

# MINUTES OF CABINET

Tuesday, 15 December 2020  
(6:03 - 8:29 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 and Cllr Maureen Worby

## **52. Declaration of Members' Interests**

There were no declarations of interest.

## **53. Minutes (17 November 2020)**

The minutes of the meeting held on 17 November 2020 were confirmed as correct.

## **54. Update on COVID-19 Issues**

The Cabinet Member for Social Care and Health Integration gave the following update on COVID-19 issues relating to the Borough:

- Since the start of the pandemic there had been 3,430 positive cases of COVID-19 in the Borough. The rate was now above London average, at 244 cases per 100,000. In the last week there had been 520 new cases.
- Testing was increasing at the five sites in the Borough; however, more was needed. The capacity at the testing centres was currently at 40% utilisation. Rapid testing was to be undertaken in the Borough in the next few weeks, which would enable a greater percentage of residents to come forward to be tested;
- The increasing rate that the virus was spreading was worrying and outbreaks were taking place all over the Borough. Hot spots were moving from week to week, possibly due to a lack of self-isolation for those who had tested positive;
- The highest case rate by age was for the 45-64 years old group, although it was noted that there were high levels across all ages. With regard to ethnicity, there was no over-representation of any one group and Covid-19 statistics were generally reflective of local population breakdown;
- Sadly, there had now been 190 deaths in the Borough, which was 11.8% more deaths than would have been expected;
- The Council was undertaking local contact tracing where the national test and trace system had failed; and
- It was extremely important for residents to abide by the rules and self-isolate when required.

## **55. Revenue Budget Monitoring 2020/21 (Period 7, October 2020) and Q2 Capital Programme Monitoring**

The Cabinet Member for Finance, Performance and Core Services presented a report on the Councils revenue budget monitoring position for the 2020/21 financial year at 31 October 2020 (period 7).

The Cabinet Member advised that there were historical pressures on the Council's budget due to the legacy of an austerity agenda for over a decade. There were further financial pressures which included increased costs, demographic and other demand growth, savings not yet delivered and other risks, which had meant there was an underlying budget variance of £5.743m, largely in Care and Support and My Place.

In addition, as a result of the COVID-19 epidemic, the lockdown, and subsequent economic impacts, the Council had experienced a high level of additional costs and pressures including loss of service income from fees and charges. This would mean an overall expenditure variance of £27.913m which was an increased estimate since last month as it incorporated some of the COVID-19 associated losses incurred by one of the Council's subsidiary companies, BDPT.

The Cabinet Member highlighted that financial planning was becoming incredibly difficult due to the COVID-19 pandemic and, in response to a question, advised that by using reserves prudently the Council was in a better position than many others.

The Cabinet Member thanked colleagues and staff for their hard work in helping the Council to balance the budget as much as possible.

The Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2020/21 financial year as set out in sections 2 to 4 and Appendix A of the report and the potential impact on the reserves position as set out in section 7 of the report;
- (ii) Note the update on key savings programmes, as set out in section 5 of the report;
- (iii) Note the update on the impact of COVID-19 and the lockdown, as set out in section 6 of the report;
- (iv) Note the update on the Capital Programme, as set out in section 9 and Appendix B of the report;
- (v) Agree the following Section 106 allocations, as detailed in section 10 of the report;
  - a) £1.8m towards the affordable housing development at Padnall Lake
  - b) £0.373m towards facilities for accommodating additional pupils at Robert Clack school (Lymington Fields)
- (vi) Approve funding of £420,000 for phase one of the Dispersed Working Programme in the current financial year, as detailed in section 11 of the report; and
- (vii) Approve the minor amendments, corrections and addenda to the Fees and Charges as set out in section 12 and Appendix C of the report.

## 56. Dedicated Schools Budget and Schools Funding Formula 2021/22

The Cabinet Member for Educational Attainment and School Improvement presented a report on the dedicated schools budget and schools funding formula 2021/22.

The Cabinet Member referred to the provisional allocations for 2021/22 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).

Cabinet were advised that in general, the operation of the National Funding Formula for the Schools Block had tended to move funding away from London authorities towards other areas, although this effect has been dampened by the use of a funding floor. Moreover, Education funding at the national level had been subject to below inflationary increases for the past few years. This had created some financial pressures for some LBBD schools – especially Primary Schools which had seen a temporary dip in pupil numbers, due to the drop in birth rates. The move to a formula based allocation however, had improved funding for the High Needs Block which had previously been severely underfunded. This still remained an area of financial pressure at the local and national level.

The Schools Forum and local schools had been consulted upon the principles that the Council planned to use for the Local Funding Formula for Schools.

The Cabinet **resolved** to:

- (i) Note the indicative allocation of Dedicated Schools Grant for 2021/22 as set out in section 2 of the report;
- (ii) Approve the 2021/22 strategy for the Schools Block as set out in section 3 of the report;
- (iii) Approve the proposed principles for the design of the Local Schools Funding Formula as set out in section 4 of the report, subject to consultation with schools and (vi) below;
- (iv) Note the allocated funding and strategy for the High Needs Block as set out in section 5 of the report;
- (v) Note the allocated funding and strategy for the Central Services Block 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 Financial Officer, the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2021/22 school funding formula for submission to the Education and Schools Funding Agency.

## 57. An Endowment for the Social Sector in Barking & Dagenham

The Cabinet Member for Community Leadership and Engagement presented a report on an endowment for the social sector in Barking and Dagenham.

The report provided details on the Council's transformation journey over the last few years, which had seen it develop a new approach to public service leadership, design and delivery.

The Cabinet Member highlighted the creation of Barking and Dagenham Giving (BD Giving) - the Borough's new place-based giving scheme, a multi-stakeholder initiative aimed at bringing new resources and approaches together in Barking and Dagenham and creating fairer solutions through addressing structural inequalities and imbalance.

The Cabinet were advised that in July 2020, following a one-year development period hosted by the Council, Barking and Dagenham Giving merged with Barking and Dagenham Renew to form an independent charity with the ambition of making the Borough's growing economy work for everyone. This followed a decision by Barking and Dagenham Renew's Board of Trustees, in agreement with Barking and Dagenham Giving's Steering Group and the Council to formally integrate the Borough's giving scheme within Renew's charitable vehicle and appoint a new Board of Trustees whilst keeping the Council involved in an advising capacity.

The Cabinet Member then moved onto the endowment, which was part of a series of innovations initiated by the Council to strengthen the Borough's voluntary, community and social enterprise sector, and one that had the potential to increase its sustainability in the long term. Its main source of funding was the levy collected from new regeneration developments in the Borough, specifically the neighbourhood portion of the Community Infrastructure Levy.

As part of the establishment of the fund, the proposal suggested that provision should also be made to ensure that the process of making spending decisions - and the projects which were actually funded - empower communities as much as possible, arguing that how funds were allocated, can matter as much as what was funded.

The Cabinet were asked to consider the preferred vehicle for the endowment and were presented with four models for consideration which included keeping the endowment as a restricted fund managed by the Council, establishing the endowment as a separate charity, transferring the fund to Barking and Dagenham Giving, or transferring the fund to an existing community foundation.

The Cabinet **resolved** to:

- (i) Note the decision by Barking and Dagenham Renew's Board of Trustees, in agreement with Barking and Dagenham Giving's Steering Group, to formally integrate the Borough's giving scheme within Renew's charitable vehicle from July 2020 and appoint a new Board of Trustees;
- (ii) Note the official change of name of Barking and Dagenham Renew charity to Barking and Dagenham Giving;

- (iii) Agree to support Option C to link the endowment to the local giving model by establishing the fund under Barking and Dagenham Giving's new charitable vehicle, with a specially appointed Board responsible for the strategic oversight of the fund, as well as the implementation of its investment, withdrawal and usage policies; and
- (iv) Delegate authority to the Director of Strategy and Participation, in consultation with the Director of Law and Governance, the Cabinet Member for Community Leadership and Engagement and in collaboration with the social sector, to agree the governance arrangements and Memorandum of Understanding for the Endowment Fund on behalf of the Council.

## **58. Contract for "reMOVE abuse" Perpetrator Intervention Pilot Project**

The Cabinet Member for Social Care and Health Integration introduced a report on the contract for the "remove abuse" perpetrator intervention pilot project.

To keep survivors, children, and families safe, the Council had been developing a whole system response to domestic abuse that supplements the existing offer to survivors with work focused on changing the behaviour of perpetrators.

During the COVID-19 response it had become apparent that in order to give survivors and their families greater choice and control, this system must include the option for them to remain safe in their own homes should they choose to do so. In practice, this ambition can only be achieved if the Council was able to provide short-term accommodation to the perpetrator that would sit alongside an evidence-informed programme of behaviour change work.

The Cabinet Member advised that the work had attracted significant interest and the Council had been awarded £209,052 to deliver the work for six months with match funding sourced locally for an additional six months. This allowed the Council to deliver a year's pilot which would be evaluated and inform future decision making.

Cabinet Members spoke in support of the proposal and were keen to spread the message "we believe you" during the current difficult climate.

The Cabinet **resolved** to:

- (i) Agree to waive tendering requirements in accordance with the Council's Contract Rules and award a 12-month contract to Cranstoun for the provision of the "reMOVE abuse" perpetrator intervention pilot project in accordance with the strategy set out 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, to enter into the contract and all other necessary or ancillary agreements with the successful partner.

## 59. Intensifying Barking's Industry Project

The Cabinet Member for Regeneration and Social Housing presented a report on intensifying Barking's Industry Project.

The Council and Be First were looking at ways to unlock the growth potential of industrial sites and to support business and job growth. The Borough still had the largest percentage of its economy in manufacturing than any London borough and had the second most industrial land.

Intensifying Barking's Industry project, also known as the 'Industria' development, aimed to showcase how a 1.8-acre under-utilized site (Unit A, Creek Road, Barking, IG11 0JW) in a Strategic Industrial Location (SIL) could be transformed into a model of how industrial land could be used in much more intensive ways - critical to a borough with London's lowest employment density and a desire to modernise its workspace. The project would be at the forefront of a new typology of intensive industrial space and would seek to showcase the learning with the industry.

The Cabinet Member advised that the project complemented the Council's emerging Local Plan, Inclusive Growth Strategy, Industrial Strategy and River Road Employment Area SPD. Following substantial design work and appraisals, the project had a viable scheme, meeting the Council's investment requirements and a preferred delivery route. The scheme also attracted the Greater London Authority's (GLA) investment in the form of a proposed head lease for part of the space.

The Cabinet **resolved** to:

- (i) Approve the Intensifying Barking's Industry project at Unit A, Creek Road, Barking, in the total sum of £34.65m as detailed in the report, subject to the agreement of terms with GLA, planning approval and receipt of satisfactory construction tender prices;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to negotiate terms and execute all the property and legal agreements including the agreement for lease and head lease with the GLA; and
- (iii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to negotiate terms and execute all the legal agreements, including the contract with the main contractor, and the procurement strategy and contract for the asset management services and any terms of extension, and any other documents on behalf of the Council to fully implement and execute the project.

## 60. Debt Management Performance 2020/21 (Quarter 2)

The Cabinet Member for Finance, Performance and Core Services introduced the performance report for the second quarter of the financial year 2020/21 in respect of the debt management functions. The Council's Revenues, Benefits, General

Income and Rents Service was operated by the Council's joint venture company, Elevate East London LLP (Elevate) and it was noted that this service returned to the Council on the 1 September 2020.

The Cabinet Member stated that performance was stable and continuing to improve year on year in terms of overall cash collection, though continuing to be impacted by welfare reform measures.

Many of the standard debt recovery practices utilised by the Revenues Service were now unavailable due to the Covid-19 pandemic. Since it had not been possible or appropriate to take enforcement action, a "softer" approach to collection has been taken. All reminder letters had been redesigned and the team had taken a firm but fair approach to discussions with residents, advising those experiencing financial difficulty to pay as much as possible. They had also recalculated instalments to be lower or to be paid later in the year.

Cabinet discussed the crucial importance of Reside in the current climate and the need to continue to expand the portfolio of properties to assist residents.

The Cabinet Member for Employment, Skills and Aspiration advised that the business rates grants scheme had now closed and the team had worked hard to ensure there had been no fraudulent applications approved.

The Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Council's Revenues service;
- (ii) Note the impact of the Covid-19 pandemic on collection levels across all revenue streams; and
- (iii) Agree the revisions to the Council's Debt Management Policy in respect of write-off thresholds and authorised officers, as detailed in paragraph 9 and Appendix 1 of the report.

Standing Order 7.1 (Part 2, Chapter 3, of the Council Constitution) was suspended at this juncture to enable the meeting to continue beyond the 8pm threshold.

## **61. Purchase of Barking Business Centre, 25 Thames Road, Barking IG11 0JP**

The Cabinet Member for Finance, Performance and Core Services presented a report on the purchase of Barking Business Centre, 25 Thames Road, Barking, IG11 0JP.

There was an opportunity for the Council to purchase a 4.75-acre industrial site known as the Barking Business Centre, 25 Thames Road. The Site was immediately adjacent to other landholdings owned by the Council that were intended to be redeveloped for industrial intensification in conjunction with residential accommodation. The Site therefore forms part of a strategic land assembly exercise that is in part funded by the GLA who have provided £30 million of grant for land assembly.

The acquisition of the Site would provide the Council with a significant controlling interest within the Thames Road regeneration area, increasing LBBD's ownership to just under 50% of the likely medium-term development area on Thames Road. More specifically, the Site was located next to other land already held by the Council, namely 23 Thames Road. Therefore, with the proposed acquisition of the Site, there was an opportunity now to secure a comprehensive redevelopment plot with capacity for 525 new residential units. Securing this development plot would help LBBD to deliver its vision for the area, as set out in the River Road / Thames Road masterplan, which was approved at Cabinet in November 2020.

The Cabinet **resolved** to

- (i) Agree to the purchase of the Barking Business Centre, 25 Thames Road, Barking, as shown edged red in Plan 2 at paragraph 2.2 of the report, on the terms set out in Appendix 1 to the report;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Members for Finance, Performance and Core Services and for Regeneration and Social Housing and the Director of Law and Governance, to conclude purchase agreements and any other related documents; and
- (iii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Members for Finance, Performance and Core Services and for Regeneration and Social Housing and the Director of Inclusive Growth, to approve a site asset management strategy that shall address the related budget plan for planned refurbishment, future planning promotion, site preparation and potential later disposal.