

Notice of Meeting

CABINET

Tuesday, 11 December 2018 - 7:00 pm
Council Chamber, Town Hall, Barking

Members: Cllr Darren Rodwell (Chair); Cllr Saima Ashraf (Deputy Chair) and Cllr Dominic Twomey (Deputy Chair); Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Margaret Mullane, Cllr Lynda Rice and Cllr Maureen Worby

Date of publication: 3 December 2018

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AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.

3. Minutes - To confirm as correct the minutes of the meeting held on 13 November 2018 (Pages 3 - 12)

4. Budget Monitoring 2018/19 - April to October (Month 7) (Pages 13 - 25)

5. Dedicated Schools Budget and School Funding Formula 2019/20 (Pages 27 - 37)

- 6. Pan London Procurement of Temporary Accommodation Hub - Capital Letters (Pages 39 - 51)**
- 7. Procurement of Data Analytics and Predictive Modelling for Children's, Homelessness and Adult Services (Pages 53 - 62)**
- 8. Sale of Council-Owned Shared Ownership Properties at Leys Estate (Phase 2) (Pages 63 - 66)**
- 9. Robert Clack School Lymington Fields Site Sub-Station Lease (Pages 67 - 71)**
- 10. Purchase of Welbeck Wharf, 8 River Road, Barking (Pages 73 - 87)**
Appendix 3 to the report is in the private section of the agenda at Item 16.
- 11. Institutional Funding Proposal - Hotel Investment (Pages 89 - 103)**
Appendices 2 - 8 to the report are in the private section of the agenda at Item 17.
- 12. Corporate Plan 2018-2022 - Quarter 2 Performance Reporting (Pages 105 - 185)**
- 13. Debt Management Performance and Write-Offs 2018/19 (Quarter 2) (Pages 187 - 200)**
- 14. Any other public items which the Chair decides are urgent**
- 15. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The items below are in the private part of the agenda as they contain commercially confidential information which is exempt from publication under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 16. Appendix 3: Purchase of Welbeck Wharf, 8 River Road, Barking (Pages 201 - 204)**
- 17. Appendices 2 - 8: Institutional Funding Proposal - Hotel Investment (Pages 205 - 281)**
- 18. Any other confidential or exempt items which the Chair decides are urgent**



Our Vision for Barking and Dagenham

ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND

Our Priorities

A New Kind of Council

- Build a well-run organisation
- Ensure relentlessly reliable services
- Develop place-based partnerships

Empowering People

- Enable greater independence whilst protecting the most vulnerable
- Strengthen our services for all
- Intervene earlier

Inclusive Growth

- Develop our aspirational and affordable housing offer
- Shape great places and strong communities through regeneration
- Encourage enterprise and enable employment

Citizenship and Participation

- Harness culture and increase opportunity
- Encourage civic pride and social responsibility
- Strengthen partnerships, participation and a place-based approach

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MINUTES OF CABINET

Tuesday, 13 November 2018
(7:05 - 8:48 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, Cllr Lynda Rice and Cllr Maureen Worby

46. Declaration of Members' Interests

There were no declarations of interest.

47. Minutes (16 October 2018)

The minutes of the meeting held on 16 October 2018 were confirmed as correct.

48. Budget Monitoring 2018/19 - April to September (Month 6)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue and capital budget monitoring position for the 2018/19 financial year as at 30 September 2018 (Month 6).

The underlying position was similar to that at the end of August (Month 5), although the development of an action plan within the People and Resilience directorate was forecast to achieve a £2.5m reduction in the overspending within the service. Therefore, the overall net overspend position for the Council was now predicted to be £3.8m at the year-end. The Cabinet Member for Social Care and Health Integration commented on the Government's continued under-funding of social care services for children and families which had led to the current pressures being experienced within the service. On that subject, it was pointed out that Barking and Dagenham had a 15% real-term reduction in its funding for 2018/19 which was double the London average, yet the level of overspend was only half of the London average.

The Cabinet Member for Finance, Performance and Core Services also referred to the allocation of Improved Better Care Fund grant and other virements relating to Adult Social Care budgets, as well as an additional funding request of £40,000 to complete the BMX track project and bringing forward £305,000 of future years' allocation to finance the replacement of two Waste Services vehicles.

The Cabinet **resolved** to:

- (i) Note the current forecast outturn position for 2018/19 of the Council's General Fund revenue budget as detailed in section 2 and Appendix A to the report;
- (ii) Approve the proposed budget virement totalling £4.062m in respect of Adult Social Care budgets, as detailed in Appendix B to the report; and

- (iii) Approve the two proposed revisions to the 2018/19 Capital Programme, as detailed in section 5 of the report.

49. Budget Strategy 2019/20 to 2020/21

Further to Minute 17 (17 July 2018), the Cabinet Member for Finance, Performance and Core Services presented a report on the Budget Strategy for 2019/20 to 2020/21 and an update on the Council's Medium Term Financial Strategy (MTFS).

The Cabinet Member explained that the Council had achieved over £122m of savings since the Government embarked on its austerity programme in 2010 and the Council's current MTFS, which covered the four-year period 2017/18 to 2020/21, had identified further savings of circa £58m. As a consequence of the Council's financial planning, no new savings proposals were necessary for 2019/20 and the predicted budget gap of £570,000 could be met by a drawdown from the 2018/19 Council Tax Collection Fund surplus. The Cabinet Member also referred to the Council's ambitious Transformation Programme and the need to allow the new arrangements to bed-in before assessing how future years' savings could be achieved. With that in mind, it was noted that the development of a new MTFS for the period up to 2023/24 would commence in the New Year.

With regard to the plans for the 2019/20 budget, the Cabinet Member confirmed that a 1.99% Council Tax increase would be proposed. The public consultation on the Council's plans would also include the option of an additional 1% levy specifically for services for children and young adults with disabilities, to help mitigate the pressures on those services as a result of Government underfunding.

The Cabinet **resolved** to:

- (i) Note that no new savings proposals are being brought forward for 2019/20 and the Council remains committed to delivering the savings proposed in the Medium Term Financial Strategy reports approved by the Assembly in February 2017 and 2018;
- (ii) Support the drawdown of £0.570m from Collection Fund surpluses in order for the Council to set a balanced budget for 2019/20, which shall be reflected in the Council's statutory budget setting report in February 2018;
- (iii) Agree the proposed consultation process for the 2019/20 budget proposals, as set out in section 6 of the report;
- (iv) Agree to consult on the levying of a local 1% "Social Care Precept" to support the Borough's most vulnerable residents; and
- (v) Note the proposals for the development of a new MTFS for the period 2020/21 to 2023/24.

50. Draft Education and Participation Strategy 2018-22 and Schools' Annual Performance Review 2017-18

The Cabinet Member for Educational Attainment and School Improvement

introduced a report on the draft Education and Participation Strategy 2018-2022 and the performance of schools during the 2017/18 academic year.

The Cabinet Member conveyed her appreciation to all those involved in the development of the draft Strategy and referred to the five priorities that had been adopted, which were:

- 1) Ensuring that all children and young people have a place in a school, college or early years setting that is judged 'Good' or 'Outstanding' by Ofsted;
- 2) Exceeding national and then London standards where we have not already achieved this;
- 3) Improving opportunities for all young people post-16 and reducing the numbers of young people not in education, employment or training in the borough;
- 4) Supporting the wellbeing and resilience of children and young people and the educational settings which nurture them; and
- 5) Maximising the Council's levers and influences so that the Council can play an even stronger role in raising aspirations and increasing opportunities for the children and young people that live and learn here.

The Cabinet Member made reference to the Government's failure to properly fund education provision in Barking and Dagenham and highlighted the pressures in the High Needs block, which funded additional support and specialist provision for children and young people with additional and often complex needs. On that issue it was noted that a rally, led by Headteachers from across the country, was to take place on the evening of Tuesday 20 November 2018 to demand that the Government provided more money for schools and the Cabinet Member encouraged colleagues to support the rally.

The Cabinet Member referred to a number of the key achievements during the 2017/18 academic year and stressed the importance of maintaining the family of schools in order to continue to deliver improvements to the education of children and young people in the Borough. In that regard, the Cabinet Member advised that it was understood that the Diocese of Brentwood was considering transferring the Catholic Schools in the Borough into an Academy Trust. Members spoke against the proposal and it was noted that the Leader had written to the Diocese to convey the Council's objections and was currently awaiting a response.

Cabinet Members commended the achievements of pupils and School staff during the year and particular reference was made to the increase in the number of the Borough's pupils who were going on to Higher Education, with approximately 30% of students at the Coventry University campus (CU London) coming from the local area. Reference was also made to the contribution from CU London towards the Colin Pond Trust bursary programme and its work with the Council to ensure that the curriculum on offer to students was reflective of the new opportunities that the Council's regeneration programme could offer in the future, such as the film studios development at Dagenham East.

The Cabinet **resolved** to:

- (i) Approve the draft Education and Participation Strategy 2018-22, including the five priority areas, as set out at Appendix 1 to the report;

- (ii) Authorise the Commissioning Director for Education, in consultation with the Cabinet Member for Educational Attainment and School Improvement, to make any non-material amendments to the Strategy prior to its publication;
- (iii) Renew the Council's commitment to continuing to strengthen and develop the partnerships with Barking and Dagenham's family of schools, the Barking and Dagenham School Improvement Partnership, Barking and Dagenham College, CU London and other key partners to achieve the best possible outcomes and opportunities for the Borough's children and young people;
- (iv) Note performance against the two overarching objectives of the Education Strategy 2014-17, as set out in section 2 of the report; and
- (v) Note the performance of schools in national tests and examinations, as set out in Appendix 2 to the report.

51. North East London Commissioning Partnership - Residential Placements for Looked After Children

The Cabinet Member for Social Care and Health Integration introduced a report on the proposal to participate in the North East London Commissioning Partnership (NELCP) procurement for the provision of residential placements for Looked After Children (LAC).

The Cabinet Member advised that the joint procurement, to be led by Havering Council as lead Borough, would seek to secure up to 35 residential LAC placements within the geographical footprint of Northeast London. The main aims of the joint procurement were to achieve better outcomes for young people by enabling them to stay closer to their local area, as well as providing the local authorities with improved value for money. In response to a question, the Cabinet Member confirmed that the expected 20% reduction in the average weekly cost of a placement was a realistic target based on experiences elsewhere and could equate to a cumulative saving of over £1.3m in a full year.

Cabinet Members spoke in support of the proposals and were particularly pleased that young people in care had been engaged in the procurement development process and would continue to be involved through the assessment of contractors' performance.

The Cabinet **resolved** to:

- (i) Agree that the Council participates in the North East London Commissioning Partnership for the joint procurement, led by the London Borough of Havering, for the block provision of up to 35 residential placements for Looked After Children across the region, in accordance with the Council's Contract Rules and the strategy detailed in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the agreement and all other ancillary agreements upon

conclusion of the procurement process.

52. Income Generation through Advertising Strategy

The Cabinet Member for Finance, Performance and Core Services introduced a report on proposals to increase revenue through a range of new advertising initiatives.

The Cabinet Member advised that the Council's existing, longstanding advertising arrangements were not sustainable going forward and, therefore, a specialist company, Out of Home Media (OOHM), had been engaged to scope the opportunities to increase income through outdoor advertising. The OOHM report identified opportunities to generate potential income of over £500,000 over a two-year period through a number of different projects, while at the same time fostering and promoting civic pride across the Borough.

The Cabinet **resolved** to:

- (i) Agree to the appointment of Out of Home Media Consultancy to deliver the strategic approach to advertising and achieve the recurring income generation targets of between £115,000 and £270,000 per annum;
- (ii) Agree the approach to reduce the number of small format advertising sites and focus on maximising income from large scale advertising development in the most commercially attractive locations in the Borough;
- (iii) Agree to move to a digital advertising infrastructure where commercially viable, while at the same time maximising income from some carefully selected existing advertising stock;
- (iv) Delegate authority to the Director of Policy and Participation to approve the final procurement strategies for each project following consideration and endorsement by the Procurement Board in accordance with the Council's Contract Rules;
- (v) Delegate authority to the Director of Policy and Participation, in consultation with the Cabinet Member for Finance, Performance and Core Services, the Chief Operating Officer and the Director of Law and Governance, to conduct the various procurements in accordance with the strategy set out in the report and enter into the contracts and all other necessary or ancillary agreements with the successful bidder(s); and
- (vi) Agree to the design and implementation of an outdoor advertising policy to cover the enforcement of illegal fly-posting and street banner advertising.

53. Contracts for Provision of Bespoke Packages for Children's Care Services

The Cabinet Member for Social Care and Health Integration introduced a report on proposals to procure qualified, experienced private and voluntary providers to work with the Council's Access to Resource Team to deliver bespoke early intervention support in relation to children's care services.

The Cabinet Member referred to the success of the Access to Resource Team and the significant financial benefits stemming from the intervention work that they are associated with, which was estimated at over £2m in 2016/17. With regard to the new framework arrangements, the Cabinet Member advised that the contract would be for a four-year term commencing 1 April 2019 and, in the meantime, interim contractual arrangements with two providers had been put in place.

The Cabinet **resolved** to:

- (i) Agree the procurement of a four-year framework contract for the provision of Bespoke Packages of Care Services for Children in Need, Children in Care and Children subject to a Child Protection Plan, in accordance with the Council's Contract Rules and the strategy set out in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the framework agreements and all other necessary or ancillary agreements with the successful bidders.

54. Fees and Charges 2019

The Cabinet Member for Finance, Performance and Core Services introduced a report on the proposed fees and charges for Council services, the majority of which came into effect from 1 January 2019.

The fees and charges had been assessed against the principles of the Council's Charging Policy framework and the vast majority would either remain unchanged or be subject to an increase of 3.2% in line with the Retail Price Index (at July 2018). With regard to charges in respect of leisure centres and other services that were no longer directly provided by the Council, the Cabinet Member confirmed that service providers were typically restricted to inflation-only increases unless the Council approved otherwise.

The Cabinet **resolved** to:

- (i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2019 unless otherwise stated;
- (ii) Note the fees and charges no longer applicable from 1 January 2019, as set out in Appendix B to the report; and
- (iii) Delegate authority to the Director of People and Resilience, in consultation with the Chief Operating Officer and the relevant Cabinet Members, to set fees and charges to be applied from September for schools and academic year based activities.

55. Treasury Management 2018/19 Mid-Year Review

Further to Minute 94 (19 February 2018), the Cabinet Member for Finance, Performance and Core Services presented the mid-year progress report in respect of the Council's treasury management activities.

The report included details of the Council's cash, interest budget and debt positions as at 30 September 2018, as well as a summary of the performance of the investment portfolio. The Cabinet Member explained that the Council's plans for growth and improved outcomes for local people were reliant on the success of the Council's Investment and Acquisition Strategy, which was underpinned by the Council's treasury management activities.

The Cabinet Member also advised on the approach to risk management and debt repayments. With regard to the Council's redevelopment projects that had been funded from borrowing, Cabinet Members were pleased to note that the completed schemes at Abbey Road and Gascoigne Phase 1 (Weavers) were now generating sufficient income to cover all associated borrowing and maintenance / running costs, as well as providing a surplus income stream for the Council.

The Cabinet **resolved** to recommend the Assembly to:

- (i) Approve the revised 2018/19 Minimum Revenue Provision at Appendix 1 to the report;
- (ii) Note the Treasury Management Strategy Statement Mid-Year Review 2018/19;
- (iii) Note that in the first half of the 2018/19 financial year the Council complied with all 2018/19 treasury management indicators;
- (iv) Note that the value of investments, as at 30 September 2018, totalled £300.2m;
- (v) Note that the value of long-term borrowing, as at 30 September 2018, totalled £612.0m, which comprised market, Public Works Loan Board, Local Authority and European Investment Bank loans;
- (vi) Note that the value of short-term borrowing, as at 30 September 2018, totalled £144.7m; and
- (vii) Note the increased resources made available through the finance restructure to monitor the Council's Investment and Acquisition Strategy's funding requirement and cashflow monitoring requirements.

56. Development of former Abbey Sports Centre Site, Axe Street, Barking

Further to Minute 65 (18 November 2014), the Cabinet Member for Regeneration and Social Housing presented an update report on the redevelopment of the former Abbey Sports Centre site.

The Cabinet Member confirmed that the proposed redevelopment would continue to offer a mix of residential properties and commercial space, as well as a community-focussed cinema and accommodation for Care City, the joint venture between the Council and North East London NHS Foundation Trust. There were, however, two main changes to the original plans. Firstly, the development would now comprise a total of 170 residential units of which circa 35% would be

affordable (at a blended 70% of market rent); the original scheme was based on a total of 147 units for private sale. The second related to the funding of the project, as it was now proposed that the Council would provide the development finance to Sherhill (Barking) Limited on commercial terms.

Cabinet Members welcomed the revised proposals and commented on the success of the Care City project, which had already established itself as a national test-bed centre for some of the latest innovations in the health and social care fields. Reference was also made to some recent criticism of the Council's regeneration plans for the Town Centre area, particularly in relation to the height of some developments. The Cabinet Member for Regeneration and Social Housing and the Leader of the Council both responded to the criticisms, pointing out the Council had received support for its regeneration projects from heritage and other recognised bodies and was committed to protecting open spaces and designated green belt land for the benefit of the whole community.

The Cabinet **resolved** to:

- (i) Approve the proposed changes to the scheme design and for the Council to provide short-term development finance to Sherhill (Barking) Limited up to the sum of £28m on the terms set out in Appendix 2 to the report, to be funded via borrowing through the General Fund from the Public Works Loan Board;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with Director of Law and Governance and the Cabinet Member for Regeneration and Social Housing, to scrutinise the due diligence reports, negotiate final terms and agree the contract/loan documents to fully implement and effect the proposals set out in the report; and
- (iii) 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, loan, security and other documents on behalf of the Council.

57. London-east UK Ltd - Proposed Asset Purchase

The Cabinet Member for Finance, Performance and Core Services introduced a report on the opportunity for the Council to progress its plans for a major, mixed-use development at the former Sanofi site at Dagenham East, through the acquisition of further land at the site.

By Minute 13 (19 June 2018), the Cabinet had agreed terms for the freehold purchase of the two sites owned by Londoneast-uk Limited (LEUK) at the former Sanofi site. During the course of the discussions to finalise those arrangements, it was suggested that the Council may wish to acquire 100% of the share capital in LEUK and, in effect, take over the business and its assets, which included the freehold of approximately 15.5 acres of land at the site.

The Cabinet Member advised that initial, positive discussions had taken place with the Managing Director and Chairman of the Barking & Dagenham Trading Partnership (BDTP) regarding the potential for BDTP to acquire the LEUK

business as a going concern. That acquisition could be funded by way of a commercial loan from the Council to BDTP, although it was noted that should that option not proceed it could still be in the Council's interests to acquire the entire LEUK land interests itself.

The Cabinet Member referred to the initial financial and due diligence work that had been undertaken, which was summarised in the exempt section of the agenda, and confirmed that a full independent valuation of the LEUK land interests and further professional advice was currently being sought. In order to progress the matter, it was also proposed that authority to determine the preferred route and finalise all the arrangements be delegated to officers in consultation with relevant Cabinet Members.

The Cabinet **resolved** to:

- (i) Agree that the Council should seek to acquire LEUK's land and business interests at the former Sanofi site, in accordance with the strategy set out in the report and subject to all appropriate due diligence, viability / value for money assessments;
- (ii) Delegate authority to the Chief Operating Officer, following consideration by the Investment Panel and in consultation with the Director of Law and Governance, the Cabinet Member for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing, to determine the preferred method of purchase and final terms including, if appropriate, a working capital loan to Barking and Dagenham Trading Partnership subject to:
 - a) a detailed business case;
 - b) appropriate due diligence and assessments, including viability / value for money / financial / tax related implications;
 - c) compliance with state aid law and principles in advancing a loan or other assistance on commercial market facing terms;
 - d) legal due diligence and advice from external advisers on the corporate acquisition;
- (iii) Authorise the Chief Operating Officer, in consultation with the Director of Law and Governance, the Cabinet Member for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing, to enter into all necessary agreements to give effect to the proposals, subject to a recommendation from Investment Panel to approve the financial soundness and viability of the purchase.

58. Any Other Business: Early Intervention Youth Fund

The Cabinet Member for Enforcement and Community Safety was pleased to announce that the Council, in partnership with the London Borough of Redbridge, had been awarded two-year funding of £319,000 from the Home Office Early Intervention Youth Fund. The funding would support the Councils' long-term approach to tackling serious violence through a range of measures aimed at steering primary and secondary school children at risk of exploitation or becoming involved in or coerced into crime away from that lifestyle.

CABINET

11 December 2018

Title: Budget Monitoring 2018/19 - April to October (Month 7)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Katherine Heffernan, Group Manager – Service Finance	Contact Details: Tel: 020 8227 3262 E-mail: katherine.heffernan@lbbd.gov.uk
Accountable Director: Helen Seechurn, Interim Finance Director	
Accountable Strategic Leadership Director: Claire Symonds – Chief Operating Officer	
<p>Summary</p> <p>This report shows the updated forecast based on financial performance in the first seven months of the year. The forecast outturn position has remained broadly the same since last month's forecast and is now total expenditure of £149.186m against the approved budget of £145.368m which is an overspend of £3.818m. It should be noted that this is dependent on the successful delivery of the People and Resilience Action Plan which is expected to achieve a £3.5m reduction in spend from their current trajectory of which £2.5m has been included in the forecast. The plan was developed in September and October and so it is too early to see the impact of the actions taken in the financial information.</p> <p>Before the impact of the action plan there is an overspend of £11.547m across People and Resilience. Although the Children's Operations position has held steady and Disabilities has slightly improved, the Adults position has worsened somewhat. As we are now approaching the winter months, careful monitoring will be required as expenditure in this service can be strongly affected by external issues such as the weather, the performance of the health service and seasonal infections.</p> <p>In addition to this overspend there are small overspend variances in Culture and Heritage, Community Solutions and Public Realm being offset by other services, central expenses and contingency. This means that the overall variance is £3.818m.</p> <p>This report also contains the quarterly update on the Housing Revenue Account. This is showing a £17.735m revenue contribution to the capital programme/reserves which is £0.9m less than originally budgeted.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
(i) Note the current forecast outturn position for 2018/19 of the Council's General Fund revenue budget as detailed in section 2 and Appendix A to the report;	

- (ii) Note the forecast outturn position for 2018/19 on the Housing Revenue Account, as detailed in section 4 and Appendix B to the report;
- (iii) Agree the inclusion of Local Transport Capital Grant Funding of £0.42m in the Capital Programme, as detailed in section 5 of the report; and
- (iv) Agree the inclusion in the Fees and Charges schedule approved by Cabinet on 13 November 2018 (Minute 54) of new fees and charges relating to animal welfare as detailed in section 6 of the report, to be effective from 1st October 2018.

Reason(s)

As a matter of good financial practice, the Cabinet should be informed about the Council's spending performance and its financial position. This will assist the Cabinet in holding officers to account and in making future financial decisions.

1 Introduction and Background

- 1.1 This report provides a summary of the forecast outturn for the Council's General Fund revenue budget and the quarterly update on the Housing Revenue Account.

2 Overall Revenue Position

- 2.1 The overall position is currently forecast to total net expenditure of £149.186m against a budget of £145.368m which would result in an overspend of £3.818m. If this is the year-end position, it would require a further drawdown from the Council's budget support reserve. There is sufficient funding in this reserve to cover this amount.
- 2.2 There are potential overspends across Care and Support, offset by an action plan within People and Resilience Commissioning and, at Council level, by underspends in Central Services and the use of risk contingencies written into the budget as part of the planning process. In many ways this could be regarded as a worst case forecast that should be reduced by further management action. However, it should also be noted that new pressures and risks may yet emerge. The position will be closely monitored and reported on a monthly basis.

3. More Information on the Main Variances

Children's Care and Support – potential overspend of £6.028m

- 3.1 The Children's Forecast has remained stable this month. There were small reductions in staffing and running costs in some areas but this has been offset by increase in the placements budget as a result of increased numbers of placements. This was partly mitigated by of a close review of commitments by brokerage and finance including clearing down old purchase orders. This work is not yet finished and so the forecast has been held constant until it is completed.

3.2 As previously reported the top three elements of the overspend are staffing, (£2.75m), placements (£2.3m), and the costs associated with legal proceedings (£0.39m) including costs of Counsel, expert witnesses and court mandated assessments and investigations – shown within Supplies and Services.). Although there have been some variations in year the pattern of expenditure has been consistent.

Subjective	2018/19 Annual Budget	Forecast (October)	Variance against Budget (October)	Variance against Budget (September)	Movement	Reason for Variance
Income	(2,228,000)	(2,674,263)	(446,263)	(271,646)	(174,617)	Estimated UASC grant for increase in the number of asylum seekers
Employees	11,773,950	14,506,527	2,732,577	2,748,591	(16,014)	Revised staff forecasts
Premises	78,300	369,121	290,821	294,389	(3,568)	Rents payable for young people housing options
Transport	261,400	262,495	1,095	20,413	(19,317)	Reduction of transport recharge forecasts and client transport costs
Supplies & Services	1,015,840	1,844,072	828,232	888,054	(59,822)	Pre-Ofsted inspection cost funded by Commissioning (£49k), reduction to membership subscriptions
Third Party Payments	19,422,980	22,009,733	2,586,753	2,323,997	262,756	10 new LAC placed with In-house foster care places & 14 new asylum seekers
Transfer Payments	71,000	134,171	63,171	55,933	7,238	Transfer payments to asylum seekers
Support Costs	1,216,300	1,188,136	(28,164)	(31,508)	3,344	Legal SERCOP charge exceeds budget
Grand Total	31,611,770	37,639,992	6,028,222	6,028,222	0	

3.3 There is a small reduction of **£0.016m** in the salary forecasts for September. This is the net movement across the team on staff salaries & other staffing related expenses. The overspend on salaries is due to several factors which include, an inherent base budget pressure of **£0.255m**, unbudgeted 17 FTE posts- **£1.178m**, agency staff premium **-£1.082m** and the inclusion of an estimate of **£0.217m** for recruitment & retention.

3.4 The projected cost of placing children in care across the various provisions remains at **£19.805m** plus a further £0.305m to be spent on supporting children under section 17 and section 20. There has been an increase in the numbers of children since September. A data cleansing exercise this month is still underway for foster placements and residential care. This is nearly complete and the full impact should be seen in the forecasts next month.

3.5 The Children's legal budget, which pays for the services of Counsel, is forecast to spend **£0.658m** against a budget of **£0.482m**. The current forecast is based on 2017/18 outturn with a 2% uplift. The cost of court applications is forecast to spend **£0.462m** against a budget of **£0.250m**. The actual expenditure on court related costs to end of month 6 is **£0.287m** so there is a risk that the current forecast may be exceeded.

- 3.6 The budget pressures within this service are long standing and reflect the demography of the borough with a very young population and high levels of deprivation and need. The pressures reached a high point in 2015/16 when the SAFE programme was set up and successfully reduced the overspend down from over £9m to under £3m. However, this residual pressure which is the result of recruitment and staffing pressures common throughout the sector and our locally high levels of need has persisted.
- 3.7 Since 2016/17 a savings requirement of £2.359m has been written into the budget in line with the original Children’s Transformation business case predicated on reduced demand for services and numbers of children looked after plus commissioning and other efficiencies. Although there has been some progress on this, the full saving has not been achieved and this position has been compounded by continued increases in demand. This has required staffing levels to be raised above the budgeted establishment and caused overspends on placements.
- 3.8 The service therefore is no longer expecting that demand reductions will be achievable in the short term. The savings programme has therefore been refocused. Work is currently underway to develop a new operating model that delivers safe and sustainable services in the most cost effective way within the context of our local demand landscape.
- 3.9 In addition new opportunities for reducing costs have been identified. These can be grouped in two strands – a strand of commissioning activity which seeks to find the most cost effective forms of care and has the potential to reduce costs by up to £2.8m in the medium term and a strand of operational activity which will deliver a lower cost reduction figure (£1m over three years) but is expected to improve outcomes for children and families.
- 3.10 However the nature of the service is such that the impact in year will be limited and so the service is likely to end the year with a high level of overspend.

Disabilities Care and Support – forecast overspend of £3.62m,

- 3.11 The All Age Disability Service is forecasting a budget pressure of **£3.62m** as at Month 6. This is a marginal improvement since last month of £29k following further management action on staffing and discretionary expenditure. The breakdown of spend is shown below:

	Full year	Period 7	Variance
	Budget 2018/19	Projection	from Budget
	£'000	£'000	£'000
Disabilities Care & Support			
Adults Care Packages (inc Equipment)	8,194	9,451	1,257
Children’s Care Costs	1,174	1,967	793
SEND transport	1,919	2,559	640
Centres and Care Provision	1,917	1,302	-615
Staffing/Care Management	2,738	4,285	1,547
Directorate Total	15,942	19,564	3,622

- 3.12 **Learning Disabilities** – The projected overspend on Learning Disability Packages at the half way point in the financial year is **£1.947m**. This has been reduced by the various contributions namely: Adults Social Care grant (**£0.571m**), iBCF (**£0.120m**). The net forecast after taking the contributions into account is an overspend of **£1.256m**, an increase of £0.01m from previous month's forecast.
- 3.13 **Children with Disabilities SEND Transport** – This is the main area of improvement this month with a reduction in forecast of £0.065m from reduced overtime and charges to other Local Authorities. However, there is still a high forecast overspend of £0.64m which reflects continued demand for this service.
- 3.14 **Children with Disabilities Social care provision** – There has been a minor upwards change to the forecast for this service area of £11k. The cost of packages in place to support to children with disabilities is now **£1.967m** which is **£0.793m** above budget. There are currently **260** direct payment clients, resulting in an overspend of **£0.392m** against the budget. **£0.153m** of the budget pressure is attributable to the projected spend on legal cases and associated court costs. The remaining overspend of **£0.248m** is due to the cost of providing respite care to the clients.
- 3.15 There are **135.25** established FTE posts within Disability Service, and **10** FTE vacant posts, majority of them within the centres. There are currently 6.00 FTE agency staff covering vacancies of which **2** are DFG funded staff working with the Enabling Independence team. There are still £0.454m of unallocated savings held centrally.

Adults Care and Support – Overspend of £2.020m

- 3.16 The Adults forecast has worsened this month resulting in an overspend of just over £2m based on current information. The service has put into place an ambitious action plan to reduce spend so the forecast should start to come down in future months. However, it must be noted that winter can have a significant but not straightforwardly predictable impact on the level of social care need.
- 3.17 The forecast has increased by £0.167m in Care packages and there is a forecast overspend of £0.107m in Mental Health for the first time this year.

	Full year	Period 7	Variance
	Budget 2018/19	Projection	from Budget
	£000	£000	£000
Adults Care & Support			
Adult packages	10,423	12,052	1,629
Adult teams	3,605	3,659	54
Adult homes and centres	1,844	1,946	102
Mental Health	4,100	4,207	107
Adults Other (Support services)	-2,798	-2,670	128
Directorate Total	17,174	19,194	2,020

- 3.18 The overall pressure on care packages is £1.692m – this bulk of this being within homecare where hours have increased since last year. The service is working to reduce this and especially crisis intervention packages but no reduction can yet be seen in the financial data. There are also increases in residential and nursing care expenditure. Price uplifts have been agreed with providers from October 2018 funded by the precept. The impact of this has been included in the forecast.
- 3.19 Although expenditure has been increasing income has not been increasing. This is being investigated.
- 3.20 There are minor pressures in the staffing budget result from the underfunding of the establishment (as a result of the corporate decision not to pass through funding for pay increases) and the cost of some agency posts. This had previously been offset by vacancies in the JAD, but it has been agreed to fill those vacancies so there will only be a part year benefit. Kallar Lodge is currently forecasting a large overspend for the year £0.278m offset by underspends on Extra Care.
- 3.21 The Mental Health service is reporting a budget pressure for the first time this year. This is made up of a pressure of £0.3m on care packages especially residential and nursing care offset by staffing underspends. £0.5m of the IBCF grant has been provided as new investment in the service and this is taken into account in the forecast.

People and Resilience Commissioning and Action Plan

- 3.22 There is a net underspend across People and Resilience Commissioning of £0.123m mostly relating to staffing vacancies. The Children's Commissioning team underspend forecast has increased this month.
- 3.23 Additional in year funding for Adult Social Care was announced in early October. Full details have not yet been published but the allocation for Barking and Dagenham is expected to be in the region of £0.9m. This funding has not been taken into account in the forecasts. We are awaiting further information from the Department of Health concerning the expectations and conditions of the grant and also discussions with our local health partners.
- 3.24 In addition the People and Resilience Management team have committed to meeting these targets set by the Council's strategic management team as follows:
- To reduce the Adults Operations pressure to under £1m
 - To contain all future growth in Children's and Disability and ensure that the variance in those areas do not increase further from the end of August position
 - To find £2.5m of in year reductions from across all budgets including Public Health Grant, Children's and Adults Commissioning and Education, Youth and Childcare.
- 3.25 A management action plan is being developed and finalised but is currently estimated to provide a reduction in spend of approximately £3.5m. Actions being taken include:
- Review of Direct Payments balances and clawback of unspent monies
 - Commissioning and Procurement savings on Supported Living and Accommodation for Care Leavers

- Stronger life planning and more community focused care for working aged Disabled People
- More effective utilisation of crisis intervention services
- In year savings within the Education budget

Enforcement – reduced forecast – underspend of £0.085m

- 3.26 Enforcement began the year with a forecast overspend in Parking but strong management action and the revised fees and charges have produced a huge improvement in the position. The Parking account is reporting a significant shift from £187k overspend in period 6 to an underspend position of £30k in period 7. This is mainly attributable to overachievement of income target across two particular income streams, PCN and Non-Staff Permit charges. PCN income has seen the highest ever monthly income in October 2018 (£649k) for the past 5 years. Income from non-staff permit charges has also surpassed the target by £334k per annum. Other services under Enforcement division are forecasted to deliver £362k underspend, resulting in a total Enforcement division net position of £392k underspend.

Trading Entities – Reprofiling resulting in in-year gap of £0.9m

- 3.27 The MTFS includes expected dividends from the Home Services/We Fix division of the Barking and Dagenham Trading Partnership and development activity income from Be First. This was based on the best information last summer about the expected performance of the company and the date upon which it would start trading. The latest information from the companies shows a reduced dividend from BDTP reflecting the final shape and structure and date of formation of the company.
- 3.28 It should be noted that the latest information from Be First shows an improved trading position for the company which will require a smaller working capital loan and a rephrased profile of development activity income. These two factors together create a potential gap of £0.9m against the MTFS although this position may improve. The companies will shortly be reporting their quarterly updates and the forecast will be revised at this point. This will be reflected in the monitoring report next month.

Elevate Contract and Customer Services

- 3.29 There has previously been a pressure in this area related to the recovery of court costs. This was rebased in the MTFS and is not expected to recur. However, there is a pressure of £0.2m on the IT budget which is being investigated and may be possible to resolve from the Corporate Infrastructure reserve. There is an expected saving of £0.52m for the Customer Access Strategy. The programme has achieved some channel shift and a reduction in call volumes – discussions are underway as to how far this will translate into a cashable saving, so this is currently shown as a pressure.
- 3.30 Discussions with Elevate have revealed that there is an unclaimed one-off discount of £0.487m against the target cost and a rebate of £93k on IaaS. This has now been included in the forecast.

My Place and Public Realm

- 3.31 My Place is currently forecasting an underspend of £0.270m arising from a number of vacancies across the service following the creation of the service – offset by some use of agency and interim staff. Recruitment activity is underway. However, the service will need to maintain some vacancies to absorb the pay award pressures. This underspend is being used to offset the £0.25m savings shortfall on services commissioned by My Place (Street Purchasing/Home Services).
- 3.32 There is an overspend in Public Realm on the Transport division mostly relating to a prior year saving that has never been achieved. The restructure to deliver the new operating model did not include the Fleet services and the Passenger transport service. The service had a £400k saving applied in 2016/17 with the expected reduction in service demands from Adults services. However, the changes in the level of demand have not resulted in the anticipated reduction in costs. The service finished 2017/18 with an overspend of £422k. The service is currently reporting a £300k pressure.
- 3.33 The Service is in ongoing discussions commissioning colleagues in Adults' and Children's services with a view to remodel the service to deliver an adequate service to both key customers at a reduced cost that is agreed with all parties and fully recharged proportionately to the Adults and Children's services. It is anticipated that remodelling of the service and changes to fleet arrangements will deliver cost reductions to help stem this pressure. Any residual pressure will be managed within the Transport and Fleet umbrella.

Community Solutions – net variance of £0.07m

- 3.34 Community Solutions has been formed by bringing together a range of budgets including some budgets that have faced pressures in recent years including Homelessness and MASH/NRPF from Children's services. The Temporary Accommodation pressure has been mitigated by additional MTFS growth funding and the service has also been very successful in working more effectively with families to avoid the need for accommodation. However, there are voids in some of the homeless hostels which is creating an income pressure.
- 3.35 In addition the service has inherited high levels of agency staffing in some areas (especially ex Children's.) This is being managed down by the service management but does remain a risk.
- 3.36 The service is able to mitigate these pressures through use of one-off income including a brought forward grant resulting in a small net variance this year.

Other Operational Services

- 3.37 In addition there are a range of small variances in other services including £0.02m in Democratic Services (impact of the pay award) and £0.08m in Culture and Heritage.
- 3.38 The Elevate Client Unit has a pressure due to an expected fall in the Nationality Checking Service demand due to government asking private firms to tender for this service rather than provide it via Local Authorities from October 2018.

Central Expenses

- 3.39 Currently there is a projected underspend of £2.045m on Central Expenses. This is based on the position at year end last year and will be monitored closely.
- 3.40 In addition a number of risk provisions were written into the MTFs this year. These were as follows:

Pay Contingency	472,000
Savings Risk Contingency	2,000,000
Parking Risk Contingency	1,000,000
Accommodation cost contingency	660,000
	4,132,000

- 3.41 As can be seen from the descriptions these offset many of the overspends described above. As the year goes on and the figures become more certain it may be appropriate to release this funding into the specific budget lines. However, for now they are shown as offsetting underspends.

4. Housing Revenue Account

- 4.1 The Housing Revenue Account was originally budgeted to generate an in-year revenue surplus of £18.635m to fund the capital programme. The forecast is that this will be reduced to £17.735m – an adverse variance of £0.9m. In practice this will not impact on this year's programme as any shortfall will be met by a drawdown from the HRA.
- 4.2 The revenue variance is made up of three main components – £0.5m underachievement of rental income, £0.8m underspend on Supervision and Management and £1.2m overspends in Repairs and Maintenance.
- 4.3 The rent income reduction is mostly the result of fewer properties being let as temporary accommodation which attracts a higher rent than general needs housing. The overspend on repairs has arisen as the savings on the cost of home services are not being fully delivered. A provision had been made to cover the implementation costs of this saving however which is not required resulting in an underspend in supervision and management.
- 4.4 The HRA capital programme is expected to deliver broadly on budget with the exception of Investment in Stock which is forecasting an underspend of £1.761m. Within this there is expected to be some accelerated spend against specific Investment in Stock schemes (Capital Voids) but this will be offset by other schemes not expecting to be fully spend in 2018/19, as detailed plans are still to be established (e.g. Fire Safety)

5 New Capital Funding for Local Transport

- 5.1 The Chancellor of the Exchequer announced in the budget that funding would be made available to Local Authorities to improve local transport – especially the condition of roads and potholes. We have now received confirmation of the allocation to Barking and Dagenham which is £0.42m. Cabinet are asked to

approve for this funding to be added to the capital programme to be spent in accordance with the conditions of the grant.

6. Update on Fees and Charges

- 6.1 The Council is the Licensing Authority for the purposes of the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 (the 'Regulations') which came into force on 1 October 2018, under the provisions of the Animal Welfare Act 2006. The Regulations include statutory fees and charges as follows, to apply from 1 October 2018 to 31 March 2020:

Licence Type	Application Fee	Licence / Grant Fee	Total Fee (Part A + Part B)
Animal Boarding (Dog / Cat)	£299	£244	£543
Selling animals as Pets	£299	£244	£543
Home Boarding for Dogs (up to 6)	£155	£210	£365
Dog Day Care (up to 6)	£155	£210	£365
Breeding Dogs	£299	£244	£543
Riding Establishment (Hiring out horses)	£394	£449	£843
Keeping or training animals for exhibition	£290	134	£424
Dangerous Wild Animals	£390	£244	£634

7. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance.

- 7.1 This report details the financial position of the Council.

8. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 8.1 Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This does mean as a legal requirement there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met

Public Background Papers Used in the Preparation of the Report: None

List of Appendices

- **Appendix A** – General Fund Revenue budgets and forecasts.
- **Appendix B** – Housing Revenue Account budget and forecast.

GENERAL FUND REVENUE BUDGETS AND FORECASTS

SERVICE AREA	REVISED BUDGET	ACTUALS P1-7	FORECAST	Variance	CHANGE
BE FIRST	-	1,248	-		-
CARE & SUPPORT					
ADULT'S CARE & SUPPORT	17,157	14,355	19,177	2,020	227
CHILDREN'S CARE & SUPPORT	31,612	20,330	37,640	6,028	-
DISABILITIES	15,943	12,560	19,565	3,622	(28)
CENTRAL	9,652	10,824	3,282	(6,370)	(144)
COMMUNITY SOLUTIONS	11,376	13,608	11,446	70	-
CONTRACTED SERVICES	6,393	20,359	6,393		-
CORE					
ELEVATE CLIENT TEAM	5,675	2,815	5,675		-
FINANCE	6,065	3,592	6,065		-
INNOVATION AND INVESTMENT	(1,801)	315	(1,801)		-
STRATEGIC LEADERSHIP	-	122	-		-
TRANSFORMATION	367	1,815	367		-
EDUCATION, YOUTH & CHILDCARE	14,350	8,278	14,350		-
INCLUSIVE GROWTH	(46)	(43)	(92)	(46)	-
ENFORCEMENT	(1,790)	117	(1,875)	(85)	-
LAW, GOVERNANCE & HR	455	(155)	455		-
MY PLACE	9,125	4,663	9,105	(20)	-
PUBLIC REALM	8,585	10,922	8,785	200	-
POLICY & PARTICIPATION					-
CULTURE & RECREATION	2,337	1,897	2,417	80	21
STRATEGY & PROGRAMMES	665	(314)	665		-
SCHOOL IMPROVEMENT PARTNERSHIP	-	116	-		-
SDI COMMISSIONING	-	-	-		-
ADULTS COMMISSIONING	5,482	4,111	5,578	96	0
CHILDREN'S COMMISSIONING	4,173	2,537	3,954	(219)	(47)
HEALTHY LIFESTYLES & PHYSICAL					-
LEISURE	293	(118)	293		-
PUBLIC HEALTH	(700)	(6,834)	(700)		-
P&R ACTION PLAN	-	-	(2,500)	(2,500)	-
TRADING ENTITIES	-	1,843	942	942	-
GF TOTAL	145,368	128,963	149,186	3,818	29

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HOUSING REVENUE ACCOUNT

HRA Class	Budget £'000	Actual to Date £'000	Forecast £'000	Variance £'000
Dwellings Rent	(86,186)	(49,250)	(85,686)	500
Other Rents	(712)	(828)	(712)	
Other Income	(20,015)	(12,682)	(20,015)	
Interest Received	(300)		(300)	
Supervision & Management	43,963	8,834	43,163	(800)
Repairs & Maintenance	15,178	10,829	16,378	1,200
Rent Rates and Other	350	2	350	
Bad Debt Contribution	5,309		5,309	
CDC	685		685	
Depreciation	13,034		13,034	
Interest Paid	10,059	4,610	10,059	
RCCO (Capital funding)	18,635	39	17,735	(900)

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CABINET**11 December 2018**

Title: Dedicated Schools Budget and School Funding Formula 2019-20	
Report of the Cabinet Member for Educational Attainment and School Improvement	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Katherine Heffernan, Group Manager – Service Finance	Contact Details: Tel: 020 8227 3262 E-mail: Katherine.heffernan@lbbd.gov.uk
Accountable Directors: Helen Seechurn – Interim Finance Director Jane Hargreaves, Commissioning Director – Education	
Accountable Strategic Leadership Directors: Claire Symonds, Chief Operating Officer; Elaine Allegretti – Director of People and Resilience	
<p>Summary</p> <p>This report provides an update on the national Education Funding reforms and their likely impact on Barking and Dagenham. This report also sets out the Dedicated Schools Budget (DSB) strategy for 2019/20 and the principles that we plan to use for the Local Funding Formula for Schools following discussion with Schools Forum and consultation with schools.</p> <p>The report also considers the implications for the Council of the funding changes and the risks and opportunities that arise as a result.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note the latest position on the national Education Funding Reform and the expected implications for Barking and Dagenham as set out in section 2 of the report; (ii) Approve the 2019/20 strategy for the Dedicated Schools Budget as set out in section 3 of the report; (iii) Agree, in principle, the proposed model for allocating school funding in 2019/20, as set out in section 4 and Appendix A to the report; and (iv) Delegate authority to the Commissioning Director of Education, in consultation with the Schools Forum, the Cabinet Member for Educational Attainment and School Improvement and the Chief Operating Officer, to approve the final 2019/20 school funding formula submission to the Education Funding Agency. 	

Reason(s)

The Dedicated Schools Budget is part of the Council's overall budget and Local Authorities are required to develop and maintain a Local Funding Formula to distribute funding to schools.

1. Introduction and Background

- 1.1 Most Education funding including the bulk of funding for individual schools is provided by the Department of Education in the form of a specific ringfenced grant to Local Authorities known as the Dedicated Schools Grant (DSG). This grant was originally introduced in 2006 based on the allocations that Local Authorities were making at that time for Education and Schools. Although the grant has been modified in various ways since that time it remained based on those historic allocations until 2018.
- 1.2 The Department of Education has been committed for a number of years to an updating the funding system and in 2016 a National Funding Formula (NFF) was proposed for both the main Schools block and the High Needs Block (for more information on the block see below.) Under this new methodology funding will be calculated at the individual school level for mainstream schools and at the Local Authority level for Special Schools and Additional Needs based on a formula that takes into account population, deprivation, low attainment and other indicators of additional support needs.
- 1.3 The implementation of this new system is phased and 2019/20 is a transitional year during which the Local Authority is still required to set a local funding formula in conjunction with its local schools. This report sets out the principles for the 2019/20 Local Funding Formula.
- 1.4 The transitional period which previously had been set at two years has been extended by one year – until 2021/22.
- 1.5 Although Schools have previously been somewhat sheltered from the impact of the Government's austerity policy the level of funding provided for Education at a National level is not increasing in line with inflation resulting in a real terms reduction in funding. This combined with the reallocation of funding implicit in the new National Funding Formula will present financial challenges to Barking and Dagenham Schools. This report also outlines the key risks and challenges for this authority and its schools.

2. The Dedicated Schools Grant (DSG)

- 2.1 The Dedicated Schools Grant has sub components or "blocks" which are allocated to fund different aspects of the Education system: the Early Years block which pays for education and childcare for two, three and four year old children, the High Needs block for support to meet special educational needs and the Schools block which is in turn allocated to individual schools and academies according to a funding formula. From 2018/19, a fourth Central block has been created to fund core Local Authority education services. The table below shows the baseline allocation for Barking and Dagenham from 2017/18, the 2018/19 allocation and the indicative

allocation for 2019/20. These are baseline indicative figures based on school census data from October 2017 and will be subject to change based on the October 2018 census. The Early Years allocation has not yet been published but the 2017/18 amount is shown for information.

Table One: DSG 17/18 Baselines and provision 2018/19 allocations:

	2017/18 Baseline £000	Current 2018/19 Allocation £000	Indicative 2019/20 Allocation £000
High Needs Block	26,530	27,971	29,626
Central Block	2,518	2,531	2,558
Schools Block	205,156	208,217	210,462
Early Years Block	19,681	21,319	tbc

Schools Block

- 2.2 The national formula for schools funding is intended to provide more consistency and transparency around funding so that, in time, similar children in similar schools will be funded at the same level (adjusted for local cost variations.) It therefore provides a basic unit of funding for each student in a school (72.9% of the total funding being distributed this way) with 17.8% funding allocated to factors that are indicative of additional needs (deprivation, English as an additional language and low prior attainment) and a small amount of funding for school led funding (a lump sum and funding for rates and exceptional premises costs.) The basic unit for LBBD schools and in fact for most London authorities is lower than currently used resulting in a distribution of funding away from London on average. However, the additional needs factors are highly weighted so schools with very high levels of additional needs students are partially compensated for this. Finally, a funding floor has been used to contain funding losses at a minimum level. In July 2017, the Secretary of State for Education announced that additional funding had been found within the departmental budget to ensure that the formula allowed a minimum of 0.5% increase in pupil led funding in 2018 and a further 0.5% in 2019/20.
- 2.3 In practice, based on the illustrative figures published by the Department of Education all primary schools in Barking and Dagenham would be losers under the formula before protection and so are on the funding floor receiving only the minimum increase. Most (but not all) secondaries are potential gainers to a small extent and so will receive some increase in funding above the floor level. This is partly because the difference between our previous local rate and the national formula rate for secondary pupils is lower than for primary pupils and partly because rates of deprivation and other additional needs are higher in secondary schools.
- 2.4 It is very important to note that all schools are facing cost increases – both in teachers’ pay and general inflation and so effectively a below inflation increase amounts to a real term cut in funding. In particular the Government have provided some additional funding for the Teachers Pay Award – however this is only partial funding and schools are expected to absorb the first 1% of this increase.

- 2.5 In addition to the funding based on formula factors there are two other funding streams contained within the Schools block. The first is funding for Growth in pupil numbers and new schools and the second is funding for special premises factors (such as business rates and PFI contracts) and pupil mobility.
- 2.6 The Department's intention is to move to a fully formula-based allocation. A methodology for doing this has not yet been devised for the premises/mobility factors and funding is based on the historic allocations for each authority. However, the Department have announced an intention to move towards a formula basis for 2019/20. By their nature, these kinds of costs are very individual and, in most cases, not easily controlled or changed. Therefore, this could present a risk for authorities if the formula allocation does not provide a good match for the distribution of costs. However, this is likely to be mitigated by some level of transitional protection.
- 2.7 However the Department will be introducing a formula basis for the allocation of growth funding. This will consider positive changes in pupil numbers at the Middle Layer Super Output area (a geographical unit used by the ONS) between the Oct census from one year to another. This means that the funding will be lagged ie funding is only received after the costs of growth have been incurred and the use of a one-year timescale could result in some funding volatility. Since place planning is by nature future looking and should take place over a multi-year timescale this funding methodology could place burdens on the authority resulting from this mismatch in funding and cost profiles.
- 2.8 In 2018/19 LBBB received £4.044m growth funding but under the formula calculation the 2019/20 would be only £1.938m. The DfE have recognised that such large swings in funding will be problematic and have introduced a level of protection which will increase the 2019/20 to £2.983m. This is however a reduction of nearly £1m and will require changes to our arrangements for funding growth.

High Needs Block

- 2.9 The High Needs Block provides funding for Local Authorities (rather than for delegation to schools) and is made available to meet the additional costs of supporting students with special educational needs aged 0 to 25 years. The funding was previously based on historical allocations with very little linkage to actual levels of need in an area. There is some evidence that the block is underfunded at a national level and that the distribution is not closely linked to needs in local areas. This is particularly problematic for Barking and Dagenham as High Needs spending has not kept up with the growth in the child and young person population resulting in several years of above grant spending (funding from the DSG reserve or transfers from other blocks.)
- 2.10 The government has also proposed a national formula for High Needs to distribute money to Local Authorities in a more consistent and transparent way. This presents a number of technical problems as establishing good data on the true drivers of need in this block remains challenging but a number of proxy indicators have been developed. Under the proposed formula Barking and Dagenham would eventually be a significant gainer – probably reflecting the historic underfunding. Funding under the new formula should be in the region of £31.77mm. However, to avoid excessive turbulence across the country there will be a transition period during

which time gains will be restricted. As shown above, the LBBB High Needs funding will rise by £1.5m in 2019/20 to £29.626m. However, this is still £2.194m short of the full allocation. As a result of the level of need in the borough, spending in this block has been above the allocation for a number of years and there is a projected shortfall of £2.221m in 2018/19 which is expected to continue and potentially rise in line with pupil growth in 2019/20.

Central Block

- 2.11 The Central Block has been created in 2018/19 by combining the residual Education Services Grant of £0.6m and £1.9m of funding allocations for central services previously agreed by Schools Forum. The latter is made up specific continuing statutory functions (Admissions and running a Schools Forum) and local arrangements for historically agreed services. The Government's clear intention is to move the ESG and statutory functions elements towards a per head funding regime and to taper off historically agreed services over time.
- 2.12 The historically agreed services within LBBB are shown in the table below.

2017-18 Services	Historic Central Contribution £000
Trewern Outdoor Education Service	209
Community Music Service	310
Advisory Teachers	330
School Games Organiser Funding	50
School Estates	150
Total	1,049

- 2.13 It should be noted that the Education Services Grant has been very severely cut over the past two years. Prior to 2017/18, LBBB used to receive in the region of £3.4m to carry out a wide range of duties on behalf of maintained schools. However most of this funding has been removed with the exception of the £0.6m for a much more limited range of duties carried out on behalf of all children and schools including academies. However, the Council still retains most (if not all) of its previous responsibilities. Authorities were given the option in 2017/18 to consult with their schools forum to increase their central funding from the schools block. Barking and Dagenham did not choose to pursue this in recognition of the financial pressures in schools.

Early Years

- 2.14 The Early Years funding system was reformed last year with a welcome increase for Barking and Dagenham which has been largely passed onto our providers, partners and schools in an increased basic unit rate of £4.50. The overall allocation rose in 2018/19 following the introduction of the thirty hours free childcare for working families and is expected to rise again to cover the full year effect of this change.

3. The Dedicated Schools Budget Strategy for 2019/20

3.1 The table below shows the projected outturn for the Dedicated Schools Grant in 2018/19 and the subsequent impact on the reserve.

	Revised funding forecast £'000	Expenditure forecast £'000	Variance £'000
Schools Block	167,924	167,624	(300)
Early Years Block	21,319	21,319	0
High Needs Block	25,867	28,081	2,214
Central Block	2,559	2,559	-
Total	217,669	219,569	1,914
Brought forward DSG balance			(3,548)
DSG balance forecast for 31st March 2019			(1,642)

- 3.2 Under the transitional arrangements Authorities are allowed to transfer up to 0.5% of their schools block to the High Needs Block in order to meet pressures in this area with the agreement of Schools Forum. It was agreed that £0.75m transfer should be made in 2018/19 (0.35%) and this is included in the figures above. Despite this there is still a significant overspend on this block which will result in a drawdown from the DSG reserve reducing it to £1.642m or less than 1%
- 3.3 A management action plan has been put in place to reduce the pressures on the High Needs block. However a transfer of 0.5% or £1.073m is required in order to properly manage the significant funding pressures that are in the system until the formula funding is fully phased in by the DfE. Schools Forum have been consulted on this proposal and given their consent.
- 3.4 The impact of the transfer is that there is less money available to distribute directly to schools. However schools that include pupils with high levels of special educational needs are likely to benefit from the availability of funding to meet the needs of those students.
- 3.5 It is also proposed to allocate £0.5m of the growth funding to meet the cost of increased business rates (partly a reflection of growth in school size) and use the rest of the allocation ie £2.5m to provide funding for growing schools and bulge classes that have been agreed with the Borough in order to meet our responsibilities for place planning. The amount of £2.5m will require a less generous allocation of funding for new classes than has been used in 2018/19. In order to meet the expected requirements funding for new classes will be provided at the level of AWPU only.
- 3.6 No new funding has been set aside to support Schools Facing Financial Difficulties. This now operates as a loan scheme and future support will be funded from loan repayments made by former recipients. However this will be kept under review especially as it is expected that the next few years will be challenging for all schools especially smaller primaries.

- 3.7 It is proposed to maintain the Central block allocation provided in the grant. However it will be important to develop options to safeguard the future of the historically agreed services. The School Improvement partnership will provide a future framework for some of these services however further work will be needed to consider options for Trewern and the Community Music service. This may include changes to service provision or introduction of some additional charges. This needs to be done with care in order not to have an adverse impact on poorer families or other vulnerable or protected groups.
- 3.8 Cabinet are asked to approve the budget setting principles set out above and in particular the transfer between Schools and High Needs block and the amount set aside for the Growth fund.

4. The School Funding Formula for 2019/20.

- 4.1 Although funding has been calculated using the national funding formula at Local Authority level Authorities have the ability to vary this in consultation with their local forum.
- 4.2 For Barking and Dagenham the need to transfer funding to the High Needs block and to set aside a Growth fund does necessarily mean that there is less funding available for direct redistribution.
- 4.3 It is also a concern that the impact of the formula is uneven in the borough with primaries as a group being more adversely affected than secondaries. For a number of years it has been a local principle that the overall funding ratio between the two sectors should be 1:1.30 (or as near as technically possible.) The operation of the national funding formula however results in a ratio of 1:1.43.
- 4.4 In 2018/19 it was agreed that the local formula would be adjusted in order to bring the funding balance approximately one third of the way towards the national formula ie to a ratio of 1:1.34 and to move further towards it in 2019/20. This would allow a gentler transition towards the eventual funding balance and would offer some protection to primary schools.
- 4.5 Following the announcement of the extension of the transitional period, it has been agreed with Schools forum that remaining at 1:1.34/moving a small way to 1:1.36 is in the overall interests of the whole community of schools. A consultation is being carried out with all schools. *The consultation is due to conclude next week – responses so far accept the proposal.*
- 4.6 Following this principle it is recommended that the Cabinet approve the funding factors set out in Appendix A. These factors have been established using the National funding formula amounts as a starting point but the basic age weighted pupil funding has been adjusted to produce a funding balance of 1:1.34/1:1.36 as set out above.
- 4.7 The DfE will release updated census data and revised funding allocations based on that in December. When this is published it may be necessary to adjust some factor weightings or other aspects of the calculation. This will be done in line with the principles approved and in consultation with Schools Forum. Cabinet are asked to approve delegated authority of the final sign off to the Strategic Director for Service

Development and Integration in consultation with the Chief Operating Officer and the Cabinet Member for School Improvement and Educational Attainment.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager Service Finance

- 5.1 The Dedicated Schools Grant is a ringfenced grant provided by the Department of Education. The anticipated allocation for 2017/18 will be confirmed once October 2017 pupil census data is finalised but is expected to be at least £238m.

6. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 6.1 The legal framework for setting budgets for schools requires consultation. This is carried out with the local Schools Forum. The Forum is a decision-making and consultative body in relation to matters concerning schools' budgets as defined in the School Finance (England) Regulations 2012 and the Schools Forums (England) Regulations 2012 (the Regulations).
- 6.2 In accordance with the Regulations, the Local Authority must submit to its Schools Forum for consultation the Budget formula, for comments on any proposed changes. This will be done in line with the principles approved and in consultation with Schools Forum to complete the process this Report seeks delegated authority of the final sign off to the Strategic Director for Service Development and Integration in consultation with the Chief Operating Officer and the Cabinet Member for School Improvement and Educational Attainment.

7. Other Implications

- 7.1 **Risk Management** – There are several risks in relation to the national funding reform proposals. The first risk is that Barking and Dagenham is losing funding as a whole; secondly the national formula differs from our local formula resulting in large changes in distribution of funding between schools and especially a change in the balance of funding between primary and secondary schools.

There are also significant risks as the funding formula for High Needs does not reflect the true level of need within the borough and the pressure on the block worsens.

The Minimum Funding guarantee that limits any reduction in funding to 0%% per pupil and the Funding Floor that protects funding per pupil at 1% above the 2017-18 baseline offer some mitigation as it provides a smoothing mechanism preventing sudden funding changes. In addition, the Council operates a fund for Schools Facing Financial Difficulties.

The Council will continue to work with Schools and others to ensure there are high standards of financial management and control to meet these funding challenges.

- 7.2 **Staffing Issues** – The MFG should mean that consequent reductions in staff can be managed by schools in a phased way. Many schools continue to see growth in

pupil numbers. In most cases schools should be able to manage through the usual staff turnover processes.

- 7.3 **Customer Impact** – Schools will continue to take steps to minimise any adverse impact on outcomes for children.
- 7.4 **Safeguarding Children** – Increases in the pupil premium provide targeted support for looked after children and those entitled to free school meals.
- 7.5 **Health Issues** – The health and wellbeing board and Joint Strategic Needs Assessment (JSNA) highlight the importance of investing in early intervention to support children’s long-term wellbeing. The reports draw attention to the impact of family background, parental education, good parenting, primary education and the opportunities for learning and development in the crucial first five years of life, and identified what matters most in preventing poor children becoming poor adults.

Public Background Papers Used in the Preparation of the Report: None

List of Appendices

- **Appendix A** – Proposed model for allocating school funding in 2019/20

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APPENDIX A

Funding Models & Costs	National Funding Formula Rates with ACA (Primary) (d)	NFF Rates with ACA Secondary (d)	Local 2018-19 Model	Proposed 2019/20 Model	Funding Distributed
Modelling Options:					
Ratio			1.34	1.34	
MFG			0.00%	0.00%	
Capping (a)			1.01%	100.00%	
Minimum Per Pupil Amounts Applied (b)			N	Y	
Funding floor 1% uplift applied			N	Y	
AWPU Rates:					
Primary AWPU	3,097		3,315	3,288	83,586,855
KS3 AWPU		4,355	4,235	4,201	34,667,754
KS4 AWPU		4,944	4,925	4,886	23,289,730
Additional Needs Funding					
FSM	496	496	496	496	2,935,710
FSM6	609	885			9,493,364
IDACI Band F	225	327			685,785
IDACI Band E	271	440			3,446,045
IDACI Band D	406	581	as national		4,220,385
IDACI Band C	440	631			4,441,441
IDACI Band B	473	676			2,510,349
IDACI Band A	648	913			12,023
EAL & Mobility					
EAL 3 Primary	581		581	581	4,879,481
EAL 3 Secondary		1,561	1,561	1,561	1,312,686
Mobility	-	-			488,989
Low Prior Attainment					
Low Prior Attainment - Primary	1,152		1,152	1,152	
Low Prior Attainment- Secondary		1,747	1,747	1,747	15,512,801
Lump Sum					
Lump Sum	124,003	124,003	124,003	124,003	7,068,171
Premises:					
Split Sites	-	-	200,000	200,000	1,360,000
Rates			actual cost	actual cost	4,200,945
PFI funding			actual cost	actual cost	2,981,922
Potection:					
Minimum Funding Gurantee					97,169
Capping					0
Funding Floor					3,238,394
Total Funding for Schools Block Formula					210,430,000
					210,430,000

Notes:

(a) Capping at 100% means none of the gains are clawed back, capping at 0% means all of the gains are clawed back.

Effective cap is %cap plus MFG

(b) P £3,500, Sec (KS3&4 combined) £4,800

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CABINET**11 December 2018**

Title: Pan London Procurement of Temporary Accommodation Hub – Capital Letters	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Shaun Childs, Head of Intervention, Community Solutions	Contact Details: Tel: 020 8227 2521 E-mail: shaun.childs@lbbd.gov.uk
Accountable Director: Mark Fowler, Director of Community Solutions	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>Capital Letters is a collaborative approach to the procurement of Temporary Accommodation (TA) across London. Currently the procurement of TA is done on a borough by borough basis which often leads to Councils out bidding each other, creating a false housing market.</p> <p>There are a number of advantages of Capital Letters including access to more properties, a more co-ordinated approach to procurement and potential access to a £34m funding stream from the Ministry of Housing, Communities and Local Government (MHCLG). The estimated aggregate financial benefit of the proposal to the London boroughs collectively is up to £116m, plus potential savings on changing how placements are made and reduced repeat homelessness through tenancy sustainment. The company would build on the Inter Borough Accommodation Agreement (IBAA) which has led to reduced spending through rate-sharing and the application of a cap on rates paid for certain accommodation. The company would work within this system and provide further opportunities to rationalise and secure efficiencies in the procurement of accommodation for homeless households.</p> <p>This report outlines the proposal in detail and recommends that the Council joins the company as a ‘wave 1’ organisation with a voting seat on the board of Capital Letters.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
<p>(i) Agree, in principle, to the Council’s participation in “Capital Letters”, a Company Limited by Guarantee to be established by the London boroughs, in accordance with the strategy set out in the report; and</p> <p>(ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and</p>	

Governance, to make the final determination on the Council's participation and, if appropriate, enter into all the legal agreements, contracts and other documents on behalf of the Council required to implement any aspect of the arrangements, including the appointment of the Council's Company Member Representative and operational arrangements for staff secondment.

Reason(s)

To assist the Council to achieve its priorities of growing together and maximising wider benefit to the community to ensure that no-one is left behind.

1. Introduction and Background

- 1.1 The immediate background to this work is the increasing burden of homelessness and the resulting provision of TA and prevention placements. In March 2017 there were 77,240 households in TA nationally, an increase of 60 per cent since March 2011. Seven out of ten of these households are placed by London boroughs. The cost of providing TA in 2015/16 (£845 million) accounted for more than three quarters of the total cost of providing homelessness services nationally (£1.15 billion).
- 1.2 Capital Letters is a proposed joint endeavour between a group of London boroughs to reduce the costs of temporary accommodation and deliver improved outcomes for homeless families, by jointly procuring and managing accommodation across London.
- 1.3 London Housing Directors and the officer team at London Councils have been working on a model which will enable better outcomes for homeless and at-risk households as well as for Councils. The proposal is to establish a not for profit company, called "Capital Letters".
- 1.4 The establishment of Capital Letters is being supported by MHCLG using top-sliced Flexible Homelessness Support Grant, to alleviate the costs to boroughs of providing accommodation and to encourage greater efficiency, provide extra staffing, IT and other resources to increase supply and improve the service offered to both tenants and landlords.
- 1.5 MHCLG funding is expected to be used in the following three ways:
 - Contribution to Private Sector Leases (PSL),
 - Private rented placement incentive payments,
 - Central cost contribution, e.g. for additional procurement staff, tenancy sustainment staff, IT and premises for the company.
- 1.6 By providing an organisation to represent a large group of London boroughs, it is intended to offer a simpler and more straightforward interface for landlords, managing agents and developers anywhere in London who are able to provide properties for those families and other households most in need of accommodation.

2. Proposal and Issues

- 2.1 Capital Letters will grow in phases, with an initial number of boroughs joining in the first year, followed by phase two a year later, and eventually including, if not all, then the clear majority of London boroughs. There are also two types of company membership, A and B. The distinction is noted in Appendix A and details of the proposed timescale for phasing is in Appendix B.
- 2.2 There are a number of reasons why Barking and Dagenham would want to be a wave 1 authority but a seat on the board of directors is the main factor to direct the company in future years. Wave 1 of the business is anticipated to start operations in April 2019. The MHCLG subsidy per borough will be greater in the first year. This is important in terms of the proportion of centrally funded staff compared to borough funded staff, which should provide a greater uplift to procurement numbers for the boroughs in the first wave. The MHCLG subsidy per property will also be greater in the first year and boroughs joining in the first year will receive an additional year's subsidy from MHCLG compared with boroughs joining later.
- 2.3 The Councils involved in the set-up of the company will also have much more control over the way it is set up and shaped than those who join after the company has been established.
- 2.4 If Barking and Dagenham do not join, Capital Letters will still have properties it has procured in our borough. Although Capital Letters will abide by the agreed IBAA rates, there is nevertheless a significant risk that landlords and agents will prefer to work with Capital Letters than within individual boroughs because of the profile it will have when launched, and because of the more streamlined ability to let properties across London with one organisation than with a number of different boroughs, all with slightly different terms and conditions and different personnel.
- 2.5 If Capital Letters is successful then it will be possible for Barking and Dagenham to secure more private rented and leased properties in London within or close to the borough, reducing the amount of families housed in TA in Thurrock and surrounding boroughs. It would be better to secure these benefits sooner rather than later.
- 2.6 Capital Letters will collaboratively procure new properties on behalf of London boroughs supported by the MHCLG top-slice and on a pan-London basis. In addition to the top-slice, the pan-London procurement allows a more rational allocation of supply across London, allowing households to be housed closer to placing boroughs. Member boroughs will also be able to transfer existing leased properties into Capital Letters, which as a private landlord will be eligible for 100% Local Housing Allowance (LHA) from the Department of Work and Pensions, which on average across London is £35pw higher than the current rate for borough-let temporary accommodation, which is currently 90% of 2011 LHA levels. Boroughs will also be able to convert often expensive nightly paid accommodation where appropriate.
- 2.7 Properties are expected to be a mixture of Private Rented Sector properties let by the property owner to households nominated by the boroughs, and properties leased directly from landlords or from managing agents.

- 2.8 Capital Letters will be established as a not-for-profit Company Limited by Guarantee, wholly owned by the member boroughs. Boroughs must become members of the company in order to participate in and benefit from its activities and access the additional MHCLG funding.
- 2.9 By the end of the third year of operation it is envisaged that Capital Letters will have a staff complement of around 270 officers and an annual income of £238m. By this stage it will have secured almost 20,000 additional properties to help prevent and tackle homelessness and will have an estimated 13,000 properties either fully or partially under its management.
- 2.10 For Barking and Dagenham, officers propose seconding 1 member of staff in order to procure an estimated 100 properties per year, including c.60 leased properties for use as temporary accommodation for accepted homeless families and c.40 private tenancies for prevention of homelessness. At this level of involvement, officers estimate a potential saving of around £160,000 in year 2 of operation. Further detailed analysis will be needed to finalise the agreed outputs for the first year (2019/20) and provide a clearer targeted savings figure.
- 2.11 Participating boroughs who become full members of Capital Letters will initially second staff from their procurement and management teams performing this function to Capital Letters¹. This will allow the existing skills, expertise, local knowledge and client relationships held by those officers to be absorbed into Capital Letters.
- 2.12 The activity of seconded staff continuing with the procurement activities they were previously undertaking for their borough will be supplemented by approximately 20 additional staff employed directly by Capital Letters. It is anticipated that this will lead to 4,300 additional properties within Greater London being procured in the first three years.
- 2.13 Boroughs will be allocated at least as many properties over the first year as were procured by the staff it seconds in the previous year. Any additional properties would be allocated to the participant boroughs in proportion to the staff resources they have contributed through secondment or funding of staff recruited directly by Capital Letters. Subject to meeting borough minimum allocations, and fair distribution of additional properties, all properties should be allocated as close to host boroughs as possible, also taking into account the provisions of the homelessness suitability order as they apply to individual households. This should mean that a smaller number of households have to move a long distance from their home borough than is currently the case. Proposed allocation policy principles are set out in Appendix C.
- 2.14 The company will be funded by a combination of MHCLG grant, rents from tenants and top up payments from member local authorities. These are the payments that are already made by local authorities, for example through Discretionary Housing Payments (DHP) or other existing budgets when Local Housing Allowance (LHA) rates do not cover full rent. They will be made lower for local authorities as a result of the MHCLG subsidy, so the net impact for Barking and Dagenham should be a real reduction in expenditure per property.

¹ Boroughs do not have to second staff, although most are likely to. If a borough would prefer to have another way of placing a minimum of 50% of their relevant procurement through Capital Letters that is acceptable.

- 2.15 The company will be established as a private company limited by guarantee, owned and managed by the boroughs who constitute limited liability members of the company. The liability is limited to £1. It will also be Teckal compliant in relation to public procurement regulations, which means that as a company member Barking and Dagenham will be able to use the company's services without undertaking a competitive procurement process.
- 2.16 The activity of the company will be supported by a digital Property Listing Platform (PLP). A specification for this IT system has been developed by London Ventures, in consultation with the Capital Letters working group. Soft market testing has identified a number of providers who would be able to develop a product which meets the specification requirements. Initially, one borough will lead on the procurement of this PLP on behalf of the company.
- 2.17 The timescale for programme delivery assumes the new company is established and trading by April 2019, with a first wave of boroughs joining by then and a second wave of boroughs joining in April 2020.
- 2.18 A minimum condition of being an A member of Capital Letters is that at least 50% of the annual supply of new non-emergency accommodation for homeless households for that borough is provided by Capital Letters in the first year. This is a minimum requirement; many boroughs will put through a higher percentage of their supply.

3. Options Appraisal

- 3.1 There is the option not to join the company in the first phase. This would result in a lost opportunity to access MHCLG grant funding, alleviate the costs of providing temporary and prevention accommodation, increase the procurement of leased temporary accommodation, reduce the use of expensive nightly paid accommodation and enable the placement of many households closer to home.
- 3.2 Rather than A membership in the first phase, the Council could alternatively join the company as a B member. This would still enable the Council to receive services from Capital Letters but would mean that the Council has less influence over the strategic direction of the company. It would also mean Barking and Dagenham would not have access to additional MHCLG subsidy for newly procured properties. The distinction between A and B membership is noted in the Articles of Association, with the relevant section copied below in Appendix A.
- 3.3 The third option is to not join Capital Letters at all, this would carry risk as other Capital Letter authorities will continue to procure properties within Barking and Dagenham and potentially mean that we find it increasing difficult to procure TA properties.

4. Consultation

- 4.1 These proposals have been discussed with Members of the Cabinet and were considered at the Homes Portfolio Meeting on 18 September 2018 and 8 November 2018. They were also presented to the Community Solutions Board on 19 November 2018.

- 4.2 Subject to the Cabinet agreeing the proposals in principle, the detailed proposals will be presented to the Corporate Strategy Group for endorsement prior to the Chief Operating Officer taking any decisions under the delegated authority sought in this report.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Finance Manager.

- 5.1 The financial implications for the council are not known at this stage. However, there is no direct financial commitment from the Council to set up the Capital Letters programme.
- 5.2 The proposals provided by Capital Letters indicates that the entity is funded by a top-sliced Homelessness Flexible Support Grant. However, at this stage funding for the project after Year 1 is not yet confirmed. Should funding not be available in Year 2 from the Government or another funding source, any members can leave the entity with 30 days' notice.

6. Legal Implications

Implications completed by: Dr. Paul Feild Senior Governance Lawyer.

- 6.1 The proposal in this report is that the Council joins and participates in a Company limited by guarantee for the purpose of acquiring temporary accommodation letting to enable the Council to satisfy its obligations under homeless legislation. The liability of the Council will be restricted to £1, though if it were to make losses the members could, if they so choose, decide to keep it running.
- 6.2 The Council has the power to enter the arrangement join as a Member by the general power of competence given by section 1 of the Localism Act 2011. This enables the Council to have the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose. In addition, in pursuit of the Councils homelessness prevention duties Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, this would enable it to join Capital Letters as a member.
- 6.3 The arrangements as described are that the services will be delivered by a Teckal structured company which means that the arrangements are not subject to the procurement regime of the Public Contract Regulation 2015. This is enabled by Regulation 12 which covers arrangements between public authorities, subject to a limit of no more than 20% of its services activity being available on the open market. Checks will need to be carried out to ensure the final form of the arrangements for participation for the Council are compliant.

- 6.4 As set out in the report the proposal is that the Council becomes an “A” member which will be one of the foundation members. It appears this will enable access to a proportion of DHCLG grant, which is understood to be minded to allocate £34m over three years, top sliced from the Flexible Homeless Support Grant (FHSG) towards the scheme. The consequences being that there will be less Grant for those not members of Capital Letters. If “A” membership is chosen then there will be an obligation to ensure that at least 50% of the total procurement for the Council to support the Councils discharge of statutory responsibilities for homeless households or those at risk of homelessness (excluding nightly paid properties or properties outside of the London area) is to be procured by Capital Letters.
- 6.5 Once a member of the Capital Letters the Council can, if it so chooses, opt to leave if it gives 6 months written notice.

7. Other Implications

- 7.1 **Risk Management** – This paper is to gain approval for joining Capital Letters in the first instance, risks are minimal at this stage. However, there are two risks that should be noted:
- Agents providing TA accommodation may not wish to be part of Capital Letters and therefore the Barking and Dagenham supply of TA reduces.
 - Capital Letters procure more TA in Barking and Dagenham for the whole of London and in turn this produces an increase in demand of support services, school placements.
- 7.2 **Contractual Issues** – These will be clarified once the entity is set up in full.
- 7.3 **Staffing Issues** – Capital Letters works on the premise that LBBB will second as many housing procurement officers as it sees fit, there is an option to second for 1,2 or 5 years with Capital Letters having the right to end this secondment for lack of performance. There is a second option where LBBB do not second any staff but Capital Letters charge an administrative levy on each property procured by Capital Letters. The secondment option also gives the member of staff security of still being managed by LBBB, the other point to note is this person can still work from their current location while procuring for Capital Letters.
- 7.4 **Corporate Policy and Equality Impact** - The proposed Pan-London procurement company will not have any material impact on the local need for temporary accommodation and prevention or the level of service purchased on behalf of the Council in this market. Apart from the benefits to the Council in terms of price, procurement efficiency and availability of accommodation, the key benefits for service users will be in relation to the quality and location of accommodation, as well as the provision of tenancy sustainment support. Given the well understood negative impact of temporary accommodation and homelessness on a wide range of social and well-being outcomes, and the profile of service users in terms of groups of people with protected characteristics, the services delivered by the proposed procurement company will have a positive impact in promoting the Council’s statutory and strategic policy outcomes for equalities.
- 7.5 **Safeguarding Adults and Children** – This proposal will not have a negative impact on the safeguarding of adults and children, however where a family has

Care and Support interventions and rely on temporary accommodation they may not be placed in LBBB but in surrounding boroughs, this is the same now and Capital Letters should not increase this arrangement.

- 7.6 **Health Issues** – There are limited health issues with this proposal, however this could have a positive impact as the residents housing journey could be more efficient with a higher number of properties available, this is merely anecdotal but it is not envisaged that this could have a negative health impact.
- 7.7 **Crime and Disorder Issues** – There are no implications
- 7.8 **Property / Asset Issues** – This proposal has limited property and asset issues as the assets in discussion are not direct assets owned by the council. All properties are owned by private landlords and managed by private letting agents in Barking and Dagenham and other London Boroughs.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix A: Extract from Articles of Association
- Appendix B: Timescales
- Appendix C: Allocations

Extract from Articles of Association

Admission of Members and cessation of Membership

The Members of the Company shall be divided into "A" Members and "B" Members. "A" Members and "B" Members will have the rights as specified in these Articles.

The subscribers shall be the first Members of the Company and shall be designated as "A" Members.

The Members may admit any other Public Body to Membership on receiving:

- a written application confirming that it agrees to be bound by the provisions of the Articles; and
- where a Members' Agreement has been entered into, a signed deed of adherence to the Members' Agreement

from any such body.

A Member admitted under article 12.3 above shall be designated as an "A" Member or a "B" Member by the "A" Members upon admission.

A Public Body shall only be admitted as an "A" Member if they agree to ensure that at least 50% of the total procurement for that body of dwellings to support the discharge of that body's statutory responsibilities for homeless households or those at risk of homelessness (excluding nightly paid properties or properties outside of the London area) is to be procured by the Company.

A Public Body admitted to Membership who does not agree as per article 12.5 but will receive services from the Company will be admitted as a "B" Member.

The rights powers and obligations of each Member under these Articles shall take effect on the admission of that organisation to Membership.

Each Member shall nominate a person to act as its representative in the manner provided in Section 323 of the Act. Such representative shall have the right on behalf of the Member to attend meetings of the Company and vote thereat and to exercise all rights of Membership on behalf of the Member. The relevant Member may by written notice to the Company revoke the nomination of such representative and may nominate another representative in his place.

The rights of each Member shall be personal and shall not be transferable and shall be exercisable only by the Member or its Voting Representative.

Membership shall not be transferrable.

An "A" Member shall cease to be a Member of the Company if (i) it serves no less than six months' written notice to do so or (ii) is removed or expelled for any reason by ordinary resolution of the Members passed at a General Meeting or under any agreement entered into between the Members from time to time and (iii) if at any time the Member ceases to be a Public Body or (iv) otherwise in connection with these Articles and the noting of the

cessation of Membership in the Company's register of Members shall be conclusive in this regard

A "B" Member shall cease to be a Member of the Company if (i) it serves no less than six months' written notice to do so or (ii) is removed or expelled for any reason by ordinary resolution of the Members passed at a General Meeting or under any agreement entered into between the Members from time to time and (iii) if at any time the Member ceases to be a Public Body or (iv) otherwise in connection with these Articles and the noting of the cessation of Membership in the Company's register of Members shall be conclusive in this regard.

At the end of each financial year, the "A" Members shall each confirm to the Company (in a form that shall be agreed by the "A" Members from time to time) the percentage of its total procurement for that "A" Member of dwellings to support the discharge of its statutory responsibilities for homeless households or those at risk of homelessness (excluding nightly paid properties or properties outside of the London area) that was undertaken via the Company that financial year. In the event that this percentage is less than 50% the "A" Members have, at their discretion, the ability to terminate the "A" Member's Membership in accordance with article 12.14.

The decision to terminate an "A" Member's Membership in accordance with article 12.13 shall be taken at a meeting of the "A" Members (i) called on no less than 7 clear days' notice; (ii) attended in person or by proxy by at least 50% of the "A" Members (excluding the "A" Member whose Membership is being considered for termination); and (iii) made by no less than 50% of the total "A" Members excluding the "A" Member whose membership is being considered for termination.

In the event that an "A" Member's Membership is terminated pursuant to article 12.14 the Membership shall terminate immediately upon the decision having been taken.

In the event that an "A" Member's Membership is terminated in accordance with article 12.12 that Member may be re-admitted to the Membership of the Company as a "B" Member, subject to compliance with article 12.3 and 12.6.

Appendix B

Date	Milestone
June 2018	<p>Collaborative Procurement Group signs off Capital Letters documentation.</p> <p>Potential first phase (year 1) boroughs identify themselves and begin internal approval processes (8 boroughs minimum required in first year).</p>
October 2018	Borough Cabinet Papers drafted and submitted
October 2018	<p>Shadow Capital letters Directors Group meets</p> <p>Business case to be presented to London Councils' Chief Executives London Committee</p> <p>Procurement of IT system begins with OJEU Notice</p>
October 2018	<p>Capital Letters Incorporated as an organisation</p> <p>Business case to be presented to London Councils Leaders' Committee</p> <p>Cabinet Approval with first phase boroughs received</p> <p>Commence discussions with boroughs re possible resource including secondments</p> <p>Recruitment of CEO and key leadership team begins</p>
April 2019	Formal launch of Capital Letters

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Allocations

The method by means of which properties procured by Capital Letters will be allocated to individual boroughs are set out in more detail in the Capital Letters Allocations policy. The main principles are:

Principle 1.

The number of properties (excluding HMOs and studios) procured for each borough over the previous year using the resources and contracts transferred into Capital Letters would set a minimum limit for allocation of properties to that borough. This should guarantee that (unless market conditions have markedly worsened) each borough will get at least as many properties over the first year as were procured by the staff it seconds in the previous year. Studios and HMOs will not be counted in these minimum allocations, but will be allocated separately according to location and borough need.

Principle 2.

It is expected that significantly more properties than this will be procured in practice, due to staff working collaboratively and because of the additional procurement resources available to Capital Letters. Properties procured above those numbers would go to the participant boroughs according in proportion to the staff resources they have contributed through secondment or funding of staff recruited directly by Capital Letters.

Principle 3.

Boroughs will be able to specify the proportion of each type (PRS, PSL etc.) and size of property that they want, as well as making requests to meet urgent needs for specific property types as they arise. These expressed preferences will guide the Capital Letters procurement strategy, and as much as possible they will be met, bearing in mind that some sizes and types of property are harder to obtain than others.

Principle 4.

Subject to meeting borough minimum allocations, and fair distribution of additional properties, all properties should be allocated as close to host boroughs as possible, also taking in to account the provisions of the homelessness suitability order as they apply to individual households. This should mean that a much smaller number of households have to move a long distance from their home borough than is currently the case.

Principle 5.

Any additional properties procured beyond the needs of the participating boroughs may be offered to non-participant boroughs.

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CABINET**11 December 2018**

Title: Procurement of Data Analytics and Predictive Modelling for Children's, Homelessness and Adult Services	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Mark Fowler – Director Community Solutions	Contact Details: E-mail: Mark.Fowler@lbbd.gov.uk
Accountable Director: Mark Fowler – Director Community Solutions	
Accountable Strategic Leadership Director: Claire Symonds – Chief Operating Officer	
<p>Summary:</p> <p>The purpose of this report is to seek Cabinet agreement for the procurement of EY Xantura data analytics and predictive modelling for children's, homelessness and adult's services.</p> <p>The report is seeking agreement to allow a direct call-off from an open framework, as permitted by the Public Contract Regulations 2015. The frameworks being considered are the G-Cloud 10 framework and the Eastern Shires Purchasing Organisation (ESPO) framework.</p> <p>It also seeks authorisation for the final direct contract award decision to be made by the Chief Operating Officer, in conjunction with the Director of Law and Governance and Cabinet Member for Social Care and Health Integration. The contract award decision report will confirm the contractual term and chosen framework.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree that the Council proceeds with the procurement of a contract for data analytics and predictive modelling for children's, homelessness and adult's services in accordance with the strategy set out in the report; (ii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Social Care and Health Integration and the Director of Law and Governance, to determine the final procurement route, conduct the procurement and award and enter into the contract and all other necessary or ancillary agreements with the provider, in accordance with the strategy set out in the report; and 	

- (iii) Note the approach proposed for an initial mobilisation and scoping phase, aimed at providing additional assurance and validation on expected benefits prior to commencement of the full contract.

Reason(s)

Data and insights about current and future demand and costs on services is critical to supporting the delivery of our commitments to residents as set out in the borough manifesto and corporate plan. Data and insight is required to help identify, prioritise and target the right services, interventions and support to address problems early and before they escalate. This will help enable improved outcomes for residents, while ensuring services offer value for money.

1. Introduction and Background

- 1.1 Community Solutions aims to *help people to help themselves*. The service plays a vital role in bringing the borough vision of *no one left behind* to life.
- 1.2 Community Solutions is at the forefront of council activity to enable and deliver social responsibility -evidence of our new approach to work differently with residents and empowering them to change their lives. The service acts as the front door for all people-based services, identifying the root cause of a person's or family's problems and helping to resolve those problems before they escalate. Community Solutions will help tackle the wicked and complex challenges facing the borough, such as our high rates of domestic violence, homelessness and unemployment.
- 1.3 Community Solutions aims to:
- **Foster resilience and independence:** a new relationship with residents based upon helping them to help themselves
 - **Resolve early:** targeted support to address the root cause of issues early and prevent expensive intervention
 - **Reduce demand:** realising savings through reduction in need for more costly and intensive interventions
 - **Generate savings:** £5m predicted savings by 2020/21 achieved through reduced demand, more efficient working and better use of assets.
- 1.4 To enable Community Solutions to meet these objectives, the service, in conjunction with children's and adult's care and support, needs to:
- Better understand how and why demand flows through the system
 - Identify those cases, citizens and households most at risk of presenting as homeless, or requiring costly safeguarding or children's and adult's interventions
 - Understand the support/services that are most effective in preventing, reducing and delaying costly intervention
 - Optimise resources so they are focused on highest risk and the interventions that are most effective.

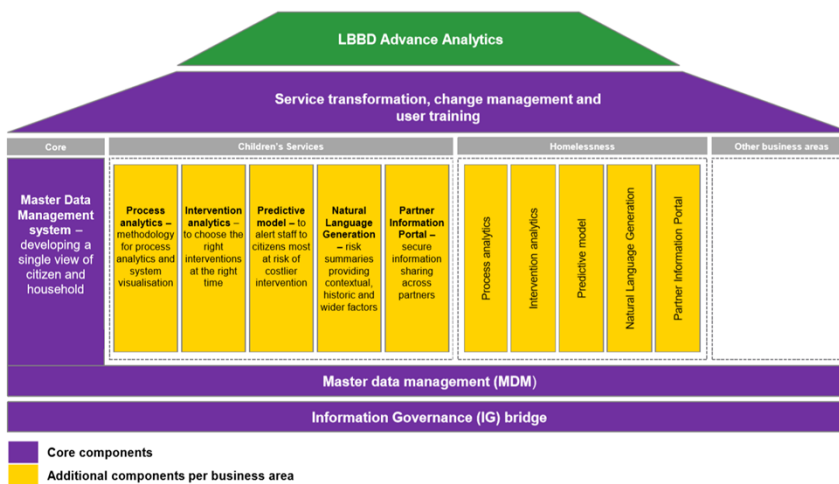
2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

2.1.1 The EYXantura service consists of the development and deployment of data analytics and predictive demand models for children’s social care (including early help), homelessness and adult social care as outlined above, with component parts consisting of:

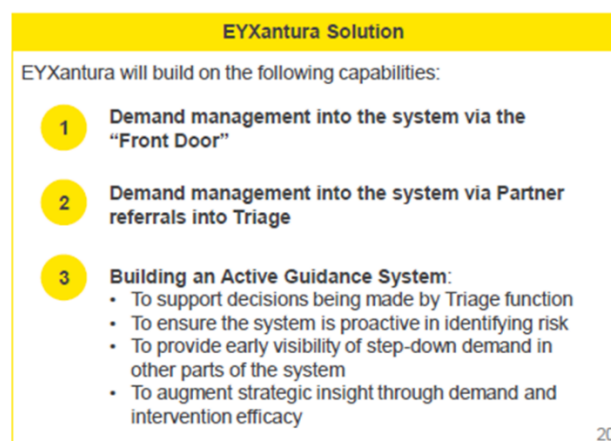
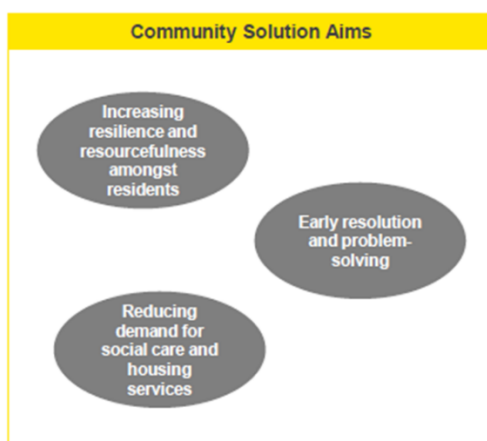
- Master data management (MDM) and single view of the citizen and household
- Predictive analytics and demand models for children’s and homelessness
- Partner information portal – to support information sharing across agencies
- Natural language generator – to provide decision support tools such as risk summaries to professionals to aid decision-making
- Business change support

- i. Corporate strategy review to understand local priorities
- ii. Deployment of predictive analytics capability in targeted areas: Children’s and Homelessness prevention
- iii. Scoping of future adults model
- iv. Transformation roadmap and evaluation of future opportunities



Leveraging LBBD Advanced Analytics capacity:

- LBBD has an established advanced analytics capability, we will work with you in a blended team to ensure we are complimenting and building on your existing initiatives to accelerate benefits realisation
- Our approach will provide you with the technological infrastructure to further advance existing capability
- The deployment model will supply pseudonymised matched data exports to LBBD Advanced Analytics team
- This supply would be supported by/ subject to specific Data Sharing Protocols being agreed with data owners
- Our implementation approach will provide the opportunity for LBBD to trial and scope their own models on our infrastructure



- 2.1.3 EYXantura has been identified as a unique provider in the market, offering a comprehensive corporate solution that uses data insights and predictive analytics to improve decision making, support future commissioning decisions, target resources more effectively and transform services for children and families.
- 2.1.4 EYXantura works in partnership with the London Ventures innovation programme, sponsored by Capital Ambition. The programme focusses on identifying solutions to support London councils meet financial challenges and improve outcomes for residents.
- 2.1.5 EYXantura's approach to predictive analytics in local government stems from the London Ventures programme where they have worked to build an Early Help Profiling System which identifies children most at risk of safeguarding. This model is now built and operational across a number of London local authorities and is supporting services to understand what more data driven decision-making means as part of service transformation. This forms a core part of the service to the council
- 2.1.6 The principles and architecture of the model built for Children's services has applicability for other services which experience volatile and costly demand such as Housing and Temporary Accommodation and these areas also form a core part of the service to the council.
- 2.1.7 Unlike competitors, they offer a complete end to end solution that includes a combination of technical infrastructure, information governance processes, predictive data models and decision support tools which support wider transformation initiatives as well as continued commitment post implementation.
- 2.1.8 In addition, EYXantura are well placed to support the delivery and business change necessary to optimize the benefits of the system and to support the council to ensure data and insights are used to drive decision making, manage demand and deliver efficiencies.
- 2.1.9 To ensure future development and implementation work can be delivered in time and benefits realisation is maximised for the forthcoming financial year, we are proposing to run a three-month pre-mobilisation design phase.
- 2.1.10 The purpose of this phase will also be to ensure the ambition and delivery approach to achieve outcomes and wider council outcomes is widely shared and understood across the council.

2.2 **Estimated Contract Value, including the value of any uplift or extension period**

- 2.2.1 The total contract value over an initial four years is £1,025m. The breakdown of costs profiled annually is summarised below:

Elements	year 1 £(000)	year 2 £(000)	year 3 £(000)	year 4 £(000)	year 5 £(000)	Total 5 year (000)
Master Data Management	100	50	50	50	50	300
Children's	150	100	50	50	50	400
Housing	125	100	50	50	50	375
Adults	50	50	50	50	50	250
Discount	-100					-100
Total cost	325	300	200	200	200	1225

2.3 Duration of the contract, including any options for extension

2.3.1 The preferred route to market set out in this report is an open framework. At the time of writing this report, a decision is pending on the term of the contract award – either a four-year term or a five-year term. A final decision will be taken alongside final decision on whether to procure via G-Cloud 10 or alternative suitable framework (ESPO framework). Cabinet are asked to authorise that final decision on procurement path is devolved to the Chief Operating Officer working with the Director of Law and Governance and Cabinet Member for Social Care and Health Integration

2.4 **Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.4.1 Yes

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 This report seeks Cabinet authorisation for the Chief Operating Officer to make the final direct award decision. The recommended procurement route is through the G-Cloud 10 Marketplace or alternative suitable framework such as ESPO.

2.5.2 The recommended approach, pending final decision is via direct award on a 2+1+1 (4-year basis)

2.5.3 This approach maximises the commercial benefits to the council of a 4-year commercial deal, including acceptance from the supplier of terms of the 4 year agreement

2.5.4 The G-Cloud 10 marketplace and ESPO are common frameworks for procurement and aim to reduce the cost and time of procurement by enabling councils to purchase direct.

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 The terms of contract and delivery methodology will be set out in the contract award decision report.

2.7 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

This will enable the following anticipated benefits and service enhancements:

- **Informed and targeted interventions** – having a single view of a household or individual will allow frontline staff to select the most appropriate and effective course of action on a case-by-case basis
- **Reduce demand for social care and housing services, generating savings** – the combined effect of better targeted interventions and the predictive element of early identification of those at risk, should prevent problems from deepening and ultimately requiring costly crisis support
- **Improve resident outcomes** – all of the above will improve resident outcomes and quality of life by preventing the escalation of need. We will be able to more effectively help people help themselves.
- **Savings** - support potential savings case of £1.2m by year 3 with potential £1.2m annually thereafter. The savings case for adult social care will be defined in the 3-month scoping phase
- **Interventions and commissioning** – improve understanding and evidence about which interventions realise the greatest impact, in order to inform commissioning decisions about what services provide greatest value and benefit
- **Access to multi-agency data** - giving the ability to generate chronologies for households and individuals allowing better decision making by our practitioners and a full understanding of the needs and services engaged by the household

2.8 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 Not applicable

2.9 **How the procurement will address and implement the Council's Social Value policies**

2.9.1 **Social responsibility.** Community Solutions is at the forefront of council activity to enable and deliver social responsibility -evidence of our new approach to work differently with residents and empowering them to change their lives. The service acts as the front door for all people-based services, identifying the root cause of a person's or family's problems and helping to resolve those problems before they escalate. Community Solutions will help tackle the wicked and complex challenges facing the borough, such as our high rates of domestic violence, homelessness and unemployment.

2.9.2 **Growing together – inclusive growth.** The service will help ensure more people are enabled or supported to maintain a home, a job, an income and general well-being – key pillars to leading healthy, safe and fulfilled lives – a key council priority. In doing so, the service directly contributes to improving access and take up of employment, jobs, education – helping to ensure growth is inclusive.

2.9.2 **Encouraging civic pride.** Community Solutions also recognises and is working closely with community and voluntary organisations and local people through many initiatives aimed at nurturing and supporting resilient.

2.10 **Contract Management methodology to be adopted**

2.10.1 The contract management methodology to be adopted will be confirmed in the contract award decision report.

3. **Options Appraisal**

3.1 **Option 1: do nothing** – by doing nothing, the council will continue to be unable to accurately understand how and why demand flows across children, adults and housing and therefore, limits the council's and community solutions ability to better predict future demand, optimize resource and better target early interventions to reduce, delay and prevent demand on costlier acute services. This would also put at risk delivery of significant savings.

3.2 **Option 2: alternative supplier** - this service could be tendered; however, no other providers are in the position to provide the combination of technical infrastructure, information governance model, predictive data models and natural language programming for decision support tools or as well placed to support the delivery and business change required.

3.3 **Option 3: use council resource** – council resource in the form of the Insight Hub is already in use and is proposed to continue in collaboration with the provider. However, the council does not have the means to accelerate its demand modelling capability nor to make the results of this available to professional and operational staff in a format that assists them make better decisions. The technical infrastructure, information governance model, proven predictive models and decision support tools for operational staff and decision-makers will enhance the council's Insight Hub offer

4. **Waiver**

4.1 Not applicable.

5. **Consultation**

5.1 Consultation has been carried out (using a mix of individual meetings, demonstrations and meetings) with a range of key officers and council groups as part of the decision-making process underpinning this procurement strategy and proposal. This includes discussion and consideration of the business requirement for the services, the business case, the expected benefits and savings case.

- Director of Transformation
- Chief Operating Officer
- Director of People and Resilience
- Operational Commissioning Director's – Children, Adults
- Head of Commercial Services
- Head of Procurement
- Insight Hub Manager

- Community Solutions Strategy Board
- Programme Management Office
- Elevate – IT and Transformation Leads

5.2 The proposals in this report have been considered and endorsed by the Community Solutions Strategy Board and the Procurement Board.

6. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

6.1 The report outlines that the preferred route to market is an open framework. The recommended framework is G-Cloud 10. It is noted that the final approval will be conducted by the Chief Operating Officer once a formal decision has been made in reference to the term.

6.2 From a governance view, the use of an open pre-procured framework complies with the Councils contract rules and EU legislation. At this point I agree with recommendations as set out in the report as to using an open framework as the route to market, and the decision will be ratified by the production of an Award report to outline that the decision had been an informed one, and this will also outline the outcome of the contract term, so I can see no reason not to approve the recommendations as set out in the report.

7. Financial Implications

Implications completed by: Chris Randall – Interim Finance Accountant for Transformation

7.1 There currently exists a budgetary provision of £550k within Community Solutions (Transformation) Capital IT funding to cover most of the first two years of the EY Xantura costs. The balance is to be funded from the savings identified by EY Xantura themselves.

7.2 Specific conditions relating to the contractual delivery to be set out in the contract award report will look to safeguard council funds, including annual review.

8. Legal Implications

Implications completed by: Kayleigh Eaton – Senior Contracts and Procurement Solicitor

8.1 This report is seeking approval for the procurement of a data analytics and predictive modelling system for children's, homelessness and adult's services. The report is seeking approval to allow a direct call-off from the G-Cloud 10 Framework and award a contract to EY Xantura.

8.2 The Public Contract Regulations 2015 (the Regulations) permits contracting authorities to call off valid frameworks in order to procure goods, services and works, as required. In compliance with the principles of the Regulations this procurement process has to be transparent, non-discriminatory and fair. It is noted

that this framework has been procured in compliance with the Regulations and permits local authority access.

- 8.3 The requirements for competitive tendering, as contained within the Council's Contracts Rules are therefore met as Rule 5.1 (a) advises that it is not necessary for officers to embark upon a separate procurement exercise when using a Framework Agreement providing the Framework being used has been properly procured in accordance with the law and the procurement is made in line with the Framework terms and conditions.
- 8.4 The Children Act 2004 emphasises the importance of safeguarding children by stating that relevant partner agencies - which include the police, children's services authorities, Clinical Commissioning Groups and the NHS Commissioning Board - must ensure that functions are discharged having regard to the need to safeguard and promote the welfare of children.
- 8.5 The Act also states that they must make arrangements to promote cooperation between relevant partner agencies to improve the well-being of children in their area. Well-being is defined by the Act as relating to a child's:
- a. physical and mental health and emotional well-being
 - b. protection from harm and neglect
 - c. education, training and recreation
 - d. the contribution made by them to society
 - e. social and economic well-being
- 8.6 The procurement of data analytics and predictive demand models for children's social care will identify children that are showing an increasing pattern of alerting features. The model provides a system which provides information to safeguarding professionals – generating alerts for high risk children that are not already known but where it is likely that maltreatment is either already occurring or is likely to occur in the near future.
- 8.7 The professional will use this information, alongside professional judgement to determine whether further action is required. The model aims to increase the efficiency with which multi-agency data can be collected in addition to reducing the number of safeguarding cases.
- 8.8 Human Right implications-consideration should be given to people's right to a private life, which is protected by Article 8 of the Human Rights Convention. Article 8 requires public bodies to respect the private life of an individual and any information held about them. Section 6(1) of the Human Rights act 1998 states it is unlawful for a public authority to act in a way which is incompatible with a Convention right.
- 8.9 The council must be able to justify storing or processing of any personal data. It must also meet a pressing social need in a way that's proportionate. Article 8 states: "There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others". The procurement

of data analytics and predictive demand models for children’s social care potentially has a legitimate aim of being for the protection of health and morals and economic wellbeing.

8.10 The Council will need to ensure that the storing or processing of any personal data complies with the requirements of the Data Protection Act 2018 and the General Data Protection Regulation 2016/679.

8.11 The Law and Governance Team do not see a reason why the recommendations of this report should not be approved and will be on hand to assist and advise as required.

9. Other Implications

9.1 **Risk and Risk Management** – Key risks identified at this stage are as follows.

Risk	Action
Key stakeholders are not engaged or aware of proposal	3 month pre-mobilisation phase to raise awareness and engage stakeholders. Proposal and approach agreed through Community Solutions Board and senior stakeholders
Proposal does not contribute to corporate priorities	Strategic fit and market analysis completed
Solution duplicates existing capability	Proposal is designed to build on relevant capability such as the council’s Insight Hub

9.2 **TUPE, other staffing and trade union implications** - None

9.3 **Corporate Policy and Equality Impact** - As outlined above, the service will help the Council to ensure more people are enabled or supported to maintain a home, a job, an income and general well-being – key pillars to leading healthy, safe and fulfilled lives – a key council priority. In doing so, the service directly contributes to improving access and take up of employment, jobs, education – helping to ensure growth is inclusive and sustainable.

9.4 **Safeguarding Adults and Children** – The proposed service to be procured will provide data, insights and information that will help the council and Community Solutions ensure that help and support is prioritised at the children, young people and households who are most vulnerable and at greatest risk. In doing so, it will help improve the well-being and outcomes for these children and adults, while ensuring due regards to guidance issued under the Children Act 2006 and the Care Act 2014.)

9.5 **Health Issues** – The proposed service to be procured will provide data, insights and information that will help the council and Community Solutions ensure that help and support is targeted at addressing health and well-being needs early and before they worsen and escalate.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None

CABINET**11 December 2018**

Title: Sale of Council-Owned Shared Ownership Properties at Leys Estate (Phase 2)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: Village	Key Decision: Yes
Report Author: Andrew Sodje, Head of Landlord, Customer & Commercial Services, My Place	Contact Details: Tel: 07976 967 586 E-mail: Andrew.Sodje@lbbd.gov.uk
Accountable Director: Robert Overall, Director of My Place	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary:	
<p>By Minute 84 (27 January 2015), the Cabinet approved a range of proposals relating to the Council's Borough-wide Estate Renewal Programme, which included Phase 2 of The Leys Estate.</p> <p>The Leys Phase 2 has 34 shared ownership properties that are currently being marketed for sale by Currell, an independent property marketing agency. While officers were seeking to complete the sale of these properties, it came to light that the previous reports to Cabinet had not sought specific approval for the properties to be sold once they had been built – as shared ownership properties, the Council's Land Disposal Rules in the Constitution require Cabinet approval for their sale.</p> <p>In order to progress the sales, the Cabinet is asked to authorise the Chief Operating Officer to approve the final terms in respect of the shared ownership arrangements for the 34 units at Leys Phase 2 and enter into all the necessary agreements.</p> <p>There will be a future report to the Cabinet on the lettings policies that are applied to Council-owned shared ownership properties.</p>	
Recommendation(s):	
<p>The Cabinet is recommended to authorise the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to approve the final terms in respect of the shared ownership arrangements for the 34 units at Leys Phase 2 and enter into all the necessary agreements.</p>	

Reason(s)

The approval is sought so that the sale of the 34 units can progress. It seems that when the scheme was approved in 2015 – approval was not sought or given to dispose of these shared ownership properties.

1. Introduction and Background

- 1.1 The Cabinet report titled “Estate Renewal Programme 2015-2021” outlined the delivery of estate renewal and infill site projects and contained details about the delivery of Leys phase 2 (Minute 84, 27 January 2015 refers).
- 1.2 The report highlighted the need for an agreed strategy for the marketing, sales and management of the Shared Ownership units. However, there was no explicit approval sort or given for the shared ownership units to be sold.
- 1.3 Currell, an independent estate agency with experience of marketing shared ownership units has been facilitating the sale of these shared ownership properties and conveyancing undertaken by B&D legal service team.

2. Proposal and Issues

- 2.1 It is proposed that the Cabinet approve the sale of the 34 shared ownership properties so that the legal department can complete the sale of the properties.
- 2.2 The approval if given will allow B&D legal department to progress with the sale of the of the 34 shared ownership units. Buyers will be allowed to purchase between 25%-75% of the property at the initial purchase and then after to subsequently have the option to staircase up to 100%
- 2.3 The disposal of these 34 shared ownership units would produce capital receipts that would support the Council’s Capital Investment Programme.

3. Options Appraisal

- 3.1 The table below summarises the standard options appraisal assessment framework that has been used to assess this matter.
- 3.2 Option 2 is preferred as this will enable legal to complete the sale of these properties.

Option	Description	Conclusion
Option 1	Refuse request to sell the shared ownership properties	This option is not recommended as it will not produce capital receipts. Also, the Council will not be able to progress and complete the sale of these shared ownership properties.
Option 2	Approve the sale of the shared ownership units	This option is recommended as it will enable legal to complete the sale of the 34 shared ownership homes that are now ready to be sold.

4. Consultation

- 4.1 Ward Members and other Members and Senior Officers have been consulted on the proposed disposal.

5. Financial Implications

Implications completed by Katherine Heffernan, Group Manager for Service Finance

- 5.1 Early indications of the sale of the 34 shared ownership units with an option to staircase to the full 100% show a potential take up ranging from 25% to 75% with the option to full 100% ownership at a later date.
- 5.2 The costs of construction and incidentals (professional expenses, marketing etc) for the 34 units amount to £8.67m and the market value of the properties has been estimated at £12.91m resulting in a net surplus of c£4.24m, an average return of 49%.
- 5.3 The cashflow from the sale of these properties as well as the rental income stream from the remaining unsold element of 2.75% (increasing by CPI plus 1 every year) will enable repayment of the capital borrowing and its associated interest costs over the term of the borrowing.

6. Legal Implications

Implications completed by: Ann Towndrow, Locum Property Solicitor

- 6.1 The Council has the power to sell the residential units but must do so in compliance with statute and the Council's own land disposal rules. The Council's Constitution, Part 4, Chapter 4 sets out the Land Acquisition and Disposal Rules. In accordance with paragraphs 2.1 to 2.2, all strategic decisions about the use, acquisition and disposal of land and property assets is within the remit of the Cabinet and must be approved by it.
- 6.2 The Council's disposal powers are contained in s123 of the Local Government Act 1972. Under s123, the Council may dispose of land in any manner it wishes (including the sale of freehold and leasehold land) for the best consideration reasonably obtainable unless ministerial consent is obtained or the sale is to further local wellbeing.
- 6.3 In addition, s1 of the Localism Act 2011 provides local authorities with a general power of competence, the application of which must be carefully considered and appropriate to the relevant circumstances. S1 of the Localism Act allows the Council to "do anything that individuals generally may do".
- 6.4 An independent valuation should, therefore, be obtained and this has been done by Currell New Homes. For each respective plot sale, terms have been approved and prices agreed which reflect best consideration. Therefore, the condition is fulfilled and the Council is at liberty to proceed with the proposed disposal.

7. Other Implications

- 7.1 **Risk Management** – There is the risk of not completing the sale of the shared ownership units if there is further delay in getting approval to dispose of the council assets
- 7.2 **Contractual Issues** – The sale of the shared ownership units cannot proceed without cabinet approval to dispose of a proportion of these properties.
- 7.3 **Crime and Disorder Issues** - The shared ownership properties are currently ready for occupation the longer they remain empty the more they could be subject to vandalism and illegal occupation.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None

CABINET

11 December 2018

Title: Robert Clack School Lymington Fields Site: Sub-Station Lease	
Report of the Cabinet Member for Educational Attainment and School Improvement	
Open Report	For Decision
Wards Affected: Heath & Whalebone	Key Decision: No
Report Author: Richard Hallgate-Hills, Senior Project Sponsor: School Investment, Organisation and Admissions	Contact Details: T: 0208 227 3555 E: richard.hallgate-hills@lbbd.gov.uk
Accountable Director: Jane Hargreaves, Commissioning Director Education	
Accountable Leadership Strategic Director: Elaine Allegretti, Director of People & Resilience	
Summary	
<p>Cabinet approval was given for the expansion of Robert Clack Comprehensive School by two additional forms of entry on the existing upper and lower school sites together with the development of a three-form entry primary and six-form entry secondary facility at the Lymington Fields site, (Min. No. 29; 19 July 2016 refers) and to the allocation of £28.75m, comprising DfE Basic Need Grant and S106 'Planning gain' funds for this purpose.</p> <p>A new electrical sub-station will be needed to provide sufficient power for the new school site currently under construction by Mid-Group sub-contracted to Thames Partnership for Learning, the Council's Local Education Partnership, (LEP). UK Power Networks, (UKPN) the area network provider, require a 99-year lease to be in place before the new mains connection from Royal Anglian Way into the new sub-station can be made.</p> <p>Under the terms of the proposed lease, there is a one-off nominal £1 payment from UKPN to the Council to complete the lease and an annual peppercorn rent.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
<p>(i) Agree that the Council enters into a 99-year lease with UK Power Networks in respect of the new electricity sub-station at Robert Clack School Lymington Fields Site, Royal Anglian Way, as shown on the site plan at Appendix I to the report, on the proposed terms; and</p> <p>(ii) Authorise the Director of Law and Governance to enter into the lease agreement with UK Power Networks and any other agreements deemed necessary to facilitate the delivery of the Robert Clack School Lymington Fields Site project.</p>	

Reason(s)

To assist the Council to achieve its priorities of 'Growing the Borough' and 'Enabling social responsibility' through the delivery of the school expansion programme.

1. Introduction and Background

- 1.1 Cabinet approval was given for the expansion of Robert Clack Comprehensive School by two additional forms of entry on the existing upper and lower school sites together with the development of a three-form entry primary and six-form entry secondary facility at the Lymington Fields site, (Min. No. 29; 19 July 2016 refers) and to the allocation of £28.75m, comprising DfE Basic Need Grant and S106 'Planning gain' funds for this purpose.
- 1.2 A new electrical substation and 99-year lease is required for the Robert Clack School Lymington Fields site so that the new accommodation will have adequate electrical supply.
- 1.3 Following approval by the Procurement Board, (4 July 2016 and subsequently by the 'Virtual Procurement Board' on 25 July 2016) the delivery of the project is being managed by Thames Partnership for Learning, the Council's Local Education Partnership, (LEP), whose sub-contractor Mid-Group are responsible for the construction works. This appointment was made by delegated Authority Award of Contract on 10 July 2018. Be First are acting as Technical Advisor to Children's Services' School Investment, Organisation & Admissions service.

2. Proposal and Issues

- 2.1 The LEP's contractor, Mid-Group, have conducted initial discussions with UKPN's solicitors on behalf of the School Investment, Organisation and Admissions service and determined that a lease with a term of 99 years, at a premium of £1 and an annual peppercorn rent, is required by UKPN before the power connection can be made. Legal Services have been instructed to draft the 99 year term lease in consultation with My Place's Sales Leasing and Conveyancing Chartered Surveyor and to liaise with UKPN's solicitors in this regard.
- 2.2 It is proposed that an area of approximately 62m², located in the north-east corner of the school site immediately off Royal Anglian Way, is fenced off and set aside for the new substation and affords direct access for UKPN from the public highway without entering the school as shown on the site plan attached at Appendix I.
- 2.3 The Council's Constitution states that a Cabinet decision is required before any leases over 20 years can be entered into; the sub-station building is already in place awaiting connection by UKPN, but power cannot be connected until the lease is in place. The programmed 'power on' date is in mid-April 2019, therefore the lease agreement needs to be concluded urgently, so that the new building can be fully commissioned.
- 2.4 It is not foreseen that any similar utility issues will arise during this development, but in order to ensure there are no further delays, this report also requests approval to

any other agreements deemed necessary to facilitate the delivery of the Robert Clack School Lymington Road Site project.

3. Options Appraisal

- 3.1 There are no other alternatives as UKPN cannot provide electrical power connection without the proposed lease. School Investment, Organisation and Admissions have no objection to the 99-year lease.

4. Consultation

- 4.1 The proposal is fully supported by representatives of Robert Clack School and its contractors, Thames Partnership for Learning/Mid-Group. The Council's Legal Service has been liaising with UKPN's solicitors and officers from My Place and Be First.
- 4.2 Advice from the Council's Democratic Services Manager, Alan Dawson confirms that this matter is not a key decision and does not therefore require prior consideration by the Assets & Capital Board before being presented to Cabinet for approval. The Chief Operating Officer, Claire Symonds has also acknowledged this.

5. Financial Implications

Implications completed by: David Folorunso, Principal Accountant: Children's Services

- 5.1 There are minimal financial implications connected to the lease agreement. Under the terms of the proposed lease, there is a one-off nominal £1 payment from UKPN to the Council to complete the lease and an annual peppercorn rent.
- 5.2 There are no other financial issues.

6. Legal Implications

Implications completed by: Shahina Shaikh, Property Solicitor: Law & Governance

- 6.1 In accordance with the Constitution, Part 4, Chapter 4 (Land Acquisition and Disposal Rules), Section 2.2 (Control by the Cabinet), the disposal of all property either long-lease (over 20 years) or by the sale of the freehold must be approved by the Cabinet.
- 6.2 As the proposed demise is contained within school grounds a notification of class consent under The School Playing Fields General Disposal and Change of Use Consent (No 5) 2014 is required. This notification or an alternative means of obtaining the requisite consent is in the process of being requested from the Education & Skills Funding Agency.

7. Other Implications

- 7.1 Corporate Policy and Customer Impact** – there are no issues, other than the new school facilities once opened, will provide greater opportunity for parental preference and the school and pupils will have improved and expanded facilities.
- 7.2 Safeguarding Children** – the pupils will have improved and expanded facilities as a result of this expansion project. UKPN operatives will have direct access to the substation from Royal Anglian Way, without entering the school grounds.
- 7.3 Property / Asset Issues** – the building project will increase the Council's assets. My Place and LBBD Legal are protecting the School and LBBD's interests re the substation lease.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

Appendix 1: Site Plan



Royal Anglian Way

Royal Anglian Way

SUBSTATION

5.745

5.160

6.260

5.160

500

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P02	Updated redline and substation geometry	AP	RC	19.11.18
P01	Final Issue	AP <td>RC</td> <td>24.04.18</td>	RC	24.04.18
rev	description	drawn	checked	date

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ROBERT CLACK SCHOOL
BARKING
LYMINGTON FIELDS

Mid Group

RED LINE - SUBSTATION

date	project ref	scale	original paper size
	Tracy	1:200	A1

name	project	operator	volume	level	type	code	number

P1019 - BBA - F0 - XX - DR - L - 1002

status: **S2 FOR INFORMATION**
 revision description:
P02 PRELIMINARY

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CABINET**11 December 2018**

Title: Purchase of Welbeck Wharf, 8 River Road, Barking	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report with Exempt Appendix 3 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as amended)	For Decision
Wards Affected: Thames	Key Decision: Yes
Report Author: Ben Green, Development Manager, Be First	Contact Details: Tel: 020 3372 0707 E-mail: ben.green@befirst.london
Accountable Director: Ed Skeates, Development Director, Be First	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>The area around River Road / Thames Road is a key regeneration focus within the Borough. The area acts as a gateway into the Barking Riverside Gateways Housing Zone and Barking Riverside, which in combination could deliver 13,800 new homes. An opportunity has arisen for the Council to purchase a key strategic site known as Welbeck Wharf, a 9.25-acre site that lies at the northern end of River Road and benefits from significant frontage onto River Road and the River Roding. The land acquisition of Welbeck Wharf also has the potential to unlock a further 27 acres of development land.</p> <p>The freehold interest in Welbeck Wharf is held by owner occupier Seabrook Holdings Limited and Montpelier Pension Trustees Limited (the Vendor), who have secured alternative premises in Thurrock for its wholesale drinks distribution business and wish to sell their freehold ownership of the site. Council ownership of this site would give the Council and Be First a greater stake in the regeneration of the area, ensuring this site becomes part of the development proposals including the potential intensification of industrial floorspace and the possible provision of new private and affordable housing.</p> <p>The Vendor has been in negotiations with other parties and in order for the Council to secure the purchase of the site without it being marketed on the open market the terms of the land acquisition have been agreed rapidly. Further work is needed on due diligence to secure the land acquisition, but this report sets out the scope of the transaction.</p> <p>Appendix 3, which is in the exempt section of the agenda, sets out the terms of the land acquisition and the critical next steps to completion.</p>	
Recommendation(s)	
The Cabinet is recommended to:	

<ul style="list-style-type: none"> (i) Approve the acquisition by the Council of the Welbeck Wharf site, as shown in Appendix 1 to the report, on the terms set out in the report; (ii) Delegate authority to the Chief Operating Officer, advised by the Investment Panel and in consultation with the Director of Law and Governance, the Cabinet Members for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing, to determine any short-term holding arrangements for the site and to enter into any necessary agreements to affect those arrangements; (iii) Approve funding 'in principle' for pre-development costs up to the sum specified in Appendix 3 to the report and delegate authority to the Chief Operating Officer, advised by the Investment Panel and in consultation with the Director of Law and Governance, the Cabinet Members for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing, to approve the release of the appropriate pre-development funding; and (iv) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance, to enter into all necessary agreements to complete the freehold purchase and lease back arrangements.
<p>Reason(s)</p> <ul style="list-style-type: none"> • Regeneration and redevelopment of a key gateway site • Secure a strategic parcel of land • Support new housing and industrial intensification on land adjacent to the Barking Riverside Gateways Zone

1. Introduction and Background

- 1.1 Welbeck Wharf, 8 River Road, Barking IG11 0JE (the Site) is a 9.25-acre site that contains three bonded warehouses, with a total floorspace of 170,000 SQFT. The bonded warehouses are currently used for the storage and distribution of imported alcoholic products. The site also contains a vacant office building to its north. A site plan can be found in Appendix 1 of this report.
- 1.2 The Site is bounded by the River Roding to the west and River Road to the east. The bonded warehouses consist of typical industrial steel frame with metal cladding and lightly graded roofs. The entire site is concrete hardstanding and the ground is raised on its western side, where it is directly adjacent to the River Roding.
- 1.3 The Site is owned and operated by Seabrook Holdings Limited and Montpelier Pension Trustees Limited, who have acquired an alternative premise in Thurrock that better serves their needs and they therefore wish to sell the Site and relocate to Thurrock.

2. Proposal and Issues

Opportunity

- 2.1 The Council has been given the opportunity to acquire the Site as part of the regeneration of the River Road area generally and the Rose Industrial Estate that lies to the north in particular.
- 2.2 Welbeck Wharf is identified in the Be First business plan as a potential land acquisition and future development opportunity. The site is currently allocated as designated Strategic Industrial Land (SIL) in the current London Plan. However, the emerging London Plan allows for the introduction of residential uses provided that the existing level of industrial floorspace is retained in a completed scheme.

Heads of Terms

- 2.3 The structure of the transaction has been agreed between the Vendor and Be First as the Council's agent to include the following headlines clauses, the details of which are contained in the Appendix 3 (this document is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation - paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information):

- An Initial Land Payment that is topped up by;
 - A Bullet Payment which can be called by the Vendor up to 18 months after purchase, and consists of a fixed sum plus an amount based on each residential unit consented on the site
 - An Overage Payment if the Bullet Payment is not called after 18 months after acquisition may be triggered which would give the vendor a larger profit share in any subsequent redevelopment
- Any land remediation costs will be deducted from the Bullet Payment or Overage Payment
- Exchange and Completion to occur within industry standard timescales
- Exchange to occur with a 10% deposit
- A short-term lease back to allow the Vendor to stay in occupation at a market rent during the initial pre-development stage of the project

Short Term Lease Back

- 2.4 Throughout the period of negotiation on the HOTs, the Vendor was consistently clear that a lease back arrangement formed an integral part of the proposed transaction. Be First negotiated a short-term lease, with an initial term of one year with the Vendor. The lease will be contracted out of the Landlord and Tenant Act 1954, to ensure the Council can gain vacant possession at the end of the lease. The Vendor has the option to extend the lease by a maximum of an additional two years. Any extension to the lease beyond the initial one-year term will be subject to a rolling six-month break clause. The annual rent is contained in Appendix 3.
- 2.5 As the lease is for a maximum of three years, it is not subject to scrutiny under the 'best consideration' regulations, as these regulations only apply to lease's with terms of 7 years or more.

- 2.6 The proposed lease back to the Vendor does not breach State Aid rules, because the lease back is an essential part of the land transaction and the Vendor is not gaining an advantage over competitors. The Vendor already owns the Site and is only willing to sell the Site on the basis that they are granted a lease back at the proposed rental level. A higher annual rent would only increase the price the Council would have to pay for the land.
- 2.7 Purchasing the site with a tenant in occupation has a number of benefits for the Council, which include the tenant being responsible from the point of acquisition up to the end of their lease for paying rent to the Council, site security, maintaining and insuring the buildings along with the payment of business rates. Having a tenant in occupation also removes the Council's need to appoint letting agents to market the site in order to find a tenant willing to occupy the site on a short-term basis and the associated costs and timescales.
- 2.8 Once the Vendor vacates the site, the buildings will be potentially re-let on a short-term basis or demolished to reduce holding costs such as business rates and encourage redevelopment.

Relevant Planning Policies

- 2.9 The site is subject to the following planning designations:
- The site is designated Strategic Industrial Land ('SIL');
 - The site is a Safeguarded Wharf;
 - London Riverside Opportunity Area;
 - The entire site is located within Flood Zone 3 (High Risk). The southern part of the site benefits from flood protection; and,
 - None of the existing buildings are listed, either statutorily or locally, and the site does not fall within a conservation area.
- 2.10 The site is designated within the wider River Road Employment Area SIL and within the safeguarded Welbeck Wharf. The GLA's latest Safeguarded Wharves Review (May 2018) and the London Riverside OAPF recommend the removal of this wharf designation, as water-borne access to the site is challenging due to navigational limitations.
- 2.11 The Mayor of London's Safeguarded Wharves Review (Consultation Draft, May 2018) and the London Riverside OAPF (2015) recommend the removal of the Safeguarded Wharf designation. The public consultation on this document has now closed, and the GLA are considering responses. Timescales for making a recommendation to the Secretary of State are not yet confirmed.
- 2.12 Both adopted and emerging policy supports and encourages development proposals within SIL which fall within broad industrial type activities (e.g. Use Class B1(b), B1(c), B2 and B8 and other industrial-type functions such as waste management, aggregates etc (LP Policy 2.17, draft LP Policy E5). Draft Policy E5 also includes flexible premises suitable for Small Medium Enterprises (SMEs, B1(c)/B2/B8) and R&D industrial related products/processes falling within Use Class B1(b).
- 2.13 As noted above, emerging policy dictates that opportunities to make more efficient use of SIL in order to free up land for housing and other (non-SIL-related) land uses

is to be explored through Development Plan reviews, through Opportunity Area Planning Frameworks in collaboration with the GLA and other planning authorities or as part of a co-ordinated master planning process in collaboration with the GLA and relevant borough (draft LP Policies E5, E7).

- 2.14 London Plan ('LP') Policies 3.3 and 3.4 expects development to optimise housing output. Density guidelines for the site's suburban/PTAL 2 location are 150 – 200 habitable rooms per hectare (equivalent to 35 – 75 units per hectare). It should be noted that the New London Plan is moving away from these density guidelines, with a focus on high design quality instead.
 - 2.15 LP Policy 3.5 specifies minimum space standards for residential development, while LP Policy 3.6 requires provision to be made for play and informal recreation based on the expected generated child population.
 - 2.16 LP Policy 3.9 seeks mixed and balanced communities, particularly in some neighbourhoods where social renting predominates and there are concentrations of deprivation.
 - 2.17 LP Policy 6.13 specifies maximum car parking standards of up to 2 spaces per unit and minimum cycle parking standards of 1 space per 1 bed and 2 spaces for all other dwellings, plus 1 visitor space per 40 units.
 - 2.18 CS Policy CM2 supports the optimal delivery of additional residential development, particularly on previously developed land.
 - 2.19 CS Policy CC1 generally expects residential development of 10+ units to provide a minimum of 40% family accommodation, subject to site specifics.
 - 2.20 Draft London Plan Policy E4 sets out to protect existing industrial and warehousing uses, by resisting any net loss of 'floorspace capacity'. Floorspace capacity is defined as either:
 - a. existing industrial and warehousing floorspace; or,
 - b. the potential industrial and warehousing floorspace that could be accommodated on-site at a 65% plot ratio, whichever is greater.
 - 2.21 Draft London Plan paragraph 6.4.5A allows flexibility when looking at the 65% plot ratio measure, giving regard to "the characteristics and operational requirements of the different industrial uses". Developments must ensure that they provide sufficient yard space for the operational requirements of the use(s) being proposed.
 - 2.22 Draft London Plan Policy E5 seeks to sustain SILs as London's largest concentrations of industrial and related uses. This policy, therefore, supports the intensification of SILs and resists proposals for non-industrial uses (including residential, places of worship, etc), unless areas are "released through strategically co-ordinated process of SIL consolidation".
- Pre-Development Costs**
- 2.23 The sums set out in Appendix 3 make provision for the costs of undertaking the following pre-development activities:

- Detailed feasibility studies to establish the most suitable future development
- Costs for the design of a future development and the submission of a planning application, which will include the services of a full design and planning team, with the following main disciplines;
 - Architect
 - Landscape architect
 - Flood risk consultant
 - Townscape
 - Daylight and sunlight & Rights to light
 - Planning consultant
 - Community consultation
 - Highways engineer
 - Environmental consultant
 - Quantity Surveyor
 - Structural engineer / M&E engineer
 - Viability consultant
- The costs of clearing the site and making it ready for development. This includes the following activities:
 - Site security
 - Demolition hoarding
 - Demolition of existing buildings
 - Remediation of any contaminated ground
 - Archaeological investigations

Future Uses

2.24 As this report sets out, Welbeck Wharf sits on a strategic location within the Borough. Upon acquiring the land, Be First will undertake a detailed feasibility exercise to determine the most suitable future development for the site. Further details of possible future development options are set out in Appendix 3.

Flood Risk

- 2.25 It is acknowledged that Welbeck Wharf sits within Flood Zone 3, and that the southern part of the Site benefits from flood protection. However, provided suitable flood risk mitigation measures are incorporated into the future scheme's design, this is not a barrier to future development.
- 2.26 Prior to any detailed design work commencing on a future development, an independent flood risk consultant will be appointed to provide a flood risk strategy. The strategy will provide guidance and recommendations to the design team to ensure suitable mitigation measures are designed into any future scheme from an early stage.
- 2.27 A flood risk assessment will then accompany any future planning application on the Site. Along with all other planning submission documents, the flood risk assessment will be reviewed by LBBDD planning case officers, who will have the ability to appoint their own independent expert to undertake a peer review.

3. Options Appraisal

3.1 Option One – Acquire the Site

- Acquiring the Site will ensure the Council and Be First take control of a strategically important parcel of land within the Borough and unlock access to a further 27 acres of future development land.
- Ownership of the site will enable the Council and Be First to undertake extensive feasibility studies to establish the most suitable future development to bring forwards on the site.
- When the most suitable future development solution has been established on the site, Be First will appoint a professional team to work up and submit a planning application which will be presented to the Council's Planning Committee for consideration.
- If the planning application is approved, the existing buildings on the site will be demolished and the ground remediated. This will ensure the site can be sold as a cleared development opportunity with planning permission under the delegated powers this report seeks for the Chief Operating Officer. The alternative to selling the cleared and development ready site will be for Be First to deliver the planning permission and potentially return the completed building subject to securing additional funds for construction.
- If planning permission is not secured, further development opportunities will be considered.

3.2 Option Two – Do not acquire the Site

- If the Site is not acquired by the Council, it is likely that the existing owner occupier will continue with its planned business relocation to Thurrock, as the site in Thurrock has already been purchased and a modern purpose-built facility has been constructed.
- The existing owner will then have the following options for the site:
 - Sell the Site to a private developer. A private developer is likely to bring forwards speculative development proposals that could see a delay in the delivery of a planning compliant scheme.
 - Land bank the site for a future sale. This could result in the land falling vacant and becoming hub for antisocial behaviour, fly tipping and loss of business rates income.
 - Let the site and hold it as a long-term investment. This will result in delaying the Council's and Be First's plans to regenerate the area.
- Loss of the Council's and Be First's ability to acquire a gateway site, which unlocks an additional 27 acres of land for future development

4. Consultation

- 4.1 Given the need to move quickly, and the sensitive nature of the discussions between the Vendor and Be First, there has been limited consultation on the site purchase. The site has been identified within Be First's business plan as a potential opportunity which would be funded through the £100m development fund. Consultation would take place with a wide range of stakeholders as development proposals move forward through the planning process. Regeneration in the area is well established under the Riverside Gateways Housing Zone and the Council's 's current Local Plan.
- 4.2 The proposal was discussed at Investment Panel on 17th October 2018 which supported the recommendation to proceed with the purchase.

5. Commissioning Implications

Implications completed by: Graeme Cooke, Strategic Director of Inclusive Growth

- 5.1 This is a strategically located site at the gateway to the Barking Riverside Gateway Housing Zone and Barking Riverside. The proposal to re-provide the existing commercial floorspace and provide 50% affordable housing (or potentially 35% affordable housing if the site is sold to a private developer once planning is secured by the Council/ Be First) mean this site has the potential to make a significant contribution to the Council's and Be First's new homes, affordable homes and jobs targets as set out in the Be First Business Plan and Borough Manifesto albeit beyond the current Business Plan period. Moving forward it will be essential for local communities to be engaged in the plans for this site and for social value to be maximised both during construction and in the benefits the development delivers.

6. Investment Implications

Implications completed by: Andrew Sivess, Investment Manager

- 6.1 The proposals within this report are consistent with the objectives on the Investment and Acquisition Strategy (IAS). The acquisition would significantly support delivery of the Thames Road Housing Zone area as a high-quality mixed-use redevelopment area.
- 6.2 In principle the acquisition falls within the ambit of the Land and Acquisition Budget approved by Cabinet to help delivery the IAS. However, this budget was established as £100m revolving budget. The initial land purchase cost set out in Appendix 3 will need to be funded from this budget and a further call at a level set out in Appendix 3 may also need to be funded from within this budget. At the grant of planning permission these land acquisition costs should be refinanced and repaid to the Land Acquisition Budget as a scheme development cost, financed from long-term funding. The overage costs should also be treated as a development cost.
- 6.3 The investment returns (NPV and IRR) set out in the body of this report fall within the limits of acceptable returns set-out in the IAS.
- 6.4 Cabinet approval will be required to approve the purchase of this site.

7. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager

- 7.1 The purchase of Welbeck Wharf is part of the Be First Business plan agreed in March 2018.
- 7.2 Appendix 3 in the exempt section of the agenda outlines the Heads of Terms and market appraisal for the proposed purchase of the site. The proposed costs do allow the current site owner to participate financially in any development of the site and this additional cost will impact any potential income generated from the site development.
- 7.3 Were the Council to proceed with a large residential development on the site then this would increase the site costs to higher than originally budgeted in the Be First business plan and would require a significant level of borrowing. Additional borrowing costs to fund the purchase and subsequent development of the site will need to be funded through an increase in the interest budget within the Medium-Term Financial Strategy.
- 7.4 There are a number of options available to develop the site after it has been purchased but each option will require a full appraisal to be completed. The report is seeking to delegate approval to the Chief Operating Officer to determine the most suitable strategy once planning permission has been secured.
- 7.5 The pre-development costs outlined in Appendix 3 are significant but includes feasibility studies, planning and site clearing.
- 7.6 The site falls within Flood Zone 3 (High Risk) and this risk will need to be addressed as part of any site development.

8. Legal Implications

Implications completed by: Suzan Yildiz / Paul Feild, Legal Practice

- 8.1 This report proposes the freehold acquisition of the Site known as Welbeck Wharf. Key legal considerations will be: -
 - the land purchase and the leaseback,
 - the lease should ensure that the security of tenure under the landlord and Tenant Act 1954 is excluded,
 - the need to realise the heads of terms in a legally binding and commercially sound form,
 - the legal powers to enable the transaction,
 - consideration of the entity that will acquire the site and enter into an agreement based on the heads of terms,
 - the need to minimise the Council's exposure to risk and unforeseen liabilities particularly with regard to the size of the site, its current and future investment value, planning, development and environmental risks.

- 8.2 The purchase will be at market value. The Council has the power to acquire land by virtue of Section 120 of the Local Government Act 1972 and to carry out the proposed scheme by the general power of competence given by section 1 of the Localism Act 2011 (GPC). Under the GPC power the Council can do anything that individuals generally may do provided that there is no prohibition against it elsewhere. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.
- 8.3 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to participate in the transaction and enter into the various proposed agreements, further support is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
- 8.4 The purpose for which land is acquired is relevant to the powers to be relied upon. The report has identified the site as a development opportunity and detailed feasibility assessments are being carried out to determine the most suitable development strategy. Therefore, options are still being appraised and a preferred option has not emerged. However, the primary purpose of the acquisition appears to be the regeneration and wellbeing of the Council's area.
- 8.5 Investment Aspects - In exercising the power of general competence and in making any investment decisions (to the extent that any aspect of this transaction is considered to involve investment decisions), the Council must have regard to the functions for the purpose of which it is exercising the power, must act reasonably and also have regard to the following: -
- i. Compliance with the Statutory Guidance on Local Government Investments (the Statutory Guidance);
 - ii. Fulfilling its fiduciary duty to tax payers;
 - iii. Obtaining best consideration for any disposal;
 - iv. Compliance with Section 24 of the Local Government Act 1988 in relation to giving financial assistance to any person (which either benefits from a general consent or requires express consent by the Secretary of State);
 - v. Compliance with any other relevant considerations such as state aid and procurement;
- 8.6 Development/Land Risks and Considerations - Apart from the requirement to purchase the land at no more than the market value there will be the imperative to ensure that all land, development and environmental risks are identified and managed through feasibility studies to ensure the preferred development option is deliverable before significant pre-development expenditure, and mitigation strategies put in place. Potential risk arising include, but are not limited to, any third-party rights or restrictions or incumbrances which may frustrate or prevent the Council's regeneration objectives and development of the land. In terms of

environmental risks, caution must be exercised in that a post-industrial site may raise risks of land contamination and if so, any remedial action and the costs of such remediation would need to be factored into the feasibility and viability considerations. Specifically, there should be early due diligence before contractually committing to the transaction to ensuring that the site is suitable for the construction of dwellings and is without risk of historical contamination, or in the alternative that any contamination is capable of being remedied and costs are both factored into the acquisition price and do not compromise the viability of any residential development. A full environmental survey, development appraisals and sound understanding will be a necessity if the Council seek to pursue mixed use or residential development on the site.

- 8.7 Heads of Terms into Agreements - In terms of the purchase process and the use of lease-back and overage clauses this will need specialist drafting and financial provision should be made accordingly. It is essential that the Council will have complete vacant possession when it is ready to proceed with its development plans. Triggers for additional payments of the bullet and overage need to reflect the land remediation costs are to be deducted from these payments.
- 8.8 State Aid - As local government is an emanation of the state, the Council must comply with European Law regarding State Aid. This means that local authorities cannot subsidise commercial undertakings or confer upon them an unfair economic advantage. This report does not identify any specific aspect of the proposed acquisition or lease back which is other than a commercial transaction on normative market terms. Thus, this arrangement satisfies the requirement that it should be on market terms and would not raise state aid concerns.
- 8.9 Human Rights – The scheme as described does not seek the use of compulsory purchase powers or result in the displacement of any residents, therefore, there do not appear to be critical risks associated with a Human Rights Act challenge. Nevertheless, matters should be kept under review in case such considerations should arise.

9. Other Implications

- 9.1 **Risk Management** – The land purchase risk has been mitigated via the independent market appraisal undertaken by CBRE and due diligence to date. Extensive legal due diligence work is taking place regarding the acquisition. A phase 2 ground investigation survey is currently being tendered to ensure a full picture of any ground contamination is established as soon as possible.
- 9.2 **Contractual Issues** - The proposal is for the Council to purchase the land freehold and enter into the necessary agreements. The heads of terms need to be adjusted accordingly to reflect realistic timescales.
- 9.3 **Staffing Issues** – The delivery of this project will be undertaken by Be First in line with agreed fees.
- 9.4 **Safeguarding Children** – Design development undertaken on all new projects by Be First will take into account the needs of local communities including children, with a focus on creating high-quality, accessible spaces that allow for freedom of movement and social cohesion. The development process will explore opportunities

to introduce new or improve existing play facilities and create safer walking routes to schools.

- 9.5 **Health Issues** – There is considerable evidence that improvements to housing and the local environment can improve health and well-being outcomes for local people. Health issue will be taken into consideration during the development process, where applicable, with a view to improving health and well-being for new and existing residents.
- 9.6 **Crime and Disorder Issues** – Section 17 of the Crime and Disorder Act 1998 places a responsibility on councils to consider the crime and disorder implications of any proposals. The proposals set out in this report will help make the areas safer by improving the quality of the environment, creating safer more natural surveillance for public areas and pedestrian routes. All new developments will fully meet the requirements for Secured By Design accreditation.
- 9.7 **Property / Asset Issues** - The proposal involves a freehold purchase providing an additional asset for the Council.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1: Site Plan
- Appendix 2: The site within its regeneration context
- Appendix 3: Proposed Terms of the Land Acquisition (exempt document)

APPENDIX 1 – SITE PLAN



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APPENDIX 2 – THE SITE WITHIN ITS REGENERATION CONTEXT



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CABINET

11 December 2018

Title: Institutional Funding Proposal – Hotel Investment	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report with Exempt Appendices 2 - 8 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as amended)	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Andrew Sivess, Head of Assets and Investments	Contact Details: E-mail: andrew.sivess@lbbd.gov.uk
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>This report sets out proposals for the Council to enter into an investment arrangement with an Institutional Investor and Travelodge Hotels Limited (Travelodge). The proposal would generate significant annual revenue for the Council; support local charity work and support new employment. The development of the new hotel will provide employment for over 200 construction workers and, once complete, over 30 hotel staff benefitting East London as a whole.</p> <p>A site for the new hotel has been secured by Travelodge. The new hotel would be funded and built to a design, standard and specification agreed between Travelodge and their contractors. All development funding would be provided by the Institutional Investor who would also assume full site acquisition, construction risk and project due diligence. The agreement is conditional upon the grant of planning permission.</p> <p>The proposed transaction is a lease and leaseback arrangement between an Institutional Investor (long leaseholder), the Council (head lessee) and Travelodge as tenant of the Council. No rent is payable between the parties until the new hotel is constructed and Travelodge have entered their lease. Under this arrangement the Council would pay a guaranteed and indexed head rent to the funder for the term. Simultaneously, the Council would receive a matching guaranteed and indexed rent from the hotel operator for the term of the agreement. The rent payable by Travelodge to the Council is higher than the rent payable to the Institutional Investor, providing a profit rent to compensate the Council for providing the rental guarantee. The hotel operator assumes full operating, maintenance, insurance and room occupancy risk for the term of the Travelodge lease.</p> <p>A key element of the proposal is that a grant payment of £750,000 would be made to the Council to support social and community development in Barking & Dagenham. This payment will be made from the Community Fund of the Institutional Funder, established to help support delivery of the 'UN Sustainability Goals' as part of their Corporate Social Responsibility (CSR) programme.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve Option B1, as detailed in Appendices 2 and 3 to the report, as the preferred option in respect of the Council's participation in the proposed investment arrangement;
- (ii) Subject to (vii) below, agree to the Heads of Terms between the Council and the Institutional Investor as detailed in Appendix 5 to the report;
- (iii) Subject to (vi) and (vii) below, agree that the Council enter an Agreement to Lease with the Institutional Investor and Travelodge Hotels Limited on state aid compliant market terms;
- (iv) Subject to (vi) and (vii) below, agree that the Council enter a 50-year Head Lease with the Institutional Investor on state aid compliant market terms;
- (v) Subject to (vi) and (vii) below, agree that the Council grant a 35-year sub-lease with an option to renew to Travelodge Hotels Ltd;
- (vi) Delegate authority to the Chief Operating Officer, in consultation with Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to negotiate final heads of terms, final commercial and lease terms and agree the contract and ancillary legal documents to fully implement and effect the proposals set out in the report;
- (vii) 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; and
- (viii) Delegate authority to the Chief Operating Officer to incorporate a special purpose vehicle (whether a company or Limited Liability Partnership) if, in the Chief Operating Officer's, that would be necessary (such incorporation to include such shareholders or member's agreement as may be required);

Reason(s)

The proposals in this report would help to deliver the objectives of the Investment and Acquisition Strategy community development and help to deliver regeneration in East London.

1. Introduction and Background

- 1.1 An opportunity has been presented to the Council under the Investment and Acquisition Strategy (IAS) to participate in an institutional funded hotel investment. The proposals in this report would be held within the commercial property asset class of the IAS which includes an allocation for investment in hotel and leisure properties.

- 1.2 The site has been identified to construct the new hotel at Oregano Drive, Poplar E14 (a location map is included at Appendix 1). This will replace Travelodge's existing hotel on a nearby site which will be redeveloped as a data centre. Grant of Planning Permission for the new hotel is expected in April 2019. The total cost of developing (land, construction, fee and developers profit) the new hotel is c£90m.
- 1.3 Travelodge tendered for a forward funding partner to the institutional investment market to provide land acquisition and construction funding. A preferred funding partner (referred to as the Institutional Investor in this report) has been selected. This Institutional Investor will fund all site acquisition, construction costs and will also take planning and construction risk. Travelodge have appointed development and construction partners to acquire the site and construct the new hotel on behalf of the Institutional Investor and Travelodge. If the Council participates in this deal the Council will be party to the design and construction warranty package and have step-in rights if required.
- 1.4 A key investment objective of the Institutional Investor is to create stable and low-risk long-term returns to pay future pension liabilities. Such investors commonly aim to reduce their income risk by seeking to insert an intermediary tenant (in this case the Council) to sit between themselves and the ultimate occupational tenant (in this case Travelodge) and who has a better credit rating than the occupational tenant. In return the intermediary tenant receives a profit set at a level commensurate with the level of risk transferred. This risk transfer allows the Institutional Investor to fund schemes at competitive funding rates and to make available funding to support CSR objectives.
- 1.5 Consequently, the Council has been approached by the Institutional Investor with a proposal under which the Council would pay a guaranteed and indexed head rent to the Institutional Investor for a fixed lease term. In return the Council would receive a guaranteed and indexed rent from Travelodge for the term of the agreement.

2. Proposal and Issues

- 2.1 Under the proposals the Council would pay a guaranteed and index linked rent for a term of 50 years to the Institutional Investor. Simultaneously, Travelodge will enter into a 35-year lease with the Council (with an option to renew) matching the same index linked profile as the Authority's lease with the Institutional Investor. Rents will increase every 5-years in line with RPI subject to a collar of 1% and a cap of 5%. The hotel operator assumes full operating, maintenance, insurance and room occupancy risk during their 35-year lease term.
- 2.2 At the end of their 35-year lease the hotel operator has the option to renew their lease in which case the Council will continue to benefit from the profit rent.
- 2.3 If Travelodge did not renew their lease the Council has the option to either seek a new hotel operator or to redevelop the site for residential and/or office use. The lease terms agreed with the Institutional Investor allow for this possibility through renegotiation of the head lease and funding arrangements or by terminating the lease through the exercise of a break option (if this offered a financially better alternative).

Investment Returns

- 2.4 The proposals contained in this report would help to deliver the Council's Investment and Acquisition strategy (IAS) objectives by increasing properties held within the commercial property asset class in the sub-regional area. There is no capital outlay required from the Council.
- 2.5 The investment proposal has been appraised by adopting two options: one where the council retains the asset at the end of the lease and one where the asset would remain with the Institutional Investor. The first table at Appendix 2 summarises the financial returns to the Council under the options considered. A detailed report provided by the Council's external financial advisors on the proposed options is contained at Appendix 3 - these appendices are in the exempt section of the agenda as they contain commercially confidential information (relevant legislation - paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.6 It is considered that option B1, as described in Appendices 2 and 3, is the preferred option. This option provides a balanced approach between the objectives to generate income returns whilst retaining long-term ownership and capital value. The second table at Appendix 2 compares the qualitative aspects of each option.
- 2.7 In each of the options the Council will be paid an arrangement fee by the Institutional Investor. This fee is being charged to reflect the strength of the Council covenant that is being procured through the transaction reflecting the nature and length of the transaction.

Project Delivery Structure

- 2.8 The transaction structure is a lease and leaseback arrangement between an Institutional Investor (long leaseholder), the Council (head lessee) and Travelodge Hotels Ltd as tenant of the Council.
- 2.9 The lease and project structure are summarised in the diagram at Appendix 4. The Heads of Terms between the parties are contained at Appendix 5 - these appendices are in the exempt section of the agenda as they contain commercially confidential information (relevant legislation - paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Hotel Investment Assessment

- 2.10 The Council have instructed a third-party property consultant (GVA) to assess the investment proposal and to value the asset. The full report is contained at Appendix 6. GVA have confirmed that the proposals within this report provide an acceptable investment for the Council and meet the investment objectives of the Council IAS. The key findings of the report are summarised in the table at Appendix 7 - these appendices are in the exempt section of the agenda as they contain commercially confidential information (relevant legislation - paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)) and the public interest in

maintaining the exemption outweighs the public interest in disclosing the information.

Corporate Social Responsibility (Institutional Investor)

- 2.11 The Institutional Investor has established a Corporate Social Responsibility programme. The objectives of this CSR programme are to support delivery of the ‘United Nations Sustainability Goals’ among which is to encourage inclusive social, community and economic development.
- 2.12 A sum of £750k will be made available to the Council to help fund local social and community development programmes. This grant is being made voluntarily by the Institutional Investor in recognition for the parties’ long-term investment commitments in the borough through the hotel proposal and in line with their Corporate Social Responsibility policies. It does not constitute part of the consideration for the commercial deal and should not be factored into evaluating the investment merits of the transaction.
- 2.13 Under the arrangements negotiated with the Institutional Investor the following payments will be paid to the Council who will then grant funds for the following illustrative community outcomes:
- Vulnerable housing need activities - £250k
 - Community Sport and Education Facility - £500k
- 2.14 The exact use of the proposed CSR payment and grant making arrangements will be subject to consultation with the community in Barking and Dagenham and in discussions with the Institutional Investor.

Project Timetable

- 2.15 The timing of the transaction and payment of Corporate Social Responsibility (CSR) grant funding to the Council would be as follows:

Date	Milestone
October 2018	Submission for Planning Permission
November 2018	Final hotel operator Investment Committee approval
December 2018	Transaction documentation finalised and signed by The Institutional Investor, Travelodge and LBBB conditional upon grant of Planning Permission
February 2019	Grant of Planning Permission
April 2019	Construction commences
April 2019	Agreement of use of CSR funds with Institutional Investor

April 2021	<p>Practical Completion, Travelodge sign the building off as completed, Travelodge enter their lease, LBBB enter their lease and revenue commences.</p> <p>Payment of arrangement fee</p>
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3. Options Appraisal

- 3.1 The Council has been approached to participate in a new Travelodge development on the Isle of Dogs. Construction of the new Travelodge has been commissioned by Travelodge and will be delivered by their development and construction partners. An Institutional Investor has been identified who will forward fund the project through to practical completion and will earn an indexed rental return for the duration lease term with the Council.
- 3.2 To reduce income risk, the Council has been approached to enter the lease structure between the Institutional Investor and Travelodge. Commercially the Council would pay a guaranteed, indexed annual rent to the Institutional Investor and in return retain a profit rent to compensate the Council for providing a rental guarantee. The Council would not be required to provide any capital funding either during construction or during the lease term.
- 3.3 **Scenario 1 – Do Nothing**
- 3.3.1 The Council has the option to not participate in the arrangement. In this case the Institutional Funder would seek another Local Authority partner or retain the profit rent itself. The Council would lose the opportunity to earn an annual profit rent. No arrangement fee would be made to the Council.
- 3.3.2 In addition, Council would not benefit from the Corporate Responsibility payment.
- 3.4 **Scenario 2 – provide a rental guarantee to the Institutional Investor in return for a long-term profit rent.**
- 3.4.1 Paragraphs 2.4 to 2.7 above set out the rental guarantee options considered under which the Council could participate in the investment proposal. These options have been modelled to provide the Council with a range of income and asset owning choices.
- 3.4.2 The profit rent and arrangement fee payable to the Council would generate sustainable long-term returns to support the financial sustainability of the Council in line with the objectives set-out in the IAS.
- 3.4.3 In addition, the ability to redevelopment the site for housing in the future provides a long-term asset that would support future housing delivery objectives of the Council through direct development or disposal to realise capital value for investment within the borough.

4. Consultation

- 4.1 The Cabinet Member for Finance, Performance and Core Services has been consulted and have raised no objections to the proposals in this report.

5. Investment Analysis

5.1 Investment and Acquisition Strategy (IAS)

- 5.1.1 The proposals in this report would help to deliver the investment objectives of the Investment & Acquisition Strategy. The new hotel would be held within the Commercial asset class of the IAS and would generate a profit rent to compensate the Council for agreeing to guarantee a head lease payment to an institutional investor.

- 5.1.2 Under the terms of the arrangement the Council will not provide any development funding or incur any future hotel operating costs (capital or revenue). All development risks will be borne by the developer and build contractor appointed by Travelodge with ultimate development risk borne by the Institutional Investor.

5.2 Risk

- 5.2.1 The Authority's payments under its lease will be fixed irrespective of whether Travelodge continue to meet their obligations under the terms of its own lease. The Authority has several options available should Travelodge default, which include contracting with other hotel operators, or converting the use to residential and/or office accommodation.

5.3 Lease Classification

- 5.3.1 Irrespective of which of the two options are taken by the Authority, the lease from the Institutional Investor to the Authority will be deemed a finance lease as substantially all the risks and rewards associated with the asset are passing to the Authority.

- 5.3.2 This will result in the asset being recognised on the balance sheet with an equivalent liability recognising the payments to be made to the Institutional Investor over the lease term. Each lease payment made will split between reducing the outstanding liability and servicing the interest costs implicit within the lease.

- 5.3.3 The Authority will recognise the asset as an Investment Property, as it will be held solely to earn rentals or for capital appreciation purposes or both.

- 5.3.4 The subsequent lease between the Authority and Travelodge can be assessed using a number of classification tests to determine the appropriate lease classification. Reviewing the current proposals in association with these tests suggests that the lease can be classified as an operating lease, in which case all income will be deemed to be revenue.

6. Financial Implications

Implications completed by: Helen Seechurn (Finance Director) and David Dickenson (Investment Fund Manager)

- 6.1 The full financial implications and associated risks of the proposed investment are contained in the exempt document at Appendix 8 (this appendix is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation - paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information). Members should note the key financial benefits of the scheme include an upfront arrangement fee anticipated to be received by 2020/21 dependent on the option approved by Cabinet.
- 6.2 Any returns on this scheme are assumed to be revenue contributions which will assist delivery of savings as defined in the MTFs (£10m required for 2020/21).
- 6.3 However, the arrangement with the Council acting as head lessor is not without risk. The financial modelling provided by our independent advisers Link Asset Services and GVA indicate the initial rental income the Council will receive from Travelodge and after payment of rent to the institutional investor will leave a profit rent of £0.33m under the preferred option, with future rental payments uplifted 5 yearly for inflation (RPI). The profile of these figures may change as detailed negotiations progress although the overall return will not change over the life of the lease.
- 6.4 Other risks that affect the financial position include the credit rating and security of the hotel. The Council will retain step in rights to secure another operator in the event of operator failure. These are dealt with in the GVA property report at Appendix 6.
- 6.5 The arrangement is such that the Council will own the freehold to the land at the end of the lease term for a peppercorn and will in turn benefit from increased land value growth over this period. Over the lease term land values are expected to increase significantly. Not considering land price inflation over the lease term (which is difficult to predict with any certainty) the Council will be able to buy the site for £1 at the end of the term because the Institutional Funder will have fully amortised their debt over the lease term.
- 6.6 Set up costs and SDLT incurred by the Council up to an agreed amount will be funded by the institutional investor.
- 6.7 Beyond the agreed initial lease period with the hotel operator, the council will remain responsible for the asset with the head lease obligation remaining lease term. This currently presents future options to the council including renewal of hotel arrangement or possibility of commercial or residential potential. The current financial appraisal assumes the renewal of hotel operations. However, the Council can terminate the lease with the Institutional Investor at the end of the Travelodge lease by enacting an early repayment clause.
- 6.8 The Investment and Acquisition strategy approved by Cabinet 16 October 2018 allows for investment: 'To establish a property portfolio to generate long-term revenue and capital growth, targeting an initial revenue return of £5.2m by 20/21

and indexed at CPI thereafter'. The proposal in this report would contribute to achieving this objective.

- 6.9 This strategy also, subject to regular review, allows up to 10% of the investment asset portfolio structure (currently £100m allocation) being 0.64% net yield (after debt). Whilst this decision will not score against the £100m target because it will not be financed through prudential borrowing. The expected yield (based on capital costs for comparison purposed) to be achieved from the scheme is expected to be above the target net yield (after finance costs) for this asset class.
- 6.10 It should be noted that although there is no additional borrowing required to enter this deal that the Council will be assuming obligations under the head lease with the Institutional Investor and the risks associated with this lease (principally the obligation to pay an indexed rent for the lease term) will need to be taken into account when making future investment decisions.
- 6.11 The pre-development and development costs will be met by the Developer. Consequently, the council will not be responsible for development cost overruns.
- 6.12 In making this decision members should also refer to the legal implications as detailed in that section.
- 6.13 It should be noted that although not located in this borough this project will increase business rates in the London Business Rates Pool of the Council is a constituent member.

7. Legal Implications

Implications completed by: Suzan Yildiz, Deputy Head of Legal Services (Trowers and Hamlin are also advising the Council on the transaction).

7.1 Council's powers to enter into the proposed arrangements

- 7.1.1 The Council has a variety of powers to enable it to enter into the proposed transaction. These are subject to the Council also complying with its fiduciary duties to its taxpayers/residents.
- 7.1.2 The actual powers which the Council relies on is to an extent governed by its purpose/intention in entering into the arrangements and whether any of the limitations or restrictions of those powers conflict with the proposals made by the fund.
- 7.1.3 We have separated the proposed transaction into relevant stages.

7.2 Entering the Lease with the Institutional Investor

- 7.2.1 Section 120 of the Local Government Act 1972 (section 120) gives the Council the power to acquire land (including a leasehold interest) for a purpose relating to any of its powers or pursuant to duties under any enactment (other purpose).
- 7.2.2 The Council in exercising section 120 may acquire land within or outside its area.

7.2.3 This means that the Council is required to identify another function (power or duty) which it seeks to exercise/rely on. Two powers which may be available include the general power and its investment power under Section 12 of the Local Government Act 2003.

7.3 **The general power**

7.3.1 The general power is set out in chapter 1 of the Localism Act 2011 and permits the Council to do anything which an individual may do. The general power is subject to several limitations which include that it cannot be used to circumvent any prohibition or restriction which exists in legislation which precedes the general power. We are not aware of any contravening legislation which would apply to the proposed transaction.

7.3.2 The general power is also subject to the limitation under section 4 of the Localism Act 2011, namely that if it is used for a commercial purpose then the Council must do that thing through a company or society registered or deemed to be registered.

7.3.3 Should the Council rely on the general power to directly enter the lease (rather than using a Council-owned company to do so) the Council would have to satisfy itself that it was not acting predominantly for a commercial purpose. In doing so it would have to analyse whether the letting of a hotel (in terms of the arrangements) was 'trading'. If the general power is to be relied on it will be necessary to analyse whether the circumstances of this proposal amount to 'trading'.

7.4 **Section 12 – the Local Government Act 2003 (LGA 2003) (Power to invest)**

7.4.1 The Council's power to invest (Section 12, LGA 2003) may be exercised for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. In exercising this power, the Council would rely on the second limb, namely that the proposals aid prudent financial management and should have regard to relevant statutory guidance. The financial implications consider how the proposals assist the prudent management of the Council finances.

7.4.2 The Ministry of Housing Communities and Local Government (MHCLG) issued new statutory guidance (attached to the email) under section 15 of the Local Government Act 2003 on local authority investments on 1 April 2018 (MHCLG Guidance). In approving the proposals both officers and decision makers should have regard to relevant aspects of the MHCLG Guidance.

7.4.3 Local Authorities are required to adopt an updated investment strategy as is required in that guidance. The Council's Investment Strategy contains provision for commercial investments in hotel and leisure facilities. The report and accompanying financial reports (which are confidential and exempt) address how the proposals are aligned with the investment parameters for the commercial asset class.

7.4.4 The Guidance references 'non-financial assets' which includes certain property portfolios: 'non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property'.

- 7.4.5 There are specific requirements for non-financial investments, and property portfolios, set out in paragraphs 37 to 40 of the Guidance. The Guidance requires local authorities to consider whether the asset retains enough value to provide security of investment using the fair value model in International Accounting Standard 40: Investment Property as adapted by proper practices.
- 7.4.6 In taking forward the proposals finance and legal officers should discuss the impact of MHCLG's guidance and whether the arrangements qualify as 'non-financial assets' under it. Consideration of the financial implications should include the extent to which the proposals amount to fair value and any proposed mitigation of risks.
- 7.4.7 Members should note that the CSR funding of £750,000 is being voluntarily made by the Institutional Investor for the purposes of future grant making to local organisations / charities and does not constitute any form of consideration to the Council. As such members should evaluate the merits of the investment on their own terms without having regard to the CSR payment. The Council will administer these future grants to suitable charitable organisations in line with the Institutional Investor's CSR programme and following local consultation.
- 7.4.8 The Council has the power to administer the CSR grant funding by virtue of the general power of competence under Section 1 of the Localism Act 2011, which provides the Council with the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose. In effect, the Council will simply be acting as the administrator of the grant funding from the Institutional Investor to ensure it is channelled appropriately for local needs. Providing that the grants are made to charitable or not for profit organisations who are not operating for commercial purposes or competing with the private sector, the grants should not amount to state aid. In any case, the funds are not public funds but are the funds of the private Institutional Investor which the Council will administer. The funds should be held in a separate designated account in the General Fund.

7.5 Power to grant a lease to Travelodge

- 7.5.1 The Council has a power to grant a leasehold interest in the property to Travelodge under section 123 of the Local Government Act 1972. In doing so it should ensure that it receives the best consideration which reasonably could be obtained. A valuation report confirming this should be obtained.

7.6 The Council's Fiduciary Duties

- 7.6.1 The Council's fiduciary duties could be briefly summarised as it is acting as a trustee of tax and public sector income on behalf of its residents' rate and tax payers. The Council in effect holds money but does not own it; it spends money on behalf of its residents' business rate and council tax payers.
- 7.6.2 The Cabinet in agreeing the recommendations should consider the risks and rewards of approving them and the proposed arrangements. In practice the Cabinet

should consider whether the proposals are on market normative terms which a prudent investor on the open market would enter into, whether the Council will achieve an appropriate return for the risk it is taking and whether the risk and potential cost to it of entering into the arrangements can be appropriately mitigated. Those the Cabinet delegate to should also consider the Council's Fiduciary Duties in finalising and agreeing the documentation.

7.7 Procurement structuring

7.7.1 The primary purpose of the transaction appears to be one of landlord and tenant and as such there is a strong legal argument that it falls outside of the Public Contracts Regulations 2015.

7.7.2 In finalising the documentation and structure advice should be obtained to ensure that any risk of procurement challenge is mitigated and minimised. Advice should be obtained at an early stage of negotiations about this.

7.8 State aid compliance

7.8.1 Under the proposals the Council will be entering into the arrangements mainly for mainly financial purposes. The leasing and letting of hotel accommodation are market activity and in agreeing final terms for both the Institutional Investor and Travelodge leases, the Council should be satisfied they are state aid compliant. To do this the Council should ensure it acts as a market operator would, meaning the terms it agrees should be such that an operator or investor in the private sector would agree to those terms in the same or similar circumstances). The Council should seek evidence from a commercial adviser whether in their opinion market/private sector parties in the same circumstances would be likely to do agree to the same or broadly comparable terms which constitute the market norm. Such a report (confirming that private/market sector parties will do so) will evidence state aid compliance.

8. Other Implications

8.1 Risk Management

- **Construction Risk** – All development and construction risks, including ground contamination, are borne by Travelodge Hotels Limited, their development and construction partners and by the Institutional Investor. Upon completion of the works the Council, as Head Lessee, will have the benefit of full warranty and title indemnity package etc. A tier one construction contractor has been selected by Travelodge to mitigate the potential for Contractor default. The hotel development works will be procured by Tarragon (the developer) and those works will be carried out by John Sisk & Son Limited (the contractor), backed up by a parent company guarantee from John Sisk & Son (Holdings) Limited under a fixed price contract funded by the Institutional Investor. The Institutional Investor will deal directly with the development team and will step in should there be a developer default. This approach mitigates the Council's exposure to the development risk. The Institutional Investor and the Council both have step-in rights to ensure completion of the development if this is not achieved by a long-stop date or in the case of force majeure events for example.

- **Hotel Market Risk** –The Council’s external property advisors have produced a detailed report on the investment proposals. This report is contained at appendix 6 and is summarised at paragraph 2.10 above. It is considered that this investment proposal is a market facing hotel investment opportunity that would be acceptable to other private and institutional investors.
- **Travelodge default** – The Council’s external property advisors consider that the covenant strength of Travelodge combined with full FRI lease terms and the relatively long-length of the Travelodge lease relative to other hotel investments represents a strong investment opportunity.
- **Funding risk** - The Council has no direct funding obligation in the proposed lease structure during construction or during the term of the Travelodge lease. The Council will only enter the lease structure on achievement of certain Conditions Precedent including achievement of Practical Completion and commencement of hotel operations by an agreed long-stop date.
- **Redevelopment risk** - if the Travelodge lease was determined the Council would have to find another hotel operator or redevelop/ convert the building for another use. Given the strength of the London Docklands hotel market it is considered that a new hotel operator could be appointed. A new hotel operator could be granted a new lease on the same or similar terms to the existing Travelodge lease, but they would require a rent-free period to rebrand and refurbish the building - typical such rent free period are two years (c £6m). The Council would receive no during this period. Alternatively, the Council could seek to appoint a hotel operator under a direct management contract to manage the hotel on behalf of the Council. In this case the Council would assume operations risk but could earn a significantly higher income from hotel operations than the expected profit rent.

Alternatively, the Council could seek a new planning permission to convert the building to residential use. The hotel building has been designed to allow future conversion, but conversion costings have not been provided. A conversion budget of c£14m to £20m would be likely to convert the building to provide c140 2 bed flats at a conversion cost of £143k per unit.

- 8.2 **Contractual Issues** – Contractual implications are as described and covered within the Legal Implications section of this report.
- 8.3 **Staffing Issues** – The construction stage of the project will be managed by Marwick on behalf of Travelodge and on behalf of the parties. In addition, the Institutional Investor will be supported by an Independent Certifier who will certify satisfactory completion of works and construction works payments in accordance with the build contract.
- 8.4 **Corporate Policy and Customer Impact** – The proposal in this report would help to deliver the objectives of the Council’s Investment and Acquisition Strategy and would help to provide revenue to support Council expenditure.
- 8.5 **Property / Asset Issues** – A 35-year renewable lease would exist with Travelodge. This would generate an indexed profit rent for the Council. There are provisions for rent increases every five years within the lease at 1% collar and 5% cap, based

upon the Retail Price Index. These provisions are mirrored in the Head Lease between the Council and Institutional Investor. The Travelodge would be a full repairing and insuring lease. In the longer-term the Council could seek to sell or redevelop the site for residential or mixed use to help deliver the Council's Housing Strategy at that time.

Public Background Papers Used in the Preparation of the Report: none

List of appendices:

Appendix 1: Location map

Appendix 2: Financial Returns Summary of the Lease Options (exempt document)

Appendix 3: Link Asset Services' Financial Report (exempt document)

Appendix 4: Transaction Structure (exempt document)

Appendix 5: Heads of Terms (exempt document)

Appendix 6: GVA Property Report (exempt document)

Appendix 7: Property Report Summary (exempt document)

Appendix 8: Financial Implications (contd.) (exempt document)

Location map



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CABINET**11 December 2018**

Title: Corporate Plan 2018-2022 – Quarter 2 Performance Reporting	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Laura Powell, Policy and Partnerships Officer	Contact Details: Tel: 020 227 2517 E-mail: laura.powell@lbbd.gov.uk
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary	
<p>The new Corporate Plan 2018-2022 articulates the Council's vision and priorities for the next four years, following a period of significant change and service transformation. To support this, it was recognised that the Council's Corporate Performance Framework needed to evolve to support and monitor our progress and service delivery, as a new kind of Council.</p> <p>The framework demonstrates how the Council will achieve the long-term vision for the borough as set out in the Borough Manifesto, by focusing on clearly defined medium and short-term targets, alongside output measures and budgetary information that monitor vital indicators of service transformation.</p> <p>Each component of the performance framework being aligned to Cabinet Member portfolios to ensure that the Council's performance is effectively managed and so service delivery remains on track. As a key element of the framework, the development of the Key Accountabilities and Key Performance Indicators (KPIs) has been carried out in collaboration with senior officers and Cabinet Members.</p> <p>Cabinet is presented with a Quarter 2 2018/19 performance update against the Key Performance Indicators (KPIs) and Key Accountabilities, which will continue to be reported quarterly to Corporate Performance Group (CPG) and Cabinet throughout the coming year.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note progress against the Key Accountabilities as detailed in Appendix 1 to the report; (ii) Note performance against the Key Performance Indicators as detailed in Appendix 2 to the report; and (iii) Agree any actions to address areas of deteriorating performance. 	

Reason(s)

To assist the Council in achieving its priority of a “Well run organisation”.

1. Introduction and Background

- 1.1 Over the past few years, the Council has undergone a period of significant change, which has focused on establishing a new kind of council that transforms the way we deliver our services, as well as facilitate a change in the relationship we have with our residents.
- 1.2 In consultation with residents, we have shaped and defined the vision for Barking and Dagenham, with aspirations and outcomes clearly articulated through the production of the Borough Manifesto. These long-term outcomes provide a clear direction for the Council over the coming years.
- 1.3 The new Corporate Plan 2018-2022 was developed to clearly articulate the Council’s vision and priorities over the next four years, as we continue our journey and the Council’s transformation programme begins in earnest.
- 1.4 The Corporate Plan is a key part of the Council’s strategic planning, delivery and accountability framework. The development of a Corporate Plan ensures the Council’s contribution to achieving its vision and priorities is co-ordinated, and achievable and that it is resourced in line with the Medium-Term Financial Strategy. It allows both Members and residents to measure progress in the Council’s delivery of its vision and priorities

2 Corporate Performance Framework 2018-2022

- 2.1 The corporate performance framework demonstrates how the Council will achieve the long-term vision for the borough as set out in the Borough Manifesto, by focusing on clearly defined medium and short-term targets, alongside output measures and budgetary information that monitor vital indicators of service transformation.
- 2.2 The measures and clearly defined targets of the Borough Manifesto have been developed to assess the progress being made against the Barking and Dagenham vision and aspirations. The targets are the overarching long-term outcomes that the Council is striving to achieve and sit at the highest level of our corporate performance framework. They will be monitored on annual basis through the Barking and Dagenham Delivery Partnership (BDDP).
- 2.3 The Corporate Plan sets out the Council’s contribution over the next four years to deliver the Borough Manifesto. The supporting Key Performance Indicators (KPIs) and Key Accountabilities are those medium-term measures that will drive improvement and will be reported to Cabinet on a quarterly basis. Given their lifespan and supporting targets, if achieved, we will have progressed a quarter of the way to achieving the vision for the borough.
- 2.4 Commissioning Mandates and Business Plans will be iterated over the course of 2018/19 and the associated performance measures reviewed. The indicators that

feature in mandates and business plans will continue to show the overall health of services whilst remaining focussed on achieving outcomes for residents.

- 2.5 The Council's transformation into a new kind of council has been designed to deliver the substantial, long-term outcomes for the borough. Our progress against delivering these outcomes will be difficult to measure in the short-term. To do this the corporate performance framework for incorporates Vital Signs for each Service Block.

3 Key Accountabilities 2018/19



- 3.1 Through the development of the Corporate Plan a number of Key Accountabilities have been identified that provide a clear link to how the Council will deliver the vision and priorities, focusing on key deliverables for the coming year.
- 3.2 The Key Accountabilities (Appendix 1) are a key element of the corporate performance framework and are reported to Cabinet on a quarterly basis. They are also used as a key aid for discussions at Cabinet Member Portfolio meetings.

4 Corporate Plan Key Performance Indicators

- 4.1 Through the development of the Corporate Plan, clear medium and short-term targets have been identified and are defined as the Council's Key Performance Indicators (KPIs).
- 4.2 Through quarterly performance reporting at Cabinet, Cabinet Members are be able to keep track of our progress against agreed performance targets, and ultimately, our progress against delivery of the vision and priorities.
- 4.3 This report provides a performance update at Quarter 2 (1st April 2018 – 30th September 2018) against the key performance indicators for 2018/19 (Appendix 2).
- 4.4 The KPIs are reported with a RAG rating, based on performance against target. Where relevant, in-year targets have been set to take into account seasonal trends / variations, as well as provide performance milestones. Assessing performance against in-year targets will make it easier to identify progress at each quarter, allowing for actions to be taken to ensure performance remained on track with the aim of reaching the overall target for the year.

5 Performance Summary - Key Performance Indicators

- 5.1 To report the latest performance in a concise manner, a number of symbols are incorporated in the report. Please refer to the table below for a summary of each symbol and an explanation of their meaning.

Symbol	Detail
	Performance has improved when compared to the previous quarter and against the same quarter last year.
	Performance has remained static when compared to the previous quarter and against the same quarter last year.

↓	Performance has deteriorated when compared to the previous quarter and against the same quarter last year.
G	Performance is expected to achieve or has exceeded the target.
A	Performance is within 10% of the target.
R	Performance is 10% or more off the target.

5.2 The table below provides a summary at Quarter 2 2018/19 of the direction of travel for all KPIs. Depending on the measure, direction of travel is determined by comparing performance with the same period last year (Quarter 2 2017/18), or performance from the previous reporting period (Quarter 1 2018/19). This should be considered in the context of significant budget reductions and our continuation to improve services.

Direction of travel			
↑	↔	↓	N/A
25 (49%)	2 (4%)	18 (35%)	6 (12%)

5.3 The following table provides a summary of the number of indicators with either a Red, Amber or Green rating, according to their performance against the 2018/19 target.

RAG Rating against 2018/19 target			
G	A	R	N/A
15 (29%)	18 (35%)	6 (12%)	12 (24%)

Key Performance Indicators – Rated Not Applicable (n/a)

5.4 At Quarter 2, some indicators have been allocated a Direction of Travel, or RAG Rating of 'Not Applicable'. The reasons for which are set out in the tables below.

Reason for Not Applicable Direction of Travel	Number of indicators
New indicator for 2018/19 / Historical data not available	4
Awaiting data	2

Reason for Not Applicable RAG rating	Number of indicators
Good performance neither high or low – no target set	8
Awaiting data / target	4

6 Focus on Performance

6.1 For Quarter 2 2018/19 performance reporting, focus has been given to a selection of indicators which are presenting good performance against target or areas where performance is showing a level of deterioration since last year and falling short of the target. It is hoped that by focusing on specific indicators, senior management and Members will be able to challenge performance and identify where remedial action may be required.

6.2 Improved Performance

The percentage of assessments (children's) completed within 45 working days

As of Quarter 2, 90% (1652/1832) of single assessments were completed and authorised within 45 working days. This is above our target of 82% and above 2017/18 performance of 85%.

This also places our performance above the London, National and our Statistical Neighbour averages.

To maintain performance, ongoing assessments are routinely monitored by the Assessment Team daily, which enable them to highlight any assessment that is approaching 45 working days and ensures those that fall out of timescale are kept to a minimum.

6.3 Areas for Improvement

The weight of waste recycled per household (kg)

The weight of waste recycled per household in quarter 2 was 79kg (cumulative total of 161kg).

The borough's recycling rate is showing a 12% reduction, when compared to the same period last year. As a result, the Waste Minimisation Team continue to tackle the issue of contamination as part of the kerbside collection. Addressing this issue will be crucial to maintain LBBD's recycling rate.

The team also responds to direct reports of contamination from crews and supervisors and directly engaging the residents, instructing, and educating to resolve contamination from households.

7. Consultation

7.1 The data and commentary in this report were considered and endorsed by the Corporate Performance Group at its meeting on 25 October 2018.

8. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance

8.1 There are no specific financial implications as a result of this report; however, in light of current financial constraints it is imperative that Officers ensure that these

key performance indicators are delivered within existing budgets. These budgets will be monitored through the existing monitoring process to identify and address potential issues and also any benefits as a result of improved performance on a timely basis.

9. Legal Implications

Implications completed by: Implications completed by: Dr. Paul Feild, Senior Corporate Governance Solicitor

- 9.1 The delivery of the vision and priorities will be achieved through the key accountabilities and monitored quarterly. As this report is for noting, there are no legal implications.

10. Other Implications

- 10.1 **Risk Management** - There are no specific risks associated with this report. The corporate plan report and ongoing monitoring will enable the Council to identify risks early and initiate any mitigating action. The Council's business planning process describes how risks are mitigated by linking with the corporate risk register.
- 10.2 **Contractual Issues** - Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt with in individual project plans.
- 10.3 **Staffing Issues** – There are no specific staffing implications.
- 10.4 **Corporate Policy and Equality Impact** - The vision and priorities give a clear and consistent message to residents and partners in Barking and Dagenham about the Council's role in place shaping, community leadership and ensuring no-one is left behind. The key accountabilities and KPIs monitored allow the Council to track delivery ensuring resources and activity are effectively targeted to help achieve the vision and priorities.
- 10.5 **Safeguarding Adults and Children** - The priority **Empowering People** encompasses activities to safeguard children and vulnerable adults in the borough. The Council monitor a number of indicators corporately which relate to Children's safeguarding and vulnerable adults. By doing so the Council can ensure it continues to discharge its duties.
- 10.6 **Health Issues** - The priority **Empowering People** encompasses activities to support the prevention and resolution of health issues in the borough and is delivered through the Health and Wellbeing Board. The borough has a number of health challenges, with our residents having significantly worse health outcomes than national averages, including lower life expectancy, and higher rates of obesity, diabetes and smoking prevalence. Although delivery of health services is not the responsibility of the Council, together with health partners the Council is committed to tackling the health issues prevalent in the borough.
- 10.7 **Crime and Disorder Issues** - The priority **Citizenship and Participation** encompasses activities to tackle crime and disorder issues and will be delivered through the Community Safety Partnership. Whilst high level indicators provide Cabinet with an overview of performance, more detailed indicators are monitored

locally. Data for the borough shows that Barking and Dagenham is a relatively safe borough with low crime. There is some work for the Council and partners to do to tackle the perception of crime and safety.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix 1:** Progress against Key Accountabilities 2018/19
- **Appendix 2:** Key Performance Indicators – Performance at Quarter 2 2018/19

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What we will deliver in 2018/19

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
Community Leadership and Engagement		
Deliver the Cohesion Strategy and dedicate Faith Policy.	Tom Hook	<p>The cohesion and integration strategy is scheduled for Cabinet in January 2019 and Faith Policy for March 2019. Progress to date includes:</p> <ul style="list-style-type: none"> • Submission to MHCLG Green paper consultation on integration • Engagement with internal stakeholders, Barking and Dagenham Delivery Partnership VCS and residents • An Interfaith Platform has been commissioned and the contract awarded to Faith and Belief Forum (FBF). FBF are starting engagement for policy delivery. • Work with the existing faith forum, where the officer roles changed at the last AGM • Ongoing programme supporting Madrassah's with Faith Associates
Implement the Connected Communities Fund and the Counter Extremism Programmes.	Tom Hook	<p>Funding of £1.4 has been allocated to Barking and Dagenham for the Connected communities programme. To date:</p> <ul style="list-style-type: none"> • The officer to run the programme is in post • two of the commissions now have providers in place to deliver (for Interfaith Platform and Community Amplifiers) and the third is out to tender shortly (for Youth Arts Platform). • The PRS strand of work is up and running with the first Creative English classes in November and referral pathways established, with ongoing support from Barking and Dagenham CAB for vulnerable people. <p>Counter extremism programme:</p> <ul style="list-style-type: none"> • New member of staff in Home Office funded post • Meetings scheduled with key stakeholders and faith leaders • Borough narratives workshop took place • Ongoing communication with faith groups through the Belief in Barking and Dagenham newsletter • BSBT funding applications supported from local organisations, funding decisions expected imminently

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
Continue to develop Every One Every Day, monitoring impact and outcomes.	Tom Hook	<p>Every One Every Day has entered its second year, with plans for opening a third shop on Porter Avenue and a Pop Up Micro Factory in November 2018.</p> <p>The summer programme of Every One Every Day ended in August with over 160 events held and 1200 residents engaged. The Autumn programme will run from 15 October to 9 December 2018. EOED took part in Dag Fest and One Borough Day. The Funders Board met in September 2018 and agreed the next funding release. The Developmental Evaluation of year 1 will be published in October 2018 by Participatory City Foundation.</p>
Support the development of the community and voluntary sector, including a Local Giving Model.	Tom Hook	<p>A Civil Society strategy paper is scheduled for Cabinet in January 2018, which includes the local giving model. The development of a local giving model is moving forward. Practical measures have been implemented to support local groups with the establishment of a local B&D Lottery and match-funded Crowd Funding scheme. Four crowdfunding awards were made in the last quarter and over £20,000 has been raised through the B and D lottery. A process for the allocation of NCIL has been consulted on and will be presented to Cabinet on the 16th October. If agreed the fund will launch early 2019.</p> <p>Core funding to BDCVS has been reduced but has for 2018/19 been replaced to a significant extent with project funding for the development of a vision for the sector and requirements for infrastructure support going forward. The report will be ready in Winter 2018/19 and will dovetail with the development of an overarching Civil Society Strategy.</p>
Continue to strengthen the Barking and Dagenham Delivery Partnership to work towards the vision of the Borough Manifesto.	Tom Hook	<p>The State of the Borough Conference took place on 27th September at Londoneast UK. The conference was well attended and has received lots of positive feedback from attendees. An accompanying State of the Borough report providing an annual update on the progress made towards delivering the Borough Manifesto targets in year 1 was launched at the conference. The new Borough Data Explorer was also launched at the conference providing an interactive platform to present the Borough Manifesto and Social Progress Indicators. The Explorer provides will allow the partnership to use data to inform policy development. Work is also ongoing with Barking and Dagenham Delivery Partnership to develop it into a partnership that is able to drive change in the borough and work together collaboratively to achieve the manifesto vision.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
<p>Deliver the master plans and commercialisation of Parsloes Park and Central Park.</p>	<p>Tom Hook</p>	<p>Parsloes Park</p> <p>Plans are progressing well to develop new sporting and community facilities in Parsloes Park. In brief the proposed facility mix will comprise:</p> <ul style="list-style-type: none"> • New changing facilities incorporating 8 team changing rooms (suitable for use by children and adult teams) and changing rooms for officials; • 55 station gym, dance studio and gym change; • Bar and café and social space • Public toilets and disabled toilets (to changing places standard) • 3 artificial grass pitches with floodlighting that can be used for 11-a-side football matches and compartmentalised to accommodate multiple mini, junior and five-a-side games being played simultaneously. <p>The total construction cost of the new facilities is estimated to be c£7 million. £1 million of this total is being funded by the Council (£400,000 capital funding and £600,000 CIL funding) and the balance has been or is expected to be secured from the Football Foundation, Sport England, London Marathon Charitable Trust, GLA, and s106 developer contributions.</p> <p>Of these sources, funds are now confirmed from Sport England, GLA, London Marathon Charitable Trust and a s106 developer contribution from the Beam Park housing development. Funds from the Football Foundation (£5 million) has been applied for but an award will not be confirmed until planning approval for the scheme is secured.</p> <p>As Parsloes Park is classed as Metropolitan Open Land it is necessary to get planning approval from the GLA as well as LBB. Unfortunately as was the case with the Youth Zone scheme, this requirement is causing a delay to the implementation of the Park Life project.</p> <p>It is now expected that the planning decision will be in February 2019 – a month later than previously reported - and so work will start on site in May 2019 with the new facilities operational in time to be used during the 2019/20 football season.</p> <p>Central Park</p> <p>A feasibility study has been undertaken to investigate how it might be possible to implement some elements of the Central Park masterplan proposals at no cost to the Council.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<p>It outlines an innovative proposal to generate income from the importation of inert material from building sites across London and the South East, which will be utilised to create a new landscape in the park.</p> <p>Following guidance received from the Environment Agency, who must grant a licence for the scheme if it is to go ahead, the volume of material to be imported to the site has been reduced by about a third and with it the level of income that will be generated. It is now estimated that this will be c£1.1 million rather than the previously reported c£1.7 million.</p> <p>Income and cost certainty will only be confirmed when planning approval has been given and the necessary licence from the Environment Agency has been granted.</p> <p>It is proposed that a sum comparable to the income generated from the scheme will be committed in the capital programme to realise a wide range of park improvements including:</p> <ul style="list-style-type: none"> • New adventure play area • Pump track (for BMX bikes) • Toddler BMX facility • Mountain bike loop • New pathways • New trees • Wild flower meadows <p>Consultation about the proposal started in September 2018 and a report about the scheme will be presented to Cabinet (16/10/18) to seek approval to implement if the necessary funding, licences and planning approval is secured.</p> <p>On this basis, it is expected that the planning application for the scheme will be submitted by December 2018, which would enable a licence from the Environment Agency to be awarded by July 2019, and for works to start on site in August 2019 and to be completed in 2021.</p>
Implement the improvement plan funded by Community Interest Levy (CIL).	Tom Hook	Cabinet agreed (19/06/18) to Community Infrastructure Levy funding being allocated to the following strategic projects:

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<ul style="list-style-type: none"> • Parsloes Park 'Parklife' project - £600,000 • Children's Play Spaces and Facilities - £275,000 over five years • Parks and Open Spaces Strategy implementation - £500,000 over five years <p>This funding will be used as Council match funding to support external funding bids for park capital schemes as well as to enable the delivery of a 'quick wins' programme of park improvements. The proposed programme of investment will be finalised during quarter three 2018/19 and implementation will start in quarter four.</p> <p>Collaborative working with community groups and residents has enabled funding to be secured to build two new state of the art play facilities to replace poor quality and life expired facilities at Tantony Green and Valence Park.</p> <p>Both new facilities will be installed during 2018/19 and c£440,000 external funding has been secured to enable the schemes to be delivered.</p> <p>Council capital funding has been committed to re-instate the BMX track at Old Dagenham Park and these works have now been tendered and will be implemented during 2018/19.</p> <p>The Council has committed capital funding of £200,000 (£50,000 a year for four years, 2017-2020) for Fixed Play Facility Enhancements. Schemes already or near to completion include:</p> <ul style="list-style-type: none"> • St. Chads - £20,000 • Mayesbrook Park - £40,000
<p>Renew focus on community heritage assets and develop a new offer including the East End Women's Museum and Industrial Heritage Museum feasibility.</p>	<p>Tom Hook</p>	<p>Eastbury Manor House</p> <p>Work is underway with the National Trust (owners of Eastbury Manor House) to agree a new vision for the house, which will inform the development of a design and cost plan for the final phase of capital investment at the site.</p> <p>This is intended to provide new toilets, catering, and social/education space to improve income generation, footfall and volunteering opportunities as well as enhance the visitor experience by 'dressing' the house in a way that better tells its story and those of its former-inhabitants. It is proposed that a funding bid to meet the cost of the majority of the proposed works f will be submitted to the Heritage Lottery Fund in spring 2019.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<p>Abbey Ruins, Abbey Green and St Margaret's church</p> <p>In December 2017 a Stage 1 application was made to the Heritage Lottery Fund (HLF), with the Council as the lead partner, for a £4.462 million improvement project with a £3,592,200 grant request from the HLF. The HLF rejected the application in March 2018 due to insufficient funds.</p> <p>A feedback meeting has been held with the HLF and as a result the improvement programme is now being re-worked into a series of distinct projects that can be delivered in a phased approach. The first such bid will be made in early 2019. It is not feasible to do this any sooner because the HLF is currently reviewing its grants framework, which will be re-launched in 2019.</p> <p>East End Women's Museum</p> <p>A Heritage Lottery Fund grant (£81,000) has been secured by the East End Women's Museum to meet the costs of a 'pop up' programme of exhibitions, talks, workshops and events during 2018, and which are a cornerstone of the borough-wide HerStory programme that commemorates the centenary of women securing the right to vote and to honour women past and present who help drive change for equality.</p> <p>Cabinet has approved the terms of lease and other support for the Museum, which has now been established as a community interest company (CIC).</p> <p>The Museum was officially launched in January 2018. It is anticipated that the Museum itself will open in the early part of 2020 but this is wholly dependent on the completion of the housing development in which it will be sited.</p> <p>Work has now started on the internal design plan for the museum, which will be subject to further funding bids during 2018 and 2019.</p> <p>A celebratory event is planned for November 2018 to recognise the work undertaken by the museum in 2018 and to set out the next steps for the Museum and programme for 2019.</p> <p>Industrial heritage museum</p> <p>Following a review of the different options that have so far been produced, the feasibility study for a new heritage and culture centre on the site of the former-Ford Stamping Plant is now being finalised. This will enable Members to make a decision about whether there is a robust and sustainable business case for the proposal and how it could be funded.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		The feasibility study will be presented to Corporate Strategy Group and Leader's Advisory Board in November 2018 and December 2018 respectively.
Ensure culture is a driver of change through the Borough of Culture Schemes, Creative Enterprise Zone, Summer of Festivals & Alderman Jones's House. Planning for the Centenary Celebration of Becontree Estate (Festival of Suburbia).	Tom Hook	<p>London Borough of Culture</p> <p>The Council has secured funding of £233,000 from the London Borough of Culture funding pot and an additional £30,000 in business sponsorship to deliver a three year creative programme with looked after children, care leavers and older people. The programme will be delivered in partnership with the Serpentine Gallery, the Foundling Museum and several local arts organisations.</p> <p>Project delivery will start in September 2018.</p> <p>Creative Enterprise Zone</p> <p>A grant of £50,000 has been secured from the GLA to enable detailed research to be undertaken that has informed the development of an evidence base and action plan for the establishment of Roding Made - the Barking Creative Enterprise Zone, which will bring together artists, local businesses and landowners to create and develop new jobs, establish and secure new spaces for creative production and open up opportunities for talented young people who are considering careers in the creative industries.</p> <p>A further funding bid has been submitted to the GLA to support the delivery of the Creative Enterprise Zone action plan.</p> <p>It is understood that the GLA will announce the Creative Enterprise Zones for London during November 2018 and their funding to support them in February 2019.</p> <p>A report will be presented to Cabinet seeking the adoption of the Creative Enterprise Zone action plan once the GLA has made a decision on funding.</p> <p>Summer of Festivals</p> <p>The delivery of the Summer of Festivals programme for 2018 ended with the Youth Parade on 16 September. The programme was been well attended and well received by residents. The Events team has also provided guidance and assistance to enable more events by the community to be presented in the Borough's parks.</p> <p>The Residents' Survey for 2017 tells us that attendance at Summer of Festival events by Borough residents has gone up for the third year running. The same is true for the level of awareness amongst residents about the Summer of Festivals programme and the demand from residents for similar events to be presented in future years.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<p>Alderman Jones's House and 100th anniversary of the Becontree Estate (Festival of Suburbia)</p> <p>The centenary of the Becontree estate is 2021 and plans are now being developed to enable this milestone of national significance to be celebrated in the way it deserves to be.</p> <p>The former-home of Alderman Fred Jones is located in the heart of the Becontree estate and has been renovated so that it can be used as live/work space for artists until the end of 2021. Alongside the Valence House Museum and Local Studies Centre, Valence Library and the White House, Alderman Jones's House will be a key venue in the delivery of the centenary programme.</p> <p>The Council is working in partnership with Create London to develop and deliver the centenary programme which it is anticipated will include a commissioned programme by local artists and arts organisations as well as projects with national heritage and architecture agencies.</p> <p>Funding bids have been submitted to Arts Council England and the Heritage Lottery Fund and decisions on these are expected in early 2019. It is also proposed to seek Community Infrastructure Levy funding to support the centenary programme, which will include:</p> <ul style="list-style-type: none"> • The collection of a new archive which will chart the lived experience of the residents of Becontree • A major exhibition complemented by a series of tours, talks, walks and community activities across Becontree during 2021 • A schools and education programme in collaboration with the Barbican to mark the centenary • A programme of public realm improvements on the estate developed with local people <p>And possibly, the production of a TV documentary about 100 years of Becontree, which will chart the lives of families on the estate over the past centenary.</p>
Equalities and Diversity		
Implement the Equality and Diversity Strategy action plan.	Tom Hook	The Equalities and Diversity strategy 2017-2021 sets out the Councils vision to tackle equality and diversity issues across the borough and within the Council. It sets out an action plan which will be monitored and reported annually. The first annual update was

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		presented to the portfolio holder in October. The portfolio holder is keen to ensure equalities receives the attention it deserves and therefore will continue to monitor progress against the E&D strategy regularly.
Continue to promote the Gender Equality Charter.	Tom Hook	Since the launch of the Gender Equality Charter, over 150 organisations have signed up to the pledge showing their commitment to gender equality. The new portfolio holder is currently reviewing the action plan ensuring it builds on the success of previous years. The action plan will aim to address issues related to all genders and be broader than just issues affecting women.
Celebrate equality and diversity events, and where possible, enable community groups to take the lead.	Tom Hook	The Her Story events throughout the year have been a success and will continue until the end of the year. For the first time ever, Barking and Dagenham had a float at Pride London and we proudly showed our support for the LGBT+ community. October is Black History Month with events running throughout the month, with the Council supporting the community to take the lead to put on events. The Council continues to support the community with flag raising events recognising the diversity in the borough and the important role different communities play.
Continue the Council's vision to be an Exemplar Equalities Employer, working towards Investors in People gold standard.	Tom Hook	<p>The Council achieved silver level when assessed against the tougher Investors in People standard. We will retain this until our next assessment in October 2020. A 12-month review with our Investors in People assessor will be undertaken in late 2018 and 24-month review in late 2019.</p> <p>Progress against the standard to reach gold level were set out in the Assessor's report. The following actions have been put in place.</p> <ul style="list-style-type: none"> • An all staff temperature check has been undertaken in June/July 2018 which tracks our progress against the standard and employee engagement. The temperature check demonstrates that employee engagement levels have increased, and the values of the organisation are seen to continue to be embedded. This specifically meets the requirement to continue to assess the views of staff and has been analysed by service. • Early scoping of behaviours and culture change has begun to help develop a new organisational development strategy. • The Leadership and Management development programme for cohorts 2 and 3 has been delivered. The programme for other managers is under development.

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
Promote a partnership approach to tackling equality and diversity issues through the development of the Fairness and Equalities sub-group.	Tom Hook	Tackling equality and diversity issues is not something the Council can do alone. It requires the support of everyone. The Barking and Dagenham Delivery Partnership therefore agreed to set up a Fairness and Equalities sub-group tasked with bringing a partnership approach to tackling inequality. The group has met on two occasions to date with lots of positive steps identified to try work together in addressing equality and diversity issues affecting the borough.
Public Realm		
Redesign all services delivered by Public Realm to meet the agreed budget and service standards.	Robert Overall	New staff currently being inducted into the service, with additional recruitment underway to fill remaining gaps in the structure. Both the full implementation of the new street cleansing model and the arrival of the replacement fleet are key deliverables to ensure that this succeeds.
Embed the new street cleansing operating model.	Robert Overall	New cleansing model launched on 8 th October with additional resources planned to be added from November 1 st and fully embedded by Dec 18.
Work with Enforcement to help drive behavioural change with regard to waste and flytipping	Robert Overall	Joint initiatives with Enforcement over fly tipping have been launched with the pilot implementation of new materials alerting the public that the Council are investigating a specific fly tip. Communication strategy around waste behaviour change was rolled out with the national recycling week in the second half of Sept 18.
Develop the procurement strategy for the replacement of our vehicle fleet.	Robert Overall	Cabinet have approved the business case for replacement. Procurement process has now started with vehicles expected to be progressively delivered from November 18 until April 19 depending on lead times for order and delivery.
Enforcement and Community Safety		
Develop a new borough wide Private Licensing Scheme to be agreed by MHCLG.	Fiona Taylor	Consultation on a new, boroughwide selective licensing scheme went live on the 21 st September 2018. The proposal sets out a fee structure which is split into two parts: Part A relates to the administration of processing the application and is set at £470. Part B relates to compliance and enforcement and is set at £430. There have been recent cases where Local Authorities have been Judicially Reviewed because the fee structure did not split the administration and compliance element. This fee structure will allow the council to charge compliant landlords a lower amount (a reduction in the Part B element of the fee which will be determined after the consultation feedback is considered) and placing additional burden and regulation on non-compliant landlords and letting agents.

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<p>Details of the proposed scheme have been sent to every Landlord on the council's database, Letting Agents in the borough and neighbouring boroughs. Other boroughs have also been contacted. Officers have been involved in a series of engagement events at Libraries, Barking Market, John Smith House. In addition, a wide range of agencies are being contacted from voluntary organisations to representative groups. Consultation will run for a 12-week period.</p> <p>Submission to MHCLG will be made in January 2019 following approval at cabinet. Recent talks with MHCLG indicate that a decision will take 3-4 months, allowing us time to implement a new scheme for September 2019, when the current scheme expires.</p>
Implement the Parking Strategy and agreed subsequent parking schemes.	Fiona Taylor	<p>The parking fees and charges report was adopted in July 2018 and set out a range of changes to the charging structure for pay and display, permits and the introduction of a diesel surcharge. It also introduces proposals for increasing the range of CPZ schemes in the borough, consolidating existing schemes and expanding CPZ's around schools.</p> <p>A new CPZ policy was approved by cabinet in September 2018.</p> <p>Overall parking is performing on target and it is anticipated that it will achieve the net budget contribution that was set as part of the MTFS.</p> <p>Improvements to London Road Car Park have commenced and will be completed in early November 2018.</p>
Develop the BCU to deliver Local solutions for policing in the borough.	Fiona Taylor	<p>Lobbying of MOPAC to address the crime and safety challenges for the borough now and in the next decade are ongoing. This also includes discussions on more visible policing, reporting hubs, and a new police station. A meeting was held with the Leader, Cabinet member, Fiona Taylor, DAC Mark Simmons and the Deputy Mayor for MOPAC to agree a way forward.</p> <p>Agreement has been reached with the East BCU to establish an Integrated Gangs Unit to be based in Barking. Probation Services and the DWP have committed officers to the team and additional mentoring capacity will be established through MPS funding. There are still significant challenges in fully utilising the combined enforcement capability across the police, council and other key services. There are weekly tasking meetings in place which are having some positive results but more formalised information of resource availability and intelligence needs far more development.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
<p>Maintain focus on serious youth violence through the work of the Community Safety Partnership.</p>	<p>Fiona Taylor</p>	<p>Serious youth violence remains a core feature of the community safety partnership. The Community Safety Plan 2018-21 is being finalised and has “keeping children and young people safe” and “tackling serious violence” as two of its six priorities. A draft knife crime action plan has been developed and submitted to MOPAC. The Community Safety Partnership have developed a long term, trauma informed model to address serious violence which is being presented at the Community safety Partnership Board in September 2018 and to cabinet at the end of 2018. External funding is being sought to support in the delivery of this model.</p> <p>A serious violence summit is being planned for January 2019 and a Serious Violence Strategy will be developed as part of the outcomes from this event.</p>
Social Care and Health Integration		
<p>Publish a new Health and Wellbeing Strategy 2018-2023.</p>	<p>Elaine Allegretti Matthew Cole</p>	<p>The 2019-2023 Joint Health and Wellbeing Strategy is currently being finalised and is due to be approved by Health and Wellbeing Board for consultation on 7th November.</p> <p>It focuses on 3 themes, which were decided by Health and Wellbeing Board in March 2018 when presented with the 2018 Joint Strategic Needs Assessment. The three themes are Best Start in Life, Early Diagnosis and Intervention and Building Resilience.</p> <p>12 resident focus groups with 128 residents have been held within community groups in the borough to formulate the ‘I’ statements featured within each theme of the strategy to outline what good health looks to residents. In July, three stakeholder workshops, one on each theme, were held partners to discuss the outcomes and measures to be used within the strategy - a total of 88 attendees attended all 3 workshops.</p> <p>The draft document to be approved for consultation will go to Health and Wellbeing Board on November 7th, which will be followed by an 8-week consultation period and the approval of the final document for publication at January Health and Wellbeing Board.</p>
<p>Complete the transformation of the Disability Service.</p>	<p>Elaine Allegretti</p>	<p>Internal review work has considered the next steps for the transformation of the Disability Service, as well as the reasons for the difficulty in containing spend within the service.</p> <p>External support from the Social Care Institute for Excellence has been contracted and is working to complete an external review of the model for the service to identify next steps.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		The commissioning support to the Disability Service has been enhanced and several pieces of work are underway to improve availability of high-quality supported living.
Deliver campaigns to raise awareness of safeguarding issues.	Elaine Allegretti	<p>For adults, work is planned to repeat or build on the previously successful Christmas safeguarding campaign to encourage people to 'look out for' older neighbours.</p> <p>Materials are in development for an Autumn launch to raise the profile of the need and ability to report problems in the delivery of care and support to adults. For Children this has become a core campaign on the Comms Team Forward Plan for this year, and an outline is being drafted for future consideration.</p> <p>Two key areas will be domestic abuse, as we move toward a zero-tolerance borough and comms directed at parents / carers reminding them to know where their children are between 4 and 7 pm, the hours where most incidents of youth violence take place</p>
Change our approach and systems for keeping children and young people safe from exploitation.	Elaine Allegretti	<p>The development of the Target Operating Model v2.0 (TOM2) is well underway, supported by colleagues from Mutual Ventures (an external agency specialising in Children's Social Care improvement).</p> <p>TOM2 places at its' heart a shift towards the embedding of Contextual Safeguarding in how children are safeguarded (not just from the Local Authority perspective) but across the wider partnership.</p> <p>A bid has been submitted to the University of Bedfordshire to be a Phase 2 pilot-area for the implementation of Contextual Safeguarding.</p> <p>A core plank of the work in this area is to respond more holistically to those children at risk of exploitation, whatever form that may take. As part of the early implementation of TOM2 a specialist Exploitation Team has been established in Children's Social Care.</p> <p>Work is underway with partners – through the Safeguarding Board – to develop a multi-agency response to exploitation, underpinned by a coherent strategy and set of systems.</p> <p>Considerable work has been done on further developing assurance systems and processes, including the High-Risk Notifications systems to improve line-of-sight and ensure significant risk to children is identified quickly and at the correct level to ensure an appropriately swift response.</p>
Continue to deliver continuous improvement in services and improve quality.	Elaine Allegretti	Continuous improvement of services and outcomes is a key component of business as usual for the Care and Support and partners. Ofsted provides an opportunity to

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<p>support and challenge current ways of working and their impact on improving the lives of vulnerable children and their families.</p> <p>New strengthened arrangements have been put in place for improvement work areas including those to improving local contextual approach to those at risk of exploitation and missing, supporting consistency in quality of management oversight, ensuring transparent and effective systems and processes, increasing those children that are adopted and ensuring the child's voice is consistently evidenced in assessment, planning and support.</p> <p>We continue to build on practice improvements since last inspection such as work to support children to remain at home with their families rather than enter care, improving stability for looked after children including good foster care support and the innovative Mockingbird programme, and embedding and reviewing new arrangements to MASH and Early Help.</p>
<p>Reboot the health integration agenda, including delivering a vision for health and wellbeing at Barking Riverside.</p>	<p>Elaine Allegretti</p>	<p>The Integrated Care Partnership Board has undertaken considerable work to embed a new strategy, focusing on four transformation workstreams around older people, planned care, long-term conditions and mental health.</p> <p>Priority projects are underway around frailty, intermediate care, atrial fibrillation, and diabetes. Barking Riverside is also established as a flagship project of the three-borough partnership, and there have been five workshops undertaken to develop a model of care and approach to community wellbeing for the new town, as well as informing the specification for the new Health & Wellbeing Hub.</p>
<p>Respond appropriately to the Social Care Green Paper on older people and the Children's Social Work Act.</p>	<p>Elaine Allegretti</p>	<p>Publication of the social care green paper is awaited.</p>
<p>Strengthen the understanding of corporate parenting responsibility with every Member playing their part.</p>	<p>Elaine Allegretti</p>	<p>Group membership has been reviewed and all new members have been fully inducted.</p> <p>Each key promise is being led by a member.</p> <p>Annual Reports have been completed and performance reports have been refreshed.</p> <p>The agenda for the year has been set and was led by the Child Take Over Day and strategies reviewed.</p>

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		A pre-assessment training session has been arranged.
Develop strategy and proactive campaign of work to end loneliness.	Elaine Allegretti	This work remains in development and is due to be launched in the New Year.
Educational Attainment and School Improvement		
Develop a new Education and Participation Strategy.	Elaine Allegretti	<p>Development of the new draft Education & Participation Strategy for 2018-22 is well underway. The draft strategy was agreed at the Corporate Strategy Group and discussed at the Leadership Advisory Group in September. It is scheduled for approval by Cabinet in November. There is good partnership support from schools, Barking and Dagenham College and CU London.</p> <p>The strategy's priorities focus on the following outcomes:</p> <ol style="list-style-type: none"> 1) All children and young people have a place in a school or early years' setting judged 'Good' or 'Outstanding' by Ofsted. 2) Exceeding national and then London standards where we have not already achieved this. 3) Improving opportunities for young people post-16 and post-18 and reducing numbers of young people not in education, employment or training. 4) Supporting the wellbeing and resilience of children and young people and the educational settings which nurture them. <p>Maximising the Council's levers and influences to raise aspirations and increase opportunities for all children and young people.</p>
Publish a new Special Educational Needs and Disability (SEND) Strategy 2019-2022.	Elaine Allegretti	<p>A review of the current Special Education Needs and/or Disabilities (SEND) and Inclusion Strategy has been discussed and agreed at Portfolio meetings. Initial consultation has been undertaken with the main Parents Forum.</p> <p>A briefing on the priorities is included in the Autumn Term Chair of Governors briefing. Governors are also being asked to respond to the priorities at meetings planned throughout this term.</p> <p>Emerging themes include:</p> <ul style="list-style-type: none"> • Developing the right provision-and managing within a tight financial envelope. • Promoting independence.

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<ul style="list-style-type: none"> • Ensuring progress for all children and young people with SEND from their starting points. • Preparing for adulthood with a specific focus on employment and training. • Development of therapies, particularly speech and language therapy. • Mental health support. • Involvement of children, young people and their families in the planning and designing of their own provision. <p>Once agreed the priorities will form the basis of the joint commissioning plan.</p>
<p>Ensure that school place planning is meeting demand by creating new places, both mainstream and specialist provision.</p>	<p>Elaine Allegretti</p>	<p>The Review of School Places and Capital Investment was approved by Cabinet on 17th July setting out how the Council intends to use capital grants to fund new pupil places over the next 5 years. This can be viewed at:</p> <p>https://modgov.lbbd.gov.uk/Internet/documents/s124967/Review%20of%20School%20Places%20Report.pdf</p> <p>The Council's annual School Capacity Survey (SCAP 2018) return follow-up meeting took place with the ESFA and the DfE. After further discussion, they agreed final figures prior to submission to the DCS for approval in late October.</p> <p>This submission is linked to future Basic Need Capital grant allocations and new Free Schools.</p> <p>The ESFA have advised that they will deliver the Ford View Primary School on the Beam Park development site and the proposed SEMH school on the former Ford Polar site through their own frameworks, rather than through the Council's self-delivery model where Be First are commissioned to undertake the work.</p> <p>During August 2018, the DfE gave approval for the ESFA to purchase the former Ford Polar site from the GLA for the SEMH school.</p> <p>Major secondary school expansions at Barking Abbey and Robert Clack Schools remain on programme and new facilities became available in September.</p> <p>In addition, Lymington Fields All through site (forming part of the Robert Clack expansion) commenced construction on site with a completion date of July 2020.</p>
<p>Improve engagement with young people to incorporate their voices into Council policy.</p>	<p>Elaine Allegretti</p>	<p>The BAD Youth Forum has been very active. A meeting between Forum members, Local Members and the Police resulted in a series of key actions to support safety in schools. The Young Mayor and his sub-group have already exceeded their fundraising</p>

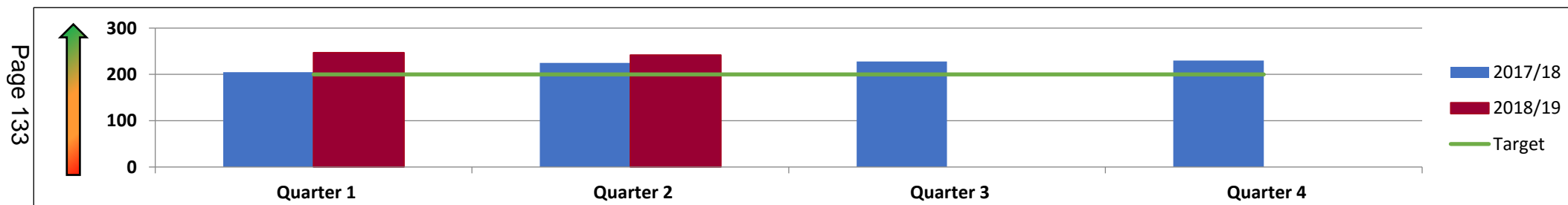
Key Accountability	Strategic Director	Quarter 2 2018/19 Update
		<p>target through a programme of social action. Around 90 inspections have been conducted by the borough's young inspectors this year to date, helping to shape and improve sexual health services for young people.</p> <p>The issue of contextual safeguarding is to be explored through a young people's safety summit to take place in November 2018.</p> <p>A SEND stakeholder forum is in development to strategically engage with young people with SEND drawing on a range of organisations in the borough.</p> <p>The borough has launched its Youth Information Advice and Guidance group, based on a Redbridge model of good practice in engaging young people with the Police in an ongoing dialogue.</p> <p><i>VotesforSchools</i> is to have its launch in October, providing over 90% of schools with access to resources that encourage debate and a weekly ballot. The Council has access to voting patterns and results, providing key data on local young people's views on a wide range of themes.</p>
Employment, Skills and Aspiration		
Develop the Job Shop and Adult College new work and skills offer.	Mark Fowler	The restructure of the job shop and adult college has commenced with phase, the management tier on track to be completed at the end of October 2018. The redesign has been devised in conjunction with the ongoing work on the industrial skills strategy and response to welfare reform and the impacts of the homelessness reduction act.
Develop a new Locality Strategy for Community Solutions, to maximise the use of assets and shape an integrated local offer.	Mark Fowler	The initial phase of work has been completed, considering all of the relevant socio demographic indicators and assets by ward. The next phase will include matching our assets and services against need, to help set out the first phase of the program and principles are due to go to Corporate strategy group in October 2018.
Work collaboratively with partners to develop a Barking and Dagenham Employment Framework.	Mark Fowler	Detailed analysis and mapping undertaken to set out a clear picture in relation to the local economy, key sectors, business base, workforce skills and labour market participation among the local population. This will now be used to develop the Employment Framework – initially through the stock take of progress since the publication of the Independent Growth Commission.
Agree a strategic and practical level approach to business and employer engagement.	Mark Fowler	Our approach will sit and be developed as part of the industrial, jobs and skills strategy whilst also linked to the restructure of our job offer and adult education.

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
Continue development of clear progression pathways and post-18 opportunities for young people.	Mark Fowler	A key part of our industrial, jobs and skills and education & participation strategies is to consider the relevant pathways for various customer cohorts across the borough, a key area of which is our approach to opportunities post 18.
Hold a series of events to promote employment opportunities to local residents.	Mark Fowler	We held 5 job fairs up to the end of September, with 2 more than the year before, with further 3 planned this year. Work taster sessions are being developed along with consideration in how we can develop take your child to work days later in the year.
Finalise the Homelessness Strategy, focusing on homelessness prevention and reducing numbers in temporary accommodation.	Mark Fowler	Analytical and scoping work being completed to inform the development of a draft strategy, due to go to Cabinet by the end of the year (linking closely with work on an updated Allocations policy). Work also being undertaken on how we can better meet the housing needs of vulnerable residents in need of specialist accommodation.
Monitor the impact of the Universal Credit roll out and address any emerging issues.	Mark Fowler	Monthly monitoring continues, although owing to limited information sharing from the department of works and pensions (DWP) precise impacts are difficult to track. What we have found is that the number of residents applying for council tax support (CTS) is reducing due to needing to apply for UC and CTS. In relation to tracking housing rents of those in receipt/applying for UC we have seen an impact in collection levels, with 637 UC council tenants now in arrears at an average of £1,950 per account.
Regeneration and Social Housing		
Deliver the Be First regeneration and housing pipeline.	Graeme Cooke	Be First is making strong progress in accelerating the pace and scale of regeneration in the borough, including through the original 44 investment schemes. It is also focusing on securing key socio-economic benefits for residents, such as through strong local labour clauses in its forthcoming framework contracts for construction activity.
Work with Be First to identify further, future regeneration and development opportunities.	Graeme Cooke	Over the past 12 months, Be First has reviewed the existing regeneration schemes and identified new ones with the result that it has expanded the five-year pipeline for new housing to 3,840 from the 2,200 it inherited from the council (including a significant expansion in the number of affordable homes).
Identify the need and demand for future housing supply, to inform the Local Plan and commissioning intentions for Be First.	Graeme Cooke	Work on the Strategic Housing Market Assessment is being finalised, alongside wider housing supply and demand analysis. This will be used to inform key policy decisions around the desired tenure mix from Be First developments and the affordable housing policy in the Local Plan (which is due for public consultation in March 2019).

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
Transition Reside to the next phase of delivery, ready to let, manage and increase the number of affordable homes.	Graeme Cooke	The council is in the process of confirming the appointment of a new independent chair of Reside, who will then appoint two further non-executive directors to the board and a new Managing Director to lead the operations of the company. In addition, the articles of the company are being refreshed and a shareholder agreement between the council and Reside is being drafted, for adoption in the coming months.
Agree key policies and strategies for Reside.	Graeme Cooke	A comprehensive review of Reside's policies – and the legal framework underpinning them – is underway. These will result in an updated policy framework (or commissioning mandate) from the council to Reside, which will clarify the objectives of the company and the parameters in which it operates.
Update allocations policy for HRA and Reside properties.	Graeme Cooke	A review of the current allocations policy for HRA and Reside homes is underway. Proposals for changes will come to Cabinet in the new year (linked closely to work on our homelessness strategy and approach to Temporary Accommodation).
Deliver the Sustainable Housing Project and shape the future of the Street Purchasing Programme.	Graeme Cooke	The consultation on the Sustainable Housing Project is now closed and the council is in the process of considering its response to the feedback it received.
Agree property standards across new and existing HRA and Reside properties.	Graeme Cooke	Work has recently finished to agree a consolidated set of Employers Requirements for all future Be First/Reside developments (with agreed protocols for any variations). Plans are also underway to test these ERs – and the housing standards they embody – in the council's existing stock of social homes.
Agree a new Corporate Asset Management Strategy (CAMS), shaping a long-term investment plan, based on the stock condition survey.	Graeme Cooke	The stock condition survey has been completed and now being analysed. The insights from this work will inform the annual update to the 30 year HRA business plan and decisions about the 2018/19 capital programme (both of which will come to Cabinet in February 2019).
Ensure all existing council housing meet the Decent Homes standard.	Graeme Cooke	On target to achieve the Decent Homes standard on all internal elements of the council's housing stock by April 2019 and then all external elements by April 2020.
Deliver on-going Tower Blocks safety improvement works.	Graeme Cooke	Ongoing programme developed that covers requirements identified through regular Fire Risk assessments. Gas safety replacement programme has been developed and currently the identified blocks are being assessed for enough electrical capacity.
Lead the development of a 'Green Capital of the Capital' Strategy, incorporating the future direction of B&D Energy and rollout of Beam Energy.	Graeme Cooke	Preparations for the launch of Beam Energy continue, working to a target launch date of the end of the year. A review of the future direction of B&D Energy (the council's energy services company) is being carried out.

Key Accountability	Strategic Director	Quarter 2 2018/19 Update
Finance, Performance and Core Services		
Embed a performance challenge process for the corporate performance framework.	Chief Operating Officer	Performance challenge sessions now in place, lead by the Cabinet Member of Finance, Performance & Core Services
Develop a clear Medium-Term Financial Strategy (MTFS) and robust budget monitoring.	Chief Operating Officer	Monthly budget reporting to Cabinet and Overview & Scrutiny Committee is now in place. MTFS will be reported to the November Cabinet meeting.
Review and monitor the Investment and Acquisition Strategy.	Chief Operating Officer	A refreshed strategy is to be presented to the November Cabinet with a new class of investment being added.
Deliver excellent customer services.	Chief Operating Officer	New look website is being embedded with positive feedback being received. New e-forms being added with take being monitored. Call reduction to the contact centre is also being demonstrated.
Maintain excellent Treasury Management.	Chief Operating Officer	Progress and monitoring reports presented to Cabinet.
Re-design the Commissioning Centre of the Council.	Chief Operating Officer	Work on individual business cases being undertaken with a report to Cabinet in December setting out the way forward.

COMMUNITY LEADERSHIP AND ENGAGEMENT					Quarter 2 2018/19
Volunteering and Engagement: The number of active volunteers					
Definition	People who have actively volunteered their time in the previous 3 months within any area of Culture and Recreation or been deployed to volunteer by the volunteer coordinator Culture and Recreation.		How this indicator works	This indicator measures the average monthly number of active volunteers that support Culture and Recreation, Healthy Lifestyle and Adult Social Care activities.	
What good looks like	We are working towards a continuous increase in the number of active volunteers within the borough.	Why this indicator is important	Volunteering not only benefits the individual volunteer by increasing their skills and experience, it also has a significant impact on the health and wellbeing on the community as a whole.		
History with this indicator	Historically the number of active volunteers has been increasing. This is a result of increased awareness of volunteering opportunities, the diversity of roles on offer and the corporate shift to deliver some of the library offer to the community and volunteers at 2 sites.		Any issues to consider	Volunteering can be more frequent during Summer months particularly in support of outdoor events programmes such as Summer of Festivals.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	247	242			↑
Target	200	200	200	200	
2017/18	205	225	228	230	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>Across quarter 2 of 2018-2019 (July to September) there was an average of 242 active volunteers. This exceeds the monthly target figure of 200 by 42 and is 121% of the target figure. The target figure for 2018-2019 was retained at 200 to reflect the seasonal variation in volunteering and the possible change in opportunities for volunteering with the council wide reorganization settling in. Compared to Quarter 2 in 2017-2018 the figure is 7.56% higher. In terms of volunteer numbers this is 17 volunteers higher than the same period last year. Comparing the performance this year so there has been a decrease of 2.02% (5 volunteers) between the 2 quarters. This small decrease will be monitored going forward, but volunteer numbers remain strong. However, comparing the year to date figures there were an average 215 active volunteers over the first 6 months of 2017-2018 compared to an average of 244.5 over the first 6 months of this year. A permanent volunteer officer started in June to co-ordinate the volunteer offer for Cultural Services and is also working to have more service areas across LBBd utilizing Better Impact to manage volunteer recruitment and deployment. This has led to increased activity in Community Solutions recorded on Better Impact and included in reporting.</p>	<p>The success in maintaining volunteering numbers and the reason for the retention of the 200 target figure is due to the wide range of volunteer opportunities across the whole of Culture and Recreation and the inclusion of some other services data on Better Impact software. There has been an increase in venues with volunteer opportunities around the borough and the events programme is consistent throughout the year. There are also many public health funded projects running via the Healthy Lifestyles Team. The Volunteer Drivers Scheme and Heritage volunteers have constantly attracted regular volunteer numbers. In addition, the community staffed Libraries also provide regular volunteer opportunities. The regular recruitment programme for volunteers is working well and the variety of opportunities offered are seeing improved retention figures for volunteers across the year. The success of volunteers going on to gain employment with the council is also an incentive for local people to gain experience via volunteering with LBBd and can be used to increase the uptake of the expanded offer</p>
Benchmarking	Not applicable – Local measure only	

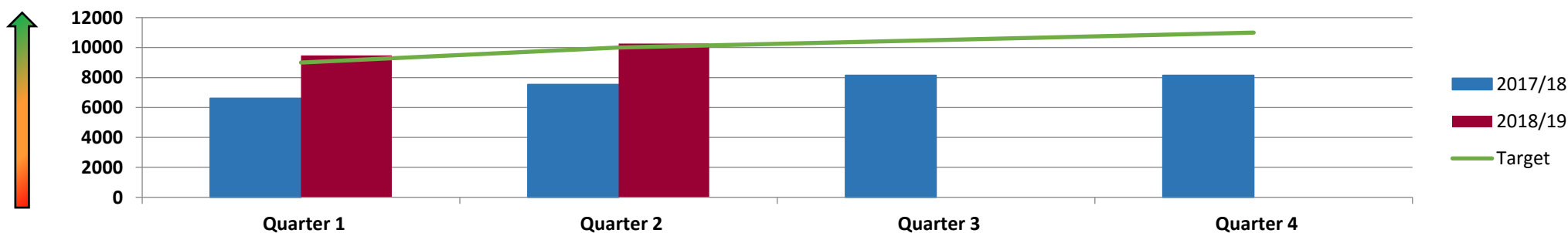
COMMUNITY LEADERSHIP AND ENGAGEMENT

Volunteering and Engagement: The number of engagements with social media (Facebook)

Quarter 2 2018/19

Definition	The number of engagements with the Council’s Facebook page		How this indicator works	This figure will look at the number of Facebook followers we have.	
What good looks like	We are working to increase the number of residents in our social media network.		Why this indicator is important	To track the growth of our social network.	
History with this indicator	Reporting in line with the team’s targets for the year		Any issues to consider	None at this time.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2018/19
2018/19	9,479	10,264			↑
Target	9,000	10,000	10,500	11,000	
2017/18	6,600	7,524	8,145	8,145	

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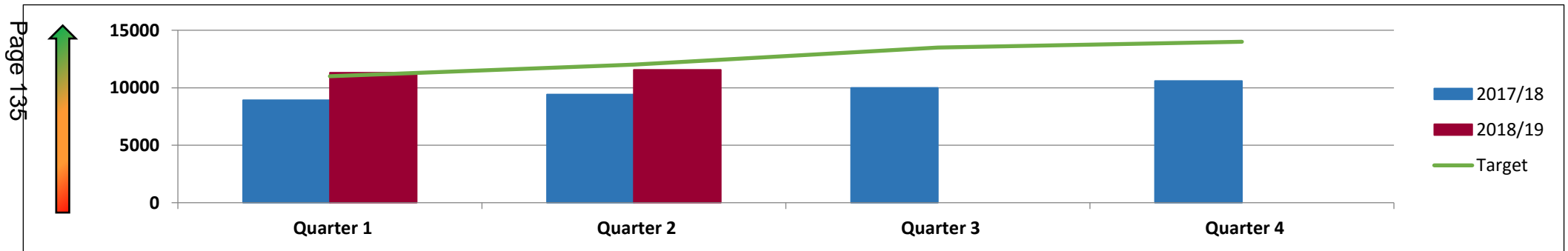
RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Very pleased with the increased follower rate. We reduced the number of posts going out on this channel and shifted our focus on delivering quality content, which appears to be working.	Continue to post engaging content.
Benchmarking	Not applicable – Local measure only	

COMMUNITY LEADERSHIP AND ENGAGEMENT

Volunteering and Engagement: The number of engagements with social media (Twitter)

Quarter 2 2018/19

Definition	The number of followers of the Council’s Twitter page.		How this indicator works	This figure will look at the number people following our Twitter account.	
What good looks like	Redbridge		Why this indicator is important	Increasing our follower count is key to expanding the reach of our communications.	
History with this indicator	We’re aligning this target with the team’s performance targets for the year.		Any issues to consider	None at this time.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2018/19
2018/19	11,304	11,563			↑
Target	11,000	12,000	13,500	14,000	
2017/18	8,917	9,419	9,989	10,584	




RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Slow growth this quarter that has meant we’ve not reached the increased KPI target.	<ul style="list-style-type: none"> • Need to increase the number of posts that we’re putting out. There was a dip in this at the end of last quarter. • Make sure that content is engaging and that we’re reviewing the engagement more regularly.
Benchmarking	Not applicable – Local measure only	

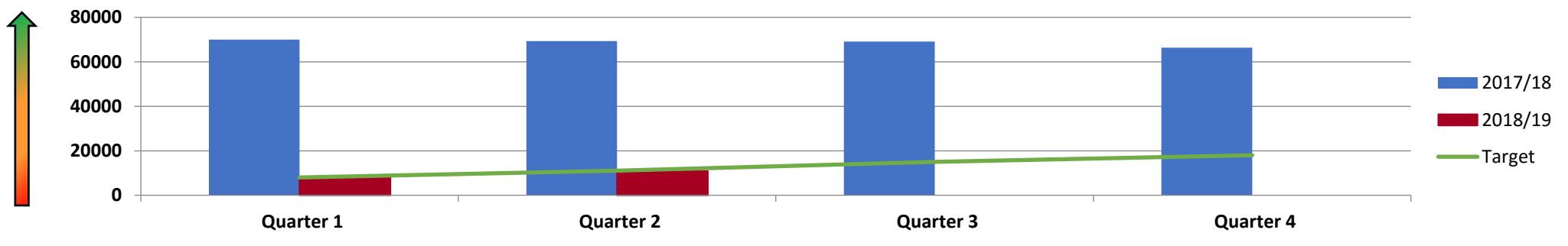
COMMUNITY LEADERSHIP AND ENGAGEMENT

Volunteering and Engagement: The number of One Borough newsletter subscribers

Quarter 2 2018/19

Definition	The number of subscribers to One Borough newsletter.			How this indicator works	This indicator monitors the number of subscribers we have to the mailing list.	
What good looks like	We are working towards 18,000 subscribers by the end of quarter four.			Why this indicator is important	We are looking to increase the number of residents who feel well informed of local news and key Council decisions. This figure indicates how many subscribers have opted to receive our communications, and therefore we're able to send important messages to.	
History with this indicator	Due to GDPR, in May 2018 we had to erase all data and ask all subscribers (62,000) to resubscribe to our newsletter.			Any issues to consider	Targets were reviewed following since the introduction of GDPR.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19	
2018/19	8,124	10,793				
Target	8,000	11,000	15,000	18,000		
2017/18	69,964	69,341	69,045	66,341		

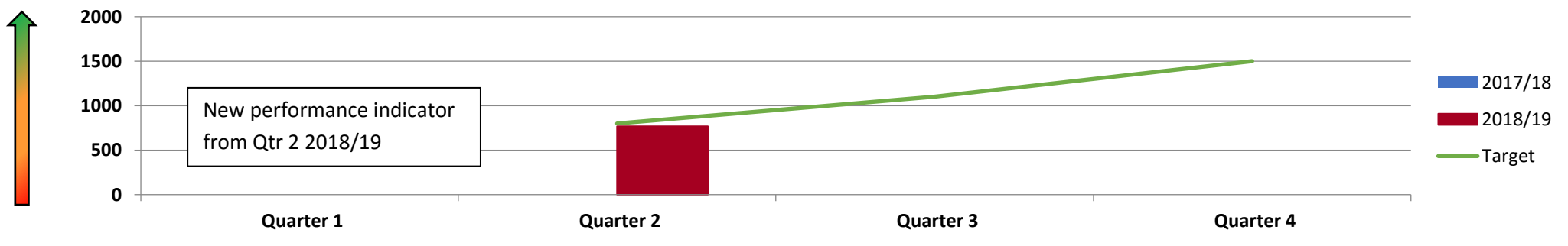
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Slightly below target this quarter. Although, we had anticipated that we'd have added staff to the database by now.	<ul style="list-style-type: none"> Continue to reach out to stakeholders to encourage them to signpost local people and businesses to sign up Continue organic and paid-for social media campaign Have sign-up option added to MyAccount and Community Solutions forms Add the updated staff email list to the database
Benchmarking	No data available	

Definition	Number of followers we have on our Instagram account		How this indicator works	The indicator monitors the increase of followers.	
What good looks like	We are working towards 1,500 followers by the end of quarter 4.		Why this indicator is important	In line with the above measures, this indicator will help us to review the reach of our Instagram posts and therefore the strength of this touchpoint.	
History with this indicator	New KPI introduced for Quarter 2 2018/19.		Any issues to consider	A strategy clear strategy needs to be drawn up for this channel.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2018/19
2018/19	n/a	768			n/a
Target	n/a	800	1100	1500	
2017/18	n/a	n/a	n/a	n/a	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Slightly behind our target this quarter which is largely due to the infrequency of posts.	<ul style="list-style-type: none"> Increase the frequency and regularity of posts, ensuring there is a point of difference between this and our Facebook account
Benchmarking	No data available	

COMMUNITY LEADERSHIP AND ENGAGEMENT

Impact / Success of events evaluation (Annual Indicator)

Quarter 2 2018/19

Definition	Survey of people attending the events to find out: <ul style="list-style-type: none"> • Visitor profile: Where people came from, Who they were, How they heard about the event • The experience: Asking people what they thought of the event and how it could be improved. • Cultural behaviour: When they last experienced an arts activity; and where this took place. 	How this indicator works	Impact / success is measured by engaging with attendees at the various cultural events running over the Summer. Results are presented in a written evaluation report.
History with this indicator	See results below.	Any issues to consider	The outdoor cultural events programme runs from June to September.

Questions			2016/17	2017/18	2018/19	DOT
3a	The percentage of respondents who agree that these annual events should continue	100%	91%	Data not yet available		
3b	The percentage of respondents who agree that these events are a good way for people of different ages and backgrounds to come together	100%	92%			
3c	The percentage of respondents who live in the Borough	66%	64%			
3d	The percentage of respondents who were first time attenders at the event	43%	--		n/a	
3e	The percentage of respondents who had attended an arts event in the previous 12 months	56%	64%			
3f	The percentage of respondents who heard about the event from LBB social media activity	25%	28%			

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Results for 2017/18 are included above. To allow comparison the results for the previous year are also included. In the 2017 survey, the question about first time attendance was not asked.	When we asked people what they particularly liked about the events and how they think they could be improved, a number of recurring themes were identified, which on the whole are similar to the responses received in 2016. Positive comments – free entry, atmosphere, good day out, family friendly; and seeing the community come together. Areas for improvement – more seating, cost of rides, more variety of food on sale, price of food, and more arts and crafts stalls.


Benchmarking	Not applicable – Local measure only
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COMMUNITY LEADERSHIP AND ENGAGEMENT

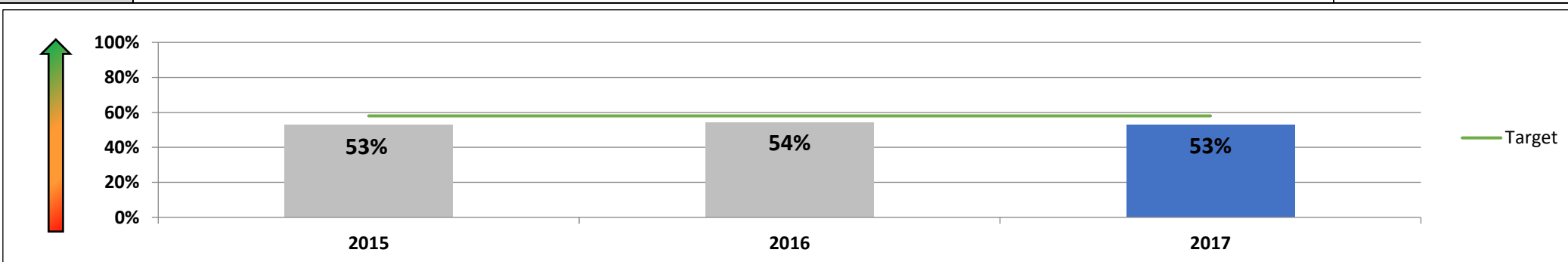
The percentage of respondents who believe the Council listens to concerns of local residents (Annual Indicator)

Quarter 2 2018/19

Definition	Residents Survey question: 'To what extent does the statement "Listens to the concerns of local residents' apply to your local Council?" The percentage of respondents who responded with either 'A great deal' or 'To some extent'.	How this indicator works	Results via a telephone survey conducted by ORS, an independent social research company. For this survey, mobile sample was purchased by ORS, enabling them to get in contact with harder to reach populations. Interviews conducted with 1,101 residents (adults, 18+).
What good looks like	Good performance would see higher percentages of residents believing that the Council listens to their concerns.	Why this indicator is important	Results give an indication of how responsive the Council is, according to local residents.
History with this indicator	2017 Residents' Survey – 53% 2016 Residents' Survey – 54% 2015 Residents' Survey – 53%	Any issues to consider	Results were weighted to correct any discrepancies in the sample to better reflect the population of Barking & Dagenham, based on a representative quota sample. Quotas set on age, gender, ethnicity and tenure.

	Annual Result	DOT from 2016 to 2017
2017	53%	
Target	58%	
2016	54%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Performance for this indicator has remained static. The Council has carried out a number of major consultations over the past year with residents and has made an effort to encourage residents to get involved. This may have contributed to helping ensure performance did not deteriorate over the last year. However, in order to see real improvements on this indicator the Council needs to be better at responding to the concerns of residents through dealing effectively with service requests. A key part of this is also about setting clear expectations and service standards so that residents know what to expect.	<p>The fieldwork for the 2018 Residents Survey began in September. The results are expected early 2019.</p> <p>To improve results, the Council needs to ensure it is doing the basics right through business as usual, ensuring the services delivered are relentlessly reliable.</p> <p>Development of campaign plans with key messages for priority areas, as well as continuing to work to improve consultation and engagement.</p>

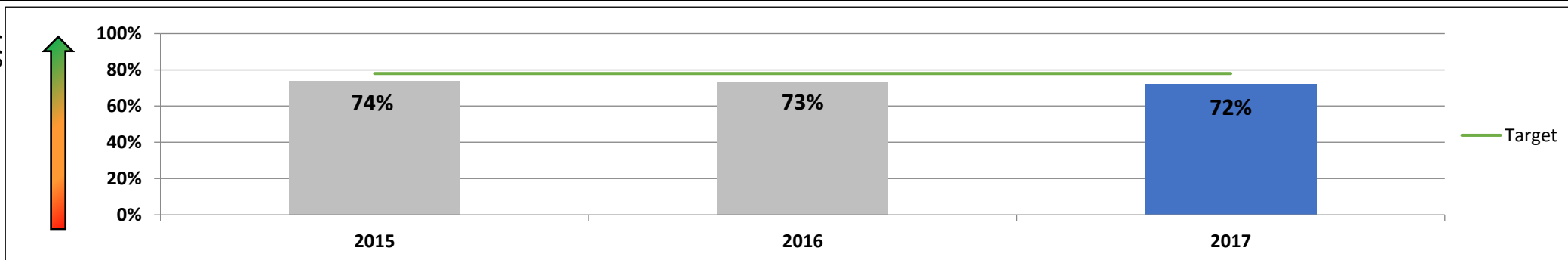
COMMUNITY LEADERSHIP AND ENGAGEMENT

The percentage of residents who believe that the local area is a place where people from different backgrounds get on well together

Quarter 2 2018/18

Definition	Residents Survey question: 'To what extent do you agree that this local area is a place where people from different backgrounds get on well together' The percentage of respondents who responded with either 'Definitely agree' or 'Tend to agree'.	How this indicator works	Results via a telephone survey conducted by ORS, an independent social research company. For this survey, mobile sample was purchased by ORS, enabling them to get in contact with harder to reach populations. Interviews conducted with 1000 residents (adults, 18+).
What good looks like	An improvement in performance would see a greater percentage of residents believing that the local area is a place where people from different backgrounds get on well together.	Why this indicator is important	Community cohesion is often a difficult area to measure. However, this perception indicator gives some indication as to how our residents perceive community relationships to be within the borough.
History with this indicator	2017 Residents' Survey – 72% 2016 Residents' Survey – 73% 2015 Residents' Survey – 74%	Any issues to consider	Results were weighted to correct any discrepancies in the sample to better reflect the population of Barking & Dagenham, based on a representative quota sample. Quotas set on age, gender, ethnicity and tenure.
Annual Result			DOT from 2016 to 2017
2017	72%		↓
Target	78%		
2016	73%		


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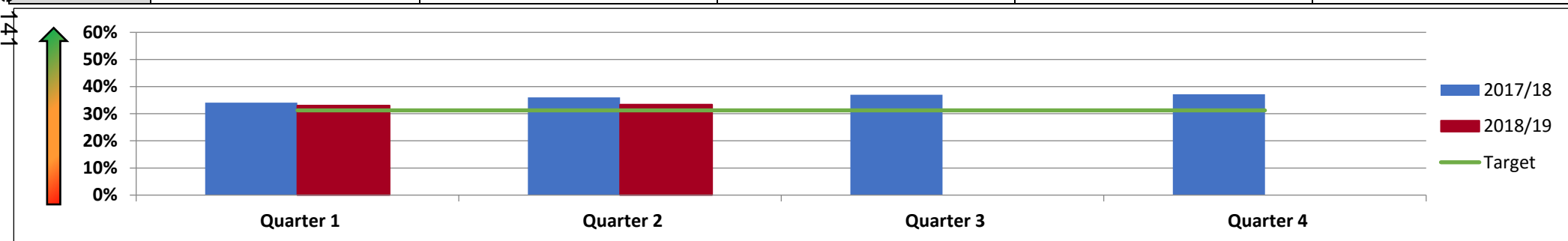


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Results for this indicator decreased slightly in 2017, dropping from 73% to 72%. Given the circumstances, nationally as a result of Brexit and the reported rise in hate crime in places across the country, it is positive to note that performance for this indicator is holding steady. However, the performance for this indicator is still below the target of 78% and therefore RAG rated Amber.	The fieldwork for the 2018 Residents Survey began in September. The results are expected early 2019. Work is underway to develop a Cohesion Strategy which will respond to issues and provide a plan to improve performance for this indicator.
Benchmarking	The national Community Life Survey Results – 89%	

Equalities and Diversity – Key Performance Indicators 2018/19

EQUALITIES AND DIVERSITY The percentage of Council employees from BME Communities Quarter 2 2018/19

Definition	The overall number of employees that are from BAME communities.	How this indicator works	This is based on the information that employees provide when they join the Council. They are not required to disclose the information and some chose not to, but they can update their personal records at any time they wish.		
What good looks like	That the workforce at levels is more representative of the local community (of working age).	Why this indicator is important	This indicator helps to measure and address under-representation and equality issues within the workforce and the underlying reasons.		
History with this indicator	There has been a small increase since the previous quarter, but a decrease when compared to the same period 2017/18. The decrease in the overall percentage of council employees from BAME communities fell from the last quarter due to the TUPE transfer of a large group of staff.	Any issues to consider	A small number of employees are “not-disclosed”, and the actual percentage from BAME communities may be higher. Completion of the equalities monitoring information is discretionary and we are looking at how to encourage new starters to complete this on joining the Council and employees to update personal information on Oracle.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	33.0%	33.4%			
Target	31.24%	31.24%	31.24%	31.24%	
2017/18	34.11%	35.98%	36.96%	37.17%	



RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The council’s BAME% continues to remain above the target figure. It has seen a decrease from Quarter 4 of the previous year and this is attributed to the changes to the workforce numbers following the transfer of staff to the new companies in April 2018. We track the number of new starters and have seen a larger percentage of BAME successful candidates (43%) than the overall level of representation, for the second quarter in a row.	Monitoring will continue and it is expected that ongoing high volume recruitment in areas such as Public Realm will attract candidates from within the borough to greater align representation to the borough’s profile. The council is the first council to sign up to the Race at Work Charter, and the five principal calls to action in this charter are designed to help organisations to take practical steps to ensure that workplaces barriers in recruitment and progression are removed to ensure a representative workplace.
Benchmarking	Not applicable – Local measure only	

The percentage of employees from BME Communities – Service Breakdown

BME	Non-BME	Not Provided	Prefer not to say
780	1479	44	31
33.4%	63.4%	1.9%	1.3%

Service Block	BME	Non-BME	Not Provided	Prefer not to say
Adults Care and Support (Commissioning)	4	20	1	0
Adults Care and Support (Operational)	133	154	12	1
CE/ P&R/ Inclusive Growth/ Transformation	4	19	1	1
Chief Operating Officer	4	20	0	2
Children's Care and Support (Commissioning)	17	34	2	0
Children's Care and Support (Operational)	89	111	6	0
Community Solutions	183	280	5	3
Culture and Recreation	4	35	4	0
Education	26	148	3	2
Enforcement Service	51	73	0	0
Finance	22	25	0	0
Law and Governance	48	108	0	11
My Place	35	84	2	10
Policy and Participation	6	29	0	0
Public Health	2	10	0	0
Public Realm	53	283	7	1
We Fix	99	46	1	0

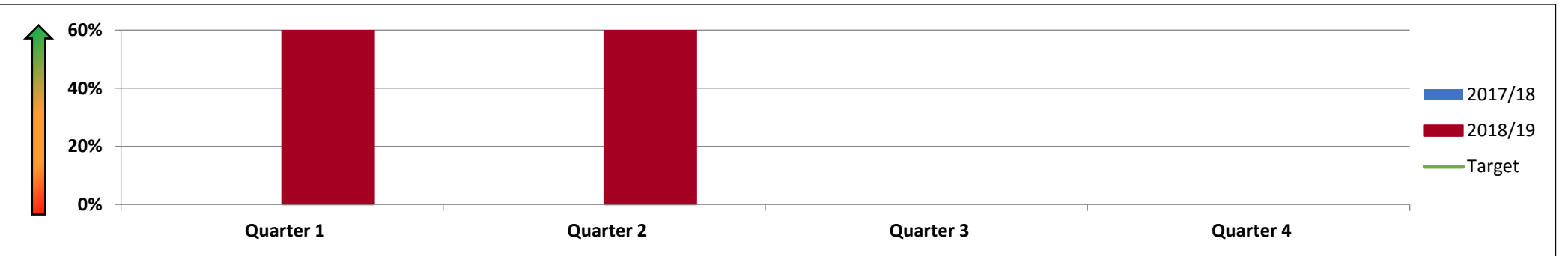
EQUALITIES AND DIVERSITY

The percentage of staff who have completed mandatory training (Equalities, Health and Safety, Information Governance)


Quarter 2 2018/19

Definition	The number of employees that have completed mandatory training courses as defined by the council.		How this indicator works	The indicator assesses the level of completion of all of the courses that the council deems are mandatory to ensure its compliance with legislative and best practice requirements.	
What good looks like	The council is aiming for full compliance in completion of all mandatory training courses.		Why this indicator is important	This indicator gives assurance that staff are completing the relevant training that the council deems necessary.	
History with this indicator	This is a new corporate indicator and so there is no published history for comparison.		Any issues to consider	There are certain scenarios where staff may not be able to complete the mandatory training such as long-term absence from work for either long term sickness, maternity, paternity or adoption leave.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2018/19	65.8%	65.8%			↔
Target	Target to be set				
2017/18	New indicator for 2018/19				

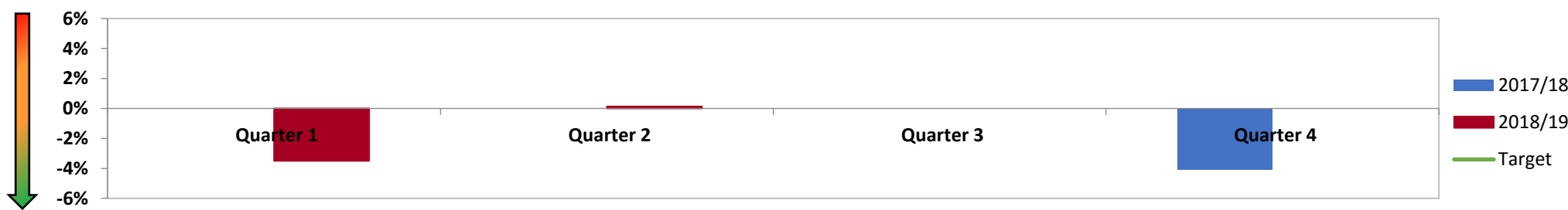
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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Compliance levels are overall not at the level that we would expect to see when seen as an average. We know for example that the level of managing information (GDPR compliance) training completion rates are significantly high and close to full compliance. Some of the other courses such as a suite of e-learning for equalities and diversity have recently been released, reflecting a lower level of compliance.	Improved monitoring and targeted scrutiny to identify areas of non-compliance will be provided to Directors to assist in raising completion of mandatory training courses. Increased communication to all staff and to managers will be put in place as part of the mid-year appraisal review, starting 5 November 2018.
Benchmarking	Not applicable – Local measure only	

Definition	The Council is required by law to publish gender pay gap information by March of each year. All large employers who have a workforce of over 250 employees need to comply with the legislation. The Council now reviews the gender pay gap each quarter.		How this indicator works	The indicator looks at total pay for both male and female employees over the quarter. The pay gap ratio identifies the differential between the total pay received by both men and women. A positive figure means that women are paid less than men. A negative figure means that women are paid more than men.	
What good looks like	That the levels of pay between male and female employees do not have significant imbalances with either group receiving significantly higher or lower levels of pay.		Why this indicator is important	This indicator helps to measure and address any bias in pay between male and female employees.	
History with this indicator	The first gender pay gap figure produced by the council in March 2018 identified a differential of 12.8% showing that women were paid less than men. The figure included in this report shows that there has been movement on this and that our female workers are paid higher than men.		Any issues to consider	The figure below excludes all payments categorised as a bonus payment's because this reporting period is quarterly, and payments classified under the Gender Pay Gap guidelines would not have been made during the window. The national gender pay gap reporting period is calculated on a fixed date, the council has chosen to review this in addition on a quarterly basis to track our progress and put in place actions to improve the pay gap where required.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2017/18
2018/19	-3.5%	0.13%			
Target					
2017/18				-4.1%	

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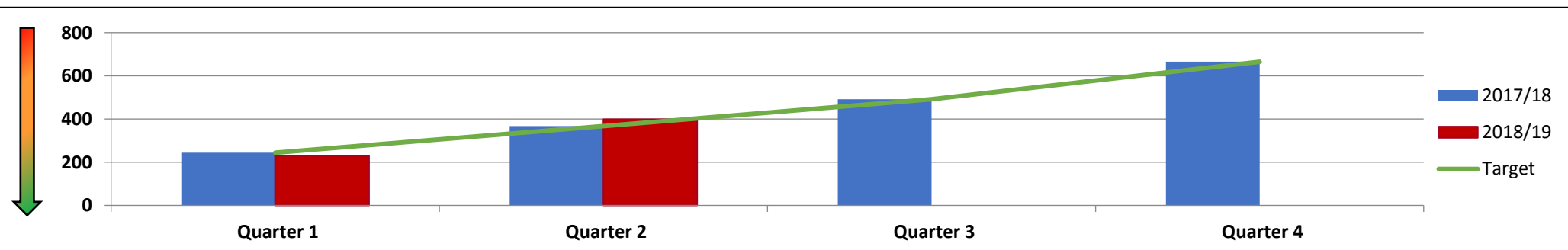


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The current GPG ratio demonstrates that there is no significant pay differential and that female pay is generally higher than male pay. This GPG figure is for current employees only and does not include those that were transferred out to the new companies in April 2018.	The council will continue to monitor the GPG ratio in preparation for its annual submission in March 2019.
Benchmarking	Not applicable – Local measure only	

Public Realm – Key Performance Indicators 2018/19


PUBLIC REALM					Quarter 2 2018/19
The weight of fly-tipped material collected (tonnes)					
Definition	Fly tipping refers to dumping waste illegally instead of using an authorised method.	How this indicator works	(1) Fly-tip waste disposed at Material Recycling Facility and provided with weighbridge tonnage ticket to show net weight. The weights for all vehicles are collated monthly by East London Waste Authority (ELWA) and sent to boroughs for verification. (2) Following verification of tonnage data, ELWA sends the data to the boroughs and this is the source information for reporting the KPI.		
What good looks like	In an ideal scenario fly tipping trends should decrease year on year and below the corporate target if accompanied by a robust enforcement regime.	Why this indicator is important	To show a standard level of cleanliness in the local authority, fly tipping needs to be monitored. This reflects civic pride and the understanding the residents have towards our service and their own responsibilities.		
History with this indicator	2017/18 end of year result – 665 tonnes collected 2016/17 end of year result – 1,167 tonnes collected 2015/16 end of year result – 627 tonnes collected 2014/15 end of year result – 709 tonnes collected	Any issues to consider	Performance for this indicator fluctuates year on year depending on the collection services on offer, for example, the introduction of charges for green garden waste. We are monitoring the impact of green garden waste charges on fly tipping, but thus far, we have not seen any significant impact.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	229 tonnes	399 tonnes			↓
	244 tonnes	367 tonnes	492 tonnes	665 tonnes	
2017/18	244 tonnes	367 tonnes	492 tonnes	665 tonnes	

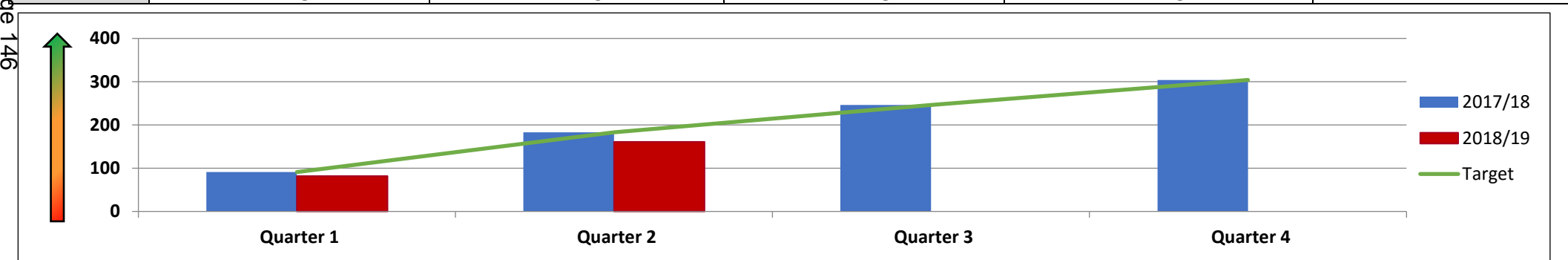
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The weight of fly-tipped materials collected (tonnes) in quarter 2 was 170 tonnes (cumulative total of 399 tonnes).	We carry out monthly monitoring of waste tonnage data to be more accurate and have found out some discrepancies where waste had been allocated to the wrong waste type. The continuing work of the area managers and enforcement team to pursue and prosecute fly-tippers will continue to contribute in the improvement of this indicator. Quick response to fly-tips stops them from building up and increasing the tonnage and may deter those who would add to existing fly-tips.
Benchmarking	London Fly tipping tonnage: Latest official figure (2016/17) is not available. However, the latest official figure (2016/17) for London Fly tipping average incidents is 11269. In 2017/18 LBBDD had 2599 incidents of fly tipping.	

Definition	Recycling is any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes.	How this indicator works	This indicator is the result of all recycle collected through our brown bin recycling service, brink banks, RRC (Reuse & Recycling Centre) and 'back-end' recycling from the Mechanical and Biological Treatment (MBT) Plant. The total recycled materials weight in kilograms is divided by the total number of households in the borough (74,707 households 2017/18).
What good looks like	An increase in the amount of waste recycled per household.	Why this indicator is important	It helps us understand public participation. It is also important to evaluate this indicator to assess operational issues and look for improvements in the collection service.
History with this indicator	2017/18 – 304kg per household 2016/17 – 302kg per household 2015/16 – 218kg per household 2014/15 – 291kg per household	Any issues to consider	August recycling low due to summer holidays and from October to March due to lack of green waste recycling tonnages/rates are also low.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	82kg	161kg			
Target	91kg	183kg	246kg	304kg	
2017/18	91kg	183kg	246kg	304kg	




RAG Rating	Performance Overview	Actions to sustain or improve performance
R	The weight of waste recycled per household in quarter 2 was 79kg (cumulative total of 161kg).	The Waste Minimisation Team continue to tackle the issue of contamination as part of the kerbside collection. Addressing this issue will be crucial to maintain LBBD's recycling rate. The team also responds to direct reports of contamination from crews and supervisors and directly engaging the residents, instructing, and educating to resolve contamination from households.
Benchmarking	London average figures for recycling rate: Latest official figure (2016/17) is 33.9%. LBBD's 2017/18 recycling rate was 26.4%	

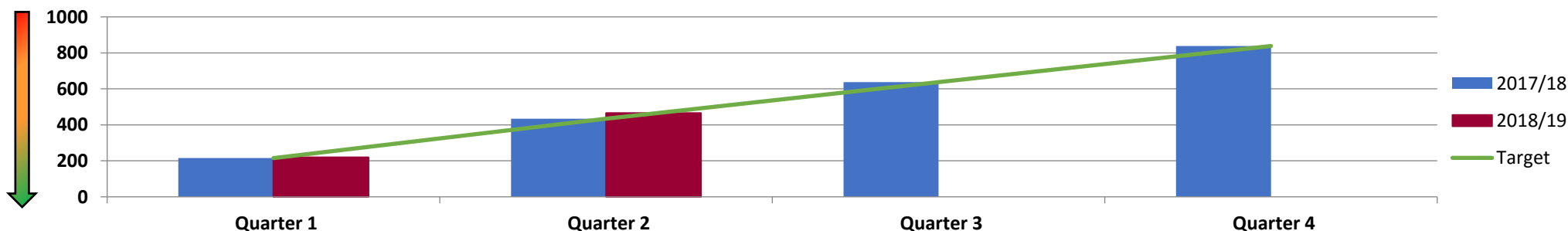
PUBLIC REALM

The weight of waste arising per household (kg)

Quarter 2 2018/19

Definition	Waste is any substance or object which the holder discards or intends or is required to discard and that cannot be recycled or composted.	How this indicator works	This indicator is a result of total waste collected through kerbside waste collections, Frizlands RRC, bulky waste and street cleansing minus recycling and garden waste collection tonnages. The residual waste in kilograms is divided by the number of households in the borough (74,707 households 2017/18).		
What good looks like	A reduction in the amount of waste collected per household.	Why this indicator is important	It reflects the council's waste generation intensities which are accounted monthly. It derives from the material flow collected through our grey bin collection, Frizlands RRC residual waste, bulk waste and street cleansing collections services.		
History with this indicator	2016/17 – 842kg 2015/16 – 877kg 2014/15 – 952kg	Any issues to consider	Residual waste generally low in month of August due to summer holidays and high during Christmas/New Year and Easter breaks.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	220kg	465kg			
Target	215kg	434kg	638kg	838kg	
2017/18	215kg	434kg	638kg	838kg	

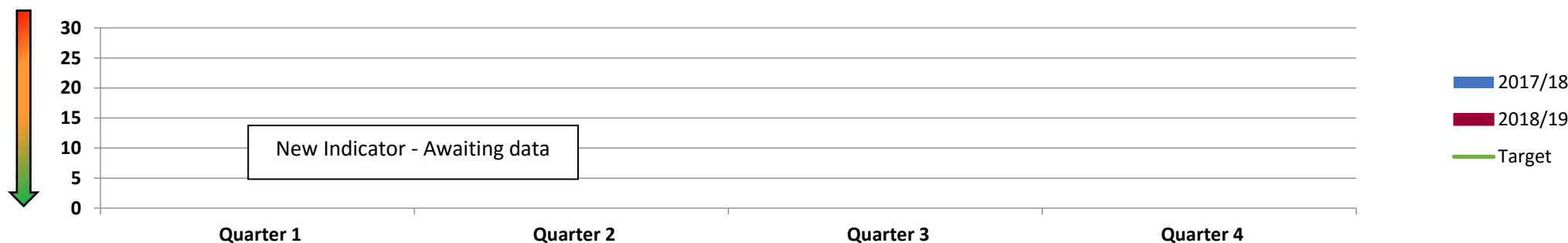
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The weight of waste arising per household in quarter 2 was 245kg. (cumulative total of 465kg). Lower recycling tonnages tend to increase the weight of waste arising per household. We have also since an increase in household numbers from 74,707 in 2017/18 to 75,734 in 2018/19, without corresponding increase in recycling.	Work is being continued by the waste minimisation team to police the number of large bins being delivered. Increased communications campaigns by the Communications Team is underway by targeting those households that produce the most waste. The waste behavioural change communications strategy is three-fold: Firstly, raise awareness of what LBBD's waste services are – all residents. Secondly, ensure resident know how to use the service – all residents. Finally, target those people who produce the most waste focusing on behaviour change – highly targeted.
Benchmarking	London Residual waste per household: Latest official figure (2016/17) is 564.32Kg	

Definition	This indicator provides an overview of the cleansing standards of the borough. This indicator measures the levels of litter, detritus, fly posting and graffiti.		How this indicator works	This indicator works through a grading system. This is; A/B+/B/B-/C/C-/D, with A being the highest performance grade. These surveys are carried out in 3 tranches; April-July, August-November & December-March.	
What good looks like	The lower the percentage the better the standard.		Why this indicator is important	This indicator is important to us as we can judge areas that need more attention, and this can also help us identify problematic areas that could be targeted by enforcement and Anti-Social Behaviour teams.	
History with this indicator	The last report and available data for this indicator was in 2014/15. The results were: Litter 2%; detritus 6%; graffiti 1% and flyposting 2%.		Any issues to consider	We have recently seen an increase in footfall in busy shopping areas such as Barking Town Centre, The Heathway; along with an increase in new housing estates, which the section has had to absorb with its current workforce.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	Not Available*				n/a
Target					
2017/18	New indicator for 2018/19				

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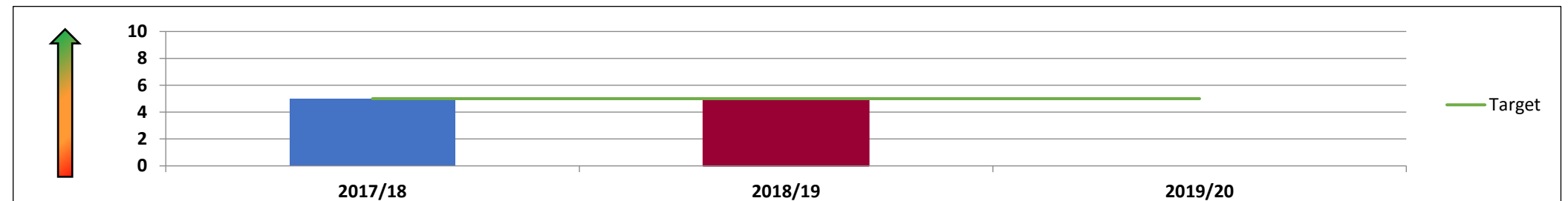
RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	<p>*The Street Cleansing service has recently undergone staff restructure, and the full complement of staff is yet to be completed. However, the service is planning to train key staff to undertake these surveys. It is anticipated the results of the tranche 2 survey (August – November) could be reported in Quarter 2 Corporate Performance Report.</p>	
Benchmarking	Not available. The National indicator had been abolished by Government since 2010.	

The number of parks and green spaces meeting Green Flag criteria

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Definition	The number of successful Green Flag Award (GFA) applications for the borough's parks and open spaces.	How this indicator works	Successful sites must show that they manage a quality green space with a clear idea of what they are trying to achieve, why, and who they seek to serve. Award applicants are independently judged against 27 different criteria (divided in to 8 sections) and must submit their active management plan, showing that they understand: the users, the site and the management. Judging is a two-part process: Stage One – Desk Assessment: Judges assess the application, the site-specific management plan and associated documentation, and the response to the judges' feedback from the previous year. This section is worth 30 out of 100 points, and applicants must score at least 15 points to gain accreditation. Stage Two – Site Assessment: The second stage involves a site visit where judges assess whether the management plan is in practice on the site, and how well the GFA expectations are being met, by observation and by questioning staff, volunteers and visitors. This section is worth 70 out of 100 points, and applicants must score at least 42 points to gain accreditation.
What good looks like	Achievement of the required standard and retention of the GFA.	Why this indicator is important	The GFA scheme recognises and rewards well managed and maintained parks and green spaces, setting the benchmark standard for the management of recreational outdoor spaces across the United Kingdom, and around the world. Parks and green spaces are at the centre of discussions around urban place making, development and regeneration, and research has demonstrated conclusively that a number of economic, social and environmental benefits accrue from good quality parks. Parks and green spaces help people become healthier and more active, are great places to relax, to play, to meet friends and hold events. They also help make urban life more sustainable by supporting food growing, biodiversity, improving air quality and controlling flood risk. Most importantly, parks are free. Therefore, parks and open spaces, and the services and facilities they provide, can help shape the future of the borough by helping to achieve the Council's vision and objectives, and deliver the Borough Manifesto.
History with this indicator	Barking Park was the first Barking and Dagenham park to receive a GFA in 2011. Since then applications have been submitted annually and in 2018 five of the borough's parks were awarded Green Flags: Barking Park, Beam Parklands, Greatfields Park, Mayesbrook Park and St Chads Park.	Any issues to consider	Key Dates: The 2019/20 application round opens 1st November 2018 and closes 31st January 2019. Announcement of winners - July 2019. Judge's feedback: as part of the GFA application process sites are required to provide a response to the judges' feedback from the previous year. This feedback often includes comments and recommendations for investment in park buildings, infrastructure and facilities. Therefore, participating in the GFA scheme requires both revenue and capital funding.

Annual Indicator		DOT from 2017/18
2018/19	5	↔
Target	5	
2017/18	5	




RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The quality assurance target for parks and open spaces by 2020 is: the number of Green Flag Awards secured year on year for the Borough's parks will have increased to 10; the independently assessed quality rating for parks classed as 'good' will have increased from two to five.	It will only be feasible to achieve these targets if the proposed capital investment schemes at Parsloes Park, Abbey Green, Central Park, Tantony Green, and Valence Park are implemented. It is expected that it will be possible to secure and retain the GFA for Eastbrookend Country Park during this period.

Enforcement and Community Safety – Key Performance Indicators 2018/19

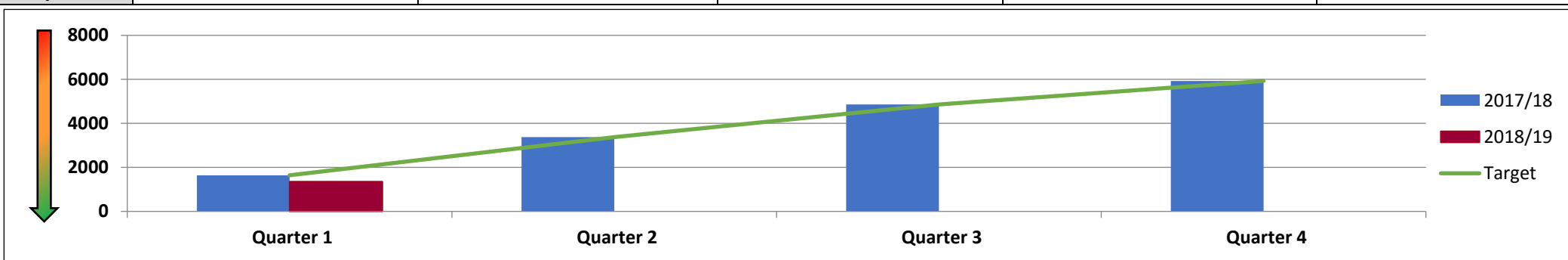
ENFORCEMENT AND COMMUNITY SAFETY

The number of anti-social behaviour incidents reported in the borough

Quarter 2 2018/19

Definition	Anti-social behaviour includes Abandoned Vehicles, Vehicle Nuisance, Rowdy/Inconsiderate Behaviour, Rowdy/Nuisance Neighbours, Malicious/ Nuisance Communications, Street Drinking, Prostitution Related Behaviour, Noise, Begging.		How this indicator works	As defined, it is a count of all calls reported to the police.	
What good looks like	Ideally, we would see a year on year reduction in ASB calls reported to the Police.		Why this indicator is important	This indicator is one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, the Crime and Enforcement Portfolio holder, the Chief Executive of the council, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC) for the 2017/18 period.	
History with this indicator	2014/15: 5999 calls 2015/16: 5688 calls	2017/18: 5929 calls 2016/17: 6460 calls	Any issues to consider		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2017/18	1358	n/a*			
Target	Year on year reductions	Year on year reductions	Year on year reductions	Year on year reductions	
2016/17	1643	3372	4859	5929	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>*Awaiting September 2018 data update.</p> <p>The currently available Year To Date data (August 2018) indicates that 2348 ASB calls were recorded by the Police, this suggests a decrease of 18.2% (down 523 calls) on the 2871 calls reported by Aug 2017. In comparison ASB Calls to the Police across London are down at the same rate of 18.2%.</p>	<p>Actions within this area include:</p> <ul style="list-style-type: none"> • Issued over 1,320 fines for enviro-crime including more than 335 fines for littering, • Wall of shame officially launched, • Dealt with 1,600 reports of eyesore gardens, • 28 prosecutions of rogue landlords. <p>The Community Safety Partnership will need to review how we sustain this level of work.</p>
Benchmarking	12 months to August 2018 Rate per 1,000 population is: 27.5, this is marginally below the London average. Barking and Dagenham ranks 16 out 32 (1 = lowest crime rate in London, 32 = highest crime rate in London)	

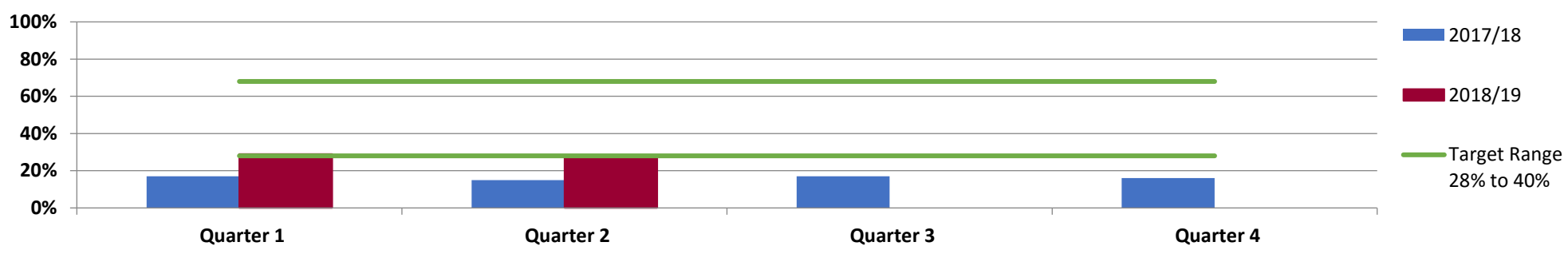
ENFORCEMENT AND COMMUNITY SAFETY

Repeat incidents of domestic violence (MARAC)

Quarter 2 2018/19

Definition	Numerator: Number of repeat cases of domestic abuse within the last 12 months referred to the MARAC		How this indicator works	This indicator looks at the number of repeat cases of domestic abuse that are being referred to the MARAC from partners.	
	Denominator: Number of cases discussed at the MARAC				
What good looks like	The target recommended by SafeLives is to achieve a repeat referral rate of between 28% to 40%. A lower than expected rate usually indicates that not all repeat victims are being identified and referred to MARAC.		Why this indicator is important	This indicator helps to monitor partner agencies ability to flag repeat high risk cases of domestic abuse and refer them to the MARAC for support.	
History with this indicator	2014/15 end of year result: 20% 2015/16 end of year result: 25% 2016/17 end of year result: 28% 2017/18 end of year result: 16%		Any issues to consider	Repeat referral rate is a single indicator and is not fully representative of MARAC performance. MARAC processes vary across areas and therefore benchmarking should be considered with caution for this indicator.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	29%	28%			
Target	28% to 40%	28% to 40%	28% to 40%	28% to 40%	
2017/18	17%	15%	17%	16%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	At September 2018 the accumulative rate of repeat referrals to MARAC has decreased to 28% but is still within the recommended levels expected by Safelives (28% to 40%) which is good.	This is being monitored closely by the MARAC Chair and VAWG subgroup of the CSP in partnership and any issues raised are worked through with partners including the police.
Benchmarking	Benchmarking data is currently available for January 2017 to December 2017. Metropolitan Police Force average: 21%. National: 28%. Most Similar Force: 29%	

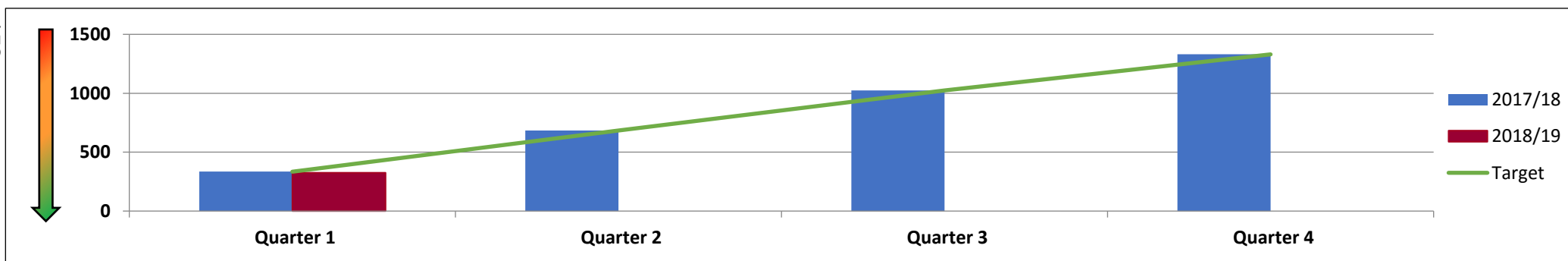
ENFORCEMENT AND COMMUNITY SAFETY

The number of non-domestic abuse violence with injury offences recorded

Quarter 2 2018/19

Definition	The number of violence with injury offences reported to and recorded by the police which were non-domestic.		How this indicator works	This indicator is the accumulative count of all non-domestic violence with injury offences reported to the police within the financial year period specified.		
What good looks like	We are looking for a decrease in this figure and would normally compare with the same period in the previous year, as crime is (broadly) seasonal.		Why this indicator is important	This indicator has been agreed as one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, The Crime and Enforcement Portfolio holder, the Chief Executive of the council, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC).		
History with this indicator	2013/14: 987 2014/15: 1,147 2015/16: 1,325 2016/17: 1,366 2017/18: 1,331	Any issues to consider	In April 2014 changes were made to the way in which violence was recorded and classified (see new Home Office Counting Rules Guidance). HMIC inspections of police data in 2013-14 also raised concerns about a notable proportion of crime reports not being recorded, particularly during domestic abuse inspections. Implementation of the new recording and classification guidance and training to improve crime recording mechanisms around violence and domestic abuse have led to a rapid upward trajectory in Violence with Injury.			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18	
2017/18	326	n/a*				
Target	Year on year reduction	Year on year reduction	Year on year reduction	Year on year reduction		
2016/17	335	684	1,024	1,331		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<p>*Awaiting data update for September 2018.</p> <p>The currently available Year to Date data (August 2018) indicates that 574 offences were recorded, suggesting that <i>Non-Domestic Abuse Violence With Injury</i> is up by 3.6% (+ 20 offences) compared to August 2017 (554 offences). In comparison, the data across London is up by 1.2%.</p>	<p>Actions in this area include:</p> <ul style="list-style-type: none"> • Test Purchasing, • Commissioning ARC Theatre, • Knife Crime Programme in 2018/19, • developing a long-term trauma informed model. • Focus on reduction Non DA VWI is concentrated on the two Town centres in the borough. • The partnership needs to provide a visible presence in these areas.
Benchmarking	12 months to August 2018 Rate per 1,000 population is 6.5, this is partially above the London average, and Barking and Dagenham ranks 21 out of 32 (1 = lowest crime rate in London, 32 = highest crime rate in London).	

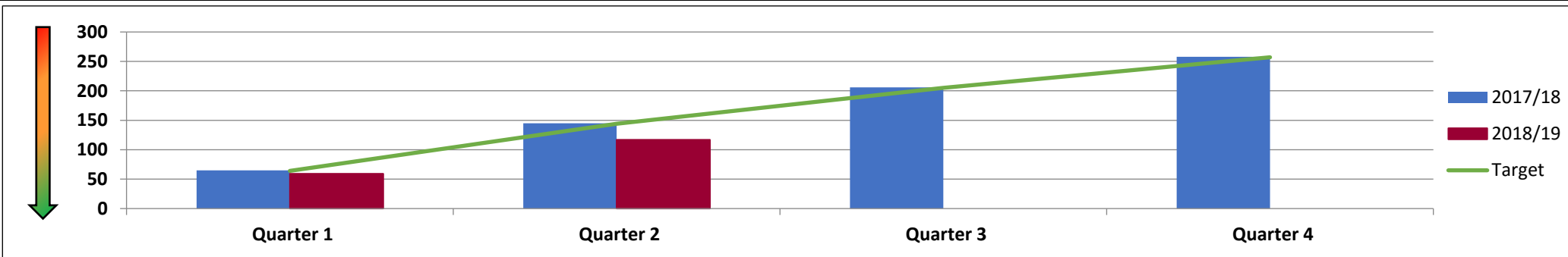
ENFORCEMENT AND COMMUNITY SAFETY

The number of serious youth violence offences recorded

Quarter 2 2017/18

Definition	Serious Youth Violence is defined by the MPS as 'Any offence of most serious violence or weapon enabled crime, where the victim is aged 1-19.'		How this indicator works	Serious Youth Violence is a count of victims of Most Serious Violence aged 1-19.	
What good looks like	We are looking for a decrease in this figure, and would normally compare with the same period in the previous year, as crime is (broadly) seasonal.	Why this indicator is important	This indicator has been agreed as one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, Chief Executive, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC) for the 2017/18 period.		
History with this indicator	2014/15: 182 2015/16: 245 2016/17: 224 2017/18: 258		Any issues to consider	Serious Youth Violence Counts the number of victims aged 0-19 years old, not the number of offences.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	59	117			
Target	Year on year reduction	Year on year reduction	Year on year reduction	Year on year reduction	
2017/18	65	145	206	258	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Using 2018/19 Financial Year To Date figures at September 2018 (117 victims) Serious Youth Violence is down by 19.3 % (- 28 victims) compared to FYTD figures at September 2017 (145 victims). In comparison London is down by 9.2%.	<ol style="list-style-type: none"> 1) High level mentoring support for those identified as high risk of involvement in violence, gang involvement 2) Counselling and mentoring workshops and performances with targeted groups of young people in schools and other settings on offences with weapons such as knives, noxious substances and CSE. 3) Use of a Youth Matrix to identify the most at risk young people through schools, police, youth service and YOS 4) Full Time Support workers to provide one to one mentoring as part of early intervention identified by the matrix. <p>We are working with schools and voluntary organisations to develop a trauma informed approach which will have a long-term impact.</p>
Benchmarking	Rank (by Volume) Barking and Dagenham is 14 of 32 (1 = lowest crime & 32 = highest crime).	

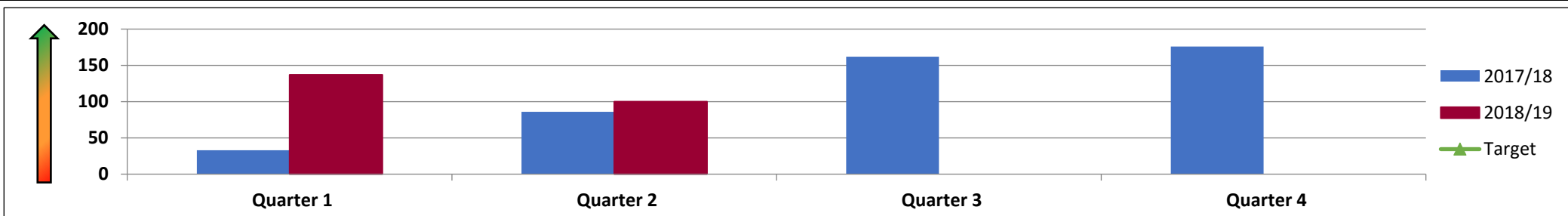
ENFORCEMENT AND COMMUNITY SAFETY

Quarter 2 2018/19

The number of properties brought to compliance by private rented sector licensing

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Definition	The number of non-compliant properties brought to compliant standard.		How this indicator works	This indicates the number of properties that do not meet the standard and through informal and formal action have now had the issues addressed.	
What good looks like	Having a very low number of non-compliant properties therefore reflecting good quality private rented properties in the borough.		Why this indicator is important	There are approximately 15,000 privately rented properties in the borough and as a licensing service we need to ensure that all those properties are compliant and have a licence.	
History with this indicator	The scheme has been live since September 2014 and compliance visits have taken place on 89% of all properties that have applied for a licence.		Any issues to consider	Enforcement officers have been tasked to tackle the total number of non-compliant properties through enforcement intervention, for example formal housing notices to ensure work is carried out and property standards improved. There is a significant increase of properties that were originally issued a selective licence between 2014 – 2017 that have since become non-compliant due to breaches of licensing conditions. The total number of non-compliant has reduced, however the volume of non-compliant properties remains at approximately 3% of the private rental sector.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	137	100			↑
2017/18	33	86	162	176	




RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	The current number of non-complaint properties is being managed by enforcement officers who have been tasked to action those cases that require enforcement action. This is being monitored on a monthly basis with enforcement as a key priority.	A target date of three months was agreed, and all officers are working to achieve compliance within 3 months. All cases are progressed to an enforcement stage. We are projecting to reduce the number of non-complaint properties by 60% over the two months.
Benchmarking	Barking and Dagenham remain the only Borough within London to inspect all properties prior to issuing a licence. In terms of enforcement, we are engaging with landlords in the first instance encouraging them to raise property standards. Enforcement intervention is used where there has been a disregard to the licensing regime or legal requirements.	

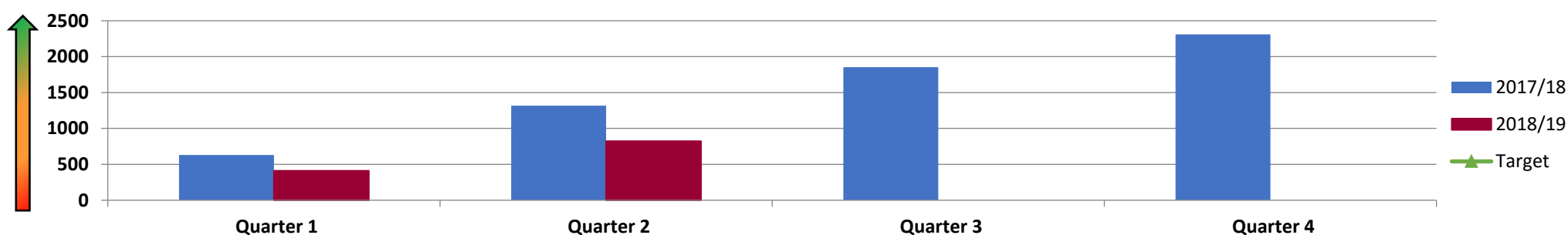
ENFORCEMENT AND COMMUNITY SAFETY
The number of fixed penalty notices issued

Quarter 2 2018/19

Definition	The number of fixed penalty notices issued by the enforcement team	How this indicator works	This indicator shows how many FPNs are issued by the team monthly. This indicator allows Management to see if team outputs are reaching their minimum levels of activity which allows managers to forecast trends.
What good looks like	75% payment rate of FPN issued.	Why this indicator is important	Meets the council's priorities of civic pride and social responsibilities. Reduce the cost on waste and cleansing services including disposal costs.
History with this indicator	2017/18 – 2,311 FPNs issued 2016/17 – 1,914 FPNs issued	Any issues to consider	We cannot set income targets for FPN's.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	415	409			
2018/19 YTD	415	824			
2017/18	629	688	536	458	
2017/18 YTD	629	1,317	1,853	2,311	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	The service has issued 409 FPN's during the second quarter of 2018/19. This is a 40% reduction on the number issued in the same quarter last year.	There has been a reduced number of street enforcement officers in Quarter 2 which has had an impact on overall FPN issuance, this has been addressed through agreement with Workforce group to go to formal recruitment for the vacant posts. The team have also been focusing on other enviro crime and Anti Social priorities such as Barking Town Centre PSPO whilst this has had a significant impact in terms of perceptions of safety in and around the Town Centre this programme does not result in high volumes of FPN issuance.
Benchmarking	Benchmarking data not available.	

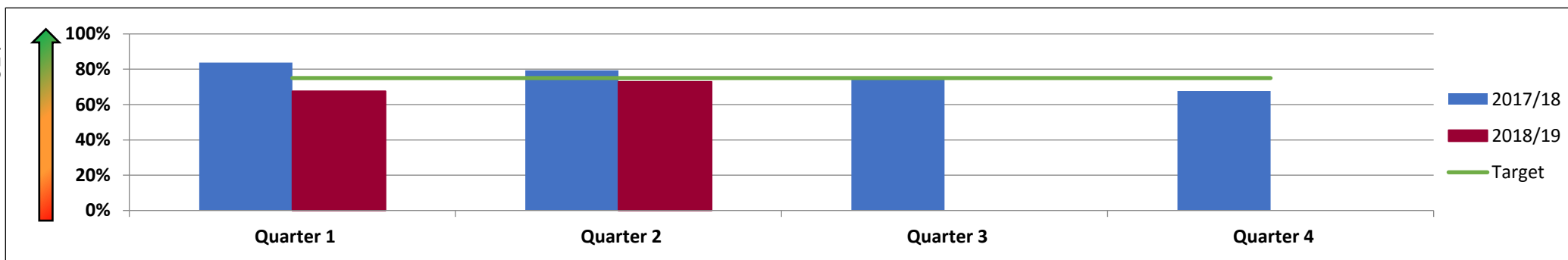
ENFORCEMENT AND COMMUNITY SAFETY

The percentage of fixed penalty notices paid / collected

Quarter 2 2018/19

Definition	The percentage of fixed penalty notices issued that have been paid / collected.	How this indicator works	This indicator monitors the collection rate of those fixed penalty notices that have been issued.		
What good looks like	The aim is to increase the rate of FPNs collected / paid.	Why this indicator is important	Ensures that the enforcement action taken by officers is complied with and enhances the reputation of the council in taking enforcement action.		
History with this indicator	2017/18 – 67.7% FPNs paid/collected 2016/17 – 58.8% FPNs paid / collected	Any issues to consider	No significant issues figure is only slightly under the target rate.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	67.5%	78.4%			
2018/19 YTD	67.5%	72.9%			
Target	75%	75%	75%	75%	
2017/18	83.78%	75%	67%	45%	
2017/18 YTD	83.78%	79.39%	75.26%	67.70%	

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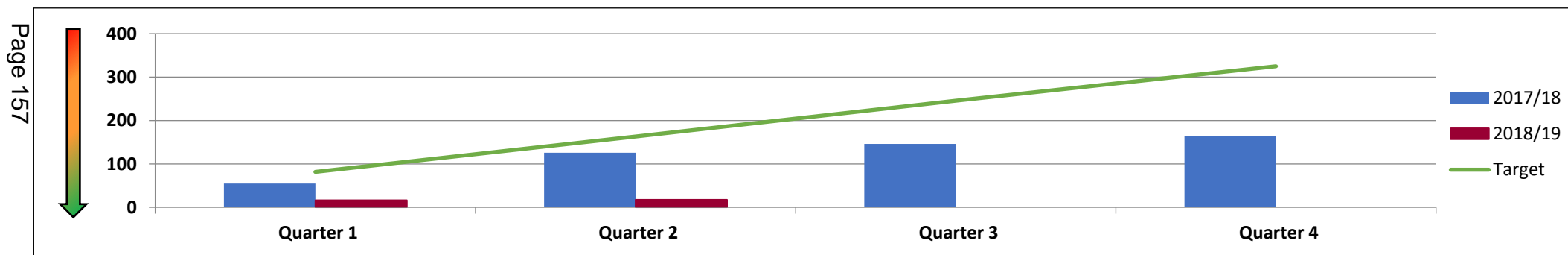
RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<p>Quarter 2 is showing a payment rate of 72.9% against the FPNs issued during that period.</p> <p>The total payment rate for this current year is 78.4%</p>	<p>Ensure that the balance between issuing FPN's and chasing payments is correct so that the number of FPN's is sustained.</p>
Benchmarking	Benchmarking data not available.	

Social Care and Health Integration – Key Performance Indicators 2018/19

SOCIAL CARE AND HEALTH INTEGRATION Quarter 2 2018/19

The total Delayed Transfer of Care Days (per 100,000 population) attributable to social care

Definition	Total number of days that patients remain in acute hospitals because of social care service delays when they are otherwise medically fit for discharge.		How this indicator works	This indicator measures the total number of social cares delayed days recorded in a month per 100,000 population and converts it to a quarterly total. The indicator is reported two months in arrears.		
What good looks like	Good performance is below the Better Care Fund Plan target for the period.	Why this indicator is important	The indicator is important to measure as delayed transfers of care have an impact on the hospital system and the patient. In principle, hospitals can fine the Council for delays that it causes, and there is a risk to central Government funding if performance is very poor.			
History with this indicator	2015/16: 1457 days, 1084.9 per 100,000 2016/17: 550 days, 388.4 per 100,000 2017/18: 240 days, 164.9 per 100,000		Any issues to consider	The indicator is reported on a cumulative basis.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18	
2018/19	16.2	17.6*			↑	
Target	81.6	163.1	245.4	324.9		
2017/18	54.6	125.8	146.2	164.9		



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Delayed transfers due to social care continue to show a marked improvement compared with last year. However, the data for Q2 is incomplete*. In the year to July 26 delayed days were attributed to social care alone, equivalent to 17.6 per 100,000 people. Our targets, updated in the table above, have been severely reduced by NHS England who have applied stretch targets to reduce delayed bed days nationally. Although we continue to perform well our year to date performance is closer to the target than previously observed, leaving us more at risk of breaches, for example in winter when there is more demand for beds.	<ul style="list-style-type: none"> Joint Assessment and Discharge Team review by the partners aims to identify improvements and changes to the operating model to reflect changing requirements and priorities. Discharge to Assess set as the default pathway as part of the implementation of the High Impact Change Model across BHR. Establishment of Home from Hospital service, with transport commissioned with British Red Cross to support people leave hospital and settle back in their own homes. Work with NELFT to increase the emphasis upon admission avoidance rather than just a focus on reducing delay length.
Benchmarking	Year to 31 st July 2018/19: Redbridge 8.4 per 100,000, Havering 72.2.6 per 100,000, England average 384.2 per 100,000	

SOCIAL CARE AND HEALTH INTEGRATION

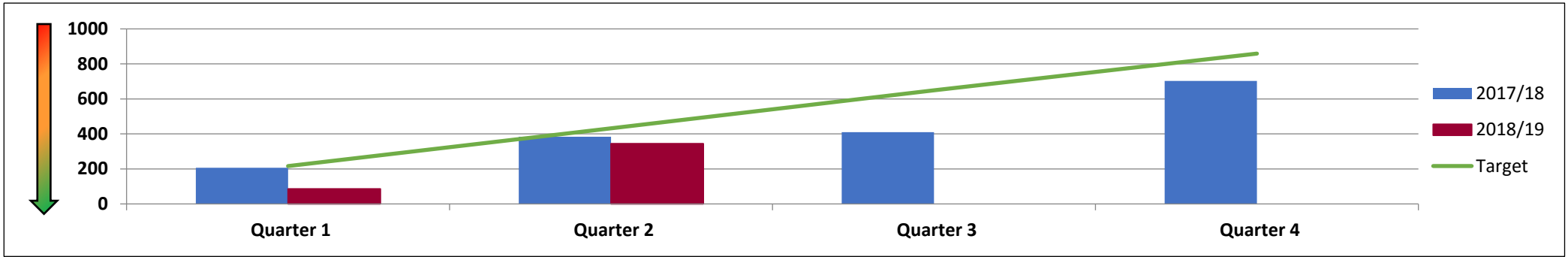
The number of permanent admissions to residential and nursing care homes (per 100,000)

Quarter 2 2018/19

Definition	The number of permanent admissions to residential and nursing care homes, per 100,000 population (65+).	How this indicator works	This indicator looks at the number of admissions into residential and nursing placements throughout the financial year, using a population figure for older people. A lower score is better as it indicates that people are being supported at home or in their community instead.
What good looks like	The Better Care Fund has set a maximum limit of 170 admissions, equivalent to 858.9 per 100,000.	Why this indicator is important	The number of long-term needs met by an admission to a care homes is a good measure of the effectiveness of care and support in delaying dependency on care and support services.
History with this indicator	2015/16 - 179 admissions, 910.0 per 100,000 2016/17 - 145 admissions, 737.2 per 100,000 2017/18 –139 admissions, 702.3 per 100,000	Any issues to consider	The indicator includes care home admissions of residents where the local authority makes any contribution to the costs of care, irrespective of how the balance of these costs are met. Residential or nursing care included in the indicator is of a long-term nature, short-term placements are excluded.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	85.9	343.5			↑
Target	216.2	432.4	648.7	858.9	
2017/18	207.1	384.0	409.8	702.3	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	As at Q2, 65 older people have been admitted to long-term residential and nursing care homes due to long term needs -343.5 per 100,000 people. This is a slight reduction in admissions compared with Q2 last year and performance remains below target. Q1’s data has been revised to reflect the delayed loading of care packages during the quarter. The outturn is higher than previously reported, although still within target.	<ul style="list-style-type: none"> Continued management focus on ensuring that community-based care and support solutions are optimised. Quarterly reconciliation of admissions undertaken to ensure that activity is reflected in reporting during the year.
Benchmarking	2016-17: ASCOF comparator group average – 479.2 per 100,000; London average – 438.1 per 100,000. Publication date for 2017-18 data is 23 rd October 2018.	

SOCIAL CARE AND HEALTH INTEGRATION

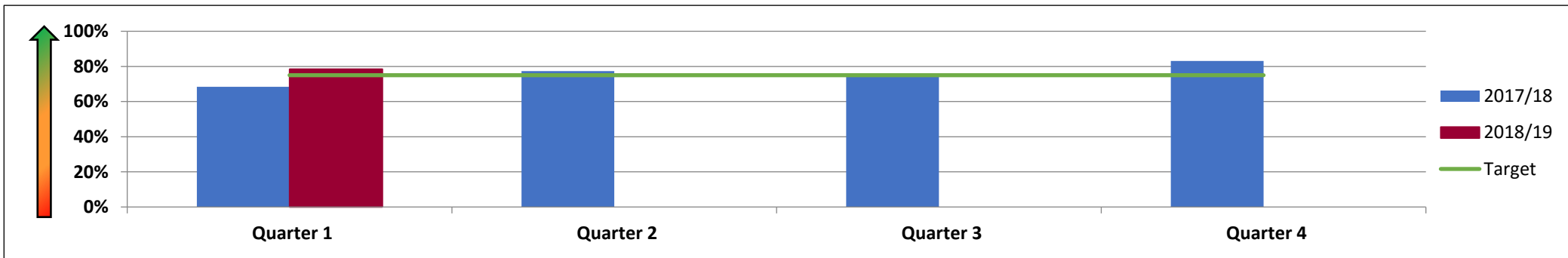
The percentage of children who received a 12-month review by 15 months of age

Quarter 1 2018/19

Definition	Number of children who received a 12-month review by 15 months	How this indicator works	This indicator is a measure of how many children receive their 12-month review by the time they reach the age of 15 months.
What good looks like	For the percentage to be as high as possible.	Why this indicator is important	Every child is entitled to the best possible start in life and health visitors play an essential role in achieving this. By working with families during the early years of a child's life, health visitors have an impact on the health and wellbeing of children and their families.
History with this indicator	This is the first year this indicator has been reported.	Any issues to consider	Data has been revised by the provider due to the discovery of an issue with how this had been reported previously. This has had a particularly large impact on quarters 1-3 2017/18.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2017/18
2018/19	78.4%	n/a			
Target	75.0%	75.0%	75.0%	75.0%	
2017/18	68.4%	77.4%	75.5%	83.1%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Performance for quarter 4 2017/18 and quarter 1 2018/19 is above the target of 75%.	<ul style="list-style-type: none"> Monthly performance monitoring meetings with the service provider are continuing in which the Commissioner and Performance Analyst monitor and work with the provider to maintain and increase performance. The service has been recommissioned as part of an integrated 0-19 Healthy Child Programme to achieve integrated services, operational efficiencies and better outcomes. A new contract has been awarded to the North East London NHS Foundation Trust (NELFT) and this commenced on 1 September 2018.
Benchmarking	Quarter 4 2017/18: England – 82.1%; London – 70.0%; Barking and Dagenham – 84.1% (refreshed data).	

SOCIAL CARE AND HEALTH INTEGRATION

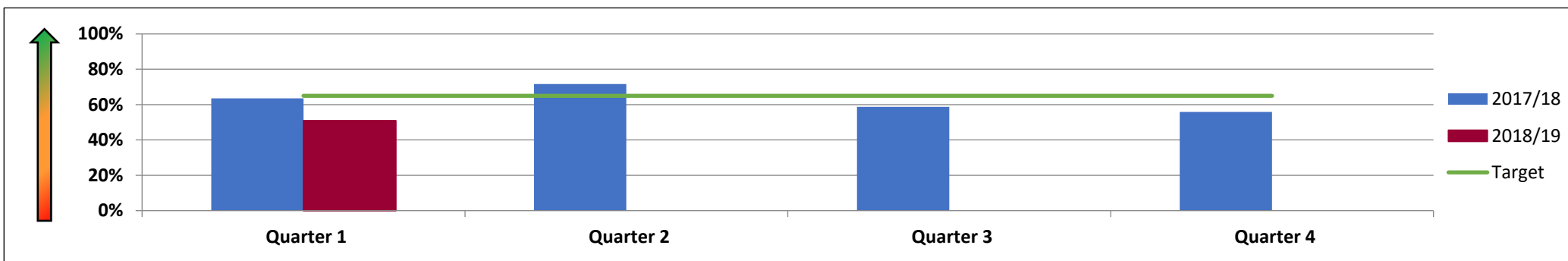
The percentage of healthy lifestyles programmes completed

Quarter 1 2018/19

Definition	The percentage of children and adults starting healthy lifestyle programmes that complete the programme.	How this indicator works	The number of people starting the HENRY, Exercise on Referral (EOR), Adult Weight Management (AWM) and Child Weight Management (CWM) programmes who complete the programme.		
What good looks like	For the percentage of completions to be as high as possible.	Why this indicator is important	The three programmes allow the borough's GPs and health professionals to refer individuals who they feel would benefit from physical activity and nutrition advice to help them improve their health and weight conditions.		
History with this indicator	2016/17: 61.7%	Any issues to consider	Data operates on a 3-month time lag as completion data is not available until participants finish the programme. For CWM programmes, including HENRY, figures only include the target child and not other family members who attend. This indicator has changed to report on percentage of starters who complete the programme as agreed by SD&I and Lead Member.		

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2017/18
2018/19	50.9%	n/a			
Target	65.0%	65.0%	65.0%	65.0%	
2017/18	63.6%	71.7%	58.8%	55.9%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	Q1 performance was 50.9% (305/599), below target and lower than Q1 2017/18 (63.6%). Retention rates for CWM programmes have increased relative to quarter 1 2017/18 due to the introduction of LEAN Beans. There were 0 referrals from school nursing in Q1 18/19 compared to 12 in Q1 17/18. Retention rates for EOR due to a reduction in the number of lifestyle coach hours, impacting on available review appointments. AWM programmes were also affected by coaches resigning and leaving in the middle of the programme which resulted in a reduced number of completions.	A restructure and recruitment to vacant posts will increase number of delivery staff and increase the number of appointments and programmes available; Revised NCMP referral pathway is being discussed with NELFT to align delivery with NCMP schedule in schools ensuring children get access to support after identification; system is now in place where attendance is monitored weekly and people that do not attend are contacted to check how they are and to encourage them to come back. Training needs will be identified, and training provided. A quality assurance schedule is being put in place to identify good practice and training needs. We have reviewed current programmes and redirected resources to increase EOR appointment availability.
Benchmarking	This is a local indicator.	

SOCIAL CARE AND HEALTH INTEGRATION

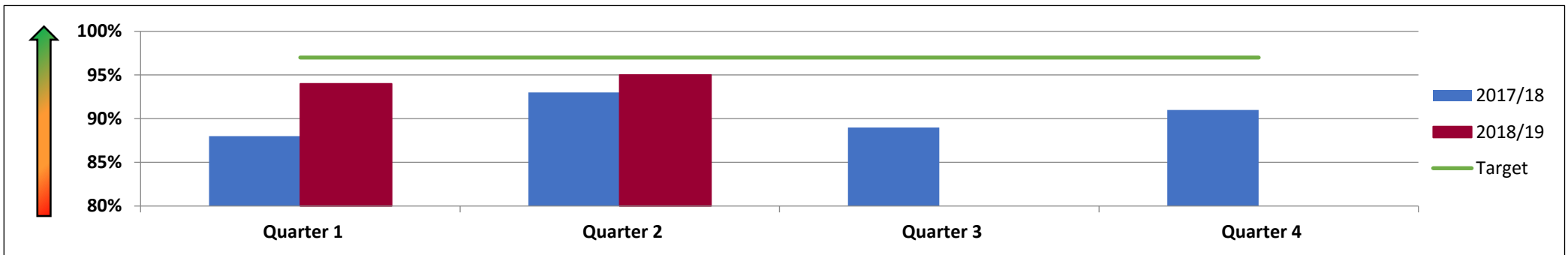
The percentage of 4-weekly Child Protection Visits carried out within timescales

Quarter 2 2018/19

Definition	The percentage of children who are currently subject to a child protection (CP) plan for at least 4 weeks who have been visited.	How this indicator works	The indicator counts all those in the denominator and of those, how many have been visited and seen within the last 4 weeks. The figure is reported as a percentage.
What good looks like	Higher is better.	Why this indicator is important	Child protection visits are vital to monitor the welfare and safeguarding risks of children on a child protection plan.
History with this indicator	4 weekly CP visits have been monitored since August 2015, compared to 6 weekly CP visits previously.	Any issues to consider	This indicator is affected by numbers of child protection cases increasing and the impact of unannounced child protection visits by social workers resulting in visits not taking place and potentially becoming out of timescale.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	94%	95%			
Target	97%	97%	97%	97%	
2017/18	88%	93%	89%	91%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	As at the end of Q2 2018/19, performance has increased slightly to 95% (307/323) compared to 94% (286/302) at the end of Q417/18. Performance remains below target of 97%. 2 weekly CP visits is now the agreed standard and KPI and performance is at 66% below target set at 90% plus (RAG rated Red).	Outstanding CP visits are being monitored via team dashboards and monthly Children's care and support meetings.
Benchmarking	This is a local indicator and is not published by the DfE. No benchmarking data is available.	

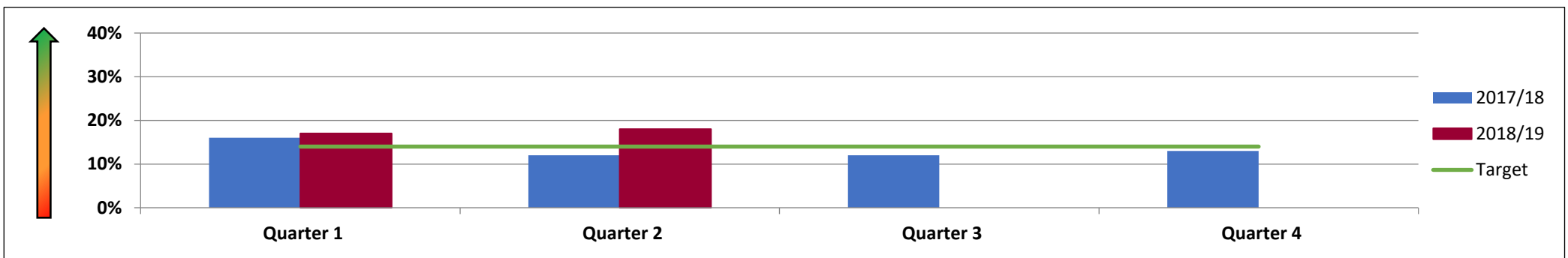
SOCIAL CARE AND HEALTH INTEGRATION

The percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time

Quarter 2 2018/19

Definition	The total number of children who have become subject to a child protection plan in the year, and of those how many have previously been subject to a child protection plan	How this indicator works	The indicator measures the number who had previously been the subject of a child protection plan, or on the child protection register, regardless of how long ago that was, against the number of children who have become the subject to a child protection plan at any time during the year, expressed as a percentage. The figure presented is a year to date figure as of the end of each quarter.		
What good looks like	A low percentage, but not necessarily zero percent: some subsequent plans will be essential to respond to adverse changes in circumstances	Why this indicator is important	Subsequent Child Protection plans could suggest that the decision to initially remove the child from the plan was premature and that they are not actually safer. It may be reasonable to question whether children were being taken off plans before necessary safeguards have been put in place, so therefore a low percentage is desirable.		
History with this indicator	2015/16 8% 2016/17 17% 2017/18 13%	Any issues to consider	None at present		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	17%	18%			
Target	14%	14%	14%	14%	
2017/18	16%	12%	12%	13%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	As at Q2, 18.0% (35/194) children have become subject of a CPP for a second or subsequent time, higher than the Q1 figure of 17.1% (18/105). Performance is above target but in line with statistical neighbours and lower than the national average.	<ul style="list-style-type: none"> The CP Chairs currently undertake a 6 week and 3 month 'paper' review of cases with a ceased CP plan to ensure that the family remains open to services; Audit's to be undertaken to identify themes as to why children become subject to a CP plan for a subsequent time.
Benchmarking	London Average 15%, National Average 19%, Statistical Neighbours 17%	

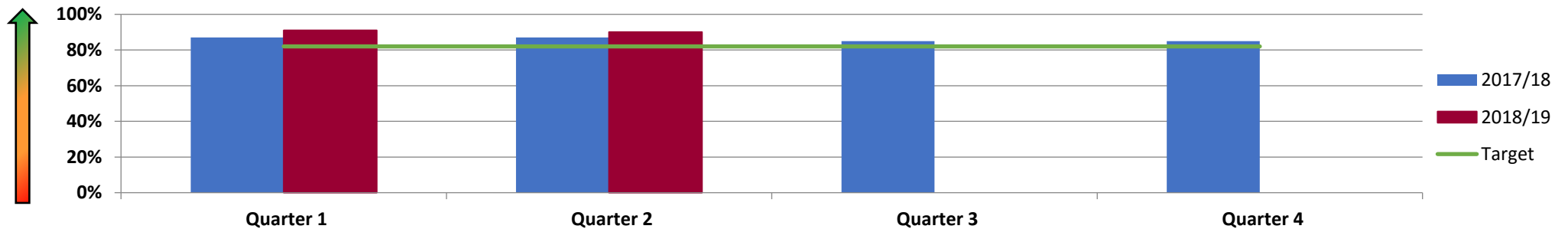
SOCIAL CARE AND HEALTH INTEGRATION

The percentage of assessments completed within 45 working days

Quarter 2 2018/19

Definition	The total number of Assessments completed and authorised during the year and of those, the number that had been completed and authorised within 45 working days of their commencement	How this indicator works	This indicator counts all single assessments that have been authorised in the year to date as of the end of each quarter		
What good looks like	Higher the better	Why this indicator is important	The timeliness of an assessment is a critical element of the quality of that assessment and the outcomes for the child. Working Together to Safeguard Children sets out an expectation that the Single Assessment will be completed within a maximum of 45 working days of receipt of the referral		
History with this indicator	Performance by year: 2013/14 - 78% 2014/15 - 71% 2015/16 - 76%, 2016/17 - 78%, 2017/18 - 85%	Any issues to consider	Although most Single assessments are initiated at the end of referral process, this indicator includes review single assessments on open cases.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	91%	90%			↑
Target	82%	82%	82%	82%	
2017/18	87%	87%	85%	85%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	As of Q2, 90% (1652/1832) of single assessments were completed and authorised within 45 working days. This is above our target of 82% and above 2017/18 performance of 85%.	Ongoing assessments are routinely monitored by the Assessment Team daily, which enable them to highlight any assessment that is approaching 45 working days and ensures those that fall out of timescale are kept to a minimum.
Benchmarking	London Average 82%, National Average 83%, Statistical Neighbours 85%	

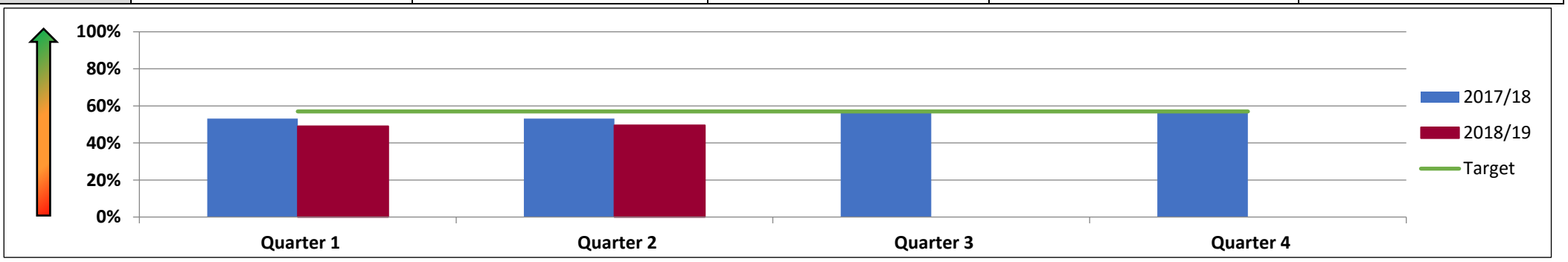
SOCIAL CARE AND HEALTH INTEGRATION

Quarter 2 2018/19

The percentage of Care Leavers in employment, education or training (EET)


Definition	The number of children who were looked after for a total of 13 weeks after their 14th birthday, including at least some time after their 16th birthday and whose 17th, 18th, 19th, 20th or 21st birthday falls within the collection period and of those, the number who were engaged in education, training or employment on their 17th, 18th, 19th, 20th or 21st birthday.		How this indicator works	This indicator counts all those in the definition and of those how many are in EET either between 3 months before or 1 month after their birthday. This is reported as a percentage.	
What good looks like	Higher the better.	Why this indicator is important	The data allows us to make performance comparisons with other areas and provides a broad overview of how well the borough is performing in terms of care leavers accessing EET and improving their life chances. This is an Ofsted area of inspection as part of our duty to improve outcomes for care leavers and is a key CYPP and Council priority area.		
History with this indicator	The cohort for this performance indicator has been expanded to include young people formally looked after whose 17th, 18th, 19th, 20th or 21st birthday falls within the collection period i.e. the financial year.		Any issues to consider	Care leavers who are not engaging with the Council i.e. we have no contact with those care leavers so their EET status is unknown; or in prison or pregnant/parenting are counted as NEET.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	49.0%	49.6%			
Target	57.0%	57.0%	57.0%	57.0%	
2017/18	53.1%	53.2%	57.4%	57.1%	

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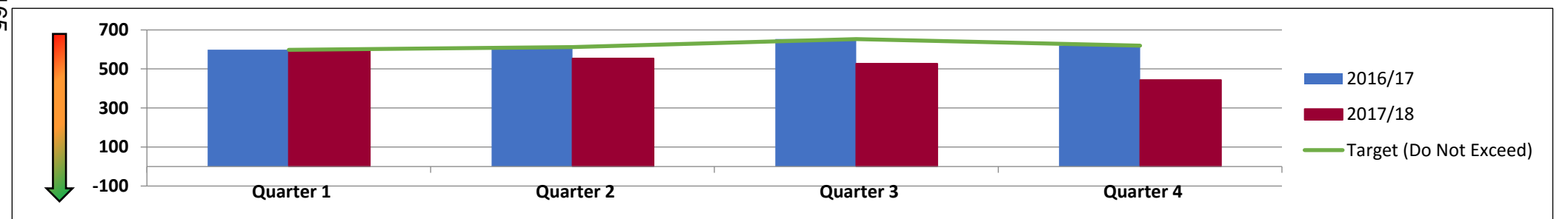


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Q2 performance has increased slightly to 49.6% (55/111) compared with Q1 performance of 49.0% (21/43) Performance is below all comparators. Of the 56 young people not in EET as of the end of Q2, 3 are in Prison, 2 are young mothers, 20 we are not in contact with and 30 are open to the L2L service and are NEET. For those young people we are in contact with, performance is 60%.	<ul style="list-style-type: none"> The L2L team has been involved in the NEET workshops with Members and Officers, with care leavers having a particular profile. Progress has been made with regards to the development of internships and apprenticeships within the council for care leavers. Agreement has been obtained to provide a financial incentive in addition to the apprenticeship payment so that care leavers are not in deficit by loss of benefits. Further work is being planned to develop the support element to care leavers to ensure they are well prepared for the world of work and are supported through each stage of the process to successfully move from NEET to EET.
Benchmarking	Based on latest published data, LBD is performing better than national (50%); similar areas (50%) and London average (52%).	

SOCIAL CARE AND HEALTH INTEGRATION
Quarter 2 2018/19
The number and rate per 10,000 First Time Entrants

Definition	First Time Entrants (FTEs) to the criminal justice system are classified as offenders, (aged 10 – 17) who received their first reprimand, warning, caution or conviction, based on data recorded on the Police National Computer	How this indicator works	The measure excludes any offenders who at the time of their first conviction or caution, according to their PNC record, were resident outside of England or Wales. Penalty notices for disorder, other types of penalty notices, cannabis warnings and other sanctions given by the police are not counted.		
What good looks like	Ideally, we would see a reduction on the previous year	Why this indicator is important	The life chances of young people who have a criminal conviction may be adversely affected in many ways in both the short term and long term. Reducing First Time Entrants is a priority for all London boroughs to address as set by the Mayor’s Office for Policing and Crime.		
History with this indicator	2014/15: 522 per 100,000 10-17 year olds (n=122) 2015/16: 613 per 100,000 10-17 year olds (n=135) 2016/17: 620 per 100,000 10-17 year olds (n=140)	Any issues to consider	The latest data is for the rolling 12 months to December 2017 released on 19/06/2018. ONS mid-year population estimates to 2016 are used in the calculations.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 4 2016/17
2017/18	134	125	119	102	
Rate	594	554	527	443	
Target	598	612	653	619	
2016/17	132	135	144	140	
Rate	599	613	654	620	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The latest data covers the period Apr 2017 to Mar 2018 released week ending 31/08/2018. FTEs has decreased over the last 12 months. RAG rated AMBER as B&D rate is still above regional and national averages.	<ul style="list-style-type: none"> The work that the YOS has done to improve the delivery of the out of court disposals as well as the development of the Youth ‘At Risk’ Matrix have contributed to this improvement. Support from the Community Safety Partnership, which ensured that the MOPAC funding coming into the borough was utilised in the best way and has also played a part in improved outcomes.
Benchmarking	Barking and Dagenham Rate at March 2018: 443; London: 353, National: 273.	

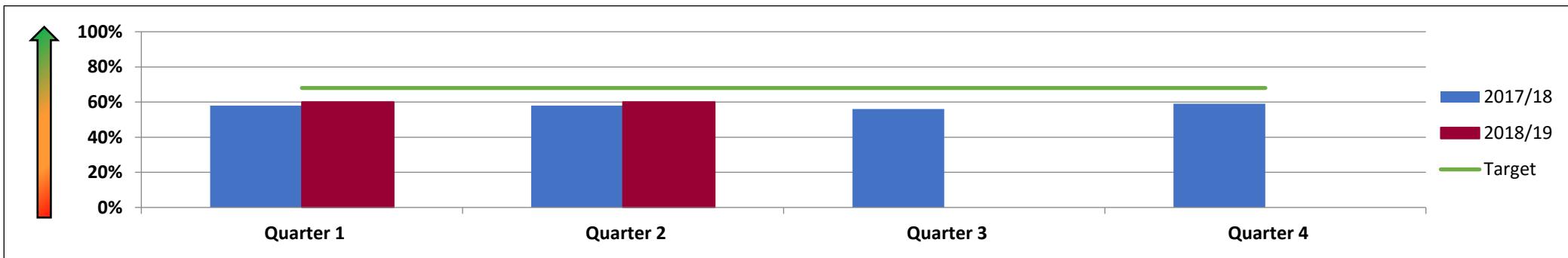
SOCIAL CARE AND HEALTH INTEGRATION

Long term stability of placements for children in care

Quarter 2 2018/19

Definition	The number of children aged under 16 in care who have been looked after continuously for at least two and a half years and in the same placement for the last two years		How this indicator works	This is a rolling indicator, which look at those children who have been in care for two and a half years at the end of each quarter.		
What good looks like	Higher the better		Why this indicator is important	Frequent moves between care placements have a negative impact on the ability of children to succeed both in education and in other areas of their lives. Therefore, placement stability is central to supporting the needs of children in care.		
History with this indicator	2015/16	60%	Any issues to consider	An adoptive placement move is not counted in this KPI as a move although other positive moves i.e. from residential to a family setting are. In 2017-18, 9% of placement moves impacting on this indicator were for positive reasons, although the impact on performance was an end of year figure of 59%. If these changes had not occurred our performance would have been in line with the national performance (69%) and above London (66%).		
	2016/17	60%				
	2017/18	59%				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18	
2018/19	60%	60%				
Target	68%	68%	68%	68%		
2017/18	58%	58%	56%	59%		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Q2 performance has remained at 60%. (79/131 and below target of 68% and all comparators.	<ul style="list-style-type: none"> Expansion of the Mockingbird Fostering Programme is planned for 2018-19. Targeted marketing to recruit carers for remand fostering, teenage fostering and children with SEND will be developed. Consideration will need to be given to a review of the fostering fee and support packages to support these placements.
Benchmarking	London average 66%, National average 68%, Statistical neighbours 69%	

Educational Attainment and School Improvement – Key Performance Indicators 2018/19

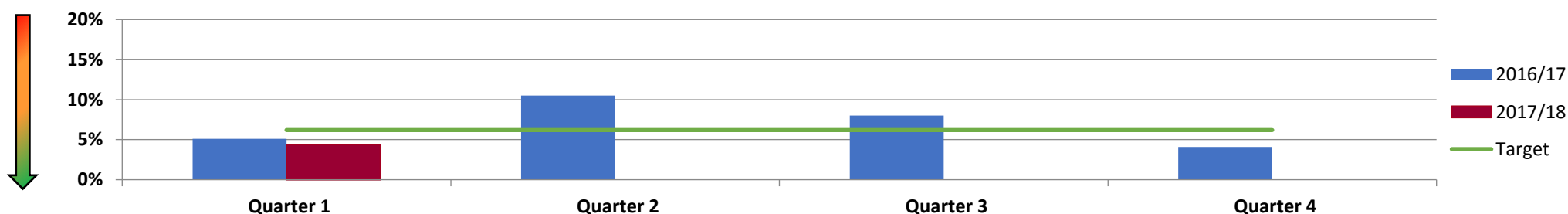
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

The percentage of 16 to 18 year olds who are not in education, employment, or training (NEET) or who have Unknown Destinations

Quarter 2 2018/19

Definition	The percentage of resident young people academic age 16 – 17 who are NEET or Unknown according to Department for Education (DfE) National Client Caseload Information System (NCCIS) guidelines.	How this indicator works	Data is taken from monthly monitoring information figures published by our regional partners and submitted to DfE in accordance with the NCCIS requirement.		
What good looks like	The lower the number of young people in education, employment, or training (not NEET) or not known, the better.	Why this indicator is important	The time spent not in employment, education, or training leads to an increased likelihood of unemployment, low wages, or low-quality work later in life. Those in Unknown destinations may be NEET and in need of support.		
History with this indicator	The annual measure was previously an average taken between November and January (Q3/4). It is now the average between December and February.	Any issues to consider	Although NEET and Unknown figures are taken monthly, figures for September and October (Q2) are not counted by DfE for statistical purposes. This is due to all young people's destinations being updated to 'Unknown' on 1 September until re-established in destinations. The annual indicator is now an average taken between December and February. Q2 figures are not yet available.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	4.4%	n/a			↑
Target	6.2%	6.2%	6.2%	6.2%	
2017/18	5.1%	10.5%	8%	4.1%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	In 2017/18 the borough's annual headline figure for NEETs + Unknowns was 4.2% (quintile 2) compared with 5.6% in 2016/17. This total comprised: NEETs 3.4% (quintile 4) and Unknowns 0.8% (quintile 1). Q2 figures are not yet available as September figures are not yet finalised. *For July and August our figures were, at 4.5%, well below London (5.8%) and National (9.9%)	<ul style="list-style-type: none"> The implications of GDPR have been identified and measures taken to secure future sources for tracking young people e.g. the use of the Revs. and Bens. database. A 'Destinations' group was set up by the 14-19 Partnership to identify the main issues contributing to the high NEET rate. Goldsmiths College have agreed to undertake some research into this area. Community Solutions are planning greater involvement with the Specialist Alternative Provision and with those at risk of becoming NEET.
Benchmarking	The annual published indicator (Dec-Feb average NEETs + Unknowns) in 2017/18 was 6% (national benchmark). The equivalent figure for London was 5.3%. The target for the borough's 2018/19 combined Dec-Feb average (4%) is based on the borough's performance in 2017/18.	

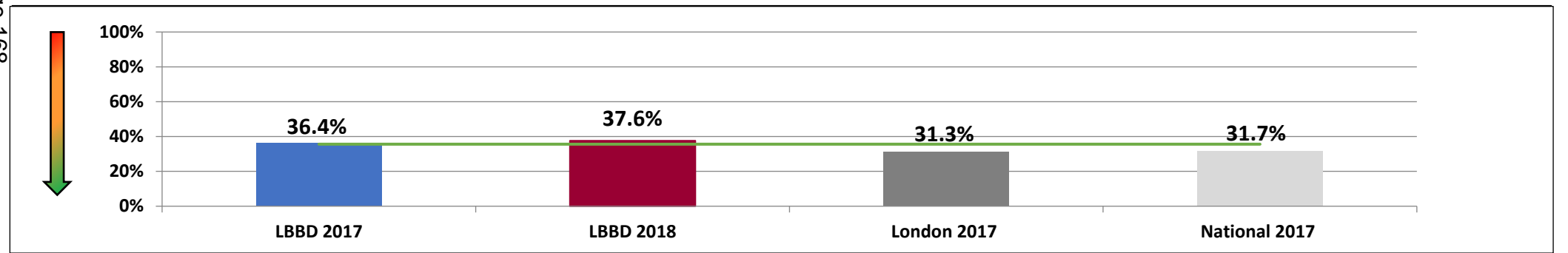
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

Early Years Foundation Stage (EYFS) Inequality Gap

Quarter 2 2018/19

Definition	The gap is calculated as the percentage difference between the mean average of the lowest 20% and the median average for all children.	How this indicator works	It measures the attainment gap at the end of Early Years Foundation Stage between the lowest 20% and the median average of all children.		
What good looks like	The lower the percentage, the better.	Why this indicator is important	It shows how far adrift the lowest attaining children are from their peers at the end of Early Years Foundation Stage.		
History with this indicator	Barking and Dagenham's gap has historically been quite low. However, as the number of children achieving a 'Good Level of Development' (GLD) increased, the gap between the lowest and higher performing children increased. The gap has widened further this year.	Any issues to consider	This indicator is measured annually only at the end of Foundation Stage. Results are published in July/August.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19		37.6% *2018 Provisional			
Target		35.6%			
2017/18		36.4%			

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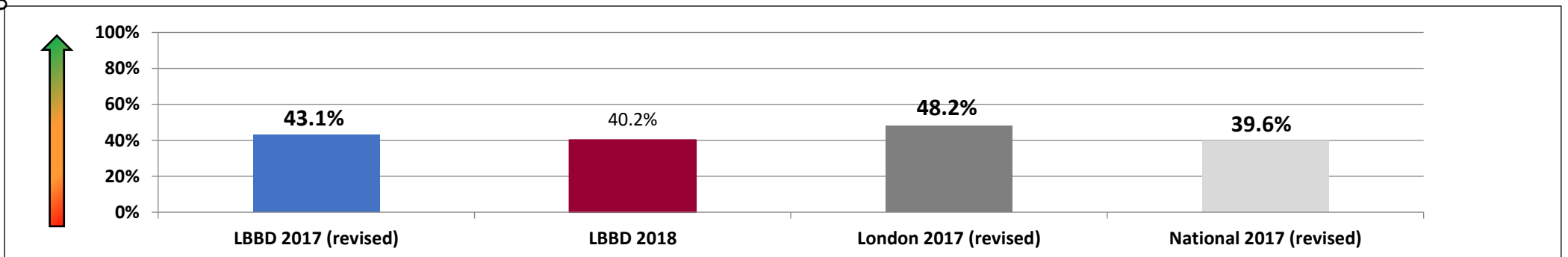
RAG Rating	Performance Overview	Actions to sustain or improve performance
R	<p>Our focus with schools has been on increasing the % of children achieving a GLD. We have not worked with schools to sufficiently highlight the gap between the lowest attaining children and the rest of the cohort.</p> <p>* Please note, 2018 figure is provisional. SFR to be published on the 18th October.</p>	<ul style="list-style-type: none"> Work with all schools to use their data to specifically target and support the lowest attaining children.
Benchmarking	In 2017 National was 31.7% and London was 31.3%. For 2018 national and London benchmarks are not yet available.	

EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT
The percentage pupils achieving 9-5 in English and Maths
2018/19

Definition	The percentage of pupils at the end of Key Stage 4 achieving grade 5 or above in both English and maths GCSEs.	How this indicator works	To be counted in the indicator, pupils must have achieved grade 5 or above in both English and maths GCSEs.
What good looks like	For the percentage of pupils achieving this standard to be as high as possible.	Why this indicator is important	This is an important indicator as it replaces the old measure of pupils achieving grades A*-C in English and maths. It improves the life chances of young people, enabling them to stay on in sixth form and choose the right A Levels to access other appropriate training.
History with this indicator	Grade 5 is a new measure introduced for the first time in 2017. The 2018 provisional Barking and Dagenham position stands at 40.2%. Revised 2017 for London is 48.2% and National (all schools) 39.6%.	Any issues to consider	Because grade 5 is set higher than grade C, fewer students are likely to attain grade 5 and above in English and maths than grade C in English and maths, which was commonly reported in the past. These new and old measures are not comparable.

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	Annual Result	DOT
LBBB	40.2% (2018 provisional)	
Target	To be agreed	



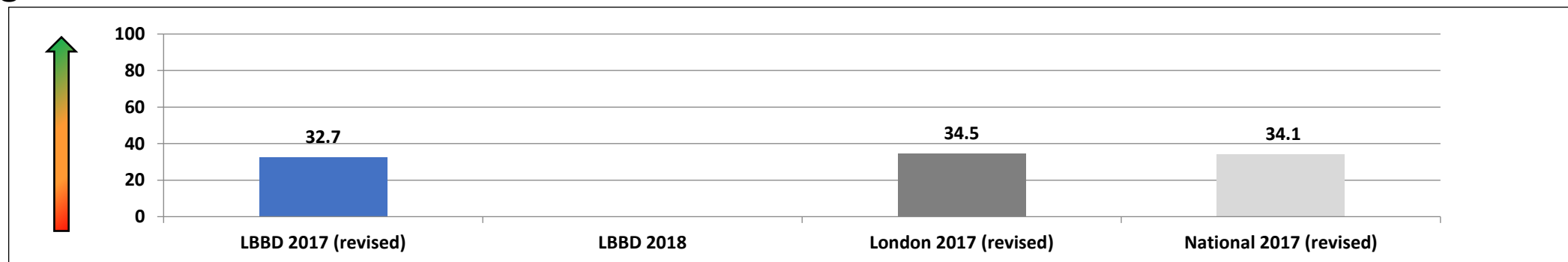
RAG Rating	Performance Overview	Actions to sustain or improve performance
A	While the LA's result is above the 2017 national benchmark, closing the gap with London remains key.	<ul style="list-style-type: none"> Working in close partnership with BDSIP to support and challenge schools. Supporting improved retention and recruitment of Maths Teachers. Maths Network Meetings have been scheduled throughout the year. Incorporating learning from last year's exam results given the new grading arrangements.
Benchmarking	In 2017, National was 39.6% and London was 48.2%.	

Average point score per entry – Best 3 A-Levels

Definition	The average point score for the highest scoring A' Levels across pupils.	How this indicator works	Points for the 3 A' Levels with the highest attaining scores across pupils are used to calculate this. This indicator applies to the subset of A' Level students who entered at least one full size A' Level (excluding AS Levels, General Studies or Critical Thinking). If students are entered for less than three full size A' Levels, they are only included in the measure if they have not entered other academic, Applied General and Tech Level qualifications greater than or equal to an A level. Results are published as a provisional and revised score annually by the DfE.	
What good looks like	The higher the score, the better.	Why this indicator is important	Strong attainment at A' Level improves the life chances of young people, enabling them to access high quality post 18 opportunities, including Higher Education and employment.	
History with this indicator	This is a new measure introduced in 2016/17. In 2017, Barking and Dagenham scored 32.7, a slight increase from our 2016 score of 32.0, but compared to London (34.5) and National (34.1) in 2017.	Any issues to consider	N/A	

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	Annual Result	DOT
LBBD	32.7	n/a
Target	To be agreed	




RAG Rating	Performance Overview	Actions to sustain or improve performance
R	This continues to be challenging. The rate of improvement is improving but too slowly. 2018 data will be available from mid-October.	<ul style="list-style-type: none"> Improving performance at A Level is a priority in the new draft Education & Participation Strategy 2018-22. Working with BDSIP and schools to improve the recruitment and retention of Maths and Science teachers so that more able students do not leave the LA to seek tuition elsewhere.
Benchmarking	In 2017, National was 34.1 and London was 34.5.	

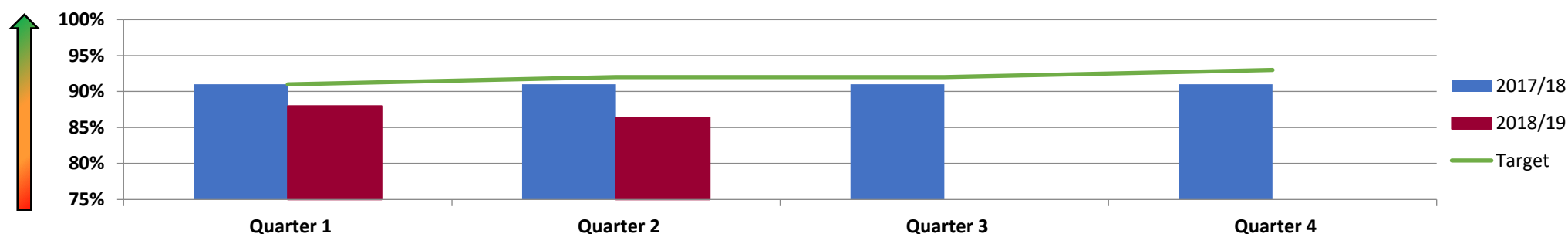
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

The percentage of schools rated outstanding or good

Quarter 2 2018/19

Definition	Percentage of Barking and Dagenham schools rated as good or outstanding when inspected by Ofsted. This indicator includes all schools.	How this indicator works	This is a count of the number of schools inspected by Ofsted as good or outstanding divided by the number of schools that have an inspection judgement. It excludes schools that have no inspection judgement. Performance on this indicator is recalculated following a school inspection. Outcomes are published nationally on Ofsted Data View 3 times per year (end of August, December and March).		
What good looks like	The higher the better.	Why this indicator is important	This indicator is important because all children and young people should attend a good or outstanding school in order to improve their life chances and maximise attainment and success. It is a top priority set out in the Education Strategy 2014-17 and we have set ambitious targets.		
History with this indicator	See below.	Any issues to consider	No current issues to consider.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	88%	86.4%			
Target	90%	90%	90%	90%	
2017/18	91%	91%	91%	91%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<p>At end of September 2018, 86.4% of inspected schools in Barking and Dagenham were judged 'Good' or better, just above national and below London. This is a small drop from 88% in August (Q1) owing to Riverside Bridge's inspection result (see below).</p> <p>There have been 24 inspections including 17 section 8 monitoring inspections and five Section 5 inspections. All the section 8 inspections of LA maintained schools were positive. Eastbury Community maintained its 'Good' judgement with the Sixth Form judged outstanding; Furze Infants and Grafton Primary were judged as moving towards 'Outstanding' which will lead to a Section 5 inspection. Riverside Bridge had its Section 5 inspection and was judged to have serious weaknesses. Marks Gate Junior School's report is likely to be published later in the Autumn term.</p>	<ul style="list-style-type: none"> Continuing to work in close partnership with schools and BDSIP, this indicator is expected to move back up over the course of the year. There are currently eight schools which are not graded 'Good' or 'Outstanding' plus Greatfields School which is due its first inspection this academic year. Of the eight (3 LA and 4 academies) half are due to be inspected this academic year and are expected to move to 'Good' (2 x LA, 2 x academies). The remaining four schools which are not 'Good' (1 x LA, 3 x academy) are not likely to be inspected until 2019/20 at the earliest. In three of these schools there has been a change of leadership. The LA has commissioned additional support for the LA maintained school causing concern by supporting the appointment of an experienced executive headteacher and additional governors to the governing body. The headteacher of Trinity School has been seconded on a part-time basis as Executive Headteacher of Riverside Bridge to bring about significant and rapid improvement and the academy trust will be establishing a monitoring board with representation from the LA.
Benchmarking	For 2017/18, national is 86% and London is 92% (at March 2018).	

Employment, Skills and Aspiration – Key Performance Indicators 2018/19

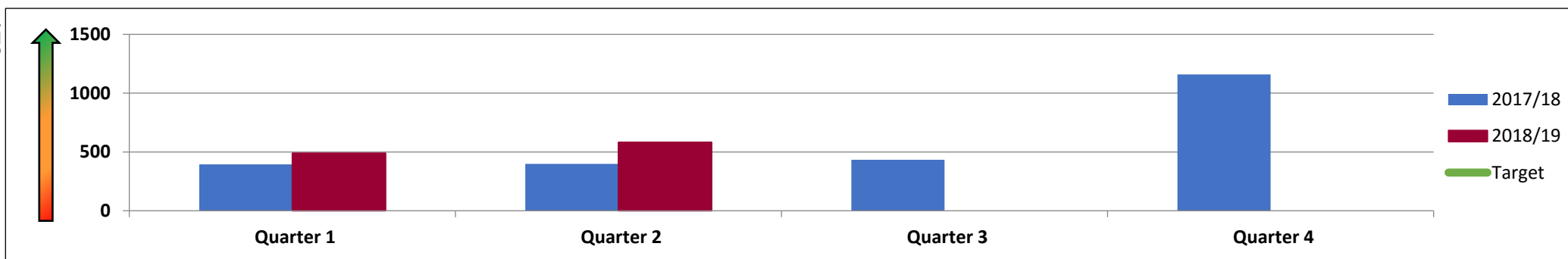
EMPLOYMENT, SKILLS AND ASPIRATION

The total number of households prevented from being homeless

Quarter 2 2018/19

Definition	Number of households approaching the service for assistance to prevent homelessness	How this indicator works	Total number of households successfully prevented from becoming homeless at the end of each quarter.		
What good looks like	Number of households prevented from becoming homeless increases, while the number of households requiring emergency accommodation decreases	Why this indicator is important	With homelessness continuing to remain high on the political and media agenda's it is important to show that new ways of working (in accordance with new legislation) is having the desired impact of preventing households from becoming homeless.		
History with this indicator		Any issues to consider	Increasing demand on Homeless Prevention Service, impact of Homelessness Reduction Act and Welfare Reform. Impact of housing market and regeneration programme. Financial pressure on budgets.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	490	582			↑
2017/18	395	398	433	1159	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	In line with new ways of working and with new legislation via the Homelessness Reduction Act, the ambition is to work and support all households with the ambition of preventing homelessness by providing alternative housing solutions as oppose to having to procure and provide expensive temporary accommodation.	Ongoing development of staff and service to provide alternative solutions to homelessness. Improvement of relationships with internal and external partners to communicate the prevention agenda.
Benchmarking	Data unavailable.	

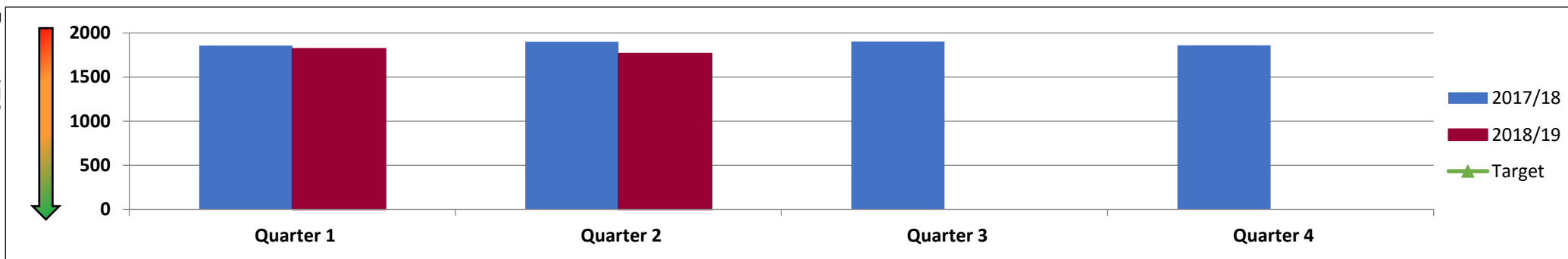
EMPLOYMENT, SKILLS AND ASPIRATION

The number of households in Temporary Accommodation over the year

Quarter 2 2018/19

Definition	Number of households in all forms of temporary accommodation, B&B, nightly Let, Council decant, Private Sector Licence (PSL) (in borough and out of borough)			How this indicator works	The number of households occupying all forms of temporary accommodation at the end of each quarter.
What good looks like	Increase in temporary accommodation / PSL supply, however with a reduction in the financial loss to the Council leading to a cost neutral service.			Why this indicator is important	Financial impact on General Fund. Reduction in self-contained accommodation is likely to lead to an increase in the use of B & B and the number of families occupying that type of accommodation for more than 6 weeks.
History with this indicator	PSL accommodation was considered cost neutral. Due to market demands, landlords/agents can now request higher rentals exceeding LHA rates.			Any issues to consider	Increasing demand on homelessness service, impact of Homelessness Reduction Bill and Welfare Reform. Impact of housing market and regeneration programme. Renewal of PSL Contract. Non-conformance of other LA's to the "Pan-London" nightly rate payment arrangements.
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	1,822	1,766			↑
2017/18	1,857	1,901	1,904	1,861	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	As the need to get a better appreciation of the overall cost of temporary accommodation is prioritised, work is being done to reduce the overall number of properties being utilised as last 3 quarters would suggest. A more targeted approach is now being developed to look at opportunities to further reduce the number while offering alternative solutions to households.	Development of a temporary accommodation model to easily identify where reductions in the portfolio can be made. Better access to longer term housing solutions including through Choice Homes / Reside / Private Rented Sector.
Benchmarking	Data unavailable.	


EMPLOYMENT, SKILLS AND ASPIRATION

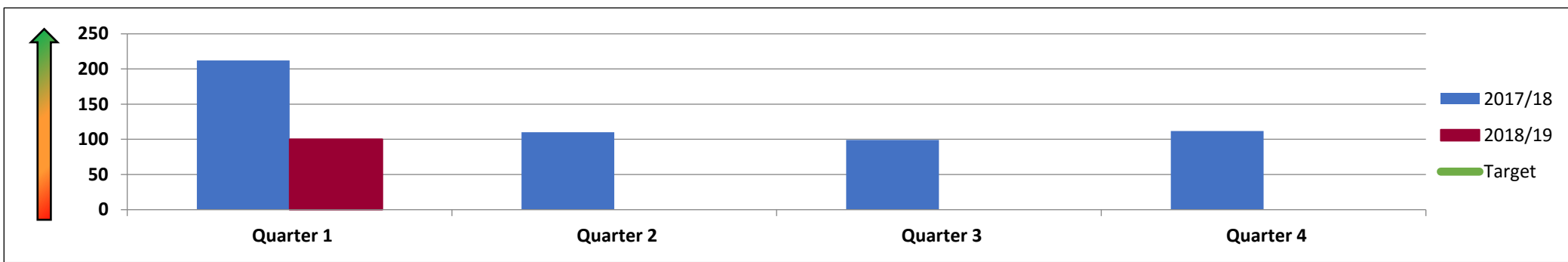
The total number of households moved out of temporary accommodation

Quarter 2 2018/19

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Definition	Number of households in all forms of temporary accommodation, B&B, nightly Let, Council decant, Private Sector Licence (PSL) (in borough and out of borough)	How this indicator works	Total number of households where housing duty has been discharged at the end of each quarter and the Council no longer Housing responsibility.
What good looks like	Increase in number of households removed from temporary accommodation into longer term housing solutions, with an overall reduction on the use of temporary accommodation.	Why this indicator is important	Financial impact on General Fund. Cost of providing temporary accommodation continues to increase which has a negative impact on budgets. With the reduction in other “move on” accommodation, the ongoing cost of providing temporary accommodation increases.
History with this indicator	No previous data reported	Any issues to consider	Increasing demand on homelessness service, impact of Homelessness Reduction Act and Welfare Reform. Impact of housing market and regeneration programme. Renewal of PSL Contract. Non-conformance of other LA’s to the “Pan-London” nightly rate payment arrangements. Lack of alternative Housing exit strategies.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	100	162			
2017/18	212	110	99	112	




RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Work is being done to reduce the overall number of temporary accommodation properties being utilised. A more targeted approach is now being developed to look at opportunities to further reduce the number while offering alternative solutions to households.	Development of a temporary accommodation model to easily identify where reductions in the portfolio can be made. Better access to longer term housing solutions including through Choice Homes / Reside / Private Rented Sector.
Benchmarking	Data not available.	

Regeneration and Social Housing – Key Performance Indicators 2018/19

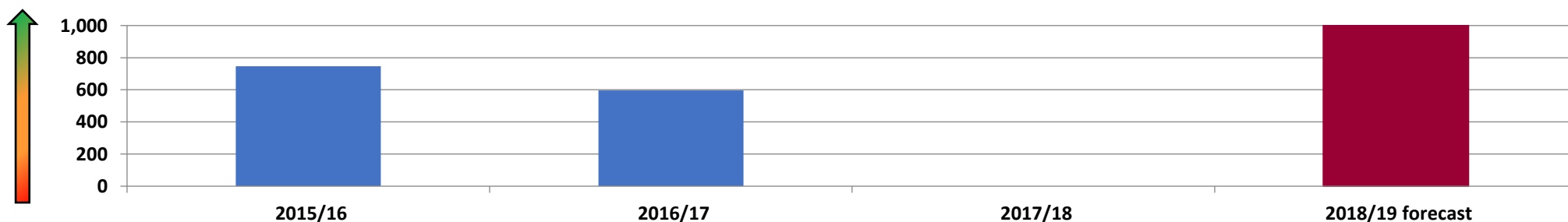
REGENERATION AND SOCIAL HOUSING

The number of new homes completed (Annual Indicator)

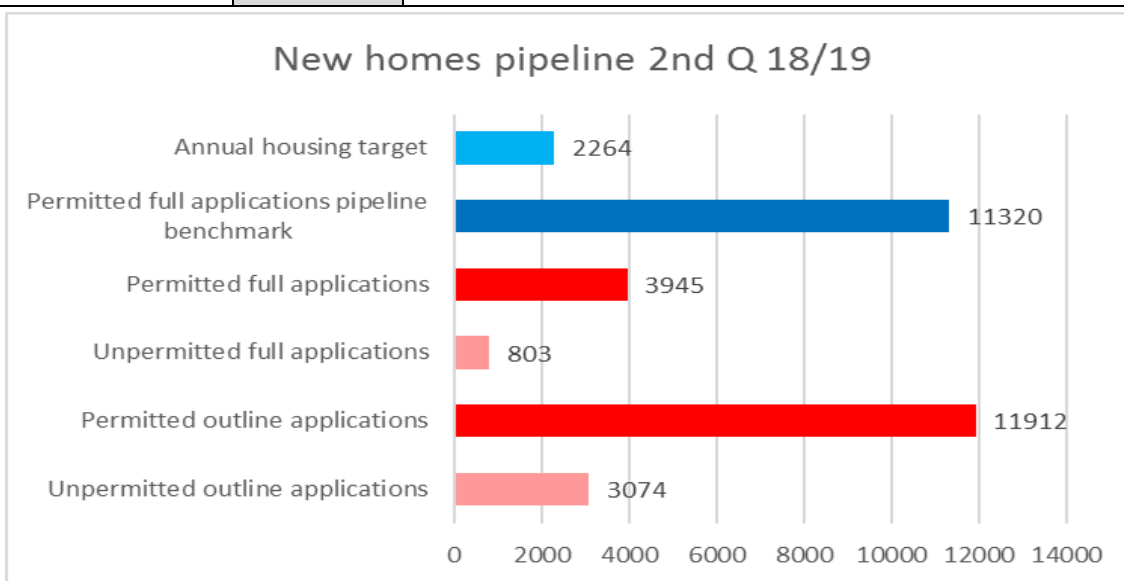
Quarter 2 2018/19

Definition	The proportion of net new homes built in each financial year.	How this indicator works	Each year the Council updates the London Development Database by the deadline of 31 st August. This is the London-wide database of planning approvals and development completions.
What good looks like	The Council's target for net new homes is in the London Plan. Currently this is 1,236 new homes per year.	Why this indicator is important	It helps to determine whether we are on track to deliver the housing trajectory and therefore the Council's growth agenda and the related proceeds of development, Community Infrastructure Levy, New Homes Bonus and Council Tax.
History with this indicator	2016/17 end of year result – 596 2015/16 end of year result – 746 2014/15 end of year result – 512 2013/14 end of year result – 868	Any issues to consider	The Council has two Housing Zones (Barking Town Centre and Barking Riverside Gateways) which are charged with the benefit of GLA funding to accelerate housing delivery in these areas. There are 13,000 homes with planning permission yet to be built and planning applications currently in the system for another 1,000. The Housing Trajectory for the Local Plan identifies capacity for 27,700 by 2030 and beyond this a total capacity for over 50,000 new homes. The draft London Plan due to be published in November will have a proposed housing target of 2264 net new homes a year. Be First forecasts a reduction of new homes in the Borough in 18/19 due to the timing of unit delivery. The overall trend is that fewer total units will be delivered in the first three years of the Be First Business Plan whilst 21/22 and 22/23 see a significant increase in delivery.
		Annual Result	DOT
2018/19		1064 (forecast)	
Target		1453	
2017/18		Awaiting final data	
2016/17		596	

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<p>Definition</p>	<p>The number of homes yet to be built on sites with full planning permission. This includes homes on sites where construction has started but the homes are not completed.</p>	<p>How this indicator works</p>	<p>Generally speaking there are two types of planning permission outline and full. Full applications are applications which can be built without further approval. Outline applications cannot be built until reserved matters applications are approved. Barking and Dagenham has ambitious plans to build 50,000 new homes over the next twenty to twenty-five years and a corresponding housing target of 2264 new homes a year in the draft London Plan. It has sites with enough capacity to deliver this figure but of these 50,000 homes only 3945 have full planning permission, 11,912 have outline permission and planning applications are currently awaiting approval for a further 803 homes for full permission and 3074 for outline. In 15/16 the top five boroughs built in total 10990 homes from a pipeline of 54950 homes with full permission, a ratio of 5. This indicates that the pipeline of full permissions needs to be five times the borough's housing target. Therefore, Barking and Dagenham's pipeline of full permission needs to increase from 3945 homes to around 11320 homes to help achieve the borough's new housing target of 2264 net new homes a year.</p>
<p>What good looks like</p>	<p>The pipeline of full permissions should be around 11320 which is five times the housing target of 2264 net new homes a year</p>	<p>Why this indicator is important</p>	<p>It evidences whether there is enough potential deliverable new housing supply to meet the borough's housing target in the draft London Plan and the Government's Housing Delivery Test, the growth ambitions set out in the Borough Manifesto and emerging Local Plan and the house building targets in the Be First Business Plan.</p>
<p>History with this indicator</p>	<p>Currently the pipeline of full permissions is 3945 and on average over the last five years only 654 net new homes have been built each year (a factor of five). The pipeline needs to increase three-fold to achieve the housing target of 2264 net new homes a year.</p>	<p>Any issues to consider</p>	<p>GLA data shows that Barking and Dagenham has the third largest total capacity in London for new homes but the 10th highest housing target. This is because many of these sites are not currently deliverable as they either have outline planning permission, no permission and are not allocated in the development plan. The emerging Local Plan/Masterplans being prepared by Be First will be crucial in enabling planning applications to be brought forward on land currently zoned for industry such as Chadwell Heath, Thames Road and Castle Green and for optimising housing supply in Barking Town Centre.</p>



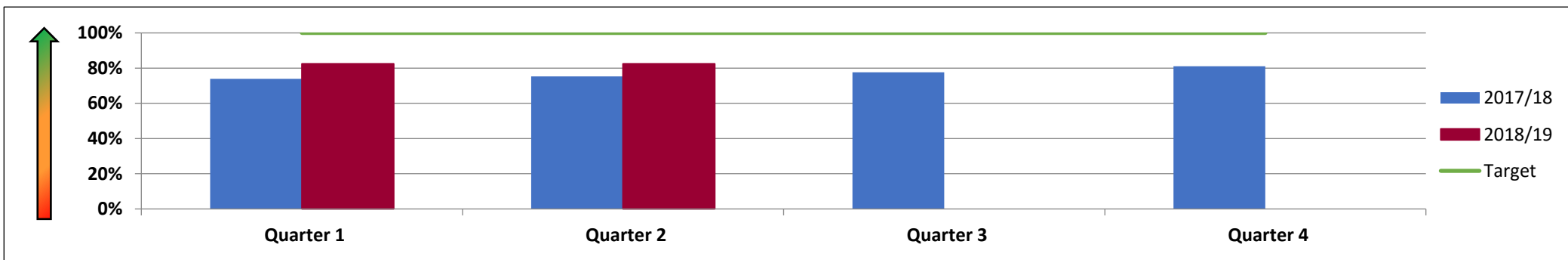
REGENERATION AND SOCIAL HOUSING

The percentage of council homes compliant with Decent Homes

Quarter 2 2018/19

Definition	The Decent Homes Standard is a minimum standard council and housing association homes should meet according to the government. Under the standard, council or housing association homes must: be free from any hazard that poses a serious threat to your health or safety.18 May 2018	How this indicator works	Dwellings which fail to meet this criterion are those which lack three or more of the following: <ul style="list-style-type: none"> • a reasonably modern kitchen (20 years old or less); • a kitchen with adequate space and layout; • a reasonably modern bathroom (30 years old or less); • an appropriately located bathroom and WC; • adequate insulation against external noise (where external noise is a problem); • adequate size and layout of common areas for blocks of flats. A home lacking two or less of the above is still classed as decent therefore it is not necessary to modernise kitchens and bathrooms if a home passes the remaining criteria.		
What good looks like	A continuous improvement of the stock with constant monitoring of the stock Investment/knowledge stock condition.		Why this indicator is important	This indicator is important as it aims at providing minimum safe housing for the community/landlord obligation clean safe and hazard. Decent/comfort	
History with this indicator	2010 the access database got decommissioned and the service was without a system for two years.	Any issues to consider	The percentage figure for this indicator is difficult to produce as it is a moving target. The total stock figure changes as some properties drop of the target or new stock gets added to the ratio		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	82.41%	82.5%			
Target	100%				
2017/18	73.88%	75.26%	77.7%	81.14%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	This is on target – it is a moving target . It might be difficult to get a green on this target as the total stock figure changes every month.	To improve performance there is a need for continuous investment. This is a KPI that the government was focusing on until March 2019. It will need local support and planning to ensure that the focus is maintained to keep a good programme in for stack maintenance.
Benchmarking	Data not available.	

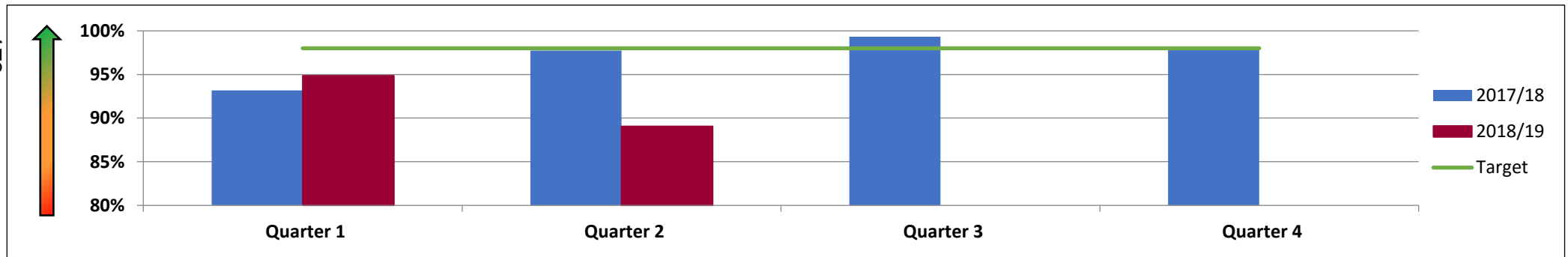
REGENERATION AND SOCIAL HOUSING

The percentage of residents satisfied with capital works

Quarter 2 2018/19

Definition	Monitored monthly to see how satisfied residents are with the quality of repairs	How this indicator works	Our residents provide feedback through a telephone interview they undertake with Elevate. These figures are then cumulated to give a monthly average across the contractors		
What good looks like	We aim for 98% customer satisfaction.	Why this indicator is important	This indicator is important as we are trying to provide more and more value for money service we need to ensure that we are still meeting the needs of our residents. Secondly, we are delivering through contractors and subcontractors and we need to ensure that our residents are getting a good service. We monitor the performance of our contractors through customer satisfaction.		
History with this indicator	This figure has been calculated for the past four years.	Any issues to consider	In LBBD there are a pool of contractors that cover the repairs side of the local stock of buildings when averaging the total customer satisfaction figures we tend to boost up the figures of some poor performing contractors. Figures for individual contractors are available and at a service they are reviewed with the contractors.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	94.84%	89.05%			
Target	98%	98%	98%	98%	
2017/18	93.17%	97.75%	99.34%	98.11%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The target was raised from 90% which was for 2017-2018 to 98% for 2018-2019. This was because the 90% was met easily through the year. However, the figure has dropped below 90% for this quarter.	There are weaker contractors within the contractors who we are working with. Their figures get boosted whilst averaging. The service is aware of this and they look at the contractors individually.
Benchmarking	Data not available.	

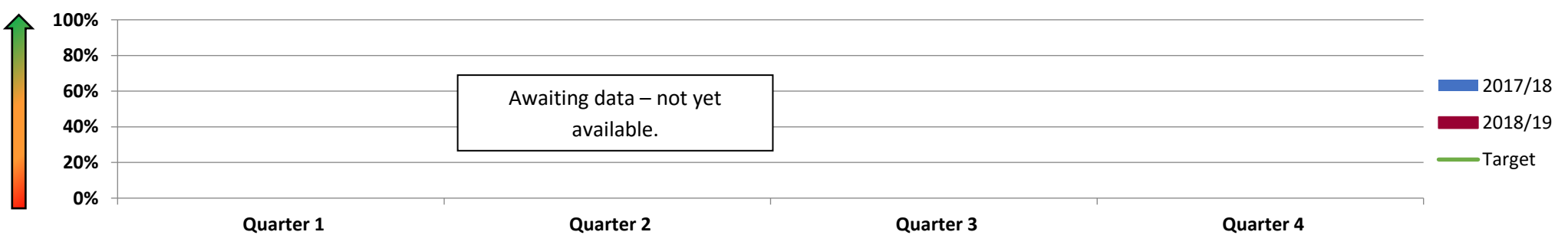
REGENERATION AND SOCIAL HOUSING

Capital spend within year being within 5% of planned budget

Quarter 2 2018/19

Definition	Capital expenditure , or CapEx , are funds used by a company to acquire, upgrade, and maintain physical assets such as property, industrial buildings, or equipment. CapEx is often used to undertake new projects or investments by the organisation. In accounting terms, the money spent will not run through the income statement directly but will appear on the cash flow statement.		How this indicator works	The organisation will set a budget to maintain, upgrade and purchase stock. This budget will be part of the whole capital spend. This indicator enables planning long term projects and forecasting the state of the capital stock. In some cases it is felt that a lot more is required than what the budget allows and in this case the organisation can look at other sources of funding to enable the long term plans of managing their stock.	
What good looks like	When Capital Expenditure stays within 5% of the planned budget. Not going over budget and similarly not underspending.	Why this indicator is important	This indicator is important as it keeps the organisation within planned works where stock can be maintained on a cyclical pattern. This in the long-term stops overspending when stocks decline and helps avoid overspending in repairs and maintenance.		
History with this indicator		Any issues to consider	This indicator can be looked at yearly to see if we have kept within budget. Currently it is not available on a quarterly format. Capital projects have a cycle where the initial planning and tendering takes place hence less spend and towards the middle and end of the yea the money is spent. This makes it difficult to use the full capital spend figure on a quarterly or monthly basis.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19		Data not yet available			n/a
Target					

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Finance, Performance and Core Services – Key Performance Indicators 2018/19

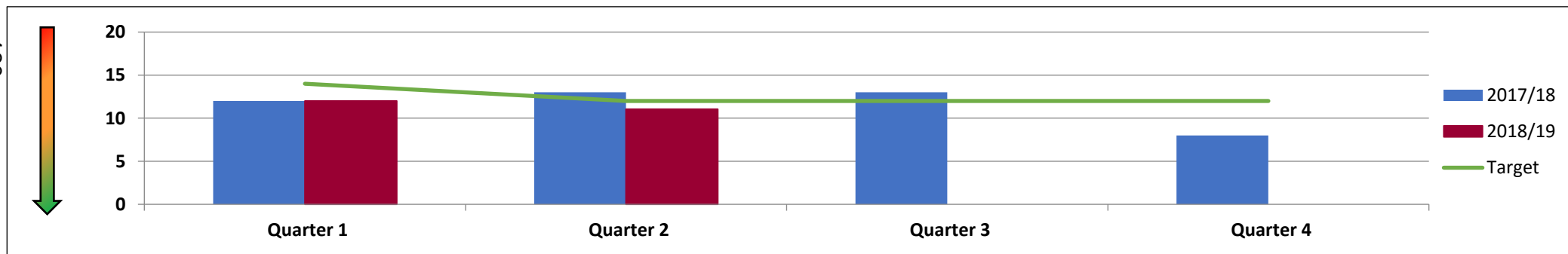
FINANCE, PERFORMANCE AND CORE SERVICES

The average number of days taken to process Housing Benefit / Council Tax Benefit Change Events

Quarter 2 2018/19


Definition	The average time taken in calendar days to process all change events in Housing Benefit and Council Tax Benefit		How this indicator works	The indicator measures the speed of processing	
What good looks like	To reduce the number of days it takes to process HB/CT change events		Why this indicator is important	Residents will not be required to wait a long time before any changes in their finances	
History with this indicator	2017/18 End of year result – 8 days 2016/17 End of year result – 9 days 2015/16 End of year result – 14 days 2014/15 End of year result – 9 day		Any issues to consider	There are no seasonal variances, but however government changes relating to welfare reform, along with Department for Work and Pensions (DWP) automated communications pertaining to changes in household income impact heavily on volumes and therefore performance.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	12 days	11.05 days			
Target	14 days	12 days	12 days	12 days	
2017/18	12 days	13 days	13 days	8 days	

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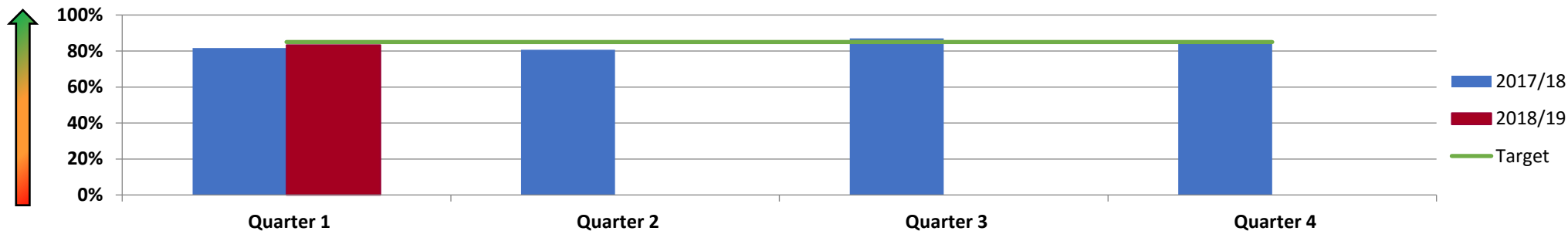


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>Verify Earnings and Pensions remains fully implemented and utilised.</p> <p>Atlas automation fully utilised.</p> <p>Suspension Reports are being tightly controlled so all claims that hit month (as per legislation) are actioned immediately.</p> <p>Continual tray management and officer redeployment to priority work areas.</p>	Continuation of work structure & plans implemented in 2017/18
Benchmarking	No benchmarking data	

FINANCE, PERFORMANCE AND CORE SERVICES
Quarter 2 2018/19
The percentage of customers satisfied with the service they have received

Definition	The % of customers who say that they were satisfied with the service they received from the Contact Centre.	How this indicator works	A sample of calls to the Contact Centre is taken in which customers are asked to rate their experience.		
What good looks like	85%	Why this indicator is important	Ensuring that our customers are satisfied is a critical determinate in providing surety that we are providing a high standard of service. Having a high level of satisfaction also helps the Council manage demand and thereby keep costs down.		
History with this indicator	New target	Any issues to consider	None at this time.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	83.34%	85%			
Target	85%	85%	85%	85%	
2017/18	81.6%	80.66%	87%	84%	


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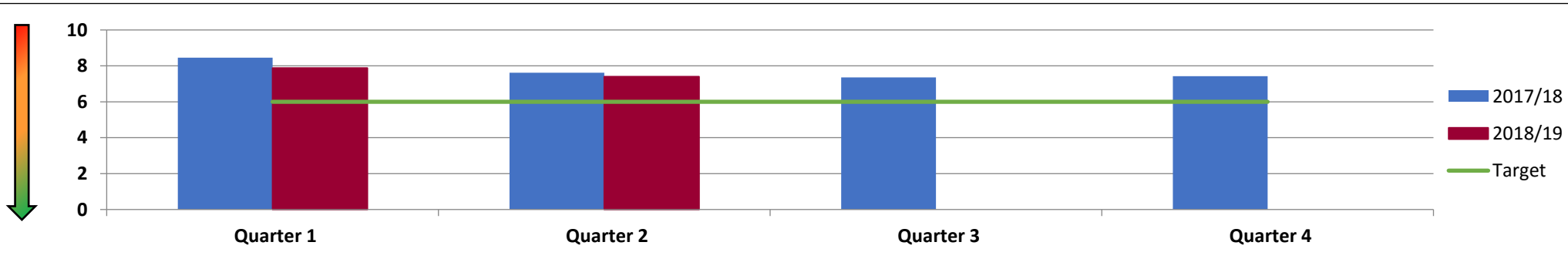
RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Performance has improved during Quarter 2 with 85% of customers stating they were satisfied with the service they received.	We are further refining the method statement for collecting satisfaction feedback.
Benchmarking	LA neighbours Benchmark - OnSource is 80%	

The average number of days lost due to sickness absence

Definition	The average number of days sickness across the Council, (excluding staff employed directly by schools). This is calculated over a 12-month rolling year and includes leavers.	How this indicator works	Sickness absence data is monitored closely by the Workforce Board and by Directors. An HR Project Group meets weekly to review sickness absence data, trends, interventions and “hot spot” services have been identified. Managers have access to sickness absence dashboards.
What good looks like	Average for London Boroughs has recently been revised and reported as is 8.2 days (up from 7.8).	Why this indicator is important	This indicator is important because of the cost to the council, loss of productivity and the well-being and economic health of our employees. The focus is also on prevention and early intervention.
History with this indicator	2016/17 end of year result: 8.43 days 2015/16 end of year result: 9.75 days 2014/15 end of year result: 7.51 days	Any issues to consider	Sickness has decreased since the previous quarter. Monthly tracking continues to show a reduction in absence. We are still not achieving the revised target of 6 days. A breakdown of sickness absence in services is set out below.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	7.88	7.40			
Target	6.0	6.0	6.0	6.0	
2017/18	8.45	7.62	7.36	7.43	

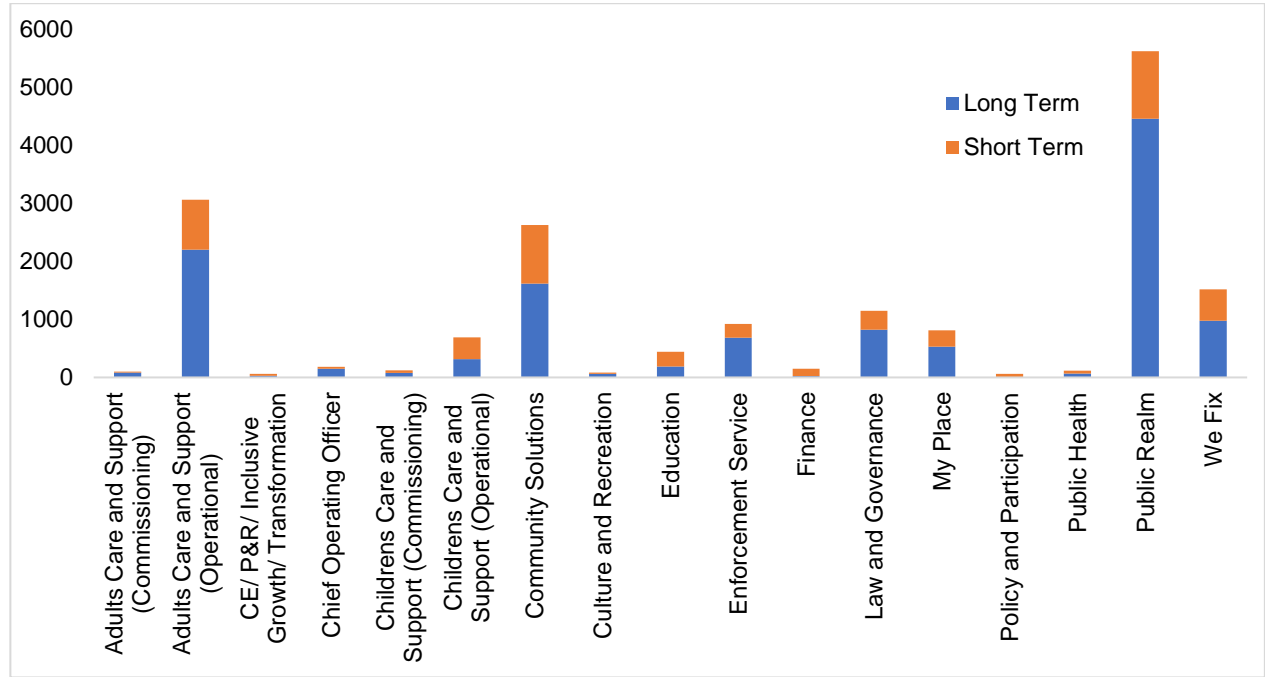
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The council’s sickness figures have improved since Q1 2018/19 and are on a downward trend.	Targeted interventions are in place in areas where there continue to be high levels of absence and initial observations are that this is having a positive impact. Further detailed analysis of areas with high absence levels continues to be undertaken.
Benchmarking	London average – 7.8 days	

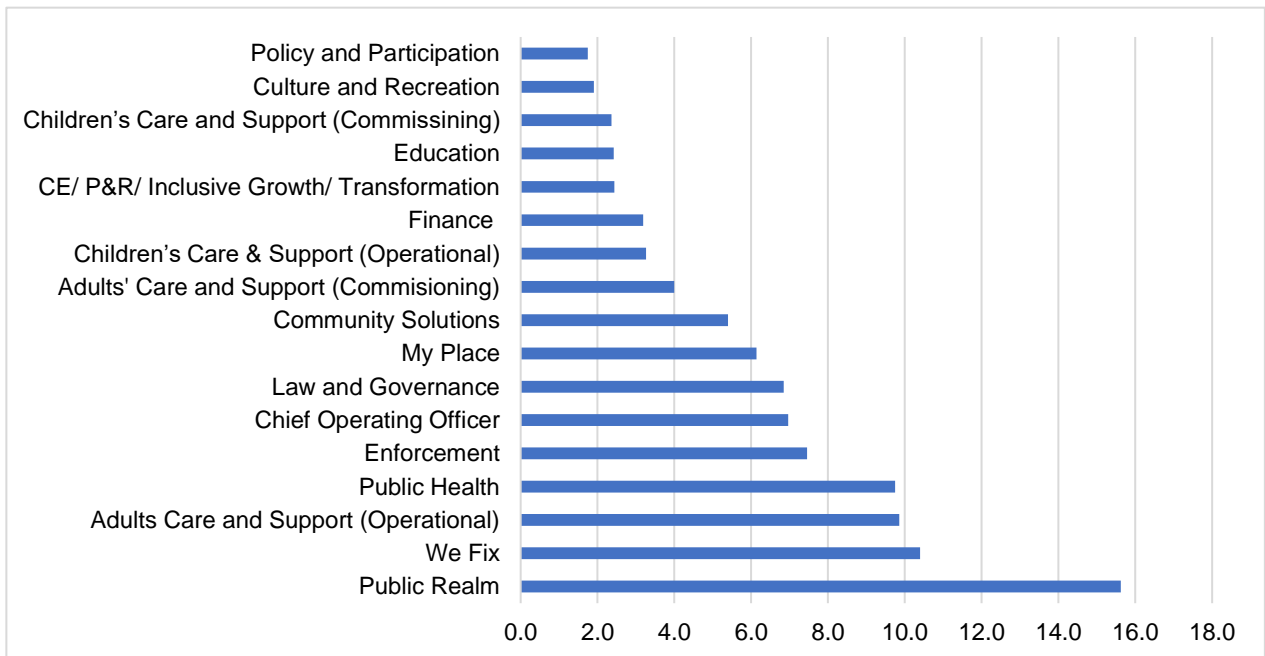
Service Breakdown of sickness absence

Service Block	Long Term	Short Term
Adults Care and Support (Commissioning)	85	15
Adults Care and Support (Operational)	2201	864.75
Chief Executives, SDI, Transformation, Inclusive Growth	29	32
Chief Operating Officer	149	32
Children's Care and Support (Commissioning)	76	47
Children's Care and Support (Operational)	317	374.5
Community Solutions	1620	1009.5
Culture and Recreation	59	23
Education	190.5	254.5
Enforcement Service	684	240.5
Finance	23	127
Law and Governance	822	328
My Place	533	277
Policy and Participation	0	61
Public Health	67	50
Public Realm	4458	1164.75
We Fix	978	539.5




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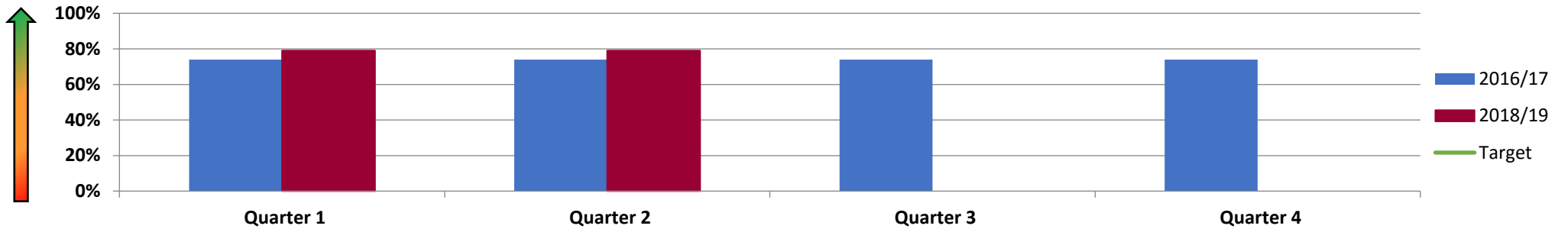
Service Block	Average Days Lost per EE
Adults' Care and Support (Commissioning)	4.0
Adults Care and Support (Operational)	9.9
CE/ P&R/ Inclusive Growth/ Transformation	2.4
Chief Operating Officer	7.0
Children's Care & Support (Operational)	3.3
Children's Care and Support (Commissioning)	2.4
Community Solutions	5.4
Culture and Recreation	1.9
Education	2.4
Enforcement	7.5
Finance	3.2
Law and Governance	6.8
My Place	6.1
Policy and Participation	1.7
Public Health	9.8
Public Realm	15.6
We Fix	10.4



Employee Engagement Index Score

Definition	The employee engagement index calculated from the scoring of the employee engagement questions of the Temperature Check survey.	How this indicator works	The indicator uses the average score of all questions answered within the Temperature Check survey.		
What good looks like	The employee engagement index has increased by 5% since the last survey.	Why this indicator is important	This indicator helps to measure the engagement of the council's workforce and enables any underlying issues to be investigated and addressed.		
History with this indicator	Employee engagement Index Score 2016/17: 74%	Any issues to consider	None to be noted.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from 2016/17
2018/19	79%	79%			
Target	Target to be set				
2016/17	74%				

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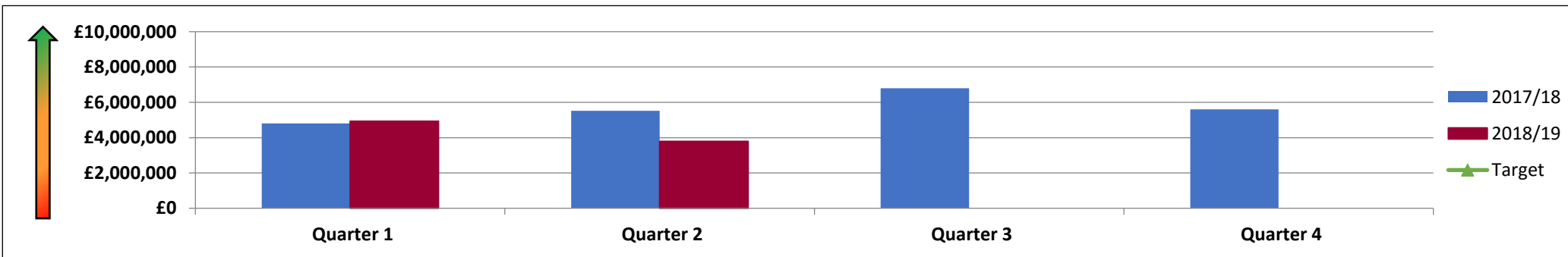


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The increased engagement score since 2017/2018 is positive and demonstrates that the change programme the council has undergone in the past two years have not adversely affected employee's satisfaction and attitudes towards working for the Council.	In depth analysis of the full survey as a whole is ongoing.
Benchmarking	No benchmarking data available – Local measure only.	

The current revenue budget account position (over or underspend)

Definition	The position the Council is in compared to the balanced budget it has set to run its services.		How this indicator works	Monitors the over or under spend of the revenue budget account.	
What good looks like	In line with projections, with no over spend.		Why this indicator is important	It is a legal requirement to set a balanced budget.	
History with this indicator	2017/18 end of year result: £5m overspend 2016/17 end of year result: £4.853m overspend 2015/16 end of year result: £2.9m overspend 2014/15 end of year result: £0.07m overspend		Any issues to consider	None at this time.	
	Quarter 1	August 2017	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	£4,924,000 forecast	£3,789,000 forecast			↓
2017/18	£4,800,000 forecast	£5,517,000 forecast	£6,800,000 forecast	£5,000,000	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Although the actions taken in last year's MTFS and the impact of the transformation programme have brought many previously overspending services back into balance, issues still remain in Care and Support where high levels of demand and unachieved savings are resulting in potential overspends. This is partly offset by prudent use of central contingencies.	Overspending services are continuing to implement their agreed savings and developing additional management action plans. These will be monitored closely throughout the year as part of the new governance arrangements.
Benchmarking	No benchmarking data available – Local measure only	

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CABINET**11 December 2018**

Title: Debt Management Performance and Write-Offs 2018/19 (Quarter 2)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Gill Hills – Head of Revenues	Contact Details: Tel: 0208 724 8615 E-mail: gill.hills@elevateeastlondon.co.uk
Accountable Director: Claire Symonds, Deputy Chief Executive and Chief Operating Officer	
Summary	
<p>This report sets out the performance of the Council's partner, Elevate East London, in carrying out the contractual debt management function on behalf of the Council. This report covers the second quarter of the financial year 2018/19. The report also includes summaries of debt written off in accordance with the write off policy that was approved by Cabinet on 18 October 2011. The report demonstrates that performance is stable and continuing to improve year on year in terms of overall collection, though continuing to be impacted by welfare reform measures.</p>	
Recommendation(s)	
<p>Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; (ii) Note the debt write-offs for the second quarter of 2018/19 	
Reason	
<p>Assisting in the Council's Policy aim of ensuring an efficient organisation delivering its statutory duties in the most practical and cost-effective way. This ensures good financial practice and adherence to the Council's Financial Rules on the reporting of debt management performance and the total amounts of debt written-off each financial quarter.</p>	

1. Introduction and Background

- 1.1 The Council's Revenues, Benefits, General Income and Rents Service is operated by the Council's joint venture company, Elevate East London LLP (Elevate). The service is responsible for the management of the Council's debt falling due by way of statutory levies and chargeable services. It also collects rent on behalf of Barking and Dagenham Reside. Council debts not collected by Elevate are not included in this report, for example parking and road traffic debt prior to warrants being granted and hostel and private sector leasing debt.
- 1.2 This report sets out performance for the second quarter of the 2018/19 municipal and financial year and covers the overall progress of each element of the service since April 2018. In addition, it summarises debts that have been agreed for write off in accordance with the Council's Financial Rules. All write offs are processed in accordance with the Council's debt management policy agreed on 18th October 2011.
- 1.3 The target for Council Tax current year collection remains the same as 2017/18 at 96%. The increase in Council Tax in 18/19 means that to achieve target an additional £5.2m must be collected. The Council Tax arrears target has increased by £180,300 to £2,302,300. The General Income target has increased by 0.2% to 96.2% which approximately equates to an additional £200k.

2. Proposal and Issues

- 2.1 Set out in Table 1 below is the performance for quarter two of 2018/19 achieved for the main areas of debt managed by Elevate.

Table 1: Collection Rate Performance – Quarter two 2018/19

Type of Debt	Year end target	Quarter 2 target	Quarter 2 Performance	Variance	Actual collected
Council Tax	96.00%	56.2%	55.9%	-0.3%	£42.730m
Council Tax Arrears	£2.302m	£1.419m	£1.473m	+£0.054m	£1.473m
NNDR	98.30%	54.9%	55.5%	+0.6%	£34.488m
Rent	96.75%	47.70%	47.67%	-0.03%	£47.846m
Leaseholders	98.30%	53.57%	52.20%	-1.37%	£2.255m
General Income	96.20%	92.89%	92.92%	+0.03%	£44.024m

Council Tax Collection Performance

- 2.2 Council Tax collection for Quarter 2 is 0.3% below the target.
- 2.3 The amount of Council Tax charged in 2018/19 has increased by £5.3m compared with 2017/18.

- 2.4 Alongside this increase in Council Tax charged, Council Tax Support has decreased month on month since the start of 2018/19. By the end of Quarter 2 of 2018/19 CTS payments had dropped by £355k compared with £30k for the same period in 2017/18.
- 2.5 The CTS caseload continues to drop month on month. At the end of quarter 2 2017/18 CTS made up 15.6% of the total Council Tax charged, this has now decreased to 14.6% in 2018/19.
- 2.6 This reduction is the equivalent of £805k. This is the additional Council Tax that will be charged to Council Tax payers.
- 2.7 The introduction of Universal Credit (UC) has increased administration and caused the issuing of multiple bills in some cases. This is because the DWP notify the Local Authority of a claimant's new application for UC, CTS is subsequently suspended, and this results in the issuing of a new bill with new instalments. If the applicant is successful and receives UC the Local Authority is informed and CTS is re-applied and a new bill and instalments issued. This has resulted in an increase in contact and a reduction in debt recovery documents, i.e. reminders. In these cases, the bill is inaccurate until UC is granted, and it is not possible to determine whether the resident is behind with payments.
- 2.8 As more residents claim UC this issue is likely to grow. In order that the full effect of UC on Council Tax can be assessed a sample number of cases will be reviewed.

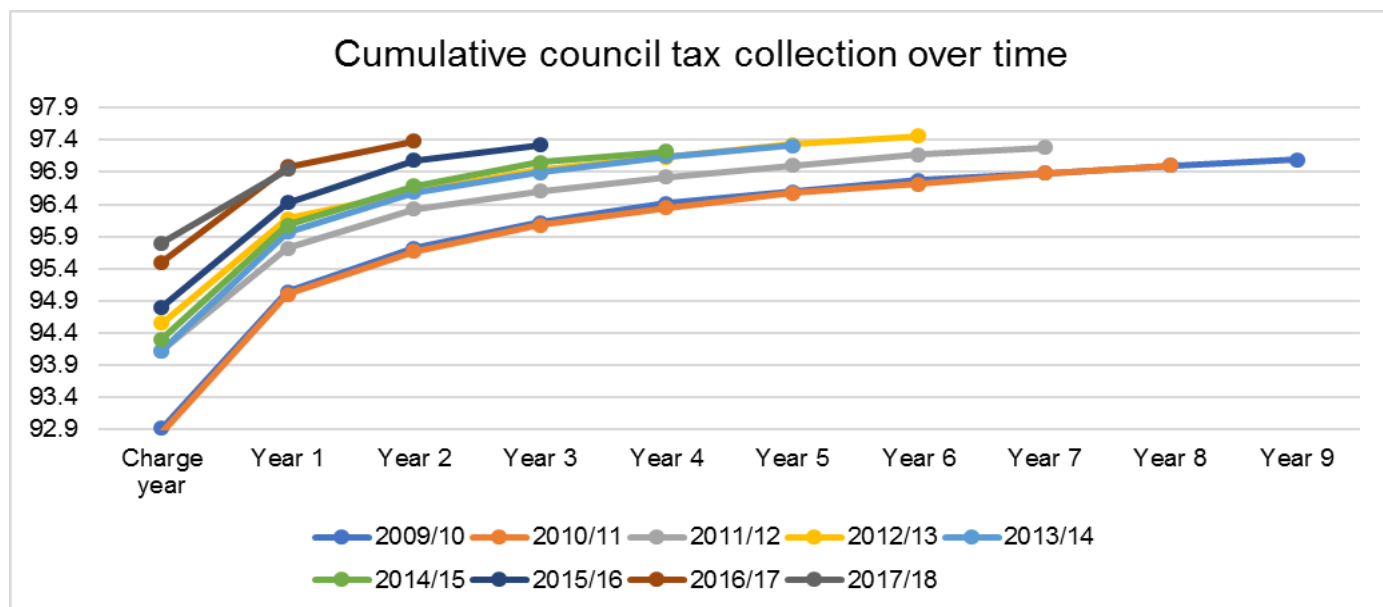
3. Council Tax Arrears

- 3.1 In quarter 2 arrears collection was £54k above the target.
- 3.2 The Council Tax Collection Team continues to face numerous challenges around Council Tax collection. These include the Council Tax Support scheme, the increasing number of properties within the borough, increases in the Council Tax charge and the introduction of Universal Credit.
- 3.3 The table below shows how Council Tax collection continues long after the initial charge year:

Table 2:

Quarter 2 18-19										
Year	Charge year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
2009/10	92.9	95.0	95.7	96.1	96.4	96.6	96.8	96.9	97.0	97.1
2010/11	92.9	95.0	95.7	96.1	96.4	96.6	96.7	96.9	97.0	
2011/12	94.1	95.7	96.3	96.6	96.8	97.0	97.2	97.3		
2012/13	94.6	96.2	96.6	96.9	97.1	97.3	97.5			
2013/14	94.1	96.0	96.6	96.9	97.1	97.3				
2014/15	94.3	96.1	96.7	97.1	97.2					
2015/16	94.8	96.4	97.1	97.3						
2016/17	95.5	97.0	97.4							
2017/18	95.8	96.9								

3.4 The graph below shows the improved performance in each year, except for 2013/14 when welfare reform had a marked effect on collection rates. Each line shows performance within that year, the bottom line (blue) shows collection for the charge year (the year in which the tax was first raised), the next (orange) shows performance in year 1 (the first year after the charge year) and so on. As can be seen overall collection of Council Tax continues year on year and has steadily improved since 2010/11.



4. Business Rates (NNDR) Collection Performance

4.1 The NNDR collection rate for quarter 2 was 0.6% above target.

5. Rent Collection Performance

5.1 Rent collection for quarter 2 is 0.03% below target, which is the equivalent of £28,715

5.2 Close working with My Place continues and referrals to the Homes and Money Hub for those tenants in most need of assistance started in Quarter 2.

5.3 Rent collection remains challenging in light of the introduction of Universal Credit.

6. Reside Collection Performance

6.1 In addition to collecting rent owed on Council tenancies, Elevate also collects the rent for the Barking & Dagenham Reside portfolio. Quarter 2 collection is 99.75% which is 0.25% above target.

7. Leaseholders' Debt Collection Performance

7.1 Leaseholder collection for quarter 2 is 1.37% below target. Some delays in updating the database have caused a reduction in collection. Discussion with the Home Ownership department are taking place to resolve this issue.

8. General Income Collection Performance

- 8.1 General Income collection for quarter 2 is 0.03% above target. Fluctuations in invoicing can result in higher or lower percentages of collection. However, collection remains strong in this area.

9. Adult Social Care – Collection of Social Care Charges (home and residential)

- 9.1 Homecare collection for quarter 2 is 0.32% above target.
- 9.2 Residential collection for quarter 2 is 6.4% above target.
- 9.3 The debt recovery process for these debts is similar to that for other debts, but with extra recognition given to particular circumstances. To ensure that the action taken is appropriate and to maximise payments, each case is considered on its own merits at each stage of the recovery process and wherever possible payment arrangements are agreed. In addition, a further financial reassessment of a client's contribution is undertaken where there is extraordinary expenditure associated with the care of the service user. The relevant procedures have been updated to take account of the Care Act.

10. Penalty Charge Notices (PCN) – Road Traffic Enforcement

- 10.1 Road Traffic Enforcement collection for quarter 2 is 0.8% behind target.
- 10.2 This recovery work only includes debts due to Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements once a warrant has been obtained by Environmental and Enforcement Services (Parking Services) from the Traffic Enforcement Centre (TEC). Given the various legal stages required to be exhausted before a warrant can be obtained, this debt is regularly more than six months old before it is released to Elevate for enforcement. Elevate enforce these warrants through Enforcement Agents acting on behalf of the Council and closely monitor the performance of these companies. Overall collection rates on PCNs would be reported by Parking Services.
- 10.3 In June 2017 Parking passed 2,306 warrants to Elevate to issue to Enforcement Agents. Collection rates are measured 12 months after they are passed to Elevate. Out of those warrants 97% were already over 12 months old and 74% had more than two PCNs. The age of the warrants has a significant impact upon the Enforcement Agents ability to collect the penalty. Where there are multiple PCNs, again the Agents ability to collect the penalty in full is reduced.

11. Housing Benefit Overpayments

- 11.1 Housing Benefit overpayment collection for quarter 2 is 14.4% above the target.
- 11.2 Creation of Housing Benefit Overpayments has begun to decrease in comparison with last year but may increase when Verified Earnings and Pensions (VEP) is introduced. This coupled with continued recovery action has shown an increase in percentage collection rates.

12. Enforcement Agent (Bailiff) Performance

- 12.1 Enforcement Agent action is a key tool for the Council to recover overdue debts but is only one area of collection work and is always the action of last resort. The introduction of the CTS scheme in 2013/14 meant around 13,000 additional households became liable to pay a proportion of Council Tax. This number increased again in April 2015 with the revised CTS scheme meaning that there has been additional debt recovery action. The affected group of residents are working age but their circumstances vary as they move in and out of work. The ability to collect all sums due to the Council continues to be made progressively more challenging as welfare reforms continue to take effect. This is alongside the cumulative yearly effect of CTS on arrears which is increasing overall indebtedness.
- 12.2 Information on the performance of the Enforcement Agents is set out in the table below by type of debt for the second quarter of 2018/19.

Table 3: Enforcement Agent Collection Rates – 2018/19

Service	Value sent to enforcement agents £	Total collected by enforcement agents £	2018/19 Collection rate %
Council Tax	£7,147,417	£357,091	5%
NNDR	£1,986,113	£193,819	9.76%
Commercial rent	£21,000	£21,000	100%
General Income	£0	£0	0%

13. Debt Write-Offs: Quarter 2 2018/19

- 13.1 All debt deemed suitable for write off has been through all the recovery processes and is recommended for write off in accordance with the Council's policy. The authority to "write off" debt remains with the Council. The value of debt recommended to the Chief Operating Officer and subsequently approved for write off during the second quarter of 2018/19 totalled £185,694. The value and number of cases written off in second quarter is provided in Appendix A.
- 13.2 244 debts were written off in quarter 2 for which the reasons are set out below. The percentage relates to the proportion of write offs by value, or by number:

Table 4: Write off numbers – 2018/19 Quarter 2

Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Deceased	Other reasons
£0	£1,969	£3,273	£180,005	£447
0%	1%	2%	97%	0.2%

Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Deceased	Other reasons
0	20	5	217	2
0%	8%	2%	90%	0.8%

“Other reasons” include the following categories:

Insolvency

Remitted by court

Debtor outside UK

Prison sentence served in respect of debt

Benefit overpayment – unrecoverable in accordance with Housing Benefit General regulations 1987

The court refuses to make an order in respect of the debt

Statute barred due to age of debt

Small balance

Negotiated settlement of part of debt

Vulnerable

In prison

- 13.3 The figures in Appendix B show the total write-offs for 2011/12, 2012/13, 2013/14, 2014/15, 2016/17 and 2017/18.

14. Consultation

- 14.1 This report has been prepared by Elevate and finalised with the agreement of the Deputy Chief Executive and Chief Operating Officer

15. Financial Implications

Implications completed by: Lance Porteous, Finance Business Partner

- 15.1 Collecting all debts due is critical to the Council’s ability to fund services and maintain its cash flow. In view of this, monitoring performance is a key part of the monthly meetings with Elevate. There are monthly meetings between Elevate and the Council that mainly focus on the areas where the targets are not being achieved, to discuss ways to improve prompt collection of Council revenues.
- 15.2 At the end of quarter 2, Elevate has achieved many but not all of its targets. Performance underachieved in some key collection areas. i.e. Council Tax and Rent.
- 15.3 Performance on Council Tax is currently below the target by 0.3%, which is equivalent to a cash shortfall of £222k. Rent is currently below the target by 0.03%, which is equivalent to a cash shortfall of £29k.
- 15.4 The importance of prompt collection is that debts become more difficult to collect as the debt ages and there is a much greater risk of not being able to collect older debts. The Council maintains a provision for Bad Debts from which the cost of uncollectable debts relating to 2017/18 and earlier years are charged, the preventing any impact upon the Councils current revenue income. A periodical review is carried out required to ensure the adequacy of the Council’s Bad Debt Provisions adjustments to the ,

provisions are met from the Council's revenue budget, and reduce the funds available for other Council expenditure.

- 15.5 The level of write offs for the year as at the end of quarter 2 total £326,267. It is important that bad debts are written off promptly so that the Council can maintain the appropriate level of bad debt provision. The approved write offs can be met from the Council's current Bad Debt Provision.

16. Legal Issues

Implications completed by: Dr. Paul Feild, Senior Governance Lawyer

- 16.1 Monies owned to the Council in the form of debts are a form of asset that is the prospect of a payment sometime in the future. The decision not to pursue a debt carries a cost and so a decision not to pursue a debt is not taken lightly.
- 16.2 The Council holds a fiduciary duty to the ratepayers and the government to make sure money is spent wisely and to recover debts owed to it. If requests for payment are not complied with then the Council seeks to recover money owed to it by way of court action once all other options are exhausted. While a consistent message that the Council is not a soft touch is sent out with Court actions there can come a time where a pragmatic approach should be taken with debts as on occasion they are uneconomical to recover in terms of the cost of process and the means of the debtor to pay. The maxim *no good throwing good money after bad* applies. In the case of rent arrears, the court proceedings will be for a possession and money judgement for arrears. However, a possession order and subsequent eviction order is a discretionary remedy and the courts will more often than not suspend the possession order on condition the tenant makes a contribution to their arrears.
- 16.3 Whilst the use of Introductory Tenancies as a form of trial tenancy may have some impact in terms promoting prompt payment of rent as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy, people can fall behind and get into debt. The best approach to resolve their predicament is to maintain a dialogue with those in debt to the Council, to offer early advice and help in making repayments if they need it and to highlight the importance of payment of rent and Council tax. These payments ought to be considered as priority debts rather than other debts such as credit loans as without a roof over their heads it will be very difficult to access support and employment and escape from a downward spiral of debt.
- 16.4 The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix A** – Debt Write Off Table for Quarter 2 2018/19
- **Appendix B** – Total debts written off in 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18

Table 1: Debts Written Off during Quarter 1 2018/19

Write-offs		Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
Apr-18	Under 2k	£0	£0	£0	£0	£14,058	£0	£14,058
	Over 2k	£0	£0	£0	£0	£0	£0	£0
	Over 10k	£0	£0	£0	£0	£0	£0	£0
	Total	£0	£0	£0	£0	£14,058	£0	£14,058
May-18	Under 2k	£0	£681	£0	£1,307	£0	£0	£41,017
	Over 2k	£0	£5,412	£0	£6,719	£0	£0	£27,620
	Over 10k	£0	£0	£0	0	£0	£0	£14,708
	Total	£0	£6,093	£0	£0	£0	£0	£83,346
Jun-18	Under 2k	£5,956	£2,734	£128	£0	£2,777	£0	£57,227
	Over 2k	£0	£0	0	0	£0	£0	£0
	Over 10k	£0	£0	0	0	£0	£0	£0
	Total	£5,956	£2,734	£128	£0	£2,777	£0	£56,959
Quarter 1 Totals		£5,956	£8,827	£128	£8,027	£16,835	£0	£140,573

Count for Quarter 1 2018/19

Write-offs		Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
Apr-18	Under 2k	0	0	0	0	40	0	40
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	0	0	0	0	40	0	40
May-18	Under 2k	0	3	0	1	0	0	4
	Over 2k	0	2	0	1	0	0	3
	Over 10k	0	0	0	0	0	0	0
	Total	0	5	0	2	0	0	7
Jun-18	Under 2k	4	4	1	0	20	0	29
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	4	4	1	0	20	0	29
Quarter 1 Totals		4	9	1	2	60	0	76

Table 2: Debts Written Off during Quarter 2 2018/19

Write-offs		Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
July 18	Under 2k	£3,648	£0	£0	£0	£1,388	£0	£5,036
	Over 2k	£0	£0	£0	£0	£0	£0	£0
	Over 10k	£0	£0	£0	£0	£0	£0	£0
	Total	£3,648	£0	£0	£0	£1,388	£0	£5,036
Aug-18	Under 2k	£2,490	£175	£0	£0	£0	£12,280	£0
	Over 2k	£0	£0	£88,314	£0	£0	£0	£0
	Over 10k	£0	£0	£0	0	£0	£0	£0
	Total	£2,490	£175	£88,314	£0	£0	£12,280	£103,259
Sep-18	Under 2k	£344	£0	£73,902	£2,399	£754	£0	£77,399
	Over 2k	£0	£0	0	0	£0	£0	£0
	Over 10k	£0	£0	0	0	£0	£0	£0
	Total	£344	£0	£73,902	£0	£754	£0	£0
Quarter 2 Totals		£6,483	£175	£162,216	£2,399	£2,142	£12,280	£185,694

Count for Quarter 2 2018/19

Write-offs		Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
July 18	Under 2k	19	0	0	0	20	0	39
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	19	0	0	0	20	0	39
Aug-18	Under 2k	3	3	23	0	0	18	47
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	3	3	23	0	0	18	47
Sep-18	Under 2k	1	0	133	3	21	0	158
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	1	0	133	0	21	0	158
Quarter 2 Totals		23	3	156	3	41	18	244

Appendix B

Table 1: Debts written off during 2011/12

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2011/12 Totals	£260,487	£145,284	£987,383	£2,808	£205,789	£772,683	£2,374,434

Table 2: Debts written off during 2012/13

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2012/13 Totals	£110,876	£141,896	£886,890	£23,360	£1,015,408	£569,842	£2,748,272

Table 3: Debts written off during 2013/14

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2013/14 Totals	£141,147	£256,804	£806,989	£8,681	£80,755	£221,380	£1,515,756

Table 4: Debts written off during 2014/15

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2014/15 Totals	£291,469	£88,675	£1,163,134	£3,166	£205,007	£517,201	£2,268,652

Table 5: Debts written off during 2015/16

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2015-16 Totals	£211,930	£141,411	£693,017	£6,075	£549,051	£741,557	£2,343,041

Table6: Debts written off during 2016/17

Write Offs	Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
2016-17 Totals	£180,049	£72,808	£38,973	£28,183	£0	£132,875	£452,888

Table7: Debts written off during 2017/18

Write Offs	Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
2017-18 Totals	£199,548	£23,145	£392,273	£0	£90,148	£3,246	£708,359

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