

MINUTES OF CABINET

Monday, 20 February 2023
(7:00 - 8:48 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Dominic Twomey (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 Saima Ashraf

75. Declaration of Members' Interests

There were no declarations of interest.

76. Minutes (17 January 2023)

The minutes of the meeting held on 17 January 2023 were confirmed as correct.

77. Revenue Budget Monitoring 2022/23 (Period 9, December 2022)

The Cabinet Member for Finance, Growth and Core Services introduced the Council's revenue budget monitoring report for the 2022/23 financial year as at 31 December 2022 (period 9).

The Council's General Fund revenue budget for 2022/23 was £183.06m and the forecast outturn position at the end of December projected a net overspend of £11.707m after an in-year increase in corporate funding had been taken into account.

The Cabinet Member referred to the continual underfunding from the Government and ongoing inflationary pressures as reasons for the substantial overspend. Whilst the Council's Budget Reserve was sufficient to cover the overspend, the current level of overspend was not sustainable and the position would continue to be closely monitored.

The report also included proposals relating to Car Club fees and charges. It was noted that there was no clear permit structure in place for car clubs operating in the Borough and it was important to rectify that position as the number of car club bays was anticipated to increase in the near future, due to the expected rise in future developments with planning obligations to provide car club spaces.

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) Approve the pay award virement between Corporate Management and all other Directorates as set out in section 4 and Appendix B of the report; and

- (iii) Approve the proposed Car Club fees and charges as set out in section 5 of the report.

78. Budget Framework 2023/24 and Medium Term Financial Strategy 2023/24 to 2026/27

The Cabinet Member for Finance, Growth and Core Services introduced the Council's proposed budget framework for 2023/24 which incorporated the following:

- Proposed General Fund revenue budget for 2023/24;
- Proposed level of Council Tax for 2023/24;
- Medium Term Financial Strategy (MTFS) 2023/24 to 2026/27;
- Draft capital investment programme 2023/24 to 2026/27;
- Housing Revenue Account budget 2023/24.

The General Fund net budget for 2023/24 was £203.568m, which incorporated decisions previously approved by Members in the Medium Term Financial Strategy, including the savings approved by Assembly in previous years, together with changes in Government grants and other financial adjustments. The Council proposed to increase Council Tax by 4.99%, made up of 2.99% for general spending and 2% that would be ringfenced as an adult social care precept.

The Cabinet Member stated that the budget framework was prepared in the context of high inflation, the cost-of-living crisis, the ongoing impacts from the Covid-19 pandemic and the continued uncertainty around public sector finances. In addition to the volatility and complexity of delivering Council services in that economic setting, there was continued uncertainty facing the sector in light of plans to delay Fair Funding reforms and 75% business rates retention until 2025/26 at the earliest, against a backdrop of anticipated increases in demand and pressures.

The Government issued an Autumn Statement in November 2022 and the provisional Local Government Finance Settlement for 2023/24 was published on 19 December 2022. The Government had reaffirmed their ambition to 'level-up' funding across the country, however that had not yet been translated into the revision of funding formulae for 2023/24. Instead, as an interim measure, an indicative two-year funding settlement had been provided for 2023/24 and 2024/25.

The Cabinet Member expressed dismay that, even in the current volatile climate, the Government had announced its political intention to reduce public spending in the next parliamentary period after 2024/25, resulting in an extremely uncertain environment within which the MTFS had been prepared.

Cabinet Members acknowledged that the pressures of the current financial climate were being felt across all local authorities. It was emphasised, however, that the Council and its residents faced a disproportionate level of risk due to the very high levels of deprivation and disadvantage that already existed in the Borough. It was felt that the Government had failed to acknowledge how reliant it was on the local government sector and the creative ways the sector had found to continue

supporting children, young people and the most vulnerable in the community, despite years of continual underfunding. Rather than working with local government to make holistic, system wide changes to achieve the best outcomes, the Government's approach felt punitive and meant that the Council had to increase Council Tax in order to maintain services that supported the local community, especially those most in need.

Cabinet **resolved** to:

- (i) Approve the approach to updating the stock condition survey for the Council's housing stock, as referred to in paragraphs 11.5 - 11.8 of the report, and delegate authority to the Strategic Director, My Place, as advised by the Council's Procurement Board and in consultation with the Cabinet Member for Community Leadership and Engagement, the Strategic Director, Finance and Investment and the Chief Legal Officer, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidders; and
- (ii) **Recommend the Assembly** to:
 - (a) Approve a base revenue budget for 2023/24 of £203.568m, as detailed in Appendix A to the report;
 - (b) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2023/24 to 2025/26 allowing for other known pressures and risks at this time, as detailed in Appendix B to the report, including the revised cost of borrowing to accommodate the capital costs associated with the implementation of the MTFS;
 - (c) Delegate authority to the Strategic Director, Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Core Services, to finalise any contribution required to or from reserves in respect of the 2023/24 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2023;
 - (d) Approve the Statutory Budget Determination for 2023/24 as set out at Appendix D to the report, which reflects an increase of 2.99% on the amount of Council Tax levied by the Council, an Adult Social Care precept of 2.00% and the final Council Tax proposed by the Greater London Assembly (9.7% increase), as detailed in Appendix E to the report;
 - (e) Note the update on the current projects, issues and risks in relation to Council services, as detailed in sections 8-10 of the report;
 - (f) Approve the Council's Housing Revenue Account budget for 2023-24 as set out in Section 11 to the report;
 - (g) Approve the Council's draft Capital Programme for 2023/24 totalling £388.126m, of which £43.909m are General Fund schemes, as detailed in Appendix F to the report;

- (h) Note the update on the Flexible Use of Capital Receipts Strategy as set out section 13 of the report; and
- (i) Note the Chief Financial Officer's Statutory Finance Report as set out in section 15 of the report, which includes a recommended minimum level of reserves of £12m.

79. Treasury Management Strategy Statement 2023/24

The Cabinet Member for Finance, Growth and Core Services introduced a report on the Treasury Management Strategy Statement 2023/24 which set out the Council's borrowing, investment and funding plans for the year ahead.

Members noted the achievements of the Council in attracting large amounts of investment into the Borough and praised the Treasury Management team for delivering positive outcomes, despite the very difficult financial climate of high inflation and interest rates.

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

- (i) Note the current treasury position for 2023/24 in section 4 and prospects for interest rates, as referred to in section 8 of the report;
- (ii) Approve the Annual Investment Strategy 2023/24 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 2023/24 to 2025/26, as set out in Appendix 2 to the report;
- (iv) Note that the Capital Strategy 2023/24, incorporating the Investment and Acquisitions Strategy, shall be updated and presented for approval in April 2023;
- (v) Approve the Capital Prudential and Treasury Indicators 2022/23 - 2024/25, as set out in Appendix 3 to the report;
- (vi) Approve the Operational Boundary Limit of £1.85bn and the Authorised Borrowing Limit of £1.95bn for 2023/24, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as referred to in Appendix 3 to the report;
- (vii) Approve the revised Minimum Revenue Provision Policy Statement for 2023/24; the Council's policy on repayment of debt, as set out in Appendix 4 to the report;
- (viii) Note that changes made to the Prudential Code and Treasury Management code, published in December 2021, have been fully implemented for the 2023/24 TMSS;
- (ix) Note the Liability benchmark data in section 11 of the report, including the impact of schemes agreed in 2022 but also the impact of pipeline schemes

on the amount of borrowing required by the Council; and

- (x) Delegate authority to the Strategic Director, Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Core Services, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to consider the increase in short-term cash held from borrowing.

80. Contract for Provision of New Community Equipment Service

The Cabinet Member for Adult Social Care and Health Integration introduced a report on a contract for the provision of a new community equipment service, which the Council had a statutory duty to provide.

The current contract to provide the service with Medequip was due to end on 31 March 2023. The Royal Borough of Kensington and Chelsea (RBKC) had led on the retender of the new service for provision from 1 April 2023 onwards; however, that procurement was subject to a legal claim which triggered an automatic suspension preventing RBKC from entering into a contract with the successful bidder.

As a consequence, the Council had sought alternate provision to ensure continuity of service for vulnerable residents and resilience for the health and social care system. Having considered the options available and given the background context and associated time constraints, a Direct Award to Medequip via Framework Agreement Y21006 let by KCS Procurement Services was considered the most appropriate course of action.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the direct award of a four-year contract, with the option to extend for a further two years, to Medequip via the KCS Framework Agreement Y2100 for a new Community Equipment service, in accordance with the strategy set out in the report; and
- (ii) Authorise the Strategic Director, Children and Adults, in consultation with the Cabinet Member for Adult Social Care and Health Integration, the Cabinet Member for Children's Social Care and Disabilities and the Chief Legal Officer, to award and enter into the contract and all other necessary or ancillary agreements, including extension options, with the chosen supplier.

81. Retail, Hospitality and Leisure Business Rates Relief Scheme 2023/24

The Cabinet Member for Finance, Growth and Core Services introduced a report on the Retail, Hospitality and Leisure Business Rates Relief Scheme 2023/24.

Retail rate relief was introduced in 2019 and subsequently expanded to cover the hospitality and leisure sectors during the pandemic. It was noted that the retail, hospitality and leisure sector received a 50% rate relief for 2022/23 and the Government had increased the level of relief to 75% for 2023/24.

Cabinet **resolved** to:

- (i) Approve the Council's policy for the Retail, Hospitality and Leisure Business Rates Relief Scheme for 2023/24, as set out at Appendix 1 to the report; and
- (ii) Delegate authority to the Director of Support and Collections , in consultation with the Cabinet Member for Finance, Growth and Core Services and the Strategic Director, Finance and Investment, to make any necessary variations to the scheme in line with the guidance issued by the Department for Levelling Up, Housing and Communities.

82. Leaseholder Charging Policy - Fire Door Programme at High Rise Blocks

The Cabinet Member for Regeneration and Economic Development presented proposals for a Leaseholder Charging Policy in respect of the Council's fire door programme at high-rise blocks.

The Cabinet Member advised that the Council had an ongoing programme of replacing front entrance fire doors, which included both Council tenanted properties as well as leaseholders. Phase 1 of the works were completed in 2020/21 and resulted in the replacement of 351 front fire doors within three high-rise blocks and one medium-rise block. At that time, no leaseholders were recharged the cost of their front fire door due to the timescale associated with the works. Having reviewed those arrangements for Phase 2 of the programme, it was proposed to continue that approach which would mean 'gifting' front entrance fire doors to leasehold properties within high rise blocks as a means of ensuring that the Council continued its proactive approach to fire safety compliance across all of its high-rise stock.

Cabinet **resolved** to:

- (i) Adopt Option 2 as the policy of recharging leaseholders for front entrance doors (FEDs), communal doors and associated works, replaced as part of the Council's ongoing fire door (high-rise) replacement programme at the 21 blocks listed in Appendix 1 to the report; and
- (ii) Note the current projected cost of £638,000 of adopting the new policy over the lifespan of a typical FED and the funding arrangements via the HRA Capital Stock Investment Programme.

83. LBBD Statement of Gambling Licensing Policy 2023-2026

The Cabinet Member for Enforcement and Community Safety introduced a report on the Statement of Gambling Licensing Policy 2023-2026.

The Council, as the local licensing authority for gaming and betting, was required under the Gambling Act 2005 to have in place a statement of the principles (a 'policy') by which it would abide in carrying out its licensing responsibilities, in accordance with a statutory three-year cycle. The Cabinet Member confirmed that a period of formal public consultation had been undertaken in respect of the draft Gambling Policy Statement 2023-2026 and the proposals had also been

considered by the Licensing and Regulatory Committee on 31 January 2023.

The policy was based on the promotion of the three statutory licensing objectives and the Local Area Profile, which referred to areas in the Borough most at risk of gambling related harm in the context of risk factors such as high levels of deprivation. The Cabinet Member stated that the Government was expected to release a White Paper on gambling reform in the near future; however, whilst the current legislation was in place, all the Council could do was produce a policy that was as localised as possible and aimed at putting the onus on applicants of gambling premises licenses to demonstrate how they would mitigate the risks of gambling related harm as part of their application.

Members discussed the significant detrimental impacts of gambling on individuals and society and the difficulty in managing residents' expectations regarding the limited powers the Council had to control the number of gambling premises licences in the Borough. The potential to use planning legislation and permitted development rights as a means to control the number of gambling premises licences in the Borough was also raised and the Strategic Director, Inclusive Growth agreed to provide further information on the issue to Cabinet Members.

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

- (i) Adopt the London Borough of Barking and Dagenham Statement of Gambling Licensing Policy 2023-2026, as set out in Appendix 1 to the report; and
- (ii) Note that the policy statement shall take effect following the expiry of the statutory period of advertising after publication, in accordance with the provisions of the Gambling Act 2005.

84. Maintenance and Support Contract for the Capita Academy System

The Cabinet Member for Finance, Growth and Core Services introduced a report on the proposed procurement arrangements for the maintenance and support contract for the Capita Academy System, the current contract for which was due to shortly expire.

The Cabinet Member advised that the new contract would cover existing maintenance and support services as well as three additional products that are business-critical for the Revenues and Benefits service.

Cabinet **resolved to:**

- (i) Agree that the Council proceeds with the procurement of maintenance and support services for the Capita Academy product via the Kent Commercial Services Software Products and Associated Services Framework, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Finance and Investment, in consultation with the Chief Legal Officer, to award and enter into the contract and all other necessary or ancillary agreements, including contract extensions, with Capita.

85. Pay Policy Statement 2023/24

The Cabinet Member for Finance, Growth and Core Services introduced a report on the Council's Pay Policy Statement for 2023/24, which the Council was required to agree annually in accordance with the Localism Act 2011.

The Cabinet Member referred to the various elements that made up the Pay Policy Statement and he drew particular attention to the pay ratios which showed that Barking and Dagenham's pay arrangements for its highest and lowest earners compared very favourably against the London average. He stressed, however, the importance of setting pay at adequate levels in order to retain and attract the most skilled and talented workforce that would deliver the best services for residents and pointed out that the Council's Chief Officer pay structure had last been reviewed in 2013.

Cabinet **resolved to recommend the Assembly** to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2023/24 as set out at Appendix A to the report, for publication on the Council's website with effect from April 2023.

86. Sale of Land Adjacent to 1044 Green Lane, Dagenham

The Cabinet Member for Finance, Growth and Core Services introduced a report on the proposed sale of a small area of Council-owned land which was deemed surplus to Council's requirements.

The area in question was approximately 112.75 square metres belonging to the Council but incorporated into the rear garden of the property at 1044 Green Lane, Dagenham RM8 1BT. The Cabinet Member referred to the history of discussions with the property owners and the provisional terms of the sale that had been agreed between the parties.

Cabinet **resolved to**:

- (i) Approve the sale of the Council-owned land to the rear of and currently incorporated into the rear garden of 1044 Green Lane, as shown edged red in site plan 1 at Appendix 1 to the report, on the terms set out in Appendix 2 to the report;
- (ii) Delegate authority to the Strategic Director, My Place, in consultation with the Chief Legal Officer and the Cabinet Member for Finance, Growth and Core Services, to agree the final terms and contract documentation to fully implement the sale of the site; and
- (iii) Authorise the Chief Legal Officer, or an authorised delegate on her behalf, to execute all the legal agreements, contracts, and other documents on behalf of the Council.

87. Waste Strategy - Food Waste Legislation Update

(The Chair agreed that this report could be considered at the meeting under the

provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order for the Cabinet to be made aware of issues relating to the Council's future obligation to provide separate food waste collections to all households, flats and shops.)

The Cabinet Member for Public Realm and Climate Change introduced a report that provided an important update on the potential impact of statutory obligations upon local authorities to provide separate food waste collections to all households, flats and shops by March 2025.

The Cabinet Member explained that the Department for Environment, Food and Rural Affairs (DEFRA) had set a deadline of 28 February 2023 for waste disposal and collection authorities to present evidence to justify a deferment of the March 2025 implementation deadline. The report explained, however, that the East London Waste Authority (ELWA) had not received sufficient evidence from its disposal contractor, Renewi, to support a deferral application to DEFRA on behalf of the four constituent Boroughs of ELWA.

Cabinet **resolved** to:

- (i) Agree to receive a further report on options for the Council to adhere to legislative requirements to provide separate weekly food waste collections in the future; and
- (ii) Note that, without a deferment, the Council would be required to provide a separate weekly food waste collection service to all households, flats and flats above shops by March 2025.

88. Private Business

Cabinet **resolved** 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. Acquisition of Site in Village Ward

The Cabinet Member for Finance, Growth and Core Services presented a report on the proposed acquisition of a site in the Village Ward, referring to the financial arrangements associated with the proposed purchase and the future development potential of the site.

Cabinet **resolved** to:

- (i) Agree the acquisition and lease-back arrangements in respect of the site shown edged yellow in the site plan at Appendix 1 to the report, on the terms detailed in section 2 of the report;
- (ii) Note that a resources budget for Be First of £81,000 had been established to enable required teams and consultants to be appointed to undertake technical and legal work relating to the acquisition and progression of

redevelopment options;

- (iii) Delegate authority to the Strategic Director, Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Core Services and the Chief Legal Officer, to finalise terms and enter into all necessary contract documents and ancillary agreements to fully implement and effect the purchase and leasing arrangement of the site; and
- (iv) Note that should the circumstances of the project change from those set out in the report, a further report will be presented to Cabinet.