



## **Service Design Proposal**

**Be First**

## **1 What is the recommendation?**

Establish an arm's length Development Company, "Be First", in line with Growth Commission recommendations, wholly owned by the Council. "Be First" will absorb and consolidate the following investment, planning and regeneration related services under one roof:

- Building Control
- Capital Commissioning & Delivery
- Development Management and Planning
- Economic Development and Regeneration
- Master Planning
- Transport
- Property

## **2 Why is this proposal recommended?**

The borough is at the very beginning of a new transformation journey which will include an increased rate of growth and regeneration. The Council has been doing its best within the current operational structure to respond to growth activity, however, it has been largely reactive and embraced opportunities as they have become available. Should the current growth trend continue the provision of these services will cost the Council an additional £1.1m by 2020/21, putting pressure on public finances.

The recommendation is to migrate the functions in scope into an arm's length organisation that will have more operational freedom to pro-actively engage with the market place. This will provide opportunity for the Council to drive and accelerate the growth agenda and proactively generate commercial opportunities and private initiatives that will trigger government reward mechanisms. "Be First" will be able to attract necessary talent to carry out its mission and the concentration of skills will lead to rapid and effective decision-making that will allow the Council to shape the environment in favour of its residents.

## **3 What does the future service look like?**

"Be First" will be a Company limited by Guarantee with representation from the Council, strategic partners such as TfL and GLA (roles to be defined). Consolidated in-house regeneration resources will transfer to form the nucleus of the new company.

The Council will commission it to deliver development outcomes and financial returns within the required timescales. "Be First" will engage with residents, developers and other key stakeholders and produce masterplans that result in an accelerated regeneration. Stakeholders will engage with a single unit and the Council will benefit from the accumulated know-how.

#### **4 What will the service deliver?**

The project will deliver a new arm's length organisation which enables significant parties with vested interests such as GLA, TfL and possibly major developers to formally collaborate on economic development and regeneration opportunities. The main benefits are:

- Agile operational framework enabling the Council to initiate, expedite and complete
- Infusion of commercial acumen
- Improve productivity of existing staff
- Enables the Council to take on enlarge and downsize workforce according to growth
- Greater chance of securing of external funding

#### **5 What are the constituent parts?**

The scope of the service to be outsourced consists of:

- Growth Finance and Investment
- Building Control
- Capital Commissioning & Delivery
- Development Management and Planning
- Economic Development
- Master Planning and Regeneration
- Transport
- Property

#### **6 What will be different for the customer?**

A new "Be First" company will provide Regeneration Services previously offered directly by Barking and Dagenham Council for a competitive rate. "Be First" will offer Services that are at least equal to, if not better than, best in its class.

#### **7 What will need to change in the service(s)?**

- Creation of an arm's length delivery unit
- Increased productivity
- Review of support costs
- Securing additional external sources of income
- Adapting to new ways of working
- Taking advantage of an accelerated housing development programme and the New Homes Bonus'
- Applying Community Infrastructure Levy opportunities
- Adopting a Master-Plan Exemplar programme with supporting Design Guide criteria,
- Creating a new commercial delivery platform
- Crafting extended partnership working

#### **8 What will be the impact on the workforce?**

The new delivery vehicle will be made up of staff transferred from LBBD. The existing workforce sitting within the Services in scope would transfer to the new arm's length organisation with their existing terms and conditions under the Transfer of Undertakings (Protection of Employment) Regulations 2014 (TUPE). This would impact circa 130 staff.

## 9 When will the changes take effect?

- Cabinet approval – April 2016
- High level define/design of the company, governance and partner arrangements – April – May 2016
- Soft Market Testing – May – July 2016
- Detailed define/design of the company, governance and partner arrangements – August – November 2016
- Full Business Case and Develop Full Specification – August – November 2016
- Partner Selection Process – November 2016 – January 2017
- Partner engagement – February 2016 – August 2017
- Staff consultation – June – August 2017
- Creation of arm's length delivery unit – September 2017

## 10 When will customer outcomes be seen?

These will be seen from the point that the new arm's length delivery unit is set up and begins trading.

## 11 What savings will be made from the changes?

- £5.2m income from property investments
- £1.1m prevented cost from increasing demand
- £4.8m additional income from new homes bonus, Community Infrastructure Levy and other local development related activity

## 12 When will the savings be realised?

Savings will be realised from 2017/18 onwards.

