

# MINUTES OF CABINET

Tuesday, 21 June 2022  
(7:02 - 8:30 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy 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

## 1. Welcome

The Chair welcomed Councillor Kashif Haroon, Cabinet Member for Public Realm and Climate Change, Councillor Jane Jones, Cabinet Member for Children's Social Care and Disabilities and Councillor John Dulwich, Deputy Cabinet Member for Performance and Data Insight, to their first meeting of the Cabinet following their appointments.

## 2. Declaration of Members' Interests

There were no declarations of interest.

## 3. Minutes (19 April 2022)

The minutes of the meeting held on 19 April 2022 were confirmed as correct.

## 4. Draft Provisional Revenue and Capital Outturn for 2021/22

The Cabinet Member for Finance, Growth and Core Services presented the Council's draft provisional Revenue and Capital Outturn 2021/22 report.

The provisional revenue position showed a projected General Fund outturn of £166.9m against the budget of £168.6m, representing an underspend of £1.7m, while the Housing Revenue Account (HRA) showed an underspend of £2.7m and the Dedicated Schools Budget (DSG) an underspend of £1.946m, although it was noted that those sums were subject to further review and audit. The Cabinet Member commented on the excellent efforts that had resulted in the turnaround of the projected in-year overspend position of the General Fund but pointed out that within the overall underspend, pressures continued to exist in a number of services areas. The Cabinet Member also referred to the supplementary paper tabled at the meeting that replaced page 30 of the published agenda, relating to the up-to-date provisional outturn of the My Place service.

The 2021/22 Capital Programme showed a projected outturn of £360.4m against the adjusted budget of £468.8m, with the underspend being largely attributable to the COVID-19 pandemic and the capacity of partners to deliver in a timely way. Although it was noted that slippage of circa £105m would be carried forward to 2022/23, the importance of closely monitoring the delivery of capital schemes was acknowledged to ensure that any schemes subject to slippage in-year were re-

profiled and other appropriate schemes brought forward. That would ensure that projected spend remained on track and to reduce the impact of rising costs due to the current cost-of-living crisis. On a specific point relating to the Aids and Adaptations project, the Cabinet Member for Adult Social Care and Health Integration sought clarification of the supply issues that had resulted in a reduced number of schemes being delivered.

The Cabinet Member Finance, Growth and Core Services also alluded to proposed transfers to and from reserves, the overall reserves position, the shortfall in Company returns of £3.4m and the allocation of capital receipts to support the Council's transformation and ERP projects.

In welcoming the provisional outturn position, the Chair referred to the recent Cost of Living summit with community and voluntary partners, led by the Cabinet Member for Community Leadership and Engagement and the Acting Chief Executive, which represented the first stage of the Council's ongoing plans to support the local community during the current cost-of-living crisis.

Cabinet **resolved** to:

- (i) Note the provisional revenue outturn for the General Fund for 2021/22, including individual service variances, as detailed in Appendix A to the report;
- (ii) Note the provisional outturn for the Council's subsidiary companies BDTP and Be First, as detailed in Appendix A to the report;
- (iii) Approve the transfers to and from reserves as detailed in section 3 and Appendix B to the report;
- (iv) Note the provisional outturn for the Housing Revenue Account (HRA), reflecting an underspend of circa £11m, as detailed in Appendix C to the report;
- (v) Note the provisional outturn for the Dedicated Schools Grant (DSG) and Schools, as detailed in Appendix D to the report;
- (vi) Note the provisional outturn for the 2021/22 Capital Programme, as detailed in section 6 and Appendices E and F to the report;
- (vii) Approve the carry forward of slippage of £34.861m General Fund, £49.032m Investment Strategy and £19.231m HRA capital budget into 2022/23 and the revised total Capital Programme of £644.936m for 2022/23, as detailed in Appendices E and F to the report; and
- (viii) Note the update on Transformation and Capital Receipts in section 7 of the report and approve the allocation of capital receipts of £5.5m from the sale of the Film Studio land to part-fund the transformation and ERP projects.

## **5. Rent Guarantor Scheme for Care Leavers**

The Cabinet Member for Children's Social Care and Disabilities introduced a

report on the proposal to pilot a scheme to assist the Borough's care leavers to find suitable, long-term private-rented accommodation by offering a Rent Guarantor Scheme to young people in care over school leaving age who wished to be fully independent.

In its role as corporate parent, the Council was committed to supporting its young people in care and already had in place a scheme whereby care leavers could qualify for a rent deposit and one month's rent in advance to secure social housing. The Cabinet Member explained that the proposed new scheme would open up the private-rented market in a similar way, with the Council acting as a guarantor for the rent and certain other aspects for a period of 12 months or until the individual turned 25, whichever was sooner.

The Cabinet Member confirmed that the initial pilot scheme would run for one year commencing August 2022 and be open to up to 10 care leavers who met specific criteria, such as being in work or full-time education. The scheme was first implemented by Kent County Council in 2018 and had proved extremely successful with no negative financial implications for the Council and, should Barking and Dagenham's scheme prove equally successful, the intention was to implement a permanent scheme as part of the Council's Local Offer for Care Leavers.

Cabinet **resolved** to agree the proposal to pilot the Rent Guarantor Scheme for a period of 12 months beginning 1 August 2022, with a view to informing a wider policy change to the Council's Local Offer for Care Leavers, in accordance with the strategy set out in the report.

## **6. Fit-Out Loan Funding for Two Council-Owned Properties**

The Cabinet Member for Regeneration and Economic Development introduced a report on the proposed terms of loan funding to support the fit-out of two Council-owned properties at Axe Street, Barking, and Roycraft House, Linton Road, Barking.

By Minutes 12 and 15 (4 August 2014) and 38 (21 September 2021), the Cabinet had agreed arrangements to lease the properties at Axe Street and Roycraft House to Care City Innovation Community Interest Company (CIC) and Make It Group respectively. The premises would provide valuable social, business and community benefits to residents of the Borough at no direct cost to the Council. The Cabinet Member advised that in view of the significant increase in the cost of materials, labour etc., the cost of fully fitting-out both premises now exceeded the original modelling and the Council had been approached to provide loans, on commercial terms, to support the works.

Cabinet **resolved** to:

- (i) Approve a loan of up to £440,000 (plus rolled up interest) to Care City Innovation CIC to help fund the fit-out of Council-owned premises at Axe Street, Barking, to be leased by Care City, on the terms set out in paragraph 2.1 of the report;
- (ii) Approve a loan of up to £250,000 (plus rolled up interest) to Make it Bow

Limited (part of the Make it Group) to help fund the fit-out of Council-owned premises at Roycraft House, Linton Road, Barking, leased to Make it Bow, on the terms set out in paragraph 2.2 of the report; and

- (iii) Delegate authority to the Strategic Director, Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Economic Development, the Director of Finance and Investments and the Chief Legal Officer, to agree and enter into any agreements and other documents to fully implement and effect the proposals set out in the report.

## **7. Treasury Management Annual Report 2021/22**

The Cabinet Member for Finance, Growth and Core Services introduced the Treasury Management Annual Report for 2021/22 which set out the key areas of performance during the year.

The Cabinet Member alluded to the major, world-wide factors impacting the UK economy 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 during 2021/22. Key highlights within the report included:

- Total treasury investments held at 31 March 2022 was £154.9m (2020/21: £210.12m);
- Total cash held at 31 March 2022 was £1.7m (2020/21: £29.0m);
- Total loans and equity held at 31 March 2022 was £148.3m (2020/21: £139.2m);
- Net General Fund Interest for 2021/22 was £3.4m above the projected level, with £1.9m transferred to the Investment Reserve and £1.4m offset against an underperformance in the Council's Investment and Acquisition Strategy (IAS);
- The Council's average treasury interest return for 2021/22 was 1.39%, which was 1.27% higher than the average London Peer Group return of 0.21%;
- The Council's average return on its commercial and property loans was 4.42% for 2021/22 (2020/21: 4.46%);
- Interest payable for 2021/22 totalled £37.3m (2020/21: £31.8m);
- The Council made £140.0m of long-term General Fund borrowing in 2021/22 at an average rate of 1.41% and an average duration of 44.4 years;
- The total long-term General Fund borrowing at 31 March 2022 was £720.5m (2020/21: £600.4m);
- The value of short-term borrowing at 31 March 2022 was £63.0m (2020/21: £67.5m);
- Total Council borrowing at 31 March 2022 was £1.276bn (excluding internal HRA borrowing of £35.9m) and was within the 2021/22 Operational Boundary limit of £1.7bn and Authorised Borrowing Limit of £1.8bn; and
- The Council operated within and complied with all treasury limits and Prudential Indicators during 2021/22.

Cabinet Members referred to the cost-of-living crisis, spiralling costs of building projects and the rise in the Bank of England base rate, all of which impacted on the delivery of the Council's Medium Term Financial Strategy and Treasury Management Strategy and had the potential to push the UK economy into

recession. In that regard, the Cabinet Member for Finance, Growth and Core Services stressed the importance of the Council maintaining appropriate levels of reserves and for the Government to step up to support local authorities and their residents.

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

- (i) Note the Treasury Management Annual Report for 2021/22;
- (ii) Note that the Council complied with all 2021/22 treasury management indicators;
- (iii) Approve the actual Prudential and Treasury Indicators for 2021/22, as set out in Appendix 1 to the report; and
- (iv) Note that the Council borrowed £140.0m from the Public Works Loan Board in 2021/22.

## **8. Contract for the Provision of Supported Accommodation at The Vineries**

The Cabinet Member for Children's Social Care and Disabilities introduced a report on proposals for the procurement of a new, four-year contract for the provision of supported accommodation for 16- to 19-year-old looked-after children, care leavers and other vulnerable homeless young people at The Vineries.

The Cabinet Member for Adult Social Care and Health Integration spoke on the excellent service that had been provided at The Vineries for a number of years to vulnerable young people in a semi-independent setting and supported the procurement arrangements, which would include an assessment by a panel of young people of the 'quality' aspects of tenderers' submissions.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a four-year contract for the provision of Supported Accommodation for 16- to 19-year-old Looked after Children, Care Leavers and Vulnerable Homeless Young People in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the relevant Cabinet Members, the Director of Finance and Investment and the Chief Legal Officer, to conduct the procurement and award and enter into the contracts and relevant extension periods and all other necessary or ancillary agreements with the successful bidder, in accordance with the strategy set out in the report.

## **9. Contract for the Provision of Supported Accommodation for Older People (Extra Care)**

The Cabinet Member for Adult Social Care and Health Integration presented a report on a review of 'extra care' housing provision in the Borough and proposals to procure a new, maximum five-year contract for the delivery of the service.

Extra care services were currently delivered across four sites in the Borough: Harp House, Colin Pond Court, Darcy House and Fred Tibble Court. Those developments comprised self-contained homes with design features and support services available to enable residents to live as independently as possible, while at the same time having communal facilities such as lounges and laundry rooms and access to 24-hour care and support for those who required it. The schemes also ran activity programmes, often co-produced with the residents, and linked up with other community and voluntary sector services and assets.

The Cabinet Member referred to the particular circumstances at Colin Pond Court and the consideration given to decommissioning the site as an extra care scheme and turning it into a sheltered accommodation scheme. As part of the general consultation with all affected residents of Harp House, Colin Pond Court, Darcy House and Fred Tibble Court, the residents of Colin Pond Court were also consulted on that specific proposal and a meeting held with residents and their family members. As a result of the feedback from the consultation, the Cabinet Member confirmed that extra care schemes would continue at all four sites despite the additional budget pressure of between £0.5m - £0.8m that would result. On that matter, the Cabinet Member alluded to other initiatives within the adult social care service that would help address the areas of pressure.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for the provision of an Extra Care service in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Cabinet Member for Adult Social Care and Health Integration, the Director of Finance and Investment and the Chief Legal Officer, to conduct the procurement and enter into the contract and extension documents with the successful bidder in accordance with the strategy set out in the report.

## **10. Social Value in Procurement - Impact Report 2021/22**

Further to Minute 16 (22 June 2021), the Cabinet Member for Finance, Growth and Core Services introduced a report on the progress and impact of the Council's Social Value in Procurement policy, which established a framework, guidance and process to ensure that Social Value proposals and principles formed part of major contracts let by the Council.

The Cabinet Member advised that of 58 relevant procurements with an annual value over £100,000 that were completed in 2021/22, 56 came with published social value commitments from suppliers and for those procurements where social value could not be mandated, commissioners had actively engaged with suppliers to identify possible measures that would support the Council's aims. The Council's Social Value Co-ordinator had also been involved in promoting social value in other areas of the Council's business, such as with the Council-owned companies and the Council's Film Service, which had similarly realised significant benefits for the local community in terms of job creation, training / work experience opportunities and access to funding to support local community and voluntary

group projects.

A review of the Social Value Toolkit, in response to feedback from suppliers, had resulted in a proposal to streamline the current five social value themes into three main themes of 'Investment in Local People', 'Investment in Local Economy' and 'Environmental Sustainability'. The Cabinet Member was also pleased to report that the new toolkit would reflect the Council's commitment to the payment of the London Living Wage by requiring suppliers to pay their staff who work on Council contracts at least the London Living Wage.

Cabinet **resolved** to:

- (i) Note the continued positive impact of the Council's Social Value in Procurement policy in terms of suppliers' social value commitments and associated outputs;
- (ii) Approve the updated Social Value Toolkit 2022 as set out at Appendix 1 to the report, reflecting the change from five Social Value themes to the three themes and top-level ambitions of:

**Investment in Local People:** A resilient population. Supporting higher levels of local employment, income, independence, and wellbeing in the borough.

**Investment in Local Economy:** A vibrant, future focused local economy. A resilient economy that meets the needs of the local population.

**Environmental Sustainability:** Better outcomes for all. An environmentally sustainable economy with improved air quality and reduced transport, waste, and packaging.

- (iii) Note the Council's plan to pilot a programme focussing on work experience for young people and those disadvantaged in the workplace.

## 11. Debt Management Performance 2021/22 (Quarter 4)

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

The Cabinet Member reiterated the plight of many residents who were experiencing severe financial problems due to the cost-of-living crisis, the Government's welfare reforms and other factors impacting on their disposable income. The Council had introduced a range of initiatives to support those in financial difficulty, including the Homes and Money Hub and the Council's discretionary Council Tax relief fund but it was becoming clear that more needed to be done. In respect of the latter, the Cabinet Member referred to an almost doubling in the amount of Council Tax discretionary relief awarded in March 2022 compared to the previous month and suggested that a review of the discretionary relief scheme may be required in the coming months. An increase of almost £1m in Council Tax arrears in 2021/22 compared to 2020/21 was directly impacting on the Council's finances and while the majority of collection rates were increasing

back to previous levels following the outbreak of COVID-19, the Cabinet Member stressed the importance of maximising the collection of revenues owed to the Council. With that in mind, it was noted that a report would be presented to a future meeting of the Cabinet on measures to reduce outstanding debt, including the write-off of unrecoverable debt.

Cabinet **resolved** to:

- (i) 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;
- (ii) Note that a review of the number of businesses that qualified under the Council's COVID-19 Additional Relief Fund (CARF) policy, approved by Minute 94 (22 March 2022), meant that the level of Business Rates relief awarded to the 716 qualifying businesses was able to be increased from 90% to 100% for the 2021/22 financial year, as detailed in section 4 of the report; and
- (iii) Note the arrears project started in April 2022, as detailed in section 11 of the report.