

# MINUTES OF CABINET

Tuesday, 20 October 2020  
(6:03 - 8:16 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

**Apologies:** Cllr Lynda Rice

## 29. Declaration of Members' Interests

There were no declarations of interest.

## 30. Minutes (22 September 2020)

The minutes of the meeting held on 22 September 2020 were confirmed as correct.

## 31. Update on COVID-19 Issues

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

It was noted that since the beginning of the pandemic approximately 1,900 residents had tested positive for the virus and there had been an increase of 230 cases in the past seven days, which meant that the Borough infection rate was now at 109 cases per 100,000. As the London-wide rate was over the 100 cases per 100,000 population threshold, London had moved into Tier 2 restrictions. Sadly, a further three Borough residents had died from the virus in the past week, bringing the total number to 174. The Cabinet Member encouraged everyone in the Borough to follow the advice to help prevent the spread of the disease. protect the most vulnerable in the community and avoid a second lockdown.

The Cabinet Member confirmed that there had been outbreaks in 60 Borough schools, although she was pleased to report that due to the effective arrangements in place all schools had continued to operate. An additional testing site was due to open in the Marks Gate area next week, bringing the total number of sites in the Borough to three, although local testing rates had declined of late. The Council had also taken on some responsibilities to support the national Test and Trace programme and the Leader advised on local testing arrangements specifically aimed at key frontline workers in the Borough.

The Cabinet Member for Educational Attainment and School Improvement reminded parents and carers of the steps that they should take when arriving at school gates. The Cabinet Member for Enforcement and Community Safety also gave an update on the actions taken within her portfolio area to enforce compliance and support local businesses, groups and individuals.

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

### **32. Revenue Budget Monitoring 2020/21 (Period 5, August 2020)**

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 at 30 August 2020 (period 5).

The Council's General Fund revenue budget at the end of period 5 showed an underlying budget variance of £5.701m, which represented a significant improvement on the period 4 position of £8.533m. However, current year-end projections, after taking into account the significant financial pressures stemming from the COVID-19 pandemic in relation to additional costs, loss of income and delays to the delivery of some planned savings proposals, gave a range of overspend of between £5.816m and £18.303m.

The Cabinet Member pointed out that while the term 'overspend' was commonly used to refer to expenditure that exceeded budget provision, it was an inappropriate term to explain the Council's position in the current circumstances as the Government had failed to provide the proper level of financial support to the local government sector to enable it to meet the challenges and extra costs associated with the COVID-19 pandemic. He also referred to the Government's austerity programme that had severely impacted local authority budgets for over 10 years, the need for a genuine Fair Funding policy for local authorities and the impact of welfare system reforms on an increasing number of residents.

The Housing Revenue Account (HRA) was showing a forecast overspend of £2.193m at the end of period 5 and the Cabinet Member referred in particular to the likely need to increase bad debt provision as a result of the pressures being faced by tenants as a consequence of COVID-19.

The report also set out a proposal to classify expenditure associated with transforming service delivery in the areas of Adults, Disabilities and Mental Health services under the Flexible Use of Capital Receipts arrangements.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2020/21 financial year 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; and
- (iv) Agree that the Flexible Use of Capital Receipts should be extended to include funding for the Adults, Disabilities and Mental Health Improvement Programme as set out in section 9 of the report.

### 33. Investment and Acquisition Strategy Update

The Cabinet Member for Finance, Performance and Core Services introduced a report which provided an update on the Council's Investment and Acquisition Strategy (IAS).

The Cabinet Member stressed that growth, innovation and transformation continued to be key to the future sustainability of the Borough and he alluded to the remaining reports on the evening's agenda as clear examples of the Council's ambitions and vision for Barking and Dagenham and its residents. The IAS represented a key aspect of that vision and the Cabinet Member highlighted a number of the achievements during the past 12 months, as well as the opportunities and pressures going forward and the governance arrangements that underpinned the IAS.

Be First, the Council-owned company established to accelerate regeneration and investment in the Borough, was performing well in the current circumstances and a number of new 'pipeline schemes' were being progressed. The Cabinet Member also pointed to the fact that the level of Affordable Rent properties within new housing developments was now projected at 79% of the total tenure mix, providing much needed affordable properties for the local community.

The report also included details of a proposed amendment to the loan agreement with Robyna Limited for a residential-led scheme at London Road / North Street, Barking. By Minute 33 (18 September 2018), the Cabinet had agreed to enter into a joint development with Robyna and a loan facility of up to £35m to deliver a 164 unit scheme. The size of the development scheme had subsequently increased to 196 units and it was proposed, therefore, to increase the size of the loan to £44m to cover the cost of the additional units.

Cabinet **resolved** to:

- (i) Approve the updated Investment and Acquisition Strategy set out at Appendix 1 to the report;
- (ii) Note that the IAS and Borrowing Outturn 2019/20 showed a £0.6m underspend for 2019/20;
- (iii) Note the progress being made in meeting the IAS income target and the impact on the IAS of the delays to schemes being completed;
- (iv) Note the governance and controls in place to manage the IAS;
- (v) Note the increase in gross borrowing costs (£105m) and net borrowing costs (£319m);
- (vi) Note the potential for commercial loans and commercial income to support the investment strategy, especially over the short-term;
- (vii) Note the impact of leverage on the IAS and the proposals regarding life-cycle costs reporting and funding; and

- (viii) Agree that the loan to Robyna Ltd in respect of the North Street / London Road residential-led development be increased from £35m to £44m to take account of the increased units to be developed at the site, on the terms set out in Appendix 2 to the report.

### **34. Development of Land at Beam Park, Dagenham**

The Cabinet Member for Regeneration and Social Housing presented a report on the opportunity to enter into a Development Agreement with Countryside Properties relating to the construction of 936 new homes as part of the Beam Park regeneration project in the south Dagenham area of the Borough.

It was noted that Countryside had secured outline planning permission in 2019 for 3,000 homes across eight phases that covered land owned by the Greater London Authority (GLA) within both Barking and Dagenham and Havering. Countryside had commenced Phase 1 of the project and the current intention was for Phases 3, 4 and 5, covering 936 properties on land adjacent to Kent Road within Barking and Dagenham, to commence from late 2026 with completion in 2032. The Cabinet Member explained that the Council's involvement, led by Be First, could bring forward the delivery of those phases by 4 - 5 years and, on completion, the properties would be held and operated by B&D Reside.

The Cabinet Member advised that the proposal would enable the Council to acquire units at a price below that at which it could construct them and the project would also be supported by considerable GLA grant and New Homes Bonus funding. Other benefits to the Council would include the securing of approximately 100 additional London Affordable Rent units for those on the Council's housing waiting list.

Summarising, the Cabinet Member confirmed that the project was financially viable and in line with the Council's Investment and Acquisition Strategy and impending Inclusive Growth Strategy.

Several Cabinet Members spoke in strong support of the proposal and commented on the supporting social and other infrastructure that would need to form part of the development and the wider plans for the area.

Cabinet **resolved** to:

- (i) Agree the proposal to purchase up to 936 homes, comprising 50% affordable and 50% private housing;
- (ii) Agree to enter into a Development Agreement with Countryside Properties to deliver the units across three development phases for a fixed price plus indexation, on a turn-key basis;
- (iii) Agree to the borrowing of up to £309m within the General Fund to finance the entire development subject to satisfactory due diligence;
- (iv) Note that the scheme meets the Investment and Acquisition Strategy financial performance metrics delivering a positive net present value of £69m;

- (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) Agree to allocate £23.1m GLA London Affordable Rent grant funding to support the financial viability of the scheme;
- (vii) Agree to allocate £7.4m GLA Shared Ownership grant funding to support the financial viability of the scheme;
- (viii) 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;
- (ix) 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; and
- (x) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Cabinet Member for Regeneration and Social Housing, the Director of Inclusive Growth and the Finance Director, to agree the purchase of a small and limited number of additional units at the site from Countryside Plc, above the 936 units already proposed, to specifically deal with any minor changes as the scheme progresses through detailed design to planning, and subject to any additional purchases being on the same commercial terms and in accordance with the Council's Investment and Acquisition Strategy.

### **35. Dagenham Film Studios Delivery Route**

Further to Minute 60 (15 October 2019), the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing introduced a report on the latest issues relating to the Council's ambitions for major film/TV studios and associated media related activity at the LEUK (former Sanofi) site, Rainham Road South, Dagenham.

It was noted that after securing planning approval for the development, Be First had gone to the market and received strong interest from several private sector organisations with extensive experience of building and running studios. An analysis of the proposals indicated that the optimum way for the Council to facilitate the delivery of the studios would be through a long leasehold sale of the land. Interest had also been shown by the preferred bidder in renting the Council's recently acquired site at Welbeck Wharf in River Road, Barking, for additional studio space.

The Cabinet Members also advised on the work being undertaken to maximise the local impact of the studios in terms of employment, training and engagement. The project would have a transformational impact on the local economy and the

services of Screenskills, an industry-led skills body for the screen industry, had been engaged to help optimise that potential. It was also pointed out that as well as opportunities within the film/TV industry itself, the project would create a wide range of job opportunities in areas such as construction (building stage sets, electrical, carpentry etc.), creative industries and hair and beauty to name just a few. Furthermore, the LEUK site would be home to one of Europe's largest data centres and the UCL PEARL Institution. To that end, the Cabinet Member for Regeneration and Social Housing advised on the important role of the local training and education sector, including B&D College, the Adult College, CU London (Dagenham) and schools, in helping to raise the aspirations and skills of the local community to ensure that Barking and Dagenham residents were able to take advantage of the wide-ranging opportunities on offer.

Cabinet Members were unanimous in their support for the project and the Leader commented that since the Council first developed its vision for the regeneration of the site just over four years ago, over £2 billion of investment had been secured in the area. The Cabinet Member for Employment, Skills and Aspiration also spoke on the engagement with local businesses to ensure that they were able to benefit from the project and the Skills Pathway initiative aimed at upskilling young people of the Borough.

Cabinet **resolved** to:

- (i) Agree that a long leasehold sale of land represents the best route to deliver Film studios in Dagenham;
- (ii) Agree to a 250 year leasehold sale of the land shown edged red in the plan at Appendix 2 to the report and delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to conclude sale agreements and a lease and any related documents for disposal to the preferred bidder in line with the terms set out in section C1 of Appendix 1 to the report;
- (iii) Agree to a 250 year leasehold sale of the land shown edged red in the plan at Appendix 3 to the report and delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to conclude sale agreements and a lease and any related documents for disposal to the preferred bidder in line with the terms set out in section C2 of Appendix 1 to the report;
- (iv) Agree to acquire part of the LEUK site as shown edged red in the plan at Appendix 4 to the report from LEUK (which is in turn owned by Barking & Dagenham Trading Partnership) and delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to conclude the transfer and any related documents on the terms set out in paragraph 1.1 of Appendix 1 to the report; and

- (v) Agree to a 10+10 year lease and pre-emption agreement of the land known as Welbeck Wharf, as shown edged red in the plan at Appendix 5 to the report, and delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to conclude the lease and any related documents to the preferred bidder in line with terms set out in Section D of Appendix 1 to the report.

### **36. Barking Town Centre Regeneration Strategy 2020-2030**

The Cabinet Member for Regeneration and Social Housing presented a report on the Barking Town Centre Regeneration Strategy 2020-2030 which established a clear vision for the town centre and a delivery plan highlighting the tools and interventions different partners would take to deliver that vision.

The Strategy identified three strategic priority interventions to deliver transformational change, which were:

1. A unique and transformational Food hub linked to the City of London wholesale markets, returning Barking to its historic prominence for food and trading;
2. Improving the poor first impression that Barking Station gives, into a welcoming gateway to the town centre; and
3. Intervening to take forward the first phase of the Vicarage Field redevelopment as a key catalyst for high quality change.

The Cabinet Member referred to the strong governance arrangements that would support the delivery of the Strategy, which included the creation of a Town Centre Stakeholder Group, led by the Council and Be First and involving stakeholders from across the local business and other sectors, and the creation of a new Town Centre Manager role within Be First. The Cabinet Member also alluded to the six objectives that underpinned the Strategy and other key aspects relating to funding, transport and parking improvements and property interventions.

Cabinet Members welcomed the new Strategy and referred in particular to new school provision in and around Barking Town Centre and the important role of the new Town Centre Manager.

Cabinet **resolved** to:

- (i) Approve the Barking Town Centre Regeneration Strategy 2020-2030 as set out at Appendix 1 to the report;
- (ii) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, to agree any relevant updates and minor amendments to the 10-year Strategy; and
- (iii) Agree the new governance / partnership working structure to support the delivery of the Strategy, as detailed in paragraph 3.1 of the report.

*(During consideration of this item, the Cabinet resolved to suspend Standing Order 7.1 (Part 2, Chapter 3 of the Council Constitution) to allow the meeting to continue beyond the two-hour duration threshold.)*

### **37. The Abbey and Barking Town Centre Conservation Area Appraisal**

The Cabinet Member for Regeneration and Social Housing introduced a report on a refreshed Abbey and Barking Town Centre Conservation Area Appraisal (A&BTC CAA) and Management Plan, carried out as part of the wider £1.7m 'Enhancing Heritage in the Abbey and Barking Town Centre Conservation Area' Townscape Heritage project.

The Cabinet Member explained that the updated A&BTC CAA would support the main aims of the Townscape Heritage project, a key aspect of which related to the maintenance and enhancement of the buildings and fabric across the conservation area. The A&BTC CAA sought to achieve that through robust and tailored management guidance and policies, aimed at both current owners and occupiers of buildings within the area as well as prospective developers. The study had identified the need for some minor changes to the existing A&BTC CAA boundary and the draft document had been subject to public and stakeholder consultation, the results of which were set out in Appendix 2 to the report.

The Leader spoke of his pride at the efforts of the Council, its staff and partners in helping to raise the aspirations and quality of life of all those who lived and worked in the Borough which he felt was epitomised by the issues the Cabinet had considered this evening.

Cabinet **resolved** to:

- (i) Adopt the Abbey and Barking Town Centre Conservation Area Appraisal and Management Plan at Appendix 1 to the report; and
- (ii) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, to make any minor amendments to finalise the document.

### **38. Any other public items which the Chair decides are urgent**

The Chair took the opportunity to call on those participating in the meeting to join him in recognising those who had lost loved ones during the current COVID-19 pandemic as well as those working in front-line services across the health, care and other public services.