

MINUTES OF CABINET

Tuesday, 13 July 2021
(7:02 - 9:17 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Syed Ghani, Cllr Elizabeth Kangethe, Cllr Margaret Mullane and Cllr Maureen Worby

Apologies: Cllr Cameron Geddes

20. Declaration of Members' Interests

There were no declarations of interest.

21. Euro 2020 Football Tournament

The Leader of the Council conveyed the Borough's congratulations to the England national football team for reaching the final of the recent Euro 2020 tournament. The Leader commended the players' conduct both before and after the tournament and strongly condemned those who had targeted some of the players with racial abuse.

22. Minutes (22 June 2021)

The minutes of the meeting held on 22 June 2021 were confirmed as correct.

23. Medium Term Financial Strategy and Reserves Policy 2021-22 to 2025-26

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Council's Medium-Term Financial Strategy (MTFS) and Reserves Policy for the period 2021-22 to 2025-26.

The Cabinet Member explained that the MTFS had been developed against the backdrop of the financial uncertainty stemming from the COVID-19 pandemic and the ongoing pressures facing the local government sector in view of the Government's delay in implementing Fair Funding reforms and 75% business rates retention until 2023-24 at the earliest.

The MTFS identified a cumulative funding gap of £25.1m over the five-year period. To ensure an ongoing financially balanced position, the intention was to close the gap through both short and longer-term interventions which would require budget savings to be delivered. The report also set out principles for a robust reserves policy and the Cabinet Member was pleased to confirm that the Council's prudent management of its finances meant that it was not necessary to use General Fund reserves in 2020/21, thereby providing the Council with a buffer for the forthcoming year.

Cabinet Members expressed dismay at the lack of financial support from the Government for essential Council services and vowed to continue to pressure the

Government to deliver its funding promises.

Cabinet **resolved** to:

- (i) Approve the Medium Term Financial Strategy and Reserves Policy 2021-22 to 2025-26 as set out in Appendices A and C to the report and the approach proposed to ensure the financial health of the Council over the medium term;
- (ii) Approve the 2021/22 budget adjustments as detailed in paragraphs 9.1 - 9.5 of the report;
- (iii) Approve the addition to the Capital Programme and drawdown of up to £927,000 from the Parking Reserve to fund upgrades to the CCTV control room and cameras, as detailed in paragraphs 9.6 - 9.9 of the report; and
- (iv) Approve the drawdown of £1.05m from the Investment and Acquisition Strategy (IAS) reserve to fund additional resources to support the delivery of IAS returns, as detailed in paragraph 9.10 of the report.

24. Review of School Places and Capital Investment - Update

The Cabinet Member for Educational Attainment and School Improvement presented the latest six-monthly update report on school places provision and capital investment in educational provision.

The report set out the most up to date information on the projected demand for school places for September 2021 as well as capital expenditure proposals to progress projects to enhance and improve school provision. The Cabinet Member advised that there had been a dip in demand for reception-age places, potentially due to Brexit and COVID-19, however numbers were expected to recover within the next two years.

A review of the impact of new housing developments in the Borough over the next 15 years had been carried out and it was noted that there was a projected 60% increase in school pupil numbers from now until 2036, which equated to a requirement for 26 new primary schools and 9 new secondary schools. The Cabinet Member advised that, to meet that need, developers would be expected to show in future planning applications how they would meet the need for well positioned, appropriately sized school sites.

The Cabinet Member also advised that the forecast growth of pupils needing additional support through an Educational Health Care Plan (EHCP) was estimated to be an additional 249 pupils until 2026.

Cabinet Members reflected on the difficult challenge ahead for the Council in achieving such an increased number of school places but were reassured that the forward planning and strategy that had served the Council so well to date would continue to do so for years to come.

Cabinet **resolved** to:

- (i) Approve the inclusion in the Capital Programme of the DfE grant allocations for 2021/22 and 2022/23, as detailed in sections 5, 6 and 7 of the report;
- (ii) Approve the proposed allocation of funding as set out in section 8 and, in particular, paragraph 8.15 of the report, to support the provision of new school places and improvements, some of which need to be ready for September 2021;
- (iii) Delegate authority to the Strategic Director, Children and Adults, acting on advice from the Procurement Board, to approve the final procurement strategies for projects noted in the report; and
- (iv) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Cabinet Member for Education Attainment and School Improvement, the Managing Director and the Strategic Director, Law and Governance, to conduct the procurements and award the respective project contracts.

25. Corporate Plan 2020-22 - Q 3 and Q4 2020/21 Performance Monitoring

The Cabinet Member for Finance, Performance and Core Services introduced a report which summarised performance in quarters three and four of 2020/21 against the numerous metrics and deliverables contained in the Council's Corporate Plan 2020-22 and also set out proposed revisions to the Single Performance Framework.

Cabinet Members were invited to speak on key aspects within their portfolios and the issues raised included:

Community Leadership and Engagement

- Collaboration with other partner organisations had been key, with the creation of BD Giving assisting local communities to engage with and help residents; and
- Engagement with the community had successfully taken place online despite the difficulties faced.

Social Care and Health Integration

- 70% of young people's placements had been maintained despite the pressure on the individuals and carers; and
- Over 90% of care leavers continued to live in suitable accommodation.

Educational Attainment and School Improvement

- Online learning had been successful during lockdown and additional support given to vulnerable people, which had created stronger relationships with parents and families; and
- Praise for the School Admissions service which had, once again, successfully delivered national offer day for new primary and secondary school placements, with Barking and Dagenham having the highest first preference rate for Reception classes.

Enforcement and Community Safety

- An average of 4,000 COVID-19 compliance visits had been undertaken by the

- Enforcement Team each week; and
- £170,000 of fines had been issued to non-compliant private landlords, a figure which was expected to increase with the easing of lockdown and more access to properties.

Public Realm

- Despite pressures on staffing levels due to COVID-19, domestic, recycling and green garden waste collection rates continued to exceed the 99% target for scheduled day collections; and
- Frontline staff continued to ensure that the Borough's parks stayed clean despite being much busier due to an increase in 'staycations'.

Employment, Skills and Aspiration

- The Homes and Money Hub had remained open throughout COVID-19, with services continuing to evolve during the pandemic response; and
- As at March 2021, 641 unemployment learners were accessing learning at the Barking and Dagenham Adult College with 191 starts in employment programmes, both above the target rate, and 850 people had been supported into employment of which 147 were long-term unemployed.

The Leader congratulated the local community for coming together and overcoming challenges during the COVID-19 pandemic and referred to the 'Thank You' roadshow organised by the Council for residents during the previous week.

Cabinet **resolved** to:

- (i) Note the performance highlights and areas of improvement during quarters 3 and 4 of the 2020/21 financial year, as set out in Appendix 1 to the report, and
- (ii) Agree revisions to the Single Performance Framework as set out in Appendix 2 to the report.

26. Contract for Supply of Furniture, Fixtures and Fittings for Early Years Education Settings and Temporary Residential Accommodation

The Cabinet Member for Educational Attainment and School Improvement introduced a report on the proposed procurement of a contract for the supply of furniture, fixtures and fittings for Early Years education settings and temporary residential accommodation.

The Cabinet Member advised that the key benefits of the proposed contract, to commence on 1 April 2022 for a maximum of four years, included the provision of high-quality, cost-effective furniture, fixtures and fittings, and the ability to utilise a multi-lot approach that would provide variety and enable both local and national suppliers to compete for the contract.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for Furniture, Fixtures and Fittings for the Council's Early Years Education Settings and Temporary Residential Accommodation in accordance with the

strategy set out in the report; and

- (ii) Authorise the Strategic Director, Children and Adults, in consultation with the relevant Cabinet Members, the Strategic Director, Law and Governance, and the Managing Director, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder, in accordance with the strategy set out in the report.

27. East London Joint Resources and Waste Strategy 2027-2057 - Public Consultation

The Cabinet Member for Public Realm presented a report on the preliminary draft of the East London Joint Resources and Waste Strategy (ELJRWS) 2027-2057, developed by the East London Waste Authority (ELWA) and its four constituent Boroughs (collectively the 'Partner Authorities').

The Cabinet Member advised that the context around the Partner Authorities delivering waste management services was subject to considerable change over the coming years and had been reflected in the new ELJRWS. Key aspects of note included forthcoming changes to national waste policy and the ending of ELWA's current waste management contract in 2027, with the need to develop successor arrangements. There would also be an increased expectation from the Mayor of London that the Partner Authorities met their obligations to be in 'general conformity' with the London Environment Strategy (LES).

The Cabinet Member outlined the proposed arrangements for the publication and associated stakeholder / public consultation of the ELJRWS, which was due to take place from mid-July to mid-September 2021.

Cabinet **resolved** to:

- (i) Approve the release of the Preliminary Draft of the East London Joint Resources and Waste Strategy (ELJRWS) and associated documents to the four statutory consultees (Environment Agency, Greater London Authority, Historic England, and Natural England);
- (ii) Approve the start of the public consultation on the ELJRWS in line with the proposals set out in the report; and
- (iii) Delegate authority to the Strategic Director, My Place, in consultation with the Cabinet Member for Public Realm, to approve any appropriate minor amendments within the strategy document and/or changes in the public consultation timeline.

28. Reside Business Plan 2021-26

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Reside Business Plan for 2021-26.

The Cabinet Member advised that the next five years would see a significant growth in the number of homes to be managed by Reside, with current projections

suggesting that the property portfolio would grow from just over 1,000 properties to 3,500 by 2026. It was essential, therefore, to scale up operations to enable the successful delivery of affordable homes for local people and he felt that the Business Plan represented a robust and fit-for-purpose document to deliver those outcomes. He stressed, however, that the Business Plan had been developed at a time when the full, long term impacts of COVID-19 were largely unknown and it was possible, therefore, that the Company's ability to deliver certain outcomes could be impacted as a result. With that in mind, it was noted that performance against the Business Plan would be closely monitored through the Shareholder Panel.

Cabinet **resolved** to:

- (i) Approve the Barking and Dagenham Reside Regeneration Ltd (Co No (09512728) Business Plan 2021-26 at Appendix A to the report, subject to the conditions set out below; and
- (ii) Authorise the Council's Managing Director, in consultation with the Shareholder Panel, to:
 - (a) approve the final detailed operational model and any costs associated with delivering the Property Management functions and any associated legal or contractual documentation.
 - (b) approve the strategy for reviewing and updating the Reside Group structure to ensure it is in the best possible position to achieve its strategic outcomes and to fulfil its legal obligations.
 - (c) take all necessary action to enable Reside to carry out its proposals under the Business Plan and to agree any variations to the business plan or shareholder agreement and enter any agreements or warranties necessary.
 - (d) take all necessary action to wind up or otherwise repurpose any companies in the structure on behalf of the Council as shareholder and apply for all necessary consents to do so.

29. BDTP Interim Business Plan 2021-24

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Barking and Dagenham Trading Partnership (BDTP) Interim Business Plan for 2021-24.

The Cabinet Member advised that, due to the COVID-19 pandemic, the Interim Business Plan only covered a three-year period, instead of the typical five, and set out where the business currently stood with regards to operational delivery and financial performance, and the actions that need to be taken to put the Company back on track to achieve the objectives set out in the Shareholder Agreement. A detailed budget for the 2021/22 financial year was included in the Plan, along with forecasts of projected returns for the following two years, and it was noted that the current year projections would be updated at the end of September 2021 and a revised three-year plan covering the periods 2022/23, 2023/24 and 2024/25 would be presented for approval before the end of the current financial year.

The Cabinet Member stressed the importance of BDTP securing new work /

contracts to ensure a sustainable future in a post COVID-19 environment, due to the direct impact on Borough residents of the services it provided and the fact that many local residents worked for the partnership. BDTP had recognised the need to develop a Service Improvement Plan (SIP) for BD Services and a thorough review of the infrastructure required to support all areas of Group activity.

Cabinet **resolved** to:

- (i) Approve the BDTP Interim Business Plan 2021-24 at Appendix A to the report, subject to the conditions set out below; and:
- (ii) Authorise the Council's Managing Director, in consultation with the Shareholder Panel, to:
 - (a) Approve the outcome of the Service Improvement Plan, including the approval of any contractual variations required as a result of that programme;
 - (b) Approve the request for the Council to issue up to £5m for working capital loan and agree all loan documentation or any documentation required to approve the utilisation of funds from the realisation of profit at LEUK, subject to due diligence and ensuring there is no breach of subsidy;
 - (c) Approve expenditure of £1.6m to remove any backlog repairs works and allocate the remainder of the £3.5m business improvement investment;
 - (d) Take all necessary action to enable BDTP to carry out its proposals as set out within the Business Plan, except those reserved by these recommendations, and to agree any variations to the business plan.

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

30. Delivery of Barking Riverside Health and Wellbeing Hub

The Cabinet Member for Social Care and Health Integration presented a report on the proposed delivery of a Health and Wellbeing Hub in the Barking Riverside area.

The Cabinet Member advised that Barking Riverside had been identified as one of the NHS's Healthy New Towns, showcasing how new development could embed improved health and wellbeing from the outset, as well as being a key feature of the Council's aspirations to create a District Centre in the locality. The new Hub would combine a new leisure centre with pool together with health and community facilities to encourage physical activity, social interaction with others and healthy living. The New Model of Care would see statutory and community partners working together to empower residents and facilitate activation of the Barking Riverside community by ensuring that services were accessible and appropriate for maximising health outcomes for all residents.

The Cabinet Member referred to the Section 106 Agreement which formed part of Barking Riverside Limited's (BRL) outline planning approval for the area and the

further feasibility work that had been undertaken by BRL, in consultation with the Council and the Clinical Commissioning Group (CCG), to develop the plans for the area. As a combined leisure, health and community facility was not originally envisaged, it was noted that it would be necessary to vary the current Section 106 Agreement with BRL to enable the plans to be progressed. The feasibility work had also identified a preferred option whereby the Council would lead on the delivery, financing and management of the Hub, which would include borrowing via the General Fund and recouping the projected funding gap, after receipt of the BRL contribution of circa £22.25m, via rental income. It was further noted that the Council's leisure service provider, Everyone Active, would manage the leisure element of the Hub.

Cabinet **resolved** to:

- (i) Approve the development by the Council of the Barking Riverside Health and Wellbeing Hub on the terms set out in the report, which include the Council taking a long leasehold interest of the site shown edged red in Appendix 1 to the report at nil cost and entering into a Land and Works agreement with Barking Riverside Limited for the development;
- (ii) Approve the borrowing of up to £39.95m within the General Fund, subject to satisfactory due diligence and receiving confirmation of BRL's contribution of £22.253m, as detailed in paragraph 2.2 of the report, being paid to the Council on Practical Completion;
- (iii) Support the proposed variation of the current Section 106 Agreement with relevant parties in respect of the Barking Riverside Development to reflect the changing circumstances and delivery of the Health and Wellbeing Hub, which shall be subject to the necessary approvals via the planning regime; and
- (iv) Delegate authority to the Managing Director, in consultation with the Strategic Director, Law and Governance, to agree and execute any agreements and contract documents to fully implement the project.

31. Proposed Purchase of 62 Residential Units at Town Quay Wharf, Barking

The Cabinet Member for Finance, Performance and Core Service introduced a report on the proposed purchase of 62 new, affordable tenure homes at Town Quay Wharf, Barking.

The Cabinet Member advised that Weston Homes PLC had secured planning permission to redevelop Town Quay Wharf and provide 147 new homes (35% affordable), new ground floor commercial space and a central public area on the River Roding. Weston Homes had approached the Council and Be First with an opportunity to accelerate the project via a Development Agreement whereby the Council would purchase 62 units on completion at a discounted rate in exchange for the transfer of Council-owned land in the locality to facilitate the overall development scheme. The development project would also include adjustments to the Town Quay road network to make better use of the land and river frontage.

The Cabinet Member explained that Be First would manage the transaction on

behalf of the Council and monitor the development process to practical completion, estimated in 2024/25. Once completed, the new units would be held and operated by Reside as part of its residential portfolio, with any financial surplus made being paid back to the Council. It was confirmed that the proposed terms were in accordance with the Council's Investment and Acquisition Strategy criteria and would help the Council to achieve its 'Inclusive Growth' objectives through the provision of much needed, affordable social housing.

Cabinet **resolved** to:

- (i) Approve the purchase of 62 affordable tenure homes from Weston Homes on a turnkey basis for the price of £14,635,162 (circa £236k per unit);
- (ii) Agree to the transfer of LBBD land at Town Quay Wharf to Weston Homes PLC to facilitate the Town Quay redevelopment proposal as a consideration contribution towards the acquisition of the 62 affordable tenure homes;
- (iii) Agree the borrowing of up to £11,295,534 (net development cost) within the General Fund from the Public Works Loan Board to finance the entire development subject to satisfactory due diligence;
- (iv) Approve in principle to enter into a Development Agreement with Weston Homes to deliver 62 units for a total development cost £16,331,251 for expected completion in 2024 subject to satisfactory due diligence, including acceptable parent company and SPV checks and security arrangements;
- (v) Agree the scheme meets the Investment & Acquisition Strategy financial performance metrics delivering a positive net present value of £3.5m;
- (vi) Approve the appointment of relevant technical due diligence and legal advisors and to manage the transaction on behalf of Be First and the Council;
- (vii) 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, sale and manage and maintain the homes in accordance with the funding terms in a loan agreement between the Council and Special Purpose Vehicle;
- (viii) Agree to allocate £924,000 GLA Shared Ownership grant funding, subject to a successful bid, to support the financial viability of the shared ownership tenure;
- (ix) Agree to allocate £2,900,000 GLA LAR grant funding, subject to a successful bid, to support the financial viability of the LAR tenure;
- (x) Agree the 2.5% Be First fee of £422,862 to act as Development Manager and Construction manager on behalf of the Council;
- (xi) Agree to set up a Capital code with the required budget of £16,331,251 to deliver the project;

- (xii) Agree to transfer £20,000 of pre-Gateway 2 costs incurred by Be First to date to the Capital code;
- (xiii) Delegate authority to the Managing Director, in consultation with the Strategic Director, Law and Governance, to agree and execute any legal agreements and contract documents to fully implement the project; and
- (xiv) Delegate authority to the Finance Director, in consultation with the Managing Director and Cabinet Member for Finance, Performance and Core Services, to agree the funding and finance arrangements to fully implement the project.