

MINUTES OF CABINET

Tuesday, 21 September 2021
(7:00 - 8:13 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 Elizabeth Kangethe, Cllr Margaret Mullane and Cllr Maureen Worby

32. Death of Inder Singh Jamu and Neal Crowley

The Chair paid tribute to former Councillor, Freeman and Alderman Inder Singh Jamu and Freeman Neal Crowley who both recently passed away and asked all those present to join him in a minute's applause in recognition of their significant contributions to the Borough.

33. Declaration of Members' Interests

There were no declarations of interest.

34. Minutes (13 July 2021)

The minutes of the meeting held on 13 July 2021 were confirmed as correct.

35. Revenue Budget Monitoring 2021/22 (Period 4, July 2021) and Q1 Capital Programme Update

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue budget monitoring position for the 2021/22 financial year as at 31 July 2021 (period 4) and the capital budget position for quarter 1.

The Cabinet Member explained that there remained a considerable degree of uncertainty across both the UK and global economies which would continue to impact on local government finances. The COVID-19 pandemic and the effects of Brexit had put even more pressure on services and led to delays in construction projects and increased costs due to supply issues and labour shortages, all of which had impacted on the Council's revenue and capital budgets.

The Council's General Fund revenue budget for 2021/22 was £173.614m but, as a consequence of all those factors, the forecast outturn position at the end of July projected a net overspend of £9.712m. It was noted that although the Council had added a net £17.817m of growth to the 2021/22 budget and prudently set aside a specific Budget Support reserve of £11.433m, a worsening of the overspend position could require a drawdown from the £17m available in the main General Fund reserve. The Cabinet Member highlighted some of the main areas of overspend which were presented in a new format to Cabinet, aimed at providing greater clarity on the key risks, mitigations and opportunities across service areas.

The overall Capital Programme for 2021/22 was £411.511m, consisting of

£61.926m for the General Fund, £306.370m for Investments and £43.215m for the Housing Revenue Account (HRA), and expenditure at the end of the first quarter was £71.349m. The Cabinet Member referred to a number of proposed changes to and reprofiling within the overall programme and, following on from his earlier comments regarding the rise in construction costs, advised on an additional £3.97m that was required to support the delivery of the Industria (Intensifying Barking's Industry) Programme.

Cabinet Members discussed the challenges being faced at the moment and expressed their criticism of the Government for increasing National Insurance contributions and forcing local authorities to increase Council Tax to support social care, which would impact on the disposable income of every resident of the Borough. The Cabinet Member for Social Care and Health Integration drew particular attention to the misinformation coming from Government relating to the extra funding to 'solve' the NHS and social care problems and referred specifically to the Government's rhetoric that individuals would not now be expected to pay over £86,000 during their lifetime towards their care. While the Cabinet Member welcomed the cap on care costs, she made clear that it only related to the direct provision of care services and would not apply to the provision of, for example, accommodation, meals and laundry services, which would mean that those in care homes would continue to be expected to contribute up to a further £20,000 per year towards their overall service provision. The Cabinet Member for Educational Attainment and School Improvement also advised on the significant financial pressures being faced by many primary schools across London due to falling pupil numbers and the resultant loss of funding.

Cabinet resolved to:

- (i) Note the projected revenue outturn forecast for the 2021/22 financial year, as set out in sections 2 and 3 and Appendix A of the report;
- (ii) Note the update on key savings programmes and commercial income, as set out in section 4 of the report;
- (iii) Note the 2021/22 Quarter 1 Capital Programme expenditure position, as set out in section 5 and Appendices B and C of the report;
- (iv) Approve the changes to the Capital Programme totalling £22.745m and £10.669m reprofiling, resulting in a net increase to the current year's programme of £12.076m, as set out in paragraphs 5.1 - 5.3 and 5.6 - 5.10 of the report; and
- (v) Approve an increase in the Industria programme budget of £3.97m, in light of the tender returns, to a total development budget of £38.618m, as set out in paragraphs 5.4 - 5.5 of the report.

36. Refurbishment of Redundant Units via Habitat for Humanity - Update

Further to Minute 48 (17 September 2019), the Cabinet Member for Community Leadership and Engagement introduced a report on proposed revised terms with Habitat for Humanity (HfH) for the refurbishment of dilapidated, Council-owned flats above shops at 496 Gale Street, 16a Woodward Road and 4-5 Royal Parade,

Church Street, Dagenham, to accommodate care leavers identified by the Council's Children's Care and Support service.

The Cabinet Member advised that the original proposals were based on the successful delivery of a similar project with HfH at 35b East Street, Barking. However, delays caused by COVID and the general increase in construction costs referred to earlier in the meeting meant that the original terms were no longer viable. The Cabinet Member confirmed that the revised terms maintained the original social and community outcomes while ensuring that the schemes continued to represent value for money for the Council.

Cabinet **resolved** to:

- (i) Confirm the Council's commitment to the original schemes at 496 Gale Street, 16a Woodward Road and 4-5 Royal Parade, Church Street, Dagenham, based on the identified outcomes and the benefits derived from the East Street pilot project;
- (ii) Agree, in accordance with the provisions of paragraph 6.6 (h) of the Council's Contract Rules, to waive tendering requirements and directly award the contract to deliver and manage the works on the three properties to HfH;
- (iii) Approve the revised terms of the arrangement with HfH, as set out in the report;
- (iv) Approve an increase to the Capital Programme of £574,000, to be funded by General Fund borrowing, over 2021/22 to 2022/23, as detailed in paragraph 5.11 of the report; and
- (v) Delegate authority to the Strategic Director, My Place, in consultation with the Cabinet Member for Community Leadership and Engagement and the Strategic Director, Law and Governance, to finalise all the terms and enter into the appropriate contracts and all other necessary agreements with HfH to enable the projects to be delivered.

37. Land Transfers to Support Delivery of Film Studios in the Borough

Further to Minutes 35 (20 October 2020) and 50 (17 November 2020), the Cabinet Member for Regeneration and Economic Development introduced a report on the proposed lease of two small areas of Council-owned land to facilitate the delivery of Eastbrook Studios Limited's plans for film studios in the Borough.

The Cabinet Member advised that the first area of land was at the former Welbeck Steel site, River Road, Barking, which UK Power Networks (UKPN) had identified for a new sub-station to provide adequate power to the new studio development at the site. The second area was a thin strip of land lying between the public highway at Rainham Road South, Dagenham and the main film studio site which, due to being on a gradient, attracted litter and was challenging to clear. As Eastbrook Studios Ltd were tasked with creating a strong and attractive frontage to the site in the later phases of the development, it was appropriate to transfer the land to the company to enable it to deliver that aim.

Cabinet **resolved** to:

- (i) Agree that the Council enters into a 99-year lease with London Power Networks PLC for the site shown in Appendix 1, on the terms set out in the report;
- (ii) Agree that the Council enters into a 250-year lease with Eastbrook Studios Ltd for the site shown in Appendix 2, on the terms set out in the report; and
- (iii) Authorise the Strategic Director, Law and Governance to enter into all necessary agreements to facilitate the lease arrangements.

38. Future of Roycraft House, Linton Road, Barking - Proposed Lease Arrangements

Further to Minute 8 (25 May 2021), the Cabinet Member for Regeneration and Economic Development presented a report on the outcome of the procurement process for a workspace operator to develop and run the Roycraft House office building in Barking Town Centre, which was to become surplus to the Council's requirements later in the year.

The workspace consultancy, Workwild, had been commissioned to work alongside Be First to undertake research and assess demand for a new, innovative destination and focal point for local communities and businesses. That work indicated a strong demand and, following an initial Expressions of Interest stage, four organisations were shortlisted to submit detailed proposals. The Cabinet Member commended the quality of each of the four bids and was pleased to report that Make It Group had been chosen as the preferred bidder, its proposal being described as "a multi-faceted destination for the local community, visitors and a workspace for 208 independent businesses; Home to some of London's most exciting makers, food stars, retailers, content creators, designers, social enterprises and start-up businesses – including an event/café and community space, a rooftop garden, a co-working floor and a series of public facing creative facility spaces".

The Cabinet Member referred to the financial arrangements for the project, which would not only result in the Council achieving considerable savings from no longer being responsible for the building but also receiving a rental income from Make It Group. It was also noted that Make It Group would be investing circa £1m into the project and further grant support, on top of £20,000 already secured, would be sought from the Mayor of London's High Street Challenge Fund.

Cabinet Members spoke of their overwhelming support for the project and the significant contribution it was expected to make to the night-time economy in the Town Centre, its synergies with existing initiatives such as the Barking Enterprise Centre and the Borough's thriving Business Forum, including the Young Entrepreneurs network.

Cabinet **resolved** to:

- (i) Agree that the Council enters into a 10-year lease (plus an initial five

months for fit-out works) and Service Level Agreement with Make It Group to operate Roycraft House as workspace, in line with the bid submission and subsequent consultation; and

- (ii) Delegate authority to the Managing Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Cabinet Member for Regeneration and Economic Development and the Strategic Director, Law and Governance, to conclude the lease and any related documents to deliver the objective to operate Roycraft House as a workspace.

39. Procurement of Elections Stationery and Printing Services Contract

The Cabinet Member for Finance, Performance and Core Services introduced a report setting out the procurement strategy for an initial four-year contract, with an option to extend for a further year, for the provision of elections stationery and printing services, with an anticipated start date of 1 February 2022.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a maximum five-year contract for the supply of elections stationery and printing services, in accordance with the strategy set out in the report; and
- (ii) Authorise the Strategic Director, Law and Governance, in consultation with the Cabinet Member for Finance, Performance and Core Services, to conduct the procurement and award and enter into the contract and all other necessary or ancillary agreements with the successful bidder(s), in accordance with the strategy set out in the report.

40. Debt Management Performance 2021/22 (Quarter 1)

The Cabinet Member for Finance, Performance and Core Services introduced the performance report covering the first quarter of the 2021/22 financial year in respect of the Council's debt management functions.

The Cabinet Member referred to the impact of COVID-19 on collection rates and debt recovery practices since the pandemic began and the financial difficulties that it had caused many residents of the Borough. He also referred to the Government's decision to cease the £20 per week additional payment to Universal Credit (UC) recipients from early October 2021, which he felt was a clear example of the Government's failure to understand the difficulties that many in the community continued to face. The Cabinet Member commented that the top-up to UC had been a much-needed lifeline to many and to withdraw it at a time when general food costs were increasing due to the impacts of Brexit and there were unprecedented rises in energy costs would, in his opinion, lead to many residents having to choose "whether to eat or to heat" over the winter period.

With regard to collection rates, the Cabinet Member advised that they were, in general, returning to target levels and enforcement action had recommenced following a hiatus during the peak COVID period. He added, however, that while summonses for outstanding debts, such as non-payment of Council Tax, were

once again being issued he was very proud of the Council's pro-active approach to supporting residents in financial difficulty and drew attention to the work of the Council's Community Solutions service and, in particular, the Homes and Money Hub, which offered a range of support and advice to those with complex problems. Cabinet Members concurred with those sentiments and reference was also made to the Community Food Club, which could help residents on low incomes and/or in financial difficulties by reducing their food shopping bill by approximately £20 per week.

Cabinet **resolved** to note the performance of the debt management function carried out by the Council's Revenues service, including the improvement of collection rates and the continued recovery techniques applied to reduce the impact of the COVID-19 pandemic.