

# Cabinet

**Held on Tuesday 26 May 2020**

(Microsoft Teams Meeting)

## Present

Tracy Kelly	Statutory Deputy City Mayor (in the chair)
John Merry, CBE	Deputy City Mayor

## Lead Members:

Bill Hinds	Lead Member for Finance and Support Services
David Lancaster, MBE	Environment and Community Safety
Gina Reynolds	Adult Services, Health and Wellbeing
Derek Antrobus	Planning and Sustainable Development
Paula Boshell	Anti-Poverty, Neighbourhoods, Financial Inclusion & Equalities

## Executive Support Members (at the invitation of the City Mayor):

Mike McCusker	Planning and sustainable Development
Barbara Bentham	Workforce and Industrial Relations
Sharmina August	Equalities, Communities and Social Impact
John Walsh	Education and Learning
Roger Jones	Transport
Jim Cammell	Social Care and Mental Health

## Officers:

Jim Taylor	Chief Executive
Debbie Brown	Strategic Director, Service Reform
Sian Roxborough	City Solicitor
Charlotte Ramsden	Strategic Director, People
Ben Dolan	Strategic Director, Place
Sam Betts	Assistant Director
Muna Abdel Aziz	Director, Public Health
Joanne Hardman	Chief Finance Officer
Jacquie Russell	Assistant Director Policy
Miranda Carruthers-Watt	City Solicitor
Jane Barlow	Pendleton Programme & Commercial Manager
Vince Dylan	Project Manager Technical
Chris Mee	Strategic Finance Manager
Andrew Leigh	Head of Housing & Strategy
Karen Berry	Democratic Service Manager

## Invitees:

Michael Sheehan	Salford City College
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## **1. Apologies for absence**

Apologies for absence were submitted on behalf of Paul Dennett, City Mayor, and Councillor Coen.

## **2. Declarations of interest**

There were no declarations of interest.

## **3. Minutes of proceedings**

The minutes of the meeting held on 24 March 2020, were approved as a correct record.

## **4. Pendleton Building Safety Programme**

Councillor John Merry, Deputy City Mayor provided an overview of the key elements of this report.

In August 2017 the council agreed to use its borrowing powers to provide a loan to PTOL to facilitate the execution of a programme of fire safety works. The release of the council loan was however conditional on obtaining approval from MHCLG to enter into a package of funding.

Following discussion with Homes England and MHCLG the council received confirmation in August 2018 that the council would not be supported in proceeding with a loan, nor could it access government funding to pay for cladding removal. In response to this decision, PTOL with its funders agreed to loan additional funds into the project, to undertake the required further building safety works.

This report seeks approval to enter into a revised PFI contract to allow PTOL to draw down the additional funding to deliver the required works. PTOL will also install sprinklers for the council as part of these works.

A delay in reaching financial close will restrict PTOL's ability to draw down the necessary funding to enter into further contracts to carry out the full package of fire safety works.

This will also have a detrimental impact on the programme resulting in blocks remaining unclad for longer periods and the thermal efficiency of tenant's flats without insulation will be reduced.

Councillor Tracy Kelly, Strategic Deputy City Mayor gave her thanks to officers tasked with progressing these works.

RESOLVED: THAT, the Deputy City Mayor in exercise of the powers contained within the City Council constitution and the delegated decision of the City Mayor dated 28th February 2018, approved the following recommendations in consultation with Cabinet:

1. Subject to Homes England and MHCLG not objecting, the council enter into a Project Agreement Amendment and Restatement, containing a new Further Works (FW) Schedule, a Letter of Comfort, a Funders Direct Agreement Amendment and Restatement, Claims Proceed Agreement and other ancillary

agreements with Pendleton Together Operating Limited (PTOL) relating to the delivery of the required building safety works in Pendleton

2. Note that commencement of capital expenditure to fund the installation of sprinklers and accompanying revenue adjustment to the monthly Unitary Charge to fund ongoing maintenance and lifecycle costs relating to the sprinklers for the remaining duration of the Project Agreement
3. Rent loss of up to £25k pa through the provision of council properties to support decants, where required, during the FW Period (Further Works Period)
4. The council taking responsibility for the risk on rent loss for the first 12 weeks period following any large scale decant of blocks for issues such as enforcement / prohibition notices.
5. Continued support for suspending the letting of garages and associated loss of rent, following a recommendation from GMFRS to empty these as a precautionary safety measure post-Grenfell
6. The waiver of pending KPI deductions and rent loss incurred during 2017/18 and 2018/19 due to the impact of the fire safety works.
7. Authorisation to the Head of Housing & Strategy to approve performance related waiver up to the value of £50,000 for each occasion in line with the principles contained within the Letter of Comfort during the Further Works Period. Authorisation for the Strategic Director Place to approve performance related waivers between the value of £50,001 and £250,000 for each occasion.
8. Authorisation of the City Solicitor in consultation with the Deputy City Mayor and Strategic Director Place to execute all legal formalities and documents needed by electronic means if permitted.

## 5. **PART 2 – EXCLUSION OF THE PUBLIC**

RESOLVED: THAT, under Section 100A(4) of the Local Government Act 1972, it was agreed that the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as specified in the relevant paragraphs of Part 1 of Schedule 12(A) to the Act.

## 6. **Pendleton Building Safety Programme**

Councillor John Merry, Deputy City Mayor introduced this report.

Ben Dolan, Strategic Director provided a detailed overview of the Part 2 key aspects of this report.

RESOLVED: THAT, the Deputy City Mayor in exercise of the powers contained within the City Council constitution and the delegated decision of the City Mayor dated 28th February 2018, approved the recommendations as outlined in item 4.

7. **PART 1 – OPEN TO THE PUBLIC**

8. **Any other business.**

No items raised.