

MINUTES OF CABINET

Monday, 18 February 2019
(7:00 - 8:33 pm)

Present: Cllr Saima Ashraf (Deputy Chair in the 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

Apologies: Cllr Darren Rodwell

86. Declaration of Members' Interests

There were no declarations of interest.

87. Minutes (22 January 2019)

The minutes of the meeting held on 22 January 2019 were confirmed as correct.

88. Budget Monitoring 2018/19 - April to December (Month 9)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue and capital budget monitoring position for the 2018/19 financial year as at 31 December 2018 (Month 9).

The underlying General Fund position had worsened by circa £0.391m from the previous month, with a projected end of year overspend of £4.248m against the budget of £145.368m. The Cabinet Member referred to the People and Resilience Action Plan, which was now expected to achieve a £2.161m reduction in the spend trajectory, and other areas of over / underspend that were highlighted in the report.

In respect of the Capital Programme, the Cabinet Member was pleased to report that expenditure was ahead of schedule at Month 9 mainly due to the acceleration of several school expansion projects. A number of new projects had also been added to the current year's programme since the last update in November 2018. Other observations regarding the Capital Programme included:

- The recent opening ceremony for the new demountable swimming pool at Beacontree Heath;
- The development of London's first Youth Zone facility at Parsloes Park that was due to be open in the coming months;
- The purchase of additional Refuse Collection vehicles to support the service improvements being implemented over the summer; and
- The integral role of partners and the local community in the successful delivery of projects, with particular reference made to the instrumental role of local resident Lisa Adams in securing external funding and developing plans for improved play equipment and sporting facilities at Valence Park.

The Cabinet **resolved** to:

- (i) Note the current forecast outturn position for 2018/19 of the Council's

General Fund revenue budget, as detailed in sections 2 and 3 and Appendix A to the report; and

- (ii) Note the current forecast outturn position for 2018/19 of the Council's Capital Programme as detailed in section 4 and Appendix C to the report.

89. Budget Framework 2019/20 and Medium Term Financial Strategy 2019/20 - 2020/21

The Cabinet Member for Finance, Performance and Core Services introduced the Council's proposed budget framework for 2019/20 which incorporated the following:

- the Medium Term Financial Strategy (MTFS) for 2019/20 to 2020/21;
- the General Fund budget for 2019/20;
- the level of Council Tax for 2019/20;
- the draft Capital Programme for 2019/20 to 2022/23;
- an update on the Dedicated Schools Grant and Local Funding Formula for Schools; and
- the Flexible Use of Capital Receipts Strategy to support the Council's transformation agenda.

The Cabinet Member referred to the unprecedented financial challenges faced by local authorities as a result of the year-on-year funding cuts by Central Government, which had coincided with increasing demand for services. The Council had chosen to take a bold and ambitious approach in response to those challenges, focussing on investing in services, maximising economic growth and transforming the way the Council was run. In that respect, the Cabinet Member referred to the proposed Capital Programme for the next four years which would see over £740m of investment in the Borough.

With regard to revenue funding, the Cabinet Member explained that the abolition by the Government of the Revenue Support Grant (RSG) system meant that the Council's main source of revenue funding now came from business rates, which was lower than the funding received under the former RSG. As a consequence, a 2.99% increase to the level of Council Tax that applied to Council services was proposed which would raise an additional £1.974m, of which £0.6m would be specifically ring-fenced for Care and Support services. The Cabinet Member commented on the 2019/20 budget consultation that had taken place between November 2018 - January 2019, which included several face-to-face events with the local community, and the key projects, issues and risks associated with Council services in the years ahead.

The Cabinet Member also referred to the statutory Chief Finance Officer's statement regarding the robustness of the overall Budget proposals for 2019/20 and the paper appended to the report setting out the potential local implications relating to Brexit.

In respect of schools' funding for 2019/20, the Cabinet Member for Educational Attainment and School Improvement elaborated on changes required to the funding formula approved by the Cabinet under Minute 62 (11 December 2018) as a consequence of the recent announcement by the Department for Education of

the final funding allocations.

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

- (i) Approve a base revenue budget for 2019/20 of £148.820m, as detailed in Appendix A to the report;
- (ii) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2019/20 to 2020/21 allowing for other known pressures and risks at the current time, as detailed in Appendix B to the report, including the additional cost of borrowing to accommodate the capital costs associated with the implementation of the MTFS;
- (iii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to finalise any contribution required to or from reserves in respect of the 2019/20 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2019;
- (iv) Approve the Statutory Budget Determination for 2019/20 as set out at Appendix C to the report, reflecting an increase of 2.99% on the amount of Council Tax levied by the Council and the final Council Tax proposed by the Greater London Assembly (8.9% increase), as detailed in Appendix D to the report;
- (v) Note the update on the current projects, issues and risks in relation to Council services, as detailed in section 4 of the report;
- (vi) Approve the Council's draft Capital Programme for 2019/20 to 2022/23 totalling £744.323m, of which £498.473m was General Fund schemes, as detailed in Appendix E to the report;
- (vii) Approve the Flexible Use of Capital Receipts Strategy as set out in Appendix F to the report;
- (viii) Note the briefing on the potential implications of Brexit for the Council as set out in Appendix G to the report;
- (ix) Note the Chief Finance Officer's statutory finance report as set out in section 10 of the report, which included a recommended minimum level of reserves of £12m; and
- (x) Approve the updated Dedicated Schools Budget for 2019/20 including the hourly rate payable to Early Years providers (3-4 year olds) as set out in section 11 and Appendix H to the report.

90. Housing Revenue Account: Estimates and Review of Rents and Other Charges 2019/20 and 30 Year Business Plan

The Cabinet Member for Regeneration and Social Housing presented a report on the Housing Revenue Account (HRA) estimates, rents and other related charges for 2018/19, together with the 30-year HRA Business Plan.

In line with the Government's social housing rent reforms which required an annual 1% cut over four years starting 2016/17, Council house rents were to reduce by an average of 95p per week in 2019/20. The Cabinet Member explained that whilst any level of reduction may be welcomed by tenants, the cumulative impact of the Government's policy was an expected loss of £33.6m investment in the Council's housing stock over the four-year period.

The majority of tenant service charges were to remain unchanged for 2019/20 while a service review was undertaken, with the only increase applying to estate lighting to more accurately reflect the full cost of the service. The Cabinet Member for Finance, Performance and Core Services suggested that detailed discussions on service charges were needed.

In respect of the 30-year Business Plan, the Cabinet Member for Regeneration and Social Housing referred to the planned investment in the housing stock over the next couple of years, aimed at ensuring that good quality, affordable housing was available for all income groups throughout the Borough. On that issue, it was acknowledged that the new Borough-wide stock condition survey would be integral to the development of the plans for estate regeneration and improvements to existing housing.

The Cabinet **resolved** to:

- (i) Agree that rents for all general needs secure, affordable and sheltered housing accommodation be reduced by 1% in line with the national rent reduction arrangements, from the current average of £94.47 per week to £93.52 per week;
- (ii) Agree the following service charges for tenants:

Service	Weekly Charge 2019/20	Increase / reduction
Grounds Maintenance	£2.93	-
Caretaking	£7.65	-
Cleaning	£3.68	-
Estate Lighting	£3.85	£1.54
Concierge	£10.06	-
CCTV (SAMS)	£6.17	-
Safer Neighbourhood Charge	£0.50	-
TV aerials	£0.60	-£0.08

- (iii) Agree that charges for heating and hot water increase by inflation to the following:

Property size	Weekly Charge 2019/20
Bedsit	£13.12
1 Bedroom	£13.92
2 Bedroom	£16.71
3 Bedroom	£17.02
4 Bedroom	£17.46

- (iv) Agree that rents for stock used as temporary accommodation continue to be set at 90% of the appropriate Local Housing Allowance (LHA);
- (v) Agree that the above charges take effect from 1 April 2019;
- (vi) Agree the proposed HRA Capital Programme for 2019/20 as set out in Appendix 6 to the report;
- (vii) Approve the HRA Business Plan for 2019/20 as set out in Appendix 7 and the financial implications set out in Appendix 8 to the report; and
- (viii) Note the assumptions underpinning the HRA Business Plan which would be reviewed annually.

91. 'Transforming London Riverside' Housing Infrastructure Fund Bid and Castle Green Development Strategy

The Cabinet Member for Regeneration and Social Housing introduced a report on a proposed funding bid via the Government's Housing Infrastructure Fund (HIF) for up to £219m to support a number of major, strategic infrastructure and development projects in the Borough.

The main component of the bid, which would be led by the Greater London Authority in conjunction with the Council and Be First, related to land assembly costs in the Castle Green area of the Borough amounting to £150m. Other projects included improvements to the Renwick Road junction (£14.6m) to facilitate further development on Barking Riverside, new rail stations at Castle Green (£22m) and Beam Park (£17.9m) and improvements at Barking Station (£15m), although the Cabinet Member advised that the latter project was now unlikely to be progressed as part of the current HIF bid.

The redevelopment of the Castle Green area also offered the opportunity to address the severance created between the Becontree Estate on one side of the A13 and the area to the south that led to Barking Riverside. The 'undergrounding' of a two-kilometre stretch of the A13 would also pave the way for what would become the largest regeneration project in the Borough, creating up to 15,000 new homes, modern employment space and improved rail and other transport facilities. The Cabinet Member referred to the indicative timetable for the land acquisitions and confirmed that further reports would be presented to the Cabinet in the months ahead on the potential use by the Council of its compulsory purchase powers and the detailed masterplan and phasing of the regeneration plans.

The Cabinet **resolved** to:

- (i) Endorse the submission of the 'Transforming London Riverside' Housing Infrastructure Fund Bid and delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance and the Cabinet Members for Regeneration and Social Housing and Finance, Performance and Core Services, to approve the final bid documentation;
- (ii) Agree, in principle, the development strategy for the Castle Green area

(shown in Appendix 2 to the report) including the future use by the Council of its Compulsory Purchase Order powers, subject to the HIF bid being successful and a further report to Cabinet in respect of fulfilling the criteria referred to in paragraph 3.3 of the report;

- (iii) Delegate authority to the Chief Operating Officer to approve the allocation of up to £300,000 of Council funding to cover the cost of master planning for Castle Green should other funding not be available; and
- (iv) Delegate authority to the Director of Law and Governance, in consultation with the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing and the Chief Operating Officer, to enter into all relevant contracts and agreements in relation to the HIF.

92. Voluntary, Community and Social Enterprise Sector Strategy

The Cabinet Member for Community Leadership and Engagement introduced a report on the proposed Participation and Partnerships Strategy 2019-2023 and the procurement, via a social infrastructure contract, of an organisation from the voluntary, community and social enterprise (VCSE) sector to help deliver the Council's aspirations.

The Cabinet Member referred to the key role of VCSE partners in the Borough and stated that a key focus of the new four-year Strategy was to strengthen the sector and build on some of the great work and ideas that had already helped to shape the Borough. In turn, the VCSE sector would be better placed to influence and deliver essential services and support to the local community, help people grow in life and build a better future for everyone; all aspirations within the Borough Manifesto.

In respect of the procurement, the Cabinet Member referred to the tendering of the social infrastructure contract. The end of the current contract had provided the opportunity to assess the options for the future, in the context of the Borough Manifesto and the new Strategy. The preferred option was to commission a new social infrastructure contract to lead the step change required locally across the VCSE sector and develop, in conjunction with the Council and partners, arrangements for collaboration and support, including the local giving model and brand.

The Cabinet Member was also pleased to report that the Council had been awarded £100,000 grant funding from the Department for Digital, Culture, Media and Sport towards the development of the VCSE across 2018/19 and 2019/20.

The Cabinet **resolved** to:

- (i) Agree the Participation and Partnerships Strategy for strengthening the voluntary, community and social enterprise sector in Barking and Dagenham, as set out at Appendix 4 to the report;
- (ii) Note the local giving model update at Appendix 3 to the report and proposed next steps within the strategy;

- (iii) Agree that the remaining Crowdfunding budget be ringfenced for 2019-2021 to support both the contract with Crowdfunder UK and the match-funding small grants fund;
- (iv) Agree the procurement of a VCSE organisation to deliver the social infrastructure support and a local giving model, as detailed in Option 4 in the report; and
- (v) Delegate authority to the Director of Policy and Participation, in consultation with the Cabinet Member for Community Leadership and Engagement, the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to conduct the procurement and award and enter into the contract for social infrastructure support and all other necessary or ancillary agreements with the successful partner, in line with the priorities set out in the strategy.

93. East London Regional Adoption Agency - Business Case

Further to Minute 95 (19 February 2018), the Cabinet Member for Social Care and Health Integration introduced a report on the proposal for the Council to join with a number of other London Boroughs to form a regional adoption agency, known as 'Adopt London East', in line with the requirements of the Education and Adoption Act 2016.

The Cabinet Member referred to the key aspects of the final Business Case and confirmed that while some financial savings are expected to be achieved, the main aims of the new joint working arrangements related to improved service delivery and the development of an integrated core adoption support offer.

The Cabinet **resolved** to:

- (i) Agree the Council's participation in the East London Regional Adoption Agency with effect from June 2019, in accordance with the business case set out at Appendix 1 to 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 and the Director of Law and Governance, to enter into any contracts / agreements necessary to effect the arrangements.

94. Growth Commission Stocktake

Further to Minute 54 (17 October 2017), the Cabinet Member for Regeneration and Social Housing introduced a report on the findings of the latest review of progress against the recommendations of the Growth Commission report "No-one left behind: in pursuit of growth for the benefit of everyone", which the Council had commissioned in late 2015.

The original Growth Commission had been led by Mike Emmerich, an independent expert in urban regeneration, and put forward 109 recommendations. The Council carried out an internal review of progress in 2017 and commissioned Metro Dynamics, headed by Mike Emmerich, in June 2018 to undertake a further,

independent assessment of progress. Metro Dynamics' report, entitled "Growth Commission Stocktake Towards Inclusive Growth for Barking and Dagenham", reflected that the Council and partners had made considerable progress since 2016 across all areas highlighted in the original Commission, particularly in relation to issues associated with physical regeneration. The report did, however, suggest that more needed to be done to connect local people into the benefits of the growth in the Borough and proposed five 'Grand Challenges' in order to close that gap:

- 'Building sustainable communities', including a renewed focus on the Becontree Estate and Barking Riverside as exemplars of 21st Century sustainable, connected and vibrant urban developments;
- 'Creating a new enterprise agenda', including a range of activity to expand the business base and improve job density;
- 'A new deal with decent jobs for everyone that can work', including a sustained focus on the economically inactive population;
- 'Preparing our young people for the future', including a renewed effort to bolster the institutional, financial and human capacity of schools; and
- 'Beyond civic foundations; a new civic culture', including a new approach to engaging residents in growth and regeneration.

Members welcomed the independent critique of the Council's progress and spoke on some of the specific initiatives that had stemmed from the implementation of the original Growth Commission recommendations, which included a recent event to encourage and medium-sized business growth in the Borough and community events in partnership with Job Centre Plus to improve individuals' prospects of gaining employment.

The Cabinet **resolved** to:

- (i) Note the recommendations from the Growth Commission stocktake, as set out in Appendix A to the report; and
- (ii) Note that a further report shall be presented to the Cabinet later in the year setting out plans for the Council to respond to the recommendations from the stocktake.

95. Treasury Management Strategy Statement 2019/20

The Cabinet Member for Finance, Performance and Core Services presented the draft Treasury Management Strategy Statement (TMSS) for 2019/20 which set out the Council's borrowing, investment and funding plans for the year ahead.

The Cabinet Member referred to the key issues within the TMSS, which included the new requirement for a Capital Strategy, details of borrowing and investments levels at 31 December 2018, cash balances at 31 March each year since 2015/16 and the medium-term capital finance budget. In respect of the latter, the Cabinet Member confirmed that the increasing amount of General Fund interest payable from 2018/19 to 2022/23 and beyond reflected the significant activity under the Council's Investment and Acquisition Strategy.

Reference was made to the importance of effective treasury management in

supporting the Council's ambitious plans and the stretched targets for the Treasury section in respect of achieving interest on the Council's General Fund cash balances. In respect of the Housing Revenue Account and the announcement by the Prime Minister last October that the debt cap was to be abolished, the Cabinet Member advised that details were still awaited of when that change of policy would come into effect and the practical implications for local authorities.

The Cabinet **resolved to recommend the Assembly** to adopt the Treasury Management Strategy Statement for 2019/20 and, in doing so, to:

- (i) Note the current treasury position for 2019/20 and prospects for interest rates, as referred to in section 7.2 of the report;
- (ii) Approve the Annual Investment Strategy 2019/20 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 1 to the report;
- (iii) Approve the Council's Borrowing Strategy 2019/20 to 2023/24, as set out in Appendix 2 to the report;
- (iv) Note the inclusion of the Capital Strategy 2019/20, incorporating the Investment and Acquisitions Strategy, as set out in Appendix 3 to the report;
- (v) Approve the Capital Prudential and Treasury Indicators 2019/20 – 2022/23, as set out in Appendix 4 to the report;
- (vi) Approve the Minimum Revenue Provision Policy Statement for 2019/20, representing the Council's policy on repayment of debt, as set out in Appendix 5 to the report;
- (vii) Note that a review of the Minimum Revenue Provision Policy Statement was to be carried out and any amendments reported back as part of the Treasury Outturn Report for 2018/19;
- (viii) Approve the Operational Boundary Limit of £1.002bn and the Authorised Borrowing Limit of £1.102bn for 2019/20, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as referred to in Appendix 4 to the report; and
- (ix) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement.

96. Pay Policy Statement 2019/20

The Cabinet Member for Finance, Performance and Core Services presented the Council's draft Pay Policy Statement for 2019/20 in accordance with the requirements of the Localism Act 2011.

The Statement included details of the pay ratios showing the Chief Executive's salary against the median salary figure for all employees and against the lowest

paid employees, as well as comparative data compiled from a number of other London Boroughs. The Cabinet Member commented that Barking and Dagenham's favourable position in comparison to the benchmark was reflective of the prudent stance taken by the Council on senior officers' pay levels when recruiting a new Chief Executive in late 2014.

In line with the Council's long-standing commitment to pay its employees no less than the London Living Wage rate, the Cabinet Member referred to the proposed increase to the minimum rate of pay from £10.20 to £10.55 per hour with effect from 5 November 2018. The increase would also apply to a range of apprenticeship posts across the Council and Members were pleased to hear that the pay policy was encouraging apprentices to want to build a career at Barking and Dagenham.

The Cabinet **resolved** to:

- (i) Agree the implementation of the London Living Wage increase from £10.20 to £10.55 per hour with effect from 5 November 2018 for employees and apprentices operating in service areas covered by 'Green Book' terms and conditions; and
- (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2019/20 as set out at Appendix A to the report, for publication on the Council's website with effect from April 2019.

97. Corporate Plan 2018-2022 - Quarter 3 Performance Reporting

The Cabinet Member for Finance, Performance and Core Services introduced the corporate performance monitoring report for the third quarter of the 2018/19 financial year, which set out progress against the Key Accountabilities and the 47 Key Performance Indicators (KPIs).

The Cabinet Member referred to the main performance issues highlighted in the report and encouraged his colleagues to continue to use the information at portfolio meetings to challenge service performance and develop actions to address areas of concern.

The Cabinet resolved to:

- (i) Note progress against the Key Accountabilities as detailed in Appendix 1 to the report;
- (ii) Note performance against the Key Performance Indicators as detailed in Appendix 2 to the report.