

MINUTES OF CABINET

Tuesday, 16 June 2020
(5:01 - 6:21 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 Margaret Mullane, Cllr Lynda Rice and Cllr Maureen Worby

7. Declaration of Members' Interests

There were no declarations of interest.

8. Minutes (19 May 2020)

The minutes of the meeting held on 19 May 2020 were confirmed as correct.

9. Revenue and Capital Outturn for the Financial Year 2019/20

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue and capital outturn position for 2019/20, which represented the expected final position for the year subject to external audit.

The Cabinet Member opened his presentation by paying tribute to Marcus Rashford of Manchester United Football Club who had successfully lobbied the Government over the provision of free school meals to children throughout the summer holiday period, in response to the Government's initial stance of stopping provision at the end of the school summer term. The Cabinet Member also welcomed the announcement by the Secretary of State for Housing, Communities and Local Government that he would be leading the development of a comprehensive plan to ensure financial stability for local authorities for the remainder of the current financial year in the light of the COVID-19 situation. The Cabinet Member called, however, for the Government to look beyond the current financial year and commented that the Fair Funding Review should properly reflect the extra costs borne by boroughs such as Barking and Dagenham that have high levels of deprivation. He also called on the Government to fully fund social care services to the most vulnerable in society and to reinvigorate the New Homes Bonus scheme in order to support the Council's ambitions to provide new homes that met the needs of all residents of the Borough.

In respect of the outturn position, the Cabinet Member advised that the General Fund revenue expenditure for the financial year was £157.931m and the final Corporate income position was £154.741m, against the budget of £148.820m. Once transfers to reserves to reflect the carry forward of grants, income for specific purposes and monies held on behalf of partnership organisations had been taken into account, the net budget variance showed an overspend against the General Fund budget of £4.930m. It was noted that the deficit would be funded from the specific Budget Support reserve account, leaving the overall General Fund reserve unaffected at £17.031m. The Cabinet Member paid tribute to staff, Unions and the Council-owned companies for their efforts in helping to

control expenditure during the year and particularly over the past few months, which had seen an improvement of £3.8m in the projected position for Care and Support services and an overall improvement on the month 10 position of £1.813m.

The Housing Revenue Account (HRA) showed a projected year-end overspend of £1.625m, reducing the HRA reserve to £9.674m. The Dedicated Schools Grant showed an overspend of £1.474m against the revised funding forecast of £221.539m, primarily due to pressures within the High Needs Block. The Cabinet Member for Educational Attainment and School Improvement also commented on the ongoing pressures within the DSG and took the opportunity to commend the Borough's schools for continuing to provide schooling to children of key workers and other vulnerable children and encouraged parents to allow their children to return to school whenever it was safe to do so.

With regard to the Capital Programme, the Cabinet Member advised that of the total revised budget for 2019/20 of £401.930m, only £220.692m had been spent at the year end. Whilst he acknowledged that a level of slippage would inevitably occur in a programme of such size, he felt that the extent of the slippage was excessive and he would ensure that monitoring was strengthened to ensure that potential delays were identified at the earliest opportunity and steps taken to ensure that spend levels on the Capital Programme were maintained in the future.

In response to a question regarding the overspend in the HRA in relation to outstanding Council Tax bills, the Cabinet Member for Finance, Performance and Core Services referred to the Council's excellent collection record and support arrangements for those finding it difficult to pay all their bills. He stressed, however, that the current COVID-19 pandemic was having a significant impact on many more people's ability to pay their bills. Current projections indicated a £13m shortfall in the collection of Council Tax and Business Rates and the first couple of months of the current financial year showed a £2m drop in income compared to the corresponding period last year. Following on from that point, the Leader referred to the £320bn financial package given by the Government to the private sector to support them during the current pandemic, whereas local authorities had only been provided with between 1% - 2% of that amount to maintain vital services to the local community.

Cabinet **resolved** to:

- (i) Note the revenue outturn for the Council's General Fund for 2019/20 as set out in section 2 and Appendix A and the details of the individual service variances as set out in section 3 of the report;
- (ii) Note the outturn for the Housing Revenue Account for 2019/20 as set out in section 4 of the report;
- (iii) Note the outturn on the 2019/20 Capital Programme as set out in section 5 and Appendices B and C of the report;
- (iv) Approve the carry forward of capital programme slippage from 2019/20 totalling £155.067m, giving a revised total programme for 2020/21 of £470.988m as detailed in Appendix C to the report;

- (v) Approve the transfers to and from reserves as set out as set out in section 6 and Appendix D of the report;
- (vi) Note the consequent position for the Council's reserves as set out in Appendix E of the report; and
- (vii) Note the outturn on the Dedicated Schools Budget for 2019/20 as set out in section 7 of the report.

10. Housing Innovation Programme - Small Sites

The Cabinet Member for Regeneration and Social Housing introduced a report on proposals to launch a 'Housing Innovation Programme' centred around small sites owned by the Council.

The Cabinet Member advised that the key aim of the programme was to deliver innovative new-build housing schemes in the following categories, either directly by the Council (through Be First) or via the disposal of sites to external organisations (which could include community groups):

- Innovative/specialist housing meeting particular housing needs (such as the housing needs of vulnerable groups);
- Innovative housing design / delivery methods – such as modern methods of construction and innovations in building sustainability;
- Community participation and engagement – including community-led housing.

Five sites had been identified for the first phase of the programme and the Cabinet Member referred to the proposed criteria for assessing bids from external organisations which would take account of their alignment with the Council's strategic framework relating to new homes, alignment with the Council's wider strategic framework, value for money / viability, deliverability and quality.

Cabinet **resolved** to:

- (i) Approve the aims of the Housing Innovation Programme to bring forward small sites owned by the Council for innovative projects, as detailed in section 2 of the report;
- (ii) Agree that the sites listed in paragraph 4.1 and Appendix 1 to the report form the initial programme;
- (iii) Approve the assessment criteria for schemes put forward by external organisations/groups, as outlined in section 3 of the report;
- (iv) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, to approve the inclusion of other Council-owned small sites to the programme when it would meet the objectives of the programme as set out in the report;
- (v) Delegate authority to the Chief Operating Officer, in consultation with the

Director of Law and Governance and the Chief Financial Officer, to approve specific proposals for Be First-led schemes proposed for any small site in the programme on the advice of the Director of Inclusive Growth in consultation with the Cabinet Member for Regeneration and Social Housing;

- (vi) Delegate authority to the Chief Operating Officer to agree to the disposal of any small site in the programme, in consultation with the Investment Panel, where it is identified as the best way to meet the objectives of the programme as set out in the report;
- (vii) Delegate authority to the Chief Operating Officer to agree to the appropriation of sites in the programme under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund; and
- (viii) Authorise the Director of Law of Governance, or an authorised delegate on her behalf, to execute all the legal agreements, contracts and other documents on behalf of the Council to enable schemes in line with the aims outlined in the report.

11. Semi-Independent Accommodation for Care Leavers via West London Alliance

Further to Minute 79 (22 January 2019), the Cabinet Member for Social Care and Health Integration presented a report on the intention to extend the Council's participation in the West London Alliance (WLA) Dynamic Purchasing Vehicle (DPV) programme to include the provision of semi-independent accommodation for care leavers.

The Cabinet Member advised that it had previously been agreed for the Council to join with eight other London Boroughs via the WLA to source placements in respect of independent fostering and children's residential homes. Extending that participation to include semi-independent accommodation for care leavers would reap the same benefits in terms of driving up quality standards and generating efficiencies through increased purchasing power.

In response to a question from the Cabinet Member for Equalities and Diversity, the Cabinet Member for Social Care and Health Integration confirmed that every effort was made to accommodate care leavers within the Borough where that was in their best interests. In those instances where it was in the person's best interests to be housed outside of the Borough, participation in the WLA would enable the Council to source good quality accommodation elsewhere.

Cabinet **resolved** to:

- (i) Agree to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for care leavers by entering into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle, in accordance with the Council's Contract Rules and on the terms detailed in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation

with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the Access Agreement and all other ancillary call-off agreements upon conclusion of the procurement process.

12. Treasury Management Annual Report 2019/20

The Cabinet Member for Finance, Performance and Core Services introduced the Treasury Management Annual Report for 2019/20 which set out the key areas of performance during the year.

The Cabinet Member referred to the major factors during the past 12 months that had effected the UK economy, those being the uncertainty over Brexit and the COVID-19 pandemic, and the significant cut in what were already very low interest rates by the Bank of England as a means of stimulating the economy. Against that backdrop, the Cabinet Member praised the success of the Council's treasury management activities during 2019/20 which he attributed to the Council's vigorous assessment of investment opportunities, prudent approach to borrowing and the excellent work of the Treasury Management team. He acknowledged, however, that the COVID-19 pandemic would impact on the Council's treasury management plans going forward, particularly in the short-term.

Key highlights within the report included income from interest of £8.8m compared to a budget projection of £6.6m; an average treasury interest return of 1.35% which was 0.51% higher than the average London Peer Group return and 0.53% higher than the Local Authority average return; an average return on loans of 3.57%; and additional borrowing of £140m to support the Council's Investment and Acquisition Strategy. In respect of the latter, the Cabinet Member alluded to the need for many local authorities to seek out additional sources of income due to Government cuts to public sector finances.

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

- (i) Note the Treasury Management Annual Report for 2019/20;
- (ii) Note that the Council complied with all 2019/20 treasury management indicators;
- (iii) Approve the actual Prudential and Treasury Indicators for 2019/20, as set out in Appendix 1 to the report; and
- (iv) Note that the Council borrowed £140.0m from the Public Works Loan Board (PWLB) in 2019/20.

13. Fire Safety Policy Annual Report

The Cabinet Member for Regeneration and Social Housing introduced the first annual report on fire safety issues relating to the Council's role as a corporate and residential landlord which also included proposals to introduce three new fire safety policies.

The Cabinet Member referred to the Fire Risk Assessment Report approved by

Cabinet on 19 September 2017 (Minute 41) which gave an update on the fire safety systems and procedures already in place for the Council's housing stock and the additional measures introduced in response to the Grenfell Tower tragedy. The annual report gave an update on further progress made since that time, covering aspects such as the Council's fire door replacement programme, fire suppression and sprinkler system installations, resident engagement and metal gates and grilles.

A further issue covered in the annual report related to communal areas and, in that respect, the Cabinet Member advised on the development of three new policies relating to the overall management of communal areas, a permit scheme for works by external utilities companies and other contractors and the use and storage of mobility scooters. The policies had been developed in response to concerns expressed by many local residents regarding the general 'clutter' within some communal areas which could cause an obstruction in the case of a fire. An additional concern related to the storage and charging of mobility scooters in communal areas due to the associated risks of fire.

Cabinet Members spoke in support of the new policies and some of the initiatives that had taken place in their respective wards, such as the removal of unsafe cladding at Council-owned flatted accommodation and the installation of new sprinkler systems in sheltered accommodation. The Leader also expressed his disappointment at the poor response of the private sector to making medium and high-rise accommodation within their ownership safe for tenants and suggested that if public money was to be used to carry out those works, those properties should be transferred to public sector ownership.

On the issue of mobility scooters, the Cabinet Member for Equalities and Diversity enquired as to the impact on those tenants and leaseholders who lived above ground-floor level. The Cabinet Member for Regeneration and Social Housing responded that he would expect those with recognised mobility issues to be housed at ground-floor level and the Council would assess all cases on an individual basis. He also referred to the Council's programme of new-build housing which would include specialist, single-storey properties for those with mobility issues.

Cabinet **resolved** to:

- (i) Note the fire safety updates provided in the report;
- (ii) Agree the introduction of a 'Zero Tolerance' policy for the management of all Council low-rise, medium-rise and high-rise blocks communal areas and a 'Managed Use' policy for Extra Care and Part 2 Sheltered Accommodation schemes with communal lounges and kitchens, as detailed in section 3.2 of the report;
- (iii) Agree the introduction of a Permit to Work in LBBB Residential Buildings scheme for utilities companies and contractors, as detailed in section 3.3 and Appendix 3 to the report; and
- (iv) Agree the introduction of a Mobility Scooters in Shared Communal Areas Policy, as detailed in section 3.4 and Appendix 1 to the report.

14. Debt Management Performance and Write-Offs 2019/20 (Quarter 4)

The Cabinet Member for Finance, Performance and Core Services introduced the performance report for the final quarter of the 2019/20 financial year in respect of the debt management functions carried out on behalf of the Council by the Revenues and Benefits service within Elevate East London, including the debt write-offs for the quarter.

The Cabinet Member advised that collection targets had been achieved or surpassed in most areas during 2019/20, with only leaseholder income showing a significant under-achievement, although on a positive note the actual sums collected across each area was higher in 2019/20 than in previous years.

The Cabinet Member reiterated his comments earlier in the meeting that the COVID-19 pandemic was having a considerable impact on many people's ability to pay all of their bills and, as a result, collection levels were expected to be impacted quite considerably during 2020/21 despite the Council continuing to do a significant amount to support those in debt. He also referred to the negative impact of the Government's Universal Credit scheme which had already proved itself to be a major issue in the collection of both rents and Council Tax, which was exemplified in table 7 of the report which showed that over 60% of those in receipt of Universal Credit were in arrears, compared to less than 22% of those in receipt of Housing Benefit.

Cabinet Members discussed issues relating to the impact on household incomes of residents being made redundant or furloughed as a consequence of the COVID-19 restrictions and the struggles that those on low incomes have in making ends meet.

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 emerging impact of Universal Credit on collection levels and particularly Council Tax and rents.

15. Any other public items which the Chair decides are urgent

The Leader expressed his thanks to Council staff and local residents for their positive response to the COVID-19 restrictions which had enabled Barking and Dagenham to have the lowest infection rate for the disease across London. The Leader encouraged those needing help and support to contact the Council or the local Citizens Alliance Network, BD CAN, and he also placed on record the excellent work of the local community sector and faith groups during the current crisis.