

# MINUTES OF CABINET

Tuesday, 20 March 2018  
(7:00 - 8:09 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 and Cllr Maureen Worby

**Apologies:** Cllr Laila M. Butt, Cllr Lynda Rice and Cllr Bill Turner

## 102. Councillor John White

The Leader of the Council expressed his sincere condolences to the family of Councillor John White, who sadly passed away on Friday 16 March following a long illness.

## 103. Declaration of Members' Interests

There were no declarations of interest.

## 104. Minutes (19 February 2018)

The minutes of the meeting held on 19 February 2018 were confirmed as correct.

## 105. Budget Monitoring 2017/18 - April to January (Month 10)

The Cabinet Member for Finance, Growth and Investment presented a report on the Council's revenue budget monitoring position for the 2017/18 financial year as at 31 January 2018.

The General Fund showed a projected year-end overspend of £6.23m against the budget of £145.13m, which represented an improvement of £0.579m on that reported for the end of December 2017 (Month 9). The Cabinet Member alluded to the pressures and risks which affected a range of service areas and commented that it was unlikely that the position would improve much further by the end of the financial year.

The Cabinet Member referred to a number of proposed carry forwards and virements relating to General Fund revenue budgets and the provision of a working credit facility of up to £2.5m to the Barking and Dagenham Trading Partnership, primarily to assist the company with liquidity / cashflow issues in its first year of operation starting 1 April 2018. The Cabinet Member also advised on proposed delegations to the Chief Operating Officer to facilitate the closure of the Council's accounts by the deadline of 31 May 2018, as the Cabinet would not meet again until June 2018 due to the forthcoming Local Elections.

The Cabinet **resolved** to:

- (i) Note the forecast outturn position for 2017/18 of the Council's General Fund revenue budget as detailed in section 2 and Appendix A of the report;

- (ii) Note the financial risks and the suggested mechanisms for resolving them, as detailed in section 3 of the report;
- (iii) Approve the carry forward requests into the 2018/19 revenue budget, as detailed in the table at paragraph 4.1 of the report;
- (iv) Approve the transfer of up to £1.0m “Procurement Gainshare” into the Core Infrastructure reserve to fund future investment in ICT and other core services;
- (v) Approve the virements within 2017/18 revenue budgets, as set out in paragraph 5.1 of the report;
- (vi) Note the overview of the HRA for 2017/18, as detailed in section 6 and Appendix B of the report;
- (vii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment, to take decisions in respect of the following matters as part of the process for the closure of the Council’s accounts for 2017/18:
  - Carry forward of monies allocated or received for specific purposes where expenditure has not been incurred in the financial year;
  - The making of revenue contributions to capital;
  - The financing of redundancies and associated pension costs.
- (viii) Approve a working capital facility of up to £2.5m for the Barking and Dagenham Trading Partnership on the terms set out in section 8 of the report; and
- (ix) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to agree the terms, including the rate, duration and security regarding the working capital facility to Barking and Dagenham Trading Partnership.

#### **106. Barking and Dagenham School Improvement Partnership - Update**

Further to Minute 21 (20 June 2017), the Cabinet Member for Educational Attainment and School Improvement presented an update report on the creation of the new School Improvement Partnership (SIP), a not-for-profit company wholly owned by the Council and participating Borough schools.

The Cabinet Member stressed the importance of maintaining the improvement in educational standards in the Borough and the pivotal role of the SIP, alongside the Borough’s family of schools, in that aim, despite the real-term cut in Government funding and the significant increase in pupil numbers within Barking and Dagenham.

To date, 56 of the 60 Borough schools had signed up to receive the range of statutory and priority services to be provided by the SIP on behalf of the Council.

To enable the formal establishment of the SIP and the involvement of Local Authority maintained schools, it was noted that the Council must comply with certain statutory requirements. The Cabinet Member outlined the process and the intention to provide the SIP with a working capital facility of up to £200,000, to assist with cashflow for services that would be provided in advance of the structured payment system agreed with schools.

The Cabinet **resolved** to:

- (i) Approve the formal establishment of a school company on the terms set out in the report, to which the Council shall have membership and directorships of the company;
- (ii) Give formal permission for Local Authority maintained schools to become members of the Barking and Dagenham School Improvement Partnership, in accordance with School Companies regulations;
- (iii) Approve a working capital facility of up to £200,000, only to be drawn as necessary, to cover payments for services provided in advance; and
- (iv) Delegate authority to the Strategic Director for Service Improvement and Integration, in consultation with the Cabinet Member for Educational Attainment and School Improvement, the Chief Operating Officer and Director of Law and Governance, to enter into all arrangements and agreements necessary to implement the above arrangements.

## **107. Corporate Plan 2018 - 2022**

The Leader of the Council introduced the Council's Corporate Plan for 2018 - 2022, which set out the Council's vision and priorities for the next four years together with the corporate performance framework.

The Corporate Plan took into account the Council's current position, its transformation programme (which stemmed from the LGA Peer Review and the independent Growth Commission report), the aspirations and targets within the Borough Manifesto and other initiatives such as the Good Neighbour Guide.

The Leader referred to several of the Council's key achievements since the 2014 Local Elections and stressed that the principle of "No One Left Behind" was the golden thread that ran throughout the new Corporate Plan. The document also reflected the Council's increasing role as a commissioning body and how it would support the local community in leading independent, healthy, safe and fulfilling lives.

Cabinet Members spoke in support of the document and the ambitions for the future. In respect of the Corporate Performance Framework, it was suggested that there should be a distinction within both the document and the monitoring regime between the areas for which the Council was directly responsible and those delivered in partnership or by other bodies.

The Cabinet **resolved to recommend the Assembly** to approve the Council's Corporate Plan 2018 - 2022 as set out at Appendix 1 to the report, subject to

officers reviewing the Corporate Performance Framework appended to the document to differentiate between the aspects under the direct control of the Council and those provided by other bodies and where the Council has only an influencing role.

#### **108. Delivering the Work and Health Programme in Barking and Dagenham**

The Cabinet Member for Economic and Social Development introduced a report on the successful bid by the Council's Community Solutions service to become part of Maximus UK's supply chain to deliver the Work and Health Programme (WHP) in Barking and Dagenham.

The WHP was jointly funded by Department for Work and Pensions and the European Social Fund and Maximus UK had been appointed at a contracted provider following a tendering exercise on behalf of the Local London Partnership. The WHP service provided employment support for those in receipt of Employment Support Allowance, Job Seekers Allowance for more than two years, as well as some early entrants from disadvantaged groups e.g. ex-offenders, ex-armed forces or homeless persons, and the Cabinet Member remarked that, by joining the arrangement, the Council would be reinforcing its commitment to the "No One Left Behind" principle.

It was noted that discussions were ongoing with Maximus UK regarding the detailed arrangements for the new service which would run from April 2018 to March 2023 and, subject to performance, was predicted to generate up to £1.4m income to fund the Job Shop Service within Community Solutions.

The Cabinet **resolved** to:

- (i) Agree that the Council enters into a contract with Maximus UK to deliver the Work and Health Programme service in the Borough, in accordance with the Council's Contract Rules and the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements with Maximus UK to effect the arrangements.

#### **109. Pan London Care Impact Partnership Framework for Edge of Care Services**

The Cabinet Member for Social Care and Health Integration presented proposals for the Council to establish a Social Impact Bond, building on an existing pan-London Care Impact Partnership with five other London boroughs, to deliver Edge of Care services in Barking and Dagenham.

The Cabinet Member explained that Edge of Care services were aimed at preventing children and young people from entering the care system through a range of innovative, social investment services. The service was already operating successfully in the other five London Boroughs and had been designed so that payments to the contractor were directly linked to the achievement of successful outcomes for the individual.

The Cabinet Member commented that, as an early intervention programme, the new service was expected to offer a real opportunity to improve outcomes for children and young people. The Council could also expect to achieve long-term savings over the five-year contract period through avoiding the considerable costs associated with placing a child into care. With regard to the projected savings and the potential risks identified within the financial comments in the report, the Cabinet Member acknowledged the importance of identifying the correct cohort of children and young people for inclusion in the new service.

The Cabinet **resolved** to:

- (i) Agree that the Council enters into a contract with the Positive Families Partnerships, via the Pan London Care Impact Partnership Framework Agreement, for the provision of Edge of Care Services via a Social Impact Bond, in accordance with the Council's Contract Rules and the strategy set out in the report;
- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements in accordance with the strategy set out in the report; and
- (iii) Delegated authority to the Strategic Director for Service Development and Integration to enter into all necessary agreements to enable the Council to become a new member of the Pan London Care Impact Partnership.

#### **110. Revised Local Discretionary Business Rate Relief Scheme**

Further to Minute 52 (17 October 2017), the Cabinet Member for Finance, Growth and Investment reported on a proposed increase to the rate of relief applied under the 2017/18 Local Discretionary Business Rate Relief Scheme, together with arrangements for 2018/19 to 2020/21.

The Cabinet Member advised that in order to fully utilise the grant funding allocation for 2017/18 and support local businesses impacted by the Government's revaluation of business rates which came into effect on 1 April 2017, it was intended to increase the level of rate relief from 5% to 8.5% in the current financial year.

The arrangements for 2018/19 would mirror those for 2017/18, albeit that the rate of relief would reduce to 3.5% to reflect the reduced grant funding allocation from the Government. It was further noted that the same principles would apply to the arrangements for 2019/20 and 2020/21, with the Chief Operating Officer making the final determination based on the relevant charges and grant funding available at the time.

The Cabinet **resolved** to:

- (i) Approve an increase in the rate of relief applied under the 2017/18 Local Discretionary Business Rate Relief Scheme from 5% to 8.5% to ensure that the grant funding is fully utilised to the benefit of local businesses in the

current financial year;

- (ii) Approve the Local Discretionary Business Rate Relief Scheme for 2018/19, as set out at Appendix A to the report; and
- (iii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment, to finalise the Local Discretionary Business Rate Relief Schemes for 2019/20 and 2020/21, including determining the rate of relief to be applied, in line with the principles within the current policy.

## **111. Vicarage Field Development Proposals - Use of CPO Powers**

Further to Minute 88 (23 January 2018), the Cabinet Member for Economic and Social Development presented a report on the next steps in respect of the redevelopment of the Vicarage Field site in Barking Town Centre.

The developer Lagmar (Barking) Ltd (an entity of Benson Elliot Real Estate Partners IV LP who held the lease of the shopping centre) intended to start construction of the consented redevelopment scheme in autumn 2019. As part of the preparations, the developer had been assembling the site ready for redevelopment through the acquisition of the various third-party interests within the site. The Cabinet Member explained that, in common with other development schemes the size of Vicarage Field, the exercise of compulsory purchase and appropriation powers was likely to be necessary to fully enable the timely delivery of the project.

Reference was made to the properties that could potentially be the subject of compulsory purchase and the case that would need to be made jointly by the Council / Be First and the developer before the powers could be applied. The Cabinet Member confirmed that the negotiation process would be exhausted before seeking to apply compulsory purchase powers.

Issues were raised regarding the need to ensure that existing retailers were properly supported during the major redevelopment project, that they should be able to return once the project had been completed and the importance of attracting the right businesses and retailers to the Town Centre. The Cabinet Member advised that although he could not offer any guarantees to existing businesses and retailers who may be displaced while Vicarage Field was redeveloped, it was clearly in the best interests of Benson Elliot to have all units filled in the new development as soon as possible.

The Cabinet **resolved** to:

- (i) Agree in principle to the use of the Council's compulsory purchase order (CPO) powers pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 (in respect of the area provisionally identified in Appendix 2 to the report) to acquire all third party rights and interests, subject to a detailed land referencing exercise, in order to facilitate delivery of the Vicarage Field regeneration proposals;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the

Director of Law and Governance, to undertake and/or secure the carrying out of appropriate land referencing work to identify all third parties likely to be affected by the proposed CPO;

- (iii) Agree in principle that, where required to assist in the delivery of the Vicarage Field regeneration proposals, the Council shall appropriate land for planning purposes pursuant to Section 122 of the Local Government Act 1972 to enable Section 203 of the Housing and Planning Act 2016 to be utilised to override any third-party rights; and
- (iv) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance, to negotiate the terms of and enter into any necessary indemnity agreement(s) to ensure the Council was indemnified against all costs associated with the use of CPO and appropriation powers, including compensation properly payable to third parties affected by the CPO.

## **112. Development of former Sacred Heart Convent, Goresbrook Road, and former Weighbridge Site, Cook Road, Dagenham**

Further to Minute 102 (13 February 2017), the Cabinet Member for Finance, Growth and Investment presented a report on revised development proposals in respect of the former Sacred Heart Convent site and the inclusion of the former DVLA Weighbridge site in Cook Road into the redevelopment plans for the area.

The project approved in February 2017 related to a conversion and new build scheme at the Sacred Heart site to provide approximately 60 temporary accommodation units. The Cabinet Member explained that due to the time that had elapsed and subsequent changes to Local Housing Allowance rates, Be First had been asked to undertake a review of the capacity at the site and the marginal financial benefits associated with the original project. As a result of that review, an alternative proposal had been put forward that would deliver 96 temporary accommodation units at the nearby former Weighbridge site while the locally listed Sacred Heart Convent site would be refurbished to provide 9 affordable-rent apartments and a further 17 affordable-rent houses in the surrounding grounds.

The Cabinet Member commented that the modular design of the temporary accommodation units would significantly reduce construction time, enabling those who had fallen on hard times to be housed quicker and, more importantly, for them to stay within Barking and Dagenham. The financial modelling assessment and options appraisal for the new project also reflected the benefits of the new scheme over the original proposal.

The Cabinet **resolved** to:

- (i) Agree the conversion of the former Sacred Heart Convent site to provide circa 9 apartments and the construction of circa 17 new build houses in the surrounding grounds with associated car parking and amenity areas;
- (ii) Agree to use an existing entity within the Barking and Dagenham Reside structure (or the establishment, if required, of a new Special Purpose Vehicle within that structure) to hold the properties at the former Sacred

Heart site;

- (iii) Approve borrowing of up to £6.1m within the General Fund to fund the refurbishment and construction costs of the affordable housing project;
- (iv) Agree to allocate £2m restricted Right to Buy receipts, if required, to fund the construction and professional fees to support the financial viability of the affordable housing project;
- (v) Approve the development of the former DVLA Weighbridge site to provide circa 96 homes for use by the Council's Temporary Accommodation service as licenced accommodation, to be held in the General Fund;
- (vi) Approve borrowing of up to £7.714m within the General Fund to fund the development costs for the temporary accommodation project;
- (vii) Delegate authority to Chief Operating Officer, following endorsement by the Procurement Board, to approve the final procurement strategy for the project works;
- (viii) Delegate authority to the Chief Operating Officer, in consultation with Director of Law and Governance and the Cabinet Members for Finance, Growth and Investment and Economic and Social Development, to negotiate terms and agree the contract documents to fully implement and effect the proposals set out in the report; and
- (ix) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, in consultation with the Chief Operating Officer, to execute all the legal agreements, contracts and other documents on behalf of the Council.

### **113. Sale of Land at New Enterprise House, 149 - 151 High Road, Chadwell Heath**

The Cabinet Member for Finance, Growth and Investment introduced a report on the outcome of negotiations with the owner of New Enterprise House regarding the purchase of a strip of Council-owned land at the site.

It was noted that, following the redevelopment of New Enterprise House, the site owner had approached the Council to purchase the land which provide access to the ground floor units. The strip of land measured approximately 960m<sup>2</sup> and was used for landscaping with a number of low rise planters, maintained by the Council. The Cabinet Member referred to the financial implications detailed in an exempt appendix to the report, which set out the level of capital receipt that the Council would receive, based on an independent valuation, and the revenue saving associated with no longer being responsible for the maintenance of the land.

The Cabinet **resolved** to:

- (i) Approve the disposal of land at New Enterprise House, 149-151 High Road, Chadwell Heath as shown edged red on the plan at Appendix 1 to the report, on the terms set out in Appendix 2 to the report; and



- (ii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to enter into all necessary agreements to facilitate the sale of the land to the owner of New Enterprise House.

#### **114. Travelodge Dagenham - Investment Proposal**

The Cabinet Member for Finance, Growth and Investment presented details of an investment proposal in respect of the new Travelodge hotel development at the former Sanofi site, Rainham Road North, Dagenham.

The Cabinet Member referred to the principal regeneration objectives in terms of facilitating the wider regeneration of the former Sanofi site, bringing forward a key development site with planning permission for hotel use and A3 retail use, as well as contributing to the Council priority of 'Growing the Borough' through the creation of new jobs and amenities. The proposal was also in line with the Council's Investment and Acquisition Strategy, approved by Cabinet under Minute 72 (15 November 2016).

The proposal had been negotiated by Be First on behalf of the Council and would involve entering into a Forward Funding Agreement with the owner of the site, Berkeley Square Developments, as well as development agreements and leases which would help to protect the Council's construction and investment position. The Cabinet Member referred to the options appraisal and the financial appraisal, detailed in an exempt appendix to the report, and suggested that the proposal was supported by a sound business case. He also commented that having a stake in the development would enable the Council to add further impetus to the regeneration plans for the site and the wider area.

Cabinet Members spoke in support of the proposal and the Leader observed that the latest plans, together with the other initiatives such as the new film studios and London's largest data centre, meant that the area now had the highest investment per acre in real estate in the country.

The Cabinet **resolved** to:

- (i) Agree to the acquisition of the freehold interest at Yewtree Avenue, Dagenham RM10 7XS (the Property, as shown in Appendix 1 to the report), subject to completion of further due diligence and to the principle of borrowing up to £940,000 plus stamp duty of £36,500 and fees of £110,500 within the General Fund from the Public Works Loan Board;
- (ii) Agree to the principle of borrowing up to £5,711,000 within the General Fund from the Public Works Loan Board to fund the development costs of the Travelodge development;
- (iii) Agree, subject to completion of further due diligence, to enter into a Development Agreement with Berkeley Square Developments to construct the development scheme on the Property;
- (iv) Note that the acquisition of the Property shall be subject to an extant

agreement for lease which, upon acquisition, the Council would be bound to grant and agree, subject to completion of due diligence, a 25-year lease to Travelodge Hotels Limited on the terms set out in the report;

- (v) Agree to hold the Travelodge investment within a Special Purpose Vehicle (if legal advice indicated that to be appropriate);
- (vi) Agree that Be First, as agent for the Council, be authorised to lead the negotiations, including appointment and management of property, financial and legal advisors as required;
- (vii) Delegate authority to the Chief Operating Officer, in consultation with Director of Law and Governance and the Cabinet Members for Finance, Growth and Investment and Economic and Social Development, to scrutinise the due diligence reports, negotiate terms and agree the contract documents to fully implement and effect the proposals set out in the report (including a decision as to utilising a SPV); and
- (viii) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, in consultation with the Chief Operating Officer, to execute all the legal agreements, contracts and other documents on behalf of the Council.

#### **115. Anne Bristow, Strategic Director of Service Development and Integration**

The Leader placed on record the Cabinet's appreciation to Anne Bristow, Strategic Director for Service Development and Integration, who was attending her last meeting of the Cabinet before retiring from the Council in June.

The Leader spoke of Anne's professionalism and support which had helped the Council to realise its aspirations and vision for the future and paid tribute to Anne's tireless commitment to improving the lives of the residents of Barking and Dagenham.