Title: Update on implementation of Be First

Report of the Cabinet Member for Finance, Growth and Investment

Open Report For Decision

Wards Affected: None Key Decision: Yes

Report Author: John East, Strategic Director Growth & Homes Contact Details:
Tel: 020 8227 2692
E-mail: john.east@lbld.gov.uk

Accountable Strategic Director: John East, Strategic Director, Growth & Homes

Summary
In November 2016 Cabinet approved a proposal to establish a Barking and Dagenham Regeneration Company, Be First

This report provides a status update on the implementation of Be First prior to go-live, scheduled to be on 1 October 2017.

Good progress on the implementation has been made and is still on track against the planned Go Live date. Lord Bob Kerslake has been appointed as Chair, and he has recruited four Non-Executive Directors and a full time Managing Director. All are in post, as are two interim directors. The first Be First Board meeting was held on 11 July.

Be First has reviewed the business case, financial model, legal documentation and operating plan. Be First have agreed, and will be contractually obliged, to meet the key financial target of £10.3m contribution to the MTFS from 2020/21 onwards, and then annually recurring, and work is continuing to evaluate a range of mechanisms that may be needed to meet this target. One such mechanism is for Be First to act as a developer in its own right, purchasing land and/or property, increasing its value and then selling on or constructing a development. This activity would be funded by investment at market rates of return from the Council and/or external investors.

There are several high-level risks to the achievement of the £10.3m target, including further changes to the calculation of New Homes Bonus (NHB), an adverse economic climate and restrictions on Council funding. Delivery of this target is also linked to the Council’s Investment and Acquisition Strategy which is the topic of a separate paper to this Cabinet meeting.

To create the new entity, Be First and LBBD will have signed the following prior to Go Live on 1 October:
- Shareholders Agreement
- Articles of Association
- Loan agreement, providing Be First with funds to commence business
- A Service Agreement containing:
  - Service specifications for the core functions transferred, which will be provided at nil cost to the Council
Heads of Terms for the non-core services which will detail the agreed parameters by which Be First will undertake development activities on behalf of the Council and therefore meet its financial target
- A suite of Performance Indicators and targets
  - Commitment from LBBD to commission Be First to deliver its investment programme of residential schemes, and to fund this programme
  - Commitment from LBBD to provide a loan facility to support its activities as a commercial developer

Recommendation(s)
The Cabinet is recommended to:

(i) Note progress on the arrangements for Be First to become operational with effect from 1 October 2017; and

(ii) Agree, in principle, to the proposal for Be First to act as developer in its own right in order to achieve the long-term contribution to the Council’s Medium Term Financial Strategy, the detail of which will be incorporated in Be First’s first Business Plan to be submitted to Cabinet for approval before the end of this financial year.

Reason(s)
To assist the Council in achieving its vision and priorities, particularly in respect of “Growing the Borough” and “Well run organisation”.

1 Introduction
1.1 In November 2016 Cabinet approved a proposal to establish a Barking and Dagenham Regeneration Company, Be First. Be First is a separate, wholly Council-owned commercial entity, with its primary objective to accelerate the regeneration of the borough through bringing forward construction and delivery of housing, commercial space and infrastructure, providing more effective services and attracting external investment. It will be the main vehicle through which the Council’s investment strategy in housing will be delivered.

1.2 Be First will deliver significant financial benefits to LBBD, generating an annual MTFS contribution of £10.3m by March 2021 and annually recurring thereafter, primarily through additional dividends and New Homes Bonus (NHB). In addition, Be First will help to address some of the Council’s socio-economic objectives, for example fostering business growth and job creation by promoting improved skills and productivity in the borough.

1.3 This report provides a status update on the implementation of Be First prior to go-live, scheduled to be on 1 October 2017.

2 Rationale
2.1 The rationale for Be First has its origins in the Growth Commission 2015 Report – “No-one left behind: in pursuit of growth for the benefit of everyone”. This recommended the establishment of a Borough-wide regeneration vehicle that would
be an early statement of the Council’s intent to increase the pace of regeneration of the borough.

2.2 The achievement of the Council’s long term strategic goals, in particular to build 35,000 – 50,000 new homes over the next 20 years, will require a step change in delivery performance that will require substantial increases in both capacity and capability. Be First has been created to provide increased flexibility and focus, to attract the staff to deliver the Council’s Investment Strategy and to establish development vehicles with the private sector to accelerate the wider regeneration of the borough.

2.3 The business case for Be First was based on the premise that a continuation of historic regeneration structures and performance would not deliver the Council’s regeneration and financial goals. A different approach was needed that placed priority on regeneration and placed clear accountability for delivery on a defined, new, organisation with the flexibility and freedom to deliver within defined governance parameters.

2.4 Be First is charged with delivering long-term strategic regeneration objectives, including enhancing economic growth and prosperity for the people of Barking and Dagenham. In addition, Be First is charged with delivering significant financial benefits to the council by bringing forward returns in New Homes Bonus, Council Tax and NNDR, and by delivering dividends to the Council. Be First will also contribute to delivering the vision and aspirations for the borough as set out in the Borough Manifesto, in particular around Housing, Environment and Employment.

2.5 Be First is a 100% Council-owned ‘Teckal’ company that is operationally independent of the Council, operating in the same way as a commercial organisation, being accountable to members for its performance and conduct through a Shareholder Board. It will encompass all aspects of regeneration and place-shaping for the borough, including not only housing, commercial buildings and infrastructure but also green spaces and other community assets, employment, prosperity and community well-being.

2.6 Be First is designed to provide greater focus and clarity of purpose, build capacity and capability for effective delivery and inject dynamism and pace through more efficient and effective ways of working whilst maintaining public sector community focus.

2.7 Be First will be the delivery vehicle for the majority of the Council’s Investment and Acquisition Strategy, the subject of a further paper to Cabinet in September 2017. It will also contribute to the Council’s Housing Supply Strategy, to be presented to Cabinet in October 2017, with a substantial proportion of the housing units developed by Be First being transferred to Reside on completion.

3 Progress to date

3.1 Considerable progress has been made in all aspects needed to successfully launch Be First on the target Go Live date. For instance, the Council has:

- Appointed Lord Bob Kerslake as Chair of the Be First Board.
• Progressed with TUPE staff consultation - in-scope staff are expected to be ready to transfer on 1 October. Some 55 current staff are expected to transfer to Be First employment under their current terms and conditions, including pensions. Be First will have admitted body status under the local government pensions scheme.

• Agreed in principle for LBBD to provide Payroll, Finance, HR, Legal, IT and procurement services for at least the first 2 years of Be First’s operation, for which it will receive an agreed fee. Be First will continue to use Council systems for this period. Service Level Agreements are being negotiated and will be agreed before Go Live.

• Developed and implemented a rigorous project evaluation and approval process through which some 14 Council-led investment schemes, representing the initial schemes for delivery, have already been taken. This process has been adopted by both Be First and the LBBD Investment Programme and is being used by the Investment Panel to support proposals for the Council to invest in new regeneration schemes.

• Developed and refined Be First Financial models to support the evaluation of both individual schemes and the overall viability of Be First.

• Developed a suite of draft legal documents comprising Be First’s revised Articles of Association, a Shareholder Agreement, a Service Agreement containing associated service specifications, and a Loan Agreement. These are being reviewed extensively by Be First and its advisors and will be signed by both sides before Go Live.

• Developed governance arrangements, including the establishment of a Shareholder Panel to oversee the Council’s new and existing commercial entities from 1 October 17. The Shareholder Board will be an advisory body designed to support Cabinet decision making around the Council’s role as Shareholder and it will provide assurance that all legal Shareholder requirements are fulfilled and through its governance seek to protect the delivery of the Council’s strategic objectives. LBBD agrees that Be First will require rapid decision making on projects by the Council, if it is going to be able to accelerate the pace of delivery at the pace required.

3.2 Be First have also progressed well to support the Go Live date. For instance, they have:

• Appointed four Non-Executive Directors and Managing Director who are all now in post. The first Be First Board meeting was held on 11 July. Interim Directors, of Development and Finance, are also in post.

• Arranged for new accommodation in Maritime House which has been fitted out and is now occupied by Be First staff.

• Reviewed all work undertaken to date and developed an additional proposal for Be First to act as a developer in its own right, outside the Council’s 44 Investment and Acquisition schemes, which will enable it to provide the required dividend returns as well as maximise additional income returns to the Council. This builds
on the concepts outlined in the Target Operating Model that was approved by Cabinet in November 2016.

3.3 As a result of the good progress outlined above, LBBD and Be First have confirmed that the planned Go Live date of 1 October 2017 will be met. Be First has confirmed that it will assume responsibility for all activities currently undertaken by the Planning and Regeneration (core services) and Capital Delivery (non-core services) teams from that date. The determination of planning applications, and responsibility for planning policy matters, will remain within the Council.

4 Business Case

4.1 Be First has reviewed the operating model and considers it appropriate to meet the needs of LBBD, ensuring it can account to Members while affording Be First the flexibility to undertake delivery within parameters agreed with the Council. It will provide greater focus, and build capacity and capability while maintaining public sector community ethos as it seeks to achieve the Council’s strategic regeneration goals.

4.2 Be First has confirmed that it expects to deliver the target £10.3m contribution to the Medium Term Financial Strategy (MTFS) by March 2021 as incorporated in the business case approved by Cabinet in November 2016. This will be derived from a combination of a reduction in the net cost to the General Fund of in-scope services, increased New Homes Bonus receipts, and dividends. Be First will act as development manager for the schemes in the Council’s residential investment programme, currently comprising some 44 schemes in the borough. In addition, Be First has advised that in order to provide increased returns to the Council its expert view is that it should also act as a developer in its own right. This would involve sourcing funding from either the Council or external lenders to acquire and develop land and/or property on the open market, thereby realising profits through the sale or lease of the resulting assets. This principle had already been accommodated in the contractual frameworks and further discussions are ongoing to agree the detailed parameters within which Be First will be allowed to operate in this mode. These parameters will be incorporated in the contracts referred to in section 5 below.

4.3 There are several high-level risks to the achievement of the £10.3m target, including:

- Further government changes in the basis by which NHB is calculated. This was last revised in March 2017 and the current projections allow for this change. There remains the possibility of further amendments that may affect the level of NHB received in the period to 2020/21, although the majority of the forecast receipts to 2020/21 will be from schemes already built or under construction.

- Delays in completing projects, particularly by third party private sector developers, over which Be First has little control, could have a significant effect on Be First’s ability to meet the target by 2020/21.

- Continued LBBD commitment to investing in housing schemes in the borough through its Investment and Acquisition Strategy, coupled with the ability for it to continue to source funds at attractive rates in the sums required to support the planned numbers of units, is essential. This links to the Housing Supply Strategy that will be submitted to Cabinet in October 2017.
- Be First's ability to buy land or property and act as developer in line with the proposals outlined in para 4.2 above will impact on the level of dividend that it will be able to return to the Council.

- General conditions in the wider economy, in particular a large-scale economic downturn, could affect the timing of returns as well as their magnitude.

4.4 Any Council investment in schemes proposed by Be First in its capacity as a developer will also have associated risks, including the possibility of Be First becoming insolvent. Appropriate safeguards for the Council’s investment will be built in to the contractual arrangements associated with the investment. Be First acting as a developer also poses the potential risk that its development activity may distract it from delivering the schemes commissioned by the Council’s as part of its Investment Strategy. This will be mitigated by development activity being conducted through a separate business unit within Be First, and by the commissioning and monitoring arrangements that will be put in place as schemes are brought forward for approval via the project approval process.

4.5 Be First and the Council are reviewing, refining and modelling the assumptions regarding the programmes of regeneration schemes (both Council-funded and private sector), to identify all options to mitigate the above risks and ensure that the £10.3m target is met. These options include:

- Invest in land or property outside the Council’s investment programme to add value and generate profits as a developer, as outlined above;

- Optimise the Council’s capital investment programme, bringing forward higher-value schemes that will make an earlier financial contribution;

- Bring forward the development of existing assets, where LBBD owns all the land and planning can be promptly delivered;

- Increase fees from planning and other associated services (eg through greater focus on Planning Performance Agreements).

Further details on these and other evolving risk mitigation measures will be incorporated in Be First’s annual business plans, the first one of which will be submitted to LBBD before the end of this calendar year (see section 4.7 below). Details of its proposed activity to act as a developer will be set out in this first business plan and will be supported by financial modelling. Individual proposals for investment will be submitted for approval by the Investment Panel as set out in the Investment and Acquisition Strategy report (see next paragraph).

4.6 An update on the Council’s Investment and Acquisition Strategy is provided in a separate paper to September Cabinet. Be First’s ability to meet its financial target is critically dependent on the assumptions in this strategy regarding the levels of investment, tenure mix and the programme of capital schemes that Be First will deliver.

4.7 Since taking up their posts in early July, the Be First Managing Director and senior staff have initiated a review of the Investment and Acquisition work programme and the finances that underpin it. This review involves taking all 44 Council-funded schemes through a jointly agreed project evaluation and approval process and will be completed by the end of October. The output from this review, together with the
results of the options analysis above, will form the basis of the first Be First 5-year Business Plan, providing detailed financial and delivery forecasts to 31 March 2019 with high-level numbers for the following 4 years. The Business Plan will be submitted to the Council by 31 December 2017 and, following review by the Shareholder Panel, will be recommended for Cabinet approval before 31/03/2018.

4.8 Be First has also been reviewing its short-term cash requirements. A facility for the draw-down of up to £3.5m for working capital up to the point where Be First is self-financing was agreed by Cabinet in February 2017 and the Loan Agreement between LBBD and Be First will be made on this basis. This will be reviewed following submission of Be First's first 5-year Business Plan in December 2017 and a further submission to Cabinet made if and when necessary.

5 Contracts

5.1 The execution of all aspects of the implementation of Be First was delegated by Cabinet to officers in November 2015 and good progress has been made in developing the contractual arrangements between LBBD and Be First. In addition, Cllrs Geddes and Twomey have been consulted and informed on the detailed progress. As outlined above, the draft legal documents are currently being reviewed by Be First and its advisors and the documents outlined in the following paragraphs will be approved or signed in advance of 1 October.

5.2 Shareholder Agreement - The Shareholder Agreement sets out the relationship by which the Council will participate in the Company as its shareholder. It defines the business of the company, how it will conduct its affairs, the composition of the Be First Board of Directors, how it will be financed, what matters will need to be referred to the Council, and how it will produce its accounts. It also includes provisions covering the avoidance of breach of the ‘Teckal’ limit, rights to information, anti-corruption, duration and termination, confidentiality and assignment.

5.3 Articles of Association - The Articles of Association form the Be First Constitution. They define the Directors’ powers and responsibilities, and meeting arrangements. They include provisions covering conflicts of interest, appointment and termination of directors, remuneration of directors, shares, dividends, capitalisation of profits, decision-making by Shareholders, general meetings, administrative arrangements, and directors’ indemnity and insurance.

5.4 Service Agreement - The Service Agreement defines all the terms and conditions relating to the provision of services by Be First to the Council. It is proposed that this contract will be a services concession contract for an initial period of 10 years under which Be First is granted a ‘concession’ to deliver a range of services to the Council under agreed terms in return for the ability to exploit commercial development opportunities.

This document defines the scope of services to be provided, the arrangements under which work will be commissioned by the Council, termination arrangements, staffing arrangements, how transferred assets are treated, provisions for addressing inadequate performance, complaints procedures, business continuity and disaster recovery requirements, financial arrangements, statutory obligations, liability and insurance arrangements, and dispute disruption and termination arrangements. Schedules to this agreement will define in detail the nature of services to be provided.
The Service Agreement also sets out the socio-economic objectives for the Company. It will include a number of schedules of which the following are the most important:

- **Service Specifications** – The output specifications which detail the Council’s requirements for the delivery of services, both core (services that will be provided by Be First to LBBD at zero net cost, eg Planning) and non-core (services for which Be First will charge a fee, primarily the development of schemes within the Council’s investment programme). The non-core specification will be drafted as a Heads of Terms detailing the parameters by which the Council has agreed Be First will be able to commence development activities.

  Further work will be needed post contract signature to develop a Development Framework Agreement setting out the Council’s detailed requirements in the area and Be First’s obligations in line with the agreed parameters under which Be First is allowed to act as a developer in its own right.

- **Key Performance Indicator Suite**: KPIs and PIs, together with reporting mechanisms, that will measure operational and strategic performance against the Service Specifications.

- **A Council Service Level Agreement** detailing the services that Be First will buy back from the Council (including IT, HR, payroll, procurement, and legal) and the commercial and performance terms for those agreements

- **A Financial Model** which will detail the financial assumptions underpinning the Business Case and which will form the backbone of the first five Year Business Plan

5.5 **Loan Agreement**: The Loan Agreement covers the terms of the loan that will be granted by the Council to Be First to cover initial setup costs and working capital. It will initially be for a loan of up to the £3.5m already approved by Cabinet, although as stated above a further submission may be made following submission of Be First’s Business Plan if it is necessary to increase the size of this loan. Its provisions cover the interest rate (set at a level that will avoid State Aid issues), repayment arrangements, default arrangements, and administrative arrangements.

5.6 In addition, LBBD has agreed in principle to provide a loan facility to Be First to allow it to invest in development schemes in its own right as described in section 4.2 above. The final details of the terms of this loan will be worked up following submission and evaluation of Be First’s first Business Plan.

5.7 On the basis that the above agreements will be signed prior to 1 October it is considered that Go Live should proceed as planned on 1 October. Any outstanding contractual matters will be resolved by end November.

6 **Governance**

6.1 The overall governance structure is shown in Figure 1 below. Be First will be governed by two strategic bodies, the Shareholder Panel and the Investment Panel. The Shareholder Panel consists of elected members and officers and will review and recommend for Cabinet approval Be First’s annual business plans, address any strategic issues that cannot be resolved at lower levels, and take annual performance reports. The Investment Panel is chaired by and advises the Chief Operating Officer,
who on its advice will make decisions on investment proposals and other requests for funding made by Be First within powers delegated to officers. In addition, the Growth and Homes Commissioning Unit will deal with planning policy, business plan approval and operational performance matters.

Figure 1: Governance structure

6.2 Be First’s operational, project and financial performance will be reviewed on a monthly basis by the Growth & Homes Performance Board, which will sanction remedial measures to correct material deviations from plan in executing Council-funded schemes and in delivering to longer-term objectives. A suite of KPIs will be agreed and incorporated in the Service Agreement prior to go live. Be First will require, and LBBD has agreed, rapid decision making on Council-funded projects if it is going to be able to accelerate the pace of delivery at the rate required to meet the homebuilding targets.

6.3 Be First will submit annual rolling 5-year business plans to the Shareholder Panel for review and will then submit final versions to Cabinet. Be First’s business plan will set out its proposed programme of work, with investment requirements and forecast returns to the Council. Within the framework of an approved business plan, Be First will be free to progress schemes and to pursue other opportunities to deliver to its strategic objectives.

7 Consultation

7.1 As reported to Cabinet last November, the proposal to establish a council-owned regeneration company was subject to public consultation as part of the Ambition 2020 consultation that took place between 20 April and 16 June 2016. A further consultation exercise specific to Be First was carried out in January 2017 that generated 5 responses, the majority agreeing with the proposal to establish Be First in the planned manner, that have been considered and addressed in the design of Be First and associated structures described in this document.
8 Financial Implications

Implications completed by: Kathy Freeman, Finance Director

8.1 The financial model underpinning the business case presented to Cabinet in November 2016 forecast that Be First would have a working capital loan requirement of £2.7m and would be generating profit of £4m and New Homes Bonus of £6m on a recurring basis from 2020/21. The original business case showed that Be First’s recurring profit would mainly be derived from development management fees, predominantly from the construction of Council’s residential and affordable housing schemes.

8.2 Since the November 2016 report, the financial model has undergone a robust financial due diligence process and there have been various changes to the assumptions.

8.3 Due to the changes in assumptions, the latest version of the financial model now shows that Be First will generate cumulative savings of £5.1m by 2020/21. The £5.1m is made up of £5.97m of New Homes Bonus, and a cumulative deficit of £0.84m from Be First’s operating loss, which includes the write off their pre-incorporation and set up costs of £2.4m. 80% of the £5.97m New Homes Bonus relates to externally led development schemes. One of Be First’s objectives will be to stimulate market growth, however this is all dependent on the prevalent economic conditions as the country enters into Brexit negotiations.

8.4 The impact of a range of assumptions (including the proposals for increased revenue generation referred to in para 4.5 above) on Be First’s requirements for working capital continues to be evaluated. A facility for the draw-down of up to £3.5m for working capital up to the point where Be First is self-financing was agreed by Cabinet in February 2017. This will be reviewed following submission of Be First’s first 5-year Business Plan and a further submission to Cabinet made in due course if necessary.

8.5 Be First have agreed to fund the Council’s core services within their business model. These services currently cost the Council £0.5m per annum and going forward, Be First will fund these services directly.

8.6 Compared to the original position reported to Cabinet in November 2016, there is now a change in return from the original scope of services of £4.8m compared to the original financial model.

8.7 Be First remains committed to delivering the £4.8m through changing the scope of activities undertaken by the company. It will achieve this through its commercial expertise to identify and create development opportunities that the Council would previously not have been able to access, through funding identified via the Council or alternative third-party investors/financial institutions, subject to the Council’s governance arrangements.

8.8 The setup of Be First will also accelerate the delivery of the Council-led development schemes which will be integral the Council’s ability to achieve the £5.2m investment strategy returns.
9 Legal Implications

Implications completed by: Suzan Yildiz, Deputy Head of Legal/Paul Field, Senior Governance Lawyer

9.1 In November 2016 Cabinet authorised the establishment of Be First, a company wholly owned by the Council, to manage and accelerate the delivery of the borough’s regeneration agenda in accordance with the recommendations of the independent Growth Commission.

9.2 The power to establish Be First is available through the exercise of the “general power of competence” as set out in Section 1 of the Localism Act 2011. This section gives the local authority the power “...to do anything that individuals generally may do”. The power is not limited either by the need to evidence a benefit accruing to the local authority’s area, or in geographical scope. However, existing and future restrictions contained in the legislation continue to apply.

9.3 The legal status of Be First is a Teckal company which will be a wholly owned company of the Council and accountable to the Council, as shareholder, for delivery of its socio-economic and regeneration objectives. A Teckal company is not subject to the European Procurement regime in so far as it can award contracts to the Council as its parent body and vice versa. As a Teckal company, Be First has a degree of autonomy in how it goes about its business. However, it is ultimately answerable to the Council for its strategic direction and performance. As a Teckal company Be First is required to conduct 80% or more of its activities for the Council. The suite of contractual and governance documents including the Articles of Be First, Shareholder and Service Level Agreement regulate the relationship between Be First and the Council and seek to ensure that the company’s strategic direction and activities accord with the Council’s corporate objectives for growth and regeneration.

9.4 It is noted that there is no direct private capital investment in Be First and the Council is its main shareholder. The Council will exercise the required level of control to satisfy the Teckal test and advance its corporate agenda, by acting as an active shareholder in determining both strategic objectives, business plans and significant decisions of Be First. This oversight will be exercised by the Council as shareholder acting through Cabinet. Cabinet will in turn be advised by the Shareholder Panel.

9.5 The Shareholder Panel, comprising a membership of elected members and officers, will be responsible for reviewing the strategic business plans and performance of Be First, and will make recommendations for Cabinet approval. As part of its shareholder functions, Cabinet and the Shareholder Panel will have the power to remove directors, as and when appropriate. Separately, the Council will have other roles including a Commissioner Role vis a vis Be First, ensuring quality of service and value for money.

9.6 In February 2017, the Cabinet approved a working capital loan of £3.5m to Be First. The Local Government Act 2003 enables the Council to lend to Be First to finance its work and projects subject to complying with the Treasury guidance and State Aid rules. It is noted that the Council and Be First will enter into a Loan Agreement on a commercial basis in respect of this loan before 1 October when Be First goes live.
10 Other Implications

10.1 Risk Management: Be First is working to reduce the level of risk shown by the current financial forecasts and as outlined in section 4.3 of this report, without affecting the socio-economic benefits Be First is required to deliver over the life of the concession.

10.2 Staffing: The TUPE process for the transfer of staff into Be First has commenced, with no major issues identified to date. It is expected to complete during August and we are on schedule to meet the 1 October deadline.

10.3 Corporate Policy and Customer Impact: The proposal to establish Be First is in line with the independent Growth Commission’s recommendations and the Ambition 2020 strategy. Be First will contribute to delivering the vision and aspirations for the borough as set out in the Borough Manifesto, in particular around Housing, Environment and Employment. An Equalities Impact Assessment (EIA) was attached to the November Cabinet paper. Additional EIAs will be drawn up for schemes within the regeneration programme as they are brought forward for planning approval.

10.4 Safeguarding Children: Not relevant.

10.5 Health Issues: Planning and the built environment are inextricably linked with, and are a major determinant of, health and health inequalities. Be First and the Council as the planning authority and commissioners will give consideration to maximising the positive impacts on health and reduction in health inequalities for the Barking and Dagenham population, and it is important that provision to this effect is included in the developing specifications and contracts. The KPIs developed for Be First should include a measure of health and - more importantly in line with the Growth Commission report ambition of “No one left behind” - of the reduction in health inequalities. The Healthy New Town team is developing indicators for health impact for Barking Riverside and will work with Be First and the Council commissioners in developing these KPIs.

10.6 Crime and Disorder issues: Not relevant.

10.7 Property/Asset Issues: At the time that the proposal to establish Be First was approved by Cabinet in November 2016 it was envisaged that Be First would not take ownership of any Council property or land assets. However, the business case review referred to in section 3 above may identify options that involve Be First ownership of assets that would benefit both Be First and the Council in delivering their regeneration objectives and the £10.3m recurring income target from 2020/2021. Appropriate safeguards will be incorporated in the Business Plan that will be submitted to the Shareholder Panel and Cabinet for approval in December 2017. Any agreement by the Council to fund the purchase of assets for Be First to develop will be subject to close scrutiny and safeguards to ensure that the Council’s investment is secured (for example in the event of Be First’s liquidation) on a case by case basis.

10.8 Public Background Papers Used in the Preparation of the Report: