

MINUTES OF CABINET

Tuesday, 13 December 2016
(7:00 - 7:48 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Laila M. Butt JP, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

75. Declaration of Members' Interests

There were no declarations of interest.

76. Minutes (15 November 2016)

The minutes of the meeting held on 15 November 2016 were confirmed as correct.

77. Budget Monitoring 2016/17- April to October (Month 7)

The Cabinet Member for Finance, Growth and Investment introduced a report on the Council's capital and revenue position for the 2016/17 financial year, as at 31 October 2016.

The General Fund showed a projected end of year spend of £155.8m against the approved budget of £150.3m, which represented another slight improvement on the previous month's position. The main budget pressures continued to be within the Children's Social Care and Homelessness services and the Cabinet Member acknowledged that the Homelessness service would be overspent at the year-end owing to the issues discussed in detail at the last meeting (Minute 63, 15 November 2016 refers). The Cabinet Member called on his colleagues and officers to continue their efforts to find additional in-year savings to mitigate the current pressures and to maintain the £15m minimum level of reserves.

The Housing Revenue Account (HRA) showed a projected year end underspend which would result in a contribution of £1.8m to the HRA reserve although it was noted that there were two potential calls on that reserve, one linked to a court case involving Southwark Council and the other to the Government's plans regarding the sale of higher value void properties and an associated levy.

Expenditure on the Capital Programme was forecast to be in line with the revised budget of £197.712m. The Cabinet Member for Educational Attainment and School Improvement advised that the Education Funding Agency continued to be lobbied for additional funding to support much-needed improvement works at the Borough's schools.

In response to other points, the Cabinet Member for Finance, Growth and Investment confirmed that the projected surplus of £0.5m in respect of B&D Reside had arisen from the improvements to operations and a current rent collection rate of over 99%. The Strategic Director of Finance and Investment also explained that the £0.5m of procurement savings were over and above the target

levels set within the contract with Elevate East London, although it was noted that some of those savings would impact on other areas of spend.

The Leader referred to the recent announcement by the Government that it was proposing to 'allow' local authorities to increase the rate of the social care precept on Council Tax, currently set at 2%, to reduce the shortfall in social care funding. The Cabinet Member for Finance, Growth and Investment advised that further details were expected later in the week and any issues would be fed into the Council's current public consultation on its budget and Council Tax arrangements for 2017/18. The Cabinet Member for Social Care and Health Integration concurred with the view that the Government was failing to meet its responsibilities by passing the onus on to local Council Tax payers to meet rising social care costs. Reference was also made to the disparity created by the 2% social care precept arrangement which generated several millions of pounds for wealthy Councils with a high Council Tax Base, while Barking and Dagenham received less than £1m under the arrangement.

The Cabinet **resolved** to:

- (i) Note the projected outturn position for 2016/17 of the Council's General Fund revenue budget at 31 October 2016, as detailed in section 4 and Appendix A to the report;
- (ii) Note the overall position for the Housing Revenue Account at 31 October 2016, as detailed in section 5 of the report;
- (iii) Note the progress made on budgeted savings to date, as detailed in section 6 and Appendix B to the report
- (iv) Note the projected outturn position for 2016/17 of the Council's capital budget as at 31 October 2016, as detailed in section 7 and Appendix C to the report;
- (v) Approve the final Transformation Programme design phase budget for 2016/17 of £4.315m, to be funded from capital receipts in line with the approach approved by Cabinet under Minute 37(ii) (20 September 2016);
- (vi) Note the projected expenditure on the Transformation Programme as set out in section 4.9 and Appendix D; and
- (vii) Approve the additions and amendments to fees and charges for 2017 approved by Cabinet under Minute 68 (15 November 2016), as detailed in section 8 and Appendix E to the report.

78. Corporate Delivery Plan 2016/17 - Quarter 2 Performance Reporting

The Cabinet Member for Corporate Performance and Delivery introduced the performance report under the new, interim corporate performance framework which covered the second quarter of the 2016/17 financial year.

The Cabinet Member explained that the report brought together the ongoing work across the Council to ensure that key ambitions and promises were being

delivered and he referred to the red, amber and green (RAG) ratings that showed performance trends.

The Cabinet Member for Environment and Street Scene referred to the reduction in staff sickness absence following the reintroduction of a range of intervention measures and was particularly pleased to note that, over the preceding 12-month period, more than 2,000 staff had no sickness absence. The Cabinet Member for Corporate Performance and Delivery was also thanked for the particular focus that he had given to addressing the 'red rated' areas of underperformance.

The Cabinet **resolved** to:

- (i) Note progress against the Key Accountabilities as detailed in Appendix 1 to the report; and
- (ii) Note performance against the key performance indicators (KPIs) as detailed in Appendix 2 to the report.

79. Debt Management Performance and Write-Offs 2016/17 (Quarter 2)

The Cabinet Member for Finance, Growth and Investment introduced the performance report for the second quarter of the 2016/17 financial year in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London.

The Cabinet Member advised that the performance of Elevate was predominantly positive against the stretched targets, with more money being collected in real terms during 2016/17 despite the challenges that many residents and businesses faced as a consequence of the Government's austerity measures. In that regard, the Cabinet Member referred to the Council Tax Hardship Fund that the Council had created to support those most in need.

It was noted that Housing Benefit overpayment debt currently stood at approximately £21m. The Cabinet Member for Finance, Growth and Investment outlined the main reasons for the majority of the debt and referred to the recent discussions on the subject at both the Assembly and the Public Accounts and Audit Select Committee. It was also pointed out that while the number of applicants for Housing Benefit had been relatively consistent over the years at between 21,000 to 23,000 per annum, there had been an 80% increase in the volume of applications handled by the service of late owing to claimants having to regularly update their circumstances due to the complexity of the Government's welfare system and a considerable increase in the number employed on zero-hour contracts.

The 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 debt write-offs for the second quarter of 2016/17.

80. Jonathan Bunt, Strategic Director of Finance and Investment

The Cabinet Member for Finance, Growth and Investment led tributes to Jonathan Bunt, Strategic Director of Finance and Investment, who was leaving the Council at the end of the month after seven years' service.

The Cabinet Member spoke of Jon's knowledge and professionalism which had helped guide the Council through some very difficult financial situations and provide a platform for the Council to deliver its Ambition 2020 programme while continuing to make savings. The Cabinet Member was joined by a number of his colleagues in also thanking Jon for his patience and understanding while they developed their knowledge of their portfolios and the budget process.

The Leader added his appreciation and placed on record the Council's gratitude for Jon's diligent service to the local community.