

MINUTES OF CABINET

Tuesday, 20 September 2022
(7:00 - 8:16 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Sade Bright, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Kashif Haroon, Cllr Jane Jones, Cllr Elizabeth Kangethe and Cllr Maureen Worby

Also Present: Cllr John Dulwich

Apologies: Cllr Dominic Twomey

28. Minute's Silence in Memory of Her Majesty Queen Elizabeth II

At the commencement of the meeting, the Chair asked everyone present to stand for a minute's silence as a mark of respect to Her Majesty Queen Elizabeth II.

29. Declaration of Members' Interests

There were no declarations of interest.

30. Minutes (12 July 2022)

The minutes of the meeting held on 12 July 2022 were confirmed as correct.

31. Revenue Budget Monitoring 2022/23 (Period 4, July 2022)

The Cabinet Member for Adult Social Care and Health Integration introduced a report on behalf of the Cabinet Member for Finance, Growth and Core Services relating to the Council's revenue budget monitoring position for the 2022/23 financial year as at 31 July 2022 (period 4).

The Council's General Fund revenue budget for 2022/23 was £183.06m, which represented a net increase of £9.4m on the budget for 2021/22. Despite that increase, the forecast outturn position at the end of July showed a projected net overspend of £16.287m. The Cabinet Member explained that there were several key factors behind the projected overspend, such as significant demand and cost increases for both Children's and Adults Social Care services partly attributable to new legislative requirements, the cost-of-living crisis, a review of cost apportionment of approximately £3m between the Housing Revenue Account (HRA) and the General Fund, reduced dividends from the Council-owned companies due to cost pressures and additional provision for the 2022/23 Local Government pay award which had previously been estimated at 2% but which was now likely to be significantly higher. It was also noted that the Council had launched a new financial management system on 1 April 2022 and, as a consequence, the detailed monthly budget monitoring undertaken by individual budget holders was not possible during the period covered by the report.

The Strategic Director, Finance and Investment, commented that officers would continue to look into mitigating measures to address the current overspend and he

expected the position to improve in the months ahead, particularly once potential risks and opportunities became more apparent. It was also acknowledged that while the entire Local Government sector was facing considerable pressures due to a lack of Government funding, Barking and Dagenham was in a much stronger position than most to respond due to the actions it had taken in recent years.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2022/23 financial year as set out in section 2 and Appendix A of the report;
- (ii) Note the update on savings proposals, as set out in section 3 of the report; and
- (iii) Approve the restatement of the HRA budget as set out in section 4 and Appendix B of the report.

32. Cost-of-Living Crisis Response - Update and Welfare Reserve Proposals

Further to Minute 14 (12 July 2022), the Cabinet Member for Community Leadership and Engagement presented a report on the latest activity and initiatives to support the local community during the cost-of-living crisis, which included plans to allocate £3.065m towards a range of projects from the £4.5m Welfare Fund established by the Council.

The Cabinet Member pointed out that as Barking and Dagenham was rated as the most deprived area in London and the 21st most deprived nationally, the cost-of-living issues affecting the whole of the UK would undoubtedly be even more apparent for Borough residents. She spoke of her pride at the swift and comprehensive response by the Council, the local voluntary and community sector (VCSE) and other partners to meet the challenges and referred to the preliminary results from a survey of local residents which showed that 82% of respondents were worried about paying monthly bills and 68% had already cut back on food and groceries.

The Cabinet Member drew attention to the range of existing services and support on offer to the local community via, for example, the Citizens Advice Bureau, BD CAN and the Homes and Money Hub, and gave an update on the development of the local Cost-of-Living Alliance which would be based on the following principles:

- Joining up the support already in place across the Borough, whether through Council-commissioned services, VCSE and Faith communities and other statutory agencies;
- Embed learning and responding together in a coordinated way;
- Committing to working together for the long-term to address this challenge and make a difference for residents; and
- Focussing on the best possible outcomes for and with residents.

With regard to the allocation of funding from the Council's Welfare Fund, the proposals included the creation of six new Locality Lead posts to establish networks of help and support, address unmet need and identify hidden / unknown demand; measures to tackle food insecurity and poverty; school uniform and

clothing exchange partnerships; and the permanent establishment of the No / Low Interest Loans Scheme to offer consolidation and very low interest loans for residents in debt and with very poor credit ratings. Resources would also be provided to support a Communications and Engagement Plan and, to that end, it was noted that a booklet would be sent to every household in the Borough during October setting out the types of support available and other useful information.

Cabinet colleagues spoke in full support of the proposals detailed in the report and offered up a number of other practical suggestions that residents could apply within their homes to help save money. Furthermore, the Cabinet called on the Government to do far more to support not only the most vulnerable in society but all those impacted by the cost-of-living crisis.

Cabinet **resolved** to:

- (i) Approve the allocation of funding totalling £3.065m from the Welfare Fund to the priority initiatives and areas of support, as set out in sections 4 and 5 and Appendix 2 of the report;
- (ii) Delegate authority to the Strategic Director, Community Solutions, in consultation with the Cabinet Member for Community Leadership and Engagement and the Strategic Director, Finance and Investment, to approve the allocation of the remaining £935,000 unallocated funding towards appropriate projects,
- (iii) Note the existing services and support available to residents, as set out in Appendix 1 to the report; and
- (iv) Note that a further report will be presented on the development and launch of the Cost-of-Living Alliance in due course.

33. Review of School Places and Capital Investment - Update

Further to Minute 24 (13 July 2021), the Cabinet Member for Educational Attainment and School Improvement presented the latest update report on school places provision and capital investment in educational provision.

The report set out the most up-to-date information on the projected demand for school places for September 2022 and beyond, as well as capital expenditure proposals to enhance and improve the Borough's schools and the number of places available. The proposals included the creation of additional Special Educational Needs and Disabilities (SEND) provision to counter the exponential growth in demand in Barking and Dagenham, either in specialised settings for high-needs pupils or within the mainstream school environment via Additional Resource Provisions.

Cabinet colleagues welcomed the ongoing data analysis work undertaken by officers within the Education service to maintain the balance between demand and provision for school places and the close links that had been established with the Borough's schools and Be First officers to ensure that new regeneration projects reflected the need for new school provision.

Cabinet **resolved** to:

- (i) Note the actions being taken by officers to identify additional school places across the Borough to meet further demand pressures and the ongoing discussions relating to future provision in the Council's Local Plan;
- (ii) Approve the proposed changes and allocations of funding as set out in paragraphs 6.2 and 6.3 of the report, to support the provision of new places and improvements;
- (iii) Delegate authority to the Strategic Director, Children and Adults, acting on advice from the Procurement Board, to approve the final procurement strategies for Additional Resource Provisions referred to in section 6 of the report;
- (iv) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Cabinet Member for Educational Attainment and School Improvement and the Chief Legal Officer, to conduct the procurements and award the respective project contracts; and
- (v) Note that in accordance with the School Admissions Code 2021, a six-week public consultation was undertaken on the Council's intention to continue with its existing school admission arrangements for 2023/24 and no adverse comments were received.

34. Proposed Purchase of Maritime House Office Building, Linton Road, Barking

The Cabinet received a report on the opportunity for the Council to purchase Maritime House, a 10-storey office block in the heart of Barking Town Centre, as an income-generating freehold investment with potential medium / longer term regeneration opportunities in light of the Council's other landholdings in the immediate area.

The Cabinet Member for Regeneration and Economic Development advised that Maritime House currently benefited from a good level of occupancy, almost exclusively by public sector organisations, and an independent valuation and the Council / Be First's own due diligence supported the acquisition on the terms proposed in the report, which amounted to a total cost of £22.55m.

Cabinet **resolved** to:

- (i) Approve the purchase of the Maritime House site, Linton Road, Barking, as shown edged red in the plan at Appendix 2 to the report, in accordance with the draft Heads of Terms set out in Appendix 3 to the report;
- (ii) Authorise the Strategic Director, Finance & Investment, in consultation with the Chief Legal Officer, to enter into all necessary legal documents to finalise the transaction in accordance with the draft Heads of Terms.

35. Proposed Purchase of the Edwards Waste Site, Gallions Close, Barking

The Cabinet received a report on the proposed purchase of the Edwards Waste

site, Gallions Close, within the Thames Road regeneration area.

The Cabinet Member for Regeneration and Economic Development explained that the plans for the regeneration of the area, primarily for residential purposes, were currently hindered by the locality of the waste transfer site. Edwards Waste was prepared to relocate its business to the Dagenham Dock area of the Borough should an agreement be reached on the proposed terms of the sale of the Gallions Close site, which would not only improve the local environment in which Riverside School was situated but also support the objectives of the Council's draft Thames Road masterplan and Inclusive Growth strategy.

The total cost of the purchase of the approx. 1-acre site was circa £8.5m and the report also set out the draft terms of the sale, the likely timescales involved and the financial implications for the Council.

Cabinet **resolved** to:

- (i) Approve the purchase of the Edwards Waste site, Gallions Close, Barking, as shown edged red in the plan at Appendix 2a to the report, in accordance with the draft Heads of Terms set out in Appendix 3 to the report; and
- (ii) Authorise the Strategic Director, Finance & Investment, in consultation with the Chief Legal Officer, to enter into all necessary legal documents to finalise the transaction in accordance with the draft Heads of Terms.

36. Draft Chadwell Heath Transformation Area Masterplan Supplementary Planning Document

The Cabinet Member for Regeneration and Economic Development presented an update report on the development of the draft Chadwell Heath Transformation Area Masterplan Supplementary Planning Document (SPD).

By Minute 25 (22 September 2020), the Cabinet had approved the submission of the Borough-wide draft Local Plan 2037 to the Secretary of State for independent examination. The Local Plan outlined how the Borough's ambitious housing and employment targets would be met over the plan period and beyond, aided in part through the delivery of several transformation areas within the Borough including Chadwell Heath. The draft Chadwell Heath Transformation Area Masterplan SPD provided more detailed supplementary guidance to developers, the local community and other interested stakeholders on how the Council envisaged development in the area coming forward over the period of the new Local Plan and beyond.

The Cabinet Member explained that the intention was for the SPD to go out to statutory public consultation prior to it being presented for adoption by the Assembly, alongside the Local Plan, in early 2024.

Cabinet **resolved** to:

- (i) Approve the Draft Chadwell Heath Transformation Area Masterplan Supplementary Planning Document, as set out at Appendix A to the report, for public consultation; and

- (ii) Delegate authority to the Strategic Director, Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Economic Development and the Be First Chief Planning Director, to make any appropriate amendments to the SPD following public consultation, prior to its submission to the Assembly for formal adoption.

37. Debt Management Performance 2022/23 (Quarter 1)

The Cabinet Member for Adult Social Care and Health Integration introduced the performance report covering the first quarter of the 2022/23 financial year in respect of the Council's debt management functions.

The Cabinet Member commented that, following on from the discussions earlier in the meeting, it was clear that the cost-of-living crisis was already starting to impact on the local community, as evidenced by a downturn in collection rates in areas including Council Tax, commercial and residential rents, General Income and Homecare. While the Council had been proactive with the range of support and intervention measures that it had already introduced, it was apparent that the situation needed to be closely monitored to ensure that there was an appropriate balance between supporting the local community through the cost-of-living crisis and ensuring that residents and businesses made every effort to pay monies due to the Council, in order to protect local service provision.

The Cabinet Member also alluded to the proposed amendment to the Council's uncollectable debts write-off arrangements to reflect responsibility changes at Head of Service level and confirmed that the proposal did not vary the authorisation levels previously agreed by Cabinet.

Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Council's Revenues service, including the pressure on collection rates as a result of the cost-of-living crisis;
- (ii) Note progress of the £150 energy rebate distribution to residents and actions taken to ensure maximum uptake, as described in paragraph 3.5 of the report; and
- (iii) Approve the amendment to the Council's uncollectable debts write-off arrangements to reflect the renaming of the Revenues and Benefits service to the Collections and Welfare service, as set out in paragraph 11.4 of the report.

38. Strategy for the Flexible Use of Capital Receipts 2022/23

The Cabinet received a report on the Council's proposed Flexible Use of Capital Receipts Strategy for 2022/23.

The Cabinet Member for Adult Social Care and Health Integration explained that a delay in the issuing of updated guidance by the Department for Levelling Up, Housing and Communities (DLUHC) had meant that it had not been possible to

present a full strategy as part of the annual Budget Framework report that was approved by the Assembly in March 2022.

The updated guidance recently issued by DLUHC meant that only two projects, the Adult Services Direct Payment Review and the Adult Services Financial Assessment Review, continued to be eligible under the new rules, with several other transformation schemes previously eligible now needing to be funded elsewhere within the General Fund.

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

- (i) Agree the Council's Strategy for the Flexible Use of Capital Receipts 2022/23, as set out at Appendix A to the report; and
- (ii) Note that as a consequence of the new statutory guidance, only two transformation schemes were deemed to meet the revised criteria and that ongoing schemes no longer meeting the criteria shall be funded from alternative sources within the General Fund.

39. Urgent Action - Loan and SCIL Grant to Studio 3 Arts for Major Arts Centre Development Project at the Galleon Centre

The Cabinet Member for Community Leadership and Engagement introduced a report on action taken by the Acting Chief Executive on 22 August 2022 in respect of approving a loan and grant to Studio 3 Arts to overcome a shortfall in funding for the redevelopment of the former Galleon Community Centre due to unforeseen cost increases.

Cabinet **resolved** to note the action taken by the Acting Chief Executive, in accordance with the Urgent Action procedures set out in Part 2, Chapter 16, paragraph 4 and the Special Urgency provision under Part 2, Chapter 17, paragraph 15 of the Council Constitution, in relation to approving a loan of £200,000 and a grant of £156,000, via the Strategic Community Infrastructure Fund levy, to Studio 3 Arts towards the redevelopment of the former Galleon Community Centre, Boundary Road, Barking, into a world class arts centre.