as part of the presentation included:

- The number of Borough schools rated Good or Outstanding by OFSTED increased to 96.6%, representing 57 of 59 schools;
- In increase in the number of fly-tipping incidents at 17.1 incidents per 1,000 people against a maximum target of 15 incidents;
- That the six outcome measures that are 'Red RAG' rated and had a negative direction of travel would be given extra focus over the coming months as part of the deep-dive performance meetings;
- Overall satisfaction with social care services increased to 64.5% in 2022/23, an increase of 6.5% on 2021/22 and above London and national averages;
- The improvements being achieved in the Social Prescribing service, with 86% of the 397 patients discharged from the service reporting a positive outcome;
- The impact that the Government's failure to implement Fair Funding reforms was having on local authority service provision and prevention measures;
- The steps being taken by the Council and Be First to maintain the new homes building programme and associated infrastructure plans, supported by



Community Infrastructure Levy (CIL) and Section 106 funding, despite the current economic challenges.

Cabinet Members welcomed the new performance monitoring approach and the added transparency that it provided.

Cabinet **resolved** to note the performance relating to quarters one and two of the 2023/24 financial year, as set out in Appendix 1 to the report.

## **80. Oxlow Lane Redevelopment - Approval of Disposal, Head Lease and Loan Facility Agreement**

Further to Minute 48 (17 October 2023), the Cabinet Member for Regeneration and Economic Development introduced a report on proposals to progress the disposal of a further 63 new homes built at the Oxlow Lane redevelopment project.

The Cabinet Member advised that, as with the previous reports, the properties within Castle House and Petticoat House would be transferred, by way of long leases and associated loans, to the Barking and Dagenham Reside Regeneration Ltd (Reside) structure of companies following practical completion, due in March 2024. Block J consisted of 66 London Affordable Rent (LAR) and 58 Affordable Rent (AR) properties which the Cabinet Member confirmed would be available to those on the Council's housing waiting / transfer lists.

The Cabinet Member also referred to state aid and subsidy control issues relating to loans provided to Reside that were outlined in the report and the requirement for the Council to declare previous schemes on the Subsidy Database or to make a referral to the Subsidy Advice Unit.

Cabinet **resolved** to:

- (i) Note that the Strategic Director, Resources, shall declare on the Subsidy Database the schemes included in Appendix 1 to the report and shall make the referrals to the Subsidy Advice Unit for the schemes included in Appendix 2 to the report;
- (ii) Delegate authority to the Strategic Director, Resources, in consultation with the Strategic Director, Inclusive Growth, to subsequently take any remedial action necessary resulting from such declarations or referrals provided that such action does not materially affect the approvals granted by Cabinet;
- (iii) Approve, in principle, the disposal of the following Oxlow Lane redevelopment scheme by the granting of long leases to the appropriate Reside entity as identified in the report:
  - Castle House, Rainham Road North, Dagenham, RM10 7YW
  - Petticoat House, Rainham Road North, Dagenham, RM10 7YY
- (iv) Approve, in principle, the indicative draft Heads of Terms for leases and loans for the Oxlow Lane redevelopment scheme as set out in section 2 of the report;

- (v) Delegate authority to the Strategic Director, Resources, in consultation with the Strategic Director, Inclusive Growth, to agree and finalise the terms of the loan, lease and any other associated documents, and to take any steps necessary to ensure compliance with s123 of the Local Government Act 1972 and the Subsidy Control Act 2022; and
- (vi) Delegate authority to the Head of Legal, in consultation with the Strategic Director, Inclusive Growth, to execute all the legal agreements, contracts, and other documents on behalf of the Council in order to implement the arrangements.

## **81. Procurement Strategy for the LBB Development Framework 2024 - 2028**

The Cabinet Member for Regeneration and Economic Development presented a report on the proposed procurement of a new four-year framework agreement for construction new build works, commissioned by Be First on behalf of the Council, in relation to the delivery of projects within Council's Investment and Acquisition Strategy (IAS).

The Cabinet Member advised that despite the current challenging environment for construction projects, there remained the potential to award £1.5bn of contracts for new schemes over the period 2024 - 2028, based on an estimated £1.1bn worth of direct delivery schemes and an allowance of £400m for potential third party access. An assessment of options by officers from Be First and the Council had identified a two-stage restricted procurement procedure comprising two Lots (works under £50m and works in excess of £50m) as the preferred approach, in order to provide enhanced resilience and ensure competition.

Cabinet **resolved** to:

- (i) Agree that Be First, on behalf of the Council, proceed with the procurement of the London Borough of Barking and Dagenham Development Framework 2024 - 2028 in accordance with the strategy set out in the report;
- (ii) Note that whilst the projected value of the Framework was up to £1.5bn, the Council shall not be obliged to award any contracts via the Framework;
- (iii) Agree that Be First, on behalf of the Council, manage the Framework in accordance with the scope of services set out in Appendix A to the report, and that the fee for the management of the Framework be paid by the Council to Be First as per the mechanism set out that appendix; and
- (iv) Authorise the Strategic Director, Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Economic Development, the Head of Legal and the Strategic Director, Resources, to conduct the procurement and award and enter into the Framework Agreements and all other necessary or ancillary agreements with the successful bidders.

## **82. Procurement of 8x8 Telephony Services Contract**

The Cabinet Member for Finance, Growth and Core Services introduced a report on the proposed procurement of a new two-year contract for the provision of 8x8

communications services for use within the Council's Contact Centre, Unified Communications and schools.

The Cabinet Member advised on the rationale for continuing to use the 8x8 technology for the time being, primarily due to costs associated with moving to a new service and the anticipated emergence of new Artificial Intelligence (AI) and automation functionality over the next few years.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a new two-year contract for 8x8 UCaaS and CCaaS through the G-Cloud 13 Framework in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Resources, in consultation with Cabinet Member for Finance, Growth and Core Services and the Head of Legal, to conduct the procurement and award and enter into the contract and all other necessary or ancillary agreements to fully implement and effect the proposals.

### **83. Procurement of Culvert Repair Works at Choats Road, Barking**

The Cabinet Member for Public Realm and Climate Change presented a report on the proposed procurement of a design and build contract for the delivery of necessary repair / strengthening works to the Choats Road culvert bridge, together with the funding requirements for the works.

A routine inspection of the bridge, which provided a crucial gateway to the Barking Riverside / Thames View area as well as being a key logistics route to the Dagenham Dock area, identified that voids were forming under the concrete culvert slab which supported the road. Consulting civil engineers were commissioned to produce a feasibility and options appraisal examining options to repair and/or replace the culvert and the Cabinet Member advised that the preferred solution was carry out repair / strengthening works, at an estimated cost of £850,000. It was noted that approximately £578,000 was already available within the Highways capital budget to fund the works, with the remaining funding to be sought in the next round of capital works bids.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for repair / strengthening works to the culvert bridge at Choats Road, Barking, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Director of Public Realm, in consultation with the Cabinet Member for Public Realm and Climate Change, the Strategic Director, Resources and the Head of Legal, to award and enter into the contract and all other necessary or ancillary agreements to fully implement and effect the proposals, subject to the necessary budget provision being in place to meet the full cost of the project.