

# MINUTES OF CABINET

Tuesday, 15 November 2016  
(7:04 - 9:18 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Laila M. Butt, JP, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice and Cllr Maureen Worby

**Also Present:** Cllr Irma Freeborn

**Apologies:** Cllr Bill Turner

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

There were no declarations of interest.

## **59. Minutes (18 October 2016)**

The minutes of the meeting held on 18 October 2016 were confirmed as correct.

## **60. Budget Monitoring 2016/17- April to September (Month 6)**

The Cabinet Member for Finance, Growth and Investment introduced a report on the Council's capital and revenue position for the 2016/17 financial year, as at 30 September 2016.

The General Fund showed a projected end of year spend of £156.07m against the approved budget of £150.3m, which represented a small improvement on the position reported at the last meeting. The main budget pressures continued to be within the Children's Social Care and Homelessness services and the Cabinet Member referred to the report later in the agenda which sought to tackle the issues within the Homelessness service. The Cabinet Member also alluded to the other areas of projected overspend, the areas of underspend / income surplus which were helping to mitigate the projected overspend and the position of reserves.

The Housing Revenue Account (HRA) showed a projected year end underspend which would result in the HRA balance increasing by £1.219m, while the final allocation under the Dedicated Schools Grant was projected at approximately £247.5m. In respect of the latter, the Cabinet Member referred to a proposed two-year loan to Monteagle Primary School in the sum of £58,000 to support its financial recovery plan.

The Council's Capital Programme was showing a forecast spend of £197.712m and the latest review had resulted in the proposed reprofiling of several projects which would bring the budget in line with that forecast position. Cabinet Members spoke in support of the substantial investment being made by the Council to the Borough's infrastructure, which included almost £60m on projects to expand and improve the Borough's school and children's centres.

The Cabinet **resolved** to:

- (i) Note the projected outturn position for 2016/17 of the Council's General Fund revenue budget at 30 September 2016, as summarised in section 2 and Appendix A of the report;
- (ii) Note the position regarding the Dedicated Schools Grant (DSG), as summarised in paragraph 4.1.11 of the report;
- (iii) Approve the loan of £58,000 to Monteagle Primary School from the Schools Facing Financial Difficulties fund, on the terms as set out in paragraph 4.1.12 of the report;
- (iv) Note the overall position for the Housing Revenue Account at 30 September 2016, as detailed in section 6 of the report;
- (v) Note the progress made on budgeted savings to date, as detailed in Appendix B to the report;
- (vi) Note the projected outturn position for 2016/17 of the Council's capital budget as at 30 September 2016, as detailed in paragraph 7 and Appendix C of the report;
- (vii) Note the allocation of the Highways Improvement Programme funding as detailed in Appendix D to the report; and
- (viii) Approve the proposed reprofiling of the Capital Programme as detailed in Appendix E to the report.

## **61. Budget Strategy 2017/18 to 2021/22**

Further to Minute 22 (19 July 2016), the Cabinet Member for Finance, Growth and Investment presented an update report on the Council's Medium Term Financial Strategy (MTFS) and the Budget Strategy for 2017/18 to 2020/21.

Since the report to the July meeting, several of the funding assumptions within the MTFS had been revised to reflect changes to local government funding made by the Government, the net effect of which was to increase the budget gap for 2017/18 by almost £2m. In mitigation, the Council's Ambition 2020 Transformation Programme was now expected to achieve total savings of £47.941m over the four-year period ending 2020/21, which represented additional savings of £2.4m above the earlier projections. The Cabinet Member commented that the Transformation Programme reflected the Council's intention to meet the substantial financial challenges ahead through growth and the generation of additional revenues. He also referred to the success of the Social Care Ambition and Financial Efficiency programme (SAFE), which had been instrumental in bringing social care spending under control with the aim of achieving a balanced budget going forward, and the work going on elsewhere in the Council to achieve savings targets and maintain spending within budget.

It was noted that the overall £63m budget gap that would need to be bridged by 2020/21, when combined with the £90m+ that the Council had already saved since 2010, meant that the Government would have halved the Council's budget from

the level that it was in 2010. The Cabinet Member for Social Care and Health Integration commended the clear plans that the Cabinet was putting in place to meet the latest challenges and expressed her disappointment in the Government for forcing the Council to cut vital services to the local community.

The Cabinet **resolved** to:

- (i) Note the latest position regarding the Council's Budget Strategy 2017/18 to 2020/21, as summarised in the report;
- (ii) Note that the projected revised savings arising from the Transformation Programme had increased by £2.4m to £47.9m overall as outline business cases were tested and challenged through to becoming final business cases and that, through the same testing and challenge process, the benefits from the programme anticipated to be delivered in 2017/18 were now £9.275m;
- (iii) Note that the savings from the Transformation Programme would be finalised as final business cases were completed in December 2016 / January 2017;
- (iv) Note that the final business cases would provide details of the implementation costs of the Transformation Programme that had yet to be factored into the Medium Term Financial Strategy (MTFS);
- (v) Note that the impact of changes to Government funding and likely changes to the national non-domestic rates (NNDR) multiplier had increased the funding gap in 2017/18 by £1.967m;
- (vi) Note that changes in the income and assumptions had been based on the best known information at the present time, in advance of the Autumn Statement and the Local Government Finance Settlement;
- (vii) Approve the changes to the MTFS as outlined in sections 3 to 6 and Appendix 2 of the report; and
- (viii) Agree that an eight-week budget consultation exercise be commenced on the proposed Council expenditure on each service block and how the Council intended to set a balanced budget for 2017/18.

## **62. Review of School Places and Capital Investment - Update November 2016**

Further to Minute 120 (19 April 2016), the Cabinet Member for Educational Attainment and School Improvement presented an update report in respect of the various school expansion projects aimed at addressing the current and future demand for places in the Borough.

The Cabinet Member referred to the future planning programme appended to the report which reflected the latest pupil forecasting numbers and confirmed that the growth in pupil numbers was now moving into the secondary school stream. In respect of the plans to meet the additional demand for places, the Cabinet Member advised that much of the capacity that existed in the current school

portfolio had been utilised. It was becoming increasingly necessary, therefore, to look at new school provision in the Borough which, in view of the free school presumption introduced to the Education and Inspections Act 2006 by the Education Act 2011, meant that the Council would need to invite plans to establish academies in the Borough. The Cabinet Member referred to the successful arrangements that had been established with the Local Education Partnership to deliver new school provision and outlined plans to encourage all future providers to reflected the Council's strategy and standards regarding the design and construction processes for new schools in the Borough. The plans would also help to achieve more certainty around the on-time delivery of new school places, which would help to maintain the Council's position at the top of the London league tables for delivering on-time and on-budget new school places.

The Cabinet **resolved** to:

- (i) Approve the Strategy for Ensuring Sufficient School Places and School Modernisation to 2022/23 and the Future Planning Programme Basic Need (including SEN places) 2016 to 2025 as set out at Appendices 1 and 2 to the report;
- (ii) Agree the inclusion of £700,000 in the Capital Programme to support the provision of nursery places for two-year olds in accordance with the Department for Education approval, as detailed in section 3 of the report; and
- (iii) Authorise the Strategic Director for Service Development and Integration to enter into discussions with potential operators of Free Schools and the Education Funding Agency (EFA) regarding the design and construction processes for new schools in the Borough to enable the Council to influence design, oversee construction and achieve a greater degree of certainty around the on-time delivery of new school places and to comply with requirements imposed by the Education Act 2011.

### **63. Strategic Approach to Homelessness**

The Cabinet Member for Economic and Social Development presented a report on plans to reduce homelessness demand in the Borough through an increase in the supply of affordable temporary accommodation and by managing the needs of those accepted as homeless.

The Cabinet Member advised that as a direct result of the Government's welfare reforms and changes to housing benefit rules, the number of people presenting themselves to the Council as homeless had increased by 340% since 2012. That increase had led directly to the overspending within the Homelessness service which had been reported to the Cabinet during the past year.

It was noted that, in the past, the Council had primarily met its statutory obligations by using private rented sector (PRS) accommodation in the Borough. However, the continual increase in local market rents and the impact of the Government's austerity measures had made PRS accommodation uneconomical which, coupled with the chronic shortage of affordable housing in London, meant that the Council was suffering a 'perfect storm' of pressures outside of its control that were causing

real hardship and distress to local people.

The Cabinet Member referred to the action plan appended to the report which set out the range of measures that would help to reduce demand for temporary accommodation, reduce the costs of administration and increase the supply of suitable accommodation. One of those measures related to out-of-borough placements and the need to relax the Council's current policy which set a one-hour maximum travel time on those placements. The Cabinet Member explained that private rent levels throughout London, Essex and the surrounding areas were now unaffordable to most people on benefits and low incomes. It was proposed, therefore, to allow placements to be made further afield on the basis that they would be accompanied by a bespoke support package and comprehensive directory of services in the new location. The Cabinet Member concluded that although the Council was doing all it could to minimise the effects of the Government's austerity measures through initiatives such as B&D Reside, the 'Right to Invest' scheme and the Community Solutions service delivery model, it was likely that the situation would get worse and impact on an increasing number of Barking and Dagenham residents.

Cabinet Members expressed their dismay at the Government's continued failure to protect the most vulnerable in society and highlighted the following:

- Many of the existing 1,800 cases in the Borough involved working, low income families;
- Private rental levels in Barking and Dagenham had increased by 25% in the last couple of years;
- The problems in Barking and Dagenham were being exacerbated by other, wealthier London Boroughs who placed their homeless cases in the Borough;
- The gap between the Local Housing Allowance, on which Housing Benefit payments were based, and average PRS rent levels in the Borough was approximately £465 a month.

The Cabinet Member for Social Care and Health Integration commented that although it was unfortunate that the Council had to increase the use of out-of-borough placements, those who moved to other areas may achieve a better quality of life without the constant pressure of debt and trying to make ends meet. The Leader added that he had raised a number of the issues at London Councils and would continue to lobby for a fairer apportionment of funding for those Councils that were under the most pressures.

The Cabinet **resolved** to:

- (i) Note the severity of the current position regarding demand, supply and costs of dealing with the Council's statutory duties regarding homelessness in the Borough;
- (ii) Approve the strategic approach and corresponding actions outlined in the report, aimed both at reducing homelessness demand in the Borough and at improving the Council's capacity and capability to manage the needs of those accepted as homeless; and
- (iii) Approve the proposal to remove the current one-hour travel time limit on

temporary accommodation placements and for officers to further develop the criteria, the consultation framework and equality impact assessment of an amended Placements Policy.

#### **64. Proposals for Supporting the Development of Civil Society (Everyone Everyday) in Barking and Dagenham**

The Cabinet Member for Community Leadership and Engagement introduced a report on the proposed development of the 'Civil Society' initiative in the Borough.

The Cabinet Member explained that discussions had taken place with the organisation Participatory City, a community interest company which specialised in fostering a participation culture within local communities, regarding a potential five-year programme of investment in the social infrastructure of Barking and Dagenham. The project would be known locally as "Everyone Everyday" and a key aim would be to help the local community become more resilient and, in turn, less reliant on the Council. The cost of the full five-year programme had been assessed at £8.5m, to which the Council would contribute £300,000 per annum. The remaining funding was expected to be made available via grant funding from the Big Lottery and the Esmée Fairbairn Foundation.

Cabinet Members spoke in support of the proposals and made reference to the range of initiatives that would be undertaken as well as the opportunities for partner organisations, such as the Adult College, to play an important role in the success of the project. In response to other points raised, the Cabinet Member for Community Leadership and Engagement apologised for the omission from the report of an equalities assessment and undertook to ensure its inclusion. It was also noted that there would be some local job opportunities associated with the project as well as a substantial role for volunteers.

The Cabinet **resolved** to:

- (i) Approve the draft Memorandum of Understanding, governance arrangements and outline financial plan to establish the partnership between the Council and Participatory City;
- (ii) Agree, in principle, to the partnership's bid for funding for the 'Everyone Everyday' project;
- (iii) Approve, subject to a formal agreement, the investment of £300,000 per annum of Council funds into Everyone Everyday for a period of five years;
- (iv) Approve the development and delivery of Everyone Everyday; and
- (v) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Community Leadership and Engagement and the Director of Law and Governance, to approve the details of the Memorandum of Understanding and governance arrangements, the partnership's bid for external funding and the Council's investment, and to take all necessary steps to implement the development and delivery of Everyone Everyday and its projects, including entering into all necessary contracts, agreements and other documents.

## **65. Establishing a Grants Allocation Scheme and Crowdfunding Platform**

The Cabinet Member for Community Leadership and Engagement reported on a proposal to develop a local crowdfunding platform to support local projects, together with a policy for determining applications for grant funding towards projects.

The Cabinet Member advised that the Council would partner with Crowdfunder UK, a specialist provider of online crowdfunding platforms, to develop and run the project. The intention was to commission Crowdfunder UK to deliver an initial 12-month pilot campaign which, if successful, would be extended into a second year. The Council would also set aside £120,000 from reserves which would be available to match-fund successful project applications. It was suggested that the Council's fundraising campaign to have a statue built in honour of the late Bobby Moore OBE would be an excellent opportunity for crowdfunding.

The Cabinet **resolved** to:

- (i) Procure an online crowdfunding platform from Crowdfunder UK and work in partnership with the organisation to deliver an initial 12-month pilot campaign, with the intention to maintain the partnership for a second year to further build capacity and mainstream crowdfunding as an alternative finance model, as detailed in Appendix 1 to the report;
- (ii) Introduce a small grants fund by establishing, using the Council's financial reserves, a match-funding pot of £120,000 for awarding to local projects that meet criteria set by the Council;
- (iii) Agree, in principle, the draft Match-Funding Policy at Appendix 2 to the report;
- (iv) Delegate authority to the Strategic Director of Finance and Investment to agree the final Match-Funding Policy in the light of any amendments that may be required during the development / implementation phase to take account of emerging issues; and
- (v) The establishment and terms of reference of the Match-Funding Panel as set out in Appendix 3 to the report.

## **66. Education Strategy 2014-17 and Schools' Annual Performance Review 2015/16**

The Cabinet Member for Educational Attainment and School Improvement introduced a report on progress against the Council's Education Strategy for 2014-17 and the performance of schools for the 2015/16 academic year.

The Cabinet Member stated that despite continual change and interference by the Government in the education system and its delivery, the relationship between the Council and the Borough's schools had continued to flourish and results had continued to improve. There were areas that still required improvement, for example Looked After Children and young people not in education, employment

and training (NEET), although the overall results were very encouraging.

In terms of the relationships with schools, the Cabinet Member referred to the plans to establish a School Improvement Partnership, involving all the Borough's schools, that would take on core school improvement functions and maintain a collective responsibility for improving outcomes for all the children and young people educated in the Borough. It was noted that at the same time that those plans were being developed, the Government announced that it was abandoning its plans to force the academisation of all schools and to remove the statutory responsibilities of local authorities in respect of school improvement.

With regard to the summer 2016 national test and exam results, the Cabinet Member referred to some of the key achievements, with particular mention given to Monteagle School, and remarked that the improvements had been achieved against a backdrop of major works going on at many of the Borough's schools. The Cabinet placed on record its appreciation of the hard work and dedication of head teachers, school staff, pupils and Council officers which had helped to maintain and improve standards across the Borough.

The Cabinet **resolved** to:

- (i) Note the performance against the overarching objectives within the Education Strategy 2014-17, as set out in section 2 of the report;
- (ii) Endorse the priorities for 2016/17; as set out in section 3 of the report;
- (iii) Reaffirm the Council's commitment to continuing the strong partnership with all schools in the Borough to achieve the best possible outcomes and opportunities for children and young people;
- (iv) Delegate authority to the Strategic Director of Service Development and Integration, in consultation with the Cabinet Member for Educational Attainment and School Improvement, to progress the proposals for a School Improvement Partnership between the Council and the Borough's schools; and
- (v) Note the performance of schools in national tests and examinations as set out in Appendix 1 to the report.

## **67. Dedicated Schools Budget and School Funding Formula 2017-18**

The Cabinet Member for Educational Attainment and School Improvement presented a report on the latest position regarding the Government's education funding reforms and the proposed allocation of funding to schools for 2017/18.

The Cabinet Member advised that the Government had delayed the introduction of a national formula due to significant flaws in its proposals, although it was pointed out that when a new formula was introduced it would very likely have a disproportionate negative impact on schools within the London area. It was also noted that expected changes to the use of the Dedicated Schools Grant (DSG) could place the future of services such as the Community Music Service in doubt, as that service received approximately one-third of its funding via the DSG. The



Cabinet Member explained that, as a consequence, it may be necessary to introduce a charge for the service to enable it to continue.

In response to a point regarding the Government's proposed restrictions on the movement of funding across school budgets, the Cabinet Member confirmed that the Government's plans would have the greatest impact on the most vulnerable children, as aspects such as the High Needs block were under the most pressure.

The Cabinet **resolved** to:

- (i) Note the latest position on the national Education Funding Reform and the likely implications for Barking and Dagenham;
- (ii) Agree, in principle, the proposed model for allocating school funding in 2017/18 as set out in section 3 and Appendix A of the report; and
- (iii) Delegate authority to the Strategic Director of Service Development and Integration, in consultation with the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2017/18 school funding formula submission to the Education Funding Agency.

## **68. Fees and Charges 2017**

The Cabinet Member for Finance, Growth and Investment presented a report on the proposed fees and charges for Council services, the majority of which would come into effect from 1 January 2017.

It was noted that all fees and charges had been assessed against the Council's Charging Policy framework and, in most cases, would be subject to only a small increase to reflect inflation. The Cabinet Member referred specifically to the proposed charges for services within Leisure Centres, some of which had been held at 2016 levels alongside new discounts to further encourage participation and healthy lifestyles amongst those who found price a barrier. Reference was also made to charges within the Parking Service and the decision at the last meeting to implement 30 minutes free parking at on-street shopping locations and 60 minutes free parking at Council park car parks from 1 December 2016 (Minute 51(iii) refers).

The Cabinet **resolved** to:

- (i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2017 unless otherwise stated;
- (ii) Note the fees and charges no longer applicable from 1 January 2017, as set out in Appendix B to the report; and
- (iv) Delegate authority to the Strategic Director of Service Development and Integration, in consultation with the Strategic Director of Finance and Investment and the Cabinet Members for Finance, Growth and Investment and Educational Attainment and School Improvement, regarding the setting of fees and charges which are applied from September for schools and

academic year based activities.

## **69. Public Spaces Protection Orders - Application and Use**

The Cabinet Member for Enforcement and Community Safety introduced a report on the proposed framework for implementing Public Spaces Protection Orders (PSPO) in the Borough.

The Cabinet Member explained that PSPOs placed restrictions on specific activities within an area that were deemed to be having a detrimental effect on the quality of life of those in the locality and were an effective enforcement tool in response to anti-social behaviour and enviro-crime issues. The types of activities that a PSPO could deal with included inconsiderate parking around schools and persistent disturbance from motor vehicles being driven inconsiderately. It was noted that the Council was already considering the application of PSPOs in several cases, one of those being to address the car racing in the Choats Road area. It was further noted that the proposed framework for the implementation of each PSPO would require consultation with the local community and relevant agencies, the production of an equalities impact assessment and the formal endorsement of the Barking and Dagenham Community Safety Partnership Board.

The Cabinet **resolved** to:

- (i) Approve the framework for approving Public Spaces Protection Orders as set out in the report; and
- (ii) Delegated authority to Strategic Directors to approve the formal adoption of Public Spaces Protection Orders.

## **70. Establishment of the Barking and Dagenham Delivery Partnership (BDDP)**

The Cabinet Member for Community Leadership and Engagement presented a report on the proposed establishment of the Barking and Dagenham Delivery Partnership (BDDP).

The Cabinet Member explained that the BDDP was one of two key projects, the other being the development of a Borough Manifesto, which sought to address the independent Growth Commission's recommendations in relation to the future vision for the Borough and the role of the local community, businesses and other partners in helping to achieve those aspirations.

The BDDP would be an overarching consultative forum, operating alongside other established partnership arrangements such as the Health and Wellbeing Board and Community Safety Partnership, which would retain their specific responsibilities. It would be responsible for the delivery of the Borough Manifesto through quarterly meetings and, in that regard, the Cabinet Member advised that a conference event had taken place the previous day to discuss the development of the Borough Manifesto. The event had been well attended and some considerable progress made, with the Council, the North East London Foundation Trust (NELFT) and the Barking, Havering and Redbridge University Hospitals NHS Trust (BHRUT) all making commitments towards promoting healthier workforces.

The Cabinet **resolved** to agree to the establishment of the Barking and Dagenham Delivery Partnership (BDDP) on the terms set out in the report.

## **71. Treasury Management Strategy Statement Mid-Year Review 2016/17**

Further to Minute 93 (15 February 2016), the Cabinet Member for Finance, Growth and Investment presented an update report on the treasury management activities during the current financial year.

The Cabinet Member highlighted some of the key issues within the report and advised that static interest rates would have a negative impact on the Council's ability to achieve its projected investment returns going forward. On a positive note, significant reductions to the cost of long-term borrowing in the period following the Brexit vote had enabled the Council to borrow £60m at very low rates to support the infrastructure plans for the Borough.

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

- (i) Note the Treasury Management Strategy Statement Mid-Year Review 2016/17;
- (ii) Note that the Council complied with all 2016/17 treasury management indicators during the first half of the financial year;
- (iii) Note that the value of investments as at 30 September 2016 totalled £259.0m;
- (iv) Note that the value of long-term borrowing as at 30 September 2016 totalled £454.9m, comprising market, Public Works Loan Board (PWLB) and European Investment Bank (EIB) loans; and
- (v) Note that the value of short-term borrowing as at 30 September 2016 totalled £63.9m.

## **72. Investment and Acquisition Strategy**

The Cabinet Member for Finance, Growth and Investment presented a report on the proposals to support the Council's long-term regeneration and financial plans through the development of an Investment and Acquisition Strategy (IAS) supported by significant funding.

The Cabinet Member commented that the IAS backed up the Council's message that Barking and Dagenham was 'open for business' and 'London's growth opportunity' by setting out clear plans for investing in approximately £850m worth of projects up to 2025. The majority of projects related to social housing schemes while around £53m had been earmarked for commercial assets and energy schemes. The sum of £250m would initially be set aside towards the investment programme, with a further £100m earmarked for land and property acquisitions. The Council's funding would primarily be used to kick-start projects that would, in turn, provide long-term income streams for the Council, with a minimum initial target of £5m net annual income. The Cabinet Member explained that the proposals would have close links with the Be First and Barking and Dagenham

Reside initiatives.

The IAS set out the criteria against which investment and acquisition decisions would be judged and the plans to establish an Investment Panel to consider the robustness of all potential investment decisions. The Cabinet Member confirmed that further information on the governance arrangements relating to the Investment Panel would be presented to the Cabinet in due course.

The Cabinet **resolved** to:

- (i) Approve the Investment and Acquisition Strategy at Appendix 1 to the report;
- (ii) Note that an advisory Investment Panel, with a membership comprising Strategic Directors and external advisers, shall be established to assess and make recommendations on individual investment decisions to implement the Investment and Acquisition Strategy and that details of the purpose, governance arrangements and membership for the Investment Panel shall be the subject of a future report;
- (iii) Approve the establishment of an Investment Budget, initially of £250m, to be borrowed to fund the development and long-term financing of the investment programme identified in the report;
- (iv) Approve the establishment of a Land and Property Acquisition budget and to borrow £100m for a period of three years on an interest-only basis;
- (v) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Investment, to make the appropriate borrowing arrangements;
- (vi) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Investment, to agree the appropriate source(s) of funding for each investment or acquisition;
- (vii) Note that the parameters of any delegations would be clarified in tandem with the establishment of the Investment Panel and that each investment decision shall be considered individually and may be subject to approval by Cabinet in appropriate circumstances; and
- (viii) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to make any necessary and non-material textual changes to the Investment and Acquisition Strategy following the meeting of Cabinet.

### **73. Proposal to Establish Barking and Dagenham Regeneration Company (Be First)**

Further to Minute 21 (19 July 2016) and Minute 72 above, the Cabinet Member for Finance, Growth and Investment presented a report and the full business case in

respect of the establishment of a new Council-owned company, to be known as 'Be First', to manage the delivery of the Council's regeneration plans for the Borough.

The Cabinet Member explained that Be First would be the future delivery mechanism for all aspects of regeneration and place-shaping for the Borough such as housing, commercial buildings and infrastructure as well as green spaces and other community assets, employment, prosperity and community well-being. It would represent the conduit between developers, private investors and the Council and while the company would be 100% Council-owned and accountable to councillors through a Shareholder Executive Board, it would operate in the same way as a commercial organisation. It was noted that the Greater London Authority had also expressed an 'in principle' commitment to support the venture.

The Cabinet Member for Social Care and Health Integration commented that, alongside the Investment and Acquisition Strategy referred to earlier in the meeting, the implementation of Be First reflected the Council's commitment to delivering on its plans. It was also acknowledged that the benefits would cascade down to the entire community through improved infrastructure and better Council services. The Leader added that the Council should take great pride in the fact that Barking and Dagenham was leading London in so many ways and continued to show innovation despite the Government's austerity measures.

The Cabinet **resolved** to:

- (i) Agree the establishment of Be First in accordance with the proposals set out in the report and detailed in the draft full business case at Appendix 1 to the report;
- (ii) Delegate authority to the Strategic Director of Growth and Homes, in consultation with the Cabinet Member for Finance, Investment and Growth, the Strategic Director of Finance and Investment and the Director of Law and Governance, to implement all steps leading to the establishment of Be First in line with the proposals;
- (iii) Delegate authority to the Director of Law and Governance to execute all the legal agreements, contracts and any other documents on behalf of the Council to implement the setting up of Be First; and
- (iv) Delegate authority to the Chief Executive, in consultation with the Leader, to select the individuals to be appointed to the Shareholder Executive Board of Be First.

#### **74. Urgent Action: Proposed Purchase of Land at Former Sanofi Site, Rainham Road South, Dagenham**

The Cabinet Member for Finance, Growth and Investment reported on action taken by the Chief Executive under the urgency procedures contained within the Council's Constitution to submit a bid to Sainsbury's plc to purchase its 9.17 acre land holding at the former Sanofi site, Rainham Road South, Dagenham.

The Cabinet Member advised that Sainsbury's had been actively marketing the

site since deciding to abandon plans to expand its supermarket provision in the Borough, with a decision on the sale scheduled for 25 October 2016. In view of the Council's aspirations for the area and the potential for the site to accommodate major new film studios which had received the support of the Mayor for London, it was recognised that the opportunity to realise those aspirations would be lost if the site was sold to a third party.

The Cabinet Member was pleased to report that the Council's offer had been accepted and final terms were in the process of being agreed.

The Cabinet Member for Economic and Social Development commented that the former owners of the site, Sanofi, had demonstrated a genuine social conscience in seeking to leave a successful legacy and he was pleased that the Council had acted quickly to maintain that momentum.

The Leader confirmed that the Mayor for London had committed to joint fund a detailed feasibility study into the potential benefits of a major new film studio development on the site.

The Cabinet **resolved** to:

- (i) Note the following action taken by the Chief Executive under the urgency procedures contained within paragraph 4, Chapter 16, Part 2 of the Council's Constitution:
  - (a) Agreed that the Council submit an offer to Sainsbury's Plc in accordance with the Heads of Terms set out in Appendix B to the report at Annex 1 for the 9.17 acre site at the former Sanofi site, Rainham Road South, Dagenham as shown edged red in the plan attached at Appendix A to that report;
  - (b) Authorised the Strategic Director of Growth and Homes, in consultation with the Strategic Director of Finance and Investment, the Director of Law and Governance and the Cabinet Member for Finance, Growth and Investment, to progress the purchase of the site in accordance with the Heads of Terms and to enter into all necessary agreements to complete the purchase should the Council's offer be accepted;
- (ii) Note that the Council's bid was successful and that further reports shall be presented to Cabinet setting out proposals for the future use of the site and the revenue funding arrangements associated with the cost of borrowing.