Notice of Extraordinary Meeting of the

ASSEMBLY

to be held on Wednesday, 18 July 2018
commencing at 7:00 pm in the
Council Chamber, Town Hall, Barking

To all Members of the Council of the London Borough of Barking and Dagenham

Date of publication: 10 July 2018

Chris Naylor
Chief Executive

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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. To confirm as correct the minutes of the meeting held on 23 May 2018 (Pages 3 - 7)


5. Treasury Management Annual Report 2017/18 (Pages 27 - 46)

6. Revised Members' Allowances Scheme 2018/19 (Pages 47 - 60)

7. Motions (Pages 61 - 67)

8. Any other public items which the Chair decides are urgent

9. 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 Assembly, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). There are no such items at the time of preparing this agenda.

10. Any confidential or exempt items which the Chair decides are urgent
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Our Vision for Barking and Dagenham

One borough; one community;
London’s growth opportunity

Our Priorities

Encouraging civic pride

- Build pride, respect and cohesion across our borough
- Promote a welcoming, safe, and resilient community
- Build civic responsibility and help residents shape their quality of life
- Promote and protect our green and public open spaces
- Narrow the gap in attainment and realise high aspirations for every child

Enabling social responsibility

- Support residents to take responsibility for themselves, their homes and their community
- Protect the most vulnerable, keeping adults and children healthy and safe
- Ensure everyone can access good quality healthcare when they need it
- Ensure children and young people are well-educated and realise their potential
- Fully integrate services for vulnerable children, young people and families

Growing the borough

- Build high quality homes and a sustainable community
- Develop a local, skilled workforce and improve employment opportunities
- Support investment in housing, leisure, the creative industries and public spaces to enhance our environment
- Work with London partners to deliver homes and jobs across our growth hubs
- Enhance the borough’s image to attract investment and business growth

Well run organisation

- A digital Council, with appropriate services delivered online
- Promote equalities in the workforce and community
- Implement a smarter working programme, making best use of accommodation and IT
- Allow Members and staff to work flexibly to support the community
- Continue to manage finances efficiently, looking for ways to make savings and generate income
- Be innovative in service delivery
MINUTES OF ASSEMBLY

Wednesday, 23 May 2018 (7:00 - 7:40 pm)

PRESENT

Cllr Elizabeth Kangethe (Chair)
Cllr Faruk Choudhury (Deputy Chair)

Cllr Andrew Achilleos  Cllr Dorothy Akwaboah  Cllr Sanchia Alasia
Cllr Saima Ashraf    Cllr Abdul Aziz        Cllr Toni Bankole
Cllr Simon Bremner    Cllr Princess Bright   Cllr Sade Bright
Cllr Laila M. Butt    Cllr Evelyn Carpenter  Cllr Peter Chand
Cllr Josephine Channer Cllr John Dulwich     Cllr Edna Fergus
Cllr Irma Freeborn    Cllr Cameron Geddes    Cllr Syed Ghani
Cllr Rocky Gill       Cllr Kashif Haroon     Cllr Amardeep Singh Jamu
Cllr Jane Jones       Cllr Eileen Keller     Cllr Mohammed Khan
Cllr Donna Lumsden    Cllr Olawale Martins  Cllr Mick McCarthy
Cllr Giasuddin Miah   Cllr Dave Miles       Cllr Margaret Mullane
Cllr Adegboyega Oluwole Cllr Glenda Paddle   Cllr Simon Perry
Cllr Moin Quadri     Cllr Foyzur Rahman     Cllr Tony Ramsay
Cllr Chris Rice      Cllr Lynda Rice        Cllr Ingrid Robinson
Cllr Paul Robinson   Cllr Darren Rodwell    Cllr Emily Rodwell
Cllr Muhammad Saleem  Cllr Faraaz Shaukat  Cllr Dominic Twomey
Cllr Lee Waker       Cllr Maureen Worby

APOLOGIES FOR ABSENCE

Cllr Bill Turner  Cllr Phil Waker

1. Appointment of Chair and Deputy Chair

The Chief Executive opened the meeting and invited nominations for the positions of Chair and Deputy Chair of the Assembly for the 2018/19 municipal year.

The Assembly resolved to appoint Councillors Kangethe and Choudhury as the Chair and Deputy Chair respectively.

2. Declaration of Members' Interests

There were no declarations of interest.

3. Minutes (28 February 2018 and 26 March 2018)

The minutes of the meetings held on 28 February 2018 and 26 March 2018 were confirmed as correct.

4. Formation of Groups
The Chief Executive announced the formation of the Labour Group, made up of 50 members of the Council, for the purposes of the Local Government (Committees and Political Groups) Regulations 1990.

5. **Election of Leader of the Council**

The Chair invited and received nominations for the appointment of Leader of the Council.

The nomination was unopposed, and the Assembly **resolved** to appoint Councillor Darren Rodwell as the Leader of the Council for a four year term.

6. **Leader’s Statement**

The Leader of the Council presented a verbal statement updating the Assembly on a range of matters since the last meeting including:

- A reflection on the local elections held on 3rd May 2018;
- Welcoming the new Cabinet, six out of 10 of whom were women;
- The new Governance Structure, on which an update would be presented later in the meeting by the Cabinet Member for Finance, Performance and Core Services;
- The ‘green shoots of growth’ housing developments in the Borough, including Barking 360 in Barking and Trinity Place in Dagenham;
- The development of the Youth Zone in Parsloes Park and the hoardings surrounding the site which were designed by local young people;
- Congratulations to the newly elected Young Mayor, Wesley Oparugo; and
- The excellent work being undertaken to ensure that 95% of parents in the borough received their first preference of primary school place for their children this year.

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

7. **Notification of Appointments By The Leader, Under The Council's Executive Arrangements**

The Leader of the Council announced the following Cabinet appointments:

**Councillor Dominic Twomey**: Deputy Leader and Cabinet Member for Finance, Performance and Core Services;

**Councillor Saima Ashraf**: Deputy Leader and Cabinet Member for Community Leadership & Engagement;

**Councillor Sade Bright**: Cabinet Member for Employment, Skills and Aspiration;

**Councillor Evelyn Carpenter**: Cabinet Member for Educational Attainment and School Improvement;
Councillor Cameron Geddes: Cabinet Member for Regeneration and Social Housing;

Councillor Syed Ghani: Cabinet Member for Public Realm;

Councillor Margaret Mullane: Cabinet Member for Enforcement and Community Safety;

Councillor Lynda Rice: Cabinet Member for Equalities and Diversity; and

Councillor Maureen Worby: Cabinet Member for Social Care and Health Integration.

The Assembly noted the appointments.

8. Review of Council Governance Arrangements Update Report

Further to minute 56 (Assembly held on 28.2.2018), the Cabinet Member for Finance, Performance & Core Services presented an update report on the Council’s governance arrangements and proposed revisions to the Council Constitution to reflect the new arrangements and other aspects that had been progressed since the last Assembly meeting.

Specifically, the update report referred to the following proposed revisions to the Constitution:

- The roles and responsibilities of Be First and other Council owned entities, as well as the internal governance arrangements relating to the Shareholder Panel and the Investment Panel;
- The re-establishment of a separate Health Scrutiny Committee; and
- Public participation arrangements in Council meetings.

The Assembly resolved to:

(i) Note the amendments to relevant chapters of the Constitution as detailed in Appendices A1 to A7 to the report, which implement the decisions of the Cabinet in respect of the establishment of Be First and other Council-owned entities, as well as the internal governance arrangements relating to the Shareholder Panel, the Investment Panel and the delegations to officers;

(ii) Agree to re-establish a separate Health Scrutiny Committee for the 2018/19 municipal year and to approve the Committee’s Articles, as set out in Appendix B3 to the report;

(iii) Note the consequential amendments to the articles relating to the Health and Wellbeing Board and the Overview and Scrutiny Committee, as shown in Appendices B1 and B2 respectively;

(iv) Adopt the new public participation arrangements for Council meetings, as set out in Appendix C to the report; and

(v) Note that the new Council Constitution shall be published on the Council’s
website once all the agreed changes have been made.

9. **Appointments to the Political Structure and Other Bodies 2018/19**

The Chief Executive introduced a report on appointments to the Political Structure and Other Bodies for the 2018/19 municipal year.

The nominations schedule had been tabled at the meeting and Members noted the addendum to the report, advising that the ungrouped Councillor had been offered and had accepted a seat on the Pensions Committee.

The Assembly **resolved** to approve the appointments and membership of committees and outside bodies as detailed in the schedule attached at Appendix 1 to these minutes.

10. **Members’ Allowances Scheme 2018/19**

The Monitoring Officer presented a report on the Members’ Allowances Scheme 2018/19.

The report proposed that the majority of Members’ allowances should again remain unchanged – which included the Basic Allowance paid to all 51 councillors and the Special Responsibility Allowances (SRAs) for the Leader, Deputy Leaders, Cabinet Members and the Chairs and Deputy Chairs of the committees that had been largely unaffected by the governance changes. There were proposed increases to the SRAs for the Chairs and Deputy Chairs of the new Overview and Scrutiny Committee and the refined Planning Committee, while the new Member Champion roles and the Chairs and Deputy Chairs of the Pensions Committee and the Policy Task Group were included in the allowances schedule for the first time.

Councillor Lynda Rice moved an amendment, seconded by Councillor Sade Bright, that the Dependants’ Carers’ Allowance be increased to £10.20 an hour from £6.82 per hour to bring it in line with the London Living Wage.

The Assembly **resolved** to:

(i) Adopt the Members’ Allowances Scheme 2018/19 as attached at Appendix A to the report, to come into effect from 24 May 2018 subject to the Dependants’ Carers’ Allowance being increased to £10.20 an hour; and

(ii) Note that a review will be carried out during the year to assess the impact of the new governance arrangements, Members’ new responsibilities under those arrangements and the appropriate level of allowances under the Members’ Allowances Scheme.

11. **Minutes of Sub-Committees (Joint JNC Salaries & Conditions and Appointments Panel - 26 April 2018)**

The Assembly received and noted the minutes of the Joint JNC Salaries & Conditions and Appointments Panel held on 26 April 2018.
12. Motions

There were none.

13. Questions With Notice

There were none.

14. Anne Bristow, Strategic Director of Service Development and Integration

During his earlier statement the Leader announced that Anne Bristow, Strategic Director for Service Development and Integration and Deputy Chief Executive, was due to retire from the Council in June and was attending her last meeting of the Assembly.

The Leader spoke of his gratitude to Anne for her professionalism and support throughout her tenure at the Council and paid tribute to Anne’s tireless commitment to her role at the Council.

The Chief Executive, speaking on behalf of officers, thanked Anne, for her dedication to public services and her huge contribution to the Council through supporting colleagues to helping vulnerable adults and children in the Borough.

Members of the Council took the opportunity to express their thanks to Anne for her hard work and support.

In response, Anne thanked Members and officers for their comments.
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Title: Developing the Corporate Plan 2018-2022

Report of the Leader of the Council

Open Report | For Decision
---|---

Wards Affected: All | Key Decision: No

Report Author: Sal Asghar, Strategy and Performance Manager

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Accountable Director: Tom Hook, Director of Policy and Participation

Summary

This report provides all members of the Assembly with the opportunity to comment on and contribute to the development of the Council’s strategic imperatives for the coming four years, work that will subsequently culminate in a new Corporate Plan in the Autumn.

A new administration was elected in May 2018 and a new Cabinet formed shortly thereafter. Building upon the solid foundations laid between 2014 and 2018, ambitious plans are in development to both consolidate the achievements of the last four years and deliver real change for the Borough over the next four and beyond. This report sets out the context for those plans, progress since 2014 and the broad themes, ideas and policies that are framing the Council’s bold approach to what happens next.

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 proactive, co-ordinated, and achievable. That is, 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. Given its importance, the Leader has requested that this report comes to Assembly, at this juncture, to ensure all Members have the opportunity to discuss and debate the challenges we face, the implications for the future and the plans we have and need, to overcome them.

In July 2017, we launched the Borough Manifesto, setting out a shared, long-term, resident-led vision for the borough, which we developed in consultation with over 3,000 residents and stakeholders. The Manifesto sets out the aspirations and targets we hope to accomplish over the coming 20 years. The purpose of the forthcoming corporate plan will be to set out how we deliver progress against these targets over the medium term.

The 2017-18 financial year was a pivotal year for the Council, seeing the culmination of a number of significant changes to the shape and purpose of Council services and the launch of a number of Council owned companies each of which were formed to re-kindled a new kind of municipal entrepreneurialism and provide a basis for significant public-sector investment in housing and regeneration. Our new approach has been to shift the council from a paternalistic emphasis on ‘meeting needs’, to an organisation that is
designed from first principles to support individuals, families and communities grow their own capabilities: to learn, to work, to live healthily and to connect to one another. In this context our measures to accelerate the pace and scale of growth fit hand in glove with our work to enable people to benefit from that growth. It is about an organisation that is explicitly on the side of the endeavouring, striving and aspirational people of this Borough whilst maintaining support for those that are most in need.

In this context, our focus is also about making sure basic services are relentlessly reliable. From waste collection to simple transactions such as reporting a pot hole, we want the Council to work well for people. Over the last four years this has been about diagnosing and correcting a number of significant financial and operational issues which are a legacy from the past. This work now needs to be consolidated and strengthened, and while incidences of poor performance are reducing they remain too frequent. Accordingly, the mission is to drive accountability and performance improvement which will feature highly in the next iteration of our plans to our workforce.

The context within which we operate remains very challenging. By the end of the decade the Council will be spending roughly half what it did on services compared to 2010. This has been caused by an unprecedented reduction in government funding. However, there has been no corresponding reduction in our statutory obligations – in fact these obligations have increased over the years. Nowhere is this more apparent than with those services we provide to the most vulnerable children, young people and adults in our community. Indeed, given that over two thirds of the Council’s budget is now spent on safeguarding and supporting those most at risk, the most significant challenge facing the Council over the coming years is how we maintain and improve our Care and Support services, support people as best we can, while spending within a defined and diminishing cash envelope. Our Council is not alone in this challenge but given the changes we have made over the last four years, we are well placed to respond. Over the coming years our focus will be to use our new services - applying data, insight and evidence about what works - to focus our work and interventions so that those who need our services are suitably supported as early as possible. promote self-sufficiency and well-being and reduce dependency. In short, we will leave no stone unturned in supporting our residents to support themselves, enabling support from within the community as much as possible while ensuring Council services are there for those who need us most.

The new approach has received national recognition with the Council winning a number of prestigious awards recently including the LGC Council of the Year 2018. The Corporate Plan 2018-2022 will aim to build on that success focussing on delivery and performance over the next four years.

**Recommendation(s)**

The Assembly is recommended to:

(i) Comment on the context, approach and themes for future development set out in sections 1 and 2 of the report.

**Reason(s)**

Although there is no longer a specific statutory requirement to produce a Community Strategy or Corporate Plan, it is good governance to articulate the vision for the borough and agree the Council’s priorities to inform decision making and allocation of resources.
The key accountabilities and KPIs captured in the corporate plan will be monitored quarterly through the usual performance monitoring framework at Cabinet.

1. **Context, background and the story so far**

1.1. Our borough and the context within which the Council operates has changed radically over the last decade and will continue to change for the foreseeable future. These are challenging times with austerity set to continue, coupled with population changes, increasing statutory responsibilities, rising demand, government policy changes and, for too many years, stubbornly low relative outcomes across a number of key indicators for our residents.

Facts and Figures about the Borough:
1.2 Responding to this context, over the last four years, our approach has been to develop a New Kind of Council. At the heart of the changes we have made, is our community. We understand that it is residents that make Barking and Dagenham such a great place and it is our residents who are the key to making the borough ‘a place people are proud of and want to live, work, study and stay’.

1.3 Transformation for us, has people at its core so that they become the driver for change. Our new kind of council facilitates a new relationship by empowering our residents, building their resilience and reducing dependence, and enabling them to fulfil their potential by providing them with opportunities to prosper. It also acknowledges the concerns of residents, learning lessons from the past, ensuring
they receive reliable services that they expect and deserve. Finally, our intention is to grow the borough together in an inclusive manner that benefits all of our communities.

1.4 Four priorities underpin the new kind of council and enable us to focus our resources to deliver our vision. These are: encouraging civic pride; enabling social responsibility; growing together; and being a well-run organisation. The priorities reflect what residents have told us matters to them and what we need to deliver as an organisation to support the community and take the borough forward in the next four years.

1.5 As a new kind of council, our intention is to be bold, risk based, forward thinking, responsive, and informed by data. We want to understand what lies behind demand for our most expensive services so that we can better anticipate the needs of those individuals and families who are most at risk. In doing so, we can better support them at an early stage so that they overcome or avoid issues that might otherwise tip them into crisis and dependency. Working in this way, we want to protect services that safeguard and support the most vulnerable. This has meant redesigning front line services, but also investing in our ability to plan for the long term, build partnerships with others and developing the capacity of the community and voluntary sectors. Our aim is to harness the collective financial and non-financial resources of the public, private and voluntary sectors together with the hope, determination and aspiration of individuals, families and communities to live better lives, in a better place.

1.6 It’s an approach which puts the outcomes we are seeking to achieve for residents at the heart of every conversation. It is also the process by which the council and our partners plan the services that are needed by the people who live in the local area, so that services are accessible, high quality and appropriate. This data, evidence and people led approach is also backed up with a commitment to understand and address the structural inequalities that too many of our resident’s face, so that no one is left behind.

1.7 To help us in this task, we have also embraced a revival of municipal entrepreneurialism to generate vital revenues, to protect jobs and to intervene appropriately in private markets that are failing both local workers and the wider community. Working in this way, we’ve saved up to 1000 Council jobs that would otherwise have been lost to private sector competitors - competitors, whose principle approach to productivity is a rush to bottom on pay and conditions. We reject this model. By contrast, we are leading the way – demonstrating that decent pay and fair employment practice are the basis of a successful, competitive and high-quality product. This is a fresh and bold approach to the political economy of local government that in a small way marks a departure from the prevailing neo-liberal public management norms that have dominated public policy for the last 30 years. Where our services can also generate income we have supported and encouraged this approach.

1.8 In this context, it is not by chance, but by design that we were one of the first Council’s to pledge never to pay our staff less than the London Living Wage. Nor is it by chance that we have made it a requirement of our new state-owned companies that they do the same. It is by design that we have one of the lowest ratios of earnings between our highest paid and lowest paid employees and that we have
the lowest levels of outsourcing to the private sector. It means we value the involvement and active participation of trade unions in the running of the Council. It is not by chance, but design that we have one of the most generous trade union facilities time agreements of any London Borough.

1.9 Our municipal entrepreneurism also extends to a new approach to public sector investment – particularly in housing, but also in the arts, culture and heritage and in our social assets. The return on that investment being financial, social, cultural and behavioural. We need to meet pressing fiscal and housing needs, but it is also about fostering and supporting a new relationship with our residents as empowered citizens, placing an equal expectation on them, as well as on us.

1.10 For a century social and economic progress, and a sense of community and common identity have been inextricably linked in Barking and Dagenham. But in recent decades an over-reliance on the market’s ability to deliver jobs, housing and prosperity has let our residents down. For example, despite having land that could accommodate thousands of much needed new homes, the market has provided pitifully few – and even fewer that are truly affordable. Likewise, our residents have often felt excluded from investment in the arts and culture, which have been too heavily focused on major institutions in central London for which there is little perceived relevance to local communities. Our approach sees public sector investment as key to unlocking the potential of our people be that through the development of the next generation of municipal housing, by ‘Be First’ (our state-owned housing development and regeneration company), delivered through ‘Reside’ (our wholly owned housing company), or through investment in our heritage assets, parks and open spaces and in places that budding artists and performers can practice and thrive amongst settled communities. Liberation, in this context, is both about a reasonably priced roof over one’s head and the space to think, reflect, feel and belong.

1.11 Our approach to investment extends to social infrastructure too. In Community Solutions, and Care and Support where we are designing approaches that aim to tackle the root causes of problems rather than dealing with the presenting need, we will be investing in services once seen as being in the outer orbit of our Council priorities. Ending violence against women and girls; in-work support such as childcare, mental health services, drug dependency, chronic anxiety; overcoming isolation and loneliness; managing debt; help when the washing machine breaks; tackling fuel poverty; supporting our sons to do better at school; and ending the cycle of intergenerational childhood trauma and helping families to get by, all become central to our vision for our place and our people. It’s a vision where we all have a part to play: the public sector; the private sector; the voluntary sector; communities themselves alongside families and individuals; random acts of kindness and in new locally organised civic activism, all with the Council as enabler. In practice this means the Council acting as broker, investor, champion and the provider of those pivotal and uniquely public sector services that have the power to change lives for the better.

1.12 Alongside these radical ideas are the basic notions of good service. We can’t hope to win hearts and minds, change behaviour and work collaboratively to fix things, if the bins don’t get emptied, if the streets aren’t swept and if the phones are unanswered. If engagement and change is a product of trust, then trust is won or lost in the day to day transactions and services that most residents feel Council
services are all about. Investment in this context means getting the basics right. Over the last four years this has meant diagnosing and understanding long standing service leadership, operational and financial issues. The improvement agenda is now clear, new leadership is now in place, but the long-term management task of driving change has still to run its course. There are early signs of improvement. Customer services is a good example, just 12 months ago residents were experiencing intolerable waits on the phone – now average waiting times have been slashed and the uptake of on-line services as almost doubled. We need more of this improvement, and we need it to be sustained. The corporate plan will set out what that improvement needs to be, and when results can be expected.

1.13 Finally, it’s generally acknowledged that enforcement is key part of the Council’s armoury. After all, it’s generally not the Council that fly tips, engages in illegal subletting, or in late night anti-social behaviour. Residents and visitors to the Borough park their cars in a manner that causes a nuisance or indeed a danger to other road users. Enforcement services have improved significantly over the last four years and this year are on track to being financially self sufficient too. But there is more we can do, and the corporate plan will capture what these enhancements and priorities should be and how they will be executed.

1.14 Set against this back drop of ambition and intent, the election in May coincided with the end of ‘phase one’ of a programme of work to set the Council on the right course. 2018/19 will be a year where the changes made over the last couple of years need to be consolidated. This means, bedding in new management and leadership arrangements, delivering the financial benefits envisaged from the changes already delivered or in hand, and ensuring key services in priority areas improve. It also means plotting what needs to happen next to turbo charge delivery of our ambition. The corporate plan, currently in development, seeks to respond to, and address, both these conditions.
1.15 While much needs still to be done, comfort can be taken from early key signs of delivery, highlights of which include:

- Introduction of a licensing scheme to tackle rogue landlords in the borough – so far over 13,000 properties have been inspected and 25 rogue landlords have been successfully prosecuted.

- 91% schools are now rated ‘Good’ or ‘Outstanding’.

- ‘Progress 8’ measure (a test of the impact of our schools on attainment) 20th best in the country out of 151 local authorities

- The attraction of over £1 billion of investment to the borough for housing and physical infrastructure development.

- A new film studio in Dagenham East rivalling Pinewood – bringing jobs and investment as well as a huge boost to London’s creative industries and film and TV production in the UK.
- London’s first Youth Zone, a state of the art youth facility providing year-round youth services for 2-300 children and young people everyday, with on-going funding from the private and voluntary sectors
- More than 2,800 new business start-ups in the borough
- £70 million deal clinched for new railway line to Barking Riverside
- The popular Summer of Festivals programme attended by 100,000 people last year
- £350 million committed to modernise council housing
- The first local authority to adopt a Gender Equality Charter, with over 150 businesses, organisations and individuals signed up already.
- Every One Every Day – the nation’s largest ever public participation exercise, working with 25,000 residents and delivering over 250 neighbourhood-led projects in the next five years
- Building has begun on a 4 lane, 50m Olympic size swimming pool at Becontree Heath Leisure Centre – opening in 2018
- 100% of our Children’s Centres are now rated Good or Outstanding by Ofsted and, following Ofsted’s two-day focused visit, we have encouraging feedback that our children’s services are improving and that we are keeping our children safe
- New cultural quarter at the Roding Riverside with the new Boathouse
- One of the first Council's in the country to be awarded the iIP new silver award for workforce management and leadership
- National recognition with awards being for workforce development, social housing, growth, school catering and of course the prestigious ‘Council of the Year’.

1.16 A particular highlight of the last 4 years have been our efforts to connect and reconnect with residents and actively listen to all parts of our community, even when (especially when) that feedback has been hard to hear. In the last year we engaged with an unprecedented 6,000 residents, through consultation and engagement work to find out what they care about and what they want for the Borough.

1.17 3,000 of our residents came together to produce the Borough Manifesto, a vision for the future of the borough which forms the top-level strategy for the Council and partners, to deliver the aspirations of our residents. They have also come together to develop the Good Neighbour Guide, a shared understanding of what citizenship means for Barking and Dagenham. Meanwhile, The BAD Youth Forum continues to give children and young people a voice and influence over decision-making. The Skittlz group is the borough’s Child in Care Council. The group comprises representatives from each age group who have a regular dialogue with senior managers to ensure the views of children and young people in care are being heard.
1.18 Moreover, we are using different platforms to engage residents, making better use of social media, including One Borough Live, in new and creative ways to keep residents informed and engaged. We now have over 10,000 twitter followers, 8,000 facebook followers, and a growing subscription to our weekly One Borough Newsletter. Our Street Tag initiative is using social media and app technology to engage residents with our New Me healthy lifestyles campaign. The impact has been evident with GovRank ranking us as the best performing digital Council in the Country (November 2017).

2 Looking to the future

2.1 Our vision for the future has driven by our residents captured in 2017 in the Borough Manifesto. The co-produced Borough Manifesto imagines what Barking and Dagenham will be like in 20 years as a place to live, work, study, and visit.
2.2 As an enabler and facilitator, the Council’s job is to make the community’s vision a reality. The Corporate Plan will set out our contribution over the next four years to deliver the Borough Manifesto. The priorities and performance measures we will use to drive progress and improvement link directly to the aspirations, themes, and targets of the Manifesto; ensuring that we have a co-ordinated and focused effort. This alignment creates a golden thread that runs from policy-making through to frontline service delivery.

2.3 Other local organisations, institutions, partners, and stakeholders are equally signed up to delivering the Borough Manifesto vision and aspirations. It is a shared endeavour and a shared commitment in response to where the community has told us it wants to go and the challenges this borough faces now and in the future. Through the Barking and Dagenham Delivery Partnership we are taking a place-based approach to cross-cutting issues, and to achieve common aims and outcomes.

2.4 Close and deep partnership working is essential to tackle complex social issues and is equally necessary to drive change at a quick pace. Current data about our population shows that socio-economic and health and wellbeing outcomes are behind London and UK averages. When we compare outcomes for our population against those of other London Boroughs we mostly sit at the bottom of the league.
tables. This is unacceptable, and it is why we have fundamentally re-designed the Council. It is also why we are focused on delivering inclusive growth to change our residents’ lives.

2.5 Behind the Borough Manifesto are ambitious targets for improving those outcomes with clear benchmarks for where we want to be. The diagram below illustrates where we rank now and where what we can realistically achieve by 2037. To move up, even to mid-table or a few places, is challenging and means we will have to achieve big improvement and consistently outperform other London Boroughs.

2.6 To measure the impact of our efforts to deliver the Borough Manifesto we have created a suite of indicators related to the themes within the Borough Manifesto. These targets and measures provide accountability and a source of truth about whether we are making an impact and delivering the vision the community has set.
2.7 Detailed plans and actions for the coming year are still being considered and will be finalised with portfolio holders over the summer before being captured in a final version of the corporate plan due for publication and agreement by Assembly in the Autumn. Table 1 below, sets out the indicative themes and priorities – this is by no means an exhaustive list, but gives a flavour of what can be expected in the new Corporate Plan.

Table 1: indicative themes and priorities for the coming year

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<th>Encouraging Civic Pride</th>
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<tbody>
<tr>
<td>➢ Focus on efforts to promote cohesion and integration</td>
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<td>➢ Development of a local giving model and the development of proposals for the future of infrastructure support in the third sector</td>
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<td>➢ Development of master plans for major parks, including proposals to deliver improvements funded by developer contributions</td>
</tr>
<tr>
<td>➢ Conclude feasibility studies for new and improved heritage assets including: Eastbury Manor, the Abbey Ruins, the East End Women’s Museum and an Industrial Heritage Museum.</td>
</tr>
<tr>
<td>➢ Develop proposals for the centenary celebrations of the Becontree Estate</td>
</tr>
<tr>
<td>➢ Strengthen our commitment to equalities by implementing our equalities and diversity strategy, an annual programme of events including Women’s Empowerment Month, Black History Month and Pride</td>
</tr>
<tr>
<td>➢ Embed, consolidate and deliver improvements to the Refuse and Street Cleansing Services</td>
</tr>
<tr>
<td>➢ Continue to develop the summer of festivals programme including options to increase external funding</td>
</tr>
<tr>
<td>➢ Conclude a revised private landlord licensing scheme to promote the highest standards and reduce the impact of rogue landlords</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enabling Social Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Work with the Community Safety Partnership to focus on serious youth violence</td>
</tr>
<tr>
<td>➢ With the Metropolitan Police, bring forward improved local solutions for policing in the borough including 24/7 police station facilities, ‘Report it’ sites, and a more visible police presence.</td>
</tr>
<tr>
<td>➢ Support residents blighted by inconsiderate parking</td>
</tr>
<tr>
<td>➢ Crack down on grime crime and other forms of anti-social behaviour through increased media campaigning and by equipping more staff to report and enforce against unacceptable behaviour</td>
</tr>
<tr>
<td>➢ Bring forward proposals to reduce violence against women and girls</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growing together</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Develop a Barking and Dagenham Employment Framework: an industrial, jobs and skills strategy locating LBBD’s place in the changing London economy, leading to a set of key policy objectives developed and agreed with partners and then delivered collaboratively. Use this as a basis to discern:</td>
</tr>
<tr>
<td>o A revised work and skills offer (including adults skills)</td>
</tr>
<tr>
<td>o A new approach to business/employer engagement</td>
</tr>
</tbody>
</table>
The development of clear career pathways

A programme of employment promotion activity including Job Fairs

Reduce homelessness and support residents with the role out of Universal Credit.

Ensure delivery of the agreed regeneration and housing pipeline (and associated financial and socio-economic benefits to the council and residents). Work with Be First to identify further, future regeneration and development opportunities

Conclude a new Housing Strategy that includes:

- A needs and supply analysis that includes specialist housing
- Proposals for a Right to Rent and Right to Invest policy
- Consistent, aspirational and financially viable property standards to apply across new build and existing stock that moves beyond decent homes and delivers outcomes that are in time tenure blind
- Delivery of a financially viable HRA
- Ensuring all housing stock remains safe

Develop of a Green Capital of the Capital strategy

Implement Beam Energy

Develop a Council wide demand management and resilience model for application across Community Solutions, Care and Support and all other relevant Council services. Including:

- Early Identification
- Resilience
- Best Start in life
- New target operating models for Children’s, and Adults Care support and the conclusion of the implementation of our vision for an all age disability service

Contextual safeguarding: changing our approach and systems for keeping young people safe from exploitation

Reboot and redefine the health integration agenda, making it work for Barking & Dagenham’s residents, including the delivery of a vision for health and wellbeing at Barking Riverside

Develop a New Education and Participation Strategy – which includes a continuing drive to London standards, % of good/ outstanding schools, post 16 participation etc.

A well run organisation

- Develop the Medium Term Financial Strategy so that budgets can remain balanced.
- Refine, test and develop the Councils Investment and Acquisition Strategy so that the priorities are funded and investment returns delivered.
- Monitor implementation of Changes to the Constitution and undertake a 12 month review
- Conclude a strategy for exiting our contract with Elevate
- Drive continuous improvement across Customer Services and Case Work
3. Consultation

3.1 Over the last 18 months we have engaged over 6,000 residents as part of the Borough Manifesto consultation, the Good Neighbour Guide, the Resident Survey and other consultations. The input provided by residents has shaped our vision and priorities and the Corporate Plan.

4. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager - Finance

4.1 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 the Key Performance Indicators and Accountabilities 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.

5. Legal Implications

Implications completed by: Paul Field, Senior Corporate Governance Solicitor

5.1 While it is correct to say there is no specific statutory duty to produce a corporate plan, it is a necessary element of good governance. The performance regime established by the Local Government Act 1999 as amended by the Local Audit and Accountability Act 2014 together with supporting legislation, requires the Council to work to achieve continuous improvement and best value. A corporate plan, its objectives and in time how the delivery measures up in terms of outcomes, are therefore one of the signifiers of a well-run local authority.

5.2 Furthermore the Accounts and Audit (England) Regulations 2015 Regulations obliges the Council to produce an Annual Governance Statement for each accounting year evidencing how the Council has performed. This is to be done in accordance with proper practices. The CIPFA / Solace Delivering Good Governance in Local Government Framework 2016 guidance sets out the required practice and that includes a clear statement of the Councils purpose and intended outcomes. The Corporate Plan thus plays a vital role in the legal duty to ensure sound governance of the Council.

6. Other Implications

6.1 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.

6.2 Contractual Issues – Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt with in individual project plans.

6.3 Staffing Issues – There are no specific staffing implications.
6.4 **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 and providing community leadership. 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.

There are no specific equality impact issues to consider as a result of this report. Working towards delivery of the vision and priorities will help tackle inequality. A key part of this is ensuring growth is inclusive and that no-one is left behind.

6.5 **Adults and Children Safeguarding** - The corporate plan highlights the importance of safeguarding both in respect of Adults and Children’s and protecting the most vulnerable members of the community. The priority **Enabling social responsibility** encompasses activities to safeguard children in the borough and is delivered through the Local Safeguarding Children Board. The Council monitor a number of indicators corporately which relate to Children’s safeguarding. By doing so the Council can ensure it continues to discharge its duties.

6.6 **Health Issues** - The priority **Enabling social responsibility** 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.

6.7 **Crime and Disorder Issues** - The priority **Encouraging civic pride** 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.

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

**List of appendices:**

None
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Changes in the regulatory environment now place a greater onus on Elected Members for the review and scrutiny of treasury management policy and activities. This report (the Treasury Management Annual Report) is important in that respect, as it provides details of the outturn position for treasury activities, significant new borrowing proposed, and highlights compliance with the Council’s policies previously approved by the Assembly prior to the start of each financial year.

This report presents the Council’s outturn position in respect of its treasury management activities during 2017/18. The key points to note are as follows:

- Investment income for the year was £4.1m (2016/17: £4.6m) compared to a budget of £2.6m;
- The Council’s average interest return of 1.22% for 2017/18 was 0.51% higher than the average London Peer Group return and 0.61% higher than the Local Authority average return;
- The value of £134.6m of long term General Fund borrowing in 2017/18. The total borrowing comprises market, Public Works Loan Board (PWLB), Local Authority, European Investment Bank and Green Investment Bank loans;
- The value of short term borrowing as at 31 March 2017 totalled £46.0m;
- The Council did not breach its 2017/18 authorised borrowing limit of £850m or its Operational Boundary limit of £802m; and
- The Council complied with all other set treasury and prudential limits.

The Cabinet considered and endorsed the Treasury Management Annual Report for 2017/18 at its meeting on 19 June 2018 and the opportunity has been taken to bring the report to this Extraordinary Meeting of the Assembly.
Recommendation(s)

The Assembly is recommended to:

(i) Note the Treasury Management Annual Report for 2017/18;
(ii) Note that the Council complied with all 2017/18 treasury management indicators;
(iii) Approve the actual Prudential and Treasury Indicators for 2017/18;
(iv) Note that the Council borrowed £119.6m from the Public Works Loan Board (PWLB) in 2017/18 to fund the Council’s regeneration strategy and borrowed a further £15m from other Local Authorities to fund the Council’s land acquisition strategy; and
(v) Maintain the delegated authority to the Chief Financial Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to continue to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to reflect the additional cash holdings resulting from borrowing from the European Investment Bank and the PWLB.

Reason(s)

This report is required to be presented to the Assembly in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services.

1. Introduction and Background

1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

1.2 For the 2017/18 period Assembly received the following reports:

• an annual treasury strategy in advance of the year (Assembly 22/02/2017);
• a mid-year (minimum) treasury update report (Assembly 22/11/2017); and
• an annual review following the end of the year describing the activity compared to the strategy (this report).

1.3 This Annual Treasury Report covers:

• The Council’s treasury position as at 31 March 2018;
• Economic Factors in 2017/18 and Interest rates Forecasts;
• Investment Strategy and Performance in 2017/18;
• Borrowing Outturn;
• Treasury Management costs in 2017/18;
• Compliance with Treasury limits and Prudential indicators;
• Lending to Commercial and External Organisations; and
• Prudential Indicators for 2017/18 (Appendix 1).

2. Treasury Position as at 31 March 2018

2.1 The Council’s treasury position for 2016/17 and 2017/18 can be found in table 1:

| Table 1: Council’s treasury position at the start and end of 2017/18 |
|------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                  | 31-Mar-2017     | Average Rate of interest | Average Life | 31-Mar-2018     | Average Rate of interest | Average Life |
|                  | £’000 | % | Years | £’000 | % | Years |
| **Fixed Rate Debt - Long Term Borrowing** |
| Housing Revenue Account (HRA) – PWLB | 265,912 | 3.50 | 38.67 | 265,912 | 3.51 | 37.67 |
| HRA – Market | 10,000 | 3.98 | 61.21 | 10,000 | 3.98 | 60.21 |
| General Fund (GF) – PWLB | 60,000 | 2.52 | 45.67 | 179,565 | 2.36 | 34.72 |
| GF - Market | 34,691 | 3.61 | 42.81 | 34,000 | 3.96 | 45.19 |
| GF – EIB | 86,669 | 2.21 | 27.00 | 86,669 | 2.21 | 26.02 |
| **Fixed Rate Debt - Short Term Borrowing** |
| GF - Local Authorities | 85,030 | 0.40 | 0.11 | 65,000 | 0.67 | 0.65 |
| **Total Debt** | 542,302 | 2.72 | 32.29 | 641,146 | 2.75 | 32.32 |
| **Investments** |
| In-House* | 232,721 | 1.30 | 0.90 | 247,905 | 1.37 | 1.22 |

* excludes a prepayment made to Elevate and external school cash balances.

2.2 The Council manages its debt and investment positions through its in-house treasury section to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.

2.3 Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices.

3. Economic Factors in 2017/18 and Interest Rate Forecasts

3.1 The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy.

3.2 This gloom was overdone as the UK economy turned in a G7 leading growth rate of 1.8% in 2016, (actually joint equal with Germany), and followed it up with another 1.8% in 2017, (although this was a comparatively weak result compared to the US and EZ).
3.3 As a result of the economic uncertainty, PWLB 25 and 50-year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March 2018.

3.4 During the year, the 50-year PWLB rate for new long-term borrowing was 2.5% in Q1 and 3 and 2.6% in Q2 and 4. The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.

4. Investment Strategy and Performance in 2017/18

4.1 Annual Investment Strategy (AIS) 2017/18

4.1.1 All investments were managed in-house and were invested with institutions of high credit standing listed in the Council’s approved lending list and specified limits. The Council invested over a range of periods from overnight to three years.

4.1.2 Council officers met quarterly with Treasury Adviser to discuss financial performance, objectives, targets and risk in relation to the Council’s investments and borrowing. Monthly treasury meetings were held between the Section 151 Officer, the Group Manager – Treasury and Pensions and the Treasury Section to discuss strategy and to ensure close monitoring of investment decisions. The Cabinet Member for Finance, Performance and Core Services was briefed regularly on treasury activity by the Section 151 Officer.

4.1.3 During 2017/18 the Council’s investment policy was governed by CLG guidance, which was implemented in the 2017/18 Annual Investment Strategy. The policy sets out the Council’s approach for choosing investment counterparties.
4.2 Treasury Outturn

4.2.1 The Treasury Outturn position is in Table 3 Below.

Table 3: Treasury Outturn for 2017/18

<table>
<thead>
<tr>
<th>Interest</th>
<th>2017/18 Budget £’000</th>
<th>2017/18 Actual £’000</th>
<th>Difference £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRA Borrowing Costs</td>
<td>9,691</td>
<td>9,691</td>
<td>0</td>
</tr>
<tr>
<td>HRA and Schools Interest Charge</td>
<td>471</td>
<td>380</td>
<td>91</td>
</tr>
<tr>
<td>GF Borrowing costs</td>
<td>4,384</td>
<td>6,066</td>
<td>-1,682</td>
</tr>
<tr>
<td>Gross Interest Income</td>
<td>-2,570</td>
<td>-4,170</td>
<td>1,600</td>
</tr>
<tr>
<td>Net Budget</td>
<td>11,976</td>
<td>11,967</td>
<td>9</td>
</tr>
</tbody>
</table>

4.2.2 Overall the General Fund borrowing costs were higher than forecast due to an additional £134.6m of borrowing from the PWLB and Local Authorities. General Fund interest income was £1.6m more than budgeted due to higher than forecast cash balances held during the year and good investment returns.

4.2.3 An interest payment of £1.91m was paid to the EIB for the £89.0m of borrowing taken out in 2015 to fund the Council’s regeneration programme. Rental income from Abbey Road 2 and Gascoigne Estate (East) Phase 1 will be used to cover the EIB interest costs in future.

4.2.4 The Council deals with most of its counterparties directly but from time to time the Council will use the services of brokers to act as agents between the Council and its counterparties when lending or borrowing. However, no one broker will be favoured by the Council. The Council will ensure that sufficient quotes are obtained before investment or borrowing decisions are made via brokers. In 2017/18, brokerage costs of £30k were incurred from the short-term borrowing and costs from borrowing from the PWLB and the Green Investment Bank. These costs are not budgeted from but form part of the borrowing costs for the year in which they are incurred.

4.3 Investments decisions during 2017/18

4.3.1 When making investment decisions the Council must have regard to its investment priorities being:

(a) The security of capital;
(b) The liquidity of its investments; and
(c) Yield (after ensuring the above are met).

4.3.2 Using the above as the basis for investment decisions does mean that investment returns will be lower than would be possible were yield the only consideration. During 2017/18, the Council ensured that all investments were made with appropriately rated counterparties and that liquidity was maintained. On occasion, short term borrowing was also used to allow the Council to take advantage of investment opportunities.

4.3.3 During the year there were several opportunities for the Council to invest with credit worthy financial institutions as well as Local Authorities over a longer duration at
much improved rates. As a result of these opportunities the Treasury Section was able to provide an average return of 1.37% for 2017/18. Chart 1 below graphically illustrates the increase in the average daily return for the Council during the year.

Chart 1: Daily average investment return for 2017/18

4.3.4 The average cash balance held was £273m, which included the use of short-term borrowing to cover some of the investment opportunities. Short-term borrowing was also used to smooth the cash flow fluctuations, allowing treasury to keep a considerable proportion of its investments invested over a longer duration.

4.4 Strategy Changes in 2017/18

4.4.1 The Council’s investment policy was agreed in the AIS approved by the Assembly on 22 February 2017. Members agreed to delegate authority to the Section 151 officer in consultation with the Cabinet Member for Finance, Performance and Core Services to proportionally amend the counterparty lending limits agreed within the TMSS.

4.4.2 During the year, there were no changes to the AIS.

4.5 Performance Benchmark in 2017/18

4.5.1 As part of ensuring value for money and to monitor the Council’s investment return, the Council’s treasury performance is benchmarked by against a peer group of Local Authorities. Benchmarking data is provided by the Council’s treasury advisors, Link Asset Services. Table 3 summarises the benchmarking data as at 31 March 2018.

Table 3: Advisor’s Benchmarking data as at 31 March 2018

<table>
<thead>
<tr>
<th>Savings Proposal</th>
<th>LBBD</th>
<th>London Peer Group (20)</th>
<th>Total LA Group (223)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Average Rate of Return</td>
<td>1.22%</td>
<td>0.71</td>
<td>0.66</td>
</tr>
<tr>
<td>Model Banding Target</td>
<td>1.22-1.34%</td>
<td>0.67%-0.79%</td>
<td>0.69%</td>
</tr>
<tr>
<td>Weighted Average Maturity(days)</td>
<td>507</td>
<td>137</td>
<td>116</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>3.78</td>
<td>2.91</td>
<td>3.05</td>
</tr>
</tbody>
</table>
4.5.2 The benchmarking data outlines the outperformance of the Council’s investment return compared to a group of 20 London Boroughs and 223 Local Authorities (LAs). The Council’s average return as at 31 March 2018 was 0.51% higher than the average London Peer Group return and 0.56% higher than the Local Authority average return.

4.5.3 Chart 2 illustrates the Council’s return against the upper and lower banding levels and shows the Council’s performance compared to all LAs within the benchmark group.

![Chart 2: Advisor’s benchmarking data as at 31 March 2018](image)

4.6 Investments Held as at 31 March 2018

4.6.1 Table 4 outlines the investments held by the Council as at 31 March 2018. The table shows the interest rate received and the repayment date for each investment:

<table>
<thead>
<tr>
<th>Investment Counterparty</th>
<th>Credit Rating</th>
<th>Interest Rate %</th>
<th>Principal £000s</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lloyds Deposit Account</td>
<td>A+</td>
<td>0.40</td>
<td>1,450.2</td>
<td>04/11/2013</td>
<td>Open Ended</td>
</tr>
<tr>
<td>ROYAL BANK OF SCOTLAND</td>
<td>BBB+</td>
<td>0.21</td>
<td>8.8</td>
<td>31/03/2015</td>
<td>Open Ended</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>0.98</td>
<td>10,000.0</td>
<td>03/04/2017</td>
<td>03/04/2018</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.01</td>
<td>5,000.0</td>
<td>05/04/2017</td>
<td>05/04/2018</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.01</td>
<td>10,000.0</td>
<td>07/04/2017</td>
<td>06/04/2018</td>
</tr>
<tr>
<td>LANCASHIRE CC</td>
<td>Local Authority</td>
<td>1.00</td>
<td>5,000.0</td>
<td>11/11/2015</td>
<td>11/05/2018</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.43</td>
<td>10,000.0</td>
<td>06/06/2016</td>
<td>06/06/2018</td>
</tr>
<tr>
<td>Doncaster MBC</td>
<td>Local Authority</td>
<td>0.90</td>
<td>2,000.0</td>
<td>24/06/2016</td>
<td>25/06/2018</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>0.98</td>
<td>5,000.0</td>
<td>16/06/2017</td>
<td>04/07/2018</td>
</tr>
<tr>
<td>ROYAL BANK OF SCOTLAND</td>
<td>BBB+</td>
<td>1.00</td>
<td>20,000.0</td>
<td>30/01/2017</td>
<td>30/07/2018</td>
</tr>
<tr>
<td>LANCASHIRE CC</td>
<td>Local Authority</td>
<td>1.54</td>
<td>5,000.0</td>
<td>20/11/2015</td>
<td>20/11/2018</td>
</tr>
<tr>
<td>LANCASHIRE CC</td>
<td>Local Authority</td>
<td>1.54</td>
<td>5,000.0</td>
<td>26/11/2015</td>
<td>26/11/2018</td>
</tr>
<tr>
<td>Institution</td>
<td>Rating</td>
<td>Yield</td>
<td>Amount</td>
<td>Date</td>
<td>Maturity</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------</td>
<td>-------</td>
<td>---------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.67</td>
<td>5,000.0</td>
<td>20/01/2016</td>
<td>18/01/2019</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.10</td>
<td>10,000.0</td>
<td>23/06/2017</td>
<td>30/01/2019</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.13</td>
<td>10,000.0</td>
<td>03/07/2017</td>
<td>30/01/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.67</td>
<td>5,000.0</td>
<td>03/02/2016</td>
<td>01/02/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.80</td>
<td>10,000.0</td>
<td>15/03/2016</td>
<td>15/03/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.79</td>
<td>5,000.0</td>
<td>01/04/2016</td>
<td>01/04/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.00</td>
<td>5,000.0</td>
<td>05/04/2017</td>
<td>05/04/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.84</td>
<td>5,500.0</td>
<td>21/04/2016</td>
<td>18/04/2019</td>
</tr>
<tr>
<td>VALENCE PRIMARY SCHOOL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.10</td>
<td>10,000.0</td>
<td>23/06/2017</td>
<td>30/01/2019</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.13</td>
<td>10,000.0</td>
<td>03/07/2017</td>
<td>30/01/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.67</td>
<td>5,000.0</td>
<td>03/02/2016</td>
<td>01/02/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.80</td>
<td>10,000.0</td>
<td>15/03/2016</td>
<td>15/03/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.79</td>
<td>5,000.0</td>
<td>01/04/2016</td>
<td>01/04/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.00</td>
<td>5,000.0</td>
<td>05/04/2017</td>
<td>05/04/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.84</td>
<td>5,500.0</td>
<td>21/04/2016</td>
<td>18/04/2019</td>
</tr>
<tr>
<td>VALENCE PRIMARY SCHOOL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.10</td>
<td>10,000.0</td>
<td>23/06/2017</td>
<td>30/01/2019</td>
</tr>
<tr>
<td>Goldman Sachs International</td>
<td>A</td>
<td>1.13</td>
<td>10,000.0</td>
<td>03/07/2017</td>
<td>30/01/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.67</td>
<td>5,000.0</td>
<td>03/02/2016</td>
<td>01/02/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.80</td>
<td>10,000.0</td>
<td>15/03/2016</td>
<td>15/03/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.79</td>
<td>5,000.0</td>
<td>01/04/2016</td>
<td>01/04/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.00</td>
<td>5,000.0</td>
<td>05/04/2017</td>
<td>05/04/2019</td>
</tr>
<tr>
<td>LLOYDS BANK PLC</td>
<td>A+</td>
<td>1.84</td>
<td>5,500.0</td>
<td>21/04/2016</td>
<td>18/04/2019</td>
</tr>
</tbody>
</table>

Total Investments 247,895.5

5. **Borrowing in 2017/18**

5.1 **Council’s Growth Strategy**

5.1.1 In 2015, the Growth Commission Report – “No-one left behind: in pursuit of growth for the benefit of everyone”, recommended the establishment of a Borough-wide regeneration vehicle that would be an early statement of the Council’s intent to increase the pace of regeneration of the borough.

5.1.2 Subsequently Be First has been set up, with the aim of delivering long-term strategic regeneration objectives, including enhancing economic growth and prosperity for the people of Barking and Dagenham. In addition, Be First is charged with delivering significant financial benefits to the council by bringing forward returns in New Homes Bonus, Council Tax and NNDR, and by delivering dividends to the Council.

5.1.3 In October 2016, Cabinet agreed an Investment and Acquisition Strategy (IAS) alongside an initial £250m investment budget and £100m land and property acquisition budget. An Investment Panel was also established and charged with managing an investment portfolio to deliver a net income of £5m per annum by 2020.
5.1.4 In 2017 the Council established a revised Investment and Acquisitions Strategy, which includes 44 schemes. In February 2018, Cabinet agreed the Be First Business Plan. Based on the Business plan treasury agreed that this could be funded, however, it was noted that the model used to forecast the borrowing costs is dependent on Be First completing each project within the timescales outlined in their cashflow forecast and then handing them to Reside to fund and manage. As these forecasts were based on estimates, further work is required to ensure that the borrowing costs can be contained within the MTFS limitations. Part of the additional work includes identifying funding sources and borrowing options around duration.

5.1.5 During 2017/18 the Treasury Section, in consultation with the Section 151 officer, began a strategy of building up a debt portfolio to support the Council’s investment. Although the Council has significantly increasing its debt, officers have sought to ensure that the borrowing matches the relevant asset life and potential repayment profile of the Council’s investment portfolio. Chart 3 below summarises the GF long term debt position as at 31 March 2018, indicating the repayment profile.

Chart 3: Council Debt Profile as at 31 March 2018

5.2 Borrowing Owed as at 31 March 2018

5.2.1 Table 5 outlines the borrowing owed by the Council as at 31 March 2018. The table also shows the interest rate charged and the repayment date for each loan. The loans are split between HRA, General Fund Long and Short-Term Loans:

Table 5: Loans as at 31 March 2018

<table>
<thead>
<tr>
<th>Lender</th>
<th>Start Date</th>
<th>End Date</th>
<th>Amount £’000</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC WORKS LOAN BOARD</td>
<td>28/03/2012</td>
<td>28/03/2042</td>
<td>50,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>PUBLIC WORKS LOAN BOARD</td>
<td>28/03/2012</td>
<td>28/03/2062</td>
<td>65,912</td>
<td>3.5%</td>
</tr>
<tr>
<td>PUBLIC WORKS LOAN BOARD</td>
<td>28/03/2012</td>
<td>28/03/2061</td>
<td>50,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>PUBLIC WORKS LOAN BOARD</td>
<td>28/03/2012</td>
<td>28/03/2052</td>
<td>50,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>PUBLIC WORKS LOAN BOARD</td>
<td>28/03/2012</td>
<td>28/03/2060</td>
<td>50,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>BARCLAYS BANK PLC</td>
<td>30/05/2008</td>
<td>30/05/2078</td>
<td>10,000</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

| HRA Total LT Borrowing               | 275,912      |

General Fund
6. Compliance with Treasury limits and Prudential Indicators

6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council’s approved Treasury and Prudential Indicators (affordable limits) are included in the approved Treasury Management Strategy (TMSS).

6.2 During the financial year to date the Council has operated within and complied with the treasury limits and Prudential Indicators set out in the Council’s annual TMSS. The Council’s prudential indicators are set out in Appendix A to this report. In 2017/18, the Council did not breach its authorised limit on borrowing of £850m.

6.3 The Operational limit set in the 2017/18 TMSS was £802m, which was also not breached. As at 31 March 2018 the total borrowing was £641.1m.

7. Lending to commercial and external organisations

7.1 Section 2 of the Local Government Act 2000 (power of well-being) gives authorities
the power to lend as part of promotion or improvement of economic/social wellbeing of the Borough. The guidance encourages local authorities to use the well-being power as the power of first resort removing the need to look for powers in other legislation. Further the power provides a strong basis on which to deliver many of the priorities identified by local communities and embodies in community strategies. The Chief Operating Officer determines the rates and terms of such loans.

8. Lending to Special Purpose Vehicles

8.1 At the 30 June 2014 Cabinet Meeting, Members agreed to the principle of establishing a Special Purpose Vehicle(s) to develop, own and be responsible for procuring the management of the units to be developed as part of the Gascoigne Estate (East) Regeneration.

8.2 Members also agreed:

1. that the Council shall grant a 252-year lease to the Special Purpose Vehicle(s) which shall terminate at the option of the Council at the end of the funding term and repayment of the loans made by the Council, with full ownership reverting to the Council;

2. to the principle of establishing an independent charity which shall own and control the Special Purpose Vehicle(s) in accordance with the funding terms imposed by the Council;

3. to the principle of borrowing £62.86m within the General Fund to finance the development and ownership of the following tenures:

   i. Borrow £39.98m to fund development and ownership of 236 affordable rented units, social rent units and shared ownership units to be owned and managed by a Special Purpose Vehicle(s) controlled within the General Fund;

   ii. Borrow £3.75m to fund 50% of 51 private for sale units to be developed and sold jointly by the Council and East Thames Group via a limited company, and

   iii. Borrow £19.13m to lend to East Thames Group to fund the development and ownership of 135 units shared ownership units which shall be owned by East Thames Group subject to agreement of satisfactory terms;

8.3 Cabinet also delegated authority to the Chief Executive, in consultation with the Director of Law and Governance, the Section 151 Officer and the Cabinet Member for Finance, Performance and Core Services, to negotiate terms and agree the contract documents to fully implement and effect the project and to authorise the Director of Law and Governance to execute all the legal agreements, contracts and other documents on behalf of the Council.

8.4 Following a significant period of legal discussions a number of SPV’s were set up. On 31 March 2018, the following loan facilities were agreed between the Council and the Council owned SPVs.
1. £11,001,888 to B&D Reside Regeneration LLP
2. £36,315,762 to B&D Reside Weavers LLP
3. £37,002,114 to Barking and Dagenham Reside Roding Limited

8.5 Actual payment will be made to the various SPV throughout the construction period, with interest added to the Loan amount. After the construction period has been completed and the properties are being rented out, the loan and interest will be repaid.

9. **Council Transformation Programme - Be First Loan**

9.1 At the November 2016 Cabinet, Members agreed to establish a new Council-owned company to manage the delivery of the borough’s regeneration agenda, Be First, in line with Recommendation 8 of the report of the independent Growth Commission.

9.2 Be First will be a 100% Council-owned company that is operationally independent of the Council, operating in the same way as a commercial organisation, and being accountable to members through a Shareholder Executive Board.

9.3 In 2017 Cabinet Meeting, Members agreed to a loan of £4.2m to support Be First’s cash flow requirements during the first few years of established.

10. **Options Appraisal**

10.1 There is no legal requirement to prepare a Treasury Management Annual Report, however, it is good governance to do so and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

11. **Consultation**

11.1 The Chief Operating Officer has been informed of the approach, data and commentary in this report.

11.2 The Cabinet considered and endorsed the Treasury Management Annual Report for 2017/18 at its meeting on 19 June 2018.

12. **Financial Implications**

Implications completed by: Katherine Heffernan, Finance Group Manager

12.1 This report sets out the outturn position on the Council’s treasury management position and is concerned with the returns on the Council’s investments as well as its short and long term borrowing positions.

13. **Legal Implications**

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

13.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the
Council to monitor its budget during the financial year and its expenditure and income against the budget calculations. The Council sets out its treasury strategy for borrowing and an Annual Investment Strategy which sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

13.2 The Council is legally obliged to ‘have regard to’ the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out its functions under the Act. Furthermore, the Prudential Code emphasises that authorities can set their own prudential indictors beyond that specified in the Code where it will assist their own management processes.

14. Risk Management

14.1 The whole report concerns itself with the management of risks relating to the Council’s cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income throughout the past year.

14.2 EIB funded urban regeneration programme - The urban regeneration programme will be governed by a programme delivery board established in the Regeneration department. A programme manager will be identified within the Council who will be responsible for delivering each scheme within the investment programme.

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

List of appendices:

- Appendix 1 - The Prudential Code for Capital Investment in Local Authorities
- Appendix 2 - Glossary of Terms
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Appendix 1

The Prudential Code for Capital Investment in Local Authorities

Treasury Management Outturn Report 2017/18

1. Introduction

1.1 There are a number of treasury indicators which previously formed part of the Prudential Code, but which are now more appropriately linked to the Revised Treasury Management Code and guidance 2009. Local authorities are still required to “have regard” to these treasury indicators.

1.2 The key treasury indicators which are still part of the Prudential Code are:

- Authorised limit for external debt;
- Operational boundary for external debt; and
- Actual external debt.

2. Net borrowing and the Capital Financing Requirement

2.1 To ensure that borrowing levels are prudent over the medium term the Council’s external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.

2.2 Net borrowing should not therefore, except in the short term, have exceeded the Capital Financing Requirement (“CFR”) for 2017/18 plus the expected changes to the CFR over 2017/18 and 2018/19 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18.

2.3 The authorised limit – This sets the maximum level of external borrowing on a gross basis (i.e. Not net of investments) and is the statutory limit determined under Section 3 (1) of the Local Government Act 2003 (referred to in the legislation as Affordible Limit).

2.4 The operational limit – This links directly to the Council’s estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limits reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit for future known capital needs now. It should act as a monitor indicator to ensure the authorised limit is not breached.

2.5 Total external borrowing as at 31 March 2018 was £641.1m, which is lower than the Approved Authorised Limit of £850m and the Operational Boundary of £802m, which were set in the Treasury Management Strategy Statement for 2017/18.
3. Limits for Fixed and Variable Interest Exposure

The following prudential indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Council’s existing level of fixed interest rate exposure is 100.0% and variable rate exposure is 0.0%. The high fixed interest rate is as a result of locking in low long-term rates for the HRA borrowing. The table 2 below shows the fixed and variable interest rate exposure.

Table 1: Fixed and variable rate exposure 2016/17 to 2019/20

<table>
<thead>
<tr>
<th>Interest Rate Exposures</th>
<th>2017/18 Actual %</th>
<th>2018/19 Estimate %</th>
<th>2019/20 Estimate %</th>
<th>2020/21 Estimate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper limit for fixed interest rate exposure</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Upper limit for variable interest rate exposure</td>
<td>70.0</td>
<td>70.0</td>
<td>70.0</td>
<td>70.0</td>
</tr>
</tbody>
</table>

4. Maturity Structure of Fixed Rate Borrowing

This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period, as summarised in table 2.

Table 2: Borrowing as at 31 March 2018

<table>
<thead>
<tr>
<th>Maturity structure of fixed interest rate borrowing 2017/18</th>
<th>Actual Position</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 12 months</td>
<td>7.2%</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>12 months to 2 years</td>
<td>0.8%</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>2 years to 5 years</td>
<td>2.2%</td>
<td>0%</td>
<td>70%</td>
</tr>
<tr>
<td>5 years to 10 years</td>
<td>0.0%</td>
<td>0%</td>
<td>70%</td>
</tr>
<tr>
<td>10 years and above</td>
<td>89.8%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The fixed rate borrowing over 10 years was 89.9%, which is within the limits outlined below:

Table 3: Maturity Structure of Borrowing for 2017/18

<table>
<thead>
<tr>
<th></th>
<th>Upper Limit</th>
<th>Lower Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 12 months</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>12 months and within 24 months</td>
<td>40%</td>
<td>0%</td>
</tr>
<tr>
<td>24 months and within 5 years</td>
<td>70%</td>
<td>0%</td>
</tr>
<tr>
<td>5 years and within 10 years</td>
<td>70%</td>
<td>0%</td>
</tr>
<tr>
<td>10 years and above</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>
5. **Investments over 364 days**

5.1 The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. Taking into account the current level of investments, and future projections of capital expenditure, the following limits will be applied to sums invested:

<table>
<thead>
<tr>
<th>Maximum principal sums invested &gt; 364 days</th>
<th>2017/18 £000’s Actual</th>
<th>2018/19 £000’s Estimate</th>
<th>2019/20 £000’s Estimate</th>
<th>2020/21 £000’s Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal sums invested &gt; 364 days</td>
<td>248,000</td>
<td>200,000</td>
<td>150,000</td>
<td>130,000</td>
</tr>
</tbody>
</table>

6. **Summary Assessment**

6.1 The outturn position is set out above in respect of the Prudential Indicators approved by Assembly in February 2017.

6.2 The outturn figures confirm that the limits and controls set for 2017/18 were applied throughout the year, and that the treasury management function adhered to the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability. The treasury management indicators were regularly monitored throughout 2017/18.
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Appendix 2

Glossary of Terms

1. **Authorised Limit** – represents the limit beyond which borrowing is prohibited, and needs to be set and revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.

2. **Bank Rate** – the rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.

3. **Counterparty** – the other party involved in a borrowing or investment transaction.

4. **Capital Financing Requirement (CFR)** – the level of capital expenditure to be financed from borrowing.

5. **Liquidity** – The ability of an asset to be converted into cash quickly and without any price discount. The more liquid a business is, the better able it is to meet short term financial obligations.

6. **LIBID** – London Interbank Bid Rate - The interest rate at which London banks ask to pay for borrowing Eurocurrencies from other banks. Unlike LIBOR, which is the rate at which banks lend money, LIBID is the rate at which banks ask to borrow. It is not set by anybody or organisation, but is calculated as the average of the interest rates at which London banks bid for borrowed Eurocurrency funds from other banks. It is also the interest rate London banks pay for deposits from other banks.

7. **LOBO** (Lenders Option Borrowers Option) - Long term borrowing deals structured which usually has a short, initial period (anything from 1 year to 7 years), followed by a “step rate” to a higher rate of interest (the “back end” interest rate), which is to be charged for the remainder of the loan period.

   The overall length of LOBO’s is usually 50 or 60 years but can be shorter or longer periods. After the “step up” date, and at set intervals thereafter, the lender (the bank) has the option of increasing the “back end” interest rate. Whenever this option is exercised, if the proposed new rate is unacceptable, the borrower (The Council) can redeem the loan without penalty.

8. **Monetary Policy Committee** – independent body which determines the Bank Rate.

9. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an early warning indicator to ensure the Authorised Limit is not breached.

10. **Prudential Code** – The Local Government Act 2003 requires the Council to ‘have due regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
11. **PWLB** – Public Works Loan Board. An institution managed by the Government to provide loans to public bodies at rates which reflect the rates at which the government is able to sell gilts.
### Title: Revised Members’ Allowances Scheme 2018/19

#### Report of the Chief Executive

**Open Report**  
**For Decision**

| Wards Affected: None | Key Decision: No |

**Report Author:** Alan Dawson, Democratic Services Manager  
**Contact Details:**  
Tele: 020 8227 2348  
Email: alan.dawson@lbbd.gov.uk

**Accountable Strategic Leadership Directors:** Fiona Taylor, Director of Law and Governance and Chris Naylor, Chief Executive

#### Summary:

This report sets out a number of new proposals in relation to Members’ allowances for 2018/19 covering both the Basic Allowance payable to all councillors and Special Responsibility Allowances (SRAs) for those councillors appointed to specific positions.

At the Annual meeting on 23 May 2018, the Assembly agreed a Members’ Allowances Scheme for 2018/19 which kept the vast majority of allowances at the same level that they had been since 2008/9. The changes to the Scheme were confined to the new Council governance and committee structure arrangements that had been approved by the Assembly at its 28 February and 23 May 2018 meetings, covering the SRAs for the Chairs and Deputy Chairs of the new Overview and Scrutiny Committee and the refined Planning Committee, while the new Member Champion roles and the Chairs and Deputy Chairs of the Pensions Committee and the Policy Task Group were included in the allowances schedule for the first time.

It was acknowledged at the Annual meeting that a further review of allowances would be carried out during the year to assess the impact of the new governance arrangements, Members’ new responsibilities under those arrangements and the appropriate level of allowances under the Members’ Allowances Scheme having regard to the recommendations of the London Councils Independent Remuneration Panel (LCIRP) and benchmarking against all other London Boroughs’ allowances. That review has now been completed.

Arising from the review, it is proposed that the Council should increase the majority of its Members’ allowances, although not to the levels recommended by the LCIRP in its 2018 report. In most cases the proposed SRAs are significantly lower than the rates recommended by the LCIRP and are generally equivalent to or lower than the averages across all other London Boroughs, based on data from a benchmarking exercise carried out in respect of Members’ allowance rates for the 2015/16 municipal year.
Recommendation(s)

The Assembly is recommended to:

(i) Agree the proposed increases to Members’ basic and special responsibility allowances for the 2018/19 municipal year as set out in the report;

(ii) Adopt the revised Members’ Allowances Scheme 2018/19 as attached at Appendix A to the report, to come into effect from 19 July 2018.

Reason(s)

To accord with the Local Authorities (Members’ Allowances) (England) Regulations 2003.

1. Introduction and Background

1.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to make an annual scheme of allowances.

1.2 In setting its annual scheme, the Council must have regard to any recommendations of an independent remuneration panel (IRP). The exceptions to this requirement are where allowances are to be increased in accordance with an approved index or where no increase is proposed, subject to a review every four years.

1.3 In June 2014, the Council disbanded its own IRP due to a number of the Panel Members stepping down and the decision was taken that, from that point, the Council would have regard to the London Councils Independent Remuneration Panel (LCIRP) recommendations when considering its annual allowances. The LCIRP was established by London Councils in 2001 to exercise the function on behalf of London Boroughs and now produces a report every four years, the latest being its 2018 report.

1.4 At the Annual meeting on 23 May 2018, the Assembly agreed the Members’ Allowances Scheme for 2018/19 which kept the majority of allowances at the same levels since 2008/9. The changes to the Scheme were confined to the SRAs relating to those roles that were revised / introduced as a direct result of the new Council governance and committee structure arrangements that had been approved by the Assembly at its 28 February and 23 May 2018 meetings. Those changes are shown in the table below.

<table>
<thead>
<tr>
<th>Role</th>
<th>2017/18 Allowance</th>
<th>2018/19 Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair, Overview and Scrutiny Committee</td>
<td>Not applicable (role represents an amalgamation of Select Committee structure)</td>
<td>£10,000</td>
</tr>
<tr>
<td>Deputy Chair, Overview and Scrutiny Committee</td>
<td>Not applicable (role represents an amalgamation of Select Committee structure)</td>
<td>£5,000</td>
</tr>
<tr>
<td>Chair, Planning Committee</td>
<td>£3,142 (standard rate for Chair position)</td>
<td>£8,000</td>
</tr>
<tr>
<td>Deputy Chair, Planning Committee</td>
<td>£1,571 (standard rate for Deputy Chair position)</td>
<td>£4,000</td>
</tr>
<tr>
<td>Role</td>
<td>Description</td>
<td>Allowance</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Chair, Policy Task Group</td>
<td>Not applicable – new role</td>
<td>£3,142</td>
</tr>
<tr>
<td>Deputy Chair, Policy Task Group</td>
<td>Not applicable – new role</td>
<td>£1,571</td>
</tr>
<tr>
<td>Chair, Pensions Committee</td>
<td>Not applicable – long-standing committee but not previously remunerated</td>
<td>£3,142</td>
</tr>
<tr>
<td>Deputy Chair, Pensions Committee</td>
<td>Not applicable – long-standing committee but not previously remunerated</td>
<td>£1,571</td>
</tr>
<tr>
<td>Member Champions</td>
<td>Not applicable – new role</td>
<td>£3,142</td>
</tr>
</tbody>
</table>

1.5 The net effect of the above, including on-costs, resulted in an additional budget provision of £38,000.

1.6 The Members’ Allowances Scheme forms part of the Council Constitution (Part 6).

2. Proposal and Issues

2.1 When it published its first report in 2001, the LCIRP recommended that the remuneration of the Leader of a Cabinet (which relates to the governance model adopted in Barking and Dagenham) should equate to that of a Member of Parliament, due to the synergies between the roles in terms of responsibilities and accountabilities. The LCIRP also established a banding system for other roles such as Deputy Leaders, Cabinet Members and Chairs and Deputy Chairs of committees which were set within a percentage range of the Leader’s allowance. The LCIRP’s recommendations in its 2018 report continue to be based on those same principles, although its recommended levels are now lower than an MP’s remuneration as the LCIRP has applied an uplift in line with the local government pay award while MPs remuneration has increased significantly above those rates in recent years.

2.2 The case put forward by the LCIRP for basing a Leader’s remuneration on that of an MP is a sound one. Similarly, the LCIRP’s methodology of establishing a banding system for other SRA roles based on a percentage range of the Leader’s allowance is also well founded. However, the benchmarking of all London Boroughs Members’ allowances for the 2015/16 municipal year showed that the vast majority of Councils had set their allowances well below those recommended levels. The most likely reason for this could be attributed to the additional funding that would have been required to bring Members’ allowances budgets up to the recommended levels, at a time of significant financial challenges for local authorities due to the Government’s public spending cuts.

2.3 With the exception of the roles referred to in the table at paragraph 1.4 above, LBBD Members’ allowances have not increased since 2008/9 (for clarification purposes, the Deputy Leader’s allowance was reduced from £22,513 in 2013/14 to £21,583 in 2014/15 to reflect the appointment of two Deputy Leaders and to ensure that the overall budget did not increase). During this time and with the development and implementation of the Council’s transformation programme, the roles and responsibilities of councillors have evolved. The LCIRP has recognised the position of Leader as a full-time role, which is certainly the case here at Barking and Dagenham, while the roles of the Deputy Leaders, Cabinet Members and Chairs and Deputy Chairs are increasingly demanding.
2.4 Solely from a workload perspective, a strong case could be made for applying the levels recommended by the LCIRP. However, the relatively low levels of SRAs here at Barking and Dagenham and the financial pressures that continue to be faced by the Council mean that a more pragmatic approach has to be taken, as any increase to allowances requires additional funding to be allocated to the overall Members’ Allowances budget. With that in mind, set out below are the proposed levels of allowances, shown in comparison to the LCIRP recommendations and the benchmarking of allowances for all London Boroughs in respect of the rates for the 2015/16 municipal year.

2.5 Special Responsibility Allowances

2.5.1 Leader’s Allowance

<table>
<thead>
<tr>
<th>LBBD Current Allowance</th>
<th>2015/16 London Borough Benchmarking Average</th>
<th>LCIRP 2018 recommended Level</th>
<th>LBBD Proposed Allowance 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>£35,022</td>
<td>£42,109</td>
<td>£57,085 (Band 4)</td>
<td>£46,429</td>
</tr>
</tbody>
</table>

2.5.2 Deputy Leaders’ Allowance

<table>
<thead>
<tr>
<th>LBBD Current Allowance</th>
<th>2015/16 London Borough Benchmarking Average</th>
<th>LCIRP 2018 recommended Level</th>
<th>LBBD Proposed Allowance 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>£21,583</td>
<td>£25,830 *</td>
<td>£36,917 to £43,460 (Band 3)</td>
<td>£25,535 (equivalent to 55% of the Leader’s SRA)</td>
</tr>
</tbody>
</table>

(* excludes LB Newham as it operates a staggered payment system for its Cabinet)

2.5.3 Cabinet Member’s Allowance

<table>
<thead>
<tr>
<th>LBBD Current Allowance</th>
<th>2015/16 London Borough Benchmarking Average</th>
<th>LCIRP 2018 recommended Level</th>
<th>LBBD Proposed Allowance 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>£17,510</td>
<td>£20,894 **</td>
<td>£36,917 to £43,460 (Band 3)</td>
<td>£19,000</td>
</tr>
</tbody>
</table>

(** excludes LB Newham as it operates a staggered payment system for its Cabinet and LB Barnet and Sutton as they operate a committee system style of governance)

2.5.4 Chairs and Deputy Chairs of Committees

At present, the standard SRA rate applied to the roles of Committee Chairs (and Member Champions) is £3,152 while the Deputy Chair allowance is £1,571 (50% of the Chair’s rate).

The LCIRP recommends levels of between £36,917 to £43,460 (Band 3) for the Chair of Overview and Scrutiny Committee, £16,207 to £29,797 (Band 2) for Chairs
of Scrutiny Panels and the Planning Committee, and £2,582 to £9,397 (Band 1) for other Chair and Deputy Chair positions. It is not possible to provide direct comparisons from the 2015/16 London Borough benchmarking data as different arrangements are in place across Boroughs, although the typical average for Chair positions are between £5,000 - £15,000.

Taking into consideration the respective committees’ workloads, responsibilities and meeting frequencies, it is proposed that the standard SRA rate applied to the role of Chair (and Member Champions) be increased from £3,152 to £5,000 and the Deputy Chair SRA be increased from £1,571 to £2,500 (continuing to be 50% of the Chair’s rate), as shown in the table below:

<table>
<thead>
<tr>
<th>Role</th>
<th>SRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair, Assembly</td>
<td>£5,000</td>
</tr>
<tr>
<td>Chair, Audit &amp; Standards Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Health Scrutiny Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Licensing &amp; Regulatory Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Personnel Board</td>
<td></td>
</tr>
<tr>
<td>Chair, Pensions Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Policy Task Group</td>
<td></td>
</tr>
<tr>
<td>Member Champions</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Assembly</td>
<td>£2,500</td>
</tr>
<tr>
<td>Deputy Chair, Audit &amp; Standards Committee</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Health Scrutiny Committee</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Licensing &amp; Regulatory Committee</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Personnel Board</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Pensions Committee</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Policy Task Group</td>
<td></td>
</tr>
</tbody>
</table>

To clarify, the SRAs in respect of the roles of Chair and Deputy Chair of the Overview and Scrutiny Committee and the Planning Committee shall remain at the levels agreed by the Assembly on 23 May 2018.

2.5.5 The cumulative effect of the proposed uplift to SRAs equates to an additional funding requirement of £70,540 (plus on-costs) in a full year.

2.6 Basic Allowance

2.6.1 The Basic Allowance paid to all LBBD councillors is currently £10,006 (unchanged since 2008/9) and is comparable with the average Basic Allowance across London in 2015/16, according to the benchmarking data, of £10,014.

2.6.2 In its 2014 report, the LCIRP recommended a Basic Allowance of £10,709 which, updated for the local government staff pay awards report, is now £11,045. The LCIRP acknowledged in its 2018 report that there was a strong case for considering a larger increase given, amongst other things, the loss of councillors’ pension rights back in 2015 and the growth in the volume and complexity of the work of councillors. The LCIRP also makes reference in its 2018 report to the Basic Allowance of £13,400 set by a Government-appointed commission for local authorities in Wales, which generally have substantially lower populations than those of London Boroughs.
2.6.3 The LCIRP acknowledges however that, given the financial climate and the pressures faced by London local authorities, an allowance level of £11,045, increased annually in line with the staff pay award, was appropriate at this point in time.

2.6.4 Mindful of the cumulative impact of an increase to the Basic Allowance, as it applies to all 51 councillors, it is proposed that the Basic Allowance be increased from £10,006 to £11,000. This equates to an additional funding requirement of £50,694 (plus on-costs) in a full year.

2.7 Other Allowances

2.7.1 The Members’ Allowances Scheme also includes allowances in respect of Opposition Leaders, the Mayor’s Allowance and Co-Opted Members’ allowances, as well as travelling, subsistence and dependants’ carers allowances. It is proposed that these allowances remain unchanged, taking into account the increase to the dependants’ carers allowance, agreed at the meeting on 23 May 2018, from £6.82 to £10.20 per hour to bring it into line with the London Living Wage.

2.8 The proposed Members’ Allowances Scheme for 2018/19 is set out at Appendix A.

3. Options Appraisal

3.1 The two most obvious options would be (i) freezing allowances for at least a further year, and (ii) applying the rates recommended by the LCIRP in its 2018 report. However, the proposals in this report are considered to represent an appropriate balance between the additional workloads and responsibilities that LBBD Councillors now face while being mindful of the impact on the Council’s finances of an increase to the Members’ Allowances budget.

4. Consultation

4.1 The proposals in this report have been discussed with Members and the Chief Operating Officer (as the Chief Financial Officer).

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager, Finance

5.1 The current Members’ Allowances budget is £838,000, which covers the total allowances of £786,765 plus on-costs (primarily for National Insurance contributions).

5.2 The proposed increases to the Basic Allowance and SRAs would require additional budget provision of £149,000 (including £134,000 direct allowances and £15,000 on-costs). Since the new allowances will come into effect from 19th July the in year additional cost for 2018-19 will be £105,000.

5.3 For information, the Members’ Allowances budget was reduced by £100,000 for 2015/16 as part of the budget savings process. The reduction stemmed from the
removal of the entitlement of councillors to be members of the Local Government Pension Scheme, which meant that the Council was no longer required to make an employer contribution in relation to those councillors who were, prior to 1 April 2015, in the LGPS.

6. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

6.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to make an annual scheme of allowances, which must be approved by the Assembly.

Public Background Papers Used in the Preparation of the Report:

- London Boroughs’ Members’ Allowances Scheme 2015/16 Benchmarking Data (weblink not yet available)

List of appendices:

- **Appendix A** – Revised Members’ Allowance Scheme 2018/19
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Part 6 - Members' Allowances Scheme 2018/19

The Council of the London Borough of Barking and Dagenham, pursuant to the Local Authorities (Members' Allowances) (England) Regulations 2003 (“the Regulations”), hereby makes the following scheme.

1. Introduction

1.1 The Members’ Allowances Scheme (“the Scheme”) is approved each year by the Assembly at its annual meeting. The Assembly shall have regard to any recommendations made by an Independent Remuneration Panel before making or amending the Scheme.

2. Types of Allowances

2.1 The allowances payable are:

   a) Basic Allowance;
   b) Special Responsibility Allowance;
   c) Co-opted Members’ Allowance;
   d) Travelling and Subsistence Allowance;
   e) Dependents' Carers' Allowance;
   f) Other allowances as described in the Scheme.

3. Effective Date

3.1 This Scheme has effect from 19 July 2018.

4. Definitions

4.1 "Approved duties" means attendance by a Councillor or Co-opted Member at any:

   a) formally convened meeting of any committee or body to which the individual has been appointed or nominated by the Authority, including any sub-committees or working parties thereof;
   b) conference, training session and presentation organised by or on behalf of the Authority which the individual is required to attend;
   c) meeting with a Strategic or other Director where the Councillor’s attendance has been requested in writing or by e-mail or where the Councillor is a member of the Cabinet.

4.2 “Co-opted Member” means any co-opted, added or independent Member of a Committee or other body to which this scheme relates regardless of whether or not the Co-opted Member receives a Co-opted Members’ Allowance.
5. Basic Allowance

5.1 A Basic Allowance shall be paid to each Councillor in accordance with Appendix 1 to this Scheme.

6. Special Responsibility Allowances

6.1 Special Responsibility Allowances shall be paid in accordance with Appendix 1 to this Scheme.

6.2 Where a Councillor would otherwise be entitled under the Scheme to more than one Special Responsibility Allowance, the entitlement shall only be to the highest allowance.

6.3 In the event of a person receiving a Special Responsibility Allowance being absent or substantially unable to act for a period of at least three months, the Council may resolve to reduce the level of Special Responsibility Allowance payable to that person and instead resolve to pay the allowance, or part of it, to any person appointed as a deputy or vice-chair for such period as it determines.

7. Travelling and Subsistence Allowances

7.1 Travelling and subsistence allowances in respect of Approved Duties undertaken by Councillors and Co-opted Members are payable in accordance with Appendix 1 to this Scheme.

7.2 The provisions relating to eligibility to Travelling and Subsistence Allowances apply only to Approved Duties undertaken outside the Borough. Councillors and Co-opted Members are not permitted to claim Travelling and Subsistence Allowances for any activities undertaken within the Borough.

8. Dependants’ Carers’ Allowances

8.1 Dependants’ Carers’ allowances in respect of Approved Duties undertaken by Councillors and Co-opted Members are payable in accordance with Appendix 1 to this Scheme.

8.2 The carers’ allowance may be claimed towards the cost of care for children or other dependants within the household who have a recognised need for care.

8.3 The allowance will not be payable to a member of the immediate family or household.

8.4 The maximum period of the entitlement will be the duration of the approved duty and reasonable travelling time.
9. Co-opted Members

9.1 Co-opted Members shall be paid in accordance with Appendix 1 to this Scheme.

10. School Appeal Panel Members

10.1 School Appeal Panel (Admissions and Exclusions) members shall be entitled to an allowance as set out in Appendix 1 to this Scheme but shall not be eligible to receive travelling, subsistence or Dependents’ Carers’ allowances.

11. National Insurance and Income Tax

11.1 Payment of allowances shall be subject to such deductions as may be statutorily required in respect of national insurance and income tax.

12. Local Government Pension Scheme (LGPS)

12.1 In accordance with the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, Councillors are not eligible to be members of the LGPS.

13. Renunciation

13.1 A Councillor and/or Co-opted Member may, by notice in writing to the Chief Executive, elect to forgo all or any part of his/her entitlement to an allowance under this Scheme.

14. Payments and Claims

14.1 Payment of Basic and Special Responsibility Allowances shall be made in instalments of one-twelfth of the amounts specified on a monthly basis, with the exception of the Mayor’s Allowance which shall be paid quarterly in advance.

14.2 Where an individual takes office part way through a year, a proportionate part of any applicable allowance is payable, unless the allowance is a Special Responsibility Allowance for serving on a committee which is appointed for a period of less than a year.

14.3 The Council may determine that an allowance or a rate of allowance will not come into effect until a date other than the effective date of this Scheme. In such circumstances, the alternative date that the allowance shall be payable from shall be specified in Appendix 1 to this Scheme.

14.4 Claims for travelling, subsistence and dependants’ carers’ allowance should be completed monthly and no later than three months from the date that the expenditure was incurred.
15. **Councillors who are Members of another Authority**

15.1 Any Councillor who is also a Member of another Authority shall only receive allowances from one Authority in respect of the same duties.

15.2 In such instances, the Councillor shall be required to nominate the Authority from whom he/she wishes to receive the allowance(s) and advise the Chief Executive accordingly.

16. **Record of Allowances Paid**

16.1 A record of the payments made by the Authority to each Councillor and Co-opted Member shall be maintained and published in accordance with the Regulations.

17. **Publication of Scheme**

17.1 As soon as practicable after the making or amendment of this Scheme, arrangements shall be made for its publication within the Authority’s area in accordance with the Regulations.
# London Borough of Barking and Dagenham
## Schedule of Allowances for 2018/19

<table>
<thead>
<tr>
<th>Type</th>
<th>Allowance (per annum unless otherwise stated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASIC ALLOWANCE</strong> (for all Councillors)</td>
<td>£11,000</td>
</tr>
<tr>
<td><strong>SPECIAL RESPONSIBILITY ALLOWANCES</strong></td>
<td></td>
</tr>
<tr>
<td>Leader of the Council</td>
<td>£46,429</td>
</tr>
<tr>
<td>Deputy Leader(s) of the Council</td>
<td>£25,535</td>
</tr>
<tr>
<td>Other Cabinet Members</td>
<td>£19,000</td>
</tr>
<tr>
<td>Chair, Overview and Scrutiny Committee</td>
<td>£10,000</td>
</tr>
<tr>
<td>Deputy Chair, Overview and Scrutiny Committee</td>
<td>£5,000</td>
</tr>
<tr>
<td>Chair, Planning Committee</td>
<td>£8,000</td>
</tr>
<tr>
<td>Deputy Chair, Planning Committee</td>
<td>£4,000</td>
</tr>
<tr>
<td>Chair, Assembly</td>
<td></td>
</tr>
<tr>
<td>Chair, Audit and Standards Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Health Scrutiny Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Licensing and Regulatory Committee</td>
<td>£5,000</td>
</tr>
<tr>
<td>Chair, Pensions Committee</td>
<td></td>
</tr>
<tr>
<td>Chair, Personnel Board</td>
<td></td>
</tr>
<tr>
<td>Chair, Policy Task Group</td>
<td></td>
</tr>
<tr>
<td>Member Champions</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Assembly</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Audit and Standards Committee</td>
<td>£2,500</td>
</tr>
<tr>
<td>Deputy Chair, Health Scrutiny Committee</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Licensing and Regulatory Committee</td>
<td>£2,500</td>
</tr>
<tr>
<td>Deputy Chair, Pensions Committee</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Personnel Board</td>
<td></td>
</tr>
<tr>
<td>Deputy Chair, Policy Task Group</td>
<td></td>
</tr>
<tr>
<td>Leader(s) of the Minority Groups</td>
<td>£342 per seat (with a minimum of £1,110 per Leader)</td>
</tr>
<tr>
<td>Type</td>
<td>Allowance (per annum unless otherwise stated)</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------</td>
</tr>
<tr>
<td>Mayor’s Allowance (payable under section 3(5) of Part I of the Local</td>
<td>£12,000 (with effect from 26 May 2018)</td>
</tr>
<tr>
<td>Government Act 1972)</td>
<td></td>
</tr>
</tbody>
</table>

**CO-OPTED MEMBERS’ AND OTHER ALLOWANCES**

<table>
<thead>
<tr>
<th>Type</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Adviser (to Audit and Standards Committee for audit</td>
<td>£500 per meeting</td>
</tr>
<tr>
<td>functions)</td>
<td></td>
</tr>
<tr>
<td>Independent Persons (to Audit and Standards Committee for standards</td>
<td>£500</td>
</tr>
<tr>
<td>functions)</td>
<td></td>
</tr>
<tr>
<td>School Appeal Panel Members (Admissions and Exclusions)</td>
<td>£20 per session (up to four hours)</td>
</tr>
</tbody>
</table>

**TRAVELLING ALLOWANCES**

<table>
<thead>
<tr>
<th>Mileage Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Car: 45p per mile</td>
</tr>
<tr>
<td>• Motorcycle: 24p per mile</td>
</tr>
<tr>
<td>• Bicycle: 20p per mile</td>
</tr>
</tbody>
</table>

**SUBSISTENCE ALLOWANCES**

<table>
<thead>
<tr>
<th>Meal Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Breakfast (away between 7.00am and 11.00am) - £4.92</td>
</tr>
<tr>
<td>• Lunch (away between 12.00 noon and 2.00pm) - £6.77</td>
</tr>
<tr>
<td>• Tea (away between 3.00pm and 6.00pm) - £2.67</td>
</tr>
<tr>
<td>• Evening (away between 7.00pm and 11pm) - £8.35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overnight (continuous period of 24 hours involving absence overnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Normal - £79.82</td>
</tr>
<tr>
<td>• Greater London, AMA Annual Conference or other approved Association</td>
</tr>
<tr>
<td>conferences - £91.04</td>
</tr>
</tbody>
</table>

**DEPENDANTS’ CARERS’ ALLOWANCE**

<table>
<thead>
<tr>
<th>Allowance</th>
<th>£10.20 per hour</th>
</tr>
</thead>
</table>
Title: Motions

Report of the Chief Executive

Open Report

Wards Affected: All

Key Decision: No

Report Author: David Symonds Democratic Services Officer

Contact Details:
Tel: 020 8227 2852
E-mail: david.symonds@lbbd.gov.uk

Accountable Director: Fiona Taylor, Director of Law and Governance

Accountable Strategic Director: Chris Naylor, Chief Executive

Summary

In accordance with paragraph 10 of Part 2, Chapter 4 of the Council Constitution, motions and amendments to motions on issues directly affecting the borough may be submitted to the Assembly to be debated and voted on.

One motion have been received in accordance with the Council’s procedure rules and is attached as Appendix A.

The deadline for amendments to the motions is noon on Friday 13 July 2018.

For information, attached at Appendix B is the relevant extract from the Council’s Constitution relating to the procedure for dealing with Motions with Notice.

Recommendation(s)

The Assembly is asked to debate and vote on the motions and any amendments proposed.

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

List of appendices:

- Appendix A – Notice of Motion: NHS at 70.
- Appendix B – Extract from the Council Constitution, Paragraphs 10, 11 and 12 of Part 2, Chapter 4 – The Assembly
Notice of Motion – NHS at 70

Councillor Robinson has submitted the following motion:

“Barking & Dagenham Council welcomes and celebrates the 70th anniversary of the creation of the National Health Service.

In July 1948, universal healthcare services free at the point of use were rolled out across the country and Labour’s proudest achievement was born. Since then, the NHS has transformed the wellbeing of our nation, eradicated diseases, pioneered new treatments and ensured that we can all expect to live longer lives.

This Council notes that none of this would be possible without the skill, dedication and compassion of our past and present NHS staff. All Members would like to place on record their thanks to those working in our borough’s health and social care services, many of whom often work in very difficult circumstances.

This Council is also alarmed by the current crisis in the NHS that has been caused by years of Tory underfunding. This Council believes that our NHS and social care system should be fully funded, and that the extra £20bn committed by the Government is not enough to tackle the immediate crisis.

Barking & Dagenham Council resolves to write to the Secretary of State for Health and Social Care and the Prime Minister urging them to:

- Fully fund our NHS and social care system
- Properly integrate health and social care services
- Halt the plans to close the A&E at King George Hospital
- Guarantee hospital treatment within 18 weeks
- Ensure the 4-hour A&E waiting time target is met
- Prioritise children’s health services
- Expand mental health services
- Invest in modern equipment and facilities for the future”
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10. **Motions With Notice**

10.1 Written notice of any motions must be received by the Chief Executive by no later than 4.00pm on the Wednesday two weeks before the meeting, except in respect of a vote of no confidence in the Leader of the Council for which the process in paragraph 13 applies.

10.2 A notice of motion must relate to a matter which affects the Council or its area and must relate to a matter in respect of which the Council has a relevant function. There is no limit on the number of motions that a Councillor may submit but the notice of motion must be submitted either by the Councillor who is proposing the motion or via the Group Secretary.

10.3 A notice of motion may be in more than one part and contain more than one recommendation, but must all relate to the same subject matter.

10.4 The Chief Executive may reject a notice of motion if, in his/her opinion:

   (a) it is of a vexatious or derogatory nature or otherwise considered improper or inappropriate;

   (b) is contrary to any provision of any code, protocol, legal requirement or rule of the Council;

   (c) it does not relate to the business of the Council;

   (d) is substantially the same as another motion already considered at the Assembly within the previous twelve months.

10.5 Where the Chief Executive rejects a notice of motion on any of the above grounds, he/she shall inform the Chair and the Councillor who submitted the notice of motion as soon as possible. Prior to determining whether to accept or reject a motion, the Chief Executive may seek clarification or propose alternative wording to the Councillor who submitted the motion.

10.6 In the event that the Councillor who is proposing the motion is not present at the Assembly meeting, the motion will be withdrawn.

10.7 Any motions withdrawn as indicated above, or withdrawn at the request of the Councillor who proposed the motion, either before or during the meeting, may not be resubmitted to the Assembly within a period of six months. This condition will be waived where the Councillor, or a colleague on their behalf, has notified the Chief Executive by 5.00 pm on the day of the meeting of their inability to attend due to their ill health or other reason accepted by the Chief Executive.

10.8 Motions will be listed on the agenda in the order in which they are received, save that:

   (a) where two or more notices of motion are received from a particular Councillor for the same meeting, that Councillor’s second notice of motion shall be included after all other Councillors’ first notices of motion, that Councillor’s third notice of motion shall be included after all other Councillors’ second notices of motion, and so on.
(b) where he/she considers that the notice of motion, statement or consideration of the notice of motion is likely to result in the disclosure of confidential or exempt information, in which case he/she may group such notices of motion together with other items of business which are, in his/her opinion, likely to involve the exclusion of press and public during their consideration.

10.9 Written notice of any amendments to motions must be received by the Chief Executive by no later than 12 noon on the Friday before the meeting. The same criteria and actions as described in paragraphs 10.2 - 10.8 will apply in relation to any amendments received.

10.10 Any amendments proposed after the time specified in paragraph 10.9 will only be considered for exceptional reasons such as a change in circumstances appertaining to the original motion, in which case the consent of the Chair will be required.

10.11 The Assembly shall not debate any motion which could give rise to a significant change to the income or expenditure of the Council or to contract terms unless, in the opinion of the Chief Executive acting on advice from the Chief Financial Officer and Director of Law and Governance as appropriate, the motion is accompanied by a report from the Chief Financial Officer or the Director of Law and Governance, as appropriate, setting out the financial or legal effect of the motion.

10.12 Where a motion which would require an accompanying report under Rule 10.11 falls to be moved without such accompanying report being made available to all Councillors, the motion shall stand adjourned without debate to the next available meeting of the Assembly.

10.13 Subject to Rule 10.14, if there are other motions or recommendations on the agenda that have not been dealt with by the close of the meeting, they are deemed formally moved and seconded and shall be put to the vote by the Chair without debate.

10.14 Where a notice of motion submitted under Rule 10 falls to be dealt with under Rule 10.13, the Councillor giving the notice may either:

(a) speak to the motion for not more than three minutes before the motion is put by the Chair without debate; or

(b) require that the motion is deferred to the next available meeting.

11. Motion to rescind a previous decision

11.1 A motion or amendment to rescind, or which has the effect of rescinding, a decision made at a meeting of the Assembly within the past six months, may not be moved except upon a recommendation from the Cabinet for a variation of the approved Budget or Policy Framework, or where the Monitoring Officer confirms that it is appropriate for the Assembly to reconsider the matter to comply with law, as a result of a change of law or material change of circumstances.
12. Rules of Debate

12.1 The following order / rules of debate shall apply:

(a) Except with the Chair’s consent, the debate on each motion shall last no longer than 10 minutes and no individual speech shall exceed two minutes.

(b) The mover will move the motion and explain its purpose.

(c) The Chair will invite another Councillor to second the motion.

(d) If any amendment(s) has been accepted in accordance with paragraphs 10.9 or 10.10, the Chair will invite the relevant Councillor to move the amendment(s) and explain the purpose.

(e) The Chair will invite another Councillor(s) to second the amendment(s).

(f) The Chair will then invite Councillors to speak on the motion and any amendments.

(g) Once all Councillors who wish to speak have done so, or the time limit has elapsed, the Chair will allow the mover(s) of the amendment(s) a right of reply followed by the mover of the original motion.

(h) At the end of the debate, any amendments will be voted on in the order in which they were proposed.

(i) If an amendment is carried, the motion as amended becomes the substantive motion to which any further amendments are moved and voted upon.

(j) After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

(k) If all amendments are lost, a vote will be taken on the original motion.
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