

MINUTES OF CABINET

Wednesday, 18 December 2019
(7:00 - 8:20 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

77. Declaration of Members' Interests

There were no declarations of interest.

78. Minutes (12 November 2019)

The minutes of the meeting held on 12 November 2019 were confirmed as correct.

79. Budget Monitoring 2019/20 - April to October (Month 7)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue budget monitoring position for the 2019/20 financial year as at 31 October 2019 (Month 7).

The forecast expenditure in the General Fund was £159.059m against a budget of £148.820m. Once planned drawdowns from reserves and surpluses from Collection Fund and Business Rates budgets had been taken into account, the overall budget gap was projected at £7.562m, which was broadly in line with last month.

The Cabinet Member referred to the extremely high pressures within service areas, particularly in care and support services, and referred to the Government's austerity programme and the harm it was bringing to the most vulnerable in the community.

Cabinet Members referred to the challenges in meeting the needs of those with mental health problems such as dementia and the high number of families who were struggling to cope. The Council had lobbied the Government on the issue and the need for services to be properly funded, and reference was also made to local initiatives that were being progressed to help facilitate care needs and cushion the high rise in demand.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn for Council services as set out in sections 2 to 11 and Appendix A to the report, and
- (ii) Note the implications for the reserves position and the need to identify in-year action in relation to General Fund expenditure.

80. Update on Budget Strategy 2020/21 to 2023/24

Further to Minute 30 (16 July 2019), the Cabinet Member for Finance, Performance and Core Services presented a report which provided an update on the Council's Medium Term Financial Strategy (MTFS) for 2020/21 to 2023/24.

The Cabinet Member stated that the Council was coming to the final stages of its ambitious 2017-21 strategic transformation and savings programme, which was developed in response to the unprecedented cuts to public funding by the Government, at the same time that the Borough experienced high population growth and increasing demand for Council services. The Transformation Programme had identified £48.8m of savings to be delivered over the four year period and, as at September 2019, £23.8m had been delivered. While that was a considerable achievement, the Cabinet Member commented that the delivery of the remaining £25m was essential to the balancing of the budget in 2020/21 and beyond.

The Cabinet Member referred to the Council's revenue reserves going forward and the continuing need to mitigate in-year budget pressures to ensure that the Council retained an adequate level of reserves to respond to future unforeseen events.

The Cabinet Member also commented on the Government's decision in September to push back the detailed spending review and announce a one-year only Spending Review for 2020/21, with a new national funding formula commencing on 1 April 2021. The Cabinet Member summarised its impact and other Government funding changes on the Council, citing particularly the forecast pressure of £4m in 2020/21 caused by the changes in Business Rates Pooling arrangements, and the potentially catastrophic effect of the total removal of the New Home Bonus.

Cabinet Members referred to the tactics used by the Government to obscure the impact of its austerity policies, citing the impact on local taxpayers of essential increases to the Council Tax to support social care services and the restrictions on how Council could spend grant funding.

Cabinet **resolved** to:

- (i) Note the continued commitment to delivering the savings proposed in the MTFS reports approved by Assembly in February 2017 and updated in subsequent years;
- (ii) Agree the proposed consultation process for the budget, as set out in section 9 of the report;
- (iii) Agree to consult the residents and taxpayers of the borough on the levying of a 2% General Council tax increase and a 2% Social Care Precept to support the Borough's most vulnerable residents;
- (iv) Note that London authorities are currently exploring the possibility of a further business rates pooling arrangement and approve, in principle, that the Council should join such an arrangement if deemed appropriate; and

- (v) Delegate authority to the Director of People and Resilience, in consultation with the Chief Operating Officer, the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2020/21 school funding formula submission to the Education Funding Agency.

81. Dedicated Schools Budget and School Funding Formula 2020/21

The Cabinet Member for Educational Attainment and School Improvement presented a report on the latest position regarding the Government's education funding reforms and the proposed allocation of funding to schools for 2020/21.

The Cabinet Member referred to the provisional allocations for 2020/21 across the four funding areas covering the main allocation to schools (Schools block), central costs for core Local Authority education services (Central block), additional costs for Special Educational Needs pupils (High Needs block) and childcare and pre-school services (Early Years block).

The Cabinet Member reported that following intensive lobbying from many interested parties, including local councillors, MPs, headteachers, governors and the teaching unions, the Government had increased the overall funding available. For Barking and Dagenham, that had resulted in an increase of 3.4% in the main Schools block. The High Needs block had increased by 17.6%, proportionately the largest increase in the country, although the Cabinet Member clarified that the increase merely brought the level of funding more in line with the growth in demand for High Needs services in the Borough, and did not compensate for the years of underfunding.

The Schools' Forum had been consulted on the proposed funding factors for 2020/21 and the specific allocation for each school was currently subject to final consultation with Headteachers and Governing Bodies.

Cabinet **resolved** to:

- (i) Note the latest position on the national Education Funding Reform and the expected implications for Barking and Dagenham, as set out in section 2 of the report;
- (ii) Approve the 2020/21 strategy for the Schools Block as set out in section 3 of the report;
- (iii) Agree, subject to consultation with schools and (iv) below, to adopt the proposed model as the method for allocating school funding in 2020/21, as set out in section 4 and Appendix A of the report;
- (iv) Note the allocated funding for the High Needs Block as set out in section 5 of the report;
- (v) Approve, subject to final confirmation of Early Years funding, the increased hourly rates for two, three and four-year olds as set out in section 6 of the report; and

- (vi) Delegate authority to the Director of People and Resilience, in consultation with the Chief Operating Officer, the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2020/21 school funding formula submission to the Education Funding Agency.

82. Review of the Housing Allocations Policy

Further to Minute 76 (22 January 2019), the Cabinet Member for Regeneration and Social Housing presented a report on a review of the Council's Housing Allocations Policy, which detailed the responses from a public consultation to a number of proposed amendments to the policy.

The Cabinet Member explained that the proposed amendments would help achieve the following objectives and support the Council in meeting its statutory obligations to those in housing need:

- To make the best use of the scarce resources available;
- To ensure that the Council uses its housing stock to assist in meeting the support needs of the community, including those supported by Children's Services and Adult Social Care;
- To ensure that the housing stock is used effectively to reduce costs; and
- To encourage local people to engage in finding their own solutions to problems and to become independent and resilient.

Cabinet Members noted that the proposed amendments to the policy received clear support in the consultation and agreed that the amendments would promote the above objectives.

Cabinet **resolved** to:

- (i) Note the results of the Housing Allocations Policy consultation as set out in section 4 of the report;
- (ii) Approve the amended Housing Allocations Policy as attached at Appendix 1 to the report;
- (iii) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Community Solutions, to determine the implementation date of the policy;
- (iv) As per policy change 6 (4.11), delegate authority to the Director of Community Solutions and the Director of My Place (or nominated Heads of Service), to approve rehousing cases on the basis of exceptional circumstances or cases demanding exceptional sympathy; and
- (v) Delegate authority to the Director of Inclusive Growth to work with Reside to approve any variations to Reside policy or operations required to adhere to the allocations policy.

83. Corporate Plan 2018-2022: Quarter 2 2019 Performance Reporting

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's Corporate Performance in the second quarter of the 2019/20 financial year, which set out progress in respect of the Key Accountabilities and Key Performance Indicators (KPIs).

It was noted that 33% of the KPIs were rated 'green', 31% were rated 'amber' and 22% were rated 'red' (14% fell into the 'not applicable' category because a target had not been set or performance data was awaited).

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 as detailed in Appendix 2 of the report.

84. Procurement of Insurance Contracts

The Cabinet Member for Finance, Performance and Core Services presented a report on the procurement of insurance contracts, covering a range of corporate insurance categories and Leasehold Right To Buy Buildings insurance.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of contracts for insurance in accordance with the strategy set out in the report; and
- (ii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to conduct the procurement and award and enter into the contracts and all other necessary or ancillary agreements with the successful bidder(s).

85. Supply of Electricity through Cyclo Meters to Residential Properties

The Cabinet Member for Regeneration and Social Housing presented a report on the procurement of a direct contract with EDF Energy to supply electricity to high-rise residential blocks served by Cyclo heating.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a direct contract with EDF for the supply of electricity through Cyclo meters to relevant LBBD residential properties, via the North East Purchasing Organisation (NEPO) framework, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing, the Director of Law and Governance and Director of My Place, to enter into the contract(s) and

all other necessary or ancillary agreements with the appointed supplier.

86. Essex and Suffolk Water Agreement

The Cabinet Member for Finance, Performance and Core Services presented a report on an agreement with Essex and Suffolk Water regarding the collection of water and sewage charges.

The Council collected water and sewerage charges from its social housing tenants as an agent for Essex and Suffolk Water (ESW) and the report proposed a further two-year contract with ESW, effective from 1 April 2020, with a possibility of extending the contract for another two-year term.

Cabinet **resolved** to:

- (i) Agree that the Council enters into an agreement with Essex and Suffolk Water regarding the collection of water and sewage charges, effective from 1 April 2020, on the terms set out in the report; and
- (ii) Authorise the Director of My Place, in consultation with the Cabinet Member for Regeneration and Social Housing, the Director of Law and Governance and the Chief Operating Officer, to enter into the contract and all other necessary or ancillary agreements with Essex and Suffolk Water.

87. Debt Management Performance and Write-Offs 2019/20 (Quarter 2)

The Cabinet Member for Finance, Performance and Core Services introduced a report on debt management performance and write-offs for Quarter 2 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.

Members noted that of the 12 collection targets, seven had been met or exceeded, and five were below target. The Cabinet Member referred to the increase in Council Tax and rent arrears and suggested that the introduction of Universal Credit was a direct cause.

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, particularly Council Tax and rents.

88. Private Business

Cabinet **agreed** 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 of Schedule 12A to the Local Government Act 1972 (as amended).

89. Investment Acquisition in Barking Town Centre

The Cabinet Member for Finance, Performance and Core Services presented a report on the proposed purchase of a strategically important site in the Barking Town Centre area, as part of the Council's Investment and Acquisition Strategy.

The Cabinet Member referred to financial arrangements associated with the proposed purchase and the projected investment yield based on a maximum purchase price, which took into account the rental income from the existing tenants and costs of borrowing.

Cabinet **resolved** to:

- (i) Agree the purchase of the headlease of the asset, as shown edged red in Appendix 1 to the report, on the terms set out in section 2 of the report; and
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to enter into necessary agreement(s) to purchase the asset subject to satisfactory due diligence and an independent valuation.