

MINUTES OF CABINET

Tuesday, 16 March 2021
(6:04 - 8:09 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 Margaret Mullane and Cllr Maureen Worby

89. Declaration of Members' Interests

There were no declarations of interest.

90. Candlelight Vigil

Following the tragic murder of Sarah Everard, the Cabinet held a candlelight vigil for one minute to show support for her family and all women and girls who felt alone.

91. Minutes (15 February 2021)

The minutes of the meeting held on 15 February 2021 were confirmed as correct.

92. Update on COVID-19 Issues

The Cabinet Member for Social Care and Health Integration gave an update to the Cabinet on the latest COVID-19 issues.

The Cabinet Member advised with regret that 531 Borough residents with COVID-related symptoms had passed away since the start of the pandemic. On a more positive note, however, the Cabinet Member further advised that:

- The case rate in the Borough had fallen to 45 per 100,000 residents;
- There had only been three cases in the over 60's in the last two weeks;
- There had been a high take up of testing prior to young people returning to school and they were wearing masks in school environments;
- A new regional vaccination centre had opened at LondonEast, meaning residents no longer had to travel outside of the Borough for vaccinations that were booked via the national system; and
- Over 50,000 residents had received the first dose of the COVID-19 vaccine.

Cabinet **resolved** to note the update on the latest COVID-19 pandemic issues relating to the Borough.

93. Revenue Budget Monitoring 2020/21 (Period 10, January 2021) and 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 2020/21 financial year as at 31 January 2021 (Month 10) and an update on Capital

Programme expenditure.

The Council's General Fund budget for 2020/21 was £155.796m. As a result of underlying financial pressures, demographic changes, increases in demand, savings not yet delivered and other risks, there was an underlying budget variance of £3.702m, largely in Care and Support and My Place service areas, which were offset by underspends in Central Expenses and Enforcement. In addition, as a result of the COVID-19 pandemic and subsequent economic impacts, the Council has experienced a high level of additional costs and pressures, including loss of service income from fees and charges.

The Cabinet Member referred to the proposal for a new scheme relating to Chequers Lane environmental improvements and the associated section 106 allocations. He also referred to proposals relating to the variation of the contract with Sports and Leisure Management Limited, who managed the Borough's leisure centres, and the constraints that the company had faced as a consequence of the COVID-19 lockdown.

Cabinet's attention was also drawn to funding for schools, in particular, the census date for free school meals which was changed, resulting in approximately £1m loss in pupil premium funding for the Borough. A second issue of funding related to school staff who were self-isolating as they were classed as clinically extremely vulnerable, the cost of which could not be set against the COVID-19 grant for schools. It was noted by the Cabinet that the Leader, along with other London boroughs, were lobbying the Government to address the issues.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2020/21 financial year as at 31 January 2021, as set out in sections 2 to 4 and Appendix A of the report, and the potential impact on the reserves position, as set out in section 7 of the report;
- (ii) Note the update on key savings programmes, as set out in section 5 of the report;
- (iii) Note the update on the impact of COVID-19 and the lockdown, as set out in section 6 of the report;
- (iv) Note the Capital Programme expenditure and forecast position as at 31 December 2020 (Q3), as detailed in section 9 and Appendix 2 to the report;
- (v) Approve a capital budget of £421,319.80 for the Chequers Lane environmental improvements scheme, to be fully funded from Section 106 contributions relating to the area, as set out in section 10 of the report;
- (vi) Approve, in the light of the Covid-19 public health emergency, a contract variation under Contract Rule 58 (c) with Sports and Leisure Management Limited (company no. 02204085) in respect of the management of the Borough's leisure centres, as set out in section 11 of the report; and
- (vii) Authorise the Finance Director, in consultation with the Cabinet Member for

Finance, Performance and Core Services and the Director of Law and Governance, to take any further decisions necessary in connection with the varied contract with Sports and Leisure Management Limited to ensure continuance of the service, including the entering into of any necessary documents, arrangements and/or further variations to give effect to recommendation (vi) above.

94. Be First and Be First Developments (Muller) Ltd Business Plans 2021-26

The Cabinet Member for Finance, Performance and Core Services presented the five-year rolling Business Plan of Be First, the Council-owned company launched on 1 October 2017, with the key objective of driving forward the delivery of the Council's regeneration agenda.

Be First had progressed a number of activities outlined within the 2019/20 Business Plan and had made tremendous strides in establishing a ground-breaking model of local authority regeneration, with over 100 staff and the organisation now fully established and operational. However, 2020 had been an exceptionally difficult year, with Be First's work impacted by a combination of global, national and industry-specific events, including the result of the EU referendum and subsequent uncertainty, the Grenfell Tragedy in 2017, the COVID-19 pandemic and uncertainty over the New Homes Bonus. Many of those events would have ramifications for the lifetime of the Business Plan.

The Cabinet Member drew attention to the key aspects within the new Business Plan which included:

- By 1 April 2021, Be First anticipated having projects on site which were forecast to deliver a total of 2,200 new homes in future years;
- In total, Be First anticipated completing 5,069 new homes over the next five years of which 3,747 (74%) had already received Investment Panel approval;
- 231 local people working for Be First as local contractors;
- The purchase of Dagenham Heathway, a gateway into the Borough which would be developed for both residents and visitors; and
- The Muller site, which was purchased to promote delivery of a revised mixed-use allocation for the Chadwell Heath area, supported via a new Masterplan to help accelerate strategic regeneration in the wider area.

Members welcomed the business plan and proposed new developments in the Borough. It was noted that work was taking place with partners to ensure infrastructure around schools and healthcare provision would be included as part of the new developments.

Cabinet **resolved** to:

- (i) Approve the Be First Business Plan 2021-26, as set out at Appendix 1 to the report.
- (ii) Approve the Be First Developments (Muller) Ltd Business Plan 2021-22, as set out Appendix 2 to the report;

- (iii) Authorise the Chief Operating Officer, in consultation with and on the advice of the Investment Panel, to take all necessary action to enable Be First or Be First Developments (Muller) Ltd to carry out its proposals under the Business Plan and to agree any minor variations to the Business Plans subject to the conditions in these recommendations;
- (iv) Approve Be First, Be First Developments (Muller) Ltd or the Council to enter into any procurement related agreement or commitment required to enable the delivery of the Business Plans, subject to compliance with relevant procurement regulation and with State Aid rules;
- (v) Agree that if Be First enter into contractual arrangements described in the Business Plans and the report, the Council shall give a guarantee to the contractor under such contract guaranteeing performance of the contract by Be First, subject to Be First being satisfied that the contractor is able to perform the contract and all necessary due diligence being undertaken;
- (vi) Authorise the Chief Operating Officer to enter into any such guarantee and any necessary documents to give effect to the contractual arrangements as described, subject to the above conditions and the advice of the Director of Law and Governance;
- (vii) Note the dividend strategy as set out within the Be First Business Plan and note that it may be necessary to increase the existing working capital loan facility to support the Be First cash positions as set out within the report;
- (viii) Authorise the Chief Operating Officer, in consultation with and on the advice of the Investment Panel, to grant loans and complete all necessary documents and negotiations to complete the projects set out in the Business Plans subject to all necessary due diligence and compliance with State Aid rules, the Public Contracts Regulations 2015 (or any replacement thereof) and the Council's Constitution;
- (ix) Delegate authority to the Chief Operating Officer, in consultation with the Shareholder Panel, to approve a long-term strategy for the use of Special Purpose Vehicles (SPVs) and authorise the Director of Law and Governance to complete any documents and legal agreements necessary to give effect to that strategy in future acquisitions; and
- (x) Note the progress in developing innovative mixed-use schemes, including 12 Thames Road as referred to in paragraph 3.3 of the report, and authorise the Chief Operating Officer, in consultation with and on the advice of the Investment Panel, to enter into all necessary legal documents to give effect to the schemes.

95. SEND Home to School and Post-16 Travel Assistance Policies 2021/22

The Cabinet Member for Social Care and Health Integration introduced a report on the SEND Home to School and Post-16 Travel Assistance Policies 2021/22.

The Cabinet Member stated that every local authority had a duty to publish its policies that set out how it would provide support to some of its most vulnerable

families and individuals with travel to and from school each day. More specifically, this requirement extended to the publication of two distinct policies, as follows:

1. The Council policy for providing home to school travel assistance for children and young people with special educational needs and/or disabilities (SEND); and
2. The Council policy for providing travel assistance and/or support for young people aged over 16 when travelling to or from further education settings.

The Cabinet Member advised that the home to school travel assistance policy for children and young people with SEND remained unchanged for families following review. It was noted that the current provision was COVID secure and would continue until the Council were advised otherwise.

The post-16 Travel Assistance Policy had been updated with two minor amendments. Firstly, the policy now made clear that transport would continue to be considered as part of the transition process for all SEND children. The second amendment was that independent travel training would be considered as a preference to enhance the independence of young people.

Cabinet **resolved** to:

- (i) Approve the 'Home to School Travel Assistance Policy 2021/22' for children and young people with special educational needs and/or disabilities (SEND), as set out at Appendix 1 to the report; and
- (ii) Approve the updated 'Post-16 Travel Assistance Policy 2021/22', as set out at Appendix 2 to the report.

96. Provision of a Children's Out of Hours Emergency Duty Service

The Cabinet Member for Social Care and Health Integration introduced a report on the provision of a children's out of hours emergency duty service.

The Cabinet Member advised that since 2014, the London Borough of Redbridge had delivered the Children's Emergency Duty services on behalf of the London Boroughs of Havering, Barking and Dagenham and Waltham Forest. In 2017, agreement was reached, following a report to the Health and Wellbeing Board (HWBB), to enter a further three-year partnership agreement for the shared Children's Emergency Duty service until 31 March 2020.

The 2017 HWBB report outlined that consideration would be given to establishing a single Adult and Children's Emergency Duty Service in Barking and Dagenham, post contract expiry on 31 March 2020. However, since that time significant development and improvement in the shared Children's Emergency Duty service had occurred, resulting in Ofsted recognising it as a highly effective service. Audit activity evidenced a 100% compliance in response to referrals within 30 minutes. As a result of those developments, the option of establishing a single Adult and Children's Emergency Duty service by March 2020 was not considered a favourable way forward and a further three-year contract for the shared Children's Emergency Duty service was entered into for the period 1 April 2020 to 31 March 2023.

The Cabinet also noted that the COVID-19 pandemic and the lockdown measures applied in March 2020 had required the shared Children's Emergency Duty service and Barking and Dagenham's Children's Care and Support to galvanise their efforts in safeguarding and protecting vulnerable children and families impacted by the virus and lockdown measures.

Cabinet **resolved** to grant retrospective approval for the Council to enter into a three-year contract for the delivery of the four-borough Children's Emergency Duty service from 1 April 2020, in accordance with the strategy set out in the report.

97. Redevelopment of Trocoll House, Wakering Road, Barking - Agreement for Long Headlease

The Cabinet Member for Finance, Performance and Core Services introduced a report on the proposed redevelopment of Trocoll House, Wakering Road, Barking.

Be First had been approached with the opportunity for the Council to bring forward the Trocoll House redevelopment opportunity, on an Agreement for Lease basis, in partnership with the development funder Rail Pen. The principles of the agreement would be that Rail Pen would take on all of the development risk, with no payment from the Council until practical completion. At practical completion, the Council would take a head leasehold interest in the building for a 50-year period, with an initial lease cost of £2.0675m per annum, and at the end of the 50-year period the freehold would transfer to the Council for £1.

The development would consist of up to 198 homes, comprising 35% affordable housing, and approx. 650sqm of commercial floor space. Be First would manage the transaction and monitor the development process on behalf of the Council to practical completion in 2023/2024. The scheme would then be held and operated by BD Reside as part of its residential portfolio, with any financial surplus made being paid back to the Council. It was also currently proposed that My Place would manage the commercial element of the development on the Council's behalf.

The Cabinet Member advised that planning approval for the overall development had been secured and he also referred to the financial benefits for the Council of entering into the Agreement for Lease arrangement which would bring forward the development of a key strategic site in Barking Town Centre.

In response to questions raised, the Cabinet Member confirmed that the Council had undertaken due diligence on the proposal and was satisfied with the proposed outcome.

Cabinet **resolved** to:

- (i) Agree the proposal to enter into an agreement for a long Headlease interest in up to 198 homes, comprising 35% affordable housing and approx. 650sqm of commercial floor space, subject to legal and technical due diligence;
- (ii) Agree to enter into an Agreement for Lease with the Freehold owner of the site to deliver these units on an agreement to lease, subject to acceptable

legal due diligence and the Council agreeing that the proposed specification is suitable for the intended purpose;

- (iii) Agree to the borrowing of up to £2,620,264 within the General Fund to finance the entire development period. This will cover development management fees and required professional fees;
- (iv) Note that the scheme met the Investment and Acquisition Strategy financial performance metrics, delivering a positive net present value of £14.2m;
- (v) Agree to the use of an existing or the establishment of a Special Purpose Vehicle(s) as required within the Barking & Dagenham Reside structure to develop, own, let, sell and manage and maintain the homes in accordance with the funding terms in a loan agreement between the Council and Special Purpose Vehicle;
- (vi) Allocate up to £50,000 to allow the necessary initial legal and technical due diligence work to be undertaken prior to entry into contract;
- (vii) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance, to agree and execute any legal agreements and contract documents to fully implement the project; and
- (viii) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Chief Operating Officer, to agree the funding and finance arrangements to fully implement the project.

98. Contract for the Provision of Council Insurance Cover

The Cabinet Member for Finance, Performance and Core Services introduced a report on proposals relating to the Council's insurance cover contracts.

The Council's existing main insurance contracts were due to expire on 30 June 2022. To bring the contracts in line with the standard accounting period, it was proposed to extend the current contracts to 31 March 2023 and procure new contracts commencing 1 April 2023. The new contracts were likely to be awarded to multiple providers and forecasts indicated that total expenditure over the potential five-year period would be approximately £7.3m.

Cabinet **resolved** to:

- (i) Agree the extension of existing insurance contracts due to expire on 30 June 2022, listed in paragraph 1.4 of the report, to 31 March 2023 for the reasons set out in the report;
- (ii) Agree that the Council proceeds with the procurement of new insurance contracts, to commence from 1 April 2023, in accordance with the strategy set out in the report; and
- (iii) Authorise the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and

Governance, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder(s), in accordance with the strategy set out in the report.

99. Debt Management Performance 2020/21 (Quarter 3)

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

The Cabinet Member reminded Members of the COVID-19 restrictions that had impacted 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 or Council Tax as a result. One of those actions was the launch of the Council's own ethical enforcement agency which would have a supportive attitude towards residents in difficulty and be able to refer them to, for example, the Citizens Advice Bureau for debt advice.

It was noted that there had been a stark increase in the number of residents claiming Universal Credit, up from 13,913 claimants in February 2019 to an estimated 32,244 claimants in December 2020. Discretionary Housing Payments had also increased significantly, with 93% of the 2020/21 allocation already spent compared with 79% for the same period in 2019/20.

Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Council's Revenues service; 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.

(Standing Order 7.1 (Chapter 3, Part 2 of the Council Constitution) was suspended at this juncture to enable the meeting to continue beyond the two-hour threshold).

100. 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 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

101. Land Disposal in Chadwell Heath Ward

The Cabinet Member for Finance, Performance and Core Services introduced a report on the proposed sale of a 0.1 acre area of Council-owned land at Collier Row Road, adjacent to the Wellgate Community Farm, following protracted negotiations with Mendix Roofing Company regarding its use of the land over a number of years.

Cabinet **resolved** to:

- (i) Approve the sale of the Council owned land at Collier Row Road, adjacent to the Wellgate Community Farm, in Chadwell Heath ward, as shown edged red in the plan at Appendix 1 to the report, to the Mendix Roofing Company on the terms set out in the report;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance and the Cabinet Member for Finance, Performance and Core Services, to agree the final terms and contract documentation to fully implement the sale of the site; and
- (iii) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, to execute all the legal agreements, contracts and other documents on behalf of the Council.