

Notice of Meeting

CABINET

Tuesday, 17 September 2019 - 7:00 pm
Council Chamber, Town Hall, Barking

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

Date of publication: 9 September 2019

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AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests

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

3. Minutes - To confirm as correct the minutes of the meeting held on 16 July 2019 (Pages 3 - 12)

4. 2019/20 Budget Monitoring (April to July - Month 4) and Capital Programme Monitoring (April to June - Q1) (Pages 13 - 33)

5. Modern Slavery Charter - Progress Report and Modern Slavery Statement (Pages 35 - 51)

6. **Investment and Acquisition Strategy Update (Pages 53 - 81)**
7. **Risk Management Strategy (Pages 83 - 109)**
8. **Refurbishment of Redundant Units via Habitat for Humanity Model (Pages 111 - 120)**
9. **Redevelopment of 265 - 285 Rainham Road North & 291 - 301 Oxlow Lane (Pages 121 - 144)**
10. **Redevelopment of 53 - 135 Roxwell Road and 2 & 4 Stebbing Way, Thames View Estate (Pages 145 - 169)**
11. **Corporate Plan 2018-2022:- Quarter 1, 2019 Performance Reporting (Pages 171 - 256)**
12. **Debt Management Performance and Write-Offs 2019/20 (Quarter 1) (Pages 257 - 268)**
13. **Any other public items which the Chair decides are urgent**
14. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to 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.***

15. **Any other confidential or exempt items which the Chair decides are urgent**



Our Vision for Barking and Dagenham

ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND

Our Priorities

A New Kind of Council

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

Empowering People

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

Inclusive Growth

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

Citizenship and Participation

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

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MINUTES OF CABINET

Tuesday, 16 July 2019
(7:00 - 9:06 pm)

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

28. Declaration of Members' Interests

There were no declarations of interest.

29. Minutes - 18 June 2019

The minutes of the meeting held on 18 June 2019 were confirmed as correct.

30. Medium Term Financial Strategy and Reserves Policy 2019/20 to 2023/24

The Cabinet Member for Finance, Performance and Core Services presented a report on the Medium Term Financial Strategy and Reserves Policy from 2019/20 to 2023/24 for key Council services, which offered a framework to close the budget gap whilst ensuring resources were aligned to the Borough Manifesto and Corporate Plan.

The Cabinet Member set out the context around the Strategy and Policy, referring to the real term reduction in funding from the Government, which had impacted across Council services and particularly, children and adult social care services. He stated that the two percent overspend on the Council's budget for 2018/19 should be considered an achievement in light of those challenges and against the backdrop of the significant increase in the Borough's population.

The Cabinet Member referred to a number of factors that created uncertainty around the Council's financial position, including:

- Whether the Government's next three-year Spending Review from 2020/21 would go ahead as planned, or whether a one-year position would be put forward instead;
- The Government's 'Fair Funding review' which focussed on how resources were distributed between local authorities; rather than providing additional funding; and
- The Government's intention to phase out core funding and transfer new responsibilities to local authorities as part of its rollout of the 75% business rate retention scheme.

The Cabinet Member emphasised that an overall adequate level of reserves formed the bedrock of financial health, providing a buffer to deal with any shocks that may arise. The core General Fund balance remained at £17m, which was a testament of the hard work of officers and the resilience of the Council to deliver excellent services in an extremely difficult financial climate.

The Cabinet Member highlighted the innovative commercial approach taken by the Council in attempting to replace lost income. As part of that work, the Council would be creating a new Investment Risk reserve as a proportionate safeguard against the risks associated with the Council's Investment and Acquisition Strategy.

Cabinet Members expressed support for the Strategy and Policy, referring particularly to the positive visual representations of the Borough in the Strategy document and the principles underpinning it, such as 'taking the community with us' and 'no one left behind'. The Cabinet Member for Public Realm also felt that the Council's priority to encourage civic pride and social responsibility was important when considering how to bring down costs, for example, the Council should continue to raise awareness amongst residents of the importance of producing less waste, due to the significant cost to the Council. Members recognised that delivering a balanced budget when faced with the highest demand levels in the country was a significant achievement.

Cabinet **resolved** to approve the Medium-Term Financial Strategy and Reserves Policy 2019/20 to 2023/24 as set out in Appendix A to the report and the approach proposed to ensure the financial health of the Council over the medium term.

31. Adults' Care and Support Charging Policy

The Cabinet Member for Social Care and Health Integration presented a report on the proposed Adults' Care and Support Charging Policy, which would ensure that individuals who were receiving community-based services from the Council paid a fair contribution towards the cost of their care.

The Cabinet Member stated that the Council had learnt from mistakes it made around implementation and clarity when the policy was initially introduced in 2011. Thorough public consultation had taken place on the new Policy and improvements in the clarity of the policy itself were welcomed by all attendees at the service user consultation events. Furthermore, there was support for the clearer route proposed for disagreeing with the financial assessment. However, there was also a clear margin of opinion against a number of the proposals put forward, albeit that margin was variable with no proposal receiving universal opposition. The Cabinet Member also confirmed that the changes would raise additional income to support the demand pressures across the service.

The Cabinet Member explained that allowances could be made for the costs incurred by someone as a direct result of their disability. Statutory guidance required the local authority to make an assessment and allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which were not being met by the local authority. As this was a complex process, it was proposed that a Disability Related Expenditure Policy and a Guidance Note be developed to come into force from April 2020.

Cabinet **resolved** to:

- (i) Agree the proposed final Adults' Care and Support Charging Policy at Appendix 2 of the report;

- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, to further approve any minor alterations to the proposed final Adults' Care and Support Charging Policy at Appendix 2 of the report; and
- (iii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, to approve a Disability Related Expenditure Policy and a related Guidance Note for the Council.

32. Care Leavers Local Offer

The Cabinet Member for Social Care and Health Integration presented a report on the Care leavers' Local Offer, which reflected the support the Council had in place for young people leaving the Council's care.

The Cabinet Member stated that the current Local Offer met the statutory minimum requirements; however, internal reviews and an external inspection had recognised that the Council could do more to improve its offer to care leavers. The report put forward a number of initiatives to be included in the new Local Offer, which fell into the three categories of:

- Additional support already offered that was not reflected in the current Local Offer document;
- Lower cost initiatives that could be included in an updated Local Offer, to be further considered by the Cabinet Member for Social Care and Health Integration; and
- Higher cost initiatives with a longer implementation time frame to be considered.

Cabinet Members welcomed the report, referring particularly to the support offered by the NEET Panel to support young people into education, employment and training, and the Council's strong, ongoing commitment to develop services that reflected care leavers' voices.

Cabinet **resolved** to:

- (i) Agree the updated version of the Care Leavers' Local Offer at Appendix 1 of the report;
- (ii) Agree to recommend to Assembly that it endorses LBBB Care Leavers resident in the Borough to be exempted from Council Tax up to the age of 25, effective from April 2020;
- (iii) Agree that officers, in consultation with the Cabinet Member for Social Care and Health Integration, develop a 'saving for independence' scheme for LBBB Care leavers aged 21 to 25 based on a sum equivalent to 50% of the Council Tax exemption; and
- (iv) Agree to delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health

Integration, to develop and approve a bespoke Local Offer for Unaccompanied Asylum-Seeking Children as outlined in section 7.3 of the report.

33. Refurbishment and Change of Use of Grays Court Hospital

The Cabinet Member for Regeneration and Social Housing presented a report on the proposed refurbishment and change of use of the predominantly vacant Grays Court Community Hospital site.

The Cabinet Member explained that there was significant demand for emergency temporary accommodation for families in the borough. In response to that demand and to reduce the need to procure more expensive private sector accommodation, it was proposed that Grays Court Community Hospital be refurbished to provide approximately 56 family temporary accommodation units. It was also proposed that support services provided by the Community Solutions Team currently from John Smith House be relocated to the Grays Court site. This would provide a number of benefits to residents, including:

- Training and employment opportunities;
- Support to live healthier lifestyles; and
- Family support, such as play and speech sessions for children, and family counselling.

The Cabinet Member stated that Grays Court Hospital could also act as a community hub, providing access to facilities and services for the wider community such as:

- A Community Food Club;
- Cooking school and meal sharing offer;
- Education and training offer;
- A family learning offer;
- Careers fairs and job clubs; and
- The continuation of the out of hours GP service from this building.

The refurbishment of Grays Court Hospital would allow the temporary accommodation currently provided at Brocklebank Lodge, which was in poor condition, to be decommissioned. Options for the future use of the Brocklebank Lodge site would be developed and taken through the Council's governance process in due course.

Cabinet Members welcomed the proposals as a means of providing wide-ranging support to families who had been let-down by the Government's failure to provide adequate family accommodation, as well as providing benefits to the wider community.

Cabinet **resolved** to:

- (i) Approve the refurbishment of Grays Court Community Hospital to provide c. 56 temporary accommodation units and ancillary office space for the relocation of the Community Solutions Team;

- (ii) Agree funding up to £3,951,000 within the Capital Programme to finance the refurbishment of Grays Court Hospital, to cover the total development costs to deliver the scheme;
- (iii) Delegate authority to the Director of Inclusive Growth, in consultation with the Director of Law and Governance and the Chief Operating Officer, to negotiate terms and agree the contract documents to fully implement and effect the project; and
- (iv) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, to execute all the legal agreements, contracts and other documents on behalf of the Council.

34. Children's Care and Support Improvement Programme

The Cabinet Member for Social Care and Health Integration presented a report on the Children's Improvement Programme, which had been developed in response to several emergent factors over the past 12 months, including the findings of an OFSTED inspection in February 2019 where children's services was judged as 'Requires Improvement'.

The Cabinet Member referred to the key aspects within the Improvement Plan and confirmed that in order to support its delivery, £1.095m in transformation funding would be required. Whilst the implementation of the Plan would require a draw down from the Council's reserves, it would contribute to the mitigation and reduction of cost pressures in the provision of children's services over time.

Cabinet Members asked whether the local NHS and Police were prepared to make a financial contribution to support the children's services improvement agenda. The Cabinet Member for Social Care and Health Integration stated that when previously asked about such contributions, the organisations acknowledged that they had a key role to play but cited their own financial challenges in coming to the view that they would not be in a position to make significant contributions.

Cabinet Members expressed their confidence in the leadership of the service to deliver the Programme and noted that OFSTED had recognised that the service was already aware of what needed to improve, that the plans for doing so were sound and, in a number of cases, already making a difference.

Cabinet **resolved** to agree the Children's Care and Support Improvement Programme at Appendix 1 of the report and note the inherent commitment to the set of standards and prerequisites as set out in section 3.3 of the report.

35. Gascoigne West and Sebastian Court Development Proposals - Use of CPO and Appropriation Powers

Further to Minute 120 (25 April 2017), the Cabinet Member for Regeneration and Social Housing presented a report which provided an update on the redevelopment of part of the Gascoigne West Estate (Phase 2).

The Cabinet Member drew attention to the main aspects of the project and explained that confirmation was being sought of the approval of the use of the

Council's compulsory purchase powers to acquire those interests in land and property, which fell outside of the Council's ownership, and which were required in order to bring forward the redevelopment of the estate.

Cabinet **resolved** to:

- (i) Agree, subject to consideration of the matters set out in the report, to make a Compulsory Purchase Order ("CPO" / "the Order") pursuant to Section 17 Housing Act 1985 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of land and new rights in respect of the area identified as Phase 2 in Appendix 1 of the report, "draft CPO Plan" and the Schedule, to facilitate delivery of the Gascoigne West Estate regeneration proposals set out in the report;
- (ii) Delegate authority to the Director of Inclusive Growth to approve the Statement of Reasons supporting the CPO;
- (iii) Delegate authority to the Director of Law and Governance, in consultation with the Director of Inclusive Growth, to:
 - (a) agree minor amendments to the CPO Plan and CPO Schedule before the making of the CPO if required;
 - (b) take all steps to secure the making, confirmation and implementation of the CPO including the publication and service of all notices and the promotion of the Council's case at any public inquiry;
 - (c) negotiate, agree terms and enter into agreements with interested parties including agreements for the withdrawal of blight notices and/or the withdrawal of objections to the Order and/or undertakings not to enforce the Order on specified terms, including (but not limited to) where appropriate seeking the exclusion of land or rights from the Order, making provision for the payment of compensation and/or relocation;
 - (d) in the event the Order is confirmed by the Secretary of State, to advertise and give notice of confirmation and thereafter to take all steps to implement the Order including to execute General Vesting Declarations and/or to serve Notices to Treat and Notices of Entry in respect of interests and rights in the Order Land;
 - (e) take all steps in relation to any legal proceedings relating to the Order including defending or settling claims referred to the Upper Tribunal and/or applications to the courts and any appeals;
- (iv) Agree that, where required to assist in the delivery of the Gascoigne West Estate regeneration proposals, the Council shall appropriate land for planning purposes pursuant to Section 122 of the Local Government Act 1972 to enable Section 203 of the Housing and Planning Act 2016 to be utilised to override any third-party rights;
- (v) Agree the appropriation of the land at Gascoigne West Phase 1 under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund, following completion of the decanting and demolition of each block, as shown edged in red in Appendix 1 of the report; and

- (vi) Agree the appropriation of the land at Sebastian Court under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund, following completion of the decanting and demolition of each block, as shown edged in red in Appendix 2 of the report.

36. Review of School Places and Capital Investment - Update June 2019

Further to Minute 81 (22 January 2019), the Cabinet Member for Educational Attainment and School Improvement presented a report on the Review of School Places and Capital Investment.

The Cabinet Member referred specifically to the pupil numbers and capacity for September 2019 and the anticipation that there would be a surplus of places in reception year, above the standard operating spare capacity, which was down to the fall in birth numbers in 2014/15. However, the position in Barking around the Abbey, Eastbury and Gascoigne wards continued to cause concern, particularly for primary school provision, due to the planned development of new homes.

The Cabinet Member also referred to tracked information showing a progressive rise in children with SEND in the Borough and a review which had been undertaken on the current forecasting model to make it more sophisticated. The outcomes from the review underpinned the need for a school to support pupils with social emotional, mental health (SEMH) difficulties. This provision was initiated last September 2018 with the intention to build a new SEMH school for up to 90 pupils on a new site in Dagenham by the start of the 2022 academic year. The second aspect revealed by the review was the need for a further provision to support up to 160 pupils with severe learning difficulties and autism, over the next five years. Currently, officers in the Council were working with the DfE to identify suitable sites in the Borough as a matter of urgency.

Cabinet Members spoke in support of the report and queried whether there were plans for highway improvements around schools. It was noted that the Cabinet Member for Enforcement and Community Safety was in the process of developing a Parking Strategy around schools which would include wider aims of promoting walking to school and road safety and reducing air pollution around schools.

Cabinet **resolved** to:

- (i) Approve the Strategy for Ensuring Sufficient School Places and School Modernisation to 2027, and the Future Planning Programme to meet Basic Need (including SEN places) 2019 to 2027 (revised June 2019) as set out in section 8.3 and Appendices 1 and 2 of the report;
- (ii) Note the urgent work being undertaken by officers regarding additional primary school provision in the Abbey, Eastbury and Gascoigne areas of the Borough as referred to in paragraph 2.4 of the report;
- (iii) Note the work being undertaken by officers in relation to provision of school places for children with Special Educational Needs and Disabilities as detailed in paragraph 2.7 of the report, including discussions with the Department for Education regarding suitable sites for a new school to

support pupils with severe learning difficulties and autism;

- (iv) Approve the inclusion in the Capital Programme of the DfE grant allocations for 2019/20 as detailed in section 3 of the report;
- (v) Note the delay by the Department for Education in announcing Basic Need funding allocations for 2021/22 to support the development of new school places as set out in section 4 of the report;
- (vi) Approve the various projects and associated changes to the Capital Programme as set out in Section 6 and summarised in Section 7 of the report;
- (vii) Delegate authority to the Director of People and Resilience, as advised by the Procurement Board, to consider and approve the final procurement strategies for each project; and
- (viii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Education Attainment and School Improvement, the Chief Operating Officer and the Director of Law and Governance, to conduct the procurements and award the respective project contracts.

37. Adoption of Gambling Licensing Policy 2019 - 2022

The Cabinet Member for Enforcement and Community Safety presented a report on the Council's Gambling Licensing Policy 2019 - 2022.

The Cabinet Member advised that the Council, as the local licensing authority for gaming and betting, was required to have in place a statement of the principles (a 'policy') which must be reviewed in accordance with a statutory three-year cycle. Given that the Council's Statement of Gambling Licensing Policy was the subject of a full detailed mid-term review in 2017, only minimal changes were proposed in the new Policy in order to reflect the latest developments in gambling licensing law and guidance.

The proposed changes to the Policy included the maximum stake permissible in category B2 machines being reduced from £100 to £2 ,and the number of these machines being restricted to a maximum of four per shop. The other changes being proposed related to the level of detail in premises' plans and risk assessments submitted with new applications, to reflect best practice, as recommended by the Gambling Commission.

Cabinet Members noted the Council's role in supporting Newham Council lobby the Government to introduce a maximum £2 stake in category B2 machines and were pleased that this had led to a successful outcome. They spoke in support of the proposed amendments to the Policy, recognising the significant negative impact gambling addiction often had on individuals and their families, the wider community (as premises often attracted anti-social behaviour) and the cost to society in terms of imprisonment, unemployment and homelessness.

Cabinet **resolved** to recommend the Assembly to adopt the revised Statement of

Gambling Licensing Policy 2019-2022, as set out in Appendix A of the report.

38. London Counter Fraud Hub

The Cabinet Member for Finance, Performance and Core Services presented a report proposing the Council's participation in the London Counter Fraud Hub, which would enable more collaborative and smarter working through data sharing to provide a powerful fraud detection solution.

The Cabinet Member confirmed that the hub had passed the initial 'proof of concept' stage, with the involvement of four pilot authorities, and was being prepared for roll out to all London Councils. Unlike the National Fraud Initiative (NFI), it did not have a statutory basis that required all authorities to provide their data, so a decision on whether to become a member of the hub was required from each Council. The report outlined the fraud prevention and detection opportunities that membership would bring and gave an indication of the additional resources needed to realise the benefits of being a member.

Cabinet **resolved** to:

- (i) Approve the Council's participation in the London Counter Fraud Hub as a participating authority through the collaborative contract let by the London Borough of Ealing and awarded to CIPFA Business Ltd, on the terms set out in the report;
- (ii) Authorise the Chief Operating Officer, in consultation with Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements including any future project expansion arrangements; and
- (iii) Authorise the provision of council data extracts to CIPFA for the purposes of preventing and detecting fraudulent or erroneous activity.

39. Procurement of Parking Noticing and Cashless Parking Systems

The Cabinet Member for Enforcement and Community Safety presented a report on the proposed procurement of cashless parking and a parking noticing system from a single supplier.

It was noted that the Council's cashless parking contract had expired, and the parking noticing system could be replaced without penalties being incurred under the contract. In view of the enhancements in technology since the existing arrangements were commissioned, officers had reviewed the options for an alternative IT system(s) and the proposal was to use a single supplier for both cashless parking and a parking noticing system, bringing the advantage of two closely integrated systems and a potential cost saving.

Cabinet **resolved** to:

- (i) Agree the procurement of a cashless parking and a parking noticing system from a single supplier via the Traffic Management Technology 2 (RM1089) LOT 15 Crown Commercial Service G-Cloud framework, in accordance with

the strategy set out in the report; and

- (ii) Authorise the Operational Director of Enforcement and Community Safety, in consultation with the Cabinet Member for Enforcement and Community Safety, the Director of Law and Governance and the Chief Operating Officer, to approve the final procurement strategy, conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder(s), in accordance with the strategy set out in the report.

40. Procurement of Traffic Enforcement Cameras

The Cabinet Member for Enforcement and Community Safety presented a report on the proposed procurement of traffic enforcement cameras.

The Cabinet Member advised that traffic enforcement cameras had been purchased outright by the Council; however, there was currently no contract in place to purchase new cameras which meant that they were being purchased on an ad-hoc basis. The Council was also not in an annual maintenance agreement with the current supplier. Parking services had soft market tested with potential suppliers and found that the existing cameras could be replaced and maintained, within the cost that the Council paid the current supplier.

Cabinet **resolved** to:

- (i) Agree the procurement of a traffic enforcement camera system via the ESPO framework in accordance with the strategy set out in the report; and
- (ii) Authorise the Operational Director of Enforcement and Community Safety, in consultation with the Cabinet Member for Enforcement and Community Safety, the Director of Law and Governance and the Chief Operating Officer, to approve the final procurement strategy, conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder(s), in accordance with the strategy set out in the report.

CABINET

17 September 2019

Title: 2019/20 Budget Monitoring (April to July - Month 4) and Capital Programme Monitoring (April to June - Q1)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision Yes
Wards Affected: All	Key Decision: Yes
Report Author: Katherine Heffernan, Group Manager – Service Finance	Contact Details Tel 020 289 3262 Email: katherine.heffernan@lbbd.gov.uk
Accountable Director: Helen Seechurn, Interim Finance Director	
Accountable Strategic Director: Claire Symonds - Chief Operating Officer	
<p>Summary</p> <p>This report provides a high-level overview of the key financial risks and issues faced by the Council in this financial year. At the beginning of the financial year there is a high level of uncertainty in the position – especially around demand and cost increase pressures and so the position may change. However, there are clearly significant pressures. The report describes the potential impact in high level terms and the forecasts have been made on a prudent (pessimistic) basis. The position may therefore be overstated, However the scale of the challenge means that there is no room for complacency.</p> <p>The forecast expenditure in the General Fund is £158.352m against a budget of £148.820m. This equates to a gross General Fund overspend of £9.5m, before Collection Fund and Business rates surpluses are added which then puts the overall variance in the region of £7m (see Appendix A)</p> <p>As at the end of 2018/19 the budget support reserve stands at £12m. £4m of this however has been earmarked to fund Transformation programmes. This would mean that this year’s overspend could be covered from this reserve. However, this would deplete this reserve leaving only the unearmarked General Fund reserve of £17m to cover future overspends.</p> <p>Although the reduction in reserves in 2019/20 is foreseen and can be managed, it is not desirable and will limit our future ability to respond to unforeseen events or invest in the borough. If this level of expenditure continues into next year it would exceed the funding plans set out in our Medium Term Financial Strategy (MTFS) and so would require the identification of further savings or income in order to set a balanced budget. For these two reasons the overspend must not be allowed to continue to grow and serious consideration needs to be given to possible remedial measures.</p> <p>Directors and Strategic Directors have been tasked with identifying any possible measures within their own spheres to mitigate the position as a matter of urgency. This is likely to include short term management action such as delaying recruitment or</p>	

procurements, bringing forward planned savings and maximisation of income. The results of this work will be brought back to Cabinet in October or November. The potential impact on the future years if the position is not recovered would be a requirement to determine additional saving programmes for 2020/21 in the order of £7m, although this figure is expected to come down following the completion of the detailed budget review and more robust forecasting.

This report also includes the first quarterly Capital Programme report for completeness. The overall general fund capital programme is £169.356m. This excludes HRA and Transformation, to be reported at October Cabinet. Forecast spend against the total general fund programme is £156.161 resulting in a forecast underspend of £12.207m (after net slippage/acceleration of £0.988m is applied).

Recommendations

The Cabinet is recommended to:

- (i) Note the projected revenue outturn for Council services as set out in sections 2 and 3 to 11 and Appendix A to the report;
- (ii) Note the forecast outturn on the Dedicated Schools Budget as set out in section 12 of the report;
- (iii) Note the reprofiled Capital Programme and the forecast outturn as set out in section 14 and appendices B and C to the report;
- (iv) Approve the following additions to the 2019/20 Capital Programme, as detailed in section 16 of the report:
 - An additional £30,000 for further, unforeseen repairs work to Woodlands (Registry Office),
 - An additional £7,614,989 to fully fund the Fleet Replacement capital programme, bringing the total revised allocation to £10,689,989.
- (v) Note the need to identify in-year remedial action in relation to General Fund revenue expenditure and that a further report shall be presented to Cabinet in October/November, as set out in section 2.5 of the report.

Reason(s)

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

1 Introduction and Background

- 1.1 The final outturn for 2018/19 was an overall overspend of just under £3m (after transfers to and from reserves were taken into account). This was the net position after collection fund surpluses and there was an underlying overspend of £7m in service expenditure budgets. In addition, it must be remembered that last year the budget setting approach was that as far as possible services would be expected to contain their own growth. Only a limited amount of additional funding was identified, and this was applied in the most part to Care and Support Services. This reduced the gap for budget setting purposes and meant that additional savings proposals were not required to be identified so 2018/19 could be a “consolidation” year.
- 1.2 However, the expectation that services could contain their own growth is a challenge for many. The small amount of growth funding that could be identified was used both to deal with some specific issues in the budget and then to provide additional care and support funding. However, the sums available for this purpose (£1m for Children’s, £1.3m for Disabilities) were lower than the 2018/19 pressures. This means that those services with existing pressures are likely to continue to overspend into 2019/20.

2 2019/20 Budget Monitoring Position - Summary

- 2.1 This has led to a high level of overspend forecast. Across the Council there are known budget pressures of up to **£15.1m, with some underspends of £5.6m forecast centrally giving rise to a forecast net spend position of £9.5m**. It should be noted that this forecast has been made on a prudent basis and so there is potential for further reduction. In addition, the budget monitoring to date has focussed on high risk spend areas so as a result there may be some emerging underspends yet to be reported.
- 2.2 As in previous years there is an expected underspend within Central Expenses. The £2m provision for non-delivery of savings put into the budget in 2018/19 is still there. There are other contingency budgets such as the Redundancy budget (£1.3m of which half is currently assumed in the forecast) and the Council consistently over-achieves on gainshare against its budget (c£1.5m). Finally, additional costs are now forecast of £0.1m in respect of Domestic Violence Commission. In addition, there is an expectation to receive £3m in dividends from the companies giving us a total forecasted **underspend of £5.6m** on central budgets. This is an improvement from last month by £0.6m due to higher than expected Gainshare income and a lower forecast on the redundancy budgets.
- 2.3 There are at outturn additional Collection Fund surpluses and business rates via the London pool have been included as **£2.5m additional income**. Overall the net overspends forecast at end of July is now expected to be £7m, a £630k improvement from period 3.

DEPARTMENT	ADJUSTED BUDGET	FORECAST	VARIANCE	Movement
P&R Commissioning	8,345,510	8,245,510	(100,000)	(100,000)
Core	6,226,000	6,418,000	192,000	192,000
Central	35,099,327	29,530,327	(5,569,000)	(569,000)
Education, Youth & Childcare	3,909,800	3,909,800	0	0
Law, Governance & HR	(638,206)	(638,206)	0	0
Policy * Participation	2,800,380	3,211,458	411,078	171,434
Care & Support	71,104,978	83,778,978	12,674,000	480,000
Inclusive Growth	994,880	994,880	0	0
Community Solutions	9,746,030	9,746,030	0	0
My Place	6,292,391	7,165,832	873,441	(191,559)
Contracted Services	4,938,920	5,988,920	1,050,000	350,000
Total General Fund Budget	148,820,010	158,351,529	9,531,519	332,875
Corporate Funding	(148,820,010)	(151,282,385)	(2,462,375)	(962,375)
NET GENERAL FUND POSITION	0	7,069,144	7,069,144	(629,500)

2.4 More information about the key areas of risk are given below. The overall impact on reserves will be a drawdown of around £7m from the Budget Support Reserve. This is manageable as there is sufficient funding to do this but it would restrict our ability to respond to future unforeseen events and to invest in the borough. If this level of spending continues it could also put at risk our Medium Term Financial plans, requiring the identification of future savings.

2.5 It is therefore necessary to identify both short and medium remedial actions to bring spending nearer to the budget. Directors and Strategic Directors have been tasked with identifying any possible measures within their own spheres to mitigate the position as a matter of urgency. This is likely to include short term management action such as delaying recruitment or procurements, bringing forward planned savings and maximisation of income. The results of this work will be brought back to Cabinet in October or November.

3. Care and Support/ People and Resilience

3.1 The overall budget for People and Resilience (exec Education) in 2019/20 is £81.810m. The total expenditure forecast (main case) for these services 2019/20 is £94.484m which would result in an overall budget pressure of £12.674m. This would be a growth in expenditure since the previous financial year of £6.795m. These forecasts largely do not include the impact of the savings programmes across the service – if these are successful then this would decrease the variance. Currently however, the savings are contributing to the budget gap.

3.2 Further information on the specific services is given below.

People & Resilience Group	19/20 Budget £000	Main Forecast £000	Variance £000	Period Movement £000	Change since 2018/19 £000
Adults Care & Support	19,474	23,424	3,950	300	1,939
Adults Commissioning	5,756	5,856	100	0	241
Disabilities Service	18,403	21,441	3,038	180	1,521
Children's Care & Support	34,490	40,176	5,686	0	2,807
Children's Commissioning	4,387	4,287	-100	0	287
Public Health	(700)	(700)	0	0	0
Group Total	81,810	94,484	12,674	480	6,795

4. Adults' Care and Support

4.1 The total forecast for Adults Care and Support is £23.4m which is an increase of £1.9m since the previous year and would result in a budget overspend of £3.95m. The Adults budget is effectively unchanged but there continues to be upwards growth in expenditure and demand.

Service Area	19/20 Budget £000	Forecast £000	Variance £000	Period Movement £000
Adult packages	8,157	10,457	2,300	(200)
Adult teams	3,735	3,735	0	0
Adult homes and centres	2,025	2,375	350	0
Mental Health	4,567	5,867	1300	500
Adults Other (Support services)	990	990	0	0
Directorate Total	19,474	23,424	3,950	300

4.2 The main area of increase and budget pressure is in the Adults' Care Packages. This forecast includes provision for the expected care fee increases (which will be funded from the IBCF) and assumes a continuation of the clear upwards trends in demand. This means that if demand growth slows or ceases the position may improve. There are no further savings targets within Adults. However, the brought forward savings shortfall from previous years is a significant part of the current overspend.

4.3 The main areas of pressure in this area are spread across the range of provision:

- £2m in Homecare: this is the bulk of the pressure where the service is witnessing an increase in homecare hours. The service has been reviewing crisis packages and we are likely to see a reduction during the year. Finance are working closely with the service in monitoring activity and further analysis is being carried out to establish a more accurate forecast going forward.

- £500k overspend in Direct Payments which is consistent with last year's outturn position in this area.
- £1.3m overspend in Residential and Nursing due to the volatility in this area further work is being carried out to review package costs.
- The above is partially offset by a £1.6m forecast on direct payment refunds, this is a conservative projection and there is room to increase this projection if it can be justified with accurate data.
- The forecast also includes £913k of winter pressures money which we expect to receive in December.

- 4.4 The pressures in the Homes and Centres group includes an income shortfall at Kallar Lodge and at Relish Café. Resolution of these issues would also reduce the overspend and options for Relish are being considered. The savings targets for these services together amount to £0.415m but this is unlikely to be achieved this year. Recruitment of staff for the expanded offer at Kallar is nearing completion but take up of the spaces has not yet happened. A best case estimate for this year might be £0.2m.
- 4.5 Mental Health - £1.3m overspend the bulk of which is on supported living, this is due to 14 new service users in 19/20, as well as several packages have been reviewed and uplifted. Younger Mental Health homecare is the other major contributor to this overspend. Historically there has not been much spend in this area and therefore there has been no budget; however, there is a projected £240k spend in this area for 19/20 contributing to the overspend position within mental health.
- 4.6 The position has had an adverse movement of £300k from last period. The main reason for this is in mental health which has seen the overspend increase by £500k; this is due to 14 new service users in 19/20 costing an approx. £350k and 26 clients having package reviews leading to an increase in costs of approx. £150k. This overspend has been partly mitigated by an increase of £200k to the DP refunds forecast which was forecasted prudently last month and the service are confident of achieving more.
- 4.7 The changes to the Charging Policy are expected to produce some level of savings, the current estimate for the in-year effect is £0.4m. This is not yet certain (medium risk rated) so is not included in the main forecast. Another initiative that is expected to make further savings is the MH Supported Living Review which may make a saving of up to £0.271m. However, this will need to be reviewed in the light of the pressures in the MH service.
- 4.8 If there is no further growth above that allowed for (approx. 3% on the previous year) and the initiatives listed above have effect (£0.4k charging, £0.27m MH SL, £0.2m Kallar/Relish) then a best case forecast would be in the region of £2.75m overspend.

5. Disabilities Care and Support

5.1 The total forecast for Disabilities Care and Support is £21.441m which is an increase of £1.521m since the previous year and would result in a budget overspend of £3.038m. The budget including IBCF transferred from Adults has increased by £1.9m; however, this has effectively been matched by upwards growth in expenditure leaving the variance at around the same level as 2018/19.

Service Area	19/20 Budget £000	Main Forecast £000	Variance £000	Period Movement £000
Adults Care Packages (inc Equipment)	9,284	10,497	1,213	-206
Children's Care Costs	1,074	1,926	852	66
SEND transport	2,619	2,919	300	300
Centres and Care Provision	1,756	2,012	256	20
Staffing/Care Management	3,670	4,087	417	0
Directorate Total	18,403	21,441	3,038	180

5.2 The main increases/budget variances are on the demand-led budgets for care provision especially:

- £1.2m overspend on Learning Disabilities Adults across Direct Payments, Homecare, day care and residential care;
- £852k Overspend on Children with Disabilities across Direct Payments, Respite packages and legal / court costs;
- £673k overspend on Teams and Centres, made up of pressures within the education psychology service, 80 Gascoigne Road and Life Planning; and
- £300k overspend on SEND Transport, due to existing pressure in the cost of the routes- the growth that was given to meet this pressure doesn't fully cover it.

5.3 The forecast is based on known commitments and has not been adjusted for future placement growth. The assumption is that the care package review activity, improved life planning and increased CHC will be enough to contain the costs of growth. If these initiatives produce greater benefits, then this would reduce the forecast.

5.4 Including this year's savings, the service has a cumulative total of £0.835m undelivered savings built into its budget which is contributing to the pressure. There are two MTFs savings initiatives in 2019/20 – the expansion of Shared Lives and new provision at 80 Gascoigne. Work to deliver these is in hand but the financial impact is uncertain. If fully delivered in year these would reduce the forecast by up to £200k but this is considered high risk.

5.5 Due to the high levels of growth in this forecast – which is largely outside the services control then this forecast is a reasonable main case. The potential best case is perhaps a potential reduction of £0.7m from other savings activities relating to package reviews and maximisation of CHC income.

6. Children's Care and Support

- 6.1 The total forecast for Children's Care and Support is £40.7m which is an increase of £2.8m in net expenditure from 2018/19. The in-year position has worsened by £239k since the previous period and would result in a budget overspend of £5.686m.
- 6.2 The third year of MTFS savings of £1.126m has been taken from the Looked After Children and Placements budget. The service does have plans to achieve these savings, but the forecast does not currently assume them. When these savings are achieved and start to feed through this will potentially decrease the forecast by between £0.6 (assuming all low risk savings are achieved) up to £1.4m (assuming all savings are achieved.)

Service Area	19/20 Budget £000	Main Forecast £000	Variance £000	Period Movement £000
Care Management	5,230	6,862	1,632	0
Looked After Children	20,884	25,946	5,062	0
Assessment Teams	3,473	4,843	1,370	0
Youth Offending Service	1,296	1,465	168	0
Other/Central	3,607	1,061	-2,545	0
Directorate Total	34,490	40,177	5,686	0

- 6.3 The additional costs of the Children's TOM can be met from budget available within the growth funding. This is currently held centrally but will be vired across the service in line with the new TOM implementation. However, there are staffing pressures on the service in addition to this. Currently there are posts above the TOM establishment in the forecast – additional staff in Rapid Response and staff to support the probationary period of the social workers recruited from overseas. The usage of agency is around 39% which is excess the budgeted ratio of 15%. These costs together are adding around £2m to the staffing forecast; however, it is possible that successful implementation of the Children's' TOM will mean that this reduces over time during the year.
- 6.4 Most of the pressure, however, relates to the cost of Looked After Children as follows:
- £2.2m overspend on Residential Homes
 - £925k overspend in the Leaving Care Service
 - £450k overspend Family Assessment Units
 - £435k overspend on Adoption Placements
 - £416k overspend in Specialist Agency Fostering
 - £249k overspend on Secure Units
 - £221k overspend in the Leaving Care Team
- 6.5 There has been no change to report from last month.
- 6.6 Although the overspend in Residential Homes is the largest component this represents only a small group of children (26). Most children are in foster care (circa 302) which has a much lower cost provision.

7. My Place – £873k Forecast Overspend

7.1 There is a forecast overspend on My Place of £873k. This consists of a forecast overspend of £1.188m within Public Realm which is offset by a £315k underspend, attributable to vacant posts within Business Development within My Place. The pressures within Public Realm relate to staffing costs and additional costs to support the aged fleet.

7.2 The main areas of overspend within Public Realm are shown below:

Service	Annual Budget £000	Forecast at M4 £000	Forecast Variance £000	Movement £000
Operational Management	96	194	97	0
Refuse	2,932	3,700	768	(34)
Cleansing	3,321	3,926	605	(119)
Caretaking	342	(42)	(384)	16
Total Operations	6,691	7,777	1,086	(137)
Parks and Environment	2,177	2,451	274	(41)
ELWA	(34)	(34)	0	0
Public Realm & Core Commercial	(259)	(366)	(108)	(19)
Transport & Asset Management Transport	(183)	(246)	(63)	6
Passenger Transport Services	25	25	0	0
Grand Total	8,418	9,606	1,188	(191)

7.3 The overspend within Cleansing includes the non-achievement of the £0.439m saving that was taken from the budget in 2018/19. The staffing budget is overspent as a result of pay awards, a high level of agency staff and posts above the funded establishment. The assessment of the management is that reducing staffing costs would be likely to result in a reduction in levels of service performance.

7.4 It should be noted that this forecast assumes a general reduction in vehicle lease costs from September 2019 on the basis that the fleet replacement programme commences from this date. It has been assumed that other transport-related costs will reduce from September, for example fuel and repairs and maintenance. If there is any slippage to this timeline, then the reduction in costs will be less and the forecast will need to be updated.

7.5 The fleet replacement will be funded through capital borrowing to be repaid from revenue budgets. Existing vehicle leasing budgets will be relinquished to cover the cost of capital repayment plus a financing (interest) charge.

8. Contracted Services - £1.050m forecast overspend

8.1 The overspend is largely due to a forecast overspend of £934k on B&D direct. Over the past two years savings of £0.7m have been taken for the Customer Experience and Digital Programme that have not yet been achieved in cashable terms. This is currently being assumed will be a net overspend on the budget at the end of the year. It may be possible to realise around £0.2m but this has not yet been included in the forecast. In addition, ICT are forecast to overspend by £126k.

9. Policy and Participation - £411k forecast overspend

- 9.1 There is a combined forecast pressure of £223k on Eastbury Manor and Valence House budgets. Improved management control and monitoring is expected to reduce the overspend. A contributing factor is the shortfall on establishment budgets.
- 9.2 There is currently a forecast overspend of £150k on the Film Office. The service has ambitious income targets and currently income is below the required level. The service will continue to work to identify opportunities and so there is scope for performance to improve.

10. Core - £192k forecast overspend

- 10.1 There is a forecast overspend of £192k on the Elevate client team. This is attributable to additional staffing costs of £104k plus an income loss of £68k.

11. Community Solutions – nil variance at present

- 11.1 Although there is no overspend forecast for Community Solutions it should be noted that there are significant risks to this budget. The service is working to reduce numbers of households in Temporary Accommodation and has attributed around £0.4m savings to this budget line. The reduction in the first three months of the year has been delivered somewhat ahead of target but it will be challenging to sustain this. It should also be noted that there are some costs involved in reducing TA including the payment of rent deposits.
- 11.2 The assessment of the finance team is that there are potential risks of around £0.4m to £0.5m, including possible slippage of savings in Adult college. However, the service management has identified a range of mitigating actions including use of DHP/HRA funding, use of reserves and stricter control on Rent Deposits.

12. Dedicated Schools Grant

- 12.1 The Dedicated Schools Grant is a ringfenced funding stream with a separate reserve. Variances on this grant do not form part of the General Fund overspend but are part of the overall financial performance of the Council and so should be reported to the management team.
- 12.2 At the end of the first quarter there are significant pressures on the High Needs Block. The total funding available is £28.913m and spend to date to July was £10.8m. Based on a mixture of known commissioning intentions and extrapolation from current spend, the finance projection for the year would be total spend of £31.2m equating to an overspend of £4.7m. The overspend is made up of additional special school places planned from September resulting in £3.03m overspend and approx. £1.1m pressure on Top Ups and ARPS partially offset by underspends from delaying preventative projects and language support.
- 12.3 It should be noted that this is prudent estimate. The Commissioning Director for Education is working with the Schools Forum and others to develop an action plan to mitigate these pressures and these actions should reduce the final overspend.

13. Housing Revenue Account

- 13.1 At the end of quarter one, the forecast position on the Housing Revenue Account is a balanced position on budget. However, there are known pressures on the Repairs and Maintenance which was overspent last year and where there is a high level of savings built into the budget. There is a need to strengthen the information flows and so the monitoring and control of this budget in order to ensure that the overspend is not repeated.
- 13.2 However, the underspend in My Place will produce some benefits for the Supervision and Management service of the HRA which will offset the other pressures to some extent.
- 13.3 A fuller monitoring on the HRA to include the Capital Programme will be provided in the next month's report.

14. Capital Programme

- 14.1 The overall general fund capital programme is £161.807m. This excludes HRA and Transformation, to be reported at October Cabinet and doesn't yet include the net acceleration which is being requested for approval (see Appendix B).
- 14.2 Forecast spend against the total general fund programme is £161.061 resulting in a forecast underspend of £0.746m (before net acceleration of £0.988m is applied).

Capital Programme	Budget £000	Forecast £000	Over / Underspend (Slippage) £000
Approved Capital Budget – Feb MTFS	152,227		
Approved in-year Additional Capital Schemes	1,340		
DFG Grant allocation confirmed for 2019/20	1,636		
CPZ budget approved May 19	902		
External funding from Football Foundation - 3G Football Pitches, Parsloes Park, approved June 2018	5,950		
Additional works for expanded schools - Budget Returned	(250)		
Revised 19-20 Approved Capital Budget	161,806	161,061	(746)
Net Slippage (To be Approved)		988	988
Net Forecasted Outturn Position	161,806	162,049	242
New Capital Schemes – Awaiting Approval (details below)	7,645	7,645	0
Revised 19-20 Outturn Position	169,451	169,694	242

15. Slippage/ Acceleration

- 15.1 In June 2019, Cabinet were requested to approve carry forward of the overall net slippage of £37.559m, of this only £0.988 is now being requested. There is an intention to re-profile several budgets in the service as many programmes were underspending at year end. In some cases, these will be carried forward and in other cases like the investment strategy budgets need to be realigned.

- 15.2 Cabinet is requested to approve accelerated spend for Robert Clack and Lymington Fields of £6.492m. This is as a result of the project progressing ahead of schedule and in its defects liability period. These will be funded by Basic Needs Grant allocation as approved by the ESFA.
- 15.3 Cabinet is requested to approve the slippage of £5.045m on Gascoigne (Greatfields) due to delays in tenant/leaseholder decant and unforeseen ground conditions and site availability. This is funded by Schools Modernisation Grant (renamed from Schools Condition Allocation), Basic Needs Grant allocation and the Free Schools Academy Programme.
- 15.4 Cabinet is requested to approve £4.208m acceleration on Barking Abbey expansion due to Be First delivering the project ahead of schedule and in its defect's liability period. Barking Abbey school was very accommodating with Neilcott builders. This will be funded by Basic Needs Grant allocation as approved by the ESFA.
- 15.5 Cabinet is requested to approve net acceleration on the General Fund capital programme of £0.988m (see Appendix C).

16. New Capital Programme schemes for 2019-20

- 16.1 The Capital Programme for 2019-20 was approved in February 2019 as part of the Medium Term Financial Strategy.
- 16.2 Cabinet approved £176,400 two years ago for necessary repairs work to Woodlands (Registry Office). **Approval for a further £30,000** is requested for unforeseen works once parts of the building are stripped back and a small contingency. Tender for the work has been awarded to BD Management Barking & Dagenham Managed Services. (BDMS), which is a part of B&D Trading Services. This will be funded by capital borrowings.
- 16.3 Cabinet is requested to **approve an increase of £7,614,989** to the Fleet Replacement capital programme within Public Realm. Cabinet approved a procurement strategy paper in July 2018 to acquire new vehicles. The procurement exercise included an options appraisal as to whether the vehicles should be leased or owned outright. The most beneficial proposal was to buy these vehicles outright which means the definition of capital expenditure. This will be funded through capital borrowing to be repaid from revenue budgets. Existing vehicle leasing budgets will be relinquished to cover the cost of capital repayment plus a financing (interest) charge. The existing allocation is £3,075,000 for Capital so the total revised allocation will be £10,689,989. This will enable the authority's aging and costly fleet to be replaced by more modern and efficient vehicles.

17. Reserves Drawdown

- 17.1 As shown in Appendix One £1.226m has been drawn down from reserves into this year's budget. These are approved carry forward amounts from last year but are listed below for information.

Description	Reserve	Amount	Classification	Department
Brexit Preparation Grant carry forward from 18/19	Budget Support	104,984.00	c/f from pfy	Central
Business Rates Levy Surplus 18/19	Budget Support	871,010.00	c/f from pfy	Central
Inclusive Growth carry forward from 18/19	Budget Support	250,000.00	c/f from pfy	Inclusive Growth

18 Financial Implications

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

18.1 This report details the financial position of the Council.

19. Legal Implications

Implications completed by: Dr Paul Feild

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

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

List of Appendices

- Appendix A – General Fund Revenue budgets and forecasts.
- Appendix B – Changes to the Cabinet Programme
- Appendix C – Five Year Capital Programme

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Appendix A

	MAR-20	MAR-20	MAR-20	JUL-19	MAR-20	MAR-20	MAR-20
DEPARTMENT	BUDGET	DEPRECIATION/MRP	ADJUSTED BUDGET	ACTUAL	FORECAST	OUTTURN	VARIANCE
SDI COMMISSIONING	9,239,390	893,880	8,345,510	449,155	8,245,510	8,245,510	(100,000)
CORE	6,354,000	128,000	6,226,000	(6,007,790)	6,418,000	6,418,000	192,000
CENTRAL MINUS F30080	26,209,067	8,890,260	17,318,807	17,467,156	11,749,807	10,773,813	(5,569,000)
EDUCATION, YOUTH & CHILDCARE	20,946,210	17,036,410	3,909,800	7,451,315	3,909,800	3,909,800	0
LAW, GOVERNANCE & HR	(370,836)	267,370	(638,206)	(2,426,888)	(638,206)	(638,206)	0
POLICY & PARTICIPATION	3,095,090	294,710	2,800,380	(1,181,947)	3,211,458	3,211,458	411,078
CARE & SUPPORT	72,366,648	1,261,670	71,104,978	33,404,192	83,778,978	83,778,978	12,674,000
INCLUSIVE GROWTH	1,107,850	112,970	994,880	489,580	994,880	744,880	0
COMMUNITY SOLUTIONS	13,450,540	3,704,510	9,746,030	5,166,250	9,746,030	9,746,030	0
MY PLACE	17,668,311	11,375,920	6,292,391	4,930,548	7,165,832	7,165,832	873,441
CONTRACTED SERVICES	5,385,050	446,130	4,938,920	11,662,790	5,988,920	5,988,920	1,050,000
RESIDE PARENT	0	0	0	54,435	0	0	0
TOTAL GENERAL FUND BUDGET	175,451,320	44,411,830	131,039,490	71,458,797	140,571,009	139,345,015	9,531,519
CORPORATE FUNDING							
COUNCIL TAX	(61,786,000)		(61,786,000)	0	(61,786,000)	(61,786,000)	0
BUSINESS RATES	(79,161,010)		(79,161,010)	0	(79,830,124)	(79,830,124)	(669,114)
NON-RINGFENCED GRANTS	(7,873,000)		(7,873,000)	(17,634,566)	(7,873,000)	(7,873,000)	0
C/F SURPLUS	0		0	0	(1,793,261)	(1,793,261)	(1,793,261)
	(148,820,010)		(148,820,010)	(17,634,566)	(151,282,385)	(151,282,385)	(2,462,375)
NET GENERAL FUND POSITION	26,631,310	44,411,830	(17,780,520)	53,824,231	(10,711,376)	(11,937,370)	7,069,144
DEDICATED SCHOOLS GRANT	0	0	0	5,264,404	0	0	0
HRA MINUS F51020	0	0	0	(21,055,531)	0	0	0
OVERALL LBBD POSITION	26,631,310	44,411,830	(17,780,520)	38,033,104	(10,711,376)	(11,937,370)	7,069,144

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Changes to the Capital Programme 2019/20

The GF capital programme total remains as per the Cabinet Report in February 2019.

This is broken down as follows:

Service	Slippage / Acceleration 2018/19	Approved Budget 2019/20 Quarter 1 (£'000)	Quarter 1 Actuals + Forecast	Over / (Under) spend to date (£'000) (incl. slippage)	Comments
Care & Support	(547)	£2,037	£1,250	(1,333)	24 DFG's have been approved in Q1. There are 51 new applications for various types of adaptations from stairlifts, extensions, level access showers. The full budget is committed against these projects. The budget will be monitored to ensure it is not exceeded.
Community Solutions	(210)	£0	£168	(42)	
Core	(827)	£2,545	£2,344	(1,028)	
20					
Educations Youth & Childcare	£5,655	£44,187	£46,038	7,507	Budgets currently in the process of being reprofiled, there is a possibility to accelerate spend on Barking Abbey and Robert Clack
Enforcement	(470)	£1,646	£1,279	(836)	Additional CPZ budget approved April 2019.
Culture Heritage & Recreation	(1,742)	£9,250	£6,887	(4,104)	The revised budget increase is as a result of budget allocations being moved from Enforcement and Public Realm. Several new capital projects relating to parks regeneration that will be funded by grant, have been added to this service. Assume to spend to budget while the service reprofiles.
Investment Strategy 1 & Be First	£0	£96,439	£97,154	715	No comment received
Inclusive Growth	£0	£300	£442	142	No comment received
My Place	£0	£5,167	£443	(4,724)	No comment received
Public Realm	(266)	£7,306	£156	(7,416)	Vehicle Fleet Replacement budget approved July 18
SDI Commissioning	(606)	£480	£0	(1,086)	Assume to spend to budget
General Fund Budget	988	£169,356	£156,161	(12,207)	

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2019/20 CAPITAL PROGRAMME

Project No.	Project Name	Budget	Spend		Variance to budget. Over / (Under) spend to date	Future Year Budgets	
		Revised	Actual Expenditure + Forecast	(Slippage) / Accelerated		2020/21	Total
		GENERAL FUND					
FC00106	Adults Care and Support						
FC02888	Disabled Facilities Grant	1,636,536	1,200,000	- 204,805	- 641,341	-	1,636,536
FC03049	Direct Pymt Adaptations	400,000	50,000	- 341,893	- 691,893	400,000	1,600,000
	Total for Adults Care & Support	2,036,536	1,250,000	- 546,698	- 1,333,234	400,000	3,236,536
Community Solutions							
FC03060	Barking Learning Centre Works	-	140,000	- 181,594	- 41,594	-	-
FC04021	Libraries Library Management System Tender	-	-	-	-	-	-
FC04036	Upgrade & enhancement of Security & Threat Management System at BLC	-	28,368	- 28,368	0	-	-
	Total for Community Solutions	-	168,368	- 209,961	- 41,593	-	-
Core							
FC02738	Modernisation & Imp Cap Fund	-	1,034	-	1,034	-	-
FC03052	Elevate ICT investment	1,710,000	1,893,332	- 481,218	- 297,886	1,950,000	3,660,000
FC03068	ICT End User Computing	438,000	-	-	- 438,000	-	438,000
FC02877	Oracle R12 Joint Services	-	-	- 174,148	- 174,148	-	-
FC03059	Customer Services Channel Shift	-	-	- 106,884	- 106,884	-	-
FC02565	Implement Corporate Accommodation Strategy	-	52,141	-	52,141	-	-
FC02811	Members Budget - NEW	350,000	350,000	-	-	-	350,000
FC04055	Woodlands Repairs	47,000	47,000	- 64,378	- 64,378	-	47,000
	Total for Core	2,545,000	2,343,507	- 826,628	- 1,028,121	1,950,000	4,495,000
Education Youth & Childcare							
<u>Primary Schools</u>							
FC02920	Warren / Furze Expansion	102,589	102,000	-	589	-	102,589
FC03053	Gascoigne Prmy 5forms to 4 forms	-	452,219	-	452,219	-	-
FC04058	Marks Gate Infants & Juniors 2018-20	500,000	1,250,000	-	750,000	1,226,133	1,726,133
	Greatfields Primary	-	-	-	-	8,000,000	8,000,000
<u>Secondary Schools</u>							
FC02954	Jo Richardson expansion	-	-	-	-	-	-
FC02959	Robert Clack Expansion 13-15	4,259,213	100,000	1,430,135	- 2,729,078	-	4,259,213
FC03054	Lymington Fields New School	13,000,000	15,000,000	5,061,526	7,061,526	2,388,399	15,388,399
FC02977	Riverside Secondary Free School	-	-	-	-	-	-
FC03018	Eastbury Secondary	267,460	307,738	-	40,278	-	267,460
FC03019	Eastbrook School	-	-	-	-	-	-
FC03020	Dagenham Park	-	100,000	-	100,000	-	-
FC03022	New Gascoigne Secondary School	13,582,802	15,315,564	- 5,045,364	- 3,312,602	6,000,000	19,582,802
FC03078	Barking Abbey Expansion 2016-18	5,500,000	2,217,012	4,208,729	925,741	925,740	6,425,740
<u>Other Schemes</u>							
FC02906	School Expansion SEN projects	-	-	-	-	-	-
FC02909	School Expansion Minor projects	-	282,704	-	282,704	-	-
FC02972	Implementation of early education for 2 year olds	200,000	34,400	-	165,600	-	200,000
FC03085	School Conditions Allocation 2017-19	-	11,587	-	11,587	-	-
FC03042	Additional SEN Provision	-	281,565	-	281,565	-	-
FC03043	Pupil Intervention Project (PIP)	450,000	491,220	-	41,220	-	450,000
FC04052	SEND 2018-21	1,245,716	1,100,000	-	145,716	1,300,000	2,545,716
FC04053	School Conditions Allocation 2018-20	966,761	945,054	-	21,707	-	966,761
FC04071	Roding Primary Classroom Reinstatement	1,000,000	1,592,800	-	592,800	-	1,000,000
FC04072	School Condition Alctns 18-19	2,862,230	3,004,604	-	142,374	-	2,862,230
FC04087	SCA 2019/20 (A)	-	3,000,000	-	3,000,000	380,981	380,981
FC04097	Trinity Special School Expnasion	250,000	250,000	-	-	750,000	1,000,000
FC04098	Ripple Suffolk Primary	-	200,000	-	200,000	800,000	800,000
	Total for Education Youth & Childcare	44,186,771	46,038,467	5,655,026	7,506,722	21,771,253	65,958,024
Enforcement							
FC02982	Consolidation & Expansion of CPZ	1,201,600	650,000	- 284,583	- 836,183	2,061,600	3,263,200
FC04015	Enforcement Equipment	444,000	629,468	- 185,468	0	-	444,000
	Total for Enforcement	1,645,600	1,279,468	- 470,051	- 836,183	2,061,600	3,707,200
Culture, Heritage & Recreation							
FC03029	Broadway Theatre	-	-	706	706	-	-
FC03032	3G football pitches in Parsloes Park	7,350,000	5,190,234	- 744,969	- 2,904,735	-	7,350,000
FC03057	Youth Zone	-	74,931	- 76,479	- 1,548	-	-
FC03093	Eastbury Manor House - Access and egress improvements	-	200,000	- 45,022	154,978	-	-
FC04033	Redressing Valence	-	-	-	-	500,000	500,000
FC04031	Reimagining Eastbury	200,000	-	-	200,000	100,000	300,000
FC03090	Lakes	40,000	2,580	- 102,118	- 139,538	40,000	80,000
FC03067	Abbey Green Restoration/Works	-	-	- 36,776	- 36,776	-	-
FC04042	Community Halls	-	-	- 12,344	- 12,344	-	-

Project No.	Project Name	Budget	Spend		Variance to budget. Over / (Under) spend to date	Future Year Budgets	
		Revised	Actual Expenditure + Forecast	(Slippage) / Accelerated		2020/21	Total
FC04043	The Abbey: Unlocking Barking's past, securing its future	350,000	-	-	350,000	-	350,000
FC04044	East London Industrial Heritage Museum	-	-	75,000	-	-	-
FC04017	Fixed play facilities	50,000	27,913	20,913	1,174	50,000	100,000
FC03034	Strategic Parks - Park Infrastructure	-	30,000	24,168	5,832	-	-
FC03026	Old Dagenham Park BMX Track	-	168,235	243,669	75,434	-	-
FC04018	Park Buildings – Response to 2014 Building Surveys	75,000	70,820	9,772	5,592	75,000	150,000
FC04020	Parsloes Park regional football hub	-	-	-	-	-	-
FC04013	Park Infrastructure Enhancements	30,000	-	-	30,000	20,000	50,000
FC04080	Children's Play Spcs & Fac	55,000	23,325	55,000	86,675	55,000	110,000
FC04081	Parks & Open Spcs Strat 17	100,000	99,190	100,000	100,810	100,000	200,000
FC04082	Tantony Green Play Area	-	-	7,586	-	-	-
FC04084	Central Park Masterplan Implementation	1,000,000	1,000,000	45,593	45,593	-	1,000,000
FC04085	Valence Park Play Facility	-	-	276,505	276,505	-	-
Total for Culture, Heritage & Recreation		9,250,000	6,887,228	1,741,697	4,104,469	940,000	10,190,000
Investment Strategy & Be First							
FC03027	Establishment of Council Owned Energy Services Company	1,000,000	1,591,333	-	591,333	1,000,000	2,000,000
FC02985	Gascoigne West (Housing Zone)	11,312,940	11,312,940	-	0	-	11,312,940
FC04099	Gascoigne West P1 Development (Phase 1)	-	-	-	-	-	-
FC02986	Gascoigne East Ph2	-	-	-	-	-	-
FC02994	Renwick Road/ Choats Road 2014/15 (TfL)	-	14,876	-	14,876	-	-
FC02996	Barking Town Centre 2014/15 (TfL)	-	273	-	273	-	-
FC03055	Barking Riverside Trans link	-	93,839	-	93,839	-	-
FC03058	Kingsbridge Development	-	14,412	-	14,412	-	-
Conversion & Redevelopment of Former Sacred Heart Convent, 191 Goresbrook Road, Dagenham - to convert to							
FC03072	homeless provision	3,512,178	3,512,178	-	0	-	3,512,178
FC03082	Gurdwara Way - Land Rmiation	-	-	-	-	-	-
FC03084	Sebastian Court - Redevelop	8,062,140	8,062,140	-	0	-	8,062,140
FC03089	Becontree Heath New Build	9,568,982	9,568,982	-	0	-	9,568,982
Abbey Green & Barking Town Centre Conservation Area							
FC03099	Townscape HLF Project	-	-	-	-	-	-
FC03086	Land at BEC - live work scheme	2,658,126	2,658,126	-	0	-	2,658,126
FC04062	Gascoigne East Phase 2	17,706,457	17,706,457	-	-	-	17,706,457
FC04068	Oxlow Road	1,656,441	1,656,441	-	-	-	1,656,441
FC04066	Roxwell Road	1,251,079	1,251,079	-	-	-	1,251,079
FC04067	12 Thames Road	2,252,376	2,252,376	-	-	-	2,252,376
FC04065	200 Becontree	999,045	999,045	-	-	-	999,045
FC04078	Wivenhoe Containers	2,443,575	2,443,575	-	-	-	2,443,575
FC04077	Weighbridge	9,863,674	9,863,674	-	-	-	9,863,674
FC04069	Crown House	7,903,256	7,903,256	-	-	-	7,903,256
FC02988	Margaret Bondfield	2,674,325	2,674,325	-	-	-	2,674,325
FC04075	Rainham Road South	1,674,708	1,674,708	-	-	-	1,674,708
FC04103	Restore	11,900,000	11,900,000	-	-	-	11,900,000
Total for Investment Strategy		96,439,302	97,154,034	-	714,732	1,000,000	97,439,302
Inclusive Growth							
FC04064	Bridges and Structures	300,000	441,519	-	141,519	300,000	600,000
Total for Growth, Homes & Regeneration		300,000	441,519	-	141,519	300,000	600,000
My Place							
FC03065	HIP 2016-17 Footways & Carriageways	4,000,000	138,020	-	3,861,980	-	4,000,000
FC03011	Structural Repairs & Bridge Maintenance	-	44,263	-	44,263	-	-
FC02964	Road Safety Improvements Programme (Various Locations)	-	212,858	-	212,858	-	-
FC05010/11	Reside Lifts Replacement/Boilers	420,000	12,068	-	407,932	-	420,000
FC05000	Roycraft House refurbish WCs Internals & Electricals	180,000	-	-	180,000	-	180,000
FC05016	Frizlands Depot washbay	80,000	-	-	80,000	-	80,000
FC05017	Frizlands Public Realm Building Improvements	55,000	-	-	55,000	-	55,000
FC05018	Stock Condition Survey	265,000	-	-	265,000	-	265,000
FC04063	Flood Risk Management	167,000	-	-	167,000	-	167,000
FC04029	Engineering Works (Road Safety)	-	35,705	-	35,705	-	-
Total for My Place		5,167,000	442,914	-	4,724,086	-	5,167,000
Public Realm							
FC03083	Chadwell Heath Cemetry Ext	-	-	148,978	148,978	-	-
FC04012	Bins Rationalisation	50,000	-	74,551	124,551	50,000	100,000
FC04014	Refuse Fleet	-	2,103	7,297	5,194	-	-
FC04016	On-vehicle Bin Weighing System for Commercial Waste	-	-	45,000	45,000	-	-
FC04028	Equipment to reduce Hand Arm Vibration	-	-	42,231	42,231	-	-
FC04070	Vehicle Fleet Replacement	7,255,649	153,477	52,078	7,050,094	-	7,255,649
Total for Public Realm		7,305,649	155,580	265,979	7,416,048	50,000	7,355,649
SDI Commissioning							
FC02826	Conversion of Heathway to Family Resource Centre	-	-	2,661	2,661	-	-
FC03062	50m Demountable Swimming Pool	480,000	-	603,742	1,083,742	480,000	960,000

Project No.	Project Name	Budget	Spend		Variance to budget. Over / (Under) spend to date	Future Year Budgets			
		Revised	Actual Expenditure + Forecast	(Slippage) / Accelerated		2020/21	Total		
	Total for SDI Commissioning	480,000	-	-	606,403	-	1,086,403	480,000	960,000
	TOTAL GENERAL FUND CAPITAL PROGRAMME	169,355,858	156,161,085	987,609	-	12,207,164	28,952,853	199,108,711	

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CABINET

17 September 2019

Title: Modern Slavery Charter - Progress Report and Modern Slavery Statement	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Hazel North Stephens, Domestic Abuse Commissioning Manager	Contact Details: Tel: 020 8227 5969 E-mail: hazel.northstephens@lbbd.gov.uk
Accountable Director: Mark Tyson, Director of Policy & Participation	
Accountable Strategic Leadership Director: Elaine Allegretti, Director of People and Resilience Mark Tyson, Director of Policy & Participation	
<p>Summary</p> <p>Modern slavery and human trafficking are issues of major concern in a globalised world. They are significant safeguarding issues for vulnerable people in our local community, and they require a Council- and community-wide approach to ensuring that they are identified and tackled.</p> <p>In 2017, the Council published a Safeguarding Adults Review on the case of a young Romanian woman with learning disability who was suspected of having been brought into the borough for forced work. The conclusions of this report raised significant concern for the practice of adult social care teams and the Police. However, it also raised the need to widen the understanding of modern slavery, both amongst professionals and the local community, and to strengthen the systems and pathways that are in place to respond to it. This work has now been largely completed, albeit with the on-going need to maintain our efforts to increase awareness and understanding.</p> <p>Whilst the Council, through its safeguarding partnerships, is undertaking considerable work to address these issues within our community, the organisation is also a significant local employer and purchaser of goods and services. The Modern Slavery Act required all commercial organisations (with turnover in excess of £36m per annum) to publish a statement of how they protect their supply chains from involvement of Modern Slavery. Further, the Co-operative Party drew up a Charter Against Modern Slavery which covers many of the areas required by a 'good practice' Modern Slavery statement.</p> <p>This report responds to the need to present a progress update against the commitments in the Modern Slavery Charter, as well as the priorities for further action. At the same time, this report presents the Council's current – and first – Modern Slavery Statement, which will be updated annually and is available on the Council's website for public view. However, recognising that the Council's responsibilities towards tackling modern slavery go further than procurement and employment duties, it also gives an overview of how the work on modern slavery is overseen within the Council and its partnerships.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the Council's progress against the Modern Slavery Charter, the structures and responsibilities within the Council for tackling Modern Slavery and some of the priorities that are being addressed in the coming months; and
- (ii) Endorse the Modern Slavery Statement as set out in Appendix 1 to the report.

Reason(s)

Modern Slavery is a significant source of safeguarding risk for local vulnerable populations. As well as formal statutory duties to safeguarding children and vulnerable adults from these kinds of risks, the Council's vision, encapsulated in "One borough; One community; No-one left behind" prompts a positive and strong set of actions to tackle them.

A new kind of council – All of the Council's actions should support its policy aims, including technical and "back-office" activities such as procurement and HR management. The agreement of the Statement and the Charter update demonstrate how these important areas of general business activity are conducted with reference to the safeguarding responsibilities around Modern Slavery.

Empowering People – As the borough focuses its services on 'up-stream' intervention, rather than responding to crisis, it becomes increasingly important that we are supporting the community to identify concerns early, and ensuring that they and our professional staff can see and act on instances of Modern Slavery and Trafficking. Furthermore, that victims get the sensitive and empathic support that they are entitled to when they come to our notice.

Inclusive growth – As new businesses grow up, both small and large, they will employ people locally. Additionally, the Council will continue to diversify its supply chains as the opportunities increase to commercialise the way the Council operates. In both cases, there needs to be a keen awareness of the possible existence of Modern Slavery in these new employment and supply chains. Furthermore, as the borough grows, and the increased connectivity of the borough brings a more rapid population turnover, it becomes more difficult for statutory services to maintain their sight of the risks that present to vulnerable people, and a partnership with the local community as a responsive source of concerns becomes more important.

Citizenship and partnership – A key ambition for the Council is to connect people with their local community and build trust and cohesion. It is important, therefore, in a borough that 'looks out for each other', that we support people to have an understanding of the possibility of human trafficking and modern slavery in their communities, and what the signs might be, together with the ways in which statutory services will intervene and safeguarding people when concerns are raised. This is an important part of ensuring that no-one is left behind, and that communities are supported to work for everyone.

1. Introduction and Background

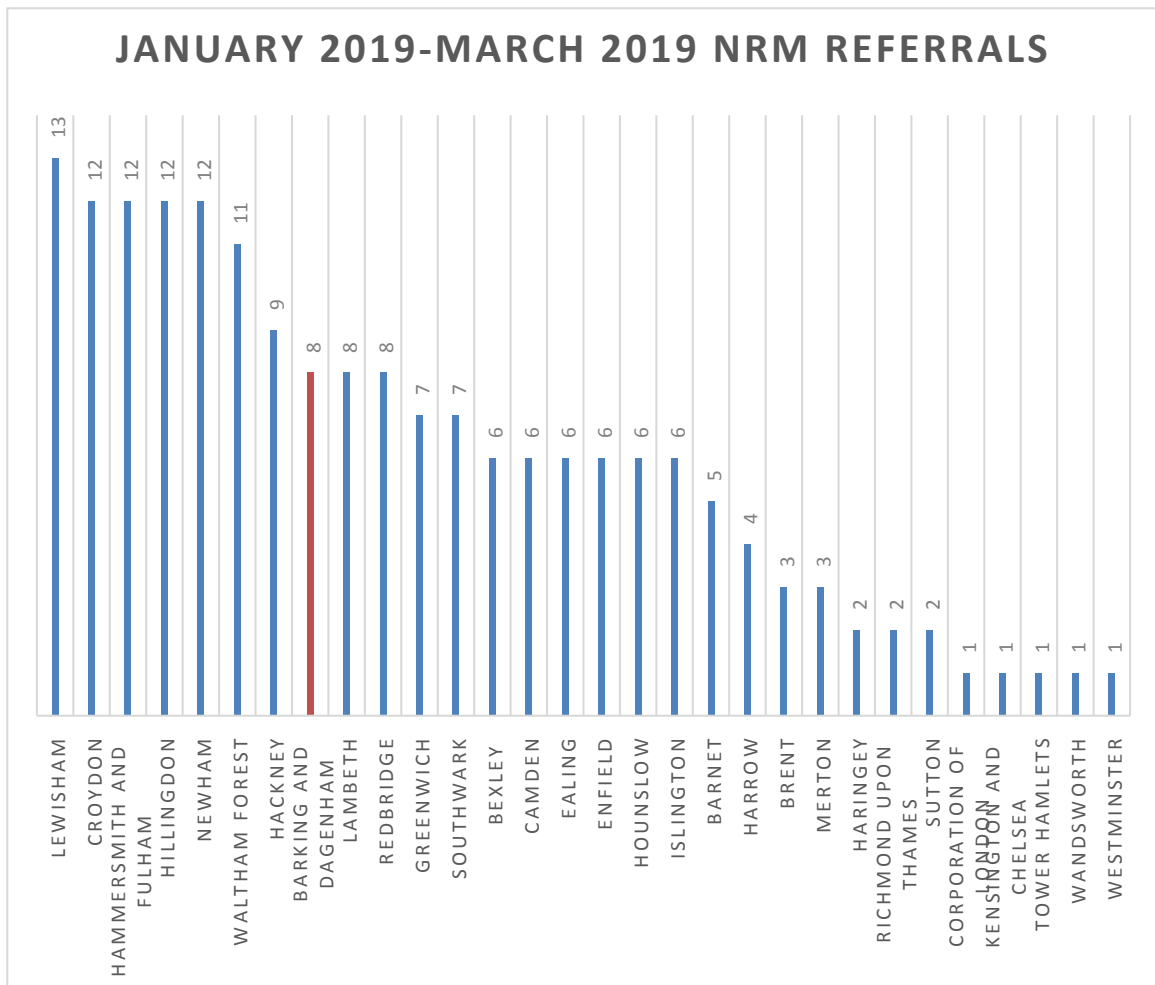
- 1.1 Modern Slavery and Human Trafficking directly threatens the Council's ambitions to improve outcomes for all residents, leaving no-one behind. The emphasis of our new ways of working are about improving the relationship between residents and the Council, either in their individual interactions or as a community.

- 1.2 This must be based on a better understanding of our residents and the needs and experiences of the most vulnerable in our community. Key to the success of this approach is embedding the message that everyone has a part to play. We know that key to securing a relational and participatory approach to working with residents is being able to understand and respond to their safety.
- 1.3 We also know that the Borough faces significant growth, change and churn. More business will be setting up, more community groups coming together and therefore more opportunity to develop collaborative spaces with our communities. This also means more challenges as we need to work with and rely on our communities to help us safeguard the most vulnerable.
- 1.4 As part of the work taking place to address modern slavery in Barking and Dagenham a pre-Assembly briefing was held to help members recognise and respond to indicators of modern slavery in the borough.
- 1.5 A request was made for an update specific to the Co-operative Modern Slavery charter to come to Cabinet as a progress report. This report forms this update and offers an additional brief on related work within the borough related to modern slavery and/or human trafficking.
- 1.6 As a human rights issue, Modern Slavery should be viewed through the lens of social inequality and requires a clear oversight of its wider social impacts. There are several obligations on the Council to respond to Modern Slavery and as such the charter should not be viewed in isolation.

2. Context

- 2.1 It is a shocking fact that while most people consider the slave trade to have ended when slavery was abolished in 1833, there are more slaves today than ever before in human history. Figures from the International Labour Organisation (ILO) suggest that there are more than 40 million people in modern slavery across the world, with nearly 25 million held in forced labour.
- 2.2 The UK is a source, transit and destination country for modern slavery. The Home Office estimated that in 2013 there were between 10,000 and 13,000 potential victims of modern slavery in the UK. This means that there is a good chance modern slavery is taking place in the towns, cities and villages where we live.
- 2.3 Modern slavery is hidden, often in plain sight; on our high streets, in local businesses, and even suburban streets. Unwittingly, our community may be using Victims of modern slavery to wash their cars, paint their nails and lay their drives. They may even be living next door.
- 2.4 Much like other safeguarding concerns linked to violence, abuse and control, working closely with our community is key to developing awareness, trust and a collaborative approach to dismantling modern slavery. The Council is adopting placed based approaches to improving access to safe spaces, where potential victims can seek support and validation and safe access to services.

- 2.5 The National Crime Agency reports annual figures relating to referrals into the National Referral Mechanism (NRM) - a national framework for identifying victims of human trafficking and ensuring they receive the appropriate protection and support. The NRM was introduced in 2009 to meet the UK's obligations under the Council of European Convention on Action against Trafficking in Human Beings. At the core of every country's NRM is the process of locating and identifying "potential victims of trafficking."
- 2.6 The NRM grants a minimum 45-day reflection and recovery period for victims of human trafficking. Trained case owners at UK Human Trafficking Centre decide whether individuals referred to them should be considered to be victims of trafficking according to the definition in the Council of Europe Convention.
- 2.7 In 2018, 6,993 potential victims across the UK were submitted to the NRM which was a 37% increase on the previous year.
- 2.8 In local context, the Crime and Disorder Strategic Needs Assessment shows that there are a number of risks from brothels operating, from serious youth violence and from drug trafficking, sometimes coerced, along so-called "county lines". All of these are possible routes for modern slavery to exist.
- 2.9 Published data available is limited and the issue is understood to be widely underreported as a result of its hidden nature. This means it is difficult to give a picture as to the scale of the issue in Barking and Dagenham, although we do have access to referral data through the NRM.
- 2.10 In 2018 there were 14 referrals to the NRM from Barking and Dagenham all of which were for children. Whilst we do not have a breakdown of these referrals locally it is evidenced that "minor" exploitation types (as classified by the NRM), which includes drug trafficking along "county lines" increased nationally by 48% from 2017 to 2018.
- 2.11 In January 2019 to March 2019, 2156 potential victims were submitted to the NRM. Locally it is shown that Barking and Dagenham Council were the referring agency in 8 cases, all of which were minors.
- 2.12 The following shows the numbers of referrals to the NRM from January 2019 – March 2019 from London boroughs:



Types of Modern Slavery

- 2.13 There are four broad ways in which perpetrators seek to exploit victims in the UK. Victims may experience more than one type at the same time. In inviting Cabinet to consider the response to modern slavery, it is helpful to review here the forms that modern slavery can take.
- 2.14 The four broad categories are below – in each case the victim may or may not have been moved (trafficked), either from another country, or within the UK, in order to be exploited. It is important to observe that modern slavery does not have to involve trafficking individuals across borders: it can equally involve UK residents as both victim and perpetrator.
- 2.15 **Labour Exploitation:** People in forced labour generally work long hours for no or very low pay, and usually in poor working conditions. If from overseas, they are often lured into the ‘employment’ by the promise of a genuine job and a better life, but when they arrive the situation is nothing like what was promised. They can’t leave because they have often built up heavy debts to their ‘employer’ – see ‘Debt bondage’ below. Forced labour accounts for around 30% of all modern slavery in Britain.
- 2.16 **Domestic Servitude:** Domestic servitude typically involves victims working in a private family home where they are ill-treated, humiliated, subjected to unbearable conditions or working hours or made to work for little or no pay. The victim could be used in this way by their own family members or partner. Again, it is very difficult for

them to leave, for example because of threats, the perpetrator holding their passport, or using a position of power over the victim.

- 2.17 **Sexual Exploitation:** Victims are coerced into sex work or sexually abusive situations. This includes child sexual exploitation. Victims may be brought to the UK on the promise of legitimate employment or moved around the UK to be sexually exploited. Victims are typically female but can also be male.
- 2.18 **Criminal Exploitation:** Criminal exploitation is the exploitation of a person to commit a crime for someone else's gain. For example, victims could be coerced into shoplifting, pickpocketing, entering into a sham marriage, benefit fraud, begging or drug cultivation such as cannabis farming. A growing phenomenon is the use of children and young people to transport drugs and money between cities and rural areas on behalf of crime gangs, known as county lines. Police estimate there may be as many as 1,000 county lines operating across the UK.
- 2.19 Debt bondage can also be a significant factor in many forms of exploitation and can take a range of forms. Debts may arise out of the exploitation itself, for example in relation to accommodation or travel fees, with victims having little or no control over their debt and little or no way to pay it back. Costs may be deducted directly from their wages, leading to further debts. A person may be forced to work to pay off the debt and can become trapped.
- 2.20 As this brief summary has shown the safeguarding implications of the forms of coercion and abuse that are involved in modern slavery are very significant. And, equally evident from the descriptions above, they all require a cross-Council and community-wide response.

3. Co-ordinating work on modern slavery

- 3.1 Several elements of work started to come together in 2018 related to modern slavery. At the same time, the Council worked with partners to introduce a clearer accountability framework for the delivery of the commitments on modern slavery. There are multiple statutory duties and moral responsibilities that exist around this issue:
- It is an Adults' Care and Support issue and there are statutory obligations in regard to safeguarding. It is equally a Children's Care and Support issue and there are statutory obligations in regard to safeguarding. In both cases it is clear that safeguarding is everybody's responsibility, not just the respective Care & Support teams.
 - The Modern Slavery Act 2015 sets out an obligation for all Council staff to be able to identify and respond to modern slavery. Therefore, it is also a workforce issue.
 - There is a need to work from a community safeguarding and development perspective with our residents and visitors to tackle all forms of exploitation, including modern slavery.
- 3.2 Largely as a result of the Safeguarding Adults Review, the work to strengthen the response to modern slavery has been led through the Safeguarding Adults Board and its systems. This was further cemented when the Safeguarding Adults Board, the Local Safeguarding Children Board, the Community Safety Partnership and the Health & Wellbeing Board agreed between them areas that each would lead on behalf of the combined partnership. The Safeguarding Adults Board is therefore the lead partnership board for co-ordinating the borough response to modern slavery

and human trafficking. This does not mean it is simply a vulnerable adults' issue, it remains a cross-cutting issue of significant impact throughout the community.

- 3.3 The Safeguarding Adults Board Business Manager and the Domestic Abuse Commissioning Manager have worked under direction of the Adults Care and Support Commissioning Director to undertake elements of the work and have connected in with other service areas that are undertaking their own pieces of work in which modern slavery is addressed. This has been reported to the Community Safety Partnership and Local Safeguarding Children Board.
- 3.4 Finally, the Modern Slavery Act and the Co-Operative Modern Slavery Charter set out commitments for the Council to undertake, with a heavy focus on procurement and commissioning due its emphasis on supply chains. This is one part, albeit important, of the wider work on modern slavery.
- 3.5 Because of this cross-cutting impact, it has been agreed that the wider strategic response to modern slavery will be co-ordinated through the Equalities function in Policy & Participation. This ensures that the developing work on the new models of community participation and third sector leadership will be connected in to developing the community response. Officers supporting the Safeguarding Adults Board, LSCB and Community Safety Partnership will continue to contribute in their respective areas and with the input of specialist expertise. This allows for all areas to sustain their individual responsibilities and obligations but also has a strategic lead who can look at the issue from a wider viewpoint and through the lens of wider social inequality and collate reports from across the different service areas in terms of the work taking place. This does not, however, change the statutory responsibilities for addressing modern slavery as a safeguarding issue: these remain with the statutory Director of Children's and Adults' Social Services (the Director of People & Resilience), and strategies to address modern slavery will continue to have accountability to this Director.
- 3.6 Given that modern slavery is a safeguarding issue, first and foremost, the lead Cabinet portfolio remains Social Care & Health Integration. However, the significant impacts on the portfolio of Enforcement & Community Safety are absolutely recognised. For this reason, it remains a standing item on the 'crossover' meetings between the relevant portfolio holders. As part of the work taking place to address modern slavery in Barking and Dagenham a pre-Assembly briefing was held to help all members recognise and respond to indicators of modern slavery in the borough.

Some of the work undertaken to address modern slavery

- 3.7 There are several strands of work being undertaken to address modern slavery within Barking and Dagenham which complement the work taking place in direct relation to the Co-operative Party Modern Slavery Charter. A brief summary is given below.
- 3.8 **Member Development**
A pre-assembly briefing was held on 15th May 2019 to provide some basic awareness for Elected Members who may come into contact with individuals affected by modern slavery in the borough, or from whom advice may be sought by borough residents.
- 3.9 **Safeguarding Adults Board**
A pathway was developed to support the development of awareness sessions across the Council and partners based on 'train the trainer' style training delivered across London by ADASS and Human Trafficking Foundation. A learning event

was held (summer 2018) based on the findings of the 'Drina' safeguarding adult review in which there were modern slavery elements as well as learning around the mental capacity act: care and support teams were widely represented in the delegate list.

3.10 Local Safeguarding Children's Partnership

A Contextual Safeguarding and Exploitation Strategy is being developed for children and young people, which is an approach to understanding, and responding to, young people's experiences of significant harm beyond their families. The strategy will cover several strands of violence, abuse or exploitation, including modern slavery.

3.11 Development of the Integrated Gangs Unit, Youth Offending Service and Exploitation Team

Two full days of training were commissioned by the LSCB. However, there is a need to broaden out the training offer so that all staff know how to recognise and refer. This applies clearly to the enforcement team but is relevant for the rest of the organisation and partners too.

3.12 Community Safety Partnership

A Trauma Informed Health Intervention Model has been developed by the Community Safety Partnership with schools, and with local voluntary sector organisations and underpinned by significant levels of training around trauma-informed approaches. This is part of a wider model to prevent vulnerability in young people becoming involved in violent crime.

3.13 East Areas SPOC (single point of contact) Meeting

This meeting is attended by the SAB Business Manager and the Domestic Abuse Commissioning Manager. Membership includes neighbouring boroughs strategic leads for modern slavery, CCG safeguarding leads, police and head of safeguarding adults for London Borough of Havering. It first came together in May 2019 but will be looking at proactive and reactive strands of work from a tri-borough perspective going forwards. The next meeting is September 2019.

3.14 Policy and Participation

Funding was successfully sought for the following programmes:

- AFRUCA Child Safeguarding Project: delivering outreach and training to black African churches/faith communities on safeguarding young people. This will consider themes such as modern day slavery and harmful parenting practices;
- Eastern European Resource Centre: an outreach project by community development workers (who speak different Eastern European languages) to vulnerable and economically marginalised residents (who may or may not be Eastern European). This will include working with issues around potential modern slavery or human trafficking victims.

4. Employment and Procurement

4.1 The Government has introduced a provision in the Modern Slavery Act 2015 which requires certain businesses to produce a statement setting out the steps they have taken to ensure there is no modern slavery in their own business and their supply chains. If an organisation has taken no steps to do this, their statement should say so. The measure is designed to create a level playing field between those businesses, whose turnover is over a certain threshold, which act responsibly and those that need to change their policies and practices. However, the Government

wants to encourage businesses to do more, not just because they are legally obliged to, but also because they recognise it is the right thing to do.

- 4.2 Every organisation carrying on a business in the UK with a total annual turnover of £36m or more will be required to produce a slavery and human trafficking statement for each financial year of the organisation.
- 4.3 The provision in the Act requires that any commercial organisation in any sector, which supplies goods or services, and carries on a business or part of a business in the UK, and is above a specified total turnover, must produce a slavery and human trafficking statement for each financial year of the organisation. For the purposes of this requirement, 'supply chain' has its everyday meaning. It was not immediately evident that this was intended to apply to local government, but increasingly good practice suggests that councils fall under the definition of a commercial organisation, and certainly meet the turnover threshold. The statement must set out what steps they have taken during the financial year to ensure that modern slavery is not occurring in their supply chains and in their own organisation.
- 4.4 The statement attached has been developed and published following work through the Workforce Board and the Procurement Board of the Council. There is further work to do to strengthen activities in this area, although in the main the Council has robust procedures in place that should prevent modern slavery from entering its supply chains.

The Co-Operative Modern Slavery Charter

- 4.5 The Co-operative Party Charter Against Modern Slavery commits councils to proactively vet their own supply chains to ensure there are no instances of Modern Slavery taking place. It sets out 10 commitments for councils to undertake in order to accomplish this pledge. Details of the charter, its background and commitments can be found here: <https://party.coop/local/councillors/modern-slavery-charter/>
- 4.6 Barking and Dagenham Council signed the Charter in May 2018. Progress against each of the Modern Slavery Charter commitments is shown below:

1. Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply

This is viewed through both procurement and commissioning in Barking and Dagenham due to commissioners taking a strong lead in shaping procurement activity for this Council.

The LSCB delivered two days of Modern Slavery training for children and adults care and support, attended by commissioning managers. This now needs to be turned into an on-going training offer, for which e-learning is already available and needs to be promoted.

2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Complete but ongoing: Break clauses are in contracts, as well as clear terms about compliance with relevant law. Questions are standard as part of commissioning and contract management.

3. Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.

Complete: part of standard due diligence processes through commissioners and procurement.

4. Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.

For the avoidance of doubt and without prejudice to the generality of any foregoing provision, the Council actively encourages a policy of inclusive working that embraces all members of the workforce including members of all lawfully recognised trades union. Any evidence of Contractor exclusion of any individual or groups of individuals on the grounds of membership of any trade union (commonly referred to as "Blacklisting"), in relation to this or any other Council contract will be treated as a material breach of contract.

5. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.

Complete – whistleblowing policy included modern slavery and was widely publicised, including being installed as the background on laptops and regularly shown through live screens.

6. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.

Contracts include requirements around probity and openness but need to strengthen with specific respect to modern slavery.

7. Review its contractual spending regularly to identify any potential issues with modern slavery.

All Directors' annual governance statements should report on this but will be raised through Procurement Board to improve the consistency. All departments have regular procurement reports through to Procurement Board at which contract performance issues are reviewed.

8. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.

Social care has regular contact with providers on a range of issues, and this would be included. More generally, there are open communication channels with providers, which would be used to alert where there were concerns. To be reviewed at Procurement Board.

9. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.

A pathway has been developed for NRM referrals, and this would incorporate supplier concerns just like any other concern.

10. Report publicly on the implementation of this policy annually.

The Modern Slavery Statement will be published and will serve this purpose in future.

5. Financial Implications

Completed by Murad Khan (Group Accountant)

- 5.1 This report is largely for information and provides updates to Cabinet on the progress of the Modern Slavery charter, key milestones that have been achieved and upcoming priorities and targets.
- 5.2 There are no direct financial implications arising from this report and all work to date has been met from existing resources.
- 5.3 It should be noted that any future requirement of financial resources arising from the implementation of the charter must have oversight from Finance so that comments can be made.

6. Legal Implications

Completed by Dr. Paul Field, Senior Governance Lawyer

- 6.1 The Modern Slavery Act 2015 requires that any commercial organisation in any sector, which supplies goods or services, and carries on a business or part of a business in the UK, and is above a specified total turnover, must produce a slavery and human trafficking statement for each financial year of the organisation. For the purposes of this requirement, 'supply chain' has its everyday meaning. Regulations have set the total turnover threshold at £36m. The statement must set out what steps they have taken during the financial year to ensure that modern slavery is not occurring in their supply chains and in their own organisation.
- 6.2 Following the Modern Slavery Act 2015, there was a consideration as to whether the Act applied to local authorities. The prevailing opinion is that it is not obligatory, indeed a bill was introduced in the House of Lords to clarify the point and specifically included local authorities to be subject, but it did not progress due to lack of time. Our advice is that as the Council's 100% owned arm's length companies could well approach that figure or exceed it and so they are obliged to have a statement, it would be incongruous if the owner did not commit itself too by also making a modern slavery statement. This is the approach taken by a number of authorities including the East London Waste Authority (of which the Council is a constituent member) with its company ELWA Ltd. Furthermore, as the duty relates to supply chains, it would be reasonable to require in all new contractors to the Council subject to the regime to provide proof on request of their compliance. A condition could be required by the Council Contract rules that it could terminate contracts in the event the contract is convicted of an offence related to modern slavery as is already the case for bribery and corruption for example.

7. Other Implications

- 7.1 **Risk Management** - The risks associated with allowing modern slavery to enter the Council's supply chain, or its employment, are significant. There are good controls in place presently, but awareness and training need to be maintained in order that practice standards in procurement and employment are upheld.

- 7.2 **Staffing Issues** – The Council has very robust employment procedures that prevent instances of modern slavery from entering the workforce. There is an identified opportunity to improve the communication with suppliers about the Council’s stance on prohibitions on union activity.
- 7.3 **Corporate Policy and Equality Impact** - Supporting some of our most vulnerable residents is absolutely core to ensuring that no-one is left behind as we pursue ambitions to grow the borough, build independence and resilience in the population, and become a more participatory and cohesive borough. Modern slavery is an important issue in this context, as set out in this report.
- 7.4 **Safeguarding Adults and Children** - The report’s contents are directly related to issues of safeguarding children and vulnerable adults.

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

List of appendices:

- Appendix 1: Modern Slavery Statement 2019

Modern Slavery Statement 2019/20

A clear focus on commissioning,
procurement and recruitment
relating to Modern Day
Slavery



Our Vision

This statement sets out London Borough Barking and Dagenham's actions to understand all potential modern slavery risks related to their activities and to put in place steps to eliminate acts of modern slavery and human trafficking within its business and in its supply chains, sub-contractors and partners. This statement relates to actions and activities during the financial year 1 April 2019 to 31 March 2020.

As councillors and leaders of local places, we all need to be aware that the UK is a source, transit and destination country for modern slavery. The Home Office estimated that in 2013 there were between 10,000 and 13,000 potential victims of modern slavery in the UK. This means that there is a good chance modern slavery is taking place in our towns and villages where we live and work.

The Council is committed to improving its practices to combat and prevent slavery and human trafficking in all corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Definition of modern slavery

Modern slavery includes a range of types of exploitation, many of which occur together. These include but are not limited to:

- Sexual exploitation: this includes sexual abuse, prostitution and the abuse of children for the production of child abuse images/videos.
- Domestic servitude: this involves victims being forced to work in usually private households, performing domestic chores and childcare duties.
- Forced labour: this can happen in various industries, including construction, manufacturing, laying driveways, hospitality, food packaging, agriculture, maritime and beauty (nail bars).
- Criminal exploitation: This can be understood as the exploitation of a person to commit a crime, such as pick-pocketing, shop-lifting, cannabis cultivation, drug trafficking and other similar activities that are subject to penalties and imply financial gain for the trafficker.
- Other forms of exploitation include organ removal, forced begging fraud, forced marriage and illegal adoption.

We are passionate about better lives for people in Barking and Dagenham. This statement is supported through our organisational vision: One Borough; One Community; No one left behind. Four corporate themes support the vision:

Theme	Priorities
Theme 1: A new kind of Council	Build a well-run organisation
	Ensure relentlessly reliable services
	Develop place-based partnerships
Theme 2: Empowering people	Enable greater independence and protect the most vulnerable
	Strengthen our services for all
	Intervene earlier
Theme 3: Inclusive growth	Develop our aspirational and affordable housing offer
	Shape great places and strong communities through regeneration
	Encourage enterprise and enable employment
Theme 4: Citizenship and participation	Harness culture and increase opportunity
	Encourage civic pride and social responsibility
	Strengthen partnerships, participation and a place-based approach

Within our own business:

We have several procedures in place that contribute to ensuring modern slavery does not occur in our business:

- Robust recruitment policy and process which are compliant with UK employment legislation. The process includes a number of pre-employment checks, for example “right to work” document checks, referencing and understanding any employment gaps. DBS checks are undertaken for relevant posts.
- Employee code of conduct along with mandatory training which defines the responsibilities and standards required for all work for and on behalf of the Council including interims, agency workers and employees who are seconded to other organisations.
- Reporting knowledge or suspicion of slavery through our whistleblowing procedures and hotline which ensures that staff/ members can raise their concerns confidentially.
- The Council has responsibility to develop implement and monitor policies and processes to safeguard the welfare of vulnerable adults and children and works within multi-agency partnerships to protect and safeguard people.
- Staff awareness training is in place for specific Council staff which supports the Modern Slavery Act.

Within our supply chain:

Barking and Dagenham Council is a unitary authority providing all local government services for its 200,000+ citizens, from waste collections and clean up teams to public health, schools and social care. The Council manages a range of services, delivered both directly and through external contractors, with a large and diverse supply chain.

In line with the Modern Slavery Act 2015, the Council expects all relevant suppliers of goods or services to have their own policy relating to working practices or modern slavery, or for evidence to be available to ensure their standards are in accordance with the Council's expectations. We would request that our suppliers ensure the same of their own supply chains.

We are committed to undertaking due diligence at all stages of the commissioning cycle to mitigate the risk of modern slavery and human trafficking within the supply chain. Our due diligence measures include:

- Working with partners to develop our understanding of the risks of modern slavery occurring and to review the supply chain to identify areas of vulnerability and risk.
- Within the category management approach, considering appropriate steps to be taken to mitigate risks, particularly in those areas assessed to be at high risk of modern slavery.
- Taking appropriate measures in the selection of suppliers to enable the exclusion of suppliers with convictions under the Modern Slavery Act.
- To comply with the Modern Slavery Act 2015 the Council has updated its professional and technical ability tender questions within the procurement sourcing process. Selection questions require a bidder to evidence their compliance with the Modern Slavery Act. Any bidder who fails to evidence their compliance with the required legislation shall be excluded from participating further in the tender process. Incorporated within the Council's standard contract terms are clauses that specify the supplier's contractual obligation concerning Modern Slavery.
- Working to ensure that unaccompanied children subject to private fostering arrangements, are not subsequently exploited or abandoned if the arrangement fails.
- Any supplier engaged by the Council to undertake the supply of goods and /or services is contracted to do so in line with the following policies:
 - Safeguarding
 - Equality & Diversity
 - Code of Conduct
 - Whistleblowing

These policies are key to ensuring that staff employed by our supply chain have appropriate channels to report any incidents of slavery and human trafficking.

Investigations:

In respect of suspected or known incidents of slavery or trafficking we would refer these to the relevant police authority, the Community Safety Partnership and the relevant safeguarding boards. The Council's various departments for property services (housing support, tenancy sustainment, enforcement, Be First) will be vigilant for signs of modern slavery on Council property and will report this appropriately if they believe that suspicious activity is taking place.

The Council actively works to ensure the safeguarding of all vulnerable people and recognises at-risk groups including workers in certain roles such as cleaning and care work, and large numbers of adults in multiple occupancy domestic properties. We would expect any colleague who may witness or suspect any wrongdoing to report their concerns to their manager, the police and the relevant safeguarding teams if the incident was in Barking and Dagenham.

Aims for the Coming Year

The focus for the next 12 months with regards to the Modern Slavery Act 2015 as follows:

- Work in partnership with a wide range of agencies within Barking and Dagenham to reduce the risk of neglect and abuse, to detect and report occurrences and to support victims.
- Work with suppliers to improve the transparency of end to end supply chains and to better understand areas of higher risk.
- The commissioning teams will review how modern slavery will be incorporated into the contract management process.
- Performance management relies on contract management which is delivered by the Council's commissioning teams rather than with its procurement team. Procurement and commissioning teams will undertake appropriate training to highlight obligations to the organisation as whole.
- Work on increasing awareness of Modern Slavery and Human Trafficking with our residents, ensuring clear understanding of how to respond appropriately and within Safeguarding frameworks.

Signed:

Chris Naylor, Chief Executive, Barking and Dagenham Council

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CABINET

17 September 2019

Title: Investment and Acquisition Strategy Update	
Report of: Report of the Cabinet Member for Finance, Performance & Core Services	
Open	For Decision: Yes
Wards Affected: All	Key Decision: Yes
Report Author: David Dickinson, Investment Fund Manager	Contact Details: Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
Accountable Director: Helen Seechurn, Interim Director of Finance	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary:	
<p>In September 2017 and October 2018 Cabinet approved an updated Investment and Acquisition Strategy (IAS) to support the Borough's growth opportunities and to ensure that the Council, and future generations, benefit by increasing the Council's ownership of long-term income producing assets.</p> <p>The key objective of the investment strategy is to generate net income of £5.12m by 2020/21. Be First will be the main vehicle for completing the development of a number of planned residential developments required to deliver this objective and will be responsible alongside the council for identifying new investment opportunities.</p> <p>This report highlights the financial constraints and opportunities within the IAS. It stresses the importance of bringing schemes into operation as soon as possible to ensure both the regeneration of the borough, and the availability of funding available for subsequent schemes.</p>	
Recommendation(s)	
Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Note the progress being made in meeting the Investment and Acquisition (IAS) income target; (ii) Note the governance and controls that are in place to management the IAS; (iii) Note the addition of a Lease and Lease Back asset class to the IAS; (iv) Note the limitations that impact the IAS through the net interest requirement; and (v) Approve the updated IAS contained in Appendix 1. 	
Reason(s)	
The proposals in this report will support the regeneration and economic growth of the borough and will help to support the long-term financial sustainability of the Council.	

1. Introduction and Background

- 1.1. The Council's first Investment and Acquisition Strategy (IAS) was agreed by Members in November 2016 as part of the Council's response to the unprecedented challenges it faced from Government cuts to public sector spending. The strategy has been subsequently reviewed in October 2018.
- 1.2. The purpose of the IAS is to support the Borough's growth opportunities and to ensure that the Council, and future generations, benefit by increasing the Council's ownership of long-term income producing assets.
- 1.3. The scale of investment opportunity within the Borough is significant with in excess of 50,000 new homes to be built over the next twenty years. This will be accompanied by increased demand for employment space and sustainable energy providing the Council with a key leadership and investment opportunity.
- 1.4. The IAS provides the Council with the ability to make investments that have the potential to support economic growth and / or deliver economic regeneration within the borough. In some cases, schemes with lower returns may be considered for strategic reasons.
- 1.5. To accelerate the Council's regeneration, a development company, Be First, was created in October 2017. They have reviewed and reconfigured the development pipeline, have brought new investment opportunities to Council and have identified a new asset class to support private sector led regeneration.
- 1.6. In line with Government Guidance on Local Authority investment activities this report provides an update in delivering investment objectives and sets-out the criteria to approve and finance investment opportunities going forward. The Strategy will be reviewed and brought back to Cabinet for approval annually.
- 1.7. It is intended, going forward, to combine the Treasury Management reporting with the IAS reporting. This reporting will be as follows:
 - i. Annual Outturn and Review (June) - the investment strategy will be formally reviewed and reported to Cabinet and Assembly annually and will include performance of operational assets against forecast levels of return at both individual asset and portfolio levels.
 - ii. Mid-Year Review (December) - progress in implementing the investment strategy will be reported to Cabinet and Council Assembly every six months. The report will highlight any potential performance issues and provide a mid-year forecast on the strategy's return.
 - iii. Annual IAS Strategy Update (February) – this will provide an update on the IAS strategy, including updating the IAS budget, assets classes and will highlight changes in the wider economy and specific investment markets. The Strategy update will be based on the Be First Business Plan.
 - iv. As the Council enters more investments, additional Prudential Indicators will be factored into the MTFS.

2. Proposal and Issues

2.1. Investment and Acquisition Strategy

2.2. In April 2018, the Government issued revised statutory guidance to help local authorities ensure that their investment strategies are transparent, minimise risk and support delivery of Council objectives.

2.3. As a result of this guidance the strategic objectives of the investment strategy were restated as follows. Members are asked to note that these returns are in addition to any Be First return target:

- *To support and unlock regeneration and economic growth opportunities within the borough.*
- *To establish a property portfolio to generate long-term revenue and capital growth targeting an initial cash return of £5.2m by 20/21 and indexed at CPI thereafter.*

These objectives reflect the predominantly affordable housing nature of the investment opportunity in the borough. Affordable rent housing often needs capital grant to achieve financial viability and will take several years before schemes becoming cash positive.

2.4. To minimise investment risk and to ensure that invested capital can be realised, the allocation of investment funds will be guided by the following investment objectives. These objectives frame the evaluation, management and monitoring of all investment and funding opportunities considered by the Council.

Security: ability of assets to hold and increase their capital value in line with inflation

Liquidity: ability of invested funds to be realised through the sale or refinancing of the asset reflecting the illiquid nature of direct property ownership

Yield: ability of assets to generate positive Net Operating Income and positive net returns after debt service within [market normative ranges]

2.5. Investments will be made into the following asset classes. Investments will be expected to make minimum levels of returns. These are set out in detail in the IAS attached as Appendix A.

Asset class	Sector
Residential	Affordable Rent
	Shared Ownership
	Market Rent (secondary)
	Market Sale
Commercial	Offices (good secondary)
	Retail (good secondary)
	Industrial (good secondary)
	Student & Creative Arts
	Hotel & Leisure
Infrastructure	Energy
	Infrastructure
Commercial Lending	Debt

2.6 Delivering the £5.125m income target

The Council is on track to achieve the investment income target of £5.125m by 2020/21 and then £5.891m by 2021/22 in cumulative terms. A reserve, from prior year investment surpluses, has been set up to cover any shortfalls that may result from delays in developments becoming operational.

Table 1 summarises the current net income arising from the IAS and the interest to support the strategy. The net requirement does increase from £1m in 2019/20 to £2.2m and this reflects the cost during a significant part of the development stage. Overall the IAS is expected to outperform the net investment cost and to provide significant surpluses in 2023/24 onwards.

Table 1: Investment and Acquisitions 2019/20 to 2022/23

£'000s	2019/20	2020/21	2021/22	2022/23
	Forecast	Forecast	Forecast	Forecast
General Fund Interest Payable	12,500	15,600	21,071	24,513
Interest Receivable	-7,674	-8,374	-13,395	-16,387
Net Interest	4,826	7,226	7,676	8,126
Investment Income	-3,733	-5,125	-5,891	-5,891
Net Investment Cost	1,093	2,101	1,785	2,235

2.7. Investment Programme

Be First is now established as the Council primary delivery agent for the delivery of current programme and identification of new investment schemes. The development programme has been reviewed, development densities increased where appropriate and additional investment opportunities have been identified which are being actively pursued. Table 2 below summarises the current development programme.

Table 2: Be First Business Plan Summary 2019/20 to 2022/23

Year	Development Requirements	Be First Total Annual Return	Units
	£000s	£000s	
2019/20	79,794	5,622	112
2020/21	220,325	10,835	208
2021/22	216,504	11,070	790
2022/23	148,695	10,710	823
Total	665,318	38,237	1,933

This programme requires approximately £665.3m net cost to be funded reducing to £522.8m after deduction of sales. Additional commercial investment opportunities have also been identified; these will be reported to Cabinet for approval as scheme details are finalised. Each scheme's cashflow includes debt repayment and debt repayment and this remains a fundamental part of the IAS.

3. Consultation

3.1. The Cabinet Member for Finance, Performance and Core.

4. Financial Implications

Implications completed by: Helen Seechurn, Interim Director of Finance

Development period and long-term borrowing

- 4.1. Due to the scale and timing of the development programme the initial schemes will be funded by borrowing from the Public Works Loan Board (PWLB). As the scale of development increases funding using institutional funders or bond issuance will be considered to limit the amount of development period exposure to the Council. This approach would allow the Council to limit funding to a defined development programme and to refinance schemes, subject to market conditions, when fully let and stabilised to release capital growth for reinvestment in other projects or elsewhere in the Council.
- 4.2. Bond rates are at historically low rates and the demand for long-dated, inflation linked returns remains strong from institutional investors

Medium Term Financial Strategy

- 4.3. The Council's balance sheet is currently £1bn in value. To fund the Investment Strategy, the Council will be heavily geared and the debt to asset ratio could be as high as 3:1 during the development period. This ratio will decrease as assets are built and let and are then included on the Council's balance sheet.
- 4.4. In line with the prudential code, the Council will need to demonstrate it can afford to carry the cost of borrowing to fund for both the construction period as well as the initial years before each of the schemes become cash flow positive. All borrowing will be profiled against the individual schemes, ensuring that the cash is available during the construction stage but that the repayment of the debt is included as the schemes generate income from rental and sales over the economic life of the asset. Borrowing will also be made over a period and will be dependent on the requirement but may also be made as and when rates are low.
- 4.5. The Investment Panel will review all schemes and investment proposals individually based on the Terms of Reference previously agreed by Cabinet.
- 4.6. Property acquisitions may be held on the Council's balance sheet or, where more financially advantageous, acquired through a Barking and Dagenham Reside SPV. Acquisitions will be supported by detailed legal and tax advice for each proposal.

5. Legal Implications

Implications completed by: Dr. Paul Feild Senior Governance Lawyer

- 5.1 The Local Government Act 2003 is the key legislation for local authority investment regulation and section 15 of the Act requires that the Secretary of State issues Statutory Guidance on investments the most recent being issued in April 2018. For each financial year, a local authority should prepare an investment Strategy and follow disclosures and reporting requirements specified in the guidance. The Secretary of State recommends that the Strategy should be presented for approval prior to the start of the financial year.

The Council has a wide range of powers concerning borrowing, investment and dealings with property which would empower the Council to pursue its Investment Strategy. Section 1 of the Localism Act 2011, the general power of competence (“GPC”) empowers local authorities to do anything that an individual can lawfully do provided that the activity is not expressly prohibited by other legislation. Activities authorised by the GPC can include investment, trading or charging decisions which may be undertaken through commercial (corporate) vehicles with the primary aim of benefiting the authority, its financial management, its area or its local communities.

- 5.2 Whilst the General Power of Competence will permit the Council to invest in property for a return, such activity is likely to be deemed as ‘*activity for a commercial purpose*’ which cannot be undertaken directly by the authority and must be undertaken through a company structure within the meaning of section 1(1) of the Companies Act 2006 (s.4(2) Localism Act 2011).
- 5.3 Section 12 of the Local Government Act 2003 (“Power to Invest”) enables a local authority to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs. Speculative borrowing to invest purely for profit will not be deemed directly relevant to fulfilling the authority’s functions and will not, therefore, be authorised under this power, however, investment in land or property, for example with a view to regeneration, and in line with CIPFA’s Prudential Code for Capital Finance would enable the prudential investment of funds borrowed for the purpose of expenditure in the reasonably near future. The CIPFA Code contains detailed recommendations in the context of prudent borrowing practice, which should be considered as individual investment decisions are made. In exercising the power to invest under s.12(b) the Local Government Act 2003 the Council should have regard to the 2018 CLG Guidance on Local Government Investments. The Guidance advocates the preparation of an investment strategy which the Council is expected to follow in decision making unless sensible and cogent reasons exist for departing from it.
- 5.4 Section 1 of the Local Government Act 2003 (“Power to Borrow”) provides local authorities with the power to borrow for any purpose relevant to their functions under any enactment or for the prudent management of its financial affairs. The Power to Borrow has similar constraints to the investment power under the 2003 Act. Borrowing primarily to achieve a return is unlikely to be deemed connected to the functions of the Council or prudent financial management. Caution should be exercised in making individual decisions to ensure that new investments financed with borrowing do further the functions of the Council and are consistent with prudent management of the Council’s financial affairs.
- 5.5 Section 111 of the Local Government Act 1972 (“Incidental Power”) enables a local authority to do anything (whether involving the expenditure, borrowing or lending of money) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 5.6 Investment and borrowing for the sole purpose of creating a return would not be deemed pursuant to the functions of the authority as required under the above powers. However, the report has clearly set out the primary objectives of the investment activity relate to shaping the strategic growth and economic development of the area to meet the needs of a growing local demographic and to shape local

communities. Therefore, investment and borrowing in respect of property assets would be prudent and authorised pursuant to the authority's functions, when used as regeneration tools, alongside other financial measures, to provide a suitable diversified housing mix for the growing local population, to regenerate local areas and to create employment and education opportunities. It is critical that the primary policy objectives of any investment activity, such as building new homes, regenerating an area or the creation of employment opportunities, are furthered and public funds are not exposed to unnecessary or unquantified risks.

- 5.7 Notably, many individual investment and acquisition decisions will be made in implementing the various strands of the Investment Strategy. Individual decisions will be taken by the Chief Operating Officer, advised by the Investment Panel, pursuant to delegated powers in respect of 'corporate and strategic finance, treasury management, investments, and the capital programme...' (Part 3, Chapter 1, paragraph 8.1(g) of the Constitution). To the extent that such decisions are key decisions, or urgent action is taken to acquire land (under paragraph 4, chapter 16, Part 2 of the Constitution) such decisions will be reported or notified to Cabinet in future reports. At all times, full consideration will be given to the Council's powers of investment and acquisition, any relevant guidance such as the CIPFA Code and the overall aims of this Investment Strategy.
- 5.8 The Council's Constitution, Part 4, Chapter 4 sets out the Land Acquisition and Disposal Rules. In accordance with paragraph 2.1, Part 2: Articles, Chapter 6 of the Constitution all key decisions and strategic decisions falling within the Land Acquisition and Disposal Rules as to the use, acquisition and disposal of land and property assets are generally within the remit of the Cabinet.
- 5.9 Formulation of strategic decisions is, at this time, overseen by the Property Advisory Group (PAG) and the Cabinet. Given the creation of the Investment Panel, to the extent that acquisition decisions are taken for investment purposes pursuant to the IAS, the Panel will advise and make recommendations as to such decisions either to COO (to the extent of the delegated powers available) or to Cabinet. Such investment driven acquisition decisions, depending on the value of assets to be acquired may also be key decisions which would be publicised on the Council's forward plan of the decision. Decisions on strategic acquisitions pursuant to the Investment Strategy / IPA would be made by Cabinet or COO, advised by the Investment Panel, in accordance with the Council's Constitution and its Land Acquisition and Disposal Rules and the Scheme of Delegation. For the sake of efficiency, Cabinet is expected to approve an investment programme on a rolling basis (as set out in Appendix A) and to delegate any necessary authority to the COO, advised by the Investment Panel, to implement individual decisions in respect of individual schemes within the investment programme.
- 5.10 Under Part 3, Chapter 1, paragraph 1.2 of the Council's Constitution, the Cabinet can in turn delegate its functions to an officer if it so determines or authorise the officer to take investment decisions subject to established parameters, such as the need to consult prior to deciding. In the case of investments there can be a need to move quickly to make the best of opportunities. Therefore, authorising the section 151 Local Government Act 1972 Chief Financial Officer to make relevant investment decisions is wide spread practice.

6. Other Implications

- 6.1 **Risk Management** - each potential investment and land acquisition opportunity will be subject to a full evaluation and risk analysis process as part of the IAS approvals process and scheme development Gateway review mechanism. This will be managed on behalf of Cabinet by the Investment Panel. The Investment Panel will be supported by external professional advisors
- 6.2 **Contractual Issues** - sites acquired in advance of planning permission being granted would be acquired under a Call Option arrangement or through outright purchase depending on the commercial evaluation and opportunity provided by each site. Each such proposed acquisition will be subject to the review process set out in Appendix A.
- 6.3 **Staffing Issues** - additional staff may be required to implement and manage the anticipated level of investment and consequent investment portfolio. Any additional staffing costs would be funded from investment returns.
- 6.4 **Customer Impact** - the proposals in this report would help to achieve the Council's growth objectives and would help to achieve financial sustainability of the Council. In addition, the investment and regeneration programme facilitated by the IAS will underpin the creation of new communities within the borough and will increase housing choices and housing affordability. In turn, this will help to address fuel poverty and help improve household health and educational outcomes.
- 6.5 **Safeguarding Children** - purchase of land in advance of planning permission could potentially lead to the development of additional family housing which could improve help improve the life chances of children through a healthier environment and better domestic space in which to study.
- 6.6 **Health Issues** - the provision of new housing has demonstrable health and wellbeing effects for occupants.
- 6.7 **Property / Asset Issues** - the proposals in this report will help the Council increase its affordable housing and income generating asset base. The proposals would also help to address physical and social obsolescence asset management challenges within the Council's existing property holdings and in the private sector.

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

List of appendices:

- Appendix A: Investment and Acquisition Strategy

LONDON BOROUGH OF BARKING AND DAGENHAM

INVESTMENT AND ACQUISITION STRATEGY 2019 TO 2024



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Appendix 1: Investment and Financial Modelling Assumptions 2019/20

1. Introduction

- 1.1 The Council's first Investment and Acquisition Strategy (IAS) was agreed by Members in November 2016 as part of the Council's response to the unprecedented challenges it faced from Government cuts to public sector spending. The strategy has been subsequently reviewed in October 2018.
- 1.2 The purpose of the IAS is to support the Borough's growth opportunities and to ensure that the Council, and future generations, benefit by increasing the Council's ownership of long-term income producing assets. It is also the intention for the strategy to be relatively low risk, with borrowing used to fund in-borough regeneration, with income generated to cover borrowing costs, debt repayment, lifecycle and management and maintenance costs.
- 1.3 The scale of investment opportunity within the Borough is significant with in excess of 50,000 new homes to be built over the next twenty years. This will be accompanied by increased demand for employment space and sustainable energy providing the Council with a key leadership and investment opportunity.
- 1.4 The IAS provides the Council with the ability to make investments that have the potential to support economic growth and / or deliver economic regeneration within the borough. In some cases, schemes with lower returns may be considered for strategic reasons.
- 1.5 A four-year net interest forecast has been established by the Council within the Medium-Term Finance Strategy, which will support the IAS but also at times may act as a limiter to the Council's investment activities. The IAS will increase significantly the level of debt the Council holds as well as the amount of interest the Council pays over the coming years.
- 1.6 To ensure that the level of borrowing is sustainable, the Council will invest in schemes that provide a positive return after all costs and will ensure that it invests in a number of different asset classes and assets with different cash flows requirements.
- 1.7 It is inevitable that the IAS will change over time as schemes are accelerated, delayed, amended or removed. In addition, new investment opportunities to support both the IAS and the wider Council objectives and funding requirements will be considered. Each investment will be agreed and monitored by an Investment Panel, which is chaired by the Council's Chief Operating Officer.
- 1.8 The IAS has an income objective and a target of delivering £5.12m by 2020/21 and £5.89m in 2021/22. The IAS assets will be delivered primarily by the Council's development vehicle, Be First, and it is expected that Be First will accelerate the regeneration of the borough. It is important, however, that Be First manages the various scheme developments and puts forward investment schemes that are within the IAS budget limitations.
- 1.9 As the Council's investment portfolio grows, more regular reporting will be produced to provide Members with updates on performance and the Council's

borrowing position. It is also important to keep the investment criteria, guidelines and investment portfolio under regular review. A failure to do so could result in acquisitions and developments being made which do not reflect current market conditions and which could increase risks that operational assets under-perform relative to the market and each projects risk profile.

2. IAS Governance

2.1 The Investment Panel (IP) was constituted by the Chief Operating Officer (COO) using authority delegated by the Constitution of the Council. the IP exists to advise the COO on the implementation of the IAS by appraising individual investment decisions and development schemes.

The IP aims to ensure that the opportunities for the IAS undergo appropriate consideration and robust challenge, and that proposed returns are in line with the expectations set out in the IAS. The IP is comprised of representatives from core areas of the Council as members of the panel and where necessary, appropriate 3rd party expertise acting as advisors to the panel who can be called upon as the need arises.

2.2 Role of the IP

The IP has a responsibility for advising the COO on the approval or otherwise of the implementation of the IAS and the schemes/development opportunities detailed therein. In particular, it is expected that the IP will exercise its expertise to advise the COO on the appropriateness of the investment opportunity, specifically:

- i. the appropriate sources of funding for each development proposal;
- ii. any significant risks or implications arising from the approval or otherwise of schemes;
- iii. the impact of the approval or otherwise of schemes on Council resources, assets, or ability of the Council to provide key services;
- iv. any subject specific papers or questions, as requested by the COO; and
- v. ongoing monitoring of investments delivered under the IAS, or as requested by the COO.

Other opportunities for investment may be presented to the Council which are not listed in the IAS. In those instances, it is the role of the IP to consider and where necessary challenge the detail of such opportunities for investment and make a recommendation on the viability of those schemes to the COO for their consideration.

The COO may then choose to present the recommendation of the IP to the appropriate forum for formal approval, or where delegation exists outside of the current IAS, exercise their authority in respect of the proposed scheme.

It is the responsibility of the IP to monitor the expected and actual financial returns from schemes on a regular basis, to ensure that those schemes are in line with the expectations set out in the IAS, the MTFS, or previously agreed returns (if the scheme does not currently feature in either document).

Any significant delays or alterations to schemes which may impact the expected financial return to the Council will be brought to the attention of the IP.

Where a planned or unplanned change has or will need to take place relating to a scheme which has yet to be delivered but has already been approved by the IP, that scheme must be considered for a return to the IP for further approval if:

- i. the total variance is greater than £1m, or 5% of current total scheme cost - whichever is smaller;
- ii. the change will impact the expected financial return to the proposal as agreed at Investment Panel;
- iii. the change could result in the reputational risk to the Council;
- iv. the change represents a significant deviation to the proposal agreed at Investment Panel (10% variance of any metric) or represents a fundamental change to the structural makeup of the building or its intended uses; and
- v. the change will result in a significant slippage in the estimated delivery of the scheme (three months or greater from the date originally agreed).

The details of such a change should be summarised in a change control form and submitted to the COO. The COO will decide if the threshold has been met for reconsideration by IP (in consultation with members of the IP, or if necessary, by way of a virtual IP) and if so, the format such reconsideration should be presented in. These forms will be retained by the Council along with minutes of the discussion and the advice provided to the COO for IP.

3. Council's Control Approach

- 3.1 Prior to any investment decision, investment proposals need to go through a number of Gateways, including 6 project stages and 6 control points; the system covers the full project Lifecycle; from inception to completion and operation.
- 3.2 The system provides a proportionate level of project appraisal and assurance to the scale and risk associated with projects and with Be First's overall portfolio.
- 3.3 It is comprised of two types of control point:
- Gateway – a strategic decision to proceed with an investment;
 - Milestone – a reporting point to validate outcomes.
- 3.4 Scrutiny at each control point will include consideration of the following:
1. **Financial Value** – a project's Investment Value (Return on Investment), Be First revenue potential and new income for the borough (council tax etc.).
 2. **Deliverability** - a project's buildability, risks, ability to achieve planning, dependencies and required resourcing.
 3. **Social & Regeneration Value** – the likely contribution of a project to Be First contractual objectives and KPIs including wider regeneration impact.
- 3.5 A project must gain approval at each point before moving forward to the next stage. There are various approval bodies depending upon the control point.
- 3.6 The system is supported by a set of common tools and templates which are to be used throughout the project lifecycle. These tools include;
- Site Viability Appraisal
 - Project Programme
 - Risk Register.
 - Gateway Assurance Checklist
 - Construction Monitoring; and
 - Planning Monitoring
- 3.7 These tools ensure each project follows and achieves the Council's high-quality standards and presents information in a standardised way which allows effective portfolio monitoring.
- 3.8 As outlined in section 2, the IP will discuss and agree investments. The IP does not have to agree all investments. Some investments are rejected, and some are agreed but do not progress. Most new investments agreed by IP will still need to be agreed by Cabinet.

4. Investment Objectives

4.1 Strategic Objectives

The purpose of the strategy is to enable the delivery of the following key investment aims:

- To unlock regeneration and economic growth opportunities within the borough; and
- To establish a property portfolio to generate long-term revenue and capital growth, targeting an initial revenue return of £5.125m by 20/21.

4.2 Return Objectives

The allocation of investment funds will be guided by the following investment objectives. These objectives frame the evaluation, management and monitoring of all investment and funding opportunities considered by the Council.

- **Security:** ability of assets to hold and increase their capital value in line with inflation;
- **Liquidity:** ability of invested funds to be realised through the sale or refinancing of the asset reflecting the illiquid nature of direct property ownership; and
- **Yield:** ability of assets to generate positive Net Operating Income and positive net returns after debt service within market normative ranges.

4.3 Risk Management Objectives

The real estate portfolio will be managed over the long-term to achieve the following goals:

- a) Maintain an appropriate level of investment diversification across the following key factors:
 - (i). investment strategy for each asset class;
 - (ii). asset class diversification;
 - (iii). investment lifecycle; and
 - (iv). development period and stabilisation period risks.
- b) Work toward and maintain an appropriate level of leverage once assets are developed and stabilised. Consideration shall be given to the impact of third-party debt financing obligations and guarantees for the risk and return characteristics of levered assets.

5. The Council's Borrowing Strategy

- 5.1 All borrowing decisions to support the IAS are taken by the COO under delegated powers of the Council's constitution and after consultation with the Investment Fund Manager and the Director of Finance. The borrowing restrictions are reviewed each year and are included in the Treasury Management Strategy Statement (TMSS).
- 5.2 The borrowing limits set as part of the 2019/20 TMSS are £1.0bn for the Operational Boundary Limit and £1.1bn for the Authorised Borrowing Limit, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003. The borrowing includes IAS borrowing and wider Council capital borrowing.
- 5.3 The key objective of the Council's borrowing strategy is to secure long term funding at rates that match or are below the target borrowing rate. The Council's strategy also seeks to reduce the cost of carry to within budget limits. Currently the Council has a holistic approach to borrowing, taking into account cashflows, borrowing costs and investment returns to reduce the cost of carry. The Council will incur cost of carry costs while funding developments as income is only generated when the schemes are operational or if an income generating asset is purchased.
- 5.4 The Council can borrow funds from the Public Works Loans Board (PWLB), from capital markets, from bond issuance and from other local authorities. The Council would look to borrow for several purposes, including:
- (i) *Short term temporary* borrowing for day to day cash flow purposes.
 - (ii) *Medium term borrowing* to cover construction and development costs.
 - (iii) *Long term borrowing* to finance the capital and IAS programme.
- 5.5 Funding the IAS will require a significant amount of borrowing over the next four years and is in addition to borrowing already taken for current operational schemes. The COO and treasury section will monitor interest rates and, where possible, make borrowing decisions when rates are low, while taking into account the Council's debt repayment profile and cashflow requirements. The Council's borrowing strategy will give consideration to the following when deciding to take-up new loans:
- Use internal cash balances;
 - Using PWLB, the EIB or Local Authorities for fixed term loans;
 - Using Institutional investors (Pension Funds and Insurance Companies);
 - Ensure new borrowings are drawn at suitable rates and periods; and
 - Consider the issue of stocks and bonds if appropriate.
- 5.7 Although the borrowing is long-term, a part of the Council's debt is repaid each year through either an annuity repayment or equal instalment repayment. As a result, the Council's debt repayment profile is relatively smooth. Future borrowing will be mapped against this repayment profile and the forecast cashflows to help refinancing risk but also allow a steady reduction in the Council's debt exposure.

6. Funding the IAS (Proportionality)

- 6.1 As the Council starts to depend on profit generating investment activity to achieve a balanced revenue budget, an assessment of its dependence on profit generating investments and borrowing capacity allocated to funding these, is considered against the lifecycle of the Medium-Term Financial Plan.
- 6.2 A four-year net interest forecast has been established by the Council within the Medium-Term Finance Strategy (MTFS), which will support the Council's investments but also at times may act as a limiter to its investment activities. To ensure that the level of borrowing is sustainable, the Council will invest in schemes that provide a positive return after all costs and will also ensure that it invests in a number of different asset classes and assets with different cash flows requirements.
- 6.3 Table 1 summarise the current net income arising from the IAS and the interest requirement to support the strategy. The net interest requirement does increase from £1m in 2019/20 to £2.2m and this reflects the cost during a significant part of the development stage. Overall the IAS is expected to outperform the net investment cost and to provide significant surpluses in 2023/24 onwards.

Table 1: Investment and Acquisitions Forecast 2019/20 to 2022/23

MTFS Budget	2019/20	2020/21	2021/22	2022/23
	Forecast	Forecast	Forecast	Forecast
	£'000s	£'000s	£'000s	£'000s
General Fund Interest Payable	12,500	15,600	21,071	24,513
Interest Receivable	-7,674	-8,374	-13,395	-16,387
Net Interest Required	4,826	7,226	7,676	8,126
Investment Income	-3,733	-5,125	-5,891	-5,891
Net Cost	1,093	2,101	1,785	2,235

- 6.4 It must be highlighted that there is much greater certainty over the interest payable requirement, with a borrowing strategy in place to fund schemes and therefore the level of the interest payable is very likely to be achieved. There is greater uncertainty over the Interest Receivable and Investment Income targets but there is also the greater potential to outperform the current forecasts.
- 6.5 The IAS provides a framework for the investment restrictions for any given year. Pressure on the investment budget could be from a:
- delay in developments becoming operational, which delays investment income and interest receivable;
 - significant increase in borrowing requiring more interest payable than forecast;
 - A significant drop in treasury returns either through lower returns or lower investible cash balances; and
 - The proportion of assets bringing in income being lower than expected or the proportion of assets that require development finance being higher than expected.

6.6 Although the Council will increase its debt, it will also increase its asset base and will receive income from its investments. In the event that there is a significant downturn in the housing market then the Council's strategy will come under pressure, either from a reduction in income from rental or from a reduction in asset values. To reduce these risks the Council has a number of approaches.

- i) Each investment includes a profit margin based on normal market conditions. If rental is reduced, then profit will reduce but the interest and debt repayment obligations will still be met. This will place pressure on the MTFS and to minimise this pressure a reserve has been established to smooth out cashflows.
- ii) If conditions deteriorate to a level that profit is wiped out and there is insufficient income to cover debt and borrowing positions, then adjustments can be made to the level of return that is set aside to meet the debt repayment. This is because some of the Council's borrowing only needs to be paid back at maturity (some loans have maturities of up to 50 years) but currently debt repayment provision is still made to repay the debt (i.e. each year money is set aside to repay the debt even though the debt is repaid at maturity). This is not the case for all the Council's debt, but it is a portion and provide a buffer to manage potential issues.
- iii) The Council, in more extreme cases, can reduce its investment activity and focus on the more profitable assets and/ or sell or refinance assets.

6.7 Most of the increase in General Fund interest payable shown in table 1 is to fund the Be First Business Plan, which was agreed by Cabinet on 21 May 2019, a summary of the development requirements, the Be First Total Annual Return and units built are provided in table 2 below.

Table 2: Be First Business Plan Summary 2019/20 to 2022/23

Year	Development Requirements £000s	Be First Total Annual Return £000s	Units
2019/20	79,794	5,622	112
2020/21	220,325	10,835	208
2021/22	216,504	11,070	790
2022/23	148,695	10,710	823
Total	665,318	38,237	1,933

6.8 The funding requirements of Be First are significant and will require the Council to borrow and additional £300m of long-term debt over the next four year. The amount required to borrow is lower than the Be First borrowing requirement in table 2 above as the Council, as at 31 March 2019, already borrowed £220m of this requirement.

6.9 In delivering its plan, Be First will work closely with the Council, Reside and My Place, drawing on the Growth Commission Stocktake published in 2016 and the progress review due to be published soon. A key part of this will be the publication of the draft Local Plan for consultation later this year.

7. Ownership of Investment Funding

7.1 Investment assets will be financed and owned by the Council directly, indirectly or through the provision of loan finance and/or guarantees to development and ownership entities. Ownership structures will reflect the regeneration and commercial purposes of investments and will be held in the most tax efficient structure(s) consistent with Local Authority powers as follows:

- Directly held investment assets (e.g. commercial property):
Direct General Fund borrowing through the PWLB, institutional funders or bonds as may be most advantageous from time to time.
- Investment assets held by wholly owned vehicles (e.g. Reside vehicles and BSF joint venture company):
Debt finance provided by the Council to project entities; project finance provided by third party funders and co-investment between the Council and third-party investors. Funds may be provided as senior debt, junior debt or equity dependent on the requirements and commercial arrangements of schemes
- Investment assets owned by Joint Ventures vehicles (e.g. co-investment development vehicles):
Debt finance provided by the Council to project entities; project finance provided by third party funders and co-investment between the Council and third-party investors. [Funds may be provided as senior debt, junior debt or equity dependent on the requirements and commercial arrangements of schemes.]
- Equity and debt financing (e.g. development period loans to private developers and Be First):
Funded by direct General Fund borrowing, and on-lending on commercial terms, through the PWLB, institutional funders or bonds as may be most advantageous from time to time. Financing may be provided as senior debt, junior debt or equity dependent on the requirements and commercial arrangements of schemes.
- Credit enhancement (e.g. provision of Council performance guarantees):
The Council may also provide credit enhancement through the provision of development and operational guarantees where this secures efficient finance for projects funded with third party debt.
- Lease and Lease Back Funding:
Forward funding deals where the Council provides a guaranteed income stream to a funder, usually a pension fund, while subleasing the building to an operator. The Council commits to the development by agreeing to take possession, on practical completion being achieved, tied into a long lease for usually between 35 and 50 years on a non-assignable basis. Rents are fixed and subject to annual increases linked to RPI, often with a cap and collar arrangement.

8. Investment Assets

8.1 Eligible Assets

The acquisition and development of financial and non-financial assets held to generate income and capital growth not held as part of normal treasury management. This includes:

- real estate assets, including residential, commercial and industrial
- loan debt, with the option for equity, provided to wholly owned companies
- ownership and financial interests in joint venture partnerships and loans to third-party entities where this supports the key investment objectives

8.2 Geographical Investment Parameters

The focus of investment activities will primarily be to support the regeneration of Barking and Dagenham. Where investment opportunities arise outside of the borough these will be considered on a case by case basis where they are clearly linked to the direct achievement of Council regeneration objectives.

8.3 Investment Selection and Monitoring

Investment schemes proposed to the Council will be required to satisfactorily meet the following investment criteria as appropriate to the assessment of each scheme. Asset selection should be guided by the Prudent Expert standard in the areas of acquisitions, development, operations, disposals and portfolio management.

8.4 Strategies

The real estate investment portfolio will be diversified across property types appropriate for each eligible asset class. The strategy for each asset class will be consistent with institutional investment in real estate including:

- a) Property type diversification with asset classes
- b) Location and connectivity
- c) Design quality to maximise and retain asset value
- d) Tenancy and leasing occupation levels
- e) Return requirements: income return emphasis

8.5 Investment Life Cycle

Considering that the investment portfolio is in the early stages of being created the medium-term aim is to limit development exposure to 30% of the market value of operational schemes.

9. Asset Classes and Investment Returns

9.1 The IAS investment pipeline consists of a number of different asset classes, including residential, commercial, commercial loans and lease and lease back. A breakdown of each asset class, the various investments that fall under the asset class, the current gross cost and its completion date is provided below.

9.2 Residential Investments

Most of the current residential schemes were part of the original 44 schemes agreed by Members in 2016. These schemes formed the basis around the original Be First business plan. Over time the number of schemes has reduced and a number of them have changed significantly. The current pipeline of schemes, number of units, net cost after grants and sales and target date for completion is provided in table 3 and are based on the Current Be First Business Plan (2019/20) and other Council investments:

Table 3: Pipeline of Residential Investment Schemes

Scheme	Units	Long-term Borrowing Requirement £000s	Target Date
Weighbridge Modular	92	10,716	Nov-19
Wivenhoe Modular	20	2,853	Dec-19
Becontree Heath	87	18,328	Apr-20
Melish Close & Sugden Way	19	4,886	Apr-20
Limbourne Avenue	26	4,845	Aug-20
Margaret Bondfield	16	2,993	Aug-20
A House for Artists	12	3,036	Sep-20
Sacred Heart	29	8,672	Sep-20
Becontree Avenue 200	19	6,416	Dec-20
Sebastian Court	95	15,450	Apr-21
Gascoigne East Phase 2	526	55,792	Sep-21
Crown House	169	39,532	Dec-21
Gascoigne West P1	210	44,314	Jul-22
12 Thames Road	150	49,793	Aug-22
Gascoigne East Phase 3	250	31,257	Dec-22
Marks Gate Phase 1	150	13,586	Dec-22
Woodward Road	63	14,308	Dec-22
Stour Road 90	290	28,516	Jun-23
Oxlow Lane	60	10,763	Dec-23
Rainham Road South	64	10,363	Dec-23
Roxwell Road	82	14,295	Dec-23
Royal British Legion	56	13,402	Dec-23
Gascoigne West Phase 2	471	31,979	Dec-23
Post 19-24 Business Plan			
Marks Gate P2	288	14,746	Jul-25
Gascoigne West Phase 3	248	56,582	Aug-26
Marks Gate P3	288	15,422	Jul-27
Total	3,761	522,845	

- 9.3 Residential investments include a number of sectors, namely Social and Affordable Rent, Shared Ownership, Market Rent and Market Sale. Each scheme will include a mix of these sectors and it is the role of the IP, in consultation with Be First and Reside, to ensure that the correct mix is agreed and built. Each scheme needs to meet a number of minimum criteria, including:
- i. Operational Surplus at year 1 and year 6 (year 6 is when all costs, including debt, interest, management and maintenance and life cycle costs are incurred).
 - ii. A yield on cost of at least 4.0%.
 - iii. A positive net present value based on a discount rate of 5.0%.

The minimum return criteria is produced after a financial appraisal and needs to be met at each Gateway for a scheme to be agreed. It is therefore essential that the assumptions included in any appraisal are consistent, prudent and regularly reviewed. The assumptions used in the financial models are included as appendix 1 of the IAS. These will be reviewed at least annually and will be agreed by Cabinet, the Reside Board and the Be First Board.

- 9.4 As all the residential schemes are development schemes, there is a significant cost of borrowing incurred by the Council. It is therefore essential that the development programme includes a mix of larger schemes, which normally have fairly lengthy development periods, with smaller schemes that can become operational sooner. It is only when a scheme is operational that income is received by the Council and this income will cover interest costs, debt repayment and provide the Council with a return.

9.5 Commercial Investments

The Council's commercial investments are split into four different elements, including Commercial Activity, Commercial Lending, Lease and lease back; and Energy Company. Be First have requested that the Commercial Activity and Commercial Lending budgets are combined into one Commercial Investments budget to, which totals £322.2m. Combining the budgets will allow Be First greater flexibility to move between different types of commercial investments.

9.5.1 **Commercial Activity**

A budget of £122.2m has been set established by the Council to fund commercial investments, which are predominantly identified by Be First. The £122.2m includes £15m to purchase Welbeck Wharf and £7.2m to build the Dagenham East Travelodge (£7.2m). Commercial schemes are predominantly identified by Be First.

Be First will identify investment opportunities and bring these to IP then Cabinet for agreement. Currently one scheme, Welbeck Wharf, has been purchased, and one, Travelodge, is under construction. Table 4 provides a summary of commercial lending activities included in the Be First Business Plan and the remaining commercial budget agreed by Cabinet.

Table 4: Commercial Activity

Development Project	Agreed £000s	Potential Funding Required £000s
Commercial Budget	122,200	122,200
Travelodge	-7,166	-7,000
Welbeck	-17,765	-37,000
Unite Building	-	-1,500
Remaining Commercial Budget	97,269	76,700

9.5.2 The commercial investments will need to meet a net yields criterion, which is based on a blend of yields from CBRE and Knight Franks. Net return is net of all costs, including:

- Borrowing costs (interest and debt repayment);
- Stamp Duty;
- Agent and Legal Fees;
- Planning Costs;
- Management and Maintenance Costs;
- Letting Fees; and
- Any other costs associated with each proposal.

All costs should be fully disclosed and prudently included in the any supporting financial appraisal calculation.

The net yield after all costs, assuming interest costs at 3.25% and debt repayment for the various commercial sectors are:

1.5%	Offices (good secondary)
4.0%	Retail (Good Secondary)
1.0%	Industrial (Good Secondary)
1.0%	Hotel and Leisure

9.5.3 Commercial Lending

In order to progress stalled private developments, it is possible for the Council to provide financing to a developer. Commercial lending gives the Council greater control to ensure the development is completed within the proposed timescale alongside a short-term revenue return on its investment. Table 5 summarises the agreed schemes and two options included in the Be First Business Plan.

Table 5: Commercial Lending

Development Project	Agreed £000s	Funding Required £000s
Commercial Lending Budget	200,000	200,000
London Road	-35,000	-35,000
Axe Street	-28,000	-28,000
Option 1 &2	-	-25,000
Remaining Commercial Budget	137,000	112,000

Prior to any Commercial Lending proposal expert external advice will be obtained and will cover the following key areas of commercial loan underwriting:

- i. Commercial lending due diligence: key commercial, legal and accounting information requirements;
- ii. Interest rate setting process: process to determine commercially appropriate contract interest rate reflecting borrower, project and market risks;
- iii. Loan agreement;
- iv. Security; and
- v. Risk Management;

9.5.4 ***Lease and Lease Back***

Previously, Cabinet have agreed to invest in two Lease and Lease back arrangements subject to finalisation of due diligence. These deals involve a lease and lease back arrangement with an Institutional Investor as the long leaseholder, the Council as the intermediate lessee and a hotel or aparthotel operator as tenant.

In these deals the Council is contractually required to enter into the Head lease and commence obligations with the Institutional Investor including paying the rent payments.

The lease agreements are usually between 35 years and 50 years, with rent subject to 5-year rent reviews and usually have a cap and collar arrangements to keep the rental increases within a set margin.

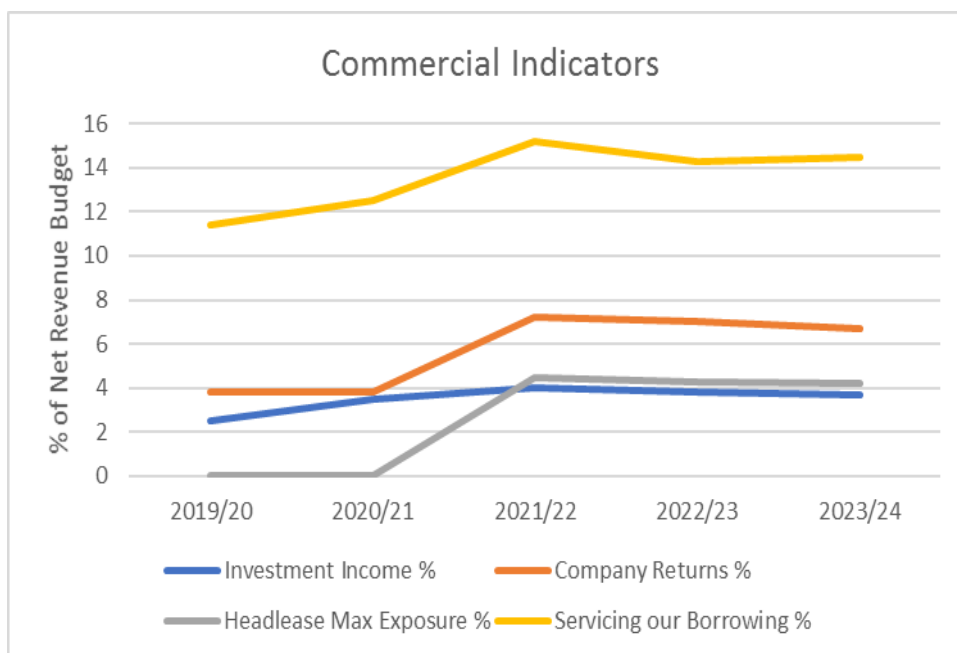
These deals will be agreed on an adhoc basis as and when they arise, with each deal having its own unique set of requirements and cashflows. The current deals have not been provided by Be First. Prior to each deal due diligence will be undertaken, covering:

- transaction documents;
- asset management, construction and development aspects of the transaction; and
- financial advice on the transaction including cash flows.

The Council will seek to mitigate against commercial risk by creating an investment risk reserve, which will be proportionate to the extent of risk and possible loss on returns or head lease arrangements. Each Lease and Lease back arrangement will seek to help grow business rates for business rates pool, help with jobs within the area and support inclusive growth.

10. IAS Indicators

- 10.1 In recent years, and in responding to government funding reductions, some authorities have sought to replace lost revenues by taking a more commercial approach defined as “undertaking activities which involve risk with the expectation of generating additional income or capital gain.”
- 10.2 As a result, there has been some concern nationally by government over the extent to which councils are taking long term risks and whether the extent of commercial activity is proportionate. In response, the government revised its guidance to local authorities on investments in early 2018.
- 10.3 Concerns over local authorities’ extent of borrowing in advance of need to invest into property for commercial gain has prompted a National Audit Office inquiry into local government practice.
- 10.4 The Council understands these concerns and recognises the need to put in place additional controls and indicators that complement the existing prudential indicators contained with the TMSS and reported in the IAS going forward. These provide extra safeguards and inform the extent of stress on the revenue budget. These new metrics will be factored into a revised TMSS and are intended to support an overall judgement on the balance of risks, they include:
- The proportionality test of how much commercial income the Council receives from IAS in relation to other income;
 - The maximum risk exposure arising from lease and lease back deals;
 - The cost of servicing borrowing levels. This includes the Minimum Revenue Provision and interest payable for the debt in relation to general fund activity.
- 10.5 The current trajectory of the Council’s commercial activities, including company returns, investment income, head lease exposure (lease and leaseback) and borrowing costs; suggests the impact on the revenue budget as shown in the chart below. The biggest impact is the overall level of borrowing, which is expected to peak at 15% in 2021/22:



10.6 To mitigate against commercial risk, the council will be creating a new investment risk reserve, which will be proportionate to the extent of risk and possible loss on returns or head lease arrangements.

10.7 In addition, to further understand the extent of borrowing in relation to revenue budget, the non HRA Capital Financing Requirement is shown below:

Non HRA	2019/20	2020/21	2021/22	2022/23
CFR £m	488	480	468	652
Ratio of CFR to NRE	3.3	3.2	3.1	4.4

Appendix 1 - Investment and Financial Modelling Assumptions – 2019/20

Investment and Financial Modelling Assumptions – 2019/20			
Category	Current Metric Agreed	Date and source of current metric	Comments
Council short-term Interest rate	1.5%	LBBB Finance Q1 – 2019	
Council long-term interest rate	3.0% for current schemes 3.25% for new schemes, commercial and commercial loans	LBBB Finance Q1 – 2019	
Market interest rate	6.0%	31ten Industry Standard	Updated value to be provided by third party
SDLT	4%		
MRP Repayment Period	50 years	LBBB Finance Q1 – 2019	2 years stabilisation at the commencement where MRP isn't charged
MRP Start Date	Year 2	LBBB Finance Q1 – 2019	
Cashflow Period	50 years	LBBB Finance Q1 – 2019	
Cashflow Period for TA schemes	40 years	LBBB Finance Q1 – 2019	
Cost inflation (development)	3.5%	BCIS and CPI Q1 2019	
Cost inflation (operational – management, repairs and maintenance)	19/20 - 1.9% 20/21 to 22/23 - 2.1% 2023/24 onwards 2%	CPI Q1 2019	Unit costs for Reside need to include VAT
Income inflation	CPI for 80% rents CPI+1% up to and including 1st April 2024 and then CPI thereafter for 65% and 50% rents (and any social rent). Peppercorn rent for Community facilities	CPI Q1 2019	
Housing Price Inflation (above standard inflation)	Scheme specific based on valuer input. Most schemes assume 0% as conservative position.	LBBB Finance and external advisor Q1 – 2019	Updated value to be provided by third party
Initial Equity Tranche	30%	LBBB Finance and external advisor Q1 – 2019	
Rent on unsold equity	2.75% Share Ownership, lets base on a CPI + 1%	LBBB Finance and external advisor Q1 – 2019	No change

Staircasing	1.5% p.a.	LBBB Finance and external advisor Q1 – 2019	Update to a more gradual staircasing up to 60%
Unsold equity at end of appraisal term	20% assumed unsold equity at year 50	LBBB (Andrew Sivess & external advisors) Q4 2018	
Year 1 Surplus/Deficit	Year 1 positive	LBBB Finance Q1 – 2019	
Year 6 Surplus/Deficit	Year 6 positive	LBBB Finance Q1 – 2019	
IRR – Private Sale	15%	LBBB Finance Q1 – 2019	
IRR – Private Rent	7%	LBBB Finance Q1 – 2019	
IRR – Shared Ownership	7%	LBBB Finance Q1 – 2019	
IRR – Affordable Rent	6.1%	LBBB Finance Q1 – 2019	
IRR – London Affordable Rent	5%	LBBB Finance Q1 – 2019	
IRR – Extra Care Private	7%	LBBB Finance Q1 – 2019	
IRR – Extra Care Affordable	6.1%	LBBB Finance Q1 – 2019	
IRR – Student Private	7%	LBBB Finance Q1 – 2019	
IRR – Student Affordable	6.1%	LBBB Finance Q1 – 2019	
Yield on Cost	4%	LBBB Finance Q1 – 2019	
Profit on Cost Private	15%	LBBB Finance Q1 – 2019	
Profit on Cost Affordable	5%	LBBB Finance Q1 – 2019	
NPV Discount Rate	5.0%	LBBB Finance Q1 – 2019	
New Homes Bonus Rate	£1,200 per unit per year blended rate	LBBB Finance Q1 – 2019	
Council Tax Rate	£1,200 per unit per year blended rate	LBBB Finance Q1 – 2019	
Management and Maintenance costs	£1,528 per unit per year for all affordable rent stock Private and SO full repairing leases and service chargeable	LBBB Finance Q1 – 2019	MyPlace cost to be benchmarked and costs to be split into component parts.
Voids	1.5% of rent	LBBB Finance Q1 – 2019	Suggested no change
Bad debt	1.5% of rent	LBBB Finance Q1 – 2019	Suggested no change
Lifecycle costs	£1,440 per unit per year from YR5 after PC.	LBBB Finance Q1 – 2019	Work to be carried out to smooth the payments across

			the full life of the asset
Service charge as income	£20-£25 per unit per week for private and SO tenure. No service charge income for affordable rental tenure	LBBB Finance Q1 – 2019	To be reviewed
B&D Energy Charges	£260 unit per year	B&D Energy	
Reside Operational unit costs	£395 currently	Reside	

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CABINET**17 September 2019**

Title: Risk Management Strategy	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Christopher Martin, Head of Assurance	Contact Details: Tel: 020 8227 2174 E-mail: Christopher.Martin@lbbd.gov.uk
Accountable Director: Helen Seechurn, Director of Finance	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary	
<p>The Council's Section 151 Officer (the Chief Operating Officer) is required by the Local Government Act to ensure that there are proper arrangements in place to administer the Council's financial affairs. This includes the development and adoption of key policies to manage any risk. The Accounts and Audit Regulations 2015 also require the Section 151 officer to have sound internal audit arrangements and a key element of this is the development and maintenance of an approach to risk management that is fit for purpose and works across the organisation.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to approve the Council's Risk Management Strategy, as set out at Appendix 1 to the report.</p>	
Reason(s)	
<p>To assist the Council in achieving each of its priorities of "A New Kind of Council", "Empowering People", "Inclusive Growth" and "Citizenship and Participation" through improved risk management arrangements.</p>	

1 Background

- 1.1. Risk management is an integral part of good management and corporate governance and is therefore at the heart of what we do. It is essential to the Council's ability to deliver public services and to fulfil our role as a custodian of public funds. All local authorities are legally required to have risk management arrangements in place.
- 1.2. Risk management is concerned with evaluating the measures in place, and the actions needed, to identify and control risks effectively. The objectives are to secure

the Council's assets and to ensure the Council's continued financial and organisational wellbeing.

- 1.3. Risk offers both significant potential positive and negative impacts on delivery and reputation and it therefore follows that a key organisational challenge facing the Council is embedding risk as part of the organisation's decision making process both in day to day operational situations and at the strategic level.
- 1.4. The Council's approach to Risk Management was last approved by Cabinet in January 2012.

2. Risk Management Strategy

- 2.1. Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development.
- 2.2. The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which all key risks are identified in all areas of the business and are understood and proactively managed rather than avoided. Risk management therefore needs to be taken into the heart of the Council and our key partners. We need to have the structures and processes in place to ensure the risks and opportunities of daily Council activities are identified, assessed and addressed in a standard way. We do not shy away from risk but instead seek to proactively manage it. This will allow us not only to meet the needs of the community today, but also be prepared to meet future challenges
- 2.3. The LBBB Risk Management vision is that the Council will have a robust system of risk management in place to identify, assess and manage the key risks in the Borough that may prevent it achieving the priorities identified in the Corporate Plan. Effective risk management will be a key management tool for LBBB, that is used to understand and optimise the benefits it can generate from calculated risk taking, as well as helping to avoid and manage unwanted surprises.
- 2.4. Under the Financial Regulations (Section 5.4.3) Chief Officers are responsible for: "maintaining risk registers in accordance with the Risk Management policy and framework, issued by the Council's Risk Manager. Chief Officers will regularly review the risks and advise the Council's Risk Manager appropriately of any material changes as they arise".
- 2.5. The Council's revised approach to Risk Management is appended as Appendix 1 and details how risks should be identified, assessed, treated and reported at LBBB. The approach has been designed in such a way that it is as an attractive and readable document as possible whilst capturing all of the appropriate information to empower managers across the Council to manage their risks.
- 2.6. The revised Risk Management Strategy sets out the high-level risk management framework for the Council and is a mandatory requirement across the organisation. The Strategy has been designed by the Head of Assurance to comply with the Audit Commission's recommended criteria, HM Treasury's 'Risk Management Assessment Framework' and CIPFA guidance.

3. Financial Implications

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

- 3.1 Risk Management is an integral part of good management and should be embedded in the day to day work of all Council officers and managers and delivered within existing resources. In addition there are specific fully funded posts within the Finance service that support this work. There are no further financial implications arising from this report.

4. Legal Implications

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

- 4.1 To reiterate the main body text of this report, risk management is a key role for the organisation across the board for Members, Chief Officers and the teams. As an example local authorities have a specific leadership role to plan for, be prepared and able to take action to respond to an emergency under the Civil Contingencies Act 2004.
- 4.2.1 Furthermore, if a risk is identified and reasonable measures are not taken to mitigate its likelihood of occurrence and if it is preventable, such as for example a tree on the highway was dangerously leaning over, the Council should take action and cut it down before it causes harm. To fail to do so could lead to legal liability to pay compensation for negligence and the reputational damage in not having taken steps to reduce the risk of occurrence and the magnitude of an event. To carry out risk assessments is therefore a core activity for management.

5. Other Implications

- 5.1 **Risk Management** - There are no risks to the Council in approving the new proposed Risk Management Strategy. Should the recommendation not be accepted, there is a risk that the Council's Risk Management Strategy and related guidance will not continue to align with best practice, or clearly define the Council's requirements for the management of its risk

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

List of appendices:

Appendix 1 Risk Management Strategy

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Appendix 1

Risk Management Approach

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September 2019

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Vision

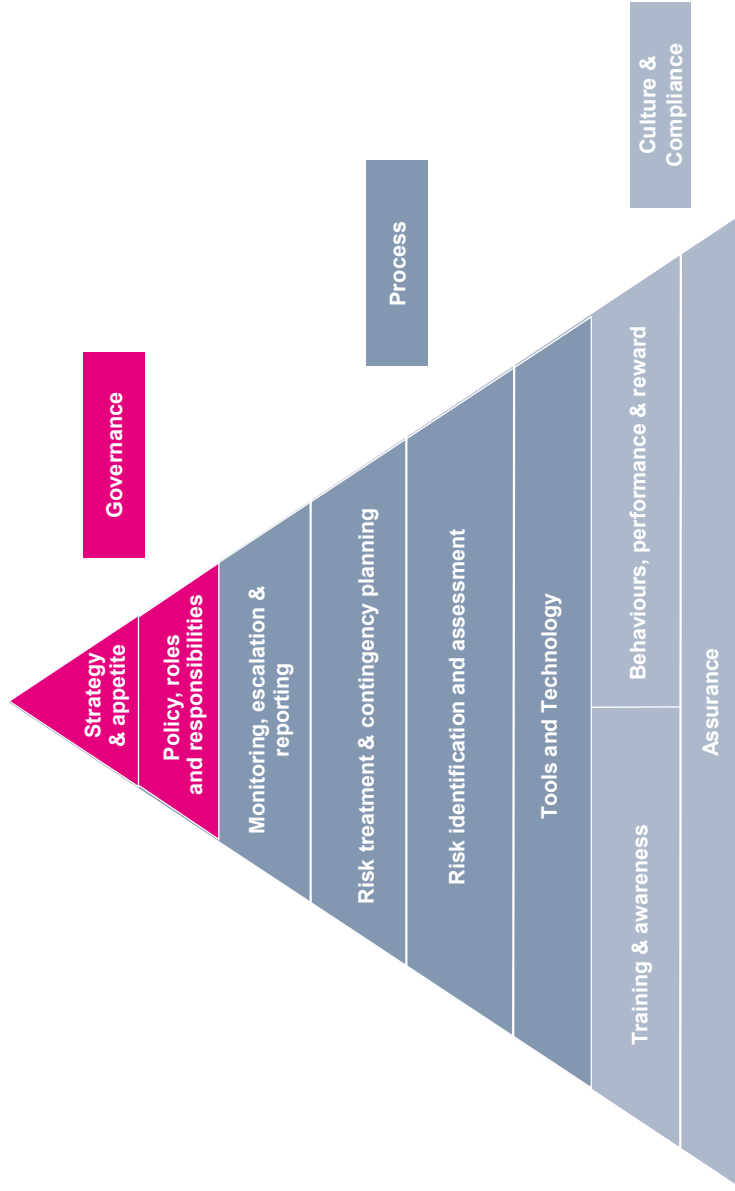
LBBB will have a robust system of risk management in place to identify, assess and manage the key risks in the Borough that may prevent it achieving the priorities identified in the Corporate Plan. Effective risk management will be a key management tool for LBBB, that is used to understand and optimise the benefits it can generate from calculated risk taking, as well as helping to avoid and manage unwanted surprises.



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Risk Management Framework

The risk management framework below comprises governance, process, culture and compliance activities. A combination of all these elements is required to enable risk management to operate in an effective and consistent manner throughout LBBD.



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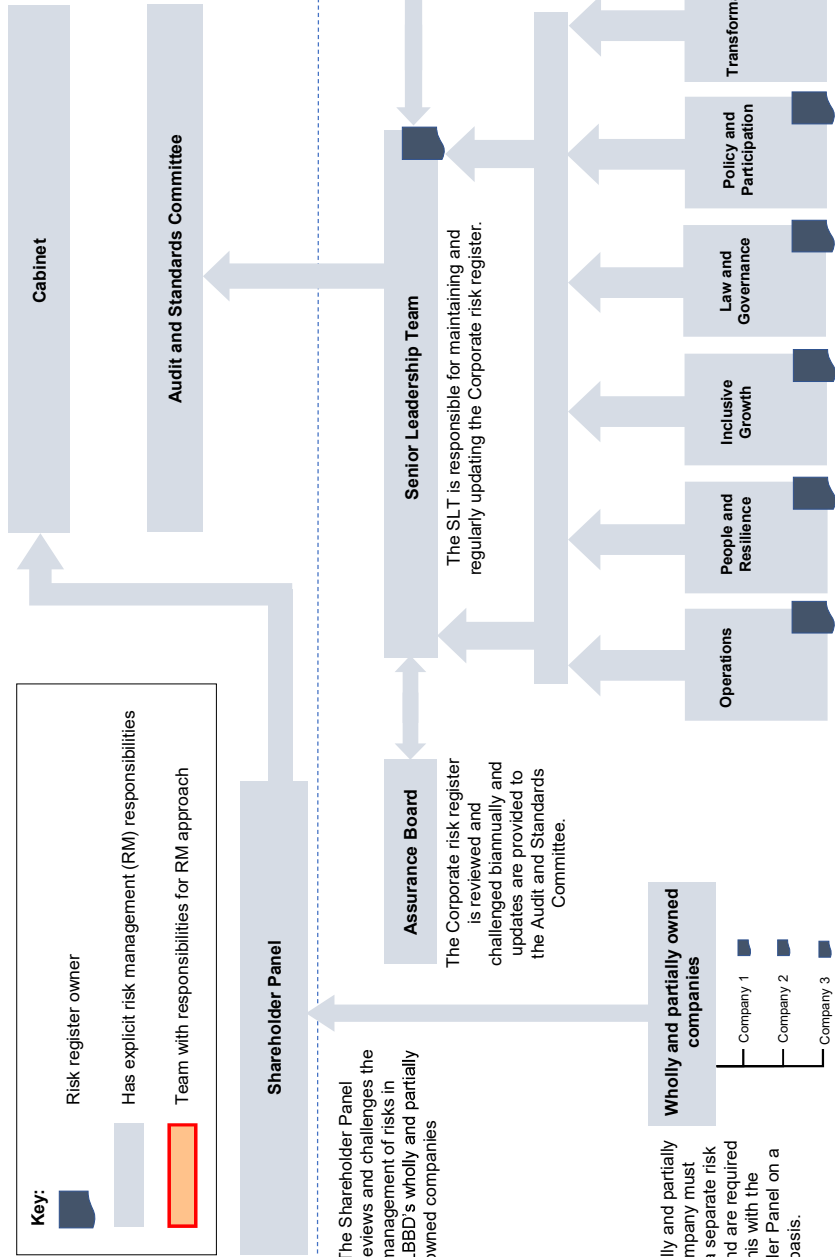
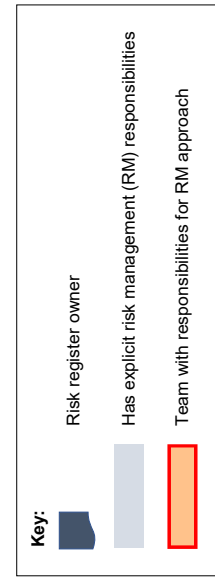
Governance



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Governance diagram



The Cabinet are responsible for defining the risk management strategy and policy and ensuring risks are effectively managed throughout LBBD.

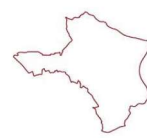
The Audit and Standards Committee are responsible for regularly reviewing the effectiveness of the risk management framework. They also review and challenge the Corporate risk register.

Risk Management Team (RMT)

Each major project/partnership has a Board or Project Manager who is responsible for identifying, managing and monitoring risks within their project / partnership.

Each Chief Officer is responsible for identifying and managing the significant risks within their Service or area of responsibility. They must maintain a risk register.

The RMT support the effective delivery of the risk management strategy, providing challenge and assessing the quality and rigour of risk management activities.



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Key roles and responsibilities

To successfully embed risk management throughout LBBB, the risk management process is supported by a number of defined key roles and responsibilities at each level of LBBB.

Key roles & responsibilities	
Who	Have ultimate accountability to ensure that risks are managed effectively throughout LBBB by maintaining effective systems of risk management and internal control.
Cabinet	<ul style="list-style-type: none"> Approve the Authority's risk management strategy and policy.
Audit and Standard Committee	<ul style="list-style-type: none"> Provide oversight of the effectiveness of the risk management system and assurance activities. Assist the Cabinet in fulfilling its oversight, challenge and monitoring responsibilities for the integrity, scope and design of the LBBB systems of internal controls and risk management. Review and challenge the Corporate risk register.
Shareholder Panel	<ul style="list-style-type: none"> Reviews and challenges the management of risks in LBBB's wholly and partially owned companies on a quarterly basis.
Assurance Board	<ul style="list-style-type: none"> Reviews and challenges the Corporate risk register biannually and provide updates to the Audit and Standards Committee. Discuss, scrutinise and challenge the approach to managing risk at an officer level. Responsible for designing and updating the risk management framework and policy. Receive notification of any material breaches of risk limits or procedures and agree proposed action.
Senior Leadership Team	<ul style="list-style-type: none"> Responsible for maintaining and regularly updating the Corporate risk register. Set the risk appetite for LBBB. Identify emerging risk areas that warrant focus (e.g. geo-political, regulatory shifts, etc.).
Risk Management Team	<ul style="list-style-type: none"> Provide local guidance and support on the risk management framework. Provide quarterly updates on Chief Officers' risk registers to SLT. Monitor all red and amber risks and escalating to the SLT if necessary. Offer consistent independent 'challenge' throughout the process of risk identification, assessment and response and provide their views of the impact and likelihood of risks occurring and the effectiveness of existing controls. Provide feedback on the overall quality and rigour of risk identification and management activities to individuals and leadership and support continuous improvement.



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Key roles and responsibilities

Key roles & responsibilities	
Chief Operating Officer	<ul style="list-style-type: none"> Responsible for the Authority's risk management policy statement and promoting it throughout LBBD.
Chief Officers	<ul style="list-style-type: none"> Responsible for identifying and managing the significant risks within their Service or area of responsibility and maintaining a risk register. Monitor and escalate their identified risks, in line with reporting requirements. Responsible for implementing the LBBD Risk Management policy within their areas of responsibility. Support and sponsorship of risk management in their area of responsibility. Provide the Risk Management Team with quarterly updates of their risks.
Other directors and managers	<ul style="list-style-type: none"> Responsible for the identification, management and monitoring of risks within their area.
Wholly and partially owned companies	<ul style="list-style-type: none"> Each wholly and partially owned company must maintain a separate risk register and are required to share this with the Shareholder Panel on a quarterly basis.
Risk Management Champions	<ul style="list-style-type: none"> Risk Management Champions support their Director with risk management. Coordinate and support the risk management process in their respective area. Report the key risk information on a quarterly basis to the Risk Management Team. Provide day-to-day support and advice on the risk management policy and process to management and staff. Liaise with the Risk Management Team to ensure that good practice risk management activities are shared across LBBD.
Risk Owners	<ul style="list-style-type: none"> Specific risk owners, e.g. CFO / DCS / DAS. This is a named individual with allocated ownership for each risk identified, who has single point of accountability and responsibility for the effective management of the risk. Be familiar with the risk and have the required authority to ensure its effective management. Be responsible for assessing and agreeing the severity of the risk and its mitigation plan. Be accountable for monitoring the risk to identify any material changes or issues.
Programme & Partnership Boards or Project Managers	<ul style="list-style-type: none"> Responsible for the identification, management and monitoring of risks within their project/partnership.



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Risk Management Process

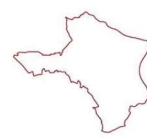
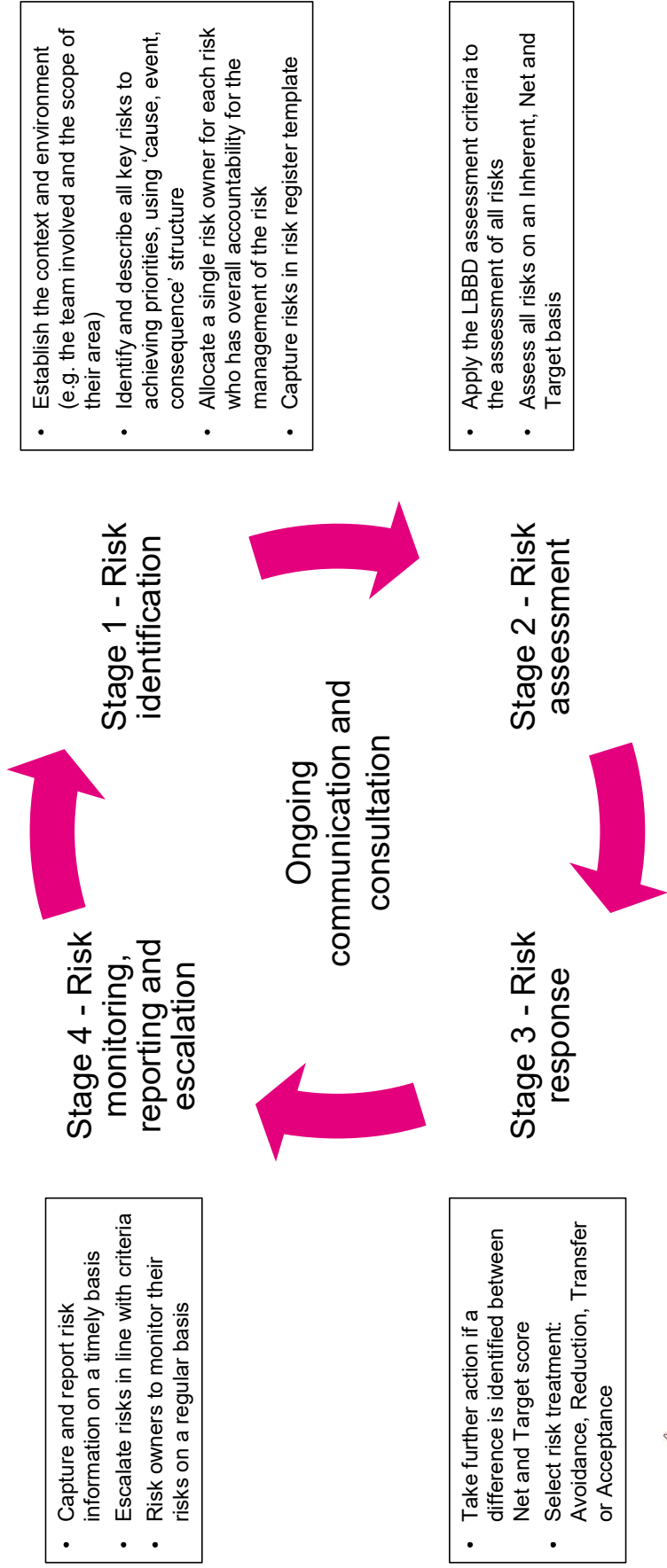


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Risk management process

The risk management process is comprised of four main stages and is applicable across the whole of LBB. The key activities and requirements for each stage of the risk management process are detailed below.



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Stage 1 – Risk identification

- 1) Establish the context and environment of the risk (i.e. the scope of the area involved and the internal and external factors affecting the current environment).
- 2) Use the risk identification timeline to define the period over which risks should be identified.
- 3) Clearly identify risks in terms of 'cause, event and consequence'.
- 4) Assign each risk an individual risk owner.

1) What is a risk?

A risk:

- is forward-looking (not a current issue)
- has an element of uncertainty
- could affect the achievement of priorities
- must be credible and foreseeable
- could lead to positive or negative effects

2) Risk identification timeline

Defining the time period during which a risk could materialise is important as it will influence which risks are identified, how they are assessed and how the mitigation activities are prioritised. LBB risks should be considered in the context of occurrence within a five-year period.

3) Describing a risk

Cause - The source of the risk event, the reason why the risk could happen

Event - Actions, incidents, or occurrences that arise from a cause that could have an effect on the achievement of priorities

Consequence(s) - Effects arising from the risk event, if it occurs, that could affect the achievement of priorities

Example of a risk description

“Insolvency of key supplier X, could lead to an inability to provide the required level of critical security services in the Borough for over 4 weeks, resulting in increased costs of [£], potential serious injuries to staff and residents and potential legal claims from residents of over [£].”

This risk description is precise and clearly identifies a single cause, the risk event and the consequences of the risk materialising. By identifying a specific cause, the risk can be accurately assessed, and effective controls can be put in place to manage the risk.



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Stage 2 – Risk assessment

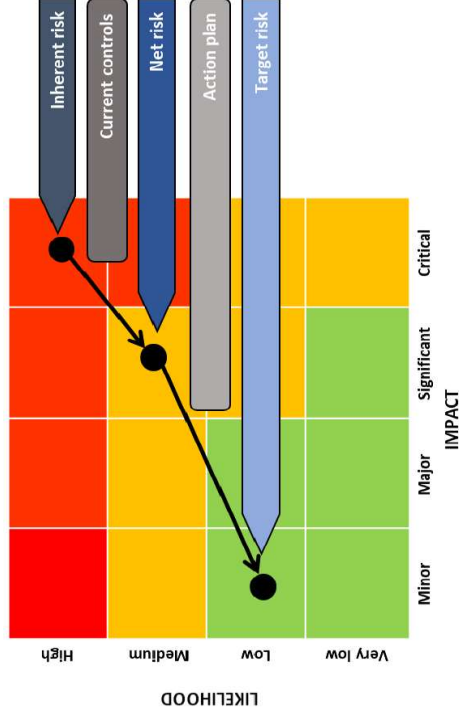
Assess the risk by considering two factors: the likelihood of the risk materialising and the potential impact(s) of the risk if it were to occur.

Likelihood - The likelihood of a risk occurring is determined by estimating the probability of the risk occurring within a five-year period.

Impact - The impact of a risk is established by considering its potential effects on the achievement of LBBD's priorities.

Risks should be assessed on three different basis:

Inherent	Net	Target
The impact and likelihood of the risk with no controls in place.	The impact and likelihood of the risk with current controls in place.	The impact and likelihood of the risk, once all further actions have been implemented.



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Stage 2 – Risk assessment - Impact criteria

The impact of a risk is established by considering its potential effects on the achievement of LBBD's strategic priorities. A standard scale to score a risk's effects is used. The impact is measured against four levels of severity using the impact factors detailed below. Where multiple impact areas are applicable, the assessment should be based on the factor with the highest impact.

Factor	Operational	Reputational	Health, Safety & Environment	Legal/ Regulatory	Financial	Effect on Project Objectives/ Scheduled Deadlines
Critical	<p>A key service cannot be delivered to the majority of residents for more than 7 days</p> <p>Failure of a strategic partnership</p> <p>Unauthorised release of constituents' personal data to a third party, including sensitive details</p>	<p>Prolonged, high profile national media coverage of over 7 days</p> <p>Adverse central government response that involves removal of delegated powers</p> <p>Officer(s) and/or Members forced to resign &/or governing body enquiry</p>	<p>Fatality(s) or permanent disabilities/illness to service users</p> <p>Fatality(s) or permanent disabilities/illness to employees or councillors</p> <p>Government / regulator / HSE investigation and action leads to restrictions on Authority providing a key service</p>	<p>Litigation / claims / fines costing £250k+</p> <p>Statutory prosecution</p>	<p>Costing over £500,000</p> <p>Up to 50% of Budget</p>	<p>Completion of a major project is delayed for 3 months or more</p>
Significant	<p>A key service cannot be delivered to the majority of residents for 2-7 days</p> <p>Failure of an operational partnership</p> <p>Unauthorised release of constituents' personal data to a third party, not including sensitive details</p>	<p>High profile national media coverage for 3-7 days</p>	<p>Multiple RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) injuries to employees or councillors</p>	<p>Litigation / claims / fines costing £100k to £250k</p>	<p>Costing between £50,000 and £500,000</p> <p>Up to 25% of Budget</p>	<p>Completion of a major project is delayed for 2-3 months</p>



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Stage 2 – Risk assessment - Impact criteria

Factor	Operational	Reputational	Health, Safety & Environment	Legal/ Regulatory	Financial	Effect on Project Objectives/ Scheduled Deadlines
Major	A key service cannot be delivered to the majority of residents for 1-2 days	High-profile media coverage within Greater London for more than 7 days	RIDDOR injury/illness to employees or councillors Significant deterioration of Council owned buildings, historical assets reducing the aesthetic amenity of an area.	Litigation / claims / fines costing £50k to £100k	Costing between £5,000 and £50,000 Up to 10% of Budget	Completion of a major project is delayed for 3-8 weeks
Minor	A key service cannot be delivered to the majority of residents for less than 1 day	High-profile media coverage within Greater London for 3-7 days	Non-RIDDOR injury/illness that results in lost time to employees or councillors	Litigation / claims / fines costing £25k to £50k	Costing less than £5,000 Up to 5% of Budget	Completion of a major project is delayed for less than 2 weeks



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Stage 2 – Risk assessment - Likelihood criteria

The likelihood of a risk should be considered in the context of occurrence at LBBB within a five-year period.

Likelihood	% of occurrence
High	>80%
Medium	50 - 80%
Low	20 - 50%
Very Low	≥20%



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Stage 2 – Risk assessment - Example

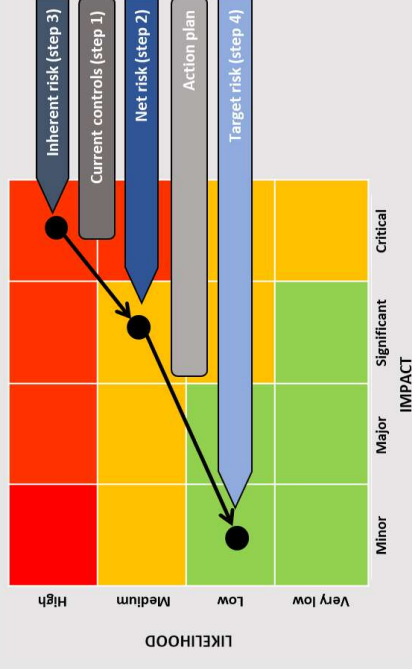
Risk description: “Insolvency of key supplier X, could lead to an inability to provide the required level of critical security services in the Borough for over 4 weeks, resulting in increased costs of [£], potential serious injuries to staff and residents and potential legal claims from residents of over [£].”

Step 1 – Current controls

Identify all significant controls that have an effect on actively managing the risk and consider their effectiveness. Focus on the identification of controls that are specifically in place to manage the risk (reducing its likelihood or impact) and have a material effect on its management.

Controls for the example risk description:

- Supplier due diligence process, including assessment of suppliers' financial stability
- Potential insolvency notification requirement in all supplier contracts
- Supplier Failure insurance



Step 2 – Assess the Net position

Taking account of controls, estimate the Net risk score. Given the effectiveness of the controls in place, what is the risk score (likelihood and impact of the risk) now?

Based on the described risk and its controls, and using LBBB's risk assessment criteria, in this example the Net risk position is assessed to have an impact of Critical and a likelihood of Medium.



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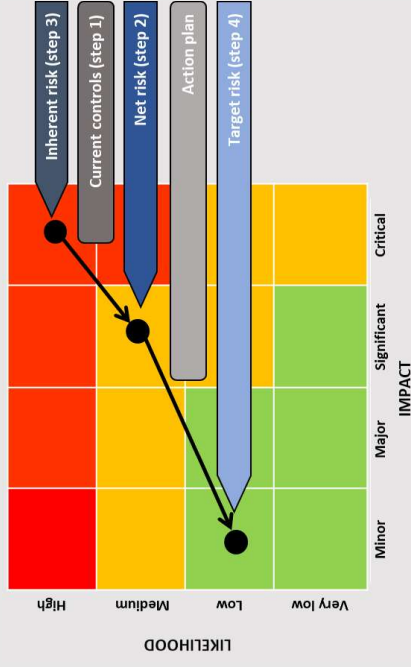
Stage 2 – Risk assessment - Example

Risk description: “Insolvency of key supplier X, could lead to an inability to provide the required level of critical security services in the Borough for over 4 weeks, resulting in increased costs of [£], potential serious injuries to staff and residents and potential legal claims from residents of over [£].”

Step 3 - Assess the Inherent position

Estimate what the impact and likelihood of the described risk would be if all the current controls (identified in Step 1) did not exist.

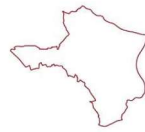
In this example, the Inherent risk position is assessed to have an impact rating of Catastrophic and likelihood rating of High.



Step 4 – Assess the Target position

Consider whether the current Net risk position is acceptable or whether the realistic desired impact and likelihood values are different.

In this example, the Target Risk is set at an impact rating of Marginal and a likelihood rating of Low. Considering the Net risk position, the impact and likelihood is determined not to be acceptable. The acceptable position is lower, and therefore requires further response activities to be put in place. For the example risk, these could include, for example, the roll-out of predictive indicators for key suppliers (such as monitoring supplier requests for improvements in payment terms, significant price increases and reductions in on-time delivery rates) and reducing the reliance on a key supplier by moving to several smaller suppliers.

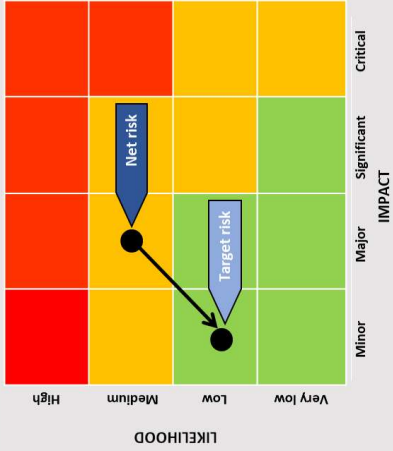
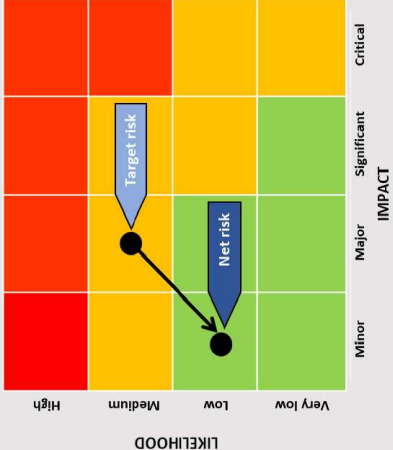
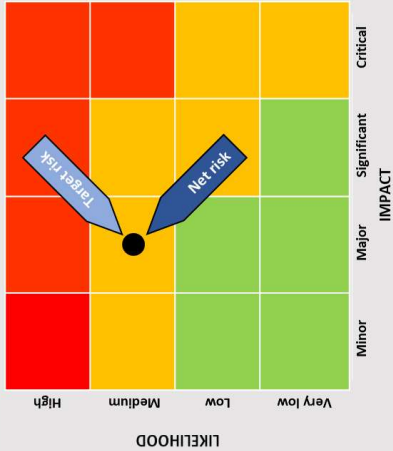


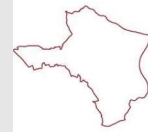
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Stage 3 – Risk treatment - types of action required

Once the Target risk position has been established, it should be compared against the Net risk position to understand if a risk response is required.

There are three possible outcomes:

<p>a) The Net risk score is greater than the Target risk score</p>  <p>Target risk score</p> <p>LIKELIHOOD: High, Medium, Low, Very low</p> <p>IMPACT: Minor, Major, Significant, Critical</p>	<p>b) The Net risk score is less than the Target risk score</p>  <p>risk score</p> <p>LIKELIHOOD: High, Medium, Low, Very low</p> <p>IMPACT: Minor, Major, Significant, Critical</p>	<p>c) The Net risk score is the same as the Target risk score</p>  <p>Target risk score</p> <p>LIKELIHOOD: High, Medium, Low, Very low</p> <p>IMPACT: Minor, Major, Significant, Critical</p>
<p>Action required: Reduce the level of risk exposure to an acceptable level by developing and implementing further mitigating actions that will reduce the Net risk exposure to the Target position.</p>	<p>Action required: Consider relaxing or removing controls until risk exposure is aligned with Target position. This can realise cost savings on existing responses and/or allow greater reward for taking more risk.</p>	<p>No further action required: Maintain and monitor controls to confirm that they remain effective. No action plan required.</p>



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Stage 3 – Risk treatment

Where the Net risk score is greater than the Target score ((a) on previous page), implement appropriate action(s) to bring the Net risk score in-line with the Target.

The risk owner has overall accountability for the management of the risk, though action owners can be assigned to implement specific response activities. There may be a number of response options available; these should be considered by the risk owner, based on the evaluation of their effectiveness, cost and feasibility.

Risk response options can be grouped as follows:

Avoidance	<p>Exiting the activities that give rise to risk, as the risk is unacceptable:</p> <ul style="list-style-type: none"> • Avoiding or eliminating the risk by deciding not to start or continue with the activity that gives rise to the risk, or by doing something differently e.g. substitution of an alternative step or activity. • This can reduce the risk to zero but may introduce other risks as a result that need to be evaluated.
Reduction	<p>Action taken to reduce risk impact and/or likelihood:</p> <ul style="list-style-type: none"> • Decreasing the likelihood and/or impact through enhancing existing controls or implementing additional controls.
Transfer	<p>Reducing risk likelihood or impact by transferring or otherwise sharing a portion of the risk:</p> <ul style="list-style-type: none"> • Common techniques include outsourcing activities or purchasing insurance products (Note: transferring does not necessarily eliminate or remove accountability or the effects of the risk e.g. outsourcing a process may not reduce the reputational impact to LBBD if something goes wrong but may reduce the likelihood if the third party is better placed to manage the risk).
Acceptance	<p>No action is taken to affect risk impact or likelihood. This means the current risk exposure is accepted.</p> <ul style="list-style-type: none"> • Taking the risk in order to pursue an opportunity or achieve a benefit/return. • Maintaining exposure to the risk by informed decision.



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Stage 4 – Risk reporting & escalation

Reporting

Timely capture, tracking and sharing of risk information is required to enable review and notification to management of changes in the risk environment. It supports understanding and decisions on risk responses to be made, including potential interventions to avoid a risk occurring or reduce its impact.

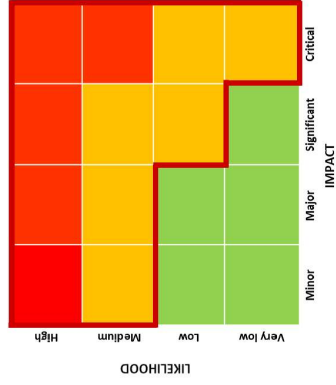
- Each Strategic Director's risk register is to be reviewed, updated and reported to the Risk Management Team on a quarterly basis.
- On a quarterly basis the most significant risks identified in the Strategic Director risk registers will be reported to the Corporate Assurance Group.
- On behalf of the Senior Leadership Team, the Risk Management Team will review and update the Corporate risk register biannually and report this to the Cabinet.

See **Appendix 1 – Risk reporting template**

Escalation

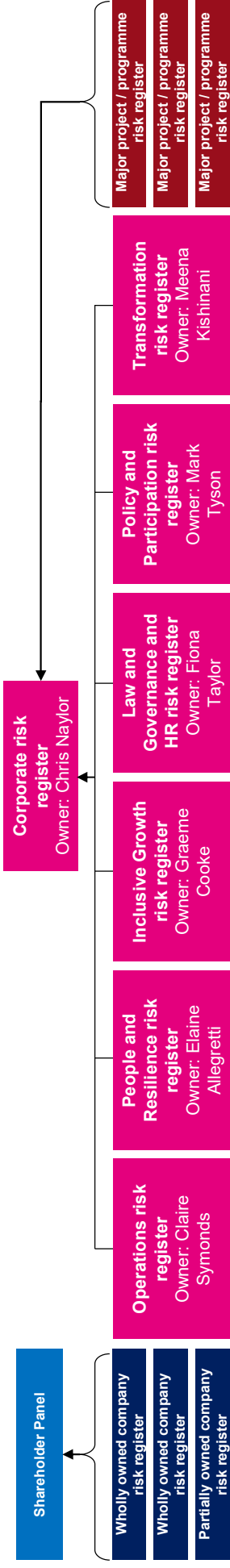
The escalation of risks should be timely and accurate. After risks are assessed they should be escalated in line with the following criteria:

- All Red and Amber rated risks identified in the Strategic Director risk registers are to be escalated to the Risk Management Team as part of the quarterly reporting process.
- The Risk Management Team will escalate to the Corporate Assurance Group if necessary in the next quarterly report.



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Stage 4 – Risk reporting & escalation - Risk register ownership



Corporate risk register

The most significant risks identified in LBBD will be recorded in the corporate risk register. The corporate risk register is reviewed and challenged biannually.

Chief Officer risk registers

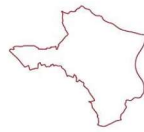
Each Chief Officer is responsible for monitoring and escalation of their identified risks and providing quarterly risk updates to the Risk Management Team.

Major project / programme risk registers

A risk register should also be in place for each of LBBD's major projects and/or programmes.

Wholly and partially owned companies' risk registers

In addition, wholly and partially owned companies must own and manage a separate risk register and are required to share this with the Shareholder Panel on a quarterly basis. Risks that are shared between LBBD and a company should be recorded on both risks registers. A risk owner should be identified from both LBBD and the company and it should be clear who is responsible for each element of the risk.



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Further information and contacts



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Further information and contacts

For further information about any aspect of the risk management approach:

Christopher Martin, Head of Assurance

Telephone : 020 8227 2174 | 07870 278188

Email : Christopher.Martin@lbbd.gov.uk



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Appendix 1 – Risk reporting template

1. Risk title

Risk Owner	[Insert Owner]
------------	----------------

Risk Description	[Insert risk description]
------------------	---------------------------

Impact	Inherent Risk	Net Risk	Target Risk
Impact			
Likelihood			

Controls	[Insert Control]

Further Action(s)	Action Owner	Delivery Due Date
[Insert further action]	[Insert action owner]	[Insert due date]

Additional comments on this risk	[Insert further comments]
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CABINET

17 September 2019

Title: Refurbishment of Redundant Units via Habitat for Humanity Model	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: Village and Mayesbrook	Key Decision: Yes
Report Author: Neil Pearce, Strategy & Commissioning, Inclusive Growth	Contact Details: Tel: 020 8227 5733 E-mail: neil.pearce@lbbd.gov.uk
Accountable Strategic Leadership Director: Graeme Cooke, Director of Inclusive Growth	
Summary:	
<p>The Council owns several dilapidated flats above shops within its General Fund commercial portfolio which are in a hazardous condition and are incapable of being commercially let. Returning the upper units back to use would require a capital investment deemed prohibitive to the General Fund but without significant funding they will remain wasting and depreciating assets causing neighbourhood blight.</p> <p>Based on a successful pilot project at restoring one of the Borough's oldest buildings at 35 East Street, Barking it is proposed that the Council lease 4-5 Royal Parade, 16a Woodward Road and 496 Gale Street, Dagenham to a charitable community housing group, Habitat for Humanity, who will be responsible for the repair obligations to the properties and returning the properties back to use.</p> <p>Under the proposal, Habitat for Humanity (HfH) will enter into leases for a set period of time and invest £665,472 refurbishing the units to a high-level specification agreed with Children's Services, which will return the properties back to habitable use and alleviate the pressure of finding accommodation for care leavers at risk of becoming homeless.</p> <p>Children's Services will appoint an appropriate agent to manage the units while HfH will recoup the refurbishment costs through the rental income for the duration of the lease. The Council will have nomination rights for the entirety of the tenure. The properties will return to the Council for their exclusive let and use on expiry of each lease.</p> <p>Without this upfront investment the units will deteriorate further and become structural liabilities. This proposal ensures restoration of the assets, while providing 11 bed spaces (14 including East Street) and mitigating the threat of homelessness for vulnerable care leavers coming through the system for at least 15 years.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
(i) Approve the lease of 4-5 Royal Parade, 16a Woodward Road and 496 Gale Street, Dagenham, to Habitat for Humanity to provide housing for care leavers at risk of homelessness, based on the terms set out in the report; and	

- (ii) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, the Director of My Place and the Director of Law and Governance, to finalise the terms and enter into the leases, contracts and all other necessary or ancillary agreements with the Habitat for Humanity.

Reason(s)

The proposals contribute to the Council's vision and priorities set out in the Corporate Plan:

- Develop place-based partnerships
- Shape great places and strong communities through regeneration
- Enable greater independence and protect the most vulnerable

1. Introduction and Background

- 1.1 In September 2016, following an audit of some of the Council's accommodation above shops, the Capital Assets Board agreed to work with not-for-profit housing charity, Habitat for Humanity (HfH) on a pilot project to renovate and refurbish the upper floors of one of Barking's oldest buildings 35 East Street. This was purchased as part of the regeneration scheme which created the Short Blue Place and Barking Technical Skills Academy in 2011 but has remained in a worsening state of dereliction with no planned future use.
- 1.2 The upper levels were completely dilapidated and returning them back to commercial or habitable use was considered prohibitive to the Council's General Fund. Structural surveys in 2014 suggested the need for extensive works to the joists, installation of steel beams; corner ties to support the floors and partitions; complete renewal of the roof and rebuilding of the chimneys; erection of new stair access to the side of the building; general rewiring, new plumbing and replastering to bring the building up to a simple, basic standard. In 2014 surveyors Davies Burton Sweetlove provided a conservative estimate of works of at least £137,000 for the basic remediation. These costs did not include renovating the units for habitable living.
- 1.3 It was noted at the time that even if the basic structural remediation was carried out at significant expense there were no guarantees of commercial interest in the upper floor units, even for storage purposes. As it stood the commercial tenant on the ground floor was uninterested in taking on the responsibility of additional repair obligations or an increased rent for two levels of dilapidated space and with access only possible through the shop premises it was unattractive to any other user.
- 1.4 Mindful that there were further properties with similar conditions and access problems, the Council tested the market in 2016/17 for organisations interested in bringing these types of properties back to use for social impact purposes and found little interest. Only HfH proposed a not-for-profit arrangement based on their previous experience of renovating empty homes. Their proposals were both sensitive to the design requirements of a locally listed building and their ethos shared our vision for providing new accommodation for households at risk of homelessness.

- 1.5 For the purposes of context, HfH are a global charity who provide decent, affordable homes for vulnerable people in housing need in locally appropriate ways around the world. Their values revolve around empowerment and partnership by engaging different sectors of society (voluntary, private and public) in helping communities to in providing local solutions to housing and community need. HfH works in London carrying out a range of construction-based projects to bring empty and underused buildings and land back into good community use, especially where possible as affordable rented homes for groups in local need such as vulnerable women and disadvantaged youth. With these empty homes' projects, they have also secured grant funding from Nationwide Foundation to provide on-site construction skills training for young people from local technical colleges in Barking and Dagenham. Several students from the local college have learnt practical on-site construction skills at East Street and more opportunities will arise with other properties.
- 1.6 The Capital Assets Board consequently approved a draft proposal to return the upper floors to residential use through a lease and repair arrangement. Under the model, HfH would provide the upfront investment on the proviso that the units are converted to habitable use for a set lease period in which they would recoup the costs through rental income. The Council would have the right to nominate the tenants, nominally care leavers at the risk of homelessness, and on expiry of the lease the property would return to the Council as potentially affordable housing or move-on accommodation.
- 1.7 Working with Care & Support services, HfH devised plans to reconfigure the two storeys while retaining the integrity of the buildings, with National Heritage having been involved in the plans. The current proposal, endorsed by Be First last year, will deliver two en-suite 1-bed units with shared dining facilities and living spaces in addition to a living quarter and office for an on-site support worker. New access has been provided by the erection of a design-sensitive stairwell leading directly from the Short Blue Place to the two floors of 35 East Street.
- 1.8 The total scheme costs for 35 East Street amounted to £261,000. HfH was successful in attracting £105,000 in grant from Land Aid, which works to improve the lives of disadvantaged children and young people in the UK, especially those at risk of homelessness. An additional £11,000 has come from Be First to restore the frontage and roofing of the dwellings as part of a townscape improvement programme of Barking town centre.
- 1.9 The refurbishment has since been carried out under a lease and repair arrangement with completion due in October 2019. On completion of works there will be an underlease back to the Council and, accordingly, the Council will have full use of the property with the lease expected to expire within 14 years.
- 1.10 The head-lease will be at a peppercorn rent and HfH will recoup their costs through the rent paid through the underlease by the Council through the tenants which will be £16,135 per annum. The rent has been calculated on the basis of the Local Housing Allowance (LHA) shared accommodation rate of £77.00 per week in addition to a just below market rate of £160 per week for the on-site worker's accommodation and office space.

- 1.11 To comply with the conditions of the Land Aid grant, Children's Services will, for at least the first seven years, occupy the dwelling and utilise the space for care leavers at risk of homelessness, although Care & Support are likely to utilise it for the full term of the lease. The service will be responsible for all nominations, client liaison, organising on-site support, management of the property and making sure the rent payments are made.
- 1.12 It is important to emphasise the value of this programme in ensuring suitable accommodation for Care & Support. The Council has a statutory duty under the Children's (Leaving Care) Act 2000 to act as Corporate Parents for young people leaving care. This duty requires the local Authority to provide accommodation and support tailored to the needs of each vulnerable young person.
- 1.13 As Council budgets continue to come under pressure, Children's Care and Support have been working closely with the SAFE Programme, private providers and the Council's Housing Services to source quality accommodation at a reduced cost against higher cost placements for Care Leavers. The current average cost across of all providers is £276 per week per individual as opposed to the £77 proposed under this model. Existing accommodation arrangements mean that many care leavers in receipt of housing benefit have an average £15 per week shortfall to make up to fund their housing costs.
- 1.14 These placements can be expensive and due to the limited number of move-on options many young people (18+) who are ready for independence remain in supported and semi-supported accommodation for longer than necessary – this results in them becoming reliant on services and places significant additional pressures on budgets. In order to be successful, they need to be given as much information, choice and control as possible whilst having flexible support that adapts to meet their needs, so sourcing accommodation which is safe and suitable to live in is integral for them to make a positive transition.
- 1.15 As this approach is cost effective, provides upfront investment, returns dilapidated units back to use and alleviates a housing and cost pressure on care leavers at risk of homelessness, the Capital Assets Board has proposed the same working model be adopted for three other small poor condition above-shop units including 4-5 Royal Parade, 16a Woodward Road and 496 Gale Street and recommended to Cabinet for approval.

2. Proposal and Issues

- 2.1 All of the identified buildings will continue to deteriorate, becoming structural liabilities and potentially vitiating our insurance policies. The proposed model rectifies this problem at no cost to the Council, while providing new high specification accommodation, supporting vulnerable households and in the case of Royal Parade contributing two new business spaces available for commercial let, thereby generating an income for the General Fund.
- 2.2 Below the report sets out the general strategy for refurbishment of each of the three units, delivering 11 new valuable bed-spaces for care leavers seeking to transition to independent living based and are based on specifications driven by Children's Services and associated quantity surveyor costs and architect designs.

- 2.3 All of the properties are expected to be completed by the end of 2020. As with the East Street example, Care & Support, Inclusive Growth and Legal Services will retain oversight of initial delivery. My Place will work with Be First to ensure compliance and quality assurance through a monthly project implementation group. Regular updates on progress will be reported to the Capital Assets Board. Care & Support will work with their providers to ensure suitable cohorts of care leavers are nominated over the period of the lease.
- 2.4 **4-5 Royal Parade, Church Street, Dagenham**
- 2.4.1 The property is set within a terrace of ten shops, each with a flat above the premises. 4-5 Royal Parade are two 2-storey shops which have been converted into one premises with the upper flats being separately retained but used for storage by the previous commercial tenant.
- 2.4.2 Built between 1900 and 1910 the property was described as being in 'very poor condition and not fit for purpose' in a structural report by John Burke Associates in 2015. The property is currently a shell with significant water ingress, numerous cracks in the external wall, hazardous roofing, floors, ceilings and dangerous wiring. The derelict and currently unoccupied state leave the property prone to squatting and pest invasion. The surveyor's report estimated basic repair and remediation costs to be to the value of at least £175,000 but could be more if further structural deterioration is found.
- 2.4.3 The proposal for Royal Parade is to deliver a basic shell renovation for the ground floor and reprovide two smaller commercial lets which My Place believe to be more attractive to current traders and thereby produce an income. The upper floor will be refurbished into one unit with 4 en-suite bed spaces with shared communal, kitchen and dining spaces. To make the scheme work existing internal staircases and a chimney breast will have to be removed and a new access to the upper floor from the front of Royal Parade will be provided by the right internal wall of the ground floor premises, separated from access to the commercial ground floor. Externally the property requires repairs to the brickwork, new glazing, new doors, extensive roof and guttering repairs and clearing of the yard at the rear of the property.
- 2.4.4 The costs of works are estimated to be £379,900 including VAT and will be delivered under a lease and repair arrangement as per East Street. The shell renovation to the commercial lets is expected to cost around £21,000 and is to be met by My Place as a one-off cost. The refurbishment costs for the upper floors are expected to be £358,900, with a significant external grant funding of £125,000 with HfH recouping the rest of their costs through the rent paid by the Council for the underlease which will be approximately £14,000 per annum. The rent has been calculated on the basis of the LHA shared accommodation rate of £77 per week per person and the expected lease period is 17 years.
- 2.4.5 Care & Support will be responsible for all nominations, client liaison, organising on-site support and management of the property. The rent payments should generally be covered by Housing Benefit.
- 2.4.6 Subject to Cabinet approval, the proposals would require planning permission for a change of use. Although the property is owned by the Council and is therefore exempt from licensing for the purposes of being a House in Multiple Occupation

(HMO), we will ensure that they meet the expected standards. Works could begin on-site by January 2020 with completion expected within 9-10 months.

2.4.7 A one-year licence has already been agreed for HfH to utilise the ground floor premises to allow volunteers, supplied by companies seeking to demonstrate their corporate social responsibility, help the projects in their initial stages. The unit will act as a base until works are completed.

2.5 **496 Gale Street, Dagenham**

2.5.1 This retail unit is situated at the end of a shopping parade built as part of the Becontree Estate around the mid-1920s and neighbours a MOT centre abutting Becontree underground station. While the property does not suffer from the same severe dereliction as Royal Parade, it is in poor condition following an unauthorised conversion of its upper stories into a drug and alcohol rehabilitation centre with bedsits without the relevant planning permissions. The commercial let is currently vacant.

2.5.2 The upper stories require significant internal refurbishment including an entirely new heating and drainage system, rewiring, kitchen and bathroom facilities. Internal walls have suffered damage from water ingress from suspected leaks in the roof. Externally the property requires repairs to the brickwork and window dormers, secondary glazing, re-insulation, new doors and roof repair. It does not require new access as this already exists to the side of the property.

2.5.3 The proposal seeks to provide a high specification conversion for 3-bed spaces, all en-suite with shared living spaces, kitchen and dining facilities, in line with the requirements laid out by Children's Services and will be used to provide accommodation for care leavers at risk of homelessness. A peer landlord model of management is likely to be adopted whereby one of the chosen care leavers volunteers to take responsibility for basic housing management, acting as the link between the household and the property manager.

2.5.4 The costs of works are estimated to be £189,372 including VAT and will be delivered under a lease and repair arrangement. HfH will recoup their costs through the rent paid by the Council for the underlease which will be £12,000 per annum and generally covered by Housing Benefit. The rent has been calculated on the basis of the LHA shared accommodation rate of £77 per week per person and the expected lease period is 16 years.

2.5.5 The proposals are deemed to be lawful development and not subject to planning permission. Although the property is owned by the Council and is therefore exempt from licensing for the purposes of being a HMO, we will ensure that they meet the expected standards. Works could begin on-site by January 2020 with completion expected within 9-10 months.

2.6 **16A Woodward Road**

2.6.1 The property is situated three units into the Woodward Road shopping parade comprised of nine outlets. It acts as one of two units with a T-shape roof plan with unequal ridges and dormers which are common among the many shopping parades constructed on the Becontree Estate in the mid and late 1920s.

- 2.6.2 The ground floor commercial unit is currently let to a newsagent but the large two-storey upper floors are unused and were previously poorly refurbished for residential use by the former tenant. Like its Gale Street counterpart, the property requires extensive internal refurbishment including a new heating and drainage system, rewiring, secondary glazing, new flooring and new doors. Externally the property requires brickwork repair, secondary glazing, re-insulation and new doors. However, no additional access is required as this is currently provided from the parade.
- 2.6.3 Unlike its Gale Street counterpart, the two-storey upper units are quite spacious and designs provide for a high specification conversion for 4 en-suite bed spaces and shared living spaces, kitchen and dining facilities, in line with the requirements laid out by Children's Services and will be used to provide accommodation for care leavers at risk of homelessness. Again, the property will adopt a peer landlord model of management whereby one of the chosen care leavers volunteers to take responsibility for basic housing management.
- 2.6.4 The costs of works are estimated to amount to £191,383 including VAT and will be delivered under a lease and repair arrangement. HfH will recoup their costs through the rent paid by the Council for the underlease which will be £16,000 per annum and generally covered by Housing Benefit. The rent has been calculated on the basis of the LHA shared accommodation rate of £77 per week per person and the expected lease period is 13 years. Even though the refurbishment costs for Woodward and Gale are comparable, a shorter lease period is achievable for this unit because of the additional bedroom provided.
- 2.6.5 The proposals are deemed to be lawful development and not subject to planning permission. Although the property is owned by the Council and is therefore exempt from licensing for the purposes of being a HMO, we will ensure that they meet the expected standards. Works could begin on-site by January 2020 with completion expected within 9-10 months.

3. Options Appraisal

- 3.1 Failure to rectify the hazardous conditions and structural dereliction will ensure the properties remain wasted, blighted assets, deteriorating further over time. The upper floors remain commercially unattractive to retail tenants either because of lack of direct access from the shop, the inability to easily shift goods up several flights of narrow stairs or due to the general poor condition of the flats.
- 3.2 The General Fund repairs and maintenance budget does not extend to covering the kind of prohibitive costs required for these properties. What are in effect major works would draw away funding from other minor and cyclical maintenance costs required across the portfolio occupied by commercial tenants yielding rents for the Council.
- 3.3 Soft market testing provided interest from only two parties with specialist experience in converting shops above flats into residential accommodation and only one of those parties offered an approach that was not-for-profit, sought to alleviate homelessness and came with a proposal which did not seek to gain a significant commercial mark-up.

- 3.4 The model is being recommended as a last resort approach for properties in the worst condition with the most prohibitive costs and it is not proposed that this model become normal practice. A new assets review is currently being undertaken and this will be the platform for making further investment decisions about other properties requiring extensive works, but which are unlikely to suffer the same level of dereliction.

4. Consultation

- 4.1 The draft plans have been discussed extensively with Be First, Inclusive Growth, Care & Support and the external stakeholders throughout the process. Where there are ground floor tenants affected, they have been advised that the Council is looking to refurbish the upper floors and adjust the tenancies and rents accordingly. Ward members have also been briefed on the proposals.

5. Financial Implications

Implications completed by: Kofi Adu, Group Finance Manager, Finance

- 5.1 The funding for this project will be at no cost to the Council, Under the proposal Habitat for Humanity (HfH) will enter into leases for a set period of time and invest £665,472 refurbishing the units to a high-level specification agreed with Children's Services which will return the properties back to habitable use and alleviate the pressure of finding accommodation for care leavers at risk of becoming homeless.
- 5.2 This funding arrangement will save the Council in the long term from the associated cost relating to homelessness. Part of the project such as Royal Parade will also bring into use two new business spaces which will be made available for commercial let, thereby generating an income for the General Fund.
- 5.3 As part of the project the council will be responsible to defray one off cost to the value of approximately £21,000, this will be funded from the My Place cost centre. This cost will not cause any financial burden to the council and the project will be managed within the budget envelop.

6. Legal Implications

Implications completed by: Ann Towndrow, Property Solicitor, Legal Services

- 6.1 The Council has the power to grant leases of the properties to HfH and to take leasebacks of the units, but must do so in accordance with the Council's acquisition and land disposal rules.
- 6.2 Disposal powers are contained in section 123 of the Local Government Act 1972 (1972 Act) under which the disposal of an asset must be at the best consideration reasonably obtainable unless ministerial consent is obtained or the disposal is to further local well-being. Acquisition powers are contained in s124 of the 1972 Act. In addition, section 111 of the 1972 Act enables a Council to do anything which is calculated to facilitate, or is conducive to or incidental to the discharge of any of its functions, whether or not involving expenditure, borrowing or lending of money, or

the acquisition or disposal of any rights or property. Further, section 1 of the Localism Act 2011 provides local authorities with a general power of competence.

- 6.3 Under section 18 of the Housing Act 1985, where a council acquires a building which may be suitable for housing, it must ensure that the building is so made suitable either by themselves executing the necessary works or by leasing or selling it to some person subject to conditions for securing that it will be made suitable, and these obligations should be covered in the documentation.
- 6.4 The Legal Practice confirms there is no legal reason preventing approval of the recommendations in this report, but the ring fence between the General Fund and the Housing Revenue Account must be fully observed.

7. Other Implications

- 7.1 **Risk Management Issues** – Based on the experiences of the East Street model, the parties involved have worked to mitigate risks of the project failing and continue to work closely to minimise any risk through the appropriate planning, building regulation, legal and commissioning services as well as overall project oversight from the project implementation group. The Council is confident of working with HfH as it is a renowned global charity with a sound financial footing.
- 7.2 **Contractual Issues** - The Council will enter into an agreement for lease and underlease with HfH who will be responsible for the execution of all remediation works. HfH will then sub-lease the premises to the Council on completion of works for the entirety of the demise. These leases are to be drafted and on the basis of the East Street template. The project implementation group will be responsible for monitoring the contractual arrangements.
- 7.3 **Corporate Policy and Equality Impact** - The scheme supports the Council's objectives and design specifications within the Draft Local Plan. Returning the properties to is a key requirement of making better use of our assets underpinning the My Place Improvement Plan and emerging Inclusive Growth Strategy and will provide much needed move-on accommodation for care leavers at risk of homelessness. The proposal is neutral in its impact upon the protected characteristics outlined in the Equality Act 2010.
- 7.4 **Safeguarding Adults and Children** - Refurbishing and returning the properties to use with the potential to accommodate young adults leaving care ensures the project has regard to the Children Act 2006 by improving the accommodation offer to a commissioning service which already has difficulty sourcing affordable and appropriate premises. Relevant safeguarding issues have been given due consideration and are intrinsic to the design.
- 7.5 **Crime and Disorder Issues** - Due consideration has been given to s.17 of the Crime and Disorder Act 1998. There are no general crime and disorder issues but leaving the property dilapidated and vacant creates blight and attracts the potential for anti-social behaviour and criminal damage.
- 7.6 **Property / Asset Issues** - The Council is proactively seeking to make better use of its stock and where viable convert hard-to-let commercial premises to residential use to ease the chronic lack of supply of housing in the borough. The proposal

allows the Council to retain ownership of the dwellings as landlord and ensure the tenant meets the repair obligations generally required of all lessees.

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

List of appendices: None

CABINET

17 September 2019

Title: Redevelopment of 263 - 285 Rainham Road North and 291 - 301 Oxlow Lane	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: Heath	Key Decision: Yes
Report Author: Mark Crane, Head of Affordable Housing Delivery, Be First	Contact Details: Tel: 020 8227 2350 E-mail: mark.crane@befirst.london
Accountable Director: Ed Skeates, Development Director, Be First	
Accountable Strategic Leadership Directors: Claire Symonds, Chief Operating Officer, and Graeme Cooke, Director of Inclusive Growth	
Summary	
<p>263-285 Rainham Road North and 291-301 Oxlow Lane comprise 17 properties, of which 12 are occupied by Council tenants and 5 by leaseholders. The existing buildings are in reasonable condition. However, the site is under-utilised with poor quality open space. The estate has long been considered as a potential redevelopment scheme because of the potential to significantly increase the amount of housing on the site. It was identified in the Council's Estate Renewal Programme 2015-2021, the Investment and Acquisition Strategy 2017, and Be First's Business Plan 2019 – 2024; all of which have been approved by Cabinet.</p> <p>Feasibility work has been undertaken to assess the development potential of the site, which identified that there is significant potential to intensify the use of the site to provide c.60 new homes. The proposed scheme is 100% affordable; 65% Affordable Rent and 35% London Affordable Rent/Council target rent (homes at target rent will be provided for existing tenants of the blocks who wish to return to a new build home on the site). This represents a significant increase in both the number of affordable homes on the site and the number of homes at LAR/target rent which can be allocated to households from the Council's housing register. The scheme has been endorsed by the Investment Panel.</p> <p>The existing tenants have a legal right under Section 105 of the Housing Act 1985 to be consulted on matters of housing management, which include any development proposal resulting in the potential relocation of tenants. This consultation has now been carried out, and it sought to understand their views on the redevelopment proposals and their housing needs to ensure that suitable alternative housing could be found if the redevelopment goes ahead. The two options discussed were:</p> <ul style="list-style-type: none"> - Do nothing - Comprehensive redevelopment 	

The vast majority (c.77%) of residents who provided feedback were supportive of the option to comprehensively redevelop the site.

In accordance with standard Council practice for estate renewal projects, it is proposed that Initial Demolition Notices are served on the existing tenants to enable vacant possession of the site to be secured for redevelopment.

It is intended that vacant possession should be achieved through discussion and agreement with the tenants and leaseholders, although the use of the Council's compulsory purchase powers may be required as a last resort. Cabinet approval is sought in principle to the use by the Council of its Compulsory Purchase Order (CPO) making powers, should they prove necessary to facilitate the future redevelopment of the site.

It is envisaged that the ownership of the new homes will be within the Reside structure, which is outside of the Housing Act. Pursuant to section 122 of the Local Government Act 1972, Cabinet approval is required to appropriate the land from the Housing Revenue Account to the General Fund.

The Cabinet report explains the outcome of the resident engagement, and seeks the following approvals so that the redevelopment can proceed:

- approval to serve demolition notices and use of Compulsory Purchase Order (CPO) powers;
- approval to appropriate the land from the Housing Revenue Account to the General Fund.

If approved, Be First would prepare a detailed planning application to redevelop the site to deliver a residential scheme comprising c.60 affordable homes (65% Affordable Rent and 35% London Affordable Rent/Council target rent).

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve the proposed redevelopment of 263-285 Rainham Road North and 291-301 Oxlow Lane, RM10 7NJ, as shown edged red in the plan at Appendix 1 to the report, having considered the outcomes of the consultation with affected residents as summarised in section 2 and Appendix 3;
- (ii) Agree the service of Initial Demolition Notices on all secure tenants at the affected properties at the appropriate time, in order to suspend the requirement for the Council to complete Right to Buy applications for as long as the notices remain in force and delegate approval and timing of final notices to the Director of Inclusive Growth, in consultation with the Director of Law and Governance;
- (iii) Approve in principle to the use by the Council of its Compulsory Purchase Order (CPO) making powers, should they prove necessary to facilitate the future redevelopment of the site;

- (iv) Approve in principle the appropriation of the land, as shown edged red in the plan at Appendix 2 to the report, under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund;
- (v) Agree to allocate £2,243,000 from the Investment & Acquisition Budget to fund the pre-development costs:
- (vi) Agree the inclusion of the project in the Council's Capital Programme in the total sum of £15,484,000 subject to securing planning permission and procurement of a contractor in accordance with the project outputs and budget;
- (vii) Agree in principle the funding strategy set out in section 4 of the report, including borrowing up to £10,203,000 within the General Fund from the Public Works Loan Board, to finance the development and ownership of the affordable rent homes via a loan agreement made between the Council and any suitable vehicle that the new units may be held in (e.g. a new B&D Reside Registered Provider or other Reside vehicle);
- (viii) Delegate authority to the Director of Inclusive Growth, in consultation with the Chief Operating Officer, the Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to determine the final arrangements and agree the contract and ancillary legal documents to fully implement and effect the proposals set out in the report; and
- (ix) Authorise the Director of Law and Governance to execute all the legal agreements, contracts and other documents on behalf of the Council.

Reason(s)

The recommendations are designed to increase the amount of affordable homes in the borough and ensure that these new homes benefit local residents, including those already living on the estate. As such they are aligned to the Council's strategy for Inclusive Growth.

1. Introduction and Background

- 1.1 265-285 Rainham Road North and 291-301 Oxlow Lane are currently occupied by 17 residents (12 tenants and 5 leaseholders, two of whom are private landlords).
- 1.2 The estate was first identified as a potential estate renewal scheme as part of the Council's Estate Renewal Programme 2015-2021, which was approved by Cabinet on 27 January 2015. It was included in the Pipeline Regeneration Programme contained within the Council's Investment and Acquisition Strategy 2017 approved by Cabinet on 19 September 2017. The scheme is included in the Be First Business Plan approved by Cabinet on 21 May 2019.
- 1.3 In January 2015 Cabinet agreed a number of recommendations to deliver the Estate Renewal Programme 2015-21. However, at that stage, the statutory consultation relating to this estate had not been undertaken. This has now been done, and the findings summarised in this report. As such, Cabinet is now asked to

consider the recommendations in this report in light of the findings of the consultation alongside the wider benefits the proposals would bring as set out in this report, including a significant uplift in the number of affordable homes on the site.

- 1.4 The buildings on the estate are in reasonable condition. However, the open spaces are poorly configured and under-used, and the site has significant development capacity to provide additional affordable housing. An aerial photo of the site is provided in Appendix 1. Feasibility work has been undertaken, which has identified that there is potential to redevelop the site to provide c.60 new homes, together with improved open spaces. The proposals have been reviewed and approved by the Investment Panel as an investable proposition.
- 1.5 The existing tenants and leaseholders have a legal right under Section 105(1) and (2) of the Housing Act 1985 to be consulted on matters of housing management, which include any development proposal resulting in the potential displacement of tenants or relocation of demolition.
- 1.6 The consultation with existing residents has been carried out, which is explained in further detail in the following section.

2. Resident Consultation

Methodology

- 2.1 Successful visits were undertaken with 13 of the 17 residents, including 11 of the 12 tenants. The residents were asked their preference from the following options:
 - Do Nothing
 - Comprehensive redevelopment
- 2.2 The following information was also gathered during the visits:
 - What they liked/disliked about their current housing and the local area.
 - Whether their current housing needs were being met.
 - What impact moving home would have on them.
 - Specific support they would need in order to relocate.
 - Whether they would like to return.
- 2.3 Demographic information was also gathered in relation to Gender, Age, Ethnicity, Religion, and Disability.

Resident feedback

- 2.4 The feedback on the development options was:
 - 10 were in favour of comprehensive redevelopment.
 - 2 were opposed to comprehensive development.
 - 1 was undecided.
 - 4 provided no feedback (as unable to arrange visits or telephone call).

2.5 Common points raised in the feedback from residents was:

- current housing is spacious and meets residents' needs,
- security and safety concern of the car park area, where there is some anti-social behaviour,
- security into the buildings, particularly the main door entry which needs repairing
- poor ventilation within the flats creating moisture and damp in the kitchen and bathrooms,
- poor quality communal areas and open spaces,
- preservation of the open space facing Rainham Road North important,
- would like the front of the building to look modern to create a more attractive frontage onto Rainham Road North.

2.6 Should redevelopment go ahead key points raised by residents were:

- concerns about the stress of moving
- help with finding a suitable home and removal
- financial support
- support with decoration of new home

2.7 Further detail on the consultation feedback is provided in Appendix 3.

2.8 Based on the feedback from residents along with the wider considerations on the merits of the proposals as a way to further meet housing need in the borough, it is proposed that the existing buildings are demolished in order to create new high-quality housing and open spaces.

3. Proposals

3.1 Feasibility work has been undertaken, which has been reviewed by the Investment Panel, who approved the following proposal:

- 60 homes, all of which would be affordable based on the following tenure mix:
 - i) 65% Affordable Rent (39 units)
 - ii) 35% London Affordable Rent/Council target rent (21 units)

3.2 The total development costs for the project are estimated at £15,484,000, which includes pre-development costs of £2,243,000.

3.3 The financial performance of the project against the Council's investment criteria has been assessed as follows:

Investment Criteria	Target	Actual
Year 1 Surplus/Deficit	£0k	£224k
Repayment Period (Yrs)	30	23
Cash Flow IRR	5.6%	7.7%
Yield on Cost	4.0%	5.2%
Profit on Cost	5.0%	11%

4. Delivery Arrangements

Rehousing and Leaseholder buyback offer

- 4.1 Be First's portfolio of council-owned estate renewal schemes includes a large number that require the demolition and replacement of tenanted blocks. There is therefore a need to manage the development of these extremely sensitively with the early engagement of the affected residents and communities. In June Cabinet agreed an estate renewal resident offer, and also agreed that this is the offer that will apply to the residents of Oxlow Lane if Cabinet agrees to proceed with the proposed redevelopment. The offer is summarised as follows:

Council tenants:

- Tenants will have top priority to bid for an alternative Council home in the borough
- Tenants will have a Right to Return to one of the new homes within Reside – at a Council target rent and on an Assured tenancy
- A home loss payment of £6,300 (updated annually) and disturbance payments to cover the cost of moving
- Help to move out of the borough, if they want to

Resident leaseholders:

- Resident leaseholders will get market value for their home plus a 10% home loss payment
- No resident leaseholder will need to move away from the local area if they don't want to – the Council will give assistance if they can't afford a suitable property on their own
- Resident leaseholders will have a Right to Return to one of the new homes – with assistance if they can't afford on their own

Non-resident leaseholders:

- Non-resident leaseholders will get market value for their property plus a statutory basic loss payment of 7.5%.

- 4.2 The proposal set out in this report requires the leaseholder buyback of 5 properties, and the rehousing of 12 tenanted households.
- 4.3 Should the development be approved, Be First and Council staff will work with the existing residents to enable them to find a new home that meets their housing needs. Council tenants will be given high priority to bid for alternative accommodation through the Choice Homes scheme. This will give them access to alternative council homes as well as housing association properties that become available to let through the scheme. They will also be offered the opportunity to return to live in one of the new homes on similar rents to those they are currently paying should they wish to do so. The new homes will be offered at rents set using the Target Formula to align with the policy for HRA re-lets, meaning a move to an alternative Council home or a Reside new home in this development would be on the same rental terms.
- 4.4 For leaseholders, the Council will buy back their home at market value. The Council may also give financial assistance to leaseholders to buy an alternative home.

- 4.5 In the event that the leaseholders' interests cannot be purchased by agreement, the Council may need to use its Compulsory Purchase powers in order to secure vacant possession of the site. The Council recognises that its Compulsory Purchase Order powers are among the strongest powers enabling delivery of development proposals, and that their potential to impact on the human rights of the individuals affected by the proposals. The Council will make every effort to pursue redevelopment in consultation with tenants and through voluntary agreement with owners of individual interests. Negotiations will continue in parallel with the preparation and making of a CPO which will be a final resort.
- 4.6 Tenants and leaseholders who need to move as result of the regeneration proposals will be eligible for a home-loss payment if they have been living in their home for 12 months or more. Tenants and leaseholders will also receive payments towards the cost of moving fixtures and fittings and have their removals organised by the Decant Team.
- 4.7 Approval for Initial Demolition Notices is requested subject to a delegation to do so at the appropriate time and having regard to consultation responses. The ground for possession for the tenanted household will be under Housing Act 1985, Sch 2 Ground 10, i.e.

The landlord intends, within a reasonable time of obtaining possession of the dwelling- to demolish or reconstruct the building or part of the building comprising the dwelling-house.

Ground 10 requires that alternative accommodation is offered to the secure tenant.

Planning process

- 4.8 Planning permission will be required for the proposed development, which will be managed by Be First on behalf of the Council. Tenants, leaseholders and the wider local community will be involved in the design and planning process. Public consultation events will be carried out where residents can view and comment on the proposals. There will also be an opportunity to view and comment online through a dedicated website.

Programme

- 4.9 Subject to approval of the recommendations in this report, consultation will commence on the development proposals during early October, with a planning application being submitted in late 2019/early 2020. It is proposed the scheme is delivered by Be First, who will progress the project through the planning process, manage site preparation, the delivery of the works and management of the completed scheme. It is proposed that a contractor for the works is procured through the new Be First development framework.

- 4.10 An indicative timetable is set out below, which allows 18 months from the Cabinet decision to complete the decant process, prior to starting the construction works:

Milestone	Date
Cabinet decision	September 2019
Planning submission	December 2019
Planning approval	March 2020
Start on Site	March 2021
Practical Completion works	March 2023

Funding

- 4.11 The estimated development costs are c.£15,484,000 to be funded through a combination of HRA funding, Right to Buy receipts and borrowing, broken down as follows:

HRA	£1,101,000
GLA Grant	£2,100,000
Right to Buy	£2,080,000
Council borrowing	<u>£10,203,000</u>
Total	£15,484,000

- 4.12 HRA funding is required to purchase the leasehold interests and fund the decant costs for the tenants. The remaining funding covers professional fees and construction costs.
- 4.13 It is proposed that the development and ownership of the new affordable homes is financed through borrowing up to £10,203,000 within the General Fund from the Public Works Loan Board. The funding is proposed to be provided through a loan agreement between the Council and Reside.
- 4.14 The pre-development costs are estimated at £2,243,000, including acquisition costs, demolition and enabling works, and professional fees. It is proposed that these costs are funded through the Investment and Acquisition Budget.

5. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager

- 5.1 263-285 Rainham Road North and 291-301 Oxlow Lane, forms part of the 44 schemes agreed as part of the Acquisitions and Investment Strategy. The report proposes to redevelop the site to deliver 60 affordable units, including 21 London Affordable Rent units. The scheme provides a positive yield on cost. Based on the information included in the report finance would support the development proposal.
- 5.2 The proposed costs of £15.48m (borrowing of £10.2m) are reflected in the Be First Business Plan approved by Cabinet. Financing the construction will include interest rate risk and cost of carry and these risks will be mitigated by close monitoring of the cashflows and through securing borrowing within the borrowing costs within the schemes' model of 3%.

- 5.3 The decant costs funded through the HRA will require full oversight and should be linked to HRA Business Plan and incorporated into the financial appraisal for the scheme.
- 5.4 The proposal will provide additional residential units and provides both a positive return over year one and year six and is therefore an investable scheme.

6. Commissioning Implications

Implications completed by: Graeme Cooke, Director of Inclusive Growth

- 6.1 There is significant potential to increase and improve the quality of affordable housing through the redevelopment of 263-285 Rainham Road North and 291-301 Oxlow Lane.
- 6.2 This proposal provides a net gain of 42 affordable homes, which represents a significant increase in the number of affordable homes on the site and as such will help to meet the need for more homes that are affordable to local residents on low to median incomes.
- 6.3 There are 12 tenants and 5 leaseholders who would need to be rehoused if Cabinet approves the scheme. Consultation has been undertaken, which has found clear support for the proposals from those tenants who live in the block. The engagement has also helped the Council to begin to understand the housing needs and preferences of the residents who live on the site before the re-housing process begins in line with the Council's re-housing offer.
- 6.4 The new homes will be held and managed by Reside and prioritised for local residents in line with the Council's Allocation Policy. Residents currently living in the block will be given a right to return to one of the new homes if they want to, and a number have already indicated they would like to. These households will be prioritised for the new homes and be given an assured tenancy and a council target rent within Reside, which is the tenancy and rent which most closely matches their current council tenancy and rent. The other homes for London Affordable Rent will be allocated to households on the Council's housing register in line with the Allocations Policy, and homes at Affordable Rent will be allocated to local working households in line with Reside's allocations criteria.
- 6.5 Given the above, ongoing engagement with existing residents and the wider community, is essential so that they have the opportunity to be involved in the design of the site.

7. Legal Implications

Implications completed by: Paul Feild, Senior Governance Lawyer, Legal

- 7.1 The site is currently occupied by tenants and leaseholders of the Council who have a legal right under Section 105(1) and (2) of the Housing Act 1985 to be consulted on matters of housing management which include any development proposal resulting in potential displacement of tenants or relocation of demolition. The proposal contemplates that that the housing development comprising 60 affordable units will be delivered by Be First (as development manager) and will ultimately be

held by a suitable Reside vehicle (being either a new Registered Provider which may be registered by the Council/Reside or an existing entity within the Reside structure). The land needs to be appropriated from the Housing Revenue Account, which is considered further below. Consultation has been carried out with residents and leaseholders affected by the proposals in accordance with s.105 of the Housing Act 1985. Cabinet is presently requested to approve the recommendations in this report.

Council Powers

- 7.2 The Council has power to deliver the development scheme by virtue of the general power of competence under section 1 of the Localism Act 2011, which provides the Council with the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.
- 7.3 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to participate in the transaction and enter into the relevant project documents further support is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
- 7.4 In exercising the power of general competence and in making any investment decisions, the Council must also have regard to the following:
- i. Compliance with the Statutory Guidance on Local Government Investments;
 - ii. Fulfilling its fiduciary duty to tax payers;
 - iii. Obtaining best consideration for any disposal;
 - iv. Compliance with Section 24 of the Local Government Act 1988 in relation to giving financial assistance to any person (which either benefits from a general consent or requires express consent by the Secretary of State);
 - v. Compliance with any other relevant considerations such as state aid and procurement.

Consultation with tenants

- 7.5 Section 105 of the Housing Act 1985 requires the Council to consult with all secure (and demoted) tenants who are likely to be substantially affected by a matter of housing management, which includes development proposals and demolition of dwellings by the housing authority. Such consultation must inform the tenants of the proposals, provide an opportunity to make their views known to the Council within a specified period and consider the representations made to the Council.

7.6 The courts have determined that to be effective consultation must be carried out at a formative stage of any proposals; sufficient reasons must be given for the proposals, together with adequate time, to allow intelligent consideration and response any responses must be taken into account when making a final decision.

Achieving Vacant Possession

7.7 The development site has existing residents, being tenants and leaseholders. In due course, negotiations will be necessary to acquire vacant possession through voluntary sale/buybacks. As a last resort Compulsory Purchase Orders can be considered under the Land Compensation Act. A decision to proceed with a Compulsory Purchase Order will require formal resolution by Cabinet and future report will need to make a compelling case in the public interest and fully demonstrate the grounds for proceeding with a CPO are met. Impacts on equalities and human rights implications for existing tenants/leaseholders and any other affected parties are key considerations which will factor into decision making (this is considered further below).

7.8 Demolition Notices, which are proposed to be utilised to enable delivery of the scheme, would preclude Council tenants who are within the site boundary exercising their right to buy within sites earmarked for regeneration under the provisions of the Housing Act 2004. At the time of a demolition notice there must be a clear and firm intention to redevelop, therefore, care needs to be taken about the timing and service of Demolition Notices (consideration of which has been delegated to the Director of Inclusive Growth). The Council is empowered to serve *Demolition Notices* where areas have been identified for estate renewal, regeneration and redevelopment. There is a prescribed notification process:

- firstly, the service of an Initial Demolition Notice which is valid for up to five years and can be extended to a maximum of seven years, an Initial Demolition Notice will prevent named properties from being acquired from the Council through Right-to-Buy as the Council is not obliged to sell the properties to the tenants. If, exceptionally, the proposals to redevelop or demolish or the relevant boundary change following the service of a Demolition Notice, the Council can withdraw a notice by service of a revocation notice;
- followed by the Final Demolition Notice which is valid for up to two years (with possible extension subject to Government permission).

7.9 The Council is required to notify tenants affected by the decision to demolish, and to give reasons and the intended timetable for demolition. Furthermore, it must inform tenants of the right to compensation and publicise decisions by placing a notice in a newspaper local to the area in which the property is situated, in any newspaper published by the landlord, and on the Council's website.

7.10 Final Demolition Notices cannot be served until the arrangements for acquisition and demolition scheme are finalised (i.e. a date is set). Typically planning permission is also obtained before the service of a Final Notice. This means that Compulsory Purchase issues for leasehold premises must also have been resolved before a Final Demolition Notice can be served.

- 7.11 The Council can make an application to the Secretary of State during the 24-month period for that period to be extended, but if no application is made, it will be unable to serve any further demolition notice in respect of these properties for five years without the Secretary of State's consent. On receipt of an application, the Secretary of State can direct that the period be extended, but he may specify further notification requirements that the Council must comply with in order for the exception to the Right to Buy to continue.
- 7.12 Finally, if the Council subsequently decides not to demolish the property, it must serve a revocation notice upon affected tenants as soon as is reasonably practicable. If it appears to the Secretary of State that a landlord has no intention of demolishing properties subject to a Final Demolition Notice, he may serve a revocation notice on affected tenants.

Human Rights Act 1998 Considerations

- 7.13 The Human Rights Act 1998 ('the HRA 1998') effectively incorporates the European Convention on Human Rights into UK law and requires all public authorities to have regard to Convention Rights. In making decisions officers and members, therefore, need to have regard to the Convention.
- 7.14 The service of a Demolition Notice on existing secure tenants potentially engages certain human rights protected under the HRA 1998. The HRA 1998 prohibits unlawful interference by public bodies with European Convention rights. The term 'engage' simply means that human rights may be affected or relevant.
- 7.15 The Demolition Notices should contain specific information relating to the Right to Buy to clarify any compensation that may be payable for certain reasonable expenditure, if incurred in respect of pre-existing Right to Buy claims/applications, but also to protect the Council from unnecessary compensation claims in the event that tenants incur unnecessary costs once notices have been served.
- 7.16 The rights that are of significance to the decision in this matter are those contained in Article 8 (right to respect for private and family life) and Article 1 of Protocol 1 (peaceful enjoyment of possessions). Article 8 provides that there should be no interference with the existence of the right except in accordance with the law and, as necessary in a democratic society in the interest of the economic wellbeing of the country, protection of health and the protection of the rights and freedoms of others. Article 1 of the 1st Protocol provides that no-one shall be deprived of their possessions except in the public interest and subject to the conditions provided for by law although it is qualified to the effect that it should not in any way impair the right of a state to enforce such laws as it deems necessary to control the uses of property in accordance with the general interest.
- 7.17 In determining the level of permissible interference with enjoyment the courts have held that any interference must achieve a fair balance between the general interests of the community and the protection of the rights of individuals. There must be reasonable proportionality between the means employed and the legitimate aim of regeneration. There must be reasonable proportionality between the means employed and the aim pursued. The availability of an effective remedy and compensation is relevant in assessing whether a fair balance has been struck.

7.18 Therefore, in reaching a decision, the Council needs to have regard to the extent to which the decision may impact upon the Human Rights of the residents who may have a demolition notice served upon them and to balance this against the overall benefits to the community, which the proposed redevelopment would bring. The committee will wish to be satisfied that interference with the rights under Article 8 and Article 1 of Protocol 1 is justified in all the circumstances and that a fair balance would be struck in the present case between the protection of the rights of individuals and the public interest.

Funding and Borrowing

7.19 Section 15 of the Local Government Act 2003 requires that the Council have regard to statutory guidance in relation to exercising its borrowing and investment powers. The relevant Statutory Guidance on Local Government Investments (3rd Edition, issued on 1 April 2018). The Guidance is relevant to the extent that a loan may be necessary to the Reside Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) in order to facilitate delivery of the development. In accordance with the Guidance (paragraphs 33 and 34), A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity provided that the overall Investment Strategy demonstrates that:

- i. The total financial exposure to such loans is proportionate;
- ii. An expected 'credit loss model' has been adopted to measure the credit risk of the overall loan portfolio;
- iii. Appropriate credit controls are in place to recover overdue re-payments; and
- iv. The Council has formally agreed the total level of loans by type and the total loan book is within self-assessed limits.

Loan and Grant Agreements

7.20 As observed in the body of the report is an intention to access loans and grants from the GLA. The power to do so has been identified above. Such arrangements will need to be examined to ensure that the terms are compliant with the aims of this project and as mentioned the terms will need to reflect commercial market terms to ensure that there are no State Aid implications.

State Aid

7.21 As local government is an emanation of the state the Council must comply with European law regarding State Aid. Therefore, local authorities cannot subsidise commercial transactions such as for example low cost finance or financial assistance to its own companies if such transactions are capable of distorting competition in the EU. In this transaction, State Aid law is relevant in the context of the funding being provided and the price at which the Council's land interest is disposed of to the Reside Registered Provider (see below). For the loan not to

amount to State Aid, it must be made on 'market terms' in order to satisfy the "Market Economy Investor Principle".

Appropriation of HRA Land & Use of RTB Receipts

- 7.22 It is envisaged in the report that ownership of the completed development / units will be within the Reside structure which is outside the Housing Act. There will need to be an appropriation of the land under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund. and then in due course to Reside. It is necessary for the Council to use a power to appropriate the land upon which those units are to be situated from the HRA into the General Fund ("GF"). Any disposal of s.9 HA land would normally require SoS consent under s.32 of HA85. However, s.122 of Local Government Act 1972 ("LGA 1972") provides power to appropriate superfluous land to other statutory purposes:
- If the land is 'vacant' i.e. no housing on it, s.122 LGA 1972 allows for appropriation together with general wellbeing powers and general power of competence could be used to authorise appropriation from HRA to the General Fund if the land is no longer needed for that s.9 HA 85 purposes but is being appropriated for any purpose which the Council is able to acquire land.
 - It would need to be demonstrated that the "vacant" land was no longer needed for the purposes of Part II HA. The Council would need to appropriate it for another purpose i.e. not to meet housing need under Part II HA 1985.
- 7.23 By appropriating land into the General Fund the HRA will be accounted due consideration for the value of that land and henceforth any receipts generated from that land or units upon it would then be accounted for in the General Fund.
- 7.24 In addition, in deciding whether a Reside vehicle is suitable, consideration must be given to the impact of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) which from April 2013 placed restrictions on the use of Right to Buy receipts in conjunction with other funding provided by the GLA for the purposes of building affordable housing. In other words, Right to Buy receipts cannot be combined with funds provided by the GLA to build the required replacement unit/s if those funds have come from the GLA to build affordable housing. Officers and decision makers must be satisfied that combining funds in the manner envisaged is acceptable and within the rules. Although, consideration is given to relaxing the rules around use of RTBs this has not yet taken place.
- 7.25 Any disposal of the land to a Reside Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) must comply with the requirement for best consideration and/or within the parameters of any general consents available from the Secretary of State. This is likely to necessitate a loan on market facing terms and interest from the Council to the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) to facilitate such a transaction. Where the Council provides financial assistance to the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) by:
- (a) granting or loaning it money,

- (b) acquiring share or loan capital in the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure),
- (c) guaranteeing the performance of any obligations owed to or by the Registered Provider (or an existing entity within the B&D Reside structure), or
- (d) indemnifying the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) in relation to any liabilities, losses or damages and the financial assistance is in connection with the provision of housing accommodation to be let by the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure), the Council must use its power under section 24 of the Local Government Act 1988 (the 1988 Act) to do so.

7.26 The exercise of this power is subject to consent by the Secretary of State. The details of such consents will need to be carefully considered to ensure any transactions and mechanisms needed to facilitate delivery of the scheme are within those parameters.

Other Matters

7.27 As set out in the Risk Management section of the report there may be displacement of utilities and services, gas and water mains plus changes to highways and facilities, which may necessitate leases and licenses. These will be familiar matters in a development context, and should not, if managed, raise legal issues. Early planning and ensuring any Cabinet approvals pick up the need for any leases will minimise costs and risks of delays.

8. Other Implications

Corporate Policy and Equality Impact

- 8.1 An Equalities Impact Assessment (EIA) Screening Report has been carried out, which concluded that a full EIA is not required at this stage, based on the overall positive impact of the development proposals and the feedback received from residents during the consultation process. Should subsequent engagement with affected residents bring to light any further equality issues, this position will be reviewed, and a full EIA will be carried out prior to the submission of the planning application if required.
- 8.2 The Equality and Diversity Strategy identifies the need to provide new housing and sustainable growth by improving the physical environment and widening the choice of housing. In order to achieve this, it highlights that the future planning of homes, infrastructure, and business is done holistically balancing physical regeneration and social regeneration.
- 8.3 The Borough Manifesto, which sets out the long-term vision for the borough, identifies Housing as a top priority with an aspiration to be a place with sufficient, accessible and varied housing.
- 8.4 The proposed development seeks to respond to these priorities by diversifying and improving the quality of the housing offer on the site, supported by improvements to the public realm.

- 8.5 The development will provide a range of housing types and tenures, that will provide an opportunity local people to own their own property, as well as provide rented products that will be affordable to local people.
- 8.6 The development will also contribute towards the Councils' health and wellbeing priorities for example by:
- Improving the quality of housing.
 - Improving the quality and safety of open spaces, encouraging people to make more use of outside spaces for recreational purposes, and discouraging antisocial behaviour.
 - Achieving higher sustainability standards, for example through renewable energy and green roofs.
- 8.7 If the preferred option is approved, the existing residents will experience some disturbance, as they will need to be relocated to facilitate the new development. These impacts will be sought to be mitigated through a thorough engagement process, with an opportunity being provided to these residents to return to the site once the development is complete, should they wish to do so.
- 8.8 It is therefore considered that the overall impact of the project is positive, with the benefits of the new development outweighing the impact on existing residents.

9. Risk Management

Ground Conditions

- 9.1 An environmental survey of the site will be undertaken to establish the level of ground contamination and remediation required to enable the site to be redeveloped for residential use.

Existing Services

- 9.2 Due to the current and historic uses of the site, there are likely to be underground services that will require relocation. Early engagement with the utilities company will be carried out in order to agree a programme and cost for relocating the substation and carrying out service diversions.

Securing Vacant Possession

- 9.3 The requirement to acquire the Leasehold interests required to bring forward the clearance of these sites will be delivered in accordance with the Boroughs agreed Leaseholder Buyback procedure. This procedure sets out the level of compensation in accordance with the Land and compensation Act. It centres on buy back by negotiation with use of CPO powers if necessary, to ensure that programmes are not delayed if agreement cannot be reached. A package of measures to assist Leaseholders who are unable to acquire alternative accommodation on the open market are included in the agreed procedures and on a scheme by scheme basis we would look to provide other alternatives such as equity sharing arrangements for new homes within the developments.

- 9.4 Early engagement with residents will be carried out in order to coordinate the development and decant processes and allow sufficient time to conclude negotiations on the purchase of the leasehold interests.
- 9.5 There is a risk that the secure tenants will submit Right to Buy applications. We are not aware of any live Right to Buy applications at this time. In order to mitigate the risk of future applications being made, it is proposed that an Initial Demolition Notice is served on the existing tenants.

Securing Planning Permission

- 9.6 This is a sensitive site that is currently occupied by residents. However, there is planning policy justification to support intensifying the use of the site through a residentially led development. Public consultation will be carried out to ensure that the final design optimises benefits for local residents, and the scheme is delivered in a sympathetic way, responding to the needs of the existing residents on site.

Programme delays

- 9.7 Due to the site constraints, particularly the need to secure vacant possession prior to development commencing, there is a risk of programme delays. The programme will be continuously monitored throughout the various stages of the project, as discussions progress to resolve the risks highlighted in this report.

Cost overruns

- 9.8 An initial cost plan has been prepared based on the feasibility study. Whilst contingency has been allowed for within the cost estimate, the cost plan will be continuously reviewed as further information is gathered through site surveys and discussions with utilities companies.

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

List of Appendices:

- Appendix 1 – Site Aerial Photo
- Appendix 2 - HRA Land Appropriation Plan
- Appendix 3 - Consultation responses

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Appendix 1. Site Aerial Photo



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Appendix 2. HRA Land Appropriation



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Appendix 3. Consultation responses

Tenants

	On Housing List	Wish to return	Preferred Option
A	No	Yes	Comprehensive Development
B	No	No	Comprehensive Development
C	No	No	Comprehensive Development
D	No	No	Comprehensive Development
E	No	No	Comprehensive Development
F	No	No	Comprehensive Development
G	No	Maybe	Comprehensive development
H	No	Maybe	Comprehensive Development
I	No	Yes	Undecided
J	No	Yes	No Development
K	No	Maybe	No Development

Leaseholders

	On Housing List	Wish to return	Preferred Option
L	N/A	Maybe	Comprehensive Development
M	N/A	No	Comprehensive Development

Questionnaire Responses Summary

Total responses – 13 (11 from tenants, 2 from leaseholders)

No responses – 4 (1 tenant, 3 leaseholders)

Question	Number of responses
In favour of comprehensive development	10
Opposed to Comprehensive Development	2
Undecided	1
Current Housing Needs being met	12
Would like to return to one of the new homes	10
Maybe return to one of the new homes	3
Do not wish to return	6
Would like to move to another area	7
On Housing List	0
People with a disability	3

Consultation Analysis

Existing Housing

The main comments from residents in relation to the existing housing were:

- Safety/security concerns in relation to the car park area, where there is anti-social behaviour.
- Would like garden space and improved communal areas.
- Security into the buildings, particularly the main door entry which needs repairing
- Poor ventilation within the flats creating moisture and damp in the kitchen and bathrooms.
- People liked the size of their home.
- Homes are cost effective and in generally good condition.
- Good location with close to public transport, easy to travel to work, school and local amenities.

Residents generally like living in the area, with their housing needs being met. Although some would consider moving elsewhere, particularly if they could move into a house with a garden. A number of people advised that they did not wish to live in one of the new homes as they would lose their Right to Buy.

Relocation issues and Support

Should redevelopment take place a number of key issues were raised by residents:

- Stress and uncertainty of moving.
- Support with removal (transport, packing, dismantling furniture).
- Changing their children's schools if they moved area
- Financial impact, in terms of removal costs, and costs of the new home.
- Travel to work.

Summary

The majority of residents were supportive of comprehensive redevelopment. This was not due to the poor condition of the existing housing, which generally meets residents' needs, but more about the opportunity to make better use of the site.

The main concern raised about the existing site related to the car park area, where anti-social behaviour occurs, and the lack of open space.

A number of residents have lived in the area for several years, and have strong ties, including local schools. The majority of residents expressed concern about the stress of moving home.

Should development go ahead, residents will need support with organising moving home, including dismantling furniture, packing, transport. Financial support will also be required to ensure residents are no worse off financially both during the moving process and in their new home. Many residents would also like to remain in the area.

CABINET

17 September 2019

Title: Redevelopment of 53 - 135 Roxwell Road and 2 & 4 Stebbing Way, Thames View Estate	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: Thames	Key Decision: Yes
Report Author: Mark Crane, Head of Affordable Housing Delivery, Be First	Contact Details: Tel: 020 8227 2350 E-mail: mark.crane@befirst.london
Accountable Director: Ed Skeates, Development Director, Be First	
Accountable Strategic Leadership Directors: Claire Symonds, Chief Operating Officer, and Graeme Cooke, Director of Inclusive Growth	
Summary	
<p>53-135 Roxwell Road and 2-4 Stebbing Way comprise 33 properties, of which 26 are occupied by tenants, and 7 by leaseholders. The existing housing is in very poor condition, and the site has long been considered for potential redevelopment in the Council's Estate Renewal Programme 2015-2021, the Investment and Acquisition Strategy 2017, and Be First's Business Plan 2019 – 2024; all of which have been approved by Cabinet.</p> <p>Feasibility work has been undertaken assessing the development potential of the site, which has identified that there is significant potential to intensify the use of the site to provide c.82 new homes. The proposed scheme is 100% affordable; 59% Affordable Rent and 41% London Affordable Rent/Council target rent (homes at target rent will be provided for existing tenants of the blocks who wish to return to a new build home on the site). This represents a significant increase in both the number of affordable homes on the site and the number of homes at LAR/target rent which can be allocated to households from the Council's housing register. The scheme has been endorsed by the Investment Panel.</p> <p>The existing tenants have a legal right under Section 105(1) and (2) of the Housing Act 1985 to be consulted on matters of housing management, which include any development proposal resulting in the potential relocation of tenants. This consultation has now been carried out, and it sought to understand their views on the redevelopment proposals and their housing needs to ensure that suitable alternative housing could be found if the redevelopment goes ahead</p> <ul style="list-style-type: none"> - Do nothing - Infill development - Comprehensive redevelopment 	

The vast majority of residents (c.80%) who provided feedback were supportive of comprehensively redeveloping the site.

In accordance with standard Council practice for estate renewal projects, it is proposed that Initial Demolition Notices are served on the existing tenants to enable vacant possession of the site to be secured for redevelopment.

It is intended that vacant possession should be achieved through discussion and agreement with the tenants and leaseholders, although the use of the Council's compulsory purchase powers may be required as a last resort. Cabinet approval is sought in principle to the use by the Council of its Compulsory Purchase Order (CPO) making powers, should they prove necessary to facilitate the future redevelopment of the site.

It is envisaged that the ownership of the new homes will be within the Reside structure, which is outside of the Housing Act. Pursuant to section 122 of the Local Government Act 1972, Cabinet approval is required to appropriate the land from the Housing Revenue Account to the General Fund.

The Cabinet report explains the outcome of the resident engagement, and seeks the following approvals so that the redevelopment can proceed:

- approval to serve demolition notices and in principle use of Compulsory Purchase Order (CPO) powers;
- approval in principle to appropriate the land from the Housing Revenue Account to the General Fund.

If approved, Be First would prepare a detailed planning application to redevelop the site to deliver a residential scheme comprising c.82 affordable homes (59% Affordable Rent and 41% London Affordable Rent/Council target rent).

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve the proposed redevelopment of 53-135 Roxwell Road and 2 & 4 Stebbing Way IG11 ORD as shown edged red in the plan at Appendix 2 to the report, having considered the outcomes of the consultation with affected residents as summarised in section 2;
- (ii) Agree the service of Initial Demolition Notices on all secure tenants at the affected properties at the appropriate time, in order to suspend the requirement for the Council to complete Right to Buy applications for as long as the notices remain in force and delegate approval and timing of final notices to the Director of Inclusive Growth, in consultation with the Director of Law and Governance;
- (iii) Approve in principle to the use by the Council of its Compulsory Purchase Order (CPO) making powers, should they prove necessary to facilitate the future redevelopment of the site;

- (iv) Approve in principle the appropriation of the land, as shown edged red in the plan at Appendix 2 to the report, under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund;
- (v) Agree to allocate £2,814,000 from the Investment and Acquisition Budget to fund the pre-development costs;
- (vi) Agree the inclusion of the project in the Council's Capital Programme in the total sum of £21,125,000, subject to securing planning permission and procurement of a contractor in accordance with the project outputs and budget;
- (vii) Delegate authority to the Director of Inclusive Growth, in consultation with the Chief Operating Officer, the Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to determine the final arrangements and agree the contract and ancillary legal documents to fully implement and effect the proposals set out in the report; and
- (viii) Authorise the Director of Law and Governance to execute all the legal agreements, contracts and other documents on behalf of the Council.

Reason(s)

The recommendations are designed to increase the amount of affordable homes in the borough and ensure that these new homes benefit local residents, including those already living on the estate. As such they are aligned to the Council's strategy for Inclusive Growth.

1. Introduction and Background

- 1.1 53-135 Roxwell Road and 2-4 Stebbing Way are currently occupied by 33 residents (26 tenants and 7 leaseholders).
- 1.2 The estate was first identified as a potential estate renewal scheme as part of the Council's Estate Renewal Programme 2015-2021, which was approved by Cabinet on 27 January 2015. It was included in the Pipeline Regeneration Programme contained within the Council's Investment and Acquisition Strategy 2017 approved by Cabinet on 19 September 2017. The scheme is included in the Be First Business Plan approved by Cabinet on 21 May 2019.
- 1.3 In January 2015 Cabinet agreed a number of recommendations to deliver the Estate Renewal Programme 2015-21. However, at that stage, the statutory consultation relating to this estate had not been undertaken. This has now been done, and the findings summarised in this report. As such, Cabinet is now asked to consider the recommendations in this report in light of the findings of the consultation alongside the wider benefits the proposals would bring as set out in this report, including a significant uplift in the number of affordable homes on the site.
- 1.4 The buildings on the estate are in poor condition, and open spaces poorly configured and under-used. An aerial photo of the site is provided in Appendix 1.

Feasibility work has been undertaken assessing the development potential of the site, which has identified that there is significant potential to intensify the use of the site to provide c.82 new homes, together with improved open spaces. The proposals have been reviewed and approved by the Investment Panel as an investable proposition.

- 1.5 The existing tenants and leaseholders have a legal right under Section 105(1) and (2) of the Housing Act 1985 to be consulted on matters of housing management, which include any development proposal resulting in the potential displacement of tenants or relocation of demolition.
- 1.6 The consultation with existing residents has been carried out, which is explained in further detail in the following section.

2. Resident Consultation

Methodology

- 2.1 Visits were undertaken with 28 of the 33 residents. This included visits with 24 of the 26 tenants, and 4 of the 7 leaseholders. The residents were asked their preference from the following options:
 - Do Nothing
 - Infill development of the open spaces (no demolition of existing blocks)
 - Comprehensive redevelopment
- 2.2 The following information was also gathered during the visits:
 - What they liked/disliked about their current housing and the local area.
 - Whether their current housing needs were being met.
 - What impact moving home would have on them.
 - Specific support they would need in order to relocate.
 - Whether they would like to return.
- 2.3 Demographic information was also gathered in relation to Gender, Age, Ethnicity, Religion, and Disability.

Resident feedback

- 2.4 The feedback on the development options was:
 - 22 were in favour of comprehensive redevelopment
 - 3 were opposed to comprehensive development
 - 3 were undecided
 - 5 provided no feedback (as unable to arrange visits or telephone call)
- 2.5 A common theme in the feedback from residents was the poor condition of the blocks, including:
 - internal and external structural issues,

- poor insulation (particularly doors and windows), which resulted in high energy bills during the colder months,
- the location of the bins right outside the entrance to the blocks, creating an unpleasant environment when entering the blocks,
- security/antisocial behaviour, as non-residents could easily enter the communal areas and cause disturbance,
- poor quality communal areas and open spaces
- insufficient space, including storage space (especially for families)
- rat infestation.

2.6 Should redevelopment go ahead key points raised by residents were:

- travel to work,
- finding schools for their children,
- help with removal,
- staying in the area to maintain their social contacts,
- financial support

2.7 Further detail on the consultation feedback is provided in Appendix 3.

2.8 Based on the feedback from residents along with the wider considerations on the merits of the proposals as a way to further meet housing need in the borough, it is proposed that the existing buildings are demolished in order to create new high-quality housing and open spaces.

3. Proposals

3.1 Feasibility work has been undertaken, which has been reviewed by the Investment Panel, who approved the following proposal:

- 82 homes, all of which would be affordable based on the following tenure mix:
 - i) 59% Affordable Rent (48 units)
 - ii) 41% London Affordable Rent/Council target rent (34 units)

3.2 The total development costs for the project are estimated at £21,125,000, which includes pre-development costs of £2,814,000.

3.3 The financial performance of the project against the Council's investment criteria has been assessed as follows:

Investment Criteria	Target	Actual
Year 1 Surplus/Deficit	£0k	£267k
Repayment Period (Yrs)	30	24
Cash Flow IRR	5.6%	7.6%
Yield on Cost	4.0%	5.0%
Profit on Cost	5.0%	17.9%

4. Delivery Arrangements

Rehousing and Leaseholder buyback offer

- 4.1 Be First's portfolio of council-owned estate renewal schemes includes a large number that require the demolition and replacement of tenanted blocks. There is therefore a need to manage the development of these extremely sensitively with the early engagement of the affected residents and communities. In June Cabinet agreed an estate renewal resident offer, and also agreed that this is the offer that will apply to the residents of Roxwell Road if Cabinet agrees to proceed with the proposed redevelopment. The offer is summarised as follows:

Council tenants:

- Tenants will have top priority to bid for an alternative Council home in the borough
- Tenants will have a Right to Return to one of the new homes within Reside – at a Council target rent and on an Assured tenancy
- A home loss payment of £6,300 (updated annually) and disturbance payments to cover the cost of moving
- Help to move out of the borough, if they want to

Resident leaseholders:

- Resident leaseholders will get market value for their home plus a 10% home loss payment
- No resident leaseholder will need to move away from the local area if they don't want to – the Council will give assistance if they can't afford a suitable property on their own
- Resident leaseholders will have a Right to Return to one of the new homes – with assistance if they can't afford on their own

Non-resident leaseholders:

- Non-resident leaseholders will get market value for their property plus a statutory basic loss payment of 7.5%.

- 4.2 The proposal set out in this report requires the leaseholder buyback of 7 properties, and the rehousing of 26 tenanted households.

- 4.3 Should the development be approved, Be First and Council staff will work with the existing residents to enable them to find a new home that meets their housing needs. Council tenants will be given high priority to bid for alternative accommodation through the Choice Homes scheme. This will give them access to alternative council homes as well as housing association properties that become available to let through the scheme. They will also be offered the opportunity to return to live in one of the new homes on similar rents to those they are currently paying should they wish to do so. The new homes will be offered at rents set using the Target Formula to align with the policy for HRA re-lets, meaning a move to an alternative Council home or a Reside new home in this development would be on the same rental terms.

- 4.4 For leaseholders, the Council will buy back their home at market value. The Council may also give financial assistance to leaseholders to buy an alternative home.

- 4.5 In the event that the leaseholders' interests cannot be purchased by agreement, the Council may need to use its Compulsory Purchase powers in order to secure vacant possession of the site. The Council recognises that its Compulsory Purchase Order powers are among the strongest powers enabling delivery of development proposals, and that their potential to impact on the human rights of the individuals affected by the proposals. The Council will make every effort to pursue redevelopment in consultation with tenants and through voluntary agreement with owners of individual interests. Negotiations will continue in parallel with the preparation and making of a CPO which will be a final resort.
- 4.6 Tenants and leaseholders who need to move as result of the regeneration proposals will be eligible for a home-loss payment if they have been living in their home for 12 months or more. Tenants and leaseholders will also receive payments towards the cost of moving fixtures and fittings and have their removals organised by the Decant Team.
- 4.7 Approval for Initial Demolition Notices is requested subject to a delegation to do so at the appropriate time and having regard to consultation responses. The ground for possession for the tenanted household will be under Housing Act 1985, Sch 2 Ground 10, i.e.

The landlord intends, within a reasonable time of obtaining possession of the dwelling- to demolish or reconstruct the building or part of the building comprising the dwelling-house.

Ground 10 requires that alternative accommodation is offered to the secure tenant.

Planning process

- 4.8 Planning permission will be required for the proposed development, which will be managed by Be First on behalf of the Council. Tenants, leaseholders and the wider local community will be involved in the design and planning process. Public consultation events will be carried out where residents can view and comment on the proposals. There will also be an opportunity to view and comment online through a dedicated website.

Programme

- 4.9 Subject to approval of the recommendations in this report, consultation will commence on the development proposals during early October, with a planning application being submitted in late 2019/early 2020. It is proposed the scheme is delivered by Be First, who will progress the project through the planning process, manage site preparation, the delivery of the works and management of the completed scheme. It is proposed that a contractor for the works is procured through the new Be First development framework.
- 4.10 An indicative timetable is set out below, which allows 18 months from the Cabinet decision to complete the decant process, prior to starting the construction works:

Milestone	Date
Cabinet decision	September 2019
Planning submission	December 2019

Planning approval	March 2020
Start on Site	March 2021
Practical Completion works	March 2023
Fully occupied	June 2023

Funding

- 4.11 The estimated development costs are c.£ 21,125,000 to be funded through a combination of HRA funding, Right to Buy receipts and borrowing, broken down as follows:

HRA	£1,138,000
Right to Buy	£2,483,000
GLA Grant	£3,400,000
Council borrowing	<u>£14,104,000</u>
Total	£21,125,000

- 4.12 HRA funding is required to purchase the leasehold interests and fund the decant costs for the tenants. The remaining funding covers professional fees and construction costs.
- 4.13 It is proposed that the development and ownership of the new affordable homes is financed through borrowing up to £14,104,000 within the General Fund from the Public Works Loan Board. The funding is proposed to be provided through a loan agreement between the Council and Reside.

5. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager

- 5.1 55-135 Rowell Road & 2-4 Stebbing Way (Thames View Estate) forms part of the 44 schemes agreed as part of the Acquisitions and Investment Strategy. The report proposes to redevelop the site to deliver 82 affordable units, including 34 London Affordable Rent units. The scheme provides a positive yield on cost. Based on the information included in the report finance would support the development proposal.
- 5.2 The proposed costs of c.£21m (borrowing of c.£14m) are reflected in the Be First Business Plan approved by Cabinet. Financing the construction will include interest rate risk and cost of carry and these risks will be mitigated by close monitoring of the cashflows and through securing borrowing within the borrowing costs within the schemes' model of 3%.
- 5.3 The decant costs funded through the HRA will require full oversight and should be linked to HRA Business Plan and incorporated into the financial appraisal for the scheme.

6. Commissioning Implications

Implications completed by: Graeme Cooke, Director of Inclusive Growth

- 6.1 The existing buildings are in very poor condition. The proposed redevelopment of 53-135 Roxwell Road and 2-4 Stebbing Way has the potential to at least double the

number of affordable homes on the site. This represents a significant increase in the number of affordable homes on the site and as such will help to meet the need for more homes that are affordable to local residents on low to median incomes.

- 6.2 There are 26 tenants and 7 leaseholders who will need to be rehoused if Cabinet approves the scheme. Consultation has been undertaken, which has found clear support for the proposals from those tenants who live in the block. The engagement has also helped the Council to begin to understand the housing needs and preferences of the residents who live on the site before the re-housing process begins in line with the Council's re-housing offer.
- 6.3 The new homes will be held and managed by Reside and prioritised for local residents in line with the Council's Allocation Policy. Residents currently living in the block will be given a right to return to one of the new homes if they want to, and a number have already indicated they would like to. These households will be prioritised for the new homes and be given an assured tenancy and a council target rent within Reside, which is the tenancy and rent which most closely matches their current council tenancy and rent. The other homes for London Affordable Rent will be allocated to households on the Council's housing register in line with the Allocations Policy, and homes at Affordable Rent will be allocated to local working households in line with Reside's allocations criteria.
- 6.4 Given the above, ongoing engagement with existing residents and the wider community, is essential so that they have the opportunity to be involved in the design of the site.

7. Legal Implications

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

- 7.1 The site is currently occupied by tenants and leaseholders of the Council who have a legal right under Section 105(1) and (2) of the Housing Act 1985 to be consulted on matters of housing management which include any development proposal resulting in potential displacement of tenants or relocation of demolition. The proposal contemplates that that the housing development comprising 82 affordable units will be delivered by Be First (as development manager) and will ultimately be held by a suitable Reside vehicle (being either a new Registered Provider which may be registered by the Council/Reside or an existing entity within the Reside structure). The land needs to be appropriated from the Housing Revenue Account, which is considered further below. Consultation has been carried out with residents and leaseholders affected by the proposals in accordance with s.105 of the Housing Act 1985. Cabinet is presently requested to approve the recommendations in this report.

Council Powers

- 7.2 The Council has power to deliver the development scheme by virtue of the general power of competence under section 1 of the Localism Act 2011, which provides the Council with the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power

in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.

- 7.3 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to participate in the transaction and enter into the relevant project documents further support is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
- 7.4 In exercising the power of general competence and in making any investment decisions, the Council must also have regard to the following:
- i. Compliance with the Statutory Guidance on Local Government Investments;
 - ii. Fulfilling its fiduciary duty to tax payers;
 - iii. Obtaining best consideration for any disposal;
 - iv. Compliance with Section 24 of the Local Government Act 1988 in relation to giving financial assistance to any person (which either benefits from a general consent or requires express consent by the Secretary of State); and
 - v. Compliance with any other relevant considerations such as state aid and procurement.

Consultation with tenants

- 7.5 Section 105 of the Housing Act 1985 requires the Council to consult with all secure (and demoted) tenants who are likely to be substantially affected by a matter of housing management, which includes development proposals and demolition of dwellings by the housing authority. Such consultation must inform the tenants of the proposals, provide an opportunity to make their views known to the Council within a specified period and consider the representations made to the Council.
- 7.6 The courts have determined that to be effective consultation must be carried out at a formative stage of any proposals; sufficient reasons must be given for the proposals, together with adequate time, to allow intelligent consideration and response any responses must be taken into account when making a final decision.

Achieving Vacant Possession

- 7.7 The development site has existing residents, being tenants and leaseholders. In due course, negotiations will be necessary to acquire vacant possession through voluntary sale/buybacks. As a last resort Compulsory Purchase Orders can be considered under the Land Compensation Act. A decision to proceed with a Compulsory Purchase Order will require formal resolution by Cabinet and future report will need to make a compelling case in the public interest and fully demonstrate the grounds for proceeding with a CPO are met. Impacts on equalities and human rights implications for existing tenants/leaseholders and any other

affected parties are key considerations which will factor into decision making (this is considered further below).

- 7.8 Demolition Notices, which are proposed to be utilised to enable delivery of the scheme, would preclude Council tenants who are within the site boundary exercising their right to buy within sites earmarked for regeneration under the provisions of the Housing Act 2004. At the time of a demolition notice there must be a clear and firm intention to redevelop, therefore, care needs to be taken about the timing and service of Demolition Notices (consideration of which has been delegated to the Director of Inclusive Growth). The Council is empowered to serve *Demolition Notices* where areas have been identified for estate renewal, regeneration and redevelopment. There is a prescribed notification process:
- firstly, the service of an Initial Demolition Notice which is valid for up to five years and can be extended to a maximum of seven years, an Initial Demolition Notice will prevent named properties from being acquired from the Council through Right-to-Buy as the Council is not obliged to sell the properties to the tenants. If, exceptionally, the proposals to redevelop or demolish or the relevant boundary change following the service of a Demolition Notice, the Council can withdraw a notice by service of a revocation notice;
 - followed by the Final Demolition Notice which is valid for up to two years (with possible extension subject to Government permission).
- 7.9 The Council is required to notify tenants affected by the decision to demolish, and to give reasons and the intended timetable for demolition. Furthermore, it must inform tenants of the right to compensation and publicise decisions by placing a notice in a newspaper local to the area in which the property is situated, in any newspaper published by the landlord, and on the Council's website.
- 7.10 Final Demolition Notices cannot be served until the arrangements for acquisition and demolition scheme are finalised (i.e. a date is set). Typically planning permission is also obtained before the service of a Final Notice. This means that Compulsory Purchase issues for leasehold premises must also have been resolved before a Final Demolition Notice can be served.
- 7.11 The Council can make an application to the Secretary of State during the 24-month period for that period to be extended, but if no application is made, it will be unable to serve any further demolition notice in respect of these properties for five years without the Secretary of State's consent. On receipt of an application, the Secretary of State can direct that the period be extended, but he may specify further notification requirements that the Council must comply with in order for the exception to the Right to Buy to continue.
- 7.12 Finally, If the Council subsequently decides not to demolish the property, it must serve a revocation notice upon affected tenants as soon as is reasonably practicable. If it appears to the Secretary of State that a landlord has no intention of demolishing properties subject to a Final Demolition Notice, he may serve a revocation notice on affected tenants.

Human Rights Act 1998 Considerations

- 7.13 The Human Rights Act 1998 ('the HRA 1998') effectively incorporates the European Convention on Human Rights into UK law and requires all public authorities to have regard to Convention Rights. In making decisions officers and members, therefore, need to have regard to the Convention.
- 7.14 The service of a Demolition Notice on existing secure tenants potentially engages certain human rights protected under the HRA 1998. The HRA 1998 prohibits unlawful interference by public bodies with European Convention rights. The term 'engage' simply means that human rights may be affected or relevant.
- 7.15 The Demolition Notices should contain specific information relating to the Right to Buy to clarify any compensation that may be payable for certain reasonable expenditure, if incurred in respect of pre-existing Right to Buy claims/applications, but also to protect the Council from unnecessary compensation claims in the event that tenants incur unnecessary costs once notices have been served.
- 7.16 The rights that are of significance to the decision in this matter are those contained in Article 8 (right to respect for private and family life) and Article 1 of Protocol 1 (peaceful enjoyment of possessions). Article 8 provides that there should be no interference with the existence of the right except in accordance with the law and, as necessary in a democratic society in the interest of the economic wellbeing of the country, protection of health and the protection of the rights and freedoms of others. Article 1 of the 1st Protocol provides that no-one shall be deprived of their possessions except in the public interest and subject to the conditions provided for by law although it is qualified to the effect that it should not in any way impair the right of a state to enforce such laws as it deems necessary to control the uses of property in accordance with the general interest.
- 7.17 In determining the level of permissible interference with enjoyment the courts have held that any interference must achieve a fair balance between the general interests of the community and the protection of the rights of individuals. There must be reasonable proportionality between the means employed and the legitimate aim of regeneration. There must be reasonable proportionality between the means employed and the aim pursued. The availability of an effective remedy and compensation is relevant in assessing whether a fair balance has been struck.
- 7.18 Therefore, in reaching a decision, the Council needs to have regard to the extent to which the decision may impact upon the Human Rights of the residents who may have a demolition notice served upon them and to balance this against the overall benefits to the community, which the proposed redevelopment would bring. The committee will wish to be satisfied that interference with the rights under Article 8 and Article 1 of Protocol 1 is justified in all the circumstances and that a fair balance would be struck in the present case between the protection of the rights of individuals and the public interest.

Funding and Borrowing

- 7.19 Section 15 of the Local Government Act 2003 requires that the Council have regard to statutory guidance in relation to exercising its borrowing and investment powers. The relevant Statutory Guidance on Local Government Investments (3rd Edition,

issued on 1 April 2018). The Guidance is relevant to the extent that a loan may be necessary to the Reside Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) in order to facilitate delivery of the development. In accordance with the Guidance (paragraphs 33 and 34), A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity provided that the overall Investment Strategy demonstrates that:

- i. The total financial exposure to such loans is proportionate;
- ii. An expected 'credit loss model' has been adopted to measure the credit risk of the overall loan portfolio;
- iii. Appropriate credit controls are in place to recover overdue re-payments; and
- iv. The Council has formally agreed the total level of loans by type and the total loan book is within self-assessed limits.

Loan and Grant Agreements

- 7.20 As observed in the body of the report is an intention to access loans and grants from the GLA. The power to do so has been identified above. Such arrangements will need to be examined to ensure that the terms are compliant with the aims of this project and as mentioned the terms will need to reflect commercial market terms to ensure that there are no State Aid implications.

State Aid

- 7.21 As local government is an emanation of the state the Council must comply with European law regarding State Aid. Therefore, local authorities cannot subsidise commercial transactions such as for example low cost finance or financial assistance to its own companies if such transactions are capable of distorting competition in the EU. In this transaction, State Aid law is relevant in the context of the funding being provided and the price at which the Council's land interest is disposed of to the Reside Registered Provider (see below). For the loan not to amount to State Aid, it must be made on 'market terms' in order to satisfy the "Market Economy Investor Principle".

Appropriation of HRA Land & Use of RTB Receipts

- 7.22 It is envisaged in the report that ownership of the completed development / units will be within the Reside structure which is outside the Housing Act. There will need to be an appropriation of the land under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund and then in due course to Reside. It is necessary for the Council to use a power to appropriate the land upon which those units are to be situated from the HRA into the General Fund ("GF"). Any disposal of s.9 HA land would normally require SoS consent under s.32 of HA85. However s.122 of Local Government Act 1972 ("LGA 1972") provides power to appropriate superfluous land to other statutory purposes:

- If the land is 'vacant' i.e. no housing on it, s.122 LGA 1972 allows for appropriation together with general wellbeing powers and general power of competence could be used to authorise appropriation from HRA to the General Fund if the land is no longer needed for that s.9 HA 85 purposes but is being appropriated for any purpose which the Council is able to acquire land.
- It would need to be demonstrated that the "vacant" land was no longer needed for the purposes of Part II HA. The Council would need to appropriate it for another purpose i.e. not to meet housing need under Part II HA 1985.

By appropriating land into the General Fund, the HRA will be accounted due consideration for the value of that land and henceforth any receipts generated from that land or units upon it would then be accounted for in the General Fund.

- 7.23 In addition, in deciding whether a Reside vehicle is suitable, consideration must be given to the impact of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) which from April 2013 placed restrictions on the use of Right to Buy receipts in conjunction with other funding provided by the GLA for the purposes of building affordable housing. In other words, Right to Buy receipts cannot be combined with funds provided by the GLA to build the required replacement unit/s if those funds have come from the GLA to build affordable housing. Officers and decision makers must be satisfied that combining funds in the manner envisaged is acceptable and within the rules. Although, consideration is given to relaxing the rules around use of RTBs this has not yet taken place.
- 7.24 Any disposal of the land to a Reside Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) must comply with the requirement for best consideration and/or within the parameters of any general consents available from the Secretary of State. This is likely to necessitate a loan on market facing terms and interest from the Council to the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) to facilitate such a transaction. Where the Council provides financial assistance to the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) by:
- (a) granting or loaning it money,
 - (b) acquiring share or loan capital in the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure),
 - (c) guaranteeing the performance of any obligations owed to or by the Registered Provider (or an existing entity within the B&D Reside structure), or
 - (d) indemnifying the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure) in relation to any liabilities, losses or damages and the financial assistance is in connection with the provision of housing accommodation to be let by the Registered Provider (or an existing entity within the Barking & Dagenham Reside structure), the Council must use its power under section 24 of the Local Government Act 1988 (the 1988 Act) to do so.

- 7.25 The exercise of this power is subject to consent by the Secretary of State. The details of such consents will need to be carefully considered to ensure any transactions and mechanisms needed to facilitate delivery of the scheme are within those parameters.

Other Matters

- 7.26 As set out in the Risk Management section of the report there may be displacement of utilities and services such as an electricity substation, gas and water mains plus changes to highways and facilities, which may necessitate leases and licenses. These will be familiar matters in a development context, and should not, if managed, raise legal issues. Early planning and ensuring any Cabinet approvals pick up the need for any leases will minimise costs and risks of delays.

8. Other Implications

Corporate Policy and Equality Impact

- 8.1 An Equalities Impact Assessment (EIA) Screening Report has been carried out, which concluded that a full EIA is not required at this stage, based on the overall positive impact of the development proposals and the feedback received from residents during the consultation process. Should subsequent engagement with affected residents bring to light any further equality issues, this position will be reviewed, and a full EIA will be carried out prior to the submission of the planning application if required.
- 8.2 The Equality and Diversity Strategy identifies the need to provide new housing and sustainable growth by improving the physical environment and widening the choice of housing. In order to achieve this, it highlights that the future planning of homes, infrastructure, and business is done holistically balancing physical regeneration and social regeneration.
- 8.3 The Borough Manifesto, which sets out the long-term vision for the borough, identifies Housing as a top priority with an aspiration to be a place with sufficient, accessible and varied housing.
- 8.4 The proposed development seeks to respond to these priorities by diversifying and improving the quality of the housing offer on the site, supported by improvements to the public realm in order to provide a sustainable community.
- 8.5 The development will provide a range of housing types and tenures, that will provide an opportunity local people to own their own property, as well as provide rented products that will be affordable to local people.
- 8.6 The development will also contribute towards the Councils' health and wellbeing priorities for example by:
- Improving the quality of housing.
 - Improving the quality and safety of open spaces, encouraging people to make more use of outside spaces for recreational purposes, and discouraging antisocial behaviour.

- Achieving higher sustainability standards, for example through renewable energy and green roofs.

8.7 If the preferred option is approved, the existing residents will experience some disturbance, as they will need to be relocated to facilitate the new development. These impacts will be sought to be mitigated through a thorough engagement process, with an opportunity being provided to these residents to return to the site once the development is complete, should they wish to do so.

8.8 It is therefore considered that the overall impact of the project is positive, with the benefits of the new development outweighing the impact on existing residents.

9. Risk Management

Ground Conditions

9.1 An environmental survey of the site will be undertaken to establish the level of ground contamination and remediation required to enable the site to be redeveloped for residential use.

Existing Services

9.2 Due to the current and historic uses of the site, there are likely to be underground services that will require relocation. In addition, there is an existing substation on the site that will need to be relocated. Early engagement with the utilities company will be carried out in order to agree a programme and cost for relocating the substation and carrying out service diversions.

Securing Vacant Possession

9.3 The requirement to acquire the Leasehold interests required to bring forward the clearance of these sites will be delivered in accordance with the Borough's agreed Leaseholder Buyback procedure. This procedure sets out the level of compensation in accordance with the Land and compensation Act. It centres on buy back by negotiation with use of CPO powers if necessary, to ensure that programmes are not delayed if agreement cannot be reached. A package of measures to assist Leaseholders who are unable to acquire alternative accommodation on the open market are included in the agreed procedures and on a scheme by scheme basis we would look to provide other alternatives such as equity sharing arrangements for new homes within the developments.

9.4 Early engagement with residents will be carried out in order to coordinate the development and decant processes and allow sufficient time to conclude negotiations on the purchase of the leasehold interests.

9.5 There is a risk that the secure tenants will submit Right to Buy applications. We are not aware of any live Right to Buy applications at this time. In order to mitigate the risk of future applications being made, it is proposed that an Initial Demolition Notice is served on the existing tenants.

Securing Planning Permission

- 9.6 This is a sensitive site that is currently occupied by residents. However, there is planning policy justification to support intensifying the use of the site through a residentially led development. Public consultation will be carried out to ensure that the final design optimises benefits for local residents, and the scheme is delivered in a sympathetic way, responding to the needs of the existing residents on site.

Programme delays

- 9.7 Due to the site constraints, particularly the need to secure vacant possession prior to development commencing, there is a risk of programme delays. The programme will be continuously monitored throughout the various stages of the project, as discussions progress to resolve the risks highlighted in this report.

Cost overruns

- 9.8 An initial cost plan has been prepared based on the feasibility study. Whilst contingency has been allowed for within the cost estimate, the cost plan will be continuously reviewed as further information is gathered through site surveys and discussions with utilities companies.

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

List of Appendices:

- Appendix 1 - Site Aerial Photo
- Appendix 2 - HRA Land Appropriation Plan
- Appendix 3 - Consultation responses

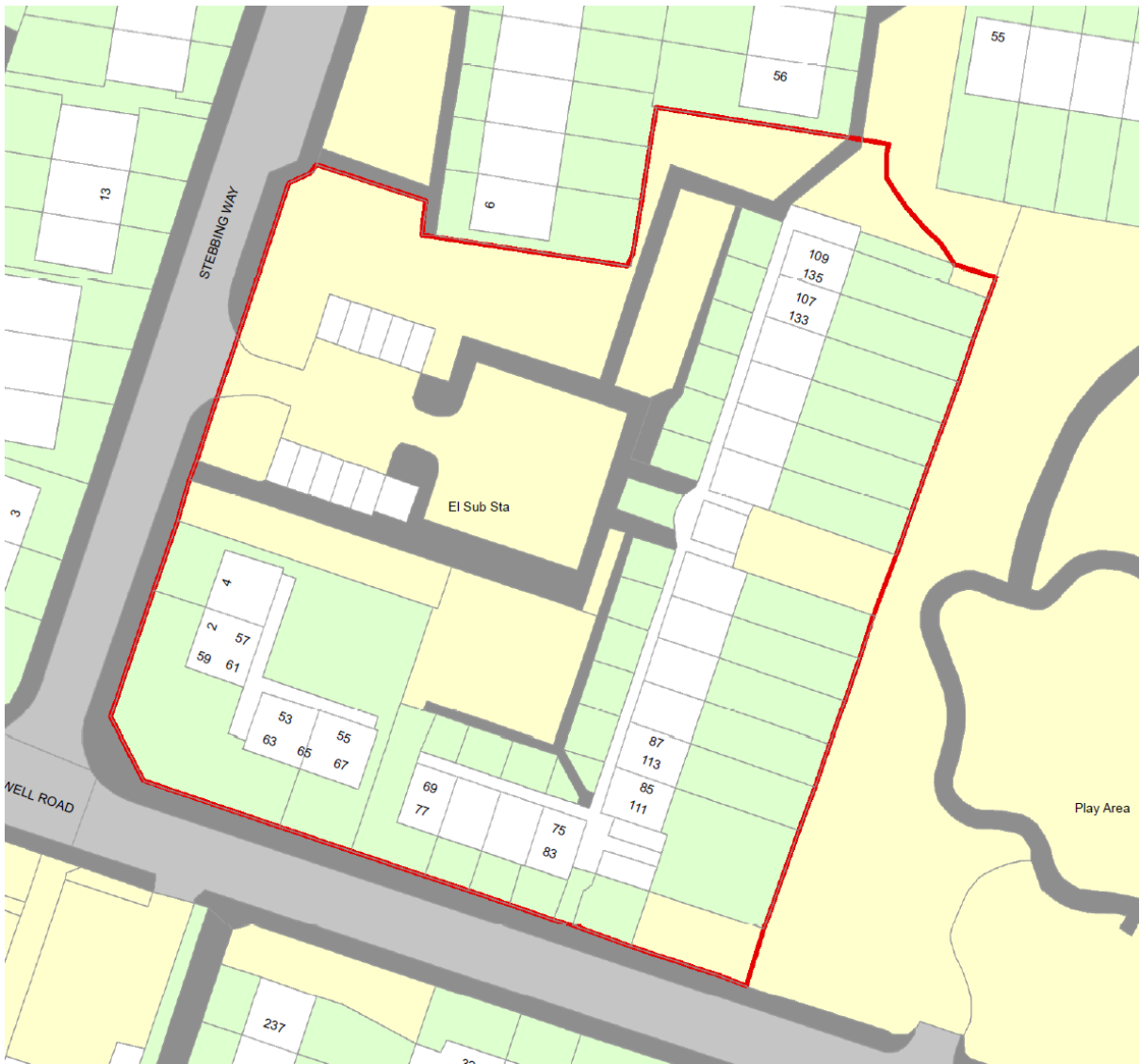
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Appendix 1. Site Aerial Photo



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Appendix 2. HRA Land Appropriation Plan



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Appendix 3. Consultation responses

Individual Questionnaire Responses

Tenants

	On Housing List	Wish to Return	Preferred option
A	No	Yes	Comprehensive Development
B	No	Yes.	Comprehensive Development
C	No	No.	Comprehensive Development
D	No	Maybe	Comprehensive Development
E		Yes	Comprehensive Development
F	No	Yes,	Comprehensive Development
G	Yes	Maybe.	Comprehensive Development
H	No	No.	Comprehensive Development
I	No	Yes	Comprehensive Development
J	Yes	No.	Comprehensive Development
K	Yes	Maybe.	Comprehensive Development
L	No	No.	Comprehensive Development
M	Yes	No.	Comprehensive Development
N	Yes	No	Comprehensive Development
O	Yes	No	Comprehensive Development
P	Yes	Maybe	Comprehensive Development
Q	No	No	Comprehensive Development
R	No	Maybe.	Comprehensive Development
S	No	Maybe.	Comprehensive Development
T	No	No.	Comprehensive Development
U	No	Yes.	No development
V	No	Yes.	No development
W	No	Yes.	Undecided
X	No	No	Undecided.

Leaseholders

	Return	Comments
Y	No	Comprehensive development.
Z	Yes	Comprehensive development.
AA	Unknown	No development.
BB	Yes	Undecided.

Questionnaire Responses Summary

Total responses – 28 (24 from tenants, 4 from leaseholders)

Appendix 3. Consultation responses

Question	Number of responses
In favour of comprehensive development	22
Opposed to Comprehensive Development	3
Undecided	3
Current Housing Needs being met	15
Would like to return to one of the new homes	10
Maybe return to one of the new homes	6
Do not wish to return	12
Would like to move to another area	15
On Housing List	7
People with a disability	4

Consultation Analysis

Existing Housing

A number of common issues and concerns were raised by residents in relation to the existing housing:

- Existing stock is in poor condition and requires major refurbishment. Damp, poor insulation and structural issues were identified.
- The block suffers rat infestation.
- Bins located close to the front entrance of the blocks creating a smell as you enter the block.
- Security and anti-social behaviour particularly at night was also highlighted, with access being gained by non-residents to balcony areas creating disturbances.
- Lack of open space and good quality play space for children was a key issue. Whilst there is a park immediately adjacent to the site it suffers anti-social behaviour.
- Insufficient space. There are 13 families with at least two children living in 2-bedroom properties.

However, some residents liked living in the area, as it was quiet, close to local amenities and schools. A number of residents have lived in the area for many years and are attached to it. Good access to public transport was also highlighted, with a bus stop close by, which was important for travel to work.

Relocation issues and Support

Should redevelopment take place a number of key issues were raised by residents:

- Changing their children's schools.
- Financial impact, in terms of removal costs, and costs of the new home.
- Stress and uncertainty of moving and adapting to a new area.
- Support with removal (transport, packing, dismantling furniture).
- Travel to work.

Summary

The majority of residents were supportive of comprehensive redevelopment. Whilst there are a number of residents who like living in the area, the condition of the existing stock is very poor and in need of significant refurbishment.

Concerns were also raised about the amount and quality of the open space, particularly in relation to safety and anti-social behaviour.

A number of residents have lived in the area for several years, and have strong ties, including local schools.

Should development go ahead residents will need support with organising moving home, including dismantling furniture, packing, transport. Financial support will also be required to ensure residents are no worse off financially both during the moving process and in their new home.

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CABINET

17 September 2019

Title: Corporate Plan 2018 – 2022: Quarter 1, 2019 Performance Reporting	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Laura Powell, Policy and Partnerships Officer	Contact Details: Tel: 020 227 2517 E-mail: laura.powell@lbbd.gov.uk
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>The Corporate Plan 2018-2022 articulates the Council's vision and priorities for the four-year lifespan, following a period of significant change and service transformation. To support this, it was recognised that the Council's Corporate Performance Framework needed to evolve to support and monitor our progress and service delivery, as a new kind of council.</p> <p>The framework demonstrates how the Council will achieve the long-term vision for the borough as set out in the Borough Manifesto, by focusing on clearly defined medium and short-term targets, alongside output measures and budgetary information that monitor vital indicators of service transformation.</p> <p>Each component of the performance framework has been aligned to Cabinet Member portfolios to ensure that the Council's performance is effectively managed and service delivery remains on track. As a key element of the framework, the development of the Key Accountabilities and Key Performance Indicators (KPIs) was carried out in collaboration with senior officers and Cabinet Members.</p> <p>Now in the second year of the Corporate Plan, Cabinet is presented with the Quarter 1 2019/20 performance update against the Key Performance Indicators (KPIs) and Key Accountabilities. These elements of the performance framework will continue to be reported quarterly to Corporate Performance Group (CPG) and Cabinet throughout the coming year.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note progress against the Key Accountabilities as detailed in Appendix 1 to the report; (ii) Note performance against the Key Performance Indicators as detailed in Appendix 2; and (iii) Agree any actions to address areas of deteriorating performance. 	
<p>Reason(s)</p> <p>To assist the Council in achieving its priority of a "Well run organisation".</p>	

1. Introduction and Background

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

2 Corporate Performance Framework 2018-2022

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

3 Key Accountabilities 2019/20







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

4 Corporate Plan Key Performance Indicators

- 4.1 Through the development of the Corporate Plan, clear medium and short-term targets have been identified and are defined as the Council's Key Performance Indicators (KPIs).
- 4.2 Through quarterly performance reporting at Cabinet, Cabinet Members are able to keep track of our progress against agreed performance targets, and ultimately, our progress against delivery of the vision and priorities.
- 4.3 This report provides a performance update at Quarter 1 (1st April 2019 – 31st March 2019) against the Key Performance Indicators for 2019/20 (Appendix 2).
- 4.4 The KPIs are reported with a RAG rating, based on performance against target. Where relevant, in-year targets have been set to take into account seasonal trends / variations, as well as provide performance milestones. Assessing performance against in-year targets will make it easier to identify progress at each quarter, allowing for actions to be taken to ensure performance remained on track with the aim of reaching the overall target for the year.

5 Performance Summary - Key Performance Indicators

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

Symbol	Detail
	Performance has improved when compared to the previous quarter and against the same quarter last year.
	Performance has remained static when compared to the previous quarter and against the same quarter last year.
	Performance has deteriorated when compared to the previous quarter and against the same quarter last year.
	Performance is expected to achieve or has exceeded the target.
	Performance is within 10% of the target.
	Performance is 10% or more off the target.

- 5.2 The table below provides a summary at Quarter 1 2019/20 of the direction of travel for all KPIs. Depending on the measure, direction of travel is determined by comparing performance with the same period last year (Quarter 1 2018/19), or performance from the previous reporting period (Quarter 4 2018/19). This should be considered in the context of significant budget reductions and our continuation to improve services.

Direction of travel			
↑	↔	↓	N/A
27 (55%)	2 (4%)	18 (37%)	2 (4%)

- 5.3 The following table provides a summary of the number of indicators with either a Red, Amber or Green rating, according to their performance against the 2019/20 target.

RAG Rating against 2018/19 target			
G	A	R	N/A
17 (35%)	17 (35%)	7 (14%)	8 (16%)

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

- 5.4 At Quarter 1, some indicators have been allocated a Direction of Travel, or RAG Rating of 'Not Applicable'. The reasons for which are set out in the tables below.

Reason for Not Applicable Direction of Travel	Number of indicators
Awaiting data	2

Reason for Not Applicable RAG rating	Number of indicators
Good performance neither high or low – no target set	7
Awaiting data / target	1

6 Focus on Performance

- 6.1 For Quarter 1 2019/20 performance reporting, focus has been given to a selection of indicators which are presenting good performance against target or areas where performance is showing a level of deterioration since last year and falling short of the target. It is hoped that by focusing on specific indicators, senior management and Members will be able to challenge performance and identify where remedial action may be required.

6.2 Improved Performance

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

During Quarter 1, performance has increased to 65%, of Care Leavers in employment, education or training (EET), compared to 49% at the same time last year.

Performance is now above the London, National and Statistical Neighbour average and of those young people who we are in contact with, performance is currently 72%.

Actions to improve performance over the past quarter, have included the Learn to Live team being involved in NEET workshops held with Members and Officers, with care leavers having a particular profile.

Progress has also been made with regards to the development of new internships and apprenticeships within the council for care leavers, as part of a review of the Enhanced Local Offer for Care Leavers, which is scheduled to launch in October 2019.

6.3 Areas for Improvement

6.3.1 The percentage of assessments completed within 45 days

Performance relating to this indicator fell from 88% at the end of 2018/19 to 50% of single assessments being completed and authorised within 45 days in Q1. This is below the local target of 82% and all comparators.

Following a period of instability – adversely impacting timeliness in the last quarter - good progress has been made to stabilise the assessment service and recruit permanently to management posts. This will impact on the quality of assessments and, with a more stable management structure in place, improve the timeliness of assessments throughout the rest of the year.

6.3.2 The percentage of healthy lifestyles programmes completed

The data for this performance measure operates on a 3-month lag. The latest information presents data for Quarter 4 2018/19.

During the period, 435 people began a programme and of these 147 completed which equates to 33.8%.

In order to improve performance, it is hoped the introduction of a new flexible Adult Weight Management programme will lead to improved retention as clients can access sessions they have missed.

Also, the team is now working to full capacity which will increase the number of Adult and Child Weight Management programmes being delivered.

7. Consultation

- 7.1 The data and commentary in this report were considered and endorsed by the Corporate Performance Group at its meeting on 22 August 2019.

8. Financial Implications

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

- 8.1 There are no specific financial implications as a result of this report; however, in light of current financial constraints it is imperative that officers ensure that these key performance indicators are delivered within existing budgets. These budgets will be monitored through the existing monitoring process to identify and address potential issues and also any benefits as a result of improved performance on a timely basis.

9. Legal Implications

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

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

10. Other Implications

- 10.1 **Risk Management** - There are no specific risks associated with this report. The corporate plan report and ongoing monitoring will enable the Council to identify risks early and initiate any mitigating action. The Council's business planning process describes how risks are mitigated by linking with the corporate risk register.
- 10.2 **Contractual Issues** - Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt with in individual project plans.
- 10.3 **Staffing Issues** – There are no specific staffing implications.
- 10.4 **Corporate Policy and Equality Impact** - The vision and priorities give a clear and consistent message to residents and partners in Barking and Dagenham about the Council's role in place shaping, community leadership and ensuring no-one is left behind. The key accountabilities and KPIs monitored allow the Council to track delivery ensuring resources and activity are effectively targeted to help achieve the vision and priorities.
- 10.5 **Safeguarding Adults and Children** - The priority **Empowering People** encompasses activities to safeguard children and vulnerable adults in the borough. The Council monitor a number of indicators corporately which relate to Children's safeguarding and vulnerable adults. By doing so the Council can ensure it continues to discharge its duties.
- 10.6 **Health Issues** - The priority **Empowering People** encompasses activities to support the prevention and resolution of health issues in the borough and is

delivered through the Health and Wellbeing Board. The borough has a number of health challenges, with our residents having significantly worse health outcomes than national averages, including lower life expectancy, and higher rates of obesity, diabetes and smoking prevalence. Although delivery of health services is not the responsibility of the Council, together with health partners the Council is committed to tackling the health issues prevalent in the borough.

- 10.7 **Crime and Disorder Issues** - The priority **Citizenship and Participation** encompasses activities to tackle crime and disorder issues and will be delivered through the Community Safety Partnership. Whilst high level indicators provide Cabinet with an overview of performance, more detailed indicators are monitored locally. Data for the borough shows that Barking and Dagenham is a relatively safe borough with low crime. There is some work for the Council and partners to do to tackle the perception of crime and safety.

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

List of appendices:

- Appendix 1: Progress against Key Accountabilities 2019/20
- Appendix 2: Key Performance Indicators – Performance at Quarter 1 2019/20

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What we will deliver in 2019/20

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
Community Leadership and Engagement		
Deliver the Cohesion Strategy and dedicate Faith Policy.	Mark Tyson	<p>The Cohesion and Integration strategy “No One Left Behind: We All Belong” was agreed by Cabinet in May 2019 and Faith Policy is scheduled for October 2019. We All Belong will now be operationalised with clear actions to be monitored as part of its delivery, with actions across the council and partners.</p> <p>Faith Policy</p> <ul style="list-style-type: none"> • Final review of faith policy completed, final draft has been submitted by the Faith & Belief Forum. • Next steps; <ul style="list-style-type: none"> ➢ Review council safeguarding actions ➢ Portfolio: August 2019 ➢ Set dates for CSG, LAG & Cabinet in October ➢ Final design work • Faith & Belief Forum will continue to help implement the actions from the faith policy as part of their connected communities work • Faith Inclusion Training will be offered to council staff
Implement the Connected Communities Fund and the Counter Extremism Programmes.	Mark Tyson	<p>Connected Communities programme:</p> <p>The programme is funded until June 2020, with the majority of the spend before the 31st March 2020. To date:</p> <ul style="list-style-type: none"> • Further funding secured to deliver work with specific communities • Effective Conversations Training with frontline staff completed, now to be mainstreamed internally • Findings from Resident Survey of 1000 being mixed with data from Origins to create rationale for targeted interventions • Community Amplifiers have completed first stage of engagement and are due to report findings

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<ul style="list-style-type: none"> • Second Quarterly Evaluation Meeting a success, formal evaluation mechanisms for whole programme progressing in partnership with IPSOS <p>Counter extremism programme:</p> <ul style="list-style-type: none"> • Eid @ Eastbury event ran – linked to Community Cohesion outcomes in CE Strategy. 1,400 attended, visible diversity of audience and offers • DfE/OCE conference ran in schools with positive feedback and report scheduled to be returned to Home Office • Places of Worship Fund – Amplification event completed in partnership with Redbridge coordinator, B&D groups to be supported with applications • Communication continued through Belief in Barking & Dagenham newsletter network • Ongoing programme supporting Madrassah's with Faith Associates continues, with funding secured for 2019/20. Contracts have been completed by Prevent team • Crime and Disorder Strategic Assessment - brief summary provided on Community Tensions in B&D
Continue to develop Every One Every Day, monitoring impact and outcomes.	Mark Tyson	<p>The majority of funding for years 3-5 of the programme has been identified through external funders. The final decision will be made in Q2. The funders board and project board continue to meet quarterly for oversight.</p> <p>The warehouse space was launched in March with 200 people on the first night and is almost complete now with a new commercial community kitchen, machinery and print design, seminar space and a young makers space.</p> <p>The summer programme is underway with more resident led events than ever and a warehouse programme. The summer programme includes an 8 week pop up shop in Gale Street for Rock, Scissors, Paper. Over 3200 residents have now engaged over the life of the project.</p> <p>The cities programme works both locally and internationally is starting to progress with the first training material being developed.</p>
Support the development of the community and voluntary sector, including a Local Giving Model.	Mark Tyson	<p>The VCSE strategy paper was adopted by Cabinet on 18 February 2019, which includes the next steps for the local giving model.</p> <p>Practical measures have been implemented to support local groups with the establishment of a local B&D Lottery, match-funded Crowd Funding scheme, and the NCIL fund.</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<ul style="list-style-type: none"> • Crowdfunding – 3 new projects live this quarter, 1 project successfully matchfunded. 2 new projects in pre-launch • B and D Lottery – Average sales 666 tickets per week between April - June 2019. • 2 new organisations signed up as good causes. <p>The NCIL grant programme is a fund for community groups, charities and social enterprises in the borough to bid for funding of up to £10,000 from a pot raised from the Neighbourhood Community Infrastructure Levy (NCIL).</p> <p>There were 24 applications from a wide range of organisations, totalling just over £230k. A budget of up to £195,000 was available which meant that some groups would not be funded.</p> <p>The deadline for applications was the 22nd February.</p> <ul style="list-style-type: none"> • 24 applications were received and screened initially for eligibility • 22 applications were put forward for the resident’s panel to assess in the first instance • 22 groups then went through to the “Dragons Den” stage where groups presented their project to the resident panel in person • The panel awarded £133,000 to 15 local projects across the borough; 13 groups accepted the funding. <p>Following the adoption of the VCSE strategy, a new tender for social infrastructure support was published and interviews were held. The new provider, Barking and Dagenham Collective (hosted by Community Resources) is a collaboration of up to 10 local groups. The contract was in place for 1 July 2019.</p>
Continue to strengthen the Barking and Dagenham Delivery Partnership to work towards the vision of the Borough Manifesto.	Mark Tyson	Following the successful State of the Borough Conference took place on 27 th September at Londoneast UK, work is now underway to strengthen partnership arrangements ensuring the partnership has a clear focus on delivering the Borough Manifesto. The work will ensure the partnership that is able to drive change in the borough and work together collaboratively to achieve the manifesto vision. The Director of Policy and Partnerships has had 1:1s with partners in the last quarter to continue to build and strengthen relationships as well as identify priorities for the partnership moving forward. At the last BDDP in March partners reviewed how the

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		partnership was working. Feedback provided suggested that partners agreed that an overarching partnership served a useful purpose and was needed and agreed the focus of the group should be to tackle some key issue relating to the manifesto outcomes.
Deliver the master plans and commercialisation of Parsloes Park and Central Park.	Mark Tyson	<p>Parsloes Park The planning application for the Parsloes Park regional football hub (£7.4 million) has been approved. This has now been submitted to the GLA for Stage 2 approval which will be likely to hear back at the end of August. At that time the Football Foundation, which is the principal funder of the scheme, will confirm their grant support (c£5 million) and the contractor will be appointed to implement the scheme.</p> <p>Central Park The submission of the planning application has been delayed until September due to ongoing discussions with Sport England regarding the reduction of playing pitches and the GLA regarding flood protection. The contractor has been appointed for this scheme and it is now expected that works will start on site towards the end of 2019.</p>
Implement the improvement plan funded by Community Interest Levy (CIL).	Mark Tyson	<p>Strategic Community Infrastructure Levy sponsored bids</p> <p>Cultural Commissioning (Tamara Horbacka, Cultural Policy and Commissioning Manager) has been the project sponsor for four SCIL bids submitted in July 2019:</p> <ul style="list-style-type: none"> • East End Women’s Museum: £490,000 (£250,000 for capital works and £240,000 for revenue). To develop a robust new museum and sustainable community asset for Barking and Dagenham and the East End of London. • Create London: £950,000 for public realm improvements on the Becontree Estate as part of the centenary celebrations in 2021. • Company Drinks: £135,800 for Green Community infrastructure development, the ecology and biodiversity of green spaces and offer sustainable programmes for the community. • Kingsley Hall: £300,000 to support the upgrade of the community infrastructure and public realm improvements to the site including a community roof garden, refurbishment of the sports hall and improved heritage and culture provision for the community on the Becontree Estate. Strategic partnership development as

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		Kingsley Hall are funded by the GLA's Good Growth Fund and other key national agencies.
Renew focus on community heritage assets and develop a new offer including the East End Women's Museum and Industrial Heritage Museum feasibility.	Mark Tyson	<p>East End Women's Museum</p> <ul style="list-style-type: none"> • Cabinet agreed the lease for the East End Women's Museum in 2017. • The Museum secured a grant of over £90,000 to deliver a 'pop up' programme of events, talks, and exhibitions as part of the HerStory programme to celebrate women's suffrage in 2018. A celebratory event was held in November 2018 to recognise the work undertaken by the museum in 2018 and to set out the next steps for the Museum and programme for 2019. • The council committed 75K of funding to support the development of the EEWM. The last payment of 20K was made on 31 March 2019 and supported the following: • Continue to pay salaries for the Museum Director and Volunteer and Outreach Manager, supporting capacity to develop the relationships, ideas, fundraising strategy and business model to create a sustainable museum • Consultations have been taking place throughout 2019 with the local community on their needs and interests, enabling staff to create a relevant, inspiring and inclusive museum and establish relationships with key stakeholders, including local schools, community groups, women's groups, history societies, universities, cultural organisations. Cultural Commissioning has made introductions to key organisations in the borough, including CU London and local community and voluntary sector groups such as Excel Women's Centre and Shpresa Programme • Establishment of a Steering Group of local residents and representatives from organisations and community groups to help make key decisions and advocate to their networks. The Steering Group has appointed an artist to design a participatory workshop, as part of the consultation, which will be delivered to schools and community groups over the summer period of 2019. • Regular participation in local events throughout 2019 and meetings with partners, peers and stakeholders to promote the project and explore working together. These include, White House Dagenham, Creative B&D, Birkbeck University, Hackney Museum, V&A East, Company Drinks and a number of community centres, promoting the project and exploring how we might work together. We have

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		<p>taken part in several events around London for International Women’s Day, and attended DAGFEST, One Borough Festival, Eastbury Summer Fete and more.</p> <ul style="list-style-type: none"> • The Museum has established a Trustee team of seven, with a range of experience such as capital projects, risk, compliance and fundraising. This additional capacity and expertise enabling the Museum to establish robust policies and procedures, apply for full charitable status (currently it is a CIC) and will help to create a strong fundraising strategy for both for capital and revenue campaigns. • Cultural Commissioning met with developers Eco-World International, who are building the housing development in which the museum will be located, earlier this year to discuss lease, Heads of Terms, handover schedule, timeline of get-in and installation of the museum. <p>East End Industrial Heritage Museum</p> <p>Following a review of the different options that have so far been produced, the feasibility study for a new heritage and culture centre on the site of the former-Ford Stamping Plant has now been finalised and was presented to the Corporate Strategy Group in December 2018. The feasibility study, developed by Ralph Appelbaum Associates, has been reviewed by Peabody who are currently at the early stages of the pre-application stage. There is no further update on this project.</p>
<p>Ensure culture is a driver of change through the Borough of Culture Schemes, Creative Enterprise Zone, Summer of Festivals & Alderman Jones’s House. Planning for the Centenary Celebration of Becontree Estate (Festival of Suburbia).</p>	<p>Mark Tyson</p>	<p>New Town Culture, Cultural Impact Award, London Borough of Culture</p> <p>The Council secured funding of £233,000 from the London Borough of Culture funding pot and an additional £30,000 in business sponsorship to deliver a three-year creative programme with looked after children, care leavers and older people:</p> <ul style="list-style-type: none"> • New Town Culture is a programme of artistic and cultural activity taking place in adult and children’s social care across the entire borough. • Funded by a Cultural Impact Award, part of London Borough of Culture, a Mayor of London initiative. <p>New Town Culture responds to the stories, knowledge and skills of the residents of Barking and Dagenham to deliver a programme of workshops, exhibitions, radio broadcasts, live performances and courses targeted to people using social care</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>services in our borough. Delivered in partnership with the Foundling Museum, Serpentine Gallery and several local arts organisations:</p> <ul style="list-style-type: none"> • In Your Time in partnership with the Foundling Museum creates new artistic and cultural activity with young people and artists across social care services • Radio Ballads in partnership with The Serpentine Gallery will enable local residents to come together with artists from around the globe to reflect on the many stories of labour and employment today. • The New Town Culture programme is working with the Social, Therapeutic and Community Studies Team at Goldsmiths University of London to understand how these projects could support social care professionals to build communication, notions of belonging and life skills with the people they support. <p>Creative Enterprise Zone</p> <p>A grant of £50,000 was secured from the GLA to enable detailed research to be undertaken that has informed the development of an evidence base and action plan for the establishment of 'Roding Made - Creative Enterprise Zone', which will bring together artists, local businesses and landowners to create and develop new jobs, establish and secure new spaces for creative production and open up opportunities for talented young people who are considering careers in the creative industries.</p> <p>A further funding bid was submitted to the GLA to support the delivery of the Creative Enterprise Zone action plan but this was unsuccessful. A feedback meeting was scheduled with the GLA to investigate alternative funding opportunities, such as the Good Growth Fund, that could be utilised to deliver key elements of the proposed Roding-Made Creative Enterprise Zone. Further discussions have been taking place with the GLA's Cultural Infrastructure and Public Realm Culture and the Creative Industries team and Regeneration and Economic Development.</p> <p>Alderman Jones's House and the Becontree Estate Centenary 2021</p> <p>The borough will be celebrating the national significance of the Becontree estate in 2021 through a major public programme, developed in partnership with arts and</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>cultural organisations, artists, residents, schools, community and voluntary sector groups living and working on the Becontree Estate.</p> <ul style="list-style-type: none"> • The former home of Alderman Fred Jones located in the heart of the Becontree estate has been renovated so that it can be used as live/work space for artists until the end of 2021. In April this year, the artist Verity Jane Keefe launched a series of participatory workshops and engagement sessions with residents and communities. • Cultural cluster of arts, cultural and heritage venues will be utilised for the public programme including; Valence House Museum and Local Studies Centre, Valence Library, the White House, Alderman Jones's House and potentially Kingsley Hall. The use of parks and green spaces will also be used to host festivals, activities and workshops. • LBBD (Cultural Commissioning, Heritage and Parks) is working in partnership with Create London to develop and deliver the centenary programme which include a commissioned programme by local artists and arts organisations as well as projects with national heritage and architecture agencies. • Successful funding from the Arts Council England (£30,000) and the Heritage Lottery Fund (£400,000) to support the delivery of a wide-ranging programme, which will include: <ul style="list-style-type: none"> • The collection of a new archive which will chart the lived experience of the residents of Becontree • A major exhibition complemented by a series of tours, talks, walks and community activities across Becontree during 2021 • A schools and education programme in collaboration with the Barbican to mark the centenary • A programme of public realm improvements on the estate developed with local people <p>Summer of Festivals</p> <p>The Summer of Festivals programme for 2019 has been a huge success will conclude with the Youth Parade on 22 September. The programme was been well attended and well received by residents especially the One Borough Festival this year with a 'Back to the 80s' theme headlined by the Fizz (formally Bucksfizz) attended by 10,000</p>

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		residents and visitors (approx.). The Events team has also provided guidance and assistance to enable more events by the community to be presented in the Borough's parks, we have a new event coming to the borough this year Defected London Festival, which will see a large scale dance music event coming to Central Park.
Equalities and Diversity		
Implement the Equality and Diversity Strategy action plan.	Mark Tyson	The Equalities and Diversity strategy 2017-2021 sets out the Council's vision to tackle equality and diversity issues across the borough and within the Council. It sets out an action plan which will be monitored and reported annually. The first annual update was presented to the portfolio holder in October 2018. The portfolio holder is keen to ensure equalities receives the attention it deserves and therefore will continue to monitor progress against the E&D strategy regularly, with each director responsible for actions presenting at a portfolio meeting throughout the year. The next annual update will be presented to the portfolio holder in September 2019.
Continue to promote the Gender Equality Charter.	Mark Tyson	Since the launch of the Gender Equality Charter, over 150 organisations have signed up to the pledge showing their commitment to gender equality. In March the Council held another successful Women's Empowerment Month with a month-long programme of events aimed and celebrating, raising awareness of and tackling issues relating to gender equality. Plans are in place for the Women's Empowerment Awards, which is due to take place towards the end of the year.
Celebrate equality and diversity events, and where possible, enable community groups to take the lead.	Mark Tyson	<p>The Community Development Officer (Equalities) continues to work with the community to deliver high-quality equality and diversity events, enabling them to take the lead wherever possible.</p> <p>The Council took part in Pride London, with a float and 50 members of the community, Flipside, Council staff and Councillors. The Council has also marked Saint George's Day, Stephen Lawrence Day, International Day Against Homophobia, Biphobia and Transphobia and Remembering Srebrenica to name a few and has more equality and diversity events planned throughout the year. Plans have started for events to celebrate Black History Month in October. The Council continues to support the community with flag raising events recognising the diversity in the borough and the important role different communities play.</p> <p>The Equality and Diversity Community Fund launched in June, with funding available to charities and community groups to run events and projects to celebrate and</p>

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		promote equality and diversity within the borough. There are four application windows throughout the year.
Continue the Council's vision to be an Exemplar Equalities Employer, working towards Investors in People gold standard.	Mark Tyson	<p>The Council achieved silver level when assessed against the tougher Investors in People standard. We will retain this until our next assessment in October 2020.</p> <p>Progress against the standard to reach gold level were set out in the Assessor's report. The following actions have been put in place.</p> <ul style="list-style-type: none"> • Quarterly all staff temperature checks are being undertaken which tracks our progress against the standard and employee engagement. • Early scoping of behaviours and culture change has begun to help develop a new organisational development strategy. • The Leadership and Management development programme for cohorts 2 and 3 has been delivered. The programme for other managers is under development.
Promote a partnership approach to tackling equality and diversity issues through the development of the Fairness and Equalities sub-group.	Mark Tyson	Tackling equality and diversity issues is not something the Council can do alone. It requires the support of everyone. The Barking and Dagenham Delivery Partnership therefore agreed to set up a Fairness and Equalities sub-group tasked with bringing a partnership approach to tackling inequality. The group has met on four occasions to date with lots of positive steps identified to try work together in addressing equality and diversity issues affecting the borough, including monitoring progress of the LGBT+ Action Plan. The next meeting will be scheduled for October 2019.
Public Realm		
Redesign all services delivered by Public Realm to meet the agreed budget and service standards.	Robert Overall	The Waste service and Street Cleansing are currently waiting for the arrival of its new fleet and equipment following a substantial investment by the Council. Both the full implementation of the new street cleansing model and the arrival of the replacement fleet and equipment later in 2019 are key deliverables to ensure that this succeeds.
Embed the new street cleansing operating model.	Robert Overall	New cleansing model is operating but full implementation requires the new cleansing vehicles which will be arriving as part of the replacement fleet during second and third quarter 2019.
Work with Enforcement to help drive behavioural change with regard to waste and flytipping	Robert Overall	Joint initiatives with Enforcement over fly tipping continue and the success of the CCTV appeal on Youtube has helped raise the profile of this environmental crime.

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		Due to the high turnover of tenants in the private rented sector, the communication and messaging around waste behaviour change has to be constantly refreshed. The opportunity was taken to engage with residents at the Summer of Festivals.
Develop the procurement strategy for the replacement of our vehicle fleet.	Robert Overall	Cabinet have approved the business case for replacement. Procurement process has now started with vehicles expected to be progressively delivered from the second quarter 2019 through to year end, depending on lead times for order and delivery.
Enforcement and Community Safety		
Develop a new borough wide Private Licensing Scheme to be agreed by MHCLG.	Fiona Taylor	<p>The Councils application to introduce a boroughwide selective licensing scheme was approved by the Secretary of State and will start from 1st September 2019. This is a fantastic achievement and means that LBBDD are the first council in the country to have a whole borough scheme approved by the Secretary of State. Discussions have taken place with MHCLG who praised LBBDD on the quality of their submission. Some restructuring and shifts in staff capacity are currently underway to ensure that LBBDD is ready for administering the new scheme and that the move to focus more on enforcement of non-compliant landlords is managed effectively.</p> <p>In addition, the implementation of the online application and back office system (Metastreet) has been successfully commissioned and we are in the process of testing and rolling it out. The system will allow for start to end integration for landlords allowing them to make an application, payment and check the status of their application. The system will integrate back office and front-line functions and enables officers to work remotely and update inspection reports whilst they are out in the field. The new process will be paperless and will create significant efficiencies within the team. The systems are integrated and will mean the council operate paperless creating efficiencies within the service by operating totally remotely.</p>
Implement the Parking Strategy and agreed subsequent parking schemes.	Fiona Taylor	The parking fees and charges report was adopted in July 2018 and set out a range of changes to the charging structure for pay and display, permits and the introduction of a diesel surcharge. It also introduces proposals for increasing the range of CPZ schemes in the borough, consolidating existing schemes and expanding CPZ's around schools.

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		<p>A new CPZ policy was approved by cabinet in September 2018 and the first 4 zones were implemented on 1st July 2019 having completed a full consultation process. A further 4 zones are now being formally consulted with local residents and businesses.</p> <p>New unattended CCTV cameras have been installed for 5 schools as part of the CPZ programme.</p> <p>New Parking CCTV operating and Reviewing Control Centre is now live and fully operational.</p> <p>Overall parking is performing on target and achieved the net budget contribution that was set as part of the MTFS with a small surplus.</p> <p>Improvements to London Road Car Park were completed in early November 2018, with improved lighting, paintwork and fire doors.</p>
Develop the BCU to deliver Local solutions for policing in the borough.	Fiona Taylor	<p>Lobbying of MOPAC to address the crime and safety challenges for the borough now and in the next decade are ongoing. This also includes discussions on more visible policing, reporting hubs, knife bins, and new police bases.</p> <p>There are challenges in fully utilising the combined enforcement capability across the police, council and other key services. There are weekly tasking meetings in place which are having some positive results, but more intel capacity and a longer term problem solving approach to issues is needed. Plans are in place for this at both a tri-borough BCU level and a LBBD level and were launched in May/June 2019. A new intelligence officer started in June.</p> <p>Negotiations have successfully concluded on the future of the council funded police officers as the contract was up for renewal. The new crime and enforcement taskforce is now in place and focussing on tackling council priorities in relation to crime and ASB. The ambition is to have a joint police/council enforcement team that is operating and being tasked out of a single base in Barking Town Centre. The aim is to have this up and running in Sept 2019 subject to the satisfactory conclusion of negotiations with the police.</p>
Maintain focus on serious youth violence through the work of the Community Safety Partnership.	Fiona Taylor	Serious youth violence continues to remain a core priority for the LBBD Community Safety Partnership. The recent Community Safety Partnership Plan 2019/2022 has been produced and published onto the council website which highlights the six key

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>priorities and areas of focus including “tackling serious violence” and “keeping children and young people safe”.</p> <p>The LBBB Serious Violence and Knife Crime action plan has recently been refreshed, which has a range of interventions including enforcement in key hotspot locations, targeting of perpetrators/gang nominals, taking weapons off the street, engagement with the community, rollout of the long term trauma informed model and early interventions and diversionary support for people at risk.</p> <p>The Community Safety Partnership continue to implement a long term trauma informed approach to addressing serious violence and exploitation at a local level. The plan was presented and agreed at September 2018 CSP before being presented to cabinet in late 2018. Successful funding from the Early Intervention Youth Fund and London Crime Prevention Fund has supported implementation and delivery. Trauma informed programmes have been designed with local community voluntary organisations in partnership with young people and are now running and delivering positive activities to children and young people. Trauma informed training has been delivered to professionals across Barking and Dagenham to provide knowledge and understanding on how to address trauma and apply and deliver trauma informed programmes and interventions. Staff across the council, voluntary and community organisations have been trained to deliver trauma informed training, so this can be rolled out on a wider scale when funding comes to an end. In addition, 12 additional spaces have been purchased so we can create a pool of trainers across the borough.</p> <p>LBBB hosted the first EAST BCU Serious Violence Summit 16 January 2019 which started challenges conversations around serious violence and the impacts of serious violence across the tri-borough. Redbridge held the second summit on 16 May and Havering has booked their event for October 2019. The continuation of these events will review the impacts, challenges and drivers of serious violence across the East BCU.</p> <p>The LBBB Crime and Disorder Strategic Assessment is an annual audit identifying data, trends of levels of crime and disorder across Barking and Dagenham. The assessment is reviewed on an annual basis and has a focus on levels of serious violence and knife crime. The updated strategic assessment was presented to the CSP in June 2019.</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
Social Care and Health Integration		
Publish a new Health and Wellbeing Strategy 2018-2023.	Elaine Allegretti	<p>Following an eight weeks consultation, the Joint Health and Wellbeing Strategy was approved by Assembly, Health and Wellbeing Board and CCG management team in January 2019, and is now published online on the LBBB website –</p> <p>https://www.lbbd.gov.uk/sites/default/files/attachments/Joint-Health-and-Wellbeing-Strategy-2019-2023.pdf.</p> <p>The strategy focuses on three themes namely;</p> <ul style="list-style-type: none"> • Best Start in Life • Early Diagnosis and Intervention • Building Resilience. <p>Work is now ongoing to map the current work around the three themes, and governance of the strategy and its outcomes across local, BHR and STP level boards to spot any gaps in current workstreams and governance.</p>
Deliver campaigns to raise awareness of safeguarding issues.	Elaine Allegretti	<p>Plans to produce a social media campaign around various safeguarding themes will be discussed and agreed in the Adults Improvement Board.</p> <p>The aim will be to raise awareness within the community and encourage people to report issues or concerns. This will run across October, November and December 2019, covering Safeguarding month in November.</p>
Change our approach and systems for keeping children and young people safe from exploitation.	Elaine Allegretti	<p>Since the set-up of the Adolescent service sitting alongside the Youth Offending service work has been underway to define the remit of the team, referral pathways and partnerships.</p>

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		<p>The Multi agency Sexual Exploitation meeting (MASE) has revised its terms of reference and now has a more robust oversight of all children at risk of sexual exploitation, with improved focus on trends, offenders and unsafe location.</p> <p>In the forthcoming quarter, there is an expectation that partners contribute to the Dashboard and profiling of our CSE cohort. A workstream is happening in parallel with relevant partners to look at how we replicate this work ensuring there is a single oversight and monitoring for our criminally exploited children.</p> <p>Work is underway with the University of Bedfordshire to embed a contextual safeguarding approach to Exploitation; the first phase involves undertaking a self-evaluation against the CS Tools developed in the Hackney pilot.</p> <p>Two separate bids have gone in – one to Young Londoners Fund the other Youth endowment fund both to boost interventions for this vulnerable cohort.</p> <p>DCS has commissioned work to learn from the recent Croydon Serious Case Review of adolescents led Independent Charlie Spencer, we are working with Education colleagues to address exclusions and transitions – given the strong correlation between exploited children and exclusions/poor transitions. The Director of Operations spoke at the recent Head teachers conference on Exploitation.</p> <p>A monthly multi agency Missing Panel chaired by the Exploitation and Missing manager now ensures oversight and tracking of those missing during the month, ensuring procedural compliance and the right plans are in place to reduce risk.</p> <p>The new TOM has been signed off at Cabinet and recruitment to the Exploitation team and recruitment of additional YARM workers to work with schools will start in September.</p> <p>Work is beginning with Early help colleagues to align the targeted Youth service work with the work being undertaken by our statutory services to ensure they are working with the correct cohort of young people, reducing demand and providing a robust step-down offer.</p> <p>Step up, Stay Safe - B&D Approach to Exploitation working towards draft for consultation in the Autumn.</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
Continue to deliver continuous improvement in services and improve quality.	Elaine Allegretti	<p>Continuous improvement of services and outcomes is a key component of business as usual for the Care and Support and partners.</p> <p>Between 18 February 2019 and the 1 March 2019, the Council was subject to a Standard Inspection under the OFSTED Inspection of Local Authority Children’s Service (ILACS) framework -The judgement from the OFSTED inspection is that services for children in Barking and Dagenham ‘requires improvement to be good’.</p> <p>This judgement was consistent with our Annual Self-evaluation submitted to OFSTED</p> <p>Within the inspection report, there are many areas of strength and examples of positive practice. In addition, they identified 6 key recommendations where they felt improvement was most strongly required. These are:</p> <ul style="list-style-type: none"> • The quality, management oversight and impact of early help services. • The quality and effectiveness of management oversight and supervision to ensure that children’s circumstances improve within their timeframes. • The timeliness and effectiveness of public law outline (PLO) arrangements. • Planning for children placed with parents. • The strategic relationship with health services, and operational delivery across a range of health functions. • The provision of help for children living with domestic abuse, or in neglectful circumstances. <p>Our Improvement Plan has been drafted, published and shared with OFSED. This was completed – as it was required to be – by 9 July 2019. To deliver the required improvements, including the OFSTED Improvement Plan – the Children’s Transformation Programme has been developed. This was approved by Cabinet in July 2019 and has now been initiated as a programme through which improvement programme will be delivered over the next two years.</p> <p>Monthly DCS chaired improvement board continues and has overseen progress in relation to recommendations with good evidence of improvements in PLO and permanency; an in-depth analysis of strengths and challenges of practice within early help. There continues to be ongoing focus on improving quality and effectiveness of</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>management oversight and provision with focus on some key services such as MASH and assessment.</p> <p>Our Youth Offending Service (YOS) was subject to a full joint inspection by Her Majesty's Inspectorate of Probation (HMIP) in September 2018. The inspection report was published on 20 December 2018. Barking and Dagenham's YOS was rated overall as Requires Improvement but for Governance and Leadership, Information and Facilities and Joint Working the YOS was rated as Good.</p> <p>The YOS submitted an improvement plan to HMIP and this plan is being monitored by the Children and Young People's sub-group of the Community Safety Partnership. The YJB has released a set of National standards with the expectation that Youth offending services will self- evaluate themselves against the standards. This work will start in September 2019</p>
<p>Reboot the health integration agenda, including delivering a vision for health and wellbeing at Barking Riverside.</p>	<p>Elaine Allegretti</p>	<p>Thames Health & Social Care Locality Board</p> <p>As part of the implementation of the Integrated Care System we have agreed with the CCG to establish the Board chaired by Cllr Worby.</p> <p>The first meeting will be held on 25th September. Thames is the first Locality Board to be established in the BHR Integrated Care System. The Board's purpose is to support the health and wellbeing of the population of Thames Ward by ensuring that health & care services (including wellbeing and prevention programmes) are:</p> <ul style="list-style-type: none"> • Commissioned and delivered in ways that are consistent with the agreed System for health/care model • High quality • Holistic and joined-up • Responsive to the needs and aspirations of the local community <p>The scope is for Locality 4, which is currently Thames Ward. This includes Barking Riverside, Scrattons and Thames View. However, longer-term development and boundary changes may impact on the scope. It is proposed the Locality board will be responsible for:</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<ul style="list-style-type: none"> • Securing the voice of residents in decision-making about health & care (including the prevention and wellbeing agenda) services and activity in Thames Ward; • Ensuring health and wellbeing provision is commissioned and delivered in line with the agreed system for health/model of care • Working with the BHR Provider Alliance to ensure these services are high quality and responsive to the needs of the local population; • Working with local commissioners to inform commissioning decisions; • Working closely with the Public Health team to embed a prevention and wellbeing agenda and activities within the locality. <p>Thames Ward Health Hub:</p> <p>At a workshop at the end of April we discussed health and wellbeing in Thames Ward – we focussed on the health hub the built environment and how we should partner with local community groups to deliver wellbeing for residents. BRL have received positive feedback, not least from community members.</p> <p>The workshop provides us with a strong collaborative platform across the stakeholders in this project, including community members, and the opportunity to do something really exciting in Thames Ward. The next stage is to get the three working groups under way.</p> <ul style="list-style-type: none"> • Community-led programmes • ‘Not a Hub’ design group <p>Built environment</p>
Respond appropriately to the Social Care Green Paper on older people and the Children’s Social Work Act.	Elaine Allegretti	<p>Publication of the social care green paper is awaited.</p> <p>BCF 2019/20 on track for sign off by September.</p>
Strengthen the understanding of corporate parenting responsibility with every Member playing their part.	Elaine Allegretti	<p>The new targeted operating model has a new approach to Corporate Parenting and Permanence, the aim being for children and young people to have less transition points, good quality well supported placements and achieve permanency without delay. Children in care and care leavers will experience a service where key parts of the Council and our Health and education partners have the highest aspirations for all.</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>The enhanced local offer for care leavers has now been signed off at Cabinet which evidences the Council's ambition to be the best corporate parent we can be. The Chief Exec will officially Launch this at the October Care leavers awards. The offer includes dispensation from Council tax and specific championing work for UASC.</p> <p>Group membership for Corporate Parenting Board has been reviewed and all new members have been fully inducted, and each key promise is being led by a member. The Board is now well attended, offers challenge and holds all members to account in their role in delivering a quality service. The agenda for the year has been set and was led by the Child Take Over Day and strategies reviewed. Young people are represented on the Board and all Board members are expected to attend the training session led by Care leavers.</p> <p>As outlined above Ofsted made a key recommendation around Health and the provision for children in care and care leavers – insufficient provision of CAMHS, undertaking IHA's in timely way and providing health passports. The LAC nurses will now move into the Care service and Liquid logic systems improved and we are seeing some improvements all be it slow. CAMHS are now providing a consultation line as well as drop in service to Care and support offices so referrals can be discussed, and children sign posted to the correct services.</p> <p>We are beginning to see improvements in placements stability, adoptions rates and care leavers that are NEET over the last 12 months.</p>
Develop strategy and proactive campaign of work to end loneliness.	Elaine Allegretti	This work remains in development and forms part of discussions with ComSol and at the Adults' Improvement Board.
Educational Attainment and School Improvement		
Develop a new Education and Participation Strategy.	Elaine Allegretti	<p>The Education & Participation Strategy for 2018-22 was approved by Cabinet on 13 November 2018 and is now published.</p> <p>The strategy was developed in partnership with schools, Barking and Dagenham School Improvement Partnership (BDSIP), Barking and Dagenham College and CU London.</p> <p>The strategy's priorities focus on the following outcomes:</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<ol style="list-style-type: none"> 1) All children and young people have a place in a school or early years' setting judged 'Good' or 'Outstanding' by Ofsted. 2) Exceeding national and then London standards where we have not already achieved this. 3) Improving opportunities for young people post-16 and post-18 and reducing numbers of young people not in education, employment or training. 4) Supporting the wellbeing and resilience of children and young people and the educational settings which nurture them. 5) Maximising the council's levers and influences to raise aspirations and increase opportunities for all children and young people. <p>Headline actions for key partners are set out in the strategy and underpin each priority.</p>
Publish a new Special Educational Needs and Disability (SEND) Strategy 2019-2022.	Elaine Allegretti	Development of the new Special Educational Needs and/or Disabilities (SEND) and Inclusion Strategy is underway but was paused for a period to allow for completion of the All Age Disability Review. Several workstreams are underway to inform next steps including a review of ARPs, more work with health and understanding better what good looks like for children, their families and their outcomes.
Ensure that school place planning is meeting demand by creating new places, both mainstream and specialist provision.	Elaine Allegretti	<p>The Review of School Places and Capital Investment which sets out forecast demand for pupil places and how the Council intends to use capital grants to fund new school places was considered and approved by Cabinet on 16 July 2019.</p> <p>The report sets out the high level of demand seen across London and that a new forecasting model has been developed over the past 12 months which will better indicate the numbers and types of SEND likely to be received over the next five years. It indicates the importance of identifying a further site in Barking for a primary school and a site in the borough for another Special School.</p> <p>The Education and Skills Funding Agency (ESFA) have successfully re-brokered Thames Bridge school for Social Emotional and Mental Health (SEMH) needs. The new school operator is the Eko Trust, based in Newham.</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>The 'New Pathways School' will open in September 2019 on the City farm site as a temporary arrangement. The permanent school will be constructed on the former Ford Polar site by the ESFA.</p> <p>Major school expansions at Barking Abbey and Robert Clack schools remain on programme. The all-through school site (forming part of the Robert Clack expansion) is well underway with a completion target of July 2020. In terms of major repairs and improvement works to schools, the Summer 2019 programme is developed where projects will be delivered by MyPlace.</p>
<p>Improve engagement with young people to incorporate their voices into Council policy.</p>	<p>Elaine Allegretti</p>	<p>A top priority across Care and Support is to strengthen children's' voices in social work practice and to focus on improving the lived experience of the child in all areas of Care and Support.</p> <p>The Principal Social Worker (PSW) has led a voice of the child group of practitioners which involved an event for children in care at the Vibe, where they were able to feed back their views about their journey in services. This has now led to a <i>'lived experience of the child'</i> group who are tasked to build participation and feedback of children into the development of CS. The PSW also led a whole service session on direct work where a child in preventative services and a care leaver were able to share their experiences of direct work with their practitioner.</p> <p>The 2019 BAD Youth Forum has been elected with over 8000 votes cast. Every secondary school is represented, with sub-groups formed and activity working on a range of issues and several consultations. The new Young Mayor has already raised hundreds of pounds for their chosen charity of Sane. The Forum is also represented at the Overview and Scrutiny Committee, having recently inputted into discussions around work-related learning and air quality in the borough.</p> <p>A recent Young People's Safety Group event was attended by 7 schools, with mental health as the theme. FlipSide, one of the only LGBT youth groups in London, led on designing t-shirts for the borough's participation in the London Pride Parade. Public Health's annual school survey is underway, with results expected in the Autumn that will greatly inform borough commissioning priorities.</p>

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		<p>The issue of contextual safeguarding was explored by 9 schools at a Young People's Safety Summit, with intelligence around safe and unsafe spaces in schools shared with schools and key partners which continues to be used. The Summit is to be repeated in late 2019 to further inform contextual safeguarding practice.</p> <p>The borough has embedded its Youth Information Advice and Guidance group, based on a Redbridge model of good practice in engaging young people with the Police in an ongoing dialogue.</p> <p>'VotesforSchools' is providing over 90% of schools with access to resources that encourage debate and a weekly ballot. The Council has access to voting patterns and results, providing key data on local young people's views on a wide range of themes.</p> <p>The annual survey of Looked after Children has been conducted with 100 responses received. A takeover event of Members' Corporate Parenting Group took place in July which discussed the results as well as establish young people's priorities for the year.</p> <p>The systematic incorporation of child voice at all levels practice to strategic remains a local priority and as a result will form a key plank of new multi-agency safeguarding arrangements for the local safeguarding board which will include work with children and families to assess local strengths and what needs to be different in our local approach to children's and family voice and advocacy.</p>
Employment, Skills and Aspiration		
Develop the Job Shop and Adult College new work and skills offer.	Mark Fowler	In light of last year's restructure, a review of the current offers and process start in Q1 to be completed into July. This will set out the expected work over the coming months ensuring all programs meet the growing understanding of our resident need.
Develop a new Locality Strategy for Community Solutions, to maximise the use of assets and shape an integrated local offer.	Mark Fowler	We launched our first new community hub at Marksgate. This includes expansion of our healthy lifestyle work, mobile employment offer, a focussed community youth offer lead by residents and the opening of second community supermarket – A third has also been launched with the Osborne partnership in Albion
Work collaboratively with partners to develop a Barking and Dagenham Employment Framework.	Graeme Cook Tess Lanning	Conducted research, analysis and engagement with key partners to inform the borough's framework and approach to employment, economic development and the

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		school to work transition. This will be set out in a new Inclusive Growth strategy, with a first draft due in the autumn.
Agree a strategic and practical level approach to business and employer engagement.	Graeme Cook Tess Lanning	We launched a new Business Forum in Q1, with quarterly events and a newsletter to better engage local businesses, supported by a steering group of local business leaders. We are developing a shared database of all local businesses and conducting research to identify how we can encourage more of them to grow and offer more good jobs, training and work experience to residents.
Continue development of clear progression pathways and post-18 opportunities for young people.	Mark Fowler	Focussed worked has been agreed with the head of employment & skills now part of the NEET panel. Relationships are also developing with colleagues from looked after children (LAC).
Hold a series of events to promote employment opportunities to local residents.	Mark Fowler	We held 2 job fairs up to the end in the first quarter, with a further 3 planned in quarter 2. Our ambition is to hold 5 event more than last year.
Monitor the impact of the Universal Credit roll out and address any emerging issues.	Mark Fowler	<p>Monthly monitoring continues, although owing to limited information sharing from the department of works and pensions (DWP) precise impacts are difficult to track. What we have found is that the number of residents applying for council tax support (CTS) is reducing due to needing to apply for UC and CTS.</p> <p>In relation to tracking housing rents of those in receipt/applying for UC we have seen an impact in collection levels, with UC council tenants now in arrears at an average of £831 per account, compared to £118 of those in receipt of housing benefit.</p> <p>A review of the wider impacts to the council started in April 2019, which is set to conclude in July 2019 with the findings if required reflected, in the medium-term financial strategy.</p>
Regeneration and Social Housing		
Deliver the Be First regeneration and housing pipeline.	Graeme Cooke	Be First is making strong progress in accelerating the pace and scale of regeneration in the borough. The company's latest business plan sets out plans to build over 3,000 new homes by April 2024, over 70% of which will be affordable (i.e. rented or shared ownership at lower than market prices, including a substantial proportion at council comparative rents). Be First is also focusing on securing key socio-economic benefits

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		for residents, such as through strong local labour clauses in its framework contracts for construction activity.
Work with Be First to identify further, future regeneration and development opportunities.	Graeme Cooke	Be First has increased its projected housing delivery from around 2,200 when the company was first established to over 3,000 now (for delivery by April 2024). In addition, Be First has progressed a number of strategic regeneration projects – such as the film studios in Dagenham East and attracting the relocation of London’s wholesale markets to Barking and Dagenham.
Identify the need and demand for future housing supply, to inform the Local Plan and commissioning intentions for Be First.	Graeme Cooke	A Strategic Housing Market Assessment has been completed to identify future housing supply needs based on population change – and Be First are updating the long-term housing trajectory as part of producing a draft Local Plan (which will go to Cabinet and then public consultation by the end of the year). Further detailed work is taking place to assess future demand for specialist accommodation for vulnerable residents.
Transition Reside to the next phase of delivery, ready to let, manage and increase the number of affordable homes.	Graeme Cooke	A new independent Board for Reside has now been in operation for over six months, along with the new Managing Director. A commissioning mandate for Reside has been drafted to provide a policy framework within which a new business plan for Reside is being produced (due to go to Cabinet in October). Work continues on the development of a registered provider arm within the Reside structure, based on an approval in principle from Cabinet in January 2019.
Agree key policies and strategies for Reside.	Graeme Cooke	A comprehensive review of Reside’s policies – and the legal framework underpinning them – has been undertaken. Key elements of this have been incorporated into a commissioning mandate for Reside, which clarifies the council’s objectives for the company and the parameters within which it operates. The company is in the process of drafting its business plan to set out how it will deliver on the council’s objective over the coming years.
Update allocations policy for HRA and Reside properties.	Graeme Cooke	The Cabinet approved a series of changes to the allocations policy for HRA and Reside homes in January, which was then subject to a public consultation. A further report is being prepared which will ask Cabinet to give final approval to the new policy, taking on board the consultation responses. A key aim of these changes is to make it easier for local working residents on low incomes to access Reside homes.
Deliver the Sustainable Housing Project and shape the future of the Street Purchasing Programme.	Graeme Cooke	A decision has been taken not to proceed with the implementation of the Sustainable Housing project. Work is underway to finalise the purchase of all the identified street

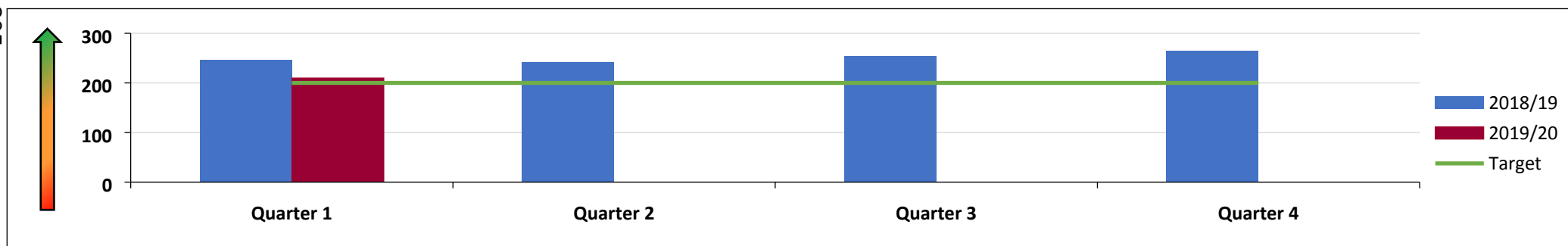
Key Accountability	Strategic Director	Quarter 1 2019/20 Update
		properties and to determine their future use (with as many as possible set to be used for care leavers and other vulnerable groups of residents).
Agree property standards across new and existing HRA and Reside properties.	Graeme Cooke	The council has agreed a consolidated set of Employers Requirements for all future new build developments (with agreed protocols for any variations). Work is underway to explore how these new build principles could be applied to the council's existing housing stock, as a more ambitious set of housing standards beyond Decent Homes (including to assess the financial implications of these standards).
Agree a new Corporate Asset Management Strategy (CAMS), shaping a long-term investment plan, based on the stock condition survey.	Graeme Cooke	A comprehensive stock condition survey has been completed and the results are being used to inform the long-term stock investment programme for council homes. The insights from this work informed the annual update to the 30-year HRA business plan which was approved by Cabinet in February 2019. During the last quarter, a series of further, more specialist asset reviews have been kicked off (considering the council's operational buildings, commercial portfolio and sheltered housing stock).
Ensure all existing council housing meet the Decent Homes standard.	Graeme Cooke	The council met its target to achieve the Decent Homes standard on internal elements of its housing stock by April 2019 and is aiming to achieve decency on external elements by April 2020. Plans for the stock investment programme were agreed by Cabinet in February 2019, alongside the updated 30-year HRA business plan.
Deliver on-going Tower Blocks safety improvement works.	Graeme Cooke	All blocks have received Health and Safety inspections and type 3 intrusive fire risk assessments. A Fire Safety Policy Annual Report has been agreed by Cabinet, which further strengthens the fire safety management of blocks.
Lead the development of a 'Green Capital of the Capital' Strategy, incorporating the future direction of B&D Energy and rollout of Beam Energy.	Graeme Cooke	Beam Energy launched earlier in the year, offering gas and electricity to local people at competitive prices – with the focus now on increasing take up and securing the most competitive tariffs. The Cabinet has approved an updated business plan for B&D Energy which will see the development of a strategically significant district heat network in Barking Town Centre providing heat to around 8,000 households (subject to a successful bid for £5m from central government to support the scheme).
Finance, Performance and Core Services		
Embed a performance challenge process for the corporate performance framework.	Claire Symonds	Challenge sessions continue to be held and lead by the Cabinet Member of Finance, Performance & Core Services – work is being done to refine the reporting to these.

Key Accountability	Strategic Director	Quarter 1 2019/20 Update
Develop a clear Medium-Term Financial Strategy (MTFS) and robust budget monitoring.	Claire Symonds	New four-year MTFS presented to Cabinet in July
Review and monitor the Investment and Acquisition Strategy.	Claire Symonds	Work on a refresh of the IAS is being undertaken which will include the development of new asset classes and will be presented to Cabinet in September.
Deliver excellent customer services.	Claire Symonds	Call reduction to the contact centre is also being demonstrated and work continues to improve the website.
Maintain excellent Treasury Management.	Claire Symonds	Progress and monitoring reports presented to Cabinet and Assembly.
Re-design the Commissioning Centre of the Council.	Claire Symonds	With the phased return of Elevate services being agreed, work is now being undertaken to ensure a smooth transfer.

Appendix 2: Community Leadership and Engagement – Key Performance Indicators 2019/20

COMMUNITY LEADERSHIP AND ENGAGEMENT					Quarter 1 2019/20
The number of active volunteers					
Definition	How this indicator works				
People who have actively volunteered their time in the previous 3 months within any area of Culture and Recreation or been deployed to volunteer by the volunteer coordinator Culture and Recreation.	This indicator measures the average monthly number of active volunteers that support Culture and Recreation, Healthy Lifestyle and Adult Social Care activities.				
What good looks like	Why this indicator is important				
We are working towards a continuous increase in the number of active volunteers within the borough.	Volunteering not only benefits the individual by increasing their skills and experience, it also has a significant impact on the health and wellbeing on the community as a whole.				
History with this indicator	Any issues to consider				
2017/18 – 230 active volunteers 2018/19 – 265 active volunteers	Volunteering can be more frequent during Summer months particularly in support of outdoor events programmes such as Summer of Festivals.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	210				↓
Target	200	200	200	200	
2018/19	247	242	254	265	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>Across quarter 1 of 2019 (April to June) there was an average of 210 active volunteers. This exceeds the monthly target of 200 by 10 and is 5% of the target figure. The target figure for 2018-2019 was retained at 200 to reflect seasonal variation in volunteering and the possible change in opportunities for volunteering with the council wide reorganization being established. Compared to Quarter 4 in 2018-2019 the figure is down by 15% however we are confident of an increase of volunteer participation as our voluntary schemes are currently in the process of recruiting up to 89 new volunteer applicants within the coming months.</p>	<p>We have continually surpassed the volunteer target of 200. This is due to the wide range of volunteer opportunities across Culture and Recreation and the use of Better Impact software by other service areas to manage volunteer deployment and recruitment. The availability of extra data is seen here and the ability for an individual volunteer to offer their time to a number of service areas. There has been an increase in venues with volunteer opportunities around the borough and the events programme is consistent throughout the year. There are also many public health funded projects running via the Healthy Lifestyles Team, The Volunteer Drivers Scheme, Heritage volunteers, volunteering in libraries and the wider offer in Community Solutions have consistently attracted regular volunteer numbers. In addition, the success of volunteers going on to gain employment with the council is also an incentive for local people to gain experience via volunteering with LBBD and can be used to increase the uptake of the expanded offer.</p>
Benchmarking	Local Performance measure	

COMMUNITY LEADERSHIP AND ENGAGEMENT

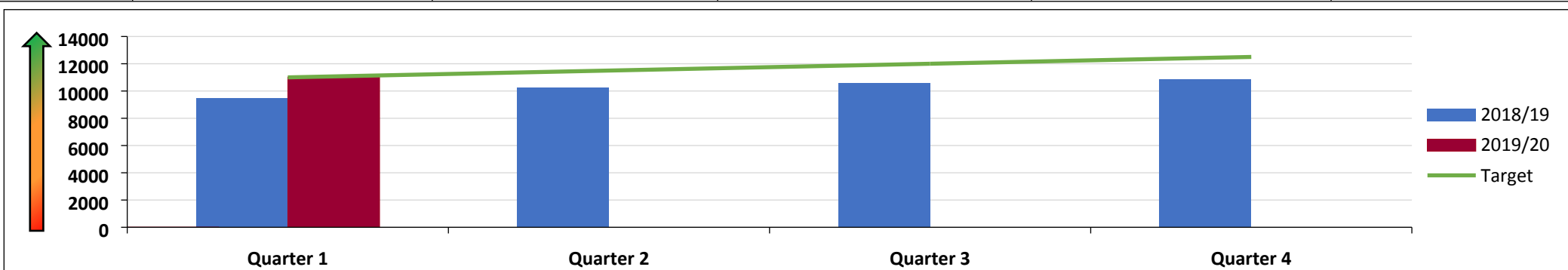
Quarter 1 2019/20

The number of engagements with social media (Facebook)

Definition	How this indicator works
The number of engagements with the Council’s Facebook page over the previous quarter.	This figure will look at the number of Facebook followers we have.
What good looks like	Why this indicator is important
We are working to increase the number of residents in our social media network.	To track the growth of our social network.
History with this indicator	Any issues to consider
2017/18 – 8,145 engagements 2018/19 – 10,847 engagements	None at this time.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	11,020				
Target	11,000	11,500	12,000	12,500	
2018/19	9,479	10,264	10,586	10,847	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<ul style="list-style-type: none"> 1,541 new followers in last year Average 128 new followers each month August 2018 had the largest monthly increase in likes 	<ul style="list-style-type: none"> Refresh content plan to increase reach and engagement Cross promote Facebook account on all other comms channels (all print, email, digital banners etc across other social channels, borough events, internal comms, customer contact centre) Potential digital ad campaign promoting our digital channels (Xads / community digital screens, Social Media ads) Recruit new Digital Manager to oversee performance across all digital channels and refresh the team’s social media strategy.


Benchmarking	Local performance measure.
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COMMUNITY LEADERSHIP AND ENGAGEMENT

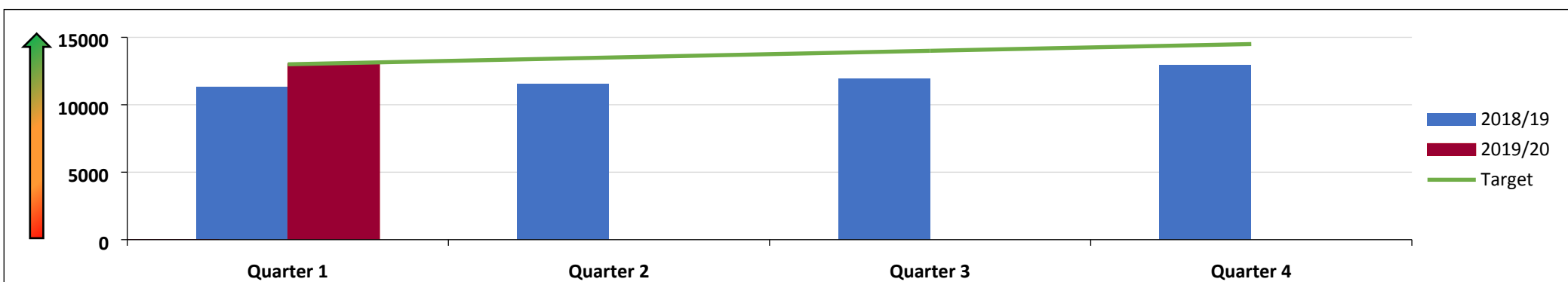
Quarter 1 2019/20

The number of engagements with social media (Twitter)

Definition	How this indicator works
The number of followers of the Council's Twitter page.	This figure will look at the number people following our Twitter account.
What good looks like	Why this indicator is important
We are working to increase the number of residents in our social media network.	To track the growth of our social network.
History with this indicator	Any issues to consider
2017/18 – 10,584 followers 2018/19 – 12,953 followers	None at this time.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	13,040				
Target	13,000	13,500	14,000	14,500	
2018/19	11,304	11,563	11,940	12,953	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<ul style="list-style-type: none"> • 1,736 new Twitter followers in last year • Just under 150 new followers each month • Following the Barking Riverside Fire, we had our highest single day increase in followers on Monday 10 June – 64 new followers 	<ul style="list-style-type: none"> • Refreshing content plan to increase reach and engagement • Cross promote Twitter account across all channels (all print, email, social channels, borough events, internal comms, CCC) • Digital ad campaign promoting our channels (Xads/community digital screens, Social Media ads) • Recruit new Digital Manager to oversee performance across all digital channels and refresh the team's social media strategy.
Benchmarking	Local performance measure.	

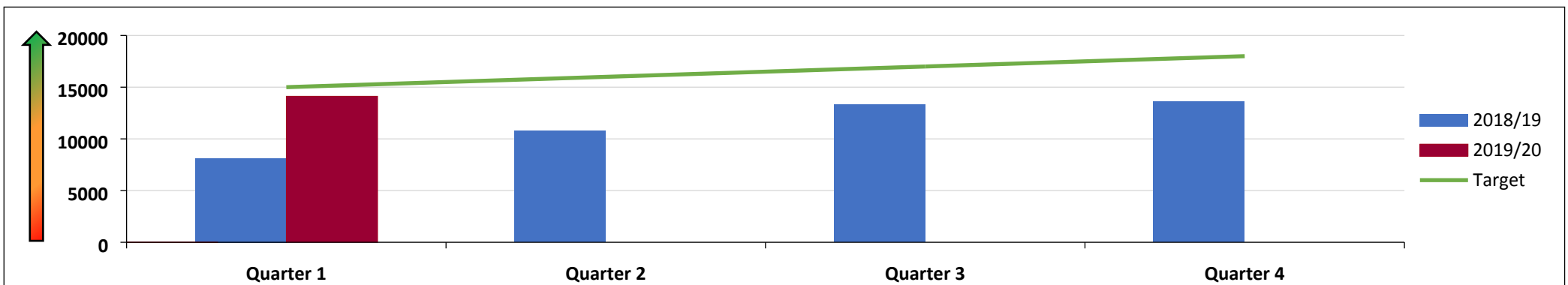
COMMUNITY LEADERSHIP AND ENGAGEMENT

Quarter 1 2019/20

The number of One Borough newsletter subscribers

Definition		How this indicator works			
The number of subscribers to One Borough newsletter.		This indicator monitors the number of subscribers we have to the mailing list.			
What good looks like		Why this indicator is important			
We are working towards 18,000 subscribers by the end of quarter four.		We are looking to increase the number of residents who feel well informed of local news and key Council decisions. This figure indicates how many subscribers have opted to receive our communications, and therefore we're able to send important messages to.			
History with this indicator		Any issues to consider			
2017/18 – 66,341 subscribers (see issues to consider) 2018/19 – 13,610 subscribers		Due to GDPR, in May 2018 we had to erase all data and ask all subscribers (62,000) to re-subscribe to our newsletter.			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	14,121				
Target	15,000	16,000	17,000	18,000	
2018/19	8,124	10,793	13,341	13,610	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<ul style="list-style-type: none"> • 5,997 new subscribers in last year (following GDPR clean-up of our email list) • 27.9 % average open rate (GDPR sign up affected stats) • 20.1% average click rate (GDPR sign up affected stats) 	<ul style="list-style-type: none"> • Review Mailchimp, consider moving over to GovDelivery • Create targeted email topics to provide tailored info to residents • Refresh email layouts, uniform templates, style guide • Campaign to drive up sign ups including sign up overlays on web pages.
Benchmarking	Local performance measure.	

COMMUNITY LEADERSHIP AND ENGAGEMENT

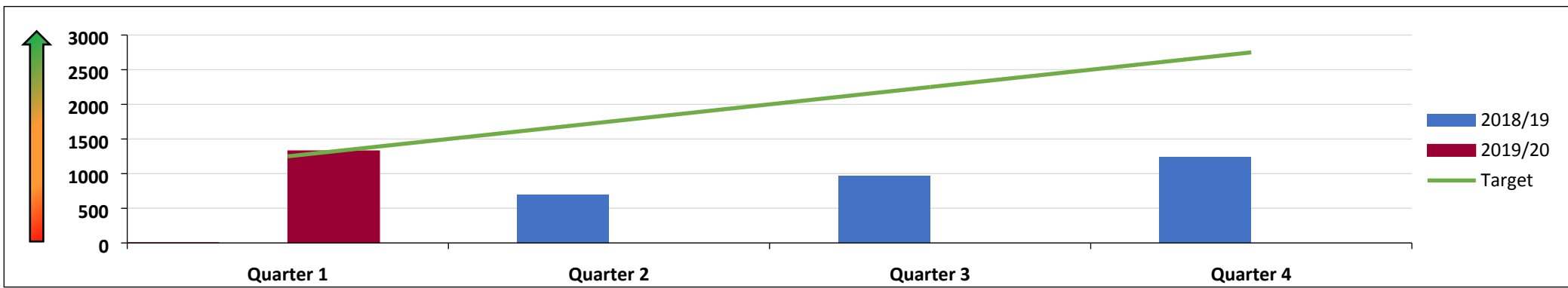
Quarter 1 2019/20

Number of Instagram followers

Definition	How this indicator works
Number of followers we have on our Instagram account	The indicator monitors the increase of followers.
What good looks like	Why this indicator is important
To see an increase in the number of followers.	In line with the above measures, this indicator will help us to review the reach of our Instagram posts and therefore the strength of this touchpoint.
History with this indicator	Any issues to consider
2018/19 - 1,236 followers	A strategy clear strategy needs to be drawn up for this channel.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2018/19
2019/20	1,330				
Target	1,250	1,750	2,250	2,750	
2018/19	n/a	768	965	1,236	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<ul style="list-style-type: none"> 1,330 new subscribers in the last year 	<ul style="list-style-type: none"> Relaunch account, and agree the key driver for channel – could potentially focus on place / using the account as a growth and regen channel? Recruit new Digital Manager to oversee performance across all digital channels and refresh the team’s social media strategy
Benchmarking	Local performance measure.	

COMMUNITY LEADERSHIP AND ENGAGEMENT

Quarter 1 2019/20

Evaluation of events

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

Survey Question	2016/17	2017/18	2018/19	2019/20	DOT
The percentage of respondents who agree that these annual events should continue	100%	91%	98%		↑
The percentage of respondents who live in the Borough	66%	64%	79%		↑
The percentage of respondents who were first time attenders at the event	43%	--	30%		↓
The percentage of respondents who had attended an arts event in the previous 12 months	56%	64%	70%		n/a
The percentage of respondents who heard about the event from LBBD social media activity	25%	28%	42%		↑
The percentage of respondents who agree that these events are a good way for people of different ages and backgrounds to come together	100%	92%	97%		↑


RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Results for 2018/19 are included above. To allow comparison the results for the previous year are also included.	When we asked people what they particularly liked about the events and how they think they could be improved, a number of recurring themes were identified. Positive comments – free entry, atmosphere, good day out, family friendly; and seeing the community come together. Areas for improvement – more seating, cost of rides, more variety of food on sale, price of food, and more arts and crafts stalls.
Benchmarking		

COMMUNITY LEADERSHIP AND ENGAGEMENT

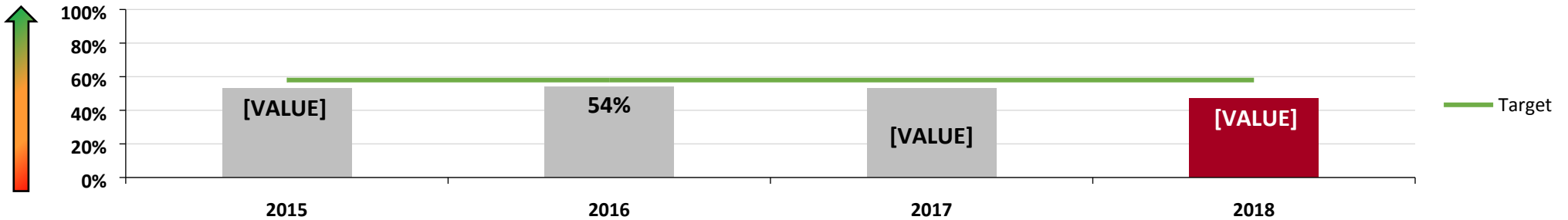
Quarter 1 2019/20

The percentage of residents who believe the Council listens to concerns of local residents

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

	Annual Result	DOT from 2017
2018	47%	
Target	58%	
2017	53%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	Performance dropped between 2017 to 2018, in line with national surveys. This may partly be linked to uncertainty surrounding Brexit and frustration with the state of affairs more generally. The Council has continued efforts to consult and engage residents. The Council is developing a relational, participatory approach, including a new participation and engagement strategy. However, to see real improvements, the Council needs to be better at responding to the concerns of residents through dealing effectively with service requests. A key part of this is setting clear expectations and service standards so that residents know what to expect.	To improve results, the Council needs to ensure it is doing the basics right through business as usual, ensuring the services delivered are relentlessly reliable. Development of campaign plans with key messages for priority areas, as well as continuing to work to improve consultation and engagement. The Council’s new consultation and engagement system will help increase participation and provide residents with a number of engagement opportunities.


COMMUNITY LEADERSHIP AND ENGAGEMENT

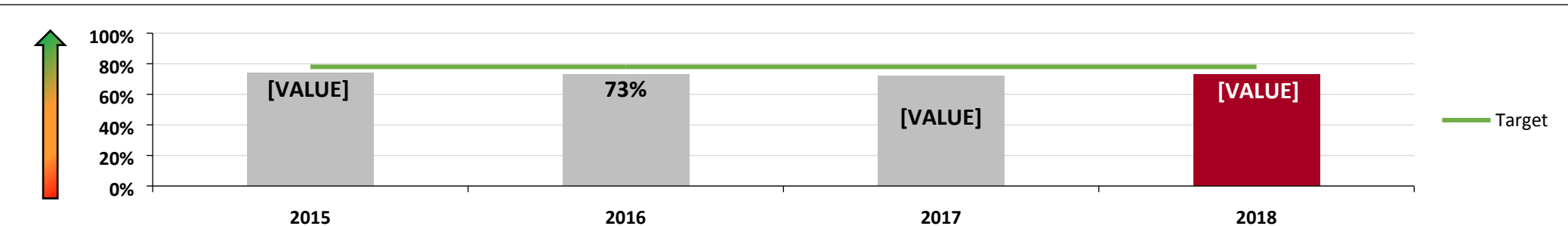
Quarter 1 2019/20

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

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

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	Annual Result	DOT from 2017
2018	73%	
Target	78%	
2017	72%	

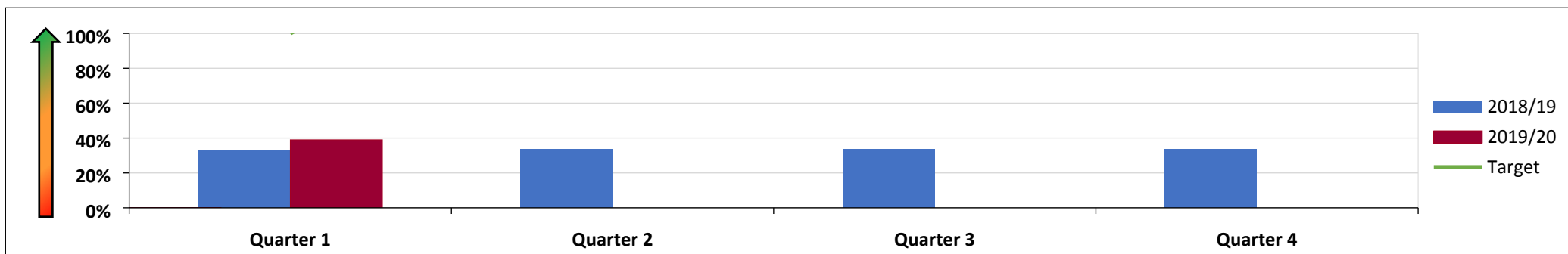


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Performance for this indicator has remained fairly consistent around 73% over the last few years. Given the circumstances, nationally as a result of Brexit and the reported rise in hate crime in places across the country, it is positive to note that performance for this indicator is holding steady.	The Council's Cohesion Strategy recognises the interdependencies and includes actions that contribute to people connecting with and understanding one another. The Council has commissioned the Faith and Belief Forum to support grass roots faith communities and work with Barking and Dagenham Faith Forum. Community Amplifiers have been commissioned to engage with residents and Campaign company engagement with residents will help the council and partners to communicate more effectively.

Equalities and Diversity – Key Performance Indicators 2019/20

EQUALITIES AND DIVERSITY					Quarter 1 2019/20
The percentage of Council employees from BME Communities					
Definition	How this indicator works				
The overall number of employees that are from BAME communities.	This is based on the information that employees provide when they join the council. They are not required to disclose the information, and some chose not to, but they can update their personal records at any time they wish.				
What good looks like	Why this indicator is important				
That the workforce at levels is more representative of the local community (of working age).	This indicator helps to measure and address under-representation and equality issues within the workforce and the underlying reasons.				
History with this indicator	Any issues to consider				
2017/18 – 37.17% 2018/19 – 33.8%	A small number of employees are “not-disclosed”, and the actual percentage from BAME communities may be marginally higher. Completion of the equalities monitoring information is discretionary and we are looking at how to encourage new starters to complete this on joining the council and employees to update personal information on Oracle.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	39%				↑
Target	Targets to be agreed				
2018/19	33.0%	33.4%	33.4%	33.8%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The council’s BAME% has increased since the previous quarter and above the figure for last year’s quarter. We have seen an increase of 6% BAME representation since Quarter 1 in the previous year. We continue to track the number of new starters and in the first quarter of 2019/2020, 57.4% of all new hires were BAME.	Monitoring of the workforce profile will continue and initiatives to attract candidates to greater align representation to the borough’s profile will remain in place.

The percentage of employees from BME Communities – Service Breakdown

BME	Non-BME	Not Provided	Prefer not to say
937	1,369	68	28

Service Block	BAME	Not-BAME	Not Provided	Prefer not to say
Adults Care and Support - Commissioning	2	14		
Adults Care and Support - Operations	148	132	16	1
CE/ PR/ Inclusive Growth/ Transformation	2	10		
Chief Operating Officer	5	17	1	2
Children’s Care and Support - Commissioning	20	33	1	
Children’s Care and Support - Operations	136	83	10	1
Community Solutions	229	250	9	2
Education	36	131	3	2
Enforcement Service	63	61		
Finance	25	27	2	
Law and Governance	55	88	3	7
My Place	45	85	3	12
Policy and Participation	17	67	6	
Public Health	1	6		
Public Realm	64	304	12	1
Transformation	5	17	1	
We Fix	84	44	1	

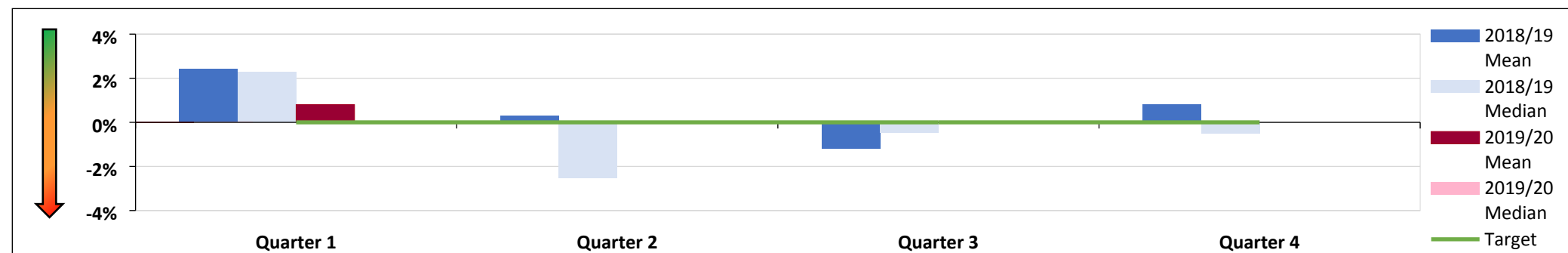
EQUALITIES AND DIVERSITY
The Council's Gender Pay Gap

Quarter 1 2019/20

Definition	How this indicator works
The gender pay gap is the average difference between the remuneration for men and women who are working.	The Council is required by law to publish gender pay gap information by March of each year. All large employers who have a workforce of over 250 employees need to comply with the legislation.
What good looks like	Why this indicator is important
That the levels of pay between male and female employees do not have significant imbalances with either group receiving significantly higher or lower levels of pay.	That the levels of pay between male and female employees do not have significant imbalances with either group receiving significantly higher or lower levels of pay.
History with this indicator	Any issues to consider
The previous mean & median figures reported for Q4 were 0.8% and -0.5% respectively. These will be reported in the 2020 gender pay gap submission.	Whilst the mean gap has remained the same, the median gap has slightly increased from figures reported in Quarter 4. This is because social worker recruitment & retention payments were made in March and included in the calculations. These payments were not made in Q1.

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	Quarter 1		Quarter 2		Quarter 3		Quarter 4		DOT from Qtr 1 2018/19
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	
2019/20	0.8%	0.03%							↑
Target	0%		0%		0%		0%		
2018/19	2.40%	2.27%	0.30%	-2.52%	-1.19%	-0.46%	0.8%	-0.5%	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The current Gender Pay Gap ratio demonstrates that female pay is higher than male pay.	The council will continue to monitor the GPG ratio in preparation for its annual submission in March 2020.
Benchmarking	Local performance measure.	


EQUALITIES AND DIVERSITY

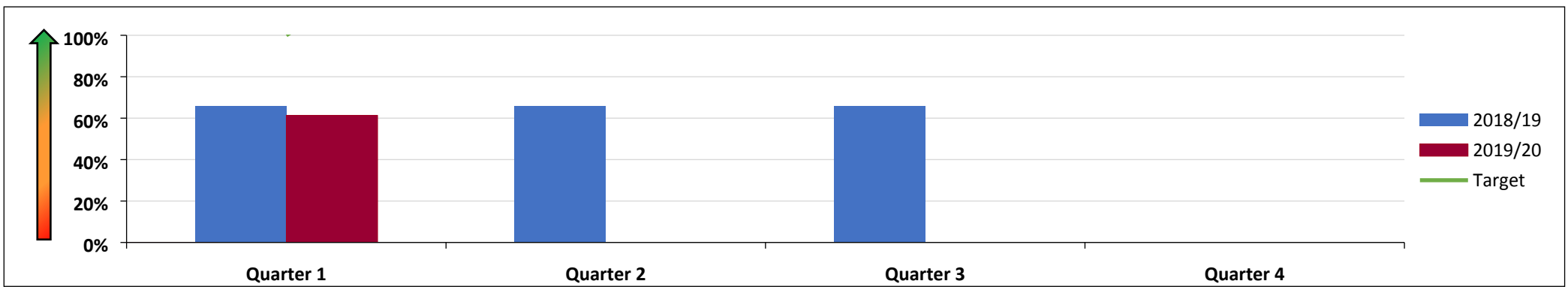
Quarter 1 2019/20

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

Definition	How this indicator works
The number of employees that have completed mandatory training courses as defined by the council.	The indicator assesses the level of completion of the courses that the council deems are mandatory to ensure its compliance with legislative and best practice requirements.
What good looks like	Why this indicator is important
The council is aiming for full compliance in completion of all mandatory training courses.	This indicator gives assurance that staff are completing the relevant training that the council deems necessary.
History with this indicator	Any issues to consider
2018/19 Q1: 65.8%	There are certain scenarios where staff may not be able to complete the mandatory training such as long-term absence from work for either long term sickness, maternity, paternity or adoption leave.

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	61.3%				
Target	Targets to be agreed				
2018/19	65.8%	65.8%	65.8%	---	

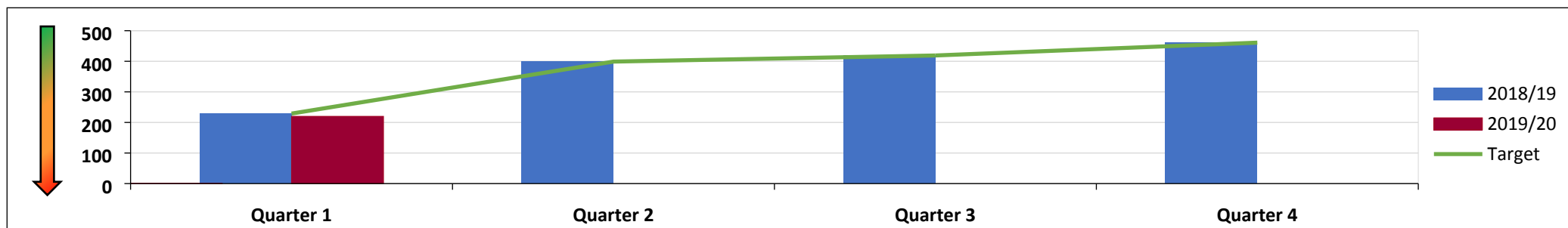


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The mandatory training figure given is the average completion rate for across all training topics. The training levels have fallen slightly from the same period last year.	The new appraisal guidance for 2019-20 states that an employee's appraisal rating will be capped if all mandatory training is not completed. The current appraisal window closes on the 30 th September and it is therefore expected that completion rates will increase when figures are reported in for the next quarter.
Benchmarking	Local performance measure.	

Public Realm – Key Performance Indicators 2019/20

PUBLIC REALM					Quarter 1 2019/20
The weight of fly-tipped material collected (tonnes)					
Definition	How this indicator works				
Fly tipping refers to dumping waste illegally instead of using an authorised method.	1) Fly-tip waste disposed at Material Recycling Facility and provided with weighbridge tonnage ticket to show net weight. (2) Following verification of tonnage data, ELWA sends the data to the boroughs and this is the source information for reporting the KPI.				
What good looks like	Why this indicator is important				
In an ideal scenario fly tipping trends should decrease year on year and below the corporate target if accompanied by a robust enforcement regime.	To show a standard level of cleanliness in the local authority, fly tipping needs to be monitored. This reflects civic pride and the understanding the residents have towards our service and their own responsibilities.				
History with this indicator	Any issues to consider				
2017/18 – 665 tonnes collected 2016/17 – 1,167 tonnes collected	Performance for this indicator fluctuates year on year depending on the collection services on offer, for example, the introduction of charges for green garden waste.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	220 tonnes				↑
Target	229 tonnes	399 tonnes	419 tonnes	461 tonnes	
2018/19	229 tonnes	399 tonnes	419 tonnes	461 tonnes	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The weight of fly-tipped material collected (tonnes) in quarter 1 was 220 tonnes. April = 116 tonnes, May = 69 tonnes, June = 35 tonnes.	The continuing work of the area managers and enforcement team to pursue and prosecute fly-tippers will continue to contribute in the improvement of this indicator. Hotspot mapping of incidents also helps to target problematic areas. This information is shared with the Enforcement team.
Benchmarking	London Fly-tipping tonnages is not available. However, the latest official figure (2017/18) for London Fly-tipping average incidents is 8,884. In 2017/18 LBBDD had 2,628 incidents of fly-tipping. LBBDD is ranked 5 th lowest for fly-tipping incidents within London's 33 boroughs (including City of London).	


PUBLIC REALM

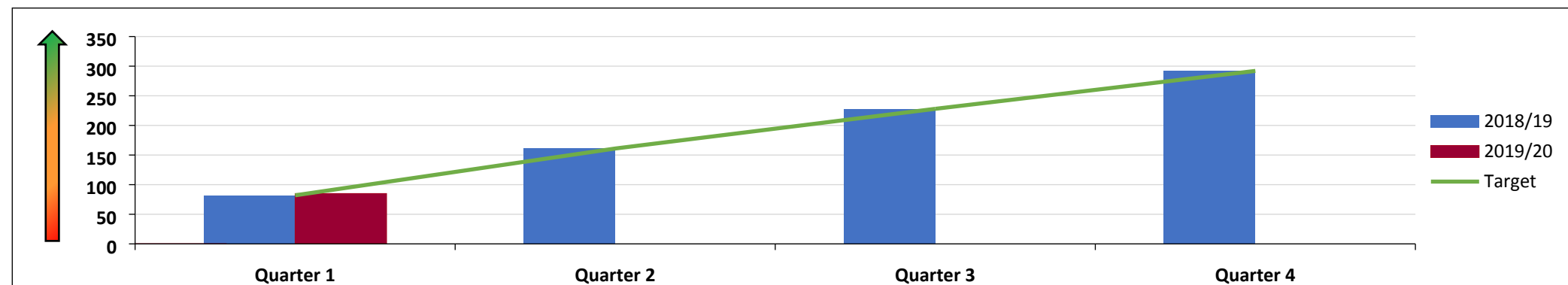
Quarter 1 2019/20

The weight of waste recycled per household (kg)

Definition	How this indicator works
Recycling is any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes.	This indicator is the result of all recyclate collected through our brown bin recycling service, brink banks, RRC (Reuse & Recycling Centre) and 'back-end' recycling from the Mechanical and Biological Treatment (MBT) Plant. The total recycled materials weight in kg is divided by the total number of households in the borough (77,136 households 2019/20 from July 2019).
What good looks like	Why this indicator is important
An increase in the amount of waste recycled per household.	It helps us understand public participation. It is also important to evaluate this indicator to assess operational issues and look for improvements in the collection service.
History with this indicator	Any issues to consider
2017/18 – 304kg per household 2016/17 – 302kg per household	August recycling low due to summer holidays and from October to March due to lack of green waste recycling tonnages/rates are also low.

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	85kg				
Target	82kg	161kg	228kg	292kg	
2018/19	82kg	161kg	228kg	292kg	




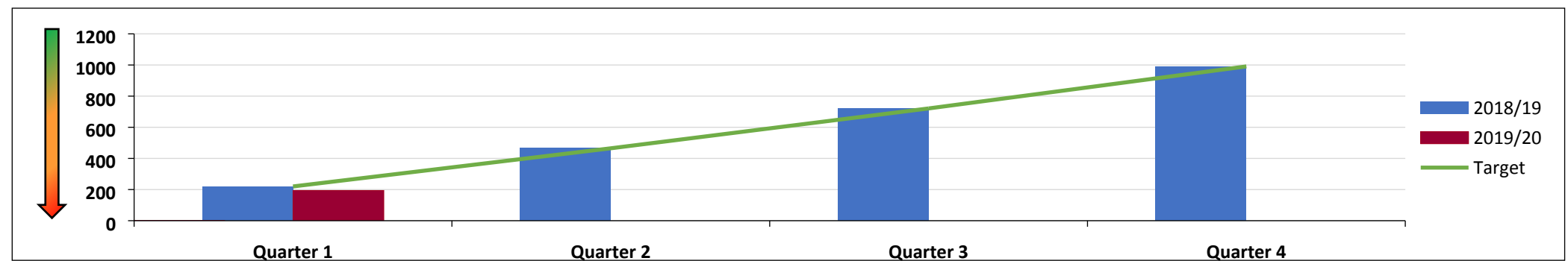
RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The weight of waste recycled per household in quarter 1 was 85kg. April = 24kg, May = 32kg, June = 29kg.	The Waste Minimisation Team continue to tackle the issue of contamination as part of the kerbside collection. Addressing this issue will be crucial to maintain LBBB's recycling rate. The team also responds to direct reports of contamination from crews and supervisors and directly engaging the residents. Dry weather impacts the amount of green garden waste produced.
Benchmarking	London average figures for recycling rate: Latest official figure (2017/18) is 33.1%. LBBB's 2017/18 recycling rate was 25%. LBBB is ranked 27 th within London's 33 boroughs (inc City of London).	

PUBLIC REALM Quarter 1 2019/20
The weight of waste arising per household (kg)

Definition	How this indicator works
Waste is any substance or object which the holder discards or intends or is required to discard and that cannot be recycled or composted.	This indicator is a result of total waste collected through domestic waste collections, bulky waste and street cleansing minus recycling and garden waste collection tonnages. The residual waste in kilograms is divided by the number of households in the borough (77,136 households 2019/20 from July 2019).
What good looks like	Why this indicator is important
A reduction in the amount of waste collected per household.	It reflects the council's waste generation intensities which are accounted monthly. It derives from the material flow collected through our grey bin collection, Frizlands RRC residual waste, bulk waste and street cleansing collections services.
History with this indicator	Any issues to consider
2017/18 – 838kg 2016/17 – 842kg	Residual waste generally low in month of August due to summer holidays and high during Christmas/New Year and Easter breaks.

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	194kg				
Target	220kg	465kg	721kg	991kg	
2018/19	220kg	465kg	721kg	991kg	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The weight of waste arising per household in quarter 1 was 194kg. April = 59kg, May = 71kg, June = 64kg. Lower recycling tonnages tend to increase the weight of waste arising per household. We have also seen an increase in household numbers from 75734 in 2018/19 to 77,136 in 2019/20 without corresponding increase in recycling.	Work is being continued by the waste min team to police the number of large bins being offered. Increase communications campaigns by the Comms Team is underway by targeting those households that produce the most waste. Increasing numbers of flats being built in the borough makes reducing household waste and increasing recycling a challenge.

Benchmarking

London Residual was per household: Latest official figure (2017/18) is 536.6kg. LBBB's 2017/18 waste per household rate was 850.8kg. LBBB are ranked 2nd highest for residual waste per household out of the 33 London boroughs (inc City of London).

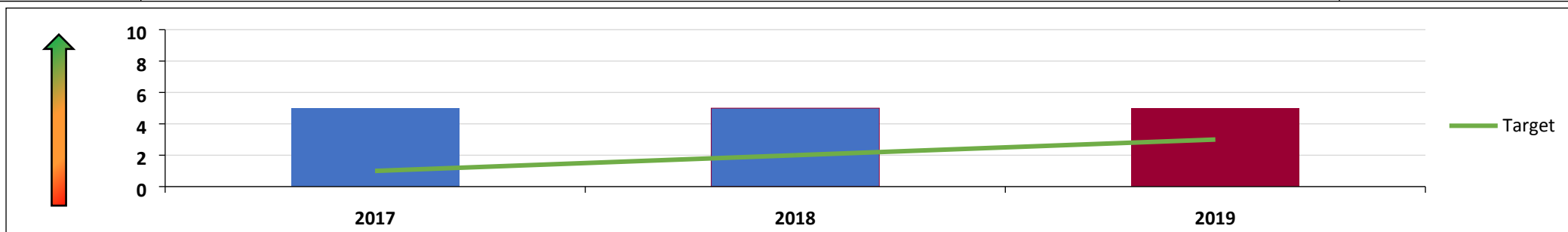
PUBLIC REALM

The number of parks and green spaces meeting Green Flag criteria

Quarter 4 2018/19

Definition	How this indicator works				
The number of successful Green Flag Award (GFA) applications for the borough's parks and open spaces.	Successful sites must show that they manage a quality green space with a clear idea of what they are trying to achieve, why, and who they seek to serve. Award applicants are independently judged against 27 different criteria.				
What good looks like	Why this indicator is important				
Achievement of the required standard and retention of the GFA.	Parks and green spaces are at the centre of discussions around urban place making, development and regeneration, and research has demonstrated conclusively that a number of economic, social and environmental benefits accrue from good quality parks.				
History with this indicator	Any issues to consider				
In 2018 five of the borough's parks were awarded Green Flags: Barking Park, Beam Parklands, Greatfields Park, Mayesbrook Park and St Chads Park.	As part of the GFA application process sites are required to provide a response to the judges' feedback from the previous year. This feedback often includes comments and recommendations for investment in park buildings, infrastructure and facilities. Therefore, participating in the GFA scheme requires both revenue and capital funding.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019			5		
Target	Target to be agreed				↔
2018			5		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Barking Park, Beam Parklands, Mayesbrook Park and St Chads Park retained the award from 2018 and will be mystery shopped in 2019. Whereas, Greatfields Park was subject to a full inspection in 2019 and was successful. Parks Commissioning prepares the site specific Management Plans, submits the applications, arranges the site visits and coordinates the response to the judge's feedback or the mystery shopper visits. However, the whole process is very much a partnership and success relies heavily on the support and commitment provide by P&E and especially	In 2019 we are provisionally aiming to prepare management plans for Eastbrookend Country Park, Tantony Green and Valence Park and hopefully submit GFA 2020/2021 applications by the deadline of 31 January 2020. The Friends of Eastbrookend CP are on board and North meets South Big Local have confirmed support for Tantony Green. Similarly, we are confident to secure local support for the Valence Park application. Hopefully next year we can achieve the standard at 8 sites. However, each application costs around £375 (depends on the size of the park). In the absence of a designated revenue budget we currently fund the GFA applications from the Parks Commissioning Marketing and Comms budget. So, the 3 extra sites could

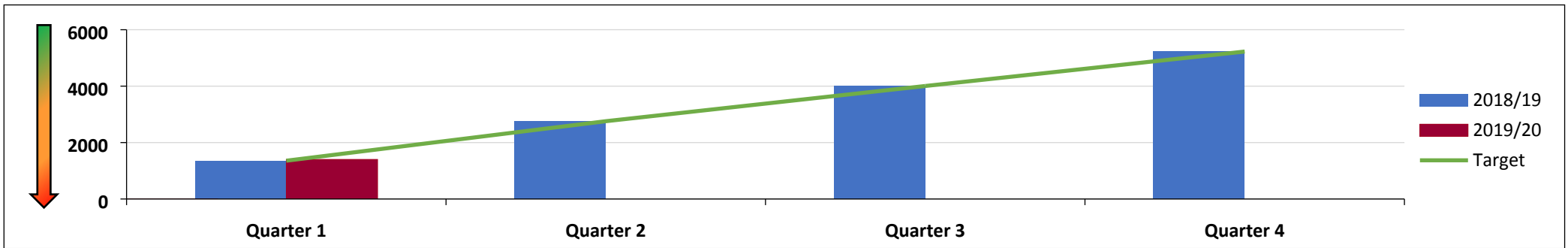
	the hard work of the grounds staff, as well as key stakeholder and partner involvement.	add around £1,300 to the annual cost, so we can't add these additional sites without a specific budget allocation.
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Benchmarking Local Performance measure.

Enforcement and Community Safety – Key Performance Indicators 2019/20

ENFORCEMENT AND COMMUNITY SAFETY					Quarter 1 2019/20
The number of anti-social behaviour incidents reported in the borough					
Definition	How this indicator works				
Anti-social behaviour includes Abandoned Vehicles, Vehicle Nuisance, Rowdy/Inconsiderate Behaviour, Rowdy/Nuisance Neighbours, Malicious/Nuisance Communications, Street Drinking, Prostitution Related Behaviour, Noise, Begging.	As defined, it is a count of all calls reported to the police.				
What good looks like	Why this indicator is important				
Ideally, we would see a year on year reduction in ASB calls reported to the Police.	This indicator is one of the high-volume MOPAC priorities for Barking and Dagenham.				
History with this indicator	Any issues to consider				
2014/15: 5999 calls 2015/16: 5688 calls 2016/17: 6460 calls 2017/18: 5929 calls 2018/19: 5,227 calls					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	1,402				↓
Target	1,357	2,757	4,005	5,226	
2018/19	1,358	2,758	4,006	5,227	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<p>FYTD at June 2019 there were 1402 ASB incidents reported to the police. This is up by 44 incidents (+3.2%) on the 1358 reported at the same point in the previous year.</p> <p>ASB can now be reported more easily on the Met website which may account for some increase in reporting.</p>	<p>Tackling ASB is fully incorporated into police neighbourhood teams and the new council funded crime and enforcement taskforce. A new intelligence post has recently started, and the joint council/police tasking process has been reviewed so that we understand issues better and can be more proactive in dealing with them. Work is being further enhanced by recent training packages for all police officers on ASB and a specific full day of training for Neighbourhood officers.</p>


Benchmarking

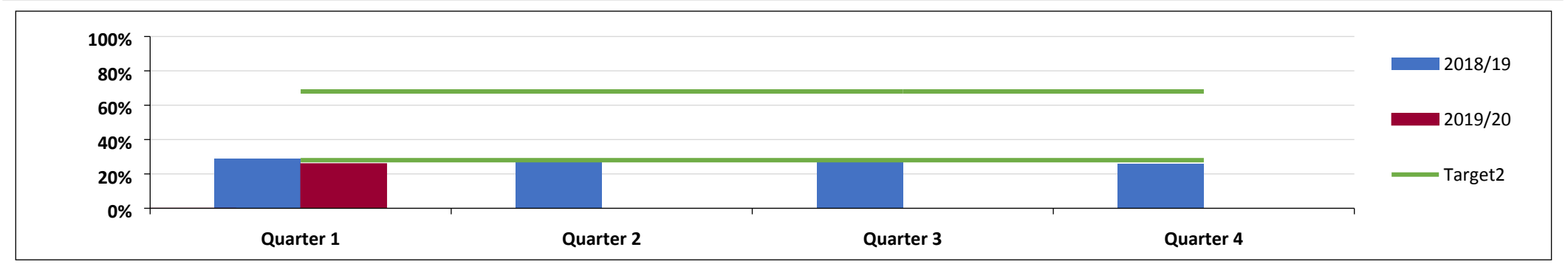
There has been an 11.7% increase in ASB calls to police across London for the same period. Rate per 1,000 : B&D: 25.6, London: 29.4. B&D RANK 18 of 32

ENFORCEMENT AND COMMUNITY SAFETY Quarter 1 2019/20
Repeat incidents of domestic violence (MARAC)

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

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	26%				
Target	28% to 40%	28% to 40%	28% to 40%	28% to 40%	
2018/19	29%	28%	29%	26%	



A	Performance remains steady at 26% from 2018/19 quarter 4. However, this is just outside the SAFELIVES recommended target level of between 28% and 40%.	MARAC Chair has raised this internally within Police, and this has been discussed at the Violence Against Women and Girls (VAWG) sub-group to CSP. This is being monitored and will be on the agenda at the next VAWG sub-group meeting.
Benchmarking	Benchmarking data is currently available for Jan 2018 to December 2018: Metropolitan Police Force average: 22%, National: 28%, Most Similar Force: 29%	

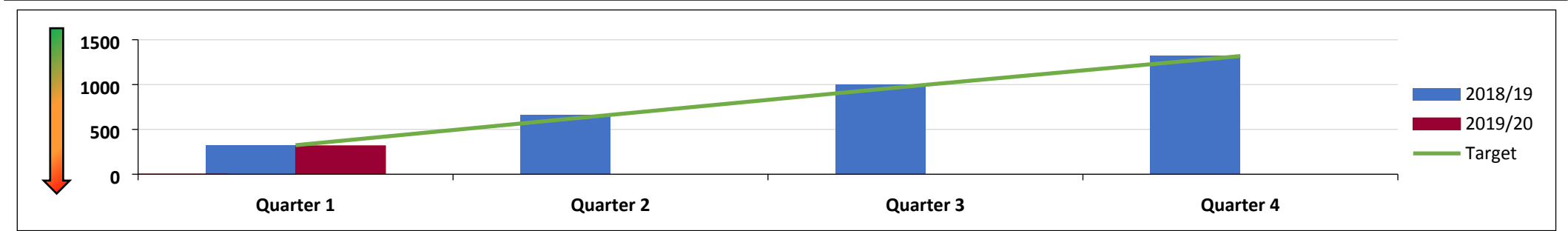
ENFORCEMENT AND COMMUNITY SAFETY Quarter 1 2019/20

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


Definition	How this indicator works
The number of violence with injury offences reported to and recorded by the police which were non-domestic.	This indicator is the accumulative count of all non-domestic violence with injury offences reported to the police within the financial year period specified.
What good looks like	Why this indicator is important
We are looking for a decrease in this figure and would normally compare with the same period in the previous year, as crime is (broadly) seasonal.	This indicator has been agreed as one of the high-volume crime priorities for Barking and Dagenham.

History with this indicator	Any issues to consider
<p>2013/14: 987 2014/15: 1,147 2015/16: 1,325</p> <p>2016/17: 1,360 2017/18: 1,346 2018/19: 1,319</p>	In April 2014 changes were made to the way in which violence was recorded and classified. HMIC inspections of police data in 2013-14 also raised concerns about a notable proportion of crime reports not being recorded, particularly during domestic abuse inspections. Implementation of the new recording and classification guidance and training to improve crime recording mechanisms around violence and domestic abuse have led to a rapid upward trajectory in Violence with Injury.

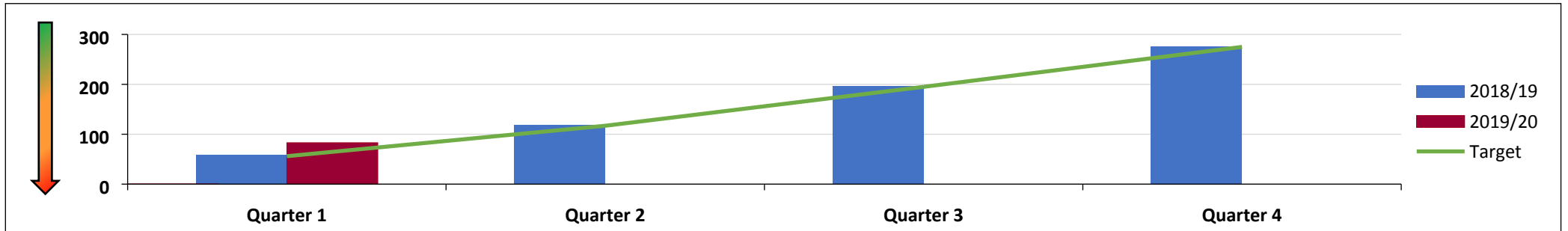
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	318				↑
Target	324				
2018/19	325	663	998	1319	



A	FYTD at June 2019 there have been 318 Non-Domestic Abuse Violence With Injury Offences reported to the police. This is down 7 offences (-2.2%) compared to the same point in the previous year.	Actions in this area are captured in a new a new knife crime/SYV plan, which has a range of interventions including enforcement in key hotspot locations, targeting of perpetrators/gang nominals, taking weapons off the street, engagement with the community, rollout of the long term trauma informed model and early interventions and diversionary support for people at risk.
Benchmarking	There has been an 1.6% decrease in Non-DA VWI reported to the police across London for the same period. Rate per 1,000 population: B&D: 6.4, London: 6.1. B&D RANK 15 of 32.	

ENFORCEMENT AND COMMUNITY SAFETY					Quarter 1 2019/20
The number of serious youth violence offences recorded					
Definition	How this indicator works				
Serious Youth Violence is defined by the MPS as 'Any offence of most serious violence or weapon enabled crime, where the victim is aged 1-19.'	Serious Youth Violence is a count of victims of Most Serious Violence aged 1-19.				
What good looks like	Why this indicator is important				
We are looking for a decrease in this figure, and would normally compare with the same period in the previous year, as crime is (broadly) seasonal.	This indicator has been agreed as one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, Chief Executive, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC) for the 2017/18 period.				
History with this indicator	Any issues to consider				
2018/19: 275 2017/18: 258 2016/17: 224 2015/16: 245	Serious Youth Violence Counts the number of victims aged 0-19 years old, not the number of offences.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	83				
Target	56	116	195	274	
2018/19	59	118	196	276	

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R

FYTD at June 2019 there has been 83 victims aged 1 to 19 of Serious Youth Violence. This is up 24 victims (+40.7%) on the 59 in victims in the same period last year.

Actions in this area are captured in a new a new knife crime/SYV plan, which has a range of interventions including enforcement in key hotspot locations, targeting of perpetrators/gang nominals, taking weapons off the street, engagement with the community, rollout of the long term trauma informed model and early interventions and diversionary support for people at risk.

Benchmarking

There has been an 6.1% increase in SYV victims across London for the same period. In terms of volume Barking and Dagenham ranks 8 of 32 (8th highest in London)

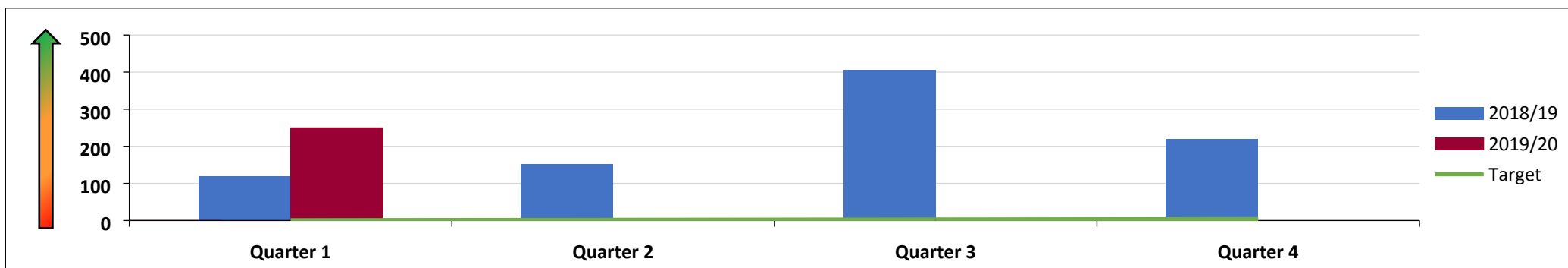
ENFORCEMENT AND COMMUNITY SAFETY

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

Quarter 1 2019/20

Definition	How this indicator works				
The number of non-compliant properties brought to compliant standard.	This indicates the number of properties that do not meet the standard and through informal and formal action have now had the issues addressed.				
What good looks like	Why this indicator is important				
A reduction in the number of non-compliant properties increases the number of good quality private rented properties in the borough.	There are approximately 15,000 privately rented properties in the borough and as a licensing service we need to ensure that all those properties are compliant and have a licence.				
History with this indicator	Any issues to consider				
The scheme has been licence since September 2014 and compliance visits have taken place on 98.7% of all properties that have applied for a licence	Enforcement officers have been tasked to tackle the total number of non-compliant properties through enforcement intervention, for example formal housing notices to ensure work is carried out and property standards improved. The volume of non-compliant properties is currently at 1.6%.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	250				↑
2018/19	120	153	405	220	

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RAG Rating

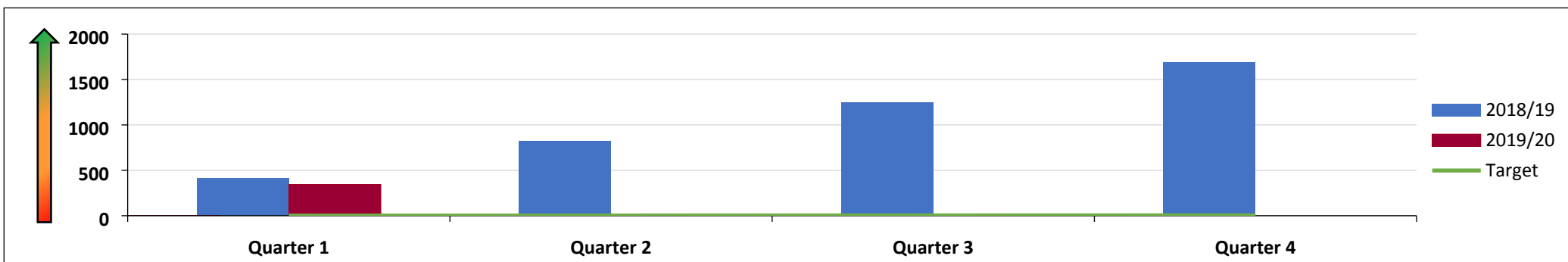
Performance Overview

Actions to sustain or improve performance

n/a	The current number of non-complaint properties is being managed by enforcement officers who have been tasked to action those cases that require enforcement action. This is being monitored on a monthly basis with enforcement as a key priority.	All minor non-compliance has been dealt with by way of conditions of licence to reduce the total outstanding number. The number of non-compliant properties that have been made compliant over the last quarter has increased due to tight performance monitoring and measuring of individual officer's caseload which has helped with accountability action planning.
Benchmarking	Barking and Dagenham remain the only Borough within London to inspect all properties prior to issuing a licence. In terms of enforcement, we are engaging with landlords in the first instance encouraging them to raise property standards. Enforcement intervention is used where there has been a disregard to the licensing regime or legal requirements.	

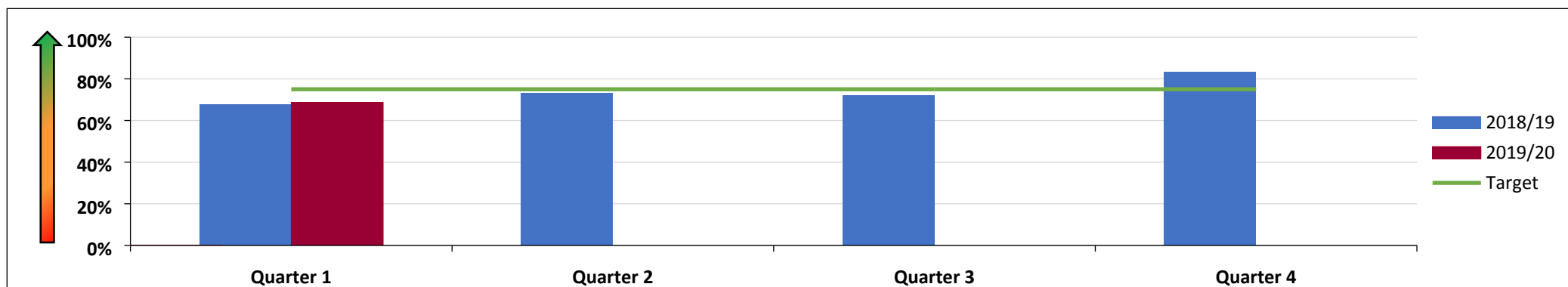
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ENFORCEMENT AND COMMUNITY SAFETY The number of fixed penalty notices issued					Quarter 1 2019/20
Definition	How this indicator works				
The number of fixed penalty notices issued by the enforcement team	This indicator shows how many FPNs are issued by the team monthly. This indicator allows Management to see if team outputs are reaching their minimum levels of activity which allows managers to forecast trends.				
What good looks like	Why this indicator is important				
	Meets the council's priorities of civic pride and social responsibilities. Reduce the cost on waste and cleansing services including disposal costs.				
History with this indicator	Any issues to consider				
2017/18 – 2,311 FPNs issued 2016/17 – 1,914 FPNs issued	We cannot set income targets for FPN's.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	344				
2019/20 YTD	344				
2018/19	415	409	420	446	
2018/19 YTD	415	824	1,244	1,690	



RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	The service has issued 344 FPNs during the first quarter of 2019/2020. This is a 17% reduction on the numbers issued in the same quarter last year.	There has been a reduced number of street enforcement officers in Quarter 4 which has had an impact on overall FPN issuance, this has been addressed through agreement with Workforce group to go to formal recruitment for the vacant posts. The team have also been focusing on other enviro crime and Anti-Social priorities such as Barking Town Centre PSPO whilst this has had a significant impact in terms of perceptions of safety in and around the Town Centre this programme does not result in high volumes of FPN issuance.
Benchmarking	Benchmarking data not available.	

ENFORCEMENT AND COMMUNITY SAFETY					Quarter 1 2019/20
The percentage of fixed penalty notices paid / collected					
Definition	How this indicator works				
The percentage of fixed penalty notices issued that have been paid / collected.	This indicator monitors the collection rate of those fixed penalty notices that have been issued.				
What good looks like	Why this indicator is important				
The aim is to increase the rate of FPNs collected / paid.	Ensures that the enforcement action taken by officers is complied with and enhances the reputation of the council in taking enforcement action.				
History with this indicator	Any issues to consider				
2017/18 – 67.7% FPNs paid/collected 2016/17 – 58.8% FPNs paid / collected	No significant issues figure is only slightly under the target rate				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	68.6%				↑
2019/20 YTD	68.6%				
Target	75%	75%	75%	75%	
2018/19	67.5%	78.4%	69.86%	75.78%	
2018/19 YTD	67.5%	72.9%	71.92%	83.2%	

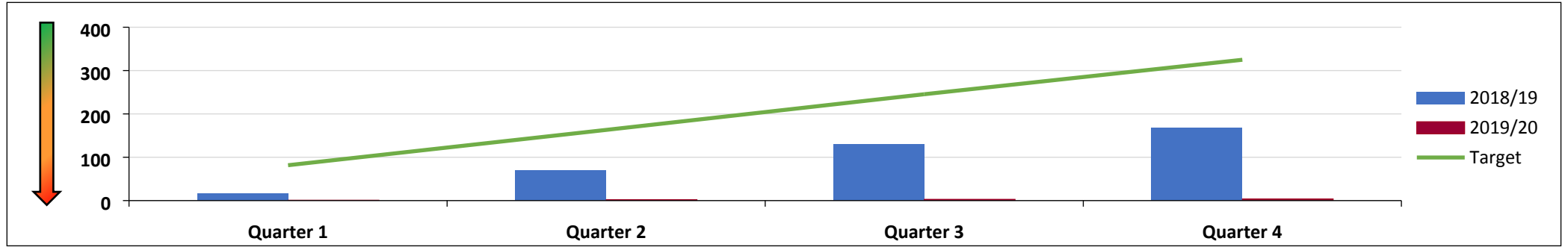


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Quarter 1 is showing a payment rate of 68.6% against the FPNs issued during that period.	Ensure that there is a good work balance of issuing of FPN's and chasing of payments to ensure a high percentage of fixed penalty notices paid.
Benchmarking	Benchmarking data not available.	

Social Care and Health Integration – Key Performance Indicators 2019/20

SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The total Delayed Transfer of Care Days attributable to social care (per 100,000 population)					
Definition	How this indicator works				
Total number of days that patients remain in hospitals because of social care service delays when they are otherwise medically fit for discharge.	This indicator measures the total number of social care delayed days recorded in a month per 100,000 population and converts it to a quarterly total. The indicator is reported two months in arrears.				
What good looks like	Why this indicator is important				
Below the target set in the Better Care Fund plan.	The indicator is important to measure as delayed transfers of care have an impact on the hospital system and the patient. In principle, hospitals can fine the Council for delays that it causes, and there is a risk to central Government funding if performance is very poor.				
History with this indicator	Any issues to consider				
2017/18: 240 days, 164.9 per 100,000 2016/17: 550 days, 388.4 per 100,000 2015/16: 1457 days, 1084.9 per 100,000	None at present				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	Not published				
Target	81.6	163.1	245.4	324.9	

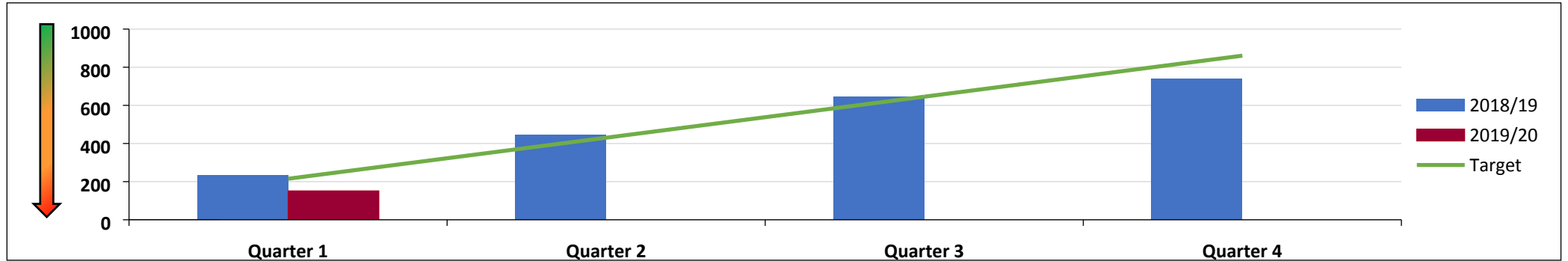
2018/19	16.2	69.0	130.6	167.09	
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	During Q4 2018-19 (most recently available quarterly data): 54 delayed days were attributable to social care, bringing the total number of delayed days for the year to 247, 167.09 on a per head basis. Comparison with the same period in 2017-18, with a reported rate of 167.03 per 100k, shows there was little progress in reducing delayed days (0.06 per 100k increase over 2018-19).	The target will remain as the national set target. The target will be reviewed in September when there is a revision to the BCF plan for 2019/20. The BCF plan is to be agreed by the HWBB before submission to the national team.
Benchmarking	Q4 2018/19: Redbridge - 131.9 per 100,000, Havering - 326.0 per 100,000, England - 1,143.9 per 100,000	

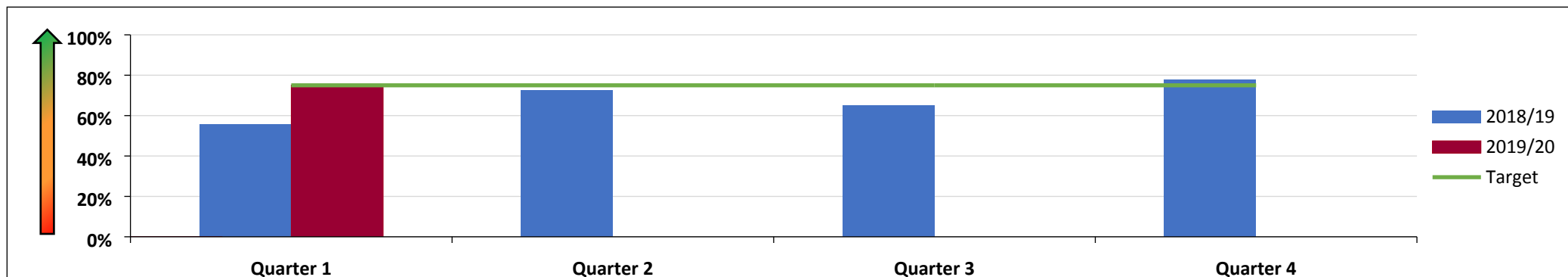
SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The number of permanent admissions to residential and nursing care homes (per 100,000 population)					
Definition	How this indicator works				
The number of permanent admissions to residential and nursing care homes, per 100,000 population (Aged 65+).	This indicator looks at the number of admissions into residential and nursing placements throughout the financial year, using a population figure for older people. A lower score is better as it indicates that people are being supported at home or in their community instead.				
What good looks like	Why this indicator is important				
The Better Care Fund has set a maximum limit of 170 admissions, equivalent to 860.5 per 100,000.	The number of long-term needs met by an admission to a care homes is a good measure of the effectiveness of care and support in delaying dependency on care and support services.				
History with this indicator	Any issues to consider				
2018/19 -146 admissions, 737.5 per 100,000 2017/18 -139 admissions, 702.3 per 100,000 2016/17 - 145 admissions, 737.2 per 100,000 2015/16 - 179 admissions, 910.0 per 100,000	The indicator includes care home admissions of residents where the local authority makes any contribution to the costs of care, irrespective of how the balance of these costs are met. Residential or nursing care is of a long-term nature, short-term placements are excluded.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	151.9				↑

Target	215.1	430.3	645.4	860.5
2018/19	232.4	444.5	646.6	737.5



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	During Q1 30 older people were admitted to residential or nursing care homes, equivalent to 151.9 per 100k. This is 29% lower than the quarterly target of 215.1 per 100k. The target, a maximum limit of 170 admissions per year, has been updated to reflect the population estimate for older people released by the Office of National Statistics in June 2019.	Adults Care and Support continues to maintain significant management focus on reducing admissions and ensuring that people can access appropriate community-based care that meets their needs.
Benchmarking	2017-18: ASCOF England average – 585.6 per 100,000; London average – 406.2 per 100,000	

SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The percentage of children who received a 12-month review by 15 months of age					
Definition	How this indicator works				
Proportion of children who received a 12-month review by 15 months.	This indicator is a measure of how many children receive their 12-month review by the time they reach the age of 15 months.				
What good looks like	Why this indicator is important				
For the percentage to be as high as possible.	Every child is entitled to the best possible start in life and health visitors play an essential role in achieving this. By working with families during the early years of a child's life, health visitors have an impact on the health and wellbeing of children and their families.				
History with this indicator	Any issues to consider				
2018/19: 71.4% 2017/18: 67.5%	The reporting for this indicator was revised in 2018/19 and hence these figures may not be comparable with figures reported in older versions of this report.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 4 2018/19
2019/20	75.1%				↓
Target	75%	75%	75%	75%	
2018/19	55.5%	72.5%	65.1%	77.8%	

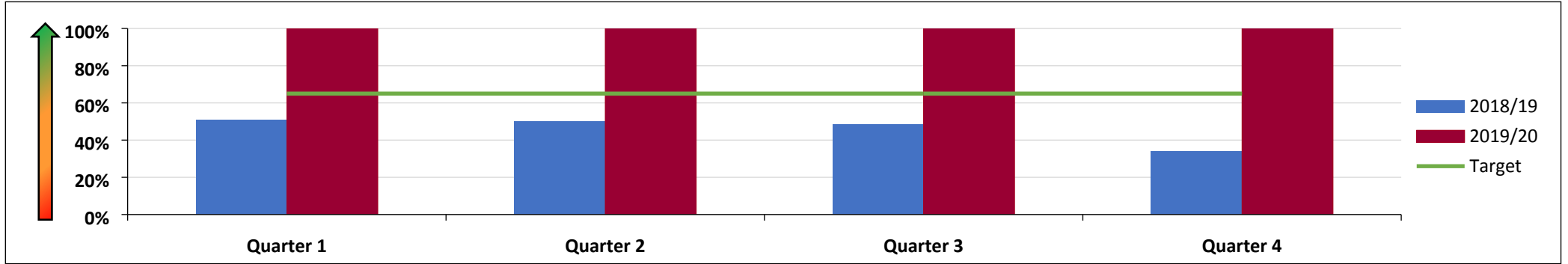


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>In quarter 1, 75.1% of children received a 12-month review by the age of 15 months (656 of 873 children who turned 15 months in the quarter).</p> <p>Performance appeared to begin improving in March after a 6-month period below target. However, a dip in performance in May has lowered the overall performance across quarter 1.</p>	<p>Performance is monitored monthly with NELFT, the provider of this service. Over the past few quarters, the operational teams at NELFT have introduced a new appointment system whereby children are invited earlier than previously for their relevant check e.g. invite at 10 months for their 12-month review. This means that should they cancel or not attend, NELFT can reoffer an appointment within the remaining period.</p>
Benchmarking	Q4 2018/19: England – 84.4%, London – 75.6%, Barking and Dagenham – 70.6%	

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SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The percentage of healthy lifestyles programmes completed					
Definition	How this indicator works				
The percentage of children and adults starting healthy lifestyle programmes that complete the programme.	The number of people starting the HENRY, Exercise on Referral (EOR), Adult Weight Management (AWM) and Child Weight Management (CWM) programmes who complete the programme.				
What good looks like	Why this indicator is important				
For the percentage of completions to be as high as possible.	The programmes allow the borough's GPs and health professionals to refer individuals who they feel would benefit from physical activity and nutrition advice to help them improve their health and weight conditions.				
History with this indicator	Any issues to consider				
2018/19: 49.8% 2017/18: 61.9% 2016/17: 48.8%	Data operates on a 3-month time lag as completion data is not available until participants finish the programme. For CWM/HENRY, figures only include the target child and not other family members who attend. Activities outside the four programmes (e.g. workshops) are not included.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	Data not yet available				↓
Target	65%	65%	65%	65%	

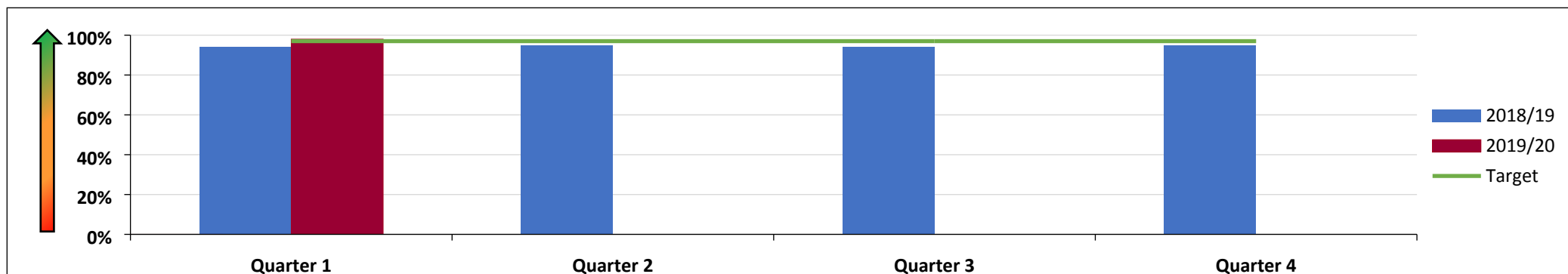
2018/19	50.9%	50.0%	48.3%	33.8%	
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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	Across quarter 4 2018/19, 435 people began programmes and, of these, 147 completed them (33.8%). The largest contributor to this was EOR, where 78/303 people completed programmes (25.7%). This should show an improvement when data is refreshed at the end of July. Of 85 adults starting AWM programmes, 44 completed them (51.8%). No children's programmes began in February or March. Of children starting in January 25/47 completed HENRY or CWM (53.2%).	Following the restructure, the team is now up to full capacity. This will lead to an increase in the number of AWM and CWM programmes being delivered and an increase in capacity to chase up EOR clients due for 12-week reviews, which will improve reporting on retention rates. A new flexible AWM programme will lead to improved retention as clients can access sessions they have missed.
Benchmarking	This is a local indicator.	

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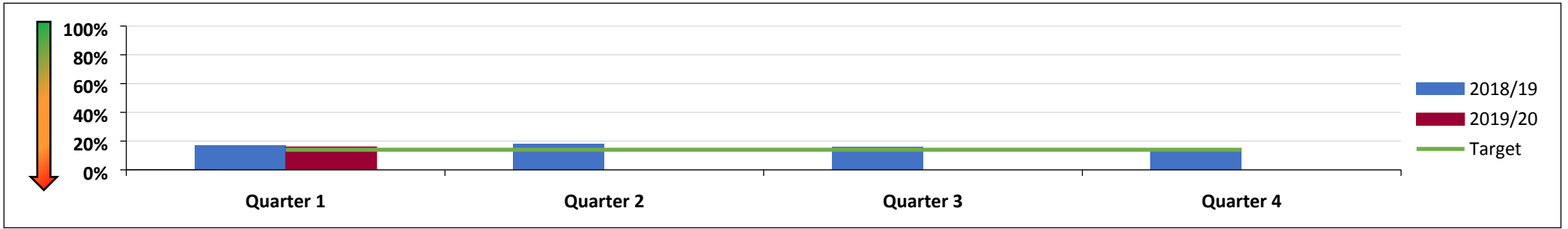
SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The percentage of 4-weekly Child Protection Visits carried out within timescales					
Definition	How this indicator works				
The percentage of children who are currently subject to a child protection (CP) plan for at least 4 weeks who have been visited in the last 4 weeks.	The indicator counts all those in the denominator and of those, how many have been visited and seen within the last 4 weeks. The figure is reported as a percentage.				
What good looks like	Why this indicator is important				
Higher is better.	Child protection visits are vital to monitor the welfare and safeguarding risks of children on a child protection plan.				
History with this indicator	Any issues to consider				
2016/17 – 86% 2017/18 – 91% 2018/19 – 94%	This indicator is affected by numbers of child protection cases increasing and the impact of unannounced child protection visits by social workers resulting in visits not taking place and potentially becoming out of timescale.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	98%				↑
Target	97%	97%	97%	97%	
2018/19	94%	95%	94%	95%	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	As at the end of Q1 2019/20, performance has increased to 98% (240/246) compared to 94% (267/279) at the end of Q4 18/19. 2 weekly CP visits is now the agreed standard and performance is at 75% - below the target set at 90% plus (RAG rated Red).	Outstanding CP visits are being monitored via team dashboards and monthly Children's care and support meetings.
Benchmarking	This is a local indicator and is not published by the DfE. No benchmarking data is available.	

SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time					
Definition	How this indicator works				
The total number of children who have become subject to a child protection plan in the year, and of those how many have previously been subject to a child protection plan.	The indicator measures the number who had previously been the subject of a child protection plan, or on the child protection register, regardless of how long ago that was, against the number of children who have become the subject to a child protection plan at any time during the year, expressed as a percentage. The figure presented is a year to date figure.				
What good looks like	Why this indicator is important				
A low percentage, but not necessarily zero percent: some subsequent plans will be essential to respond to adverse changes in circumstances	Subsequent Child Protection plans could suggest that the decision to initially remove the child from the plan was premature and that they are not actually safer. It may be reasonable to question whether children were being taken off plans before necessary safeguards have been put in place, so therefore a low percentage is desirable.				
History with this indicator	Any issues to consider				
2018/19 – 15% 2017/18 – 13% 2016/17 – 17%	None at present				
Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19	

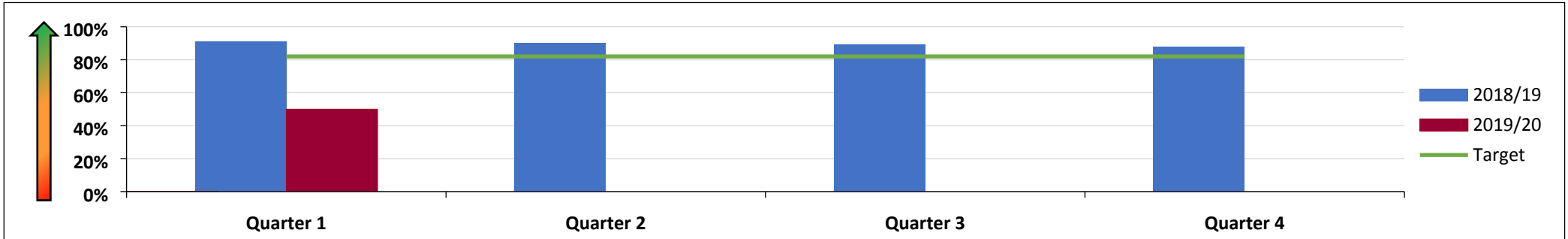
2019/20	16%				↑
Target	14%	14%	14%	14%	
2018/19	17%	18%	16%	15%	



RAG Rating	Performance Overview	Actions to sustain or improve performance
A	As at Q1 19/20, 16% (11/69) children have become subject of a CPP for a second or subsequent time, higher than the Q4 18/19 figure of 15% (52/337). Performance is slightly above target and the London average but lower than the national average.	The CP Chairs currently undertake a six week and three month 'paper' review of cases with a ceased CP Plan to ensure that the family remains open to services. Audits are undertaken to identify themes as to why children become subject to a CP Plan for a subsequent time.
Benchmarking	London average 15%, National average 20%, Statistical neighbours 21%	

SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The percentage of assessments completed within 45 working days					
Definition	How this indicator works				
The total number of Assessments completed and authorised during the year and of those, the number that had been completed and authorised within 45 working days of their commencement.	This indicator counts all single assessments that have been authorised in the year to date as of the end of each quarter.				
What good looks like	Why this indicator is important				
Higher the better.	The timeliness of an assessment is a critical element of the quality of that assessment and the outcomes for the child. Working Together to Safeguard Children sets out an expectation that the Single Assessment will be completed within a maximum of 45 working days of receipt of the referral.				
History with this indicator	Any issues to consider				
2018/19 – 88% 2017/18 – 85% 2016/17 – 78% 2015/16 – 76%	Although most Single assessments are initiated at the end of referral process, this indicator includes review single assessments on open cases.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19

2019/20	50%					↓
Target	82%	82%	82%	82%	82%	
2018/19	91%	90%	89%	88%		

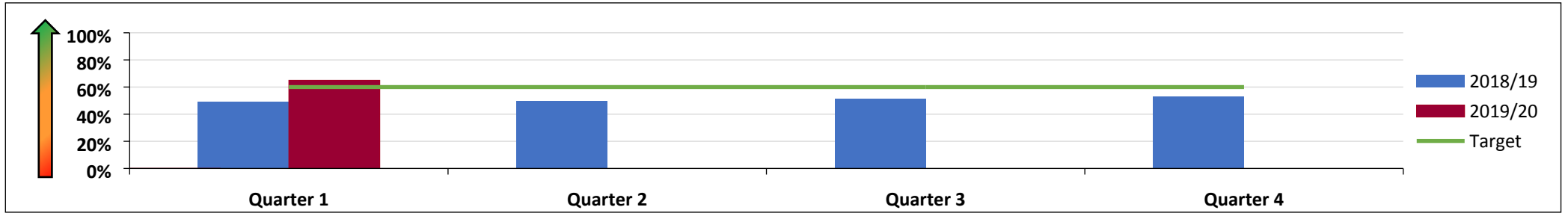


RAG Rating	Performance Overview	Actions to sustain or improve performance
R	Performance has fallen from our end of year 18/19 position of 88% to just 50% of single assessments being completed and authorised within 45 working days in Q1. This is below the local target of 82% and all comparators.	Good progress has been made to stabilise the assessment service and recruit permanently to management posts. This has addressed staffing issues and will impact on both quality of assessments and improve the timeliness of assessments throughout the rest of this year. The Assessment Head of Service is working closely with Head of Service in MASH to ensure consistency in the application of thresholds and weekly S47 meetings take place to review thresholds and build on the interface between both teams and comparators.
Benchmarking	London average 83%, national average 83%, statistical neighbours 81%	

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SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The percentage of Care Leavers in employment, education or training (EET)					
Definition	How this indicator works				
The number of children who were looked after for a total of 13 weeks after their 14th birthday, including at least some time after their 16th birthday and whose 17th, 18th, 19th, 20th or 21st birthday falls within the collection period and of those, the number who were engaged in education, training or employment on their 17th, 18th, 19th, 20th or 21st birthday.	This indicator counts all those in the definition and of those how many are in EET either between 3 months before or 1 month after their birthday. This is reported as a percentage.				
What good looks like	Why this indicator is important				
Higher the better.	This provides an overview of how well the borough is performing in terms of care leavers accessing EET and improving their life chances. This is an Ofsted area of inspection as part of our duty to improve outcomes for care leavers and is a key CYPP and Council priority area.				
History with this indicator	Any issues to consider				
2018/19 – 53% 2017/18 – 59% 2016/17 – 58% 2015/16 – 50%	Care leavers who are not engaging with the Council i.e. we have no contact with those care leavers so their EET status is unknown; or in prison or pregnant/parenting are counted as NEET.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19

2019/20	65%				↑
Target	60%	60%	60%	60%	
2018/19	49%	50%	51%	53%	

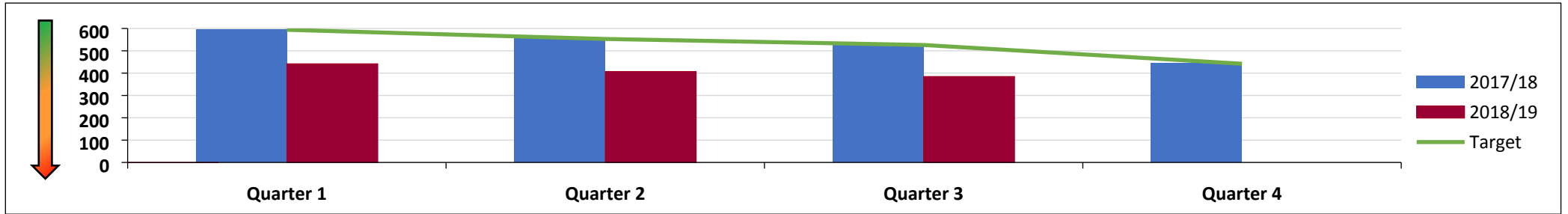


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Q1 performance has increased to 65% (33/51) compared to Q4 performance of 53% (148/278). Performance is above all comparators. Of the 18 young people not in EET as of the end of Q1, 1 is in Prison, 5 we are not in contact with and 12 are open to the L2L service and are NEET. For those young people we are in contact with, performance is 72%.	<ul style="list-style-type: none"> The L2L team has been involved in the NEET workshops with Members and Officers, with care leavers having a particular profile. Progress has been made with regards to the development of internships and apprenticeships within the council for care leavers. Agreement has been obtained to provide a financial incentive in addition to the apprenticeship payment so that care leavers are not in deficit by loss of benefits. Further work is being planned to develop the support element to care leavers to ensure they are well prepared for the world of work and are supported through each stage of the process to successfully move from NEET to EET.
Benchmarking	London average 52%, National average 51%, Statistical neighbours 53%	

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SOCIAL CARE AND HEALTH INTEGRATION					Quarter 1 2019/20
The number and rate per 10,000 First Time Entrants					
Definition	How this indicator works				
What good looks like	Why this indicator is important				
History with this indicator	Any issues to consider				
Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19	
First Time Entrants (FTEs) to the criminal justice system are classified as offenders, (aged 10 – 17) who received their first reprimand, warning, caution or conviction, based on data recorded on the Police National Computer.	The measure excludes any offenders who at the time of their first conviction or caution, according to their PNC record, were resident outside of England or Wales. Penalty notices for disorder, other types of penalty notices, cannabis warnings and other sanctions given by the police are not counted.				
Senior managers have locally agreed that the target is to achieve a First Time Entrant rate of 390 per 10,000 population (aged 10-17 years)	The life chances of young people who have a criminal conviction may be adversely affected in many ways in both the short term and long term. Reducing First Time Entrants is a priority for all London boroughs to address as set by the Mayor’s Office for Policing and Crime.				
2017/18: 433 per 100,000 10-17 year olds (n= 102) 2016/17: 620 per 100,000 10-17 year olds (n=140) 2015/16: 613 per 100,000 10-17 year olds (n=135)	The latest data is for the rolling 12 months to December 2018 released on 06/06/2019. The next release will be on 04/09/2019 and will cover the 12-month period to end of March 2019. Therefore 2018/19 are still displayed below and the target will reduce to 390 after the next publication. ONS mid-year population estimates to 2017 are used in the calculations				

2018/19 (n)	104	96	91		↑
2018/19 rate	442	407	385		
Target	594	553	526	442	
2017/18 (n)	134	125	119	102	
2017/18 rate	595	554	527	443	

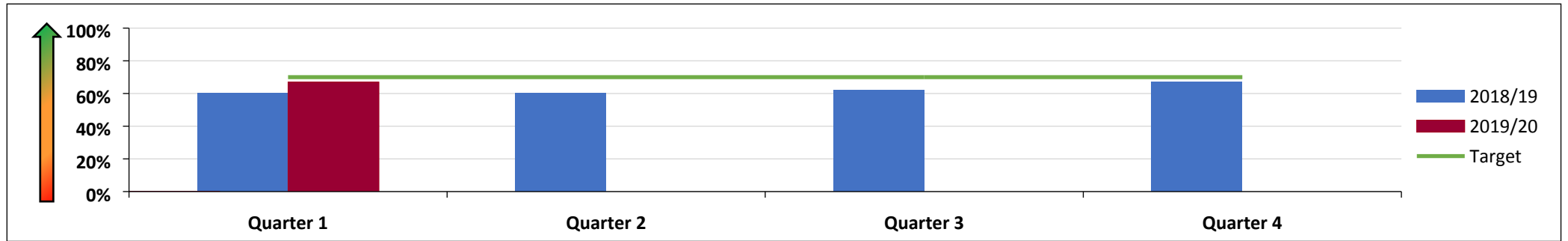


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The rate continues to decrease and is now 385 per 100,000 10 - 17 year olds from 407 in the previous quarter's results. The target to achieve a rate of 390 or lower has been achieved. In real terms this is a difference of -5 First Time Entrants (91 down from 96).	YOS maintains capacity in Out of Court disposals, providing quality interventions to reduce YP entering the court arena. This includes 1:1 work as well as group work and parenting education programmes. The YP 'At Risk' of criminal behaviour matrix continues to be delivered. The schools have really valued this service and feedback has been really positive.
Benchmarking	B&D rate is 385, regional is 283 and national is 236 but the gap is closing. Barking and Dagenham currently has the 6th highest rate of FTE's in London.	

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SOCIAL CARE AND HEALTH INTEGRATION				
Long term stability of placements for children in care				Quarter 1 2019/20
Definition			How this indicator works	
The number of children aged under 16 in care who have been looked after continuously for at least two and a half years and in the same placement for the last two years			This is a rolling indicator, which look at those children who have been in care for two and a half years at the end of each quarter.	
What good looks like			Why this indicator is important	
Higher the better			Frequent moves between care placements have a negative impact on the ability of children to succeed both in education and in other areas of their lives. Therefore, placement stability is central to supporting the needs of children in care.	
History with this indicator			Any issues to consider	
2018/19 – 66% 2017/18 – 59% 2016/17 – 60% 2015/16 – 60%			An adoptive placement move is not counted in this KPI as a move although other positive moves i.e. from residential to a family setting are. In 2018-19, 8% of placement moves impacting on this indicator were for positive reasons, although the impact on performance was an end of year figure of 66%.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	DOT from Qtr 1 2018/19			

2019/20	67%				↑
Target	70%	70%	70%	70%	
2018/19	60%	60%	62%	67%	

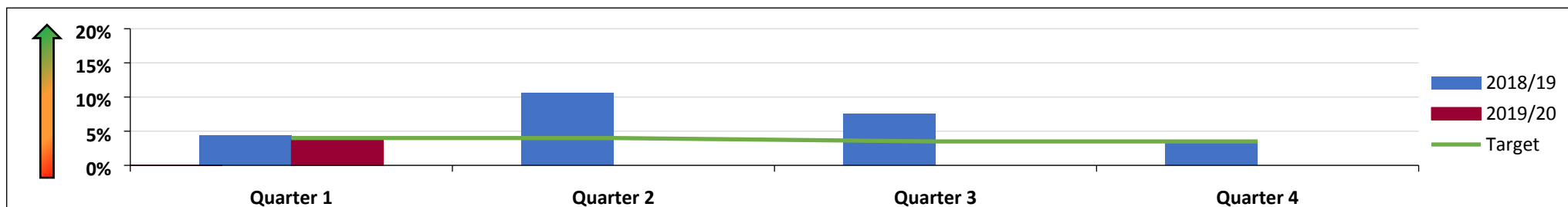


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Q1 performance has increased slightly from 66% to 67% (87/129). We remain below the target of 70% but are close to the London average.	<ul style="list-style-type: none"> Expansion of the Mockingbird Fostering Programme is planned for 2019-20. Two constellations went live in July 2019, a further 2 are launching in September 2019 and a sixth home hub carer is being assessed for launch around Christmas 2019. Targeted marketing to recruit carers for remand fostering, teenage fostering and children with SEND will be developed. Consideration will need to be given to a review of the fostering fee and support packages to support these placements. Benchmarking is currently taking place with other local authorities re. pay structures for foster carers generally, as well as for specialist carers so we can move this forward.
Benchmarking	London average 68%, National average 70%, Statistical neighbours 68%	

Educational Attainment and School Improvement – Key Performance Indicators 2019/20

EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT		Quarter 1 2019/20
The percentage of 16 to 18 year olds who are not in education, employment, or training (NEET) or who have Unknown Destinations		
Definition	How this indicator works	
The percentage of resident young people academic age 16 – 17 who are NEET or Unknown according to Department for Education (DfE) National Client Caseload Information System (NCCIS) guidelines.	Data is taken from monthly monitoring information figures published by our regional partners and submitted to DfE in accordance with the NCCIS requirement.	
What good looks like	Why this indicator is important	
The lower the number of young people in education, employment, or training (not NEET) or not known, the better.	The time spent not in employment, education, or training leads to an increased likelihood of unemployment, low wages, or low-quality work later in life. Those in Unknown destinations may be NEET and in need of support.	
History with this indicator	Any issues to consider	
The annual measure was previously an average taken between November and January (Q3/4). It is now the average between December and February.	Although NEET and Unknown figures are taken monthly, figures for September and October (Q2) are not counted by DfE for statistical purposes and are not indicative of final outcomes. This is due to all young people's destinations being updated to 'Unknown' on 1 September until re-established in destinations by all East London boroughs.	

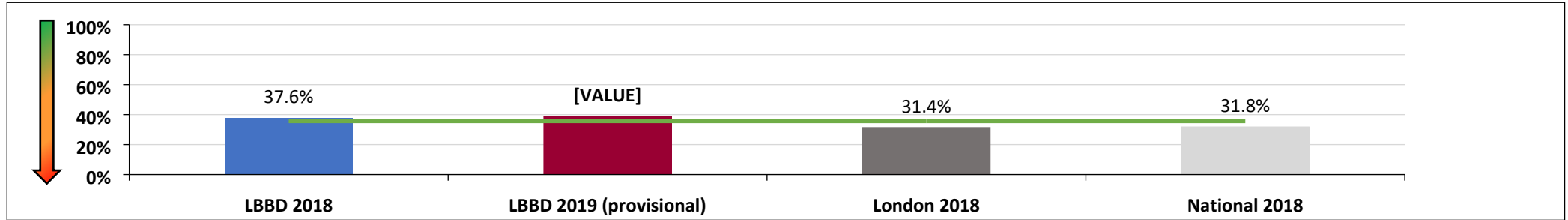
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	3.8%				↑
Target	4.0%	n/a	3.5%	3.5%	
2018/19	4.4%	10.6%	7.5%	3.5% (Dec-Feb average)	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The current Q1 NEETs+ Not Knowns figure is 3.8% (comprising 3.2% NEET and 0.6% Not Known). This is below (better than) national 5.5% (comprising 3% NEET and 2.5% Not Known) and London 4.5% (comprising 2% NEET and 2.5% Not Known) and the equivalent borough figure in 2018/19 of 4.4% (comprising 3.8% NEET and 0.6% Not Known).	<ul style="list-style-type: none"> The LA engaged with Local London around two European Social Fund bids on NEET prevention and targeted NEET support. The outcomes are expected in July 2019. A bid has also been submitted to the Young Londoners' Fund. The LA are engaging effectively with the London Enterprise Adviser Network expansion to all schools, increasing young people's exposure to employers. The 'What Next?' event for young people will take place on September 10th at the Youth Zone to support those that do not have September offers of education, employment or training.
Benchmarking	The annual published indicator (Dec-Feb average NEETs + Unknowns) in 2018/19 is 5.5% (national benchmark). The equivalent figure for London is 4.8%.	

EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT		Quarter 1 2019/20
Early Years Foundation Stage (EYFS) Inequality Gap		
Definition	How this indicator works	
The gap is calculated as the percentage difference between the mean average of the lowest 20% and the median average for all children.	It measures the attainment gap at the end of Early Years Foundation Stage between the lowest 20% and the median average of all children.	
What good looks like	Why this indicator is important	
The lower the percentage, the better.	It shows how far adrift the lowest attaining children are from their peers at the end of Early Years Foundation Stage.	
History with this indicator	Any issues to consider	
Barking and Dagenham's gap has historically been quite low. However, as the number of children achieving a 'Good Level of Development' (GLD) increased, the gap between the lowest and higher performing children increased. The gap has widened further this year.	This indicator is measured annually only at the end of Foundation Stage. Results are published in July/August.	
	Annual Result	DOT from Qtr 1 2018/19
2019	39% (provisional)	↓

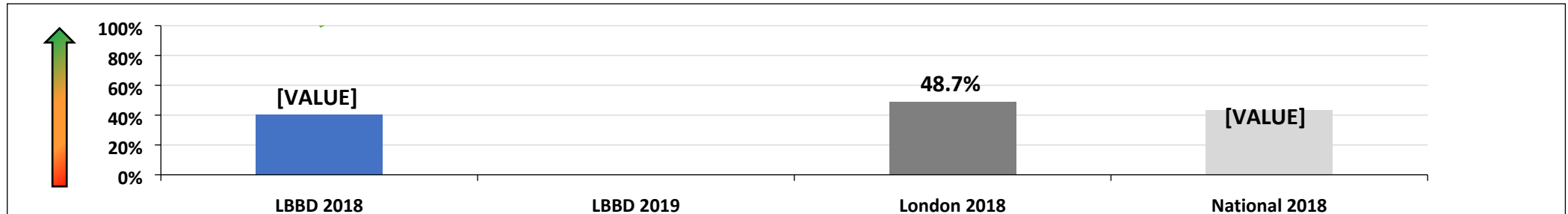
Target	35.6%
2018	37.6%



RAG Rating	Performance Overview	Actions to sustain or improve performance
R	<p>Initial provisional early years data suggests that the gap has widened again this year despite sustained input into schools to work on targeted support for the lowest performing children.</p> <p>High numbers of SEN children, high numbers of children with English as an Additional Language and children new to the country are likely an important factor in the widening of the attainment gap alongside a drop in overall cohort size from 2016 of 500 children.</p>	<p>The Local Authority is involved in two key projects in the academic year 2019-2020 which we hope will help reduce this gap:</p> <ol style="list-style-type: none"> The National Literacy Trust's Early Words Together at Two and Three - 60 settings will be involved in a home learning programme to support early reading development in the home and in settings. Early Years Transformation Academy - An opportunity to reshape and better link up with health services around early identification of language delay and how to support parents and practitioners in effective targeted interventions to improve children's outcomes.
Benchmarking	In 2018, London was 31.4% and national 31.8%. 2019 London and national benchmarks are not yet available.	

EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT		Quarter 1 2019/20
The percentage of pupils achieving 9-5 in English and Maths		
Definition	How this indicator works	
The percentage of pupils at the end of Key Stage 4 achieving grade 5 or above in both English and maths GCSEs.	To be counted in the indicator, pupils must have achieved grade 5 or above in both English and maths GCSEs.	
What good looks like	Why this indicator is important	
For the percentage of pupils achieving this standard to be as high as possible.	This is an important indicator as it replaces the old measure of pupils achieving grades A*-C in English and maths. It improves the life chances of young people, enabling them to stay on in sixth form and choose the right A Levels to access other appropriate training.	
History with this indicator	Any issues to consider	
Grade 5 is a new measure introduced for the first time in 2017.	As grade 5 is set higher than grade C, fewer students are likely to attain grade 5 and above in English and maths than grade C in English and maths, which was commonly reported in the past. These new and old measures are not comparable.	
	Annual Result	DOT from Qtr 1 2018/19
2019	This result will be available August 2019	↓

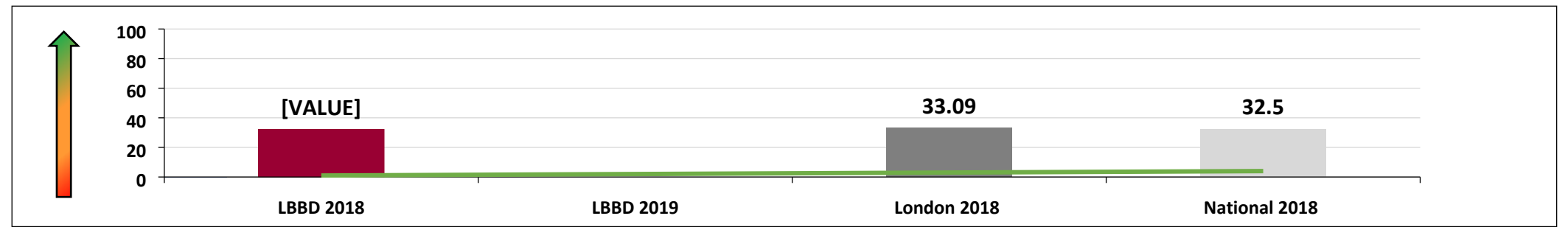
Target	45%
2018	40.4%



RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<ul style="list-style-type: none"> The borough's performance dropped by 2.9% from 2017 and is below national and London, both of which saw increases in 2018. Improving Maths outcomes has been a longstanding challenge and remains key; English, whilst traditionally strong, saw a drop under the new tougher GCSE regime. 	<ul style="list-style-type: none"> Raising educational standards to exceed national and then London is one of the five priorities in the Education & Participation Strategy 2018-22. The Council has worked with BDSIP to support and challenge schools, particularly those which struggled in the Summer 2018 exams: BDSIP has engaged new expertise for English and Maths and has delivered English and Literacy training; BDSIP is helping broker school to school support; a programme of training, network meetings, advisory support and a conference for Maths to incorporate learning from 2018 in light of the new grading arrangements has been implemented. The retention and recruitment of Maths teachers is a key challenge for schools. BDSIP is working with the Council to provide support.
Benchmarking	In 2018, London was 48.7% and national was 43.5%.	

EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT		Quarter 1 2019/20
Average point score per entry – Best 3 A Levels		
Definition	How this indicator works	
The average point score for the highest scoring A' Levels across pupils.	Points for the 3 A' Levels with the highest attaining scores across pupils are used to calculate this. This indicator applies to the subset of A' Level students who entered at least one full size A' Level (excluding AS Levels, General Studies or Critical Thinking). Results are published as a provisional and revised score annually by the DfE.	
What good looks like	Why this indicator is important	
The higher the score, the better.	Strong attainment at A' Level improves the life chances of young people, enabling them to access high quality post 18 opportunities, including Higher Education and employment.	
History with this indicator	Any issues to consider	
In 2018, Barking and Dagenham scored 32.17, a slight fall from our 2017 score of 32.7, and lower than London (33.09) and National (32.49).		
	Annual Result	DOT from Qtr 1 2018/19
2019	This result will be available in August 2019	↓
Target	32.5	↓

2018	32.2
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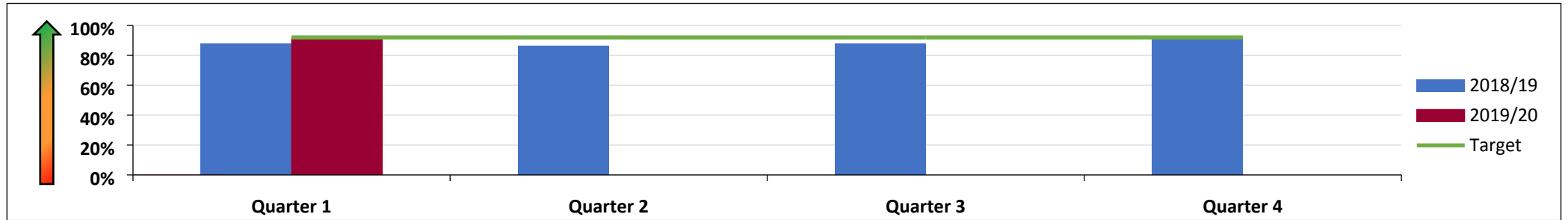


RAG Rating	Performance Overview	Actions to sustain or improve performance
R	This measure continues to be challenging. Despite some improvement the previous year, performance for the borough fell in 2018 and is below national.	<ul style="list-style-type: none"> Raising education standards to exceed national and then London is one of the five priorities in the Education & Participation Strategy 2018-22. This priority is underpinned by headline actions for schools, BDSIP and the Council. The Council is working closely with BDSIP which delivers commissioned school improvement support. BDSIP activities and their impact are regularly discussed and reviewed, including at contract and operational monitoring meetings. The Council is working with BDSIP and schools to improve the recruitment and retention of Maths and Science teachers which is a key challenge for schools. Teacher recruitment and retention is also supported by headline actions in the Education & Participation Strategy 2018-22.
Benchmarking	In 2018, London was 33.09 and national was 32.5.	

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EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT					Quarter 1 2019/20
The percentage of schools rated outstanding or good					
Definition	How this indicator works				
Percentage of Barking and Dagenham schools rated as good or outstanding when inspected by Ofsted. This indicator includes all schools with an inspection judgement.	This is a count of the number of schools inspected by Ofsted as good or outstanding divided by the number of schools that have an inspection judgement. It excludes schools that have no inspection judgement. Performance on this indicator is recalculated following a school inspection. Outcomes are published nationally on Ofsted Data View 3 times per year (end of August, December and March).				
What good looks like	Why this indicator is important				
The higher the better.	All children and young people should attend a good or outstanding school in order to improve their life chances and maximise attainment and success. It is a top priority set out in the Education Strategy 2014-17 and we have set ambitious targets.				
History with this indicator	Any issues to consider				
2017/18 – 91% 2018/19 – 91.5%	No current issues to consider.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	91.5%				

Target	92%	92%	92%	92%	
2018/19	88%	86.4%	88%	91.5%	



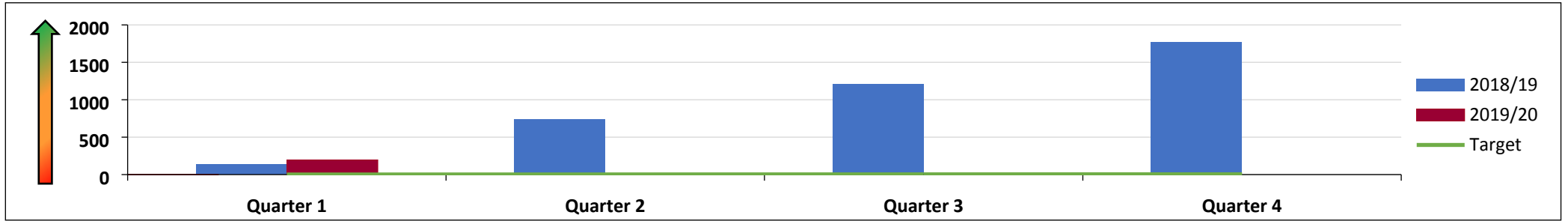
RAG Rating	Performance Overview	Actions to sustain or improve performance
A	For academic year 18/19, there have been over 20 inspections. Key outcomes include Grafton Primary improving from a rating of 'Good' to 'Outstanding' and Mayesbrook Park, Eastbury Primary and Marks Gate Infants progressing from 'Requires Improvement' to 'Good'. Riverside Bridge judged 'Inadequate' by Ofsted is progressing steadily, with Ofsted monitoring visits to, as well as Elutec in March both stating that effective action was taking place. As of Q1 2019, 91.5% (54/59) of schools are judged 'Good' or 'Outstanding' (by publication date of inspection reports on Ofsted's website). There are 5 schools not rated 'Good' including one LA maintained school. The borough is above national (85%) and slightly below London (92%) (Ofsted DataView)	<ul style="list-style-type: none"> The Council and BDSIP are working together to support Riverside Bridge (Ofsted judged that leadership had the capacity to improve the school). The Head of Trinity Special School is working as Executive Head across both schools to provide support. The March Ofsted monitoring report for Riverside Bridge commented that the school has been ably supported by advisers from the LA. For the LA maintained schools not rated 'Good' by Ofsted, the Council has commissioned additional support through the appointment of an experienced interim Executive Headteacher and additional governors to the Governing Body. Officers are working with the Governing Body to secure an executive Headteacher from a local school who can drive rapid improvement.
Benchmarking	National is 85% and London is 92% at March 2019 (Ofsted DataView).	

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Employment, Skills and Aspiration – Key Performance Indicators 2019/20

EMPLOYMENT, SKILLS AND ASPIRATION					Quarter 1 2019/20
The total number of households prevented from being homeless					
Definition	How this indicator works				
Number of households approaching the service threatened with homelessness and assisted with preventative activities to alleviate homelessness	Provides a total for the end of quarter for the number of households prevented from becoming homeless in that period, with a cumulative figure provided as a "year to date".				
What good looks like	Why this indicator is important				
Number of households prevented from becoming homeless increases, while the number of households requiring emergency accommodation decreases.	With homelessness continuing to remain high on the political and media agenda's it is important to show that new ways of working (in accordance with new legislation) is having the desired impact of preventing households from becoming homeless.				
History with this indicator	Any issues to consider				
	Other considerations should be given to the number of households where a financial payment is made to prevent homelessness which is not directly linked to the total number of households where prevention activities have taken place.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19

2019/20	196				↑
2019/20 YTD	196				
2018/19	132	740	1,209	1,766	



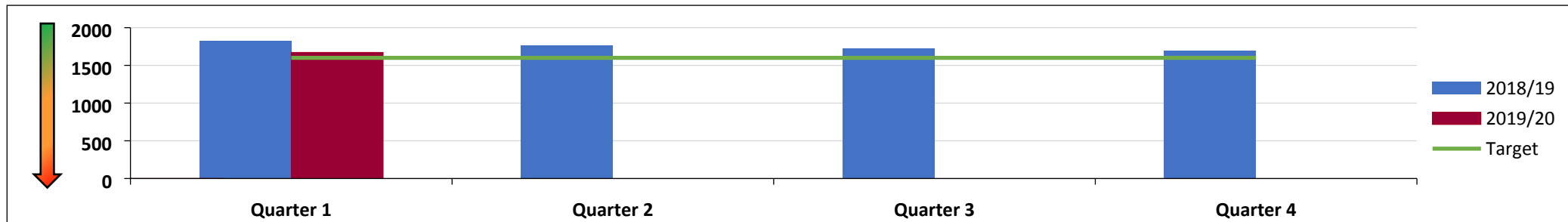
RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	The number of cases that were prevented from becoming homeless remains high and this is reflected in the on-going reduction of households placed within temporary accommodation. Private rents within the borough continue to rise and it is becoming increasingly difficult to accommodate those in need within the borough.	Joint work is taking place in the near future with the CAB who will be looking into whether they are able to prevent evictions in the private sector taking place through their court work. It is hoped that this may increase the number of prevention cases going forward.
Benchmarking	Local performance measure	

EMPLOYMENT, SKILLS AND ASPIRATION		Quarter 1 2019/20
The number of households in Temporary Accommodation over the year		
Definition	How this indicator works	
Number of households in all forms of temporary accommodation, including emergency hostel units, Own Stock (decant) , Private Sector Licence (PSL) whether in or out of the Borough.	Provides a total number of households occupying all forms of temporary accommodation at the end of each quarter.	
What good looks like	Why this indicator is important	
Reduction on the use of privately procured temporary accommodation. Decreasing the number of households in all forms of temporary accommodation is directly linked to the number of households where the Service has assisted in finding long-term suitable housing solutions, and therefore requires less of this type of accommodation.	Procuring privately managed temporary accommodation, has a significant financial impact on General Fund. Being able to reduce the reliance on this type of accommodation, gives the service an opportunity to provide excellent value for money in this area. The reduction in the use of temporary accommodation is also supported by the outstanding prevention work being done earlier in the homelessness process, which prevents the need of having to procure this type of accommodation.	
History with this indicator	Any issues to consider	
Over the last 12 months, the number of households accommodated in temporary accommodation has reduced and continues to do so. This bucks a trend when benchmarked across a number of London Local Authorities and is having a positive	The number of households continuing to access the prevention service continues to be high, which could lead to more households requiring temporary accommodation. Coupled with the increasing rates Landlords and Letting Agents are requesting to secure privately procured housing solutions, this could put more pressure on the service to temporarily house more households while alternative	

impact on being able to provide long-term stability for households previously made homeless, while also having a similarly positive effect on the service budgets.


solutions are found. Additional points to consider, also includes the ongoing Estate Renewal Regeneration Programme, which is utilising a large quantity of Council stock, which has the effect of reducing the opportunity for households in TA to place successful bids.

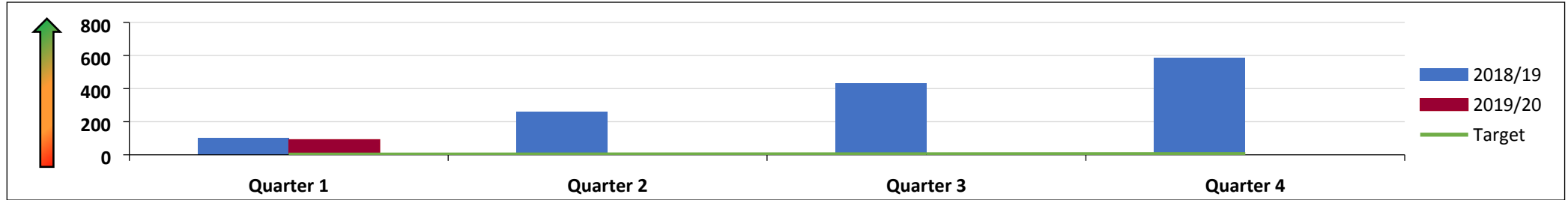
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	1,672				↑
Target	1,600				
2018/19	1,822	1,766	1,722	1,697	



RAG Rating	Actions to sustain or improve performance
A	Two main actions currently being considered to reduce the demand on the use of TA and overall reduction of households in TA include, looking at the opportunity to utilise “ring fenced” funds from MHCLG to convert existing TA properties into Assured Shorthold Tenancies. Additionally, the service is considering the utilisation of a specific resource to develop private sector opportunities outside of the London area (East of England), to consider housing solutions for those households who would otherwise be affected by significant private sector rental rates in B & D and the wider London area.
Benchmarking	Local performance measure

EMPLOYMENT, SKILLS AND ASPIRATION		Quarter 1 2019/20
The total number of households moved out of temporary accommodation		
Definition	How this indicator works	
The total number of households provided with an alternative long-term housing offer, from temporary accommodation.	The total number of households moved from temporary accommodation, where the service has been successful in either relieving or discharging statutory housing duties.	
What good looks like	Why this indicator is important	
Increase in number of households removed from temporary accommodation into longer term housing solutions, with an overall reduction on the use of temporary accommodation.	Reduction on the reliance of costly temporary accommodation, thereby having a positive impact on general fund budgets. Speaks to the wider narrative of providing long-term housing solutions for households who otherwise would continue to remain in transient type accommodation, with no stability.	
History with this indicator	Any issues to consider	
The number of households where offers have been made in the private rented sector has depended on households carrying out much of the activity required to secure long-term accommodation. This will be improved by offering further support to households with the service utilising appropriate funds.	The number of households continuing to access the prevention service continues to be high, which could lead to more households requiring temporary accommodation. Coupled with the increasing rates Landlords and Letting Agents are requesting to secure privately procured housing solutions, this could put more pressure on the service to temporarily house more households while alternative solutions are found. Additional points to consider, also includes the ongoing Estate Renewal	

	Regeneration Programme, which is utilising a large quantity of Council stock, which has the effect of reducing the opportunity for households in TA to place successful bids.				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	92				
2019/20 YTD	92				
2018/19	100	162	170	155	
2018/19 YTD	100	262	432	587	




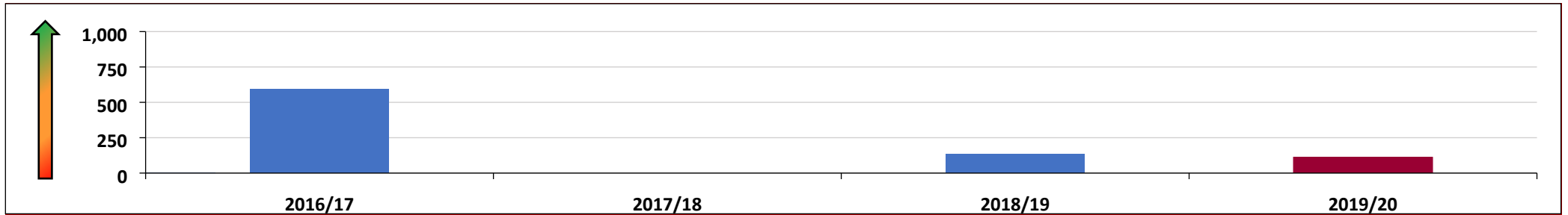
RAG Rating	Actions to sustain or improve performance
n/a	Two main actions currently being considered to reduce the demand on the use of TA and overall reduction of households in TA include, looking at the opportunity to utilise “ring fenced” funds from MHCLG to convert existing TA properties into Assured Shorthold Tenancies. Additionally, the service is considering the utilisation of a specific resource to develop private sector opportunities outside of the London area (East of England), to consider housing solutions for those households who would otherwise be affected by significant private sector rental rates in B & D and the wider London area.
Benchmarking	Local performance measure

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Regeneration and Social Housing – Key Performance Indicators 2019/20

REGENERATION AND SOCIAL HOUSING		Quarter 1 2019/20
The number of new homes completed		
Definition	How this indicator works	
The proportion of net new homes built in each financial year.	Each year the Council updates the London Development Database by the deadline of 31 st August. This is the London-wide database of planning approvals and development completions.	
What good looks like	Why this indicator is important	
The Council’s target for net new homes is in the London Plan. Currently this is 1,236 new homes per year.	It helps to determine whether we are on track to deliver the housing trajectory and therefore the Council’s growth agenda and the related proceeds of development, Community Infrastructure Levy, New Homes Bonus and Council Tax.	
History with this indicator	Any issues to consider	
2016/17 end of year result – 596 2015/16 end of year result – 746		

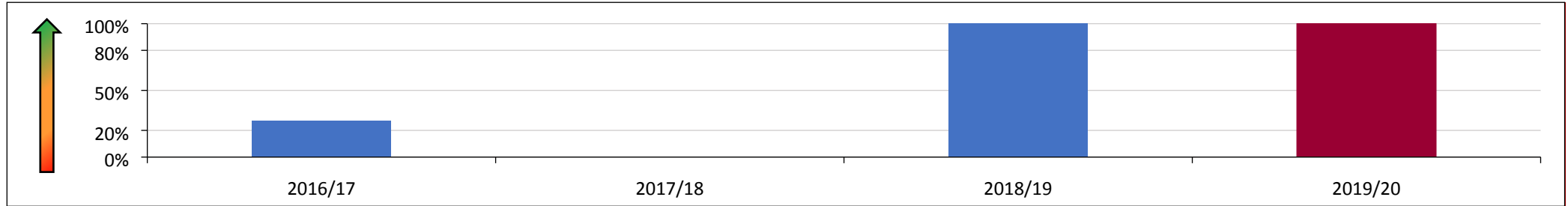
	Annual Result	DOT from Qtr 1 2018/19
2019/20	112 (Forecast)	
Target	1,236	
2018/19	132	



RAG Rating	Performance Overview	Actions to sustain or improve performance
R	<p>As per the Business Plan, Be First will deliver 112 units in 19/20. These will be across two projects - Weighbridge and Wivenhoe.</p> <p>Further to these units, Be First will enter into contract to start on site on 11 projects this year. This year will form the base from which Be First will go on to deliver 3,100 homes over the next five years.</p>	<p>Be First is working with Jerram Falkus (the contractor for Weighbridge) to resolve current manufacturer supply issues to ensure units are delivered in the financial year.</p>
Benchmarking	Benchmarking data not available.	


REGENERATION AND SOCIAL HOUSING		Quarter 1 2019/20
The percentage of new homes completed that are affordable		
Definition	How this indicator works	
The proportion of net new homes built in each financial year that meet the definition of affordable housing in the National Planning Policy Framework.	Each year the Council updates the London Development Database by the deadline of 31 st August. This is the London-wide database of planning approvals and development completions.	
What good looks like	Why this indicator is important	
The Mayor of London Supplementary Planning Guidance on affordable housing and viability sets a threshold of 35% above which viability appraisal are not required on individual schemes. Anything above 50% would suggest an overreliance on supply of housing from Council and RSL developments and lack of delivery of homes for private sale or rent on the big private sector led developments.	The Growth Commission was clear that the traditional debate about tenure is less important than creating social justice and a more diverse community using the policies and funding as well as the market to deliver. At the same time the new Mayor of London pledged that 50% of all new homes should be affordable and within this a commitment to deliver homes at an affordable, "living rent".	

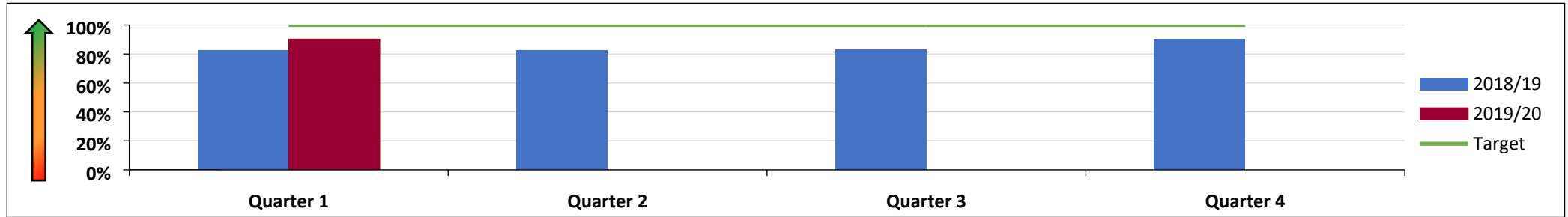
History with this indicator	Any issues to consider	
2016/17 end of year result – 29% 2015/16 end of year result – 43%	This indicator is important for the reasons given in the other boxes.	
	Annual Result	DOT from Qtr 1 2018/19
2019/20	112 (100%) (Forecast)	↔
Target		
2018/19	132 (100%)	



RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Continuing Be First's commitment to delivering affordable homes for the borough. 100% of the units that will be delivered in 19/20 will be affordable.	Be First continues to look for opportunities to deliver more homes to the borough. A recent example is at the Grays Court Community Hospital, where Be First will deliver 56 affordable units.
Benchmarking	Benchmarking data not available.	

REGENERATION AND SOCIAL HOUSING		Quarter 1 2019/20
The percentage of council homes compliant with Decent Homes		
Definition	How this indicator works	
The percentage of council homes that meet the decent homes criteria.	Dwellings that fail to comply are those which lack three or more of the following: <ul style="list-style-type: none"> • a reasonably modern kitchen (20 years old or less); • a kitchen with adequate space and layout; • a reasonably modern bathroom (30 years old or less); • an appropriately located bathroom and WC; • adequate insulation against external noise (where external noise is a problem); • adequate size and layout of common areas for blocks of flats. 	
What good looks like	Why this indicator is important	
A continuous improvement of the stock with constant monitoring of the stock Investment/knowledge stock condition.	This indicator is important as it aims at providing minimum safe housing for the community/landlord obligation clean safe and hazard.	

History with this indicator			Any issues to consider		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	90.27%				
Target	100%	100%	100%	100%	
2018/19	82.41%	82.5%	83.15%	90.01%	

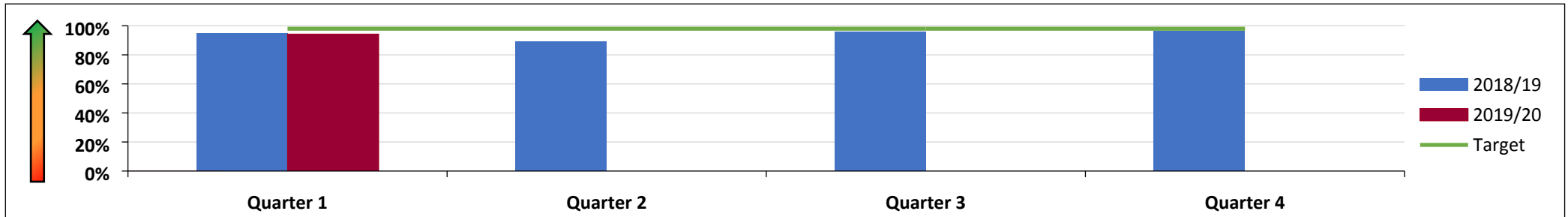


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<p>The change that must be delivered this year is that there should be a continuous reduction in the percentage of properties not meeting the Decent Homes standards as our investment in these properties increases. The figures for the number of non-decent homes continues to fall month-on-month as additional internal works are completed.</p>	<p>A major programme of external works will commence in early 2020 which will see a further reduction in overall non-decency.</p>
Benchmarking	Benchmarking data not available.	

REGENERATION AND SOCIAL HOUSING		Quarter 1 2019/20
The percentage of residents satisfied with capital works		
Definition	How this indicator works	
Monitored monthly to see how satisfied residents are with the quality of repairs	Our residents provide feedback through a telephone interview they undertake with Elevate. These figures are then cumulated to give a monthly average across the contractors.	
What good looks like	Why this indicator is important	
We aim for 98% customer satisfaction.	This indicator is important as we are trying to provide more and more value for money service we need to ensure that we are still meeting the needs of our residents. Secondly, we are delivering through contractors and subcontractors and we need to ensure that our residents are getting a good service. We monitor the performance of our contractors through customer satisfaction.	
History with this indicator	Any issues to consider	

In LBBB there are a pool of contractors that cover the repairs side of the local stock of buildings when averaging the total customer satisfaction figures we tend to boost up the figures of some poor performing contractors. Figures for individual contractors are available and at a service they are reviewed with the contractors.


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	94.3%				↓
Target	98%	98%	98%	98%	
2018/19	94.84%	89.05%	95.92%	96.3%	

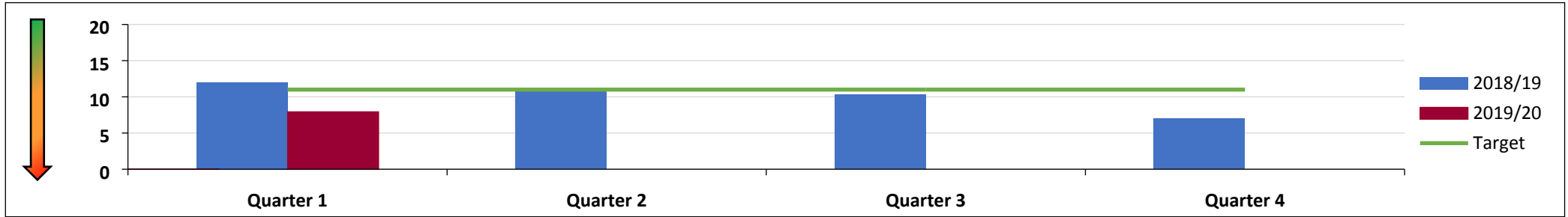


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Satisfaction percentage has dropped by 2 percentage.	There are weaker contractors within the contractors who we are working with. Their figures get boosted whilst averaging. The service is aware of this and they look at the contractors individually.
Benchmarking	Benchmarking data not available.	

Finance, Performance and Core Services – Key Performance Indicators 2019/20

FINANCE, PERFORMANCE AND CORE SERVICES		Quarter 1 2019/20
The average number of days taken to process Housing Benefit / Council Tax Benefit Change Events		
Definition	How this indicator works	
The average time taken in calendar days to process all change events in Housing Benefit and Council Tax Benefit.	The indicator measures the speed of processing.	
What good looks like	Why this indicator is important	
To reduce the number of days it takes to process HB/CT change events.	Residents will not be required to wait a long time before any changes in their finances.	
History with this indicator	Any issues to consider	
2017/18 End of year result – 8 days 2016/17 End of year result – 9 days 2015/16 End of year result – 14 days	There are no seasonal variances, but however government changes relating to welfare reform, along with Department for Work and Pensions (DWP) automated communications	

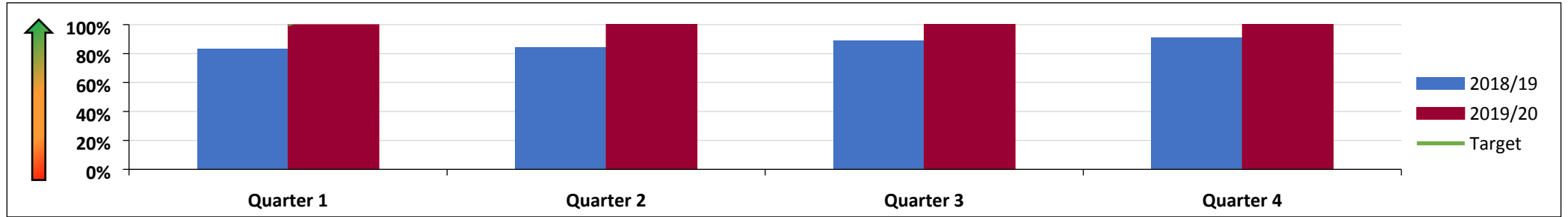
					pertaining to changes in household income impact heavily on volumes and therefore performance.
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	7.95 days				
Target	11 days	11 days	11 days	11 days	
2018/19	12 days	11.05 days	10.31 days	7 days	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>VEP & ATLAS remains fully implemented and utilised.</p> <p>Suspension Reports are being tightly controlled so all claims that hit month (as per legislation) are actioned immediately.</p> <p>Continual tray management and officer redeployment to priority work areas.</p>	Continuation of work structure & plans implemented in 2018/19
Benchmarking	Local performance measure.	

FINANCE, PERFORMANCE AND CORE SERVICES		Quarter 1 2019/20
The percentage of customers satisfied with the service they have received		
Definition	How this indicator works	
The percentage of customers who say that they were satisfied with the service they received from the Contact Centre.	A sample of calls to the Contact Centre is taken in which customers are asked to rate their experience.	
What good looks like	Why this indicator is important	
85%	Ensuring that our customers are satisfied is a critical determinate in providing surety that we are providing a high standard of service. Having a high level of satisfaction also helps the Council manage demand and thereby keep costs down.	
History with this indicator	Any issues to consider	
2017/18 – 84% 2018/19 – 91.09%		

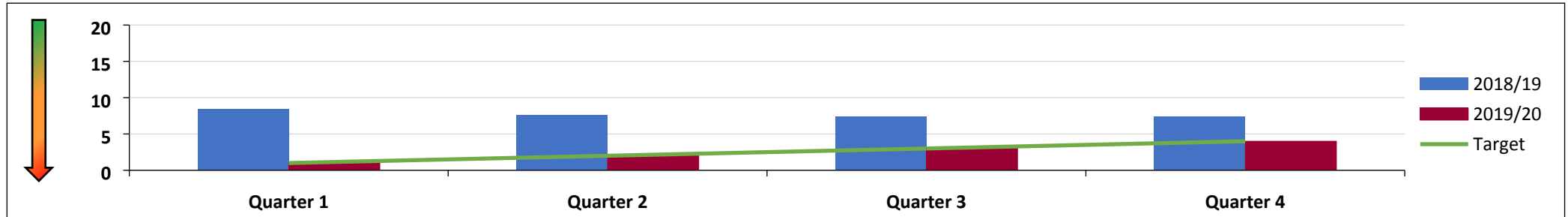
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	98%				↑
2019/20 YTD	98%				
Target	85%	85%	85%	85%	
2018/19	83.34%	85%	98%	98%	
2018/19 YTD	83.34%	84.17%	88.78%	91.09%	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Overall good performance for the Contact Centre as residents have seen a positive improvement in the service being delivered. This has been a combination of refresher sessions in Customer Services with a focus on soft skills training.	The soft skills sessions will be run bi-monthly to main the excellent service being delivered in the Contact Centre.
Benchmarking	Local performance measure.	

FINANCE, PERFORMANCE AND CORE SERVICES		Quarter 1 2019/20
The average number of days lost due to sickness absence		
Definition	How this indicator works	
The average number of days sickness across the Council, (excluding staff employed directly by schools and ex-employees). This is calculated over a 12-month rolling year and includes leavers	Sickness absence data is monitored closely by the Workforce Board and by Directors. An HR Project Group continues to meet weekly to review sickness absence data, trends, interventions and “hot spot” services that have been identified. Managers have access to sickness absence dashboards.	
What good looks like	Why this indicator is important	
Average for London Boroughs has recently been revised and is 8.2 days (up from 7.8).	This indicator is important because of the cost to the council, loss of productivity and the well-being and economic health of our employees. The focus is also on prevention and early intervention.	

History with this indicator					Any issues to consider
2017/18 end of year result: 7.43 days					A breakdown of sickness absence in services is set out below.
2016/17 end of year result: 8.43 days					
2015/16 end of year result: 9.75 days					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	6.57 days				↑
Target	6 days	6 days	6 days	6 days	
2018/19	7.88 days	7.40 days	7.65 days	7.13 days	



RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The target of 6 days has not yet been reached. However, the council's sickness figures continue to improve.	Targeted interventions remain in place in areas where there continue to be high levels of absence and are confident that this is having a positive impact. Further detailed analysis of areas with high absence levels continues to be undertaken.
Benchmarking	Local performance measure.	

Service Block	Long term % of days	Short term % of days
Adults Care and Support - Commissioning	49%	51%
Adults Care and Support - Operations	77%	23%
CE/ PR/ Inclusive Growth	0%	100%
Chief Operating Officer	0%	100%
Children's Care and Support - Commissioning	69%	31%


The average number of days lost due to sickness absence –

Service Block	Average Days Lost per EE
Adults Care and Support - Commissioning	4.5
Adults Care and Support - Operations	8.5
CE/ P&R/ Inclusive Growth	0.1
Chief Operating Officer	2.5
Children's Care and Support - Commissioning	6.3
Children's Care and Support - Operations	3.8
Community Solutions	5.7
Education	2.2
Enforcement	7.5
Finance	1.7
Law and Governance	4.3
My Place	6.6
Policy and Participation	4.0
Public Health	0.6
Public Realm	12.4
Transformation	1.5
We Fix	7.1

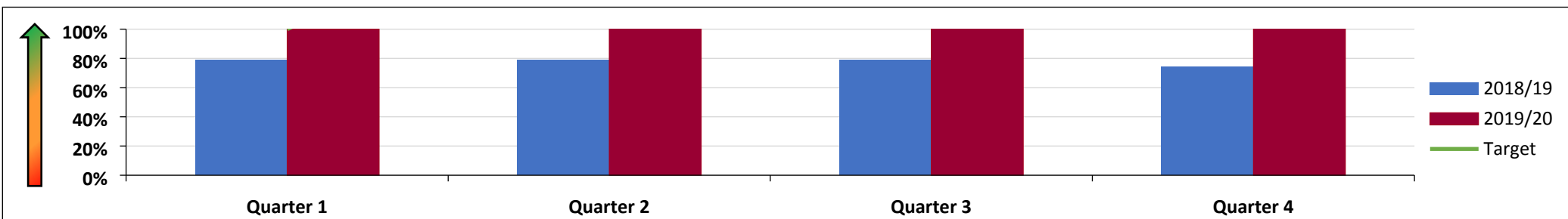
Children's Care and Support - Operations	47%	53%
Community Solutions	64%	36%
Education	41%	59%
Enforcement Service	73%	27%
Finance	0%	100%
Law and Governance	71%	29%
My Place	66%	34%
Policy and Participation	82%	18%
Public Health	0%	100%
Public Realm	72%	28%
Transformation	0%	100%
We Fix	52%	48%

Service Breakdown

Employee Engagement Index Score

Definition		How this indicator works			
The employee engagement index calculated from the scoring of the employee engagement questions of the Temperature Check survey.		The indicator uses the average score of a group of 6 critical engagement questions answered within the Temperature Check survey.			
What good looks like		Why this indicator is important			
Maximising employee engagement is a key factor in ensuring the organisation is able to deliver upon the borough manifesto and delivering high quality services to its residents.		This indicator helps to measure the engagement of the council’s workforce and enables any underlying issues to be investigated and addressed.			
History with this indicator		Any issues to consider			
2017/18 – 74%					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	74%				
Target	Target to be agreed				
2018/19	79%	79%	79%	74%	

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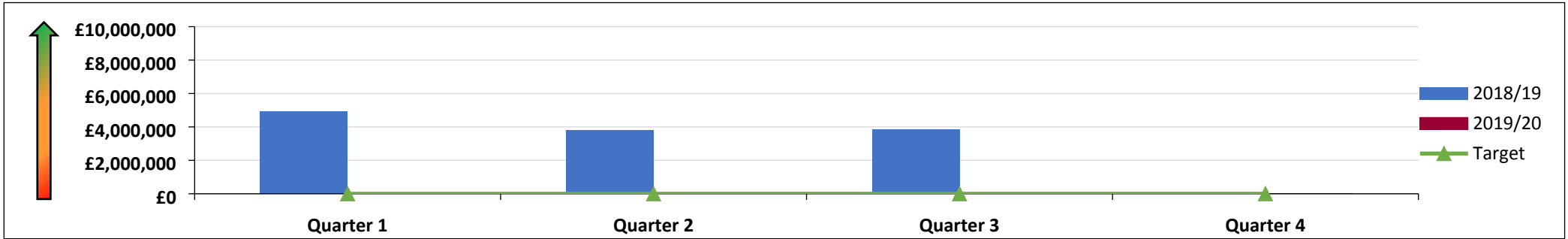
RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The engagement score remains unchanged from the previous monitoring period as no further employee engagement data has yet been collected and analysed.	An employee engagement survey is currently underway and results will be available for the next report.
Benchmarking	Local performance measure.	

The current revenue budget account position (over or underspend)

Definition	How this indicator works
The position the Council is in compared to the balanced budget it has set to run its services.	Affects the overall financial health of the council especially if continuing overspend
In line with projections, with no overspend.	Why this indicator is important
2017/18 end of year result: £5m overspend 2016/17 end of year result: £4.853m overspend 2015/16 end of year result: £2.9m overspend 2014/15 end of year result: £0.07m overspend	Any continuing overspend impacts on the overall level of reserves and can impact on saving targets for future years to recover.
The position the Council is in compared to the balanced budget it has set to run its services.	How this indicator works
In line with projections, with no overspend.	Statutory requirement to maintain balanced budget and use resources as approved by budget assembly.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2018/19
2019/20	£7.7m at period 3 reported to CPG July 2019				n/a
2018/19	£4,924,000 forecast	£3,789,000 forecast	£3,857,000 forecast	Data not provided	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Information not provided.	Recovery plans requested from each director to be reported to September CPG. Will need to consider impact on future budget gap and reserves levels with mitigations and additional savings if necessary.
Benchmarking	No benchmarking data available – Local measure only	

CABINET**17 September 2019**

Title: Debt Management Performance and Write-Offs 2019/20 (Quarter 1)	
Report of the Cabinet Member for Finance, Growth, and Investment	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Gill Hills, Head of Revenues	Contact Details: Tel: 0208 724 8615 E-mail: gill.hills@elevateeastlondon.co.uk
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary	
<p>This report sets out the performance of the Council's partner, Elevate East London, in carrying out the contractual debt management function on behalf of the Council. This report covers the first quarter of the financial year 2019/20. The report also includes summaries of debt written off in accordance with the write off policy that was approved by Cabinet on 18 October 2011. The report demonstrates that performance is stable and continuing to improve year on year in terms of overall cash collection, though continuing to be impacted by welfare reform measures.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; and (ii) Note the debt write-offs for the first quarter 2019/20. (iii) Note the emerging impact of Universal Credit on collection levels, most notably Council Tax and Rents. 	
Reason	
<p>Assisting in the Council's Policy aim of ensuring an efficient organisation delivering its statutory duties in the most practical and cost-effective way. This ensures good financial practice and adherence to the Council's Financial Rules on the reporting of debt management performance and the total amounts of debt written-off each financial quarter.</p>	

1. Introduction and Background

- 1.1. The Council's Revenues, Benefits, General Income and Rents Service is operated by the Council's joint venture company, Elevate East London LLP (Elevate). The service is responsible for the management of the Council's debt falling due by way of statutory levies and chargeable services. It also collects rent on behalf of Barking and Dagenham Reside. Council debts not collected by Elevate are not included in this report, for example parking and road traffic debt prior to warrants being granted and hostel and private sector leasing debt.
- 1.2. This report sets out performance for the first quarter of the 2019/20 municipal and financial year and covers the overall progress of each element of the service since April 2019. In addition, it summarises debts that have been agreed for write off in accordance with the Council's Financial Rules. All write offs are processed in accordance with the Council's debt management policy agreed on 18th October 2011.

2. Proposal and Issues

- 2.1 Tables 1 and 2 below show the current collection of the key performance indicators and performance indicators for debt managed by Elevate.

2.2 Table 1: Collection Rate Performance – Quarter one 2019/20

Key Performance Indicators (KPI)	Annual target	Quarter 1 performance	Quarter 1 target	+ or - target	Financial variation
Council tax in year	95.70%	29.5%	29.8%	-0.3%	-£220,882
General Income	96.20%	85.35%	84.20%	1.15%	£227,623
Rents	96.36%	23.46%	23.44%	0.02%	£20,231
Leasehold Income	98.60%	27.28%	30.48%	-3.2%	-£170,373
Fairer contribution (homecare in year)	80.00%	68.64%	67.81%	0.83%	£1,312
NNDR in year	98.40%	31.2%	30.5%	0.7%	£434,691
Commercial Rent	98.75%	89.60%	90.00%	-0.4%	-£4,559

2.3 Table 2: Collection Rate Performance – Quarter one 2019/20

Performance Indicator (PI)	Annual target	Quarter 1 performance	Quarter 1 target	+ or - target	Financial variation
Council Tax arrears	£2,475,000	£784,378	£864,639	£80,261	-£80,261
Road Traffic enforcement (Enforcement Agents)	14%	16.8%	14%	2.8%	£49,909
Housing Benefit Overpayment	61.2%	58.2%	61.2%	-3%	-£74,965

Reside	99.5%	99.7%	99.5%	0.2%	£127,446
Former Tenant Arrears	£206,000	£55,875	£51,500	£4,375	£4,375

2.4 Council Tax

2.4.1 Council Tax has increased by £5.3m overall (7.66%) whilst Council Tax Support has reduced by £548k (4.12%)

2.4.2 Council Tax Support now pays for 13.5% of Council Tax compared with 14.9% at the same time in 18/19, a reduction of 1.4%, this is the equivalent of £1.3m of additional Council Tax to be collected in 19/20.

2.4.3 The tables below show collection rates for those taxpayers currently in receipt of Council Tax Support (CTS) split between those claiming Universal Credit (UC) and those still on legacy benefits. It should be noted that this includes those of pensionable age.

		April	May	June
CTS legacy benefits	Net Collectable Debit	£4,271,580	£4,186,033	£4,130,958
	Paid	£593,394	£1,014,415	£1,292,262
	Percentage	13.9%	24.2%	31.3%

		April	May	June
CTS (UC)	Net Collectable Debit	£697,004	£785,081	£868,711
	Paid	£82,695	£161,773	£230,114
	Percentage	11.9%	20.6%	26.5%

2.4.4 As expected, the amount payable for those taxpayers not currently claiming UC is decreasing whilst those receiving UC is increasing. However, there is a 4.8% difference in the collection rate. It is estimated that the amount payable by those claiming UC will increase to £1.7m by the end of 19/20 with the gap in the collection rate continuing to widen to approximately 10%. This will be the equivalent of £170k uncollected within the year.

2.5 Council Tax arrears

2.5.1 Cases moving from legacy benefits to UC are resulting in CTS being cancelled and then reinstated, sometimes on numerous occasions throughout the year. This is causing instalments to be recalculated to start again in the following month(s).

2.5.2 As a result of this issue, debt recovery letters (reminders and summonses) that are issued for late or non-payment reduced in 2018/19 by 13k (17.5%). Any reductions in debt recovery action means that there is a delay in identifying customers that either require financial support or that must move on to other enforcement action i.e. Enforcement Agent. Therefore, arrears collection is lower in the first quarter of 2019/20 when compared with 2018/19.

2.5.3 It is estimated that taxpayers claiming UC will double in 2019/20 increasing the potential loss in arrears collection for future years.

2.5.4 Elevate continues to work closely with Community Solutions in order that taxpayers that require financial support are identified at the earliest possible opportunity. This early intervention will help, in part to mitigate the changing of instalments made due to UC and the resulting delays in recovery action.

2.6 General Income

2.6.1 Collection remains buoyant; however, testing in Oracle for the setting up of new entities (BD Service Delivery, BD Management services etc) is reducing resource available to concentrate on collection. This is currently being managed and carefully monitored.

2.7 Rent

2.7.1 Universal Credit continues to be the main issue facing collection rates. The table below shows the number of accounts still in receipt of Housing Benefit (HB) and whether they are in arrears and the same for those now in receipt of UC.

		April	May	June
Accounts on Housing Benefit	Number	7,568	7,436	7,398
	In arrears	2,472	2,801	1,811
	Percentage	33%	38%	24%
Accounts on UC	Number	1,705	1,833	2,000
	In arrears	1,132	1,283	1,331
	Percentage	66%	70%	67%

2.7.2 Although these numbers can fluctuate month on month, those tenants in receipt of UC are 2-3 times more likely to be in rent arrears than those still receiving Housing Benefit. The table below shows the current value of those arrears.

Arrears	April	May	June
Accounts on Housing Benefit	£751,319	£726,370	£673,209
Accounts on UC	£1,198,181	£1,297,760	£1,419,879

- 2.7.3 In the first quarter, arrears for tenants in receipt of HB reduced by an average of 5% per month, whilst those on UC increased by 9% per month.
- 2.7.4 At the current rate of increase, it is estimated that the arrears for those in receipt of UC will increase to £2.4m by the end of 19/20.
- 2.7.5 Close working between Elevate, Community Solutions and My Place is continuing with a focus on budgeting advice, tenancy sustainment and better use of data for earlier intervention

2.8 Leasehold

- 2.8.1 Leasehold debt has increased by £1.1m in 19/20 compared with 18/19. The increase in debt is being investigated to establish whether delays in changing liable parties in 18/19 is having a detrimental impact on collection in 19/20.

2.9 Fairer contributions (Homecare) – issues affecting collection

- 2.9.1 Collection rates remain above target in this area. There will be a review of the new charging policy at the end of the second quarter.

2.10 Business Rates – national non domestic rating (NNDR)

- 2.10.1 NNDR is significantly above target. However, this is due to fluctuations in collection last year upon which targets this year are based. Collection rates will begin to return to normal throughout the year and are expected to achieve target.

2.11 Commercial Rent

- 2.11.1 Commercial rent collection is slightly below target (£4k). There are no issues currently to report.

2.12 Road Traffic Enforcement

- 12.12.1 The Parking Service has significantly reduced delays in passing unpaid parking debts to the Enforcement Agents and this has improved collection rates in the first quarter.
- 2.12.2 Issues remain with more persistent offenders and Elevate and the Parking Service are working to reduce this issue.

2.13 Housing Benefit Overpayment

- 2.13.2 Although collection is currently behind target, it is expected that this will significantly improve throughout the year.
- 2.13.3 An emerging concern is again Universal Credit. Payments via attachment to benefit is a major source of income in this area and under legacy benefits was considered a high priority debt. However, for cases where the debtor is in receipt of UC, attachments for Housing Benefit Overpayment have been deprioritized by the DWP

and other debts now take priority. This is being closely monitored and any significant effect will be reported.

2.13 Reside

2.13.1 No issues to report, collection remains above target.

2.14 Former Tenant Arrears

2.14.1 No issues to report, collection remains above target.

2.15 Debts written off in quarter 1

Number	Under £2k	Over £2k	Over £10k	Total
Housing Benefits	31			31
General Income	8			8
Rents	2			2
Council Tax	60			60
NNDR	32			32
Total	133	0	0	133

Value	Under £2k	Over £2k	Over £10k	Total
Housing Benefits	£6,095			£6,095
General Income	£1,119			£1,119
Rents	£1,925			£1,925
Council Tax	£55,347			£55,347
NNDR	£1,794			£1,794
Total	£66,280	£0	£0	£66,280

2.16 Reasons for write offs in quarter 1

Value	Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Deceased	Other reasons	Total
Housing Benefits		£2,785	£2,138	£1,172		£6,095
General Income		£1,119				£1,119
Rents					£1,925	£1,925
Council Tax	£486		£54,723		£138	£55,347
NNDR		£288	£1,505			£1,794
Total	£486	£4,193	£58,366	£1,172	£2,063	£66,280

Number	Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Deceased	Other reasons	Total
Housing Benefits		25	3	3		31
General Income		8				8
Rents					2	2
Council Tax	1		58		1	60
NNDR		9	23			32
Total	1	42	84	3	3	133

2.16.1 "Other reasons" include the following categories:

- Insolvency
- Remitted by court
- Debtor outside UK
- Prison sentence served in respect of debt
- Benefit overpayment – unrecoverable in accordance with Housing Benefit General regulations 1987
- The court refuses to make an order in respect of the debt
- Statute barred due to age of debt
- Small balance
- Negotiated settlement of part of debt
- Vulnerable
- In prison

2.17 Arrears

2.17.1 The table below shows the total unpaid debt for all previous years at the end of 2018/19 and at the end of quarter 1, with the exception of rent where arrears are defined as being any debt more than one week old. This shows debts that have not been discharged within the year in which they were charged. Although, every effort is made to ensure payment is secured, many debts are still being paid in later years or remain uncollected. Debts shown span from the year 1999/2000 to 2018/2019.

2.17.3 All debts are pursued regardless of their age. Many customers have made payment agreements which they continue to pay often long after the debt originally occurred, and this includes payments made to Enforcement Agents where they have agreed to clear arrears over an extended period of time. Enforcement action is also taken where the new address of a debtor who has moved from the borough is found.

99/00 - 18/19	Year end	Quarter 1
Council Tax	£25,011,376	£24,109,525
NNDR	£8,117,641	£7,042,028
Rent	£3,211,840	£3,554,385
Leaseholders	£407,178	£289,785
General Income	£4,507,818	£4,235,462
Total	£41,255,854	£39,231,185

3. Financial Implications

Implications completed by Thomas Mulloy, Chief Accountant

- 3.1 Collecting all debts due is critical to the Council's ability to fund Council and maintain the Council's cash flow. In view of this, monitoring performance is a key part of the monthly meetings with Elevate.
- 3.2 The monthly meetings between Elevate and the Council mainly focus on the areas where the targets are not being achieved to discuss ways to improve prompt collection of Council revenues.
- 3.3 At the end of quarter 1, Elevate has achieved many but not all of its targets. Performance underachieved in some key collection areas. i.e. Council Tax and HB Overpayments
- 3.4 Performance on Council Tax for quarter 1 was below the target by 0.3%, which is equivalent to a cash shortfall of £220k, Leasehold collection was down 3.2% which is the equivalent of £170k.
- 3.5 The importance of prompt collection is that debts become more difficult to collect as the debt ages and there is a much greater risk of not being able to collect older debts. The Council maintains a provision for Bad Debts from which the cost of uncollectable debts relating to 2017/18 and earlier years are charged, the preventing any impact upon the Council's current revenue income. A periodical review is carried out required to ensure the adequacy of the Council's Bad Debt Provisions adjustments to the provisions are met from the Council's revenue budget and reduce the funds available for other Council expenditure.
- 3.6 The level of write offs for the year as at the end of quarter 1 total £66,280. It is important that bad debts are written off promptly so that the Council can maintain the appropriate level of bad debt provision. The approved write offs can be met from the Council's current Bad Debt Provision

4. Legal Issues

Implications completed by Dr. Paul Feild, Senior Governance Lawyer

- 4.1 Monies owed to the Council in the form of debts are a form of asset that is the prospect of a payment sometime in the future. The decision not to pursue a debt carries a cost and so a decision not to pursue a debt is not taken lightly.
- 4.2 The Council holds a fiduciary duty to the ratepayers and the government to make sure money is spent wisely and to recover debts owed to it. If requests for payment are not complied with then the Council seeks to recover money owed to it by way of court action once all other options are exhausted. While a consistent message that the Council is not a soft touch is sent out with Court actions there can come a time where a pragmatic approach should be taken with debts as on occasion they are uneconomical to recover in terms of the cost of process and the means of the debtor to pay. The maxim *no good throwing good money after bad* applies. In the case of rent arrears, the court proceedings will be for a possession and money

judgement for arrears. However, a possession order and subsequent eviction order is a discretionary remedy and the courts will more often than not suspend the possession order on condition the tenant makes a contribution to their arrears.

- 4.3 Whilst the use of Introductory Tenancies as a form of trial tenancy may have some impact in terms promoting prompt payment of rent as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy, people can fall behind and get into debt. The best approach to resolve their predicament is to maintain a dialogue with those in debt to the Council, to offer early advice and help in making repayments if they need it and to highlight the importance of payment of rent and Council tax. These payments ought to be considered as priority debts rather than other debts such as credit loans as without a roof over their heads it will be very difficult to access support and employment and escape from a downward spiral of debt.
- 4.4 The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

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

List of appendices:

- **Appendix A** – Total debts written off in 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19

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Appendix A

Table 1: Debts written off during 2011/12

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

Table 2: Debts written off during 2012/13

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

Table 3: Debts written off during 2013/14

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

Table 4: Debts written off during 2014/15

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

Table 5: Debts written off during 2015/16

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

Table6: Debts written off during 2016/17

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

Table7: Debts written off during 2017/18

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

Table8: Debts written off during 2018/19

Write Offs	Housing Benefits	General Income	FTA	Rents	Council Tax	NNDR	TOTAL
2017-18 Totals	£30,801	£47,443	£223,552	£13,951	£68,390	£52,882	£437,019