

# MINUTES OF CABINET

Tuesday, 22 June 2021  
(7:00 - 7:52 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Syed Ghani, Cllr Elizabeth Kangethe, Cllr Margaret Mullane and Cllr Maureen Worby

**Apologies:** Cllr Saima Ashraf, Cllr Evelyn Carpenter and Cllr Cameron Geddes

## **11. Appointment of Cllr Elizabeth Kangethe as Cabinet Member and Champion for Disabled People**

The Leader of the Council announced that he had appointment Councillor Kangethe as the Cabinet Member and Champion for Disabled People and welcomed her to her first meeting of the Cabinet.

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

There were no declarations of interest.

## **13. Minutes (25 May 2021)**

The minutes of the meeting held on 25 May 2021 were confirmed as correct.

In respect of Minute 4, the Cabinet Member for Social Care and Health Integration was pleased to advise that she had been invited to attend a future meeting of the TUC Women's Rights Committee to speak on the Independent Barking and Dagenham Domestic Abuse Commission.

## **14. Revenue and Capital Outturn for the Financial Year 2020-21**

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue and capital outturn position for 2020/21, which represented the expected final position for the year subject to external audit.

In respect of the revenue outturn position, the Cabinet Member advised that the General Fund net revenue expenditure for the financial year after the use of reserves was £181.927m against the revenue budget of £155.796m. Much of the additional expenditure related to the impact of the COVID-19 pandemic and, after strong lobbying by the local government sector, the Council had received a total of £28.081m Government grant funding during the year, resulting in a year-end underspend position of £1.951m.

The Cabinet Member placed on record his thanks for the tremendous efforts of management, staff and the Trade Unions in helping the Council to keep expenditure within reasonable limits despite the pressures on services due to the pandemic. It was stressed, however, that the Government must recognise the long-term impact of the pandemic on the community and commit to sustainable funding across the public sector, otherwise the Council was likely to face

significant overspends in the years ahead.

The Housing Revenue Account (HRA) showed a projected year-end underspend of £3.566m despite overspends on running costs, primarily due to a reduction in the revenue funding required to support the HRA Capital Programme which experienced considerable slippage due to the pandemic. The Dedicated Schools Grant showed an underspend of £3.843m, although that was expected to reduce to £1.476m once an adjustment was made for the claw back of Early Years funding by the Department for Education.

With regard to the overall Capital Programme, the Cabinet Member advised that the total spend was £319.44m against the revised budget of £370.167m, with the shortfall of circa £50m largely resulting from project delays caused by the pandemic.

The Cabinet Member also referred to the intended allocation of capital receipts amounting to £51.624m and proposals relating to the winding-up of Barking and Dagenham Reside Roding Limited and Barking and Dagenham Reside Regeneration Limited, which would include the write-off of negative net assets projected at circa £1.032m and £0.014m respectively.

Cabinet **resolved** to:

- (i) Note the revenue outturn for the 2020-21 financial year, including the details of the individual service variances, as set out in sections 2 to 4 and Appendix A of the report;
- (ii) Note the outturn for the Housing Revenue Account for 2020-21 as set out in section 4 of the report;
- (iii) Note the update on key savings programmes, as set out in section 5 of the report;
- (iv) Approve the write-off of proposed savings now assessed as no longer possible or desirable to achieve totalling £1.693m, as listed in paragraph 5.5 of the report.
- (v) Note the update on the financial impact of COVID-19 and the lockdown and the financial support provided by the Government, as set out in section 6 of the report;
- (vi) Approve the transfers to and from reserves as set out in section 7 and Appendix D to the report;
- (vii) Note the impact of the consequent position for the Council's reserves, as set out in Appendix E to the report;
- (viii) Note the Capital Programme expenditure outturn and the detailed figures, as set out in Appendix F to the report;
- (ix) Approve the carry forward of £27.4m General Fund capital programme slippage and £22.8m HRA slippage into 2021-22 and the revised total

programme of £399.114m for 2021-22 as set out in Appendix G to the report;

- (x) Approve the allocation of capital receipts totalling £51.624m to fund transformation costs, repay film studio land purchase costs and Becontree Heath build costs, as set out in paragraph 9.6 of the report;
- (xi) Note the outturn on the Dedicated Schools Budget and the Local Management of Schools Reserves, as set out in section 11 of the report;
- (xii) Note the update on the financial position of the Council's subsidiary companies, as set out in section 12 of the report;
- (xiii) Approve the write-off of the intercompany debt owed to the Council by Barking and Dagenham Reside Roding Ltd and agree that any further liabilities that arise under the development agreements and contracts that Barking and Dagenham Reside Roding Ltd was party to are settled directly by the Council who were also party to all the contracts, as referred to in section 13 of the report; and
- (xiv) Agree to appoint an insolvency practitioner and wind-up Barking and Dagenham Reside Roding Ltd by a Members Voluntary Liquidation with the intention that it be a solvent liquidation.

## **15. Treasury Management Annual Report 2020/21**

The Cabinet Member for Finance, Performance and Core Services introduced the Treasury Management Annual Report for 2020/21 which set out the key areas of performance during the year.

The Cabinet Member alluded to the major economic factors that had effected the UK economy during the 2020/21 financial year, with the COVID-19 pandemic being the main issue, and commended the Council's prudent approach to borrowing and vigorous assessment of investment opportunities which, coupled with the excellent work of the Treasury Management team, had resulted in the Council outperforming its targets and benchmarks in a number of areas. Key highlights within the report included:

- Total treasury investments held at 31/3/2021 was £210.17m (2019/20: £347.29m);
- Total cash held at 31/3/2021 was £45.19m (2019/20: £6.79m);
- Interest for 2020/21 was £8.8m (2019/20: £8.8m) compared to a budget of £6.5m;
- The Council's average treasury interest return for 2020/21 was 1.62%, which was 1.31% higher than the average London Peer Group return of 0.31%;
- The Council's average return on its commercial and property loans was 4.46% for 2020/21 (2019/20: 3.63%);
- Interest payable for 2020/21 totalled £32.8m (2019/20: £34.17m);
- Capitalised interest of £1.5m in 2019/20 and £3.0m in 2020/21 had been transferred to the Investment Reserve;
- The Council borrowed £60.0m of long-term General Fund borrowing in 2020/21 at an average rate of 1.28% and an average duration of 31.7 years;

- The total long-term General Fund borrowing at 31/3/2021 was £600.4m;
- The value of short-term borrowing at 31 March 2021 was £67.5m; and
- Total Council borrowing was £1.16bn at 31 March 2021, within the 2020/21 Operational Boundary limit of £1.25bn and Authorised Borrowing Limit of £1.35bn.

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

- (i) Note the Treasury Management Annual Report for 2020/21;
- (ii) Note that the Council complied with all 2020/21 treasury management indicators;
- (iii) Approve the actual Prudential and Treasury Indicators for 2020/21, as set out in Appendix 1 to the report; and
- (iv) Note that the Council borrowed £60.0m from the Public Works Loan Board (PWLb) in 2020/21.

## **16. Social Value in Procurement - Implementation Update**

Further to Minute 4 (19 May 2020), the Cabinet Member for Finance, Performance and Core Services introduced an update report on the Council's new policy framework, guidance and process to ensure that Social Value proposals and principles formed part of all new Council procurements with an annual value over £100,000.

The Cabinet Member advised that since the new Social Value policy and toolkit had been formally launched in October 2020, commitments had been received from the five successful tenderers for qualifying Council contracts which supported one or more of the five main social value themes of "Investment in Local People", "Investment in Local Economy", "Environmental Sustainability", "Community Participation and Engagement" and "People, Independence and Resilience". A further 29 qualifying procurement strategies had been endorsed by the Council's internal Social Value Steering Group and Procurement Board since the launch and the Social Value Coordinator continued to work closely with commissioners to embed the new arrangements.

The Cabinet Member referred to the key lines of focus for the next 12 months and the potential to extend the concept of social value to other aspects beyond procurement. One initiative related to the Council's ambition to achieve London Living Wage (LLW) accreditation from the LLW Foundation which, up until now, had proved difficult because of a lack of data relating to the Council's supply chain.

Cabinet **resolved** to:

- (i) Note the positive impact of the revised Social Value policy in terms of commitments in its first six months;
- (ii) Note the intention for the Council to apply for London Living Wage accreditation and its associated impacts, as set out in section 4.2 of the report; and

- (iii) Note the updated Social Value Toolkit, as set out at Appendix 1 to the report.

## **17. Contract for Provision of Short Break Services for Disabled Children, Young People and their Families**

The Cabinet Member for Social Care and Health Integration introduced a report on the proposals to procure a framework contract for the provision of short break services for disabled children and young people and their families.

The Cabinet Member stressed the importance of the service, which not only offered disabled children and young people new experiences and opportunities to form friendships but also provided much needed respite for carers and other family members. The COVID-19 pandemic had highlighted the significant value of such initiatives and the Cabinet Member confirmed that the new four-year framework arrangements, to commence in April 2022, would enhance the current offer as well as open up the service provision to local providers and those offering bespoke, specialist services aimed at those with specific needs.

It was also noted that the Cabinet Member for Social Care and Health Integration intended to discuss with the Cabinet Member for Educational Attainment and School Improvement, whose portfolio included overseeing the management of the Trewern Outdoor Activity Centre in Herefordshire, the potential for the Centre to offer services beyond the current educational setting.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for Short Breaks provision in accordance with the strategy set out in the report; and
- (ii) Authorise the Commissioning Director, Care and Support, in consultation with the Cabinet Member for Social Care and Health Integration, the Strategic Director of Law and Governance and the Managing Director, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder, in accordance with the strategy set out in the report.

## **18. Debt Management Performance 2020/21 (Quarter 4)**

The Cabinet Member for Finance, Performance and Core Services introduced the performance report covering the final quarter of the 2020/21 financial year and a full-year overview in respect of the Council's debt management functions.

The Cabinet Member referred to the considerable impact that the COVID-19 pandemic had had on collection rates over the past year and the actions being taken by the Council to support those who found themselves unable to pay their rent, Council Tax and/or Business Rates as a result. The Council's ethical approach to debt management and recovery had resulted in over 50,000 telephone calls being made to Council tenants over the last year to discuss their situation and offer advice and support. The Cabinet Member stressed, however,

that whilst the Council was doing all it could to support those who were unable to pay their bills, it was equally vigilant in pursuing those who chose not to pay.

The stark increase in the number of residents claiming Universal Credit since the start of the pandemic had continued, with an estimated 33,034 claimants at the end of March 2021 compared to 13,913 claimants in February 2020. Members expressed their concern at the length of time that areas with high levels of deprivation such as Barking and Dagenham would take to fully recover, particularly in view of the Government's decision to end the furlough scheme in July 2021.

Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Council's Revenues service for quarter 4 of 2020/21; and
- (ii) Note the impact of COVID-19 on collection levels across all revenue streams and the continued recovery techniques applied to reduce the impact of the pandemic.

#### **19. Former Councillor Marie West**

The Chair paid tribute to former Councillor and Mayor of the Borough, Marie West, who sadly passed away on Tuesday 8 June and asked all those present to stand and join him for a minute's silence in her memory.