

Notice of Meeting

CABINET

Tuesday, 16 June 2020 - 5:00 pm
Meeting to be held virtually

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: 8 June 2020

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Please note that this meeting will be webcast to enable the press and public to listen in to the proceedings of this 'virtual' meeting. To view the webcast click [here](#) and select the relevant meeting (the weblink will be available at least 24-hours before the meeting).

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 19 May 2020 (Pages 3 - 6)**
- 4. Revenue and Capital Outturn for the Financial Year 2019/20 (Pages 7 - 41)**
- 5. Housing Innovation Programme - Small Sites (Pages 43 - 55)**
- 6. Semi-Independent Accommodation for Care Leavers via West London Alliance (Pages 57 - 68)**

7. **Treasury Management Annual Report 2019/20 (Pages 69 - 90)**
8. **Fire Safety Policy Annual Report (Pages 91 - 150)**
9. **Debt Management Performance and Write-Offs 2019/20 (Quarter 4) (Pages 151 - 163)**
10. **Any other public items which the Chair decides are urgent**
11. **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. ***There are no such items at the time of preparing this agenda.***

12. **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, 19 May 2020
(5:10 - 5:49 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

1. Declaration of Members' Interests

There were no declarations of interest.

2. Minutes (21 April 2020)

The minutes of the meeting held on 21 April 2020 were confirmed as correct.

3. Development of Land at Chequers Lane, Dagenham

The Cabinet Member for Regeneration and Social Housing presented a report on an opportunity for the Council to purchase 90 newly built affordable housing units at the former Job Centre Plus site, Chequers Lane, Dagenham, via a development agreement with Hollybrook Limited.

The Cabinet Member advised that planning permission for a development consisting of 49 x 1 bed flats and 41 x 2 bed flats, all compliant with London Plan internal space standards, was granted to Hollybrook Ltd in January 2020. However, the current economic climate meant that Hollybrook Ltd were reluctant to commence on site and an approach was made to Be First, the Council's regeneration company, to ascertain whether the Council would be willing to purchase the newly built units on a 'turn-key' basis, whereby the developer would carry all of the construction risk and the Council would make structured payments under a development agreement before taking full ownership, via the B&D Reside structure.

The Cabinet Member alluded to the wider regeneration proposals for the South Dagenham area which could be kick-started by the new development and the financial arrangements that would underpin the proposed development agreement. He also confirmed that while the Council would make a small profit from the project, the key driver was the provision of much needed, good quality affordable housing units and, to that end, it was noted that 62 units would be let at up to 80% of market rent and the remaining 28 let at London Affordable Rent (LAR) levels.

Cabinet **resolved** to:

- (i) Agree the preferred option for the project, consisting of a 100% affordable housing scheme comprising 62 Affordable Rent homes let at up to 80% of market rent and 28 London Affordable Rent (LAR) homes;
- (ii) Agree to enter into a Development Agreement with Hollybrook

Developments to deliver 90 units at a total development cost of £25,714,877 on a turn-key basis for expected completion in 2021/22, subject to satisfactory due diligence;

- (iii) Agree to the borrowing of up to £17,624,877 within the General Fund to finance the entire development, subject to satisfactory due diligence;
- (iv) Agree to allocate up to £5.29m restricted Right to Buy receipts, if required, to fund the construction and professional fees to support the financial viability of the affordable housing project;
- (v) Agree to allocate £2.8m GLA LAR grant funding, subject to a successful bid, to support the financial viability of the LAR tenure;
- (vi) Agree to allocate £69,000 for 2020/21 and £289,500 for 2021/22 (total of £358,500) to the Council's interest payable budget to cover the scheme's development costs;
- (vii) Note that the scheme met the Investment and Acquisition Strategy financial performance metrics, as outlined in Appendix 3 to the report;
- (viii) Agree to the use of an existing or the establishment of a Special Purpose Vehicle(s) as required within the B&D Reside structure to develop, own, let, sell and manage and maintain the homes in accordance with the funding terms in a loan agreement between the Council and Special Purpose Vehicle; and
- (viii) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance, to agree and execute any legal agreements and contract documents to fully implement the project.

4. Delivering Social Value in Barking and Dagenham

The Cabinet Member for Finance, Performance and Core Services introduced a report on a new policy framework, guidance and process to ensure that Social Value proposals and principles formed part of all significant contracts procured by the Council, in line with the Council's priorities and its obligations under the Public Services (Social Value) Act 2012.

The Cabinet Member referred to the five main themes that would underpin the Council's Social Value aims, namely:

- Investment in local people: tackling unemployment and low pay by promoting payment of the London Living Wage, securing quality employment, work experience and apprenticeship opportunities – with additional consideration for opportunities created for those facing disadvantage in the labour market (including NEETs, care leavers, young offenders and those with learning disabilities or physical and mental health conditions);
- Investment in the local economy: supporting local job creation by sourcing goods and services from organisations with premises/operations based in the Borough and supporting initiatives to build the capacity of local suppliers;
- Environmental sustainability: reducing waste and single-use plastics, promoting

recycling and sustainable energy, supporting local growing initiatives and other activities to improve the local environment and air quality;

- Community participation and engagement: procuring from organisations with a social purpose, involving citizens in service design and decisions, and helping to build the capacity of local civil society organisations such as through volunteering, mentoring and provision of facilities;
- People, resilience and independence: supporting local initiatives to improve health and wellbeing by tackling key local issues such as high levels of obesity, anti-social behaviour and domestic abuse.

Potential contractors would be required to present a delivery plan and method statement setting out their commitments and how they would be delivered, including how they would work with local partners and ensure compliance in their wider supply chain where relevant. The requirements would apply to all contracts over £100,000, with commissioners able to apply it to lower value contracts on a discretionary basis, and a minimum weighting of 10% (up to a maximum of 20% on a discretionary basis) would be applied to the tender evaluation criteria in recognition of the importance of Social Value alongside cost and quality considerations. With regard to construction contracts, there would be specific benchmarks to reflect good practice in the construction sector and the Unite Construction Charter, which the Council and Be First signed in June 2019, and a wider strategy would be developed to support contractors to deliver a programme of events and encourage local suppliers to access procurement opportunities. Section 106 Employment, Skills and Supply Chain Agreements would also form part of the conditions applied to planning consents for all major development projects in the Borough

The Cabinet Member confirmed that a new post of Social Value Coordinator had been established to support procurement and commissioning teams to implement and enforce Social Value and to monitor progress across the Council, with the successful candidate expected to be in post in the coming months.

The Cabinet Member for Employment, Skills and Aspiration reiterated some of the benefits referred to in the key themes and their links to the Borough Manifesto and other Council policies and strategies. The intention was for the new policy to be launched in Summer 2020 to coincide with an online public consultation and the arrangements would be kept under continual review, particularly in the first year, to ensure the best possible outcomes.

Cabinet Members spoke in overwhelming support of the new approach and thanks were conveyed to all those involved in the development of the proposals. Particular mention was also made of the role of local partners including schools, colleges and Coventry University London in the development, promotion and delivery of Social Value in the Borough and the recognition that Social Value would be additional to the usual core contractual requirements, with potential contractors expected to embrace the aims and objectives and not merely meet minimum expectations.

Cabinet **resolved** to:

- (i) Agree the policy and approach to Social Value as set out in the report;

- (ii) Note the proposed monitoring, compliance and implementation process and plans; and
- (iii) Authorise the Director of Inclusive Growth, in consultation with the Cabinet Members for Employment, Skills and Aspiration and Finance, Performance and Core Services, to make any appropriate amendments to the documents and approach arising from best practice initiatives or valid representations from the general public and/or civil society partners.

5. Retrofit Accelerator Programme for Corporate Assets

The Cabinet Member for Regeneration and Social Housing introduced a report on proposals to procure specialist advice to support the Council's programme of retrofitting existing housing stock and corporate assets as part of its commitment to reach a net zero carbon target by 2030.

The Council had been utilising technical support from the Mayor of London's Retrofit Accelerator Programme Delivery Unit (PDU) to benchmark energy information and identify potential carbon and financial savings from the Council's corporate estate. The new procurement would draw on that expertise and seek a specialist partner to work with the Council to develop an optimal programme of works to deliver the highest level of savings across the estate.

Cabinet Members spoke in support of the project and the Cabinet Member for Educational Attainment and School Improvement particularly welcomed the commitment to expand the scope of the project to the Borough's schools and colleges. The Cabinet Member for Finance, Performance and Core Services also referred to the desktop assessment of the Council's top 32 buildings for energy consumption which suggested that the retrofitting exercise could result in savings of over £300,000 per annum and a reduction in CO₂ emissions of 955 tCO₂, with the potential for even greater savings should some of those buildings be deemed surplus to requirements in the light of changes to working practices.

Cabinet **resolved** to:

- (i) Agree to use the Retrofit Accelerator Framework to support the Council's general retrofitting programme and develop the Partner Bid tender to procure a suitable service provider to devise High Level Appraisals for retrofitting corporate assets; and
- (ii) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to enter into the contracts and all other necessary or ancillary agreements set out in this report.

6. Minute's Applause

The Chair led the Cabinet Members in a minute's applause in appreciation of the efforts of the entire Council workforce, and particularly those providing front-line services to the local community, during the current COVID-19 pandemic.

CABINET

16 June 2020

Title: Revenue and Capital Outturn for the Financial Year 2019/20	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Katherine Heffernan, Group Manager – Service Finance	Contact Details: E-mail: katherine.heffernan@lbbd.gov.uk
Accountable Director: Philip Gregory, Director of Finance	
<p>Summary</p> <p>This report provides an update on the outturn position for 2019-20 across the main Council funding streams and budgets. These figures will be subject to audit.</p> <p>The General Fund budget for 2019/20 was £148.820m. The final revenue expenditure outturn position was £157.931m and the final Corporate income position was £154.741m. This is an outturn deficit of £3.189m. The report proposes a net transfer to reserves of £1.741m which is mainly the carry forward of grants, income for specific purposes and monies held on behalf of partnership organisations. The net budget variance after planned transfers to and from reserves is an overspend against the budget of £4.930m This includes overspends of around £16.374m across a range of departments offset by an underspend in Central Expenses of £5.328m and £6.117m income surplus. This is an improvement of £1.813m since the last budget monitoring report (P10). Within this there was an improvement of £3.8m across Care and Support offset by increases in Public Realm, Community Solutions, IT and Core/Central Services.</p> <p>The overspend will be funded by drawing down from the Budget Support Reserve which was established partly for this purpose. The remaining balance on the reserve will be £6.349m. The balance on the General Fund does not change and remains £17.03m.</p> <p>The Draft Outturn for the Housing Revenue Account (HRA) is an overspend of £1.625m. This is the net result of a large overspend on Repairs (£4.2m) and housing management costs (£2.5m) partly offset by an underspend on Bad Debt Provision of £2.3m and a reduction in the revenue funding of the capital programme. The HRA reserve is now reduced to £9.674m.</p> <p>The Capital Programme budget for 2019/20 was £401.93m and is made up of a number of distinct elements. The largest element is the investment strategy where the outturn was £119m compared to a budget of £235m. The large majority of this expenditure relates to a multi-year council-led new build programme, so the outturn figure reflects movements between financial years as the delivery profile of the programme evolves. The outturn for the general fund capital programme was £56m compared to a budget of £82m, in particular due to some significant park improvement projects taking longer than anticipated to secure planning consent. The outturn for the HRA capital programme was</p>	

£41m compared to a budget of £74m, a significant proportion of which reflects that some major works were reprofiled into 2020/21 to ensure that proper lease holder consultation was completed. The overall programme outturn was £220.692m.

Total expenditure on Transformation was £4.2m of which £0.5m was genuine capital expenditure and has been charged to the capital programme. Capital receipts have been used to fund the remainder under the Flexible Use Dispensation so no call on the Budget Support Reserve is expected this year for Transformation. The programme will continue in future years so the budget will be carried forward for this purpose.

The final outturn on the Dedicated Schools Grant (DSG) was an overspend of £1.476m as a result of the pressures in the High Needs Block. This will be funded from the DSG reserve taking it to £1.726m.

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the revenue outturn for the Council's General Fund for 2019/20 as set out in section 2 and Appendix A and the details of the individual service variances as set out in section 3 of the report;
- (ii) Note the outturn for the Housing Revenue Account for 2019/20 as set out in section 4 of the report;
- (iii) Note the outturn on the 2019/20 Capital Programme as set out in section 5 and Appendices B and C of the report;
- (iv) Approve the carry forward of capital programme slippage from 2019/20 totalling £155.067m, giving a revised total programme for 2020/21 of £470.988m as detailed in Appendix C to the report;
- (v) Approve the transfers to and from reserves as set out as set out in section 6 and Appendix D of the report;
- (vi) Note the consequent position for the Council's reserves as set out in Appendix E of the report; and
- (vii) Note the outturn on the Dedicated Schools Budget for 2019/20 as set out in section 7 of the report.

Reason(s)

The Council is required to set an annual budget and report on its expenditure against that budget. This allows the Cabinet, other members and residents to understand its financial position and to hold officers to account for spending decisions. It also will inform financial planning for the current and future financial years.

1. Introduction and Background

- 1.1 The financial year 2019/20 for the Council ended on 31st March 2020. This report includes the outturn position on for all the Council's main funds: the General Fund, the Housing Revenue Account (HRA), the Dedicated Schools budget (DSG/DSB) and the capital programme. This is the final position that will be used as the basis of the draft statement of accounts. It will be audited and so it is possible that there may be subsequent adjustments required by the Council's external auditors.
- 1.2 The Council's subsidiary companies work to a slightly different accounts and audit timetable and their year-end positions have yet to be finalised. They are not therefore covered in this report. The Statement of Accounts when published will include consolidated group accounts. Any final returns that flow back to the council as a dividend will be included as corporate income in the subsequent financial year. The 2019/20 outturn includes a dividend payment of £2.2m made by Barking and Dagenham Trading Partnership (BDTP).

2. The Overall General Fund Revenue Position

- 2.1 The overall net expenditure in 2019-20 was £157.930m against a net budget of £148.820m and total corporate income was £154.741m. The additional income is made up of £2.028m additional government grants including section 31 grants awarded in year, a £1.793m surplus on the Collection Fund and a dividend of £2.295m from BDTP (this dividend was previously included in the net services expenditure budget but the correct accounting treatment is to show as corporate income). This results in a net position of £3.189m.
- 2.2 It is proposed to draw down £3.659m from various reserves in order to fund specific expenditure within 2019/20 and to transfer £5.400m to reserves for specific purposes in the 2020/21 financial year. This is a net transfer of £1.741m.
- 2.3 The overall position after these transfers is a net overspend of £4.930m. Throughout this report the position after transfers to and from reserves will be compared to the budget as this is the best reflection of the Council's financial planning position.
- 2.4 The overspend is made up of an overspend of £17.505m across a number of service budgets especially Care and Support (£10.241m) and underspends in Enforcement and Commissioning making a net position on services of £16.374m. This was offset by a large underspend of £5.328m in Central Expenses and by the additional corporate income.
- 2.5 The budget monitoring throughout the year consistently forecast a significant overspend with the last reported estimate at the end of month ten being £6.743m. The final outturn position therefore is better than previously forecast by £1.813m. There was a particularly large improvement in Adults Care and Support although this was offset by worsening positions in other areas.
- 2.6 The table below shows a summary of the position and there is a more detailed breakdown in Appendix A to this report. More information about the performance of individual services is given below.

- 2.7 The response to the CoVid 19 pandemic began around two weeks before the financial year end and there was relatively little impact on the Council's finances in March. All government funding relating to the situation will fall into the 2020/21 financial year. The main impacts in March was a loss of around £0.3m fees and charges income (mostly in Enforcement and Leisure although earlier good performance meant that Enforcement still underspent overall) and around £0.2m increased service costs (in Care and Support/Community Solutions). In addition the planned upgrade of the Customer Service Centre ICT system was brought forward. These impacts are included in the overall outturn.

TABLE ONE – GENERAL FUND REVENUE OUTTURN

DEPARTMENT	FINAL BUDGET (£000)	FINAL OUTTURN (£000)	RESERVES TRANSFERS (£000)	VARIANCE (£000)
PEOPLE COMMISSIONING	7,016	5,805	652	(559)
CORE	6,442	8,426	336	2,320
CENTRAL EXPENSES	36,345	32,271	(1,254)	(5,328)
EDUCATION, YOUTH & CHILDCARE	4,059	3,490	961	391
LAW, HR, ENFORCEMENT	(1,236)	(1,817)	8	(572)
POLICY & PARTICIPATION	2,899	2,708	718	527
CARE & SUPPORT	72,339	82,551	30	10,242
INCLUSIVE GROWTH	1,052	2,074	(175)	847
COMMUNITY SOLUTIONS	9,748	9,989	697	939
MY PLACE	5,732	6,446	(37)	677
CONTRACTED SERVICES	4,424	5,987	0	1,563
TOTAL GENERAL FUND BUDGET	148,820	157,931	1,936	11,047
CORPORATE FUNDING	(148,820)	(154,741)	(195)	(6,117)
NET GENERAL FUND POSITION	0	3,189	1,741	4,930

3. Service Variances

Care and Support

- 3.1 Social Care and Support is an area of high budgetary pressure for all Councils with these responsibilities. There is increasing need for support as a result of demographic changes including an increase in the numbers of people living with severe disabilities, chronic health conditions and other complex needs. In an area such as Barking and Dagenham deprivation also contributes to high levels of need especially for children and young people. In addition, the costs of providing care continue to increase as a result of wage uplifts and inflation.
- 3.2 However there has been a great deal of service work in recent years to contain and mitigate these budgetary pressures. In particular there has been a great deal of work to streamline the business processes including the strengthening of the brokerage role and a new integrated finance module within the Care and Support IT system. This has allowed greater understanding and grip of the budgets. Within the Adults division this review has also ensured that there is a much more robust

income collection system which together with the updated charging policy has resulted in a significant increase in the income received.

- 3.3 The Adults Care and Support budget had a relatively small overspend of £0.19m at year end – a marked improvement from the previous year where there was a large overspend and from the in-year forecast. The overspend was within care packages for Adults with Mental Health needs.
- 3.4 However there was an overspend of £5m in Disabilities reflecting increased numbers and complexity of needs for both Adults and Children. The overspend was largely in the care purchasing budgets - £3.3m for Adults with Learning Disabilities, £0.9m for Children with Disabilities and £0.7m for Transport. In all cases this is the result of high levels of demand and has been consistently forecast throughout the year.
- 3.5 The overspend within Children's Care and Support was just under £5m. There is a long-standing pressure on the staffing budgets from high levels of agency staff. This has been reducing slowly through the year but there is still a pressure which is likely to continue into the next financial year. There is also an overspend on the placements budget which has been present through the year. Additional funding has been provided in the MTFs to meet this but while levels of need remain high this will continue to be an area of pressure.
- 3.6 There is an underspend on Care and Support Commissioning of £0.558m as a result of management action to contain spend and a high level of staffing vacancies pending a restructure within this area.

Public Health

- 3.7 The final position on the Public Health grant was an underspend of £0.120m which will be transferred to the ringfenced Public Health reserve. This was largely the result of an underspend on the Sexual Health budget. This is a demand led service that is an area of risk for all Councils but the new commissioning approach has been successful in containing costs resulting in an underspend.

Education Youth and Childcare

- 3.8 The overspend against Education is against a number of non-controllable central items including insurance, historic pension liabilities and PFI charges. These budgets need to be reviewed. The position on the controllable service costs is an underspend of £0.2m. This service area receives a range of grants and other income and has made a number of requests for carry forward listed in the appendix.

Community Solutions

- 3.9 The final position in Community Solutions is an overspend of £0.939m – all within Intervention Services. A staffing overspend was identified within this budget during the year which the service has worked to contain but could not resolve within the timescale. There were ambitious savings across the service including within Homelessness. The final position across all accommodation types was broadly on balance with overspends at the hostels offset by underspends in NRPF and HRA decants which indicates that the portfolio has been well managed overall but the budgets may need realignment.

My Place and Public Realm

- 3.10 The final position for My Place was an overspend of £0.677m – within this there was an overspend of £1.2m in Public Realm offset by underspends elsewhere especially within landlord services and property management – largely as a result of staffing vacancies.
- 3.11 The pressures within Public Realm are also long standing but the forecast has worsened since month 10 with staffing costs increasing in the last months and a shortfall of £0.198m in income. The overspend is largely across staffing in waste collection and street cleansing. Some additional funding has been provided in the 2020/21 budget to reflect the increase in activity from housing growth. The service has also acquired several new vehicles in this year which is expected to reduce transport costs.

Law Governance and Enforcement

- 3.12 There was an underspend across Enforcement after transfers to/from reserves of £0.335m including underspends in Street Enforcement, CCTV, Parking and Private Sector Housing from a mixture of over achievement of income and some vacancies. This is after full achievement of the in-year income targets for Parking and PRPL.
- 3.13 Legal Services overspent this year as a result of the need for additional staffing to meet the Council's needs. Funding has been provided in the 2020/21 budget so this will not recur. The overspend will be covered from the Legal reserve. There were also underspends in Democratic Services and HR.

Policy and Participation – Culture and Heritage

- 3.14 There is an overspend of £0.607m across Culture and Heritage. This includes the non-achievement of £0.3m income from the Central Parks Masterplan which has been delayed into 2020/21. In addition, there are overspends in the Heritage sites.

Contracted Services

- 3.15 There is an overspend of £1.7m across the services currently managed by Elevate. This includes the Customer Service centre where there are not yet achieved savings targets (£0.7m) and ICT where there may be underfunded costs as the budget has not been increased for inflation or increased service demand for a number of years. This will need review. In addition there has been a large fall in the levels of court costs and HB overpayments recovered – largely as a result to changes in the welfare system and increases in the number of financial hardship cases which is not within the service control.

Core, Central Expenses and Inclusive Growth

- 3.16 There was a large overspend on insurance budgets across the Council including an overspend on the central premises insurance held within Core. The budget for this will need to be reviewed as it has not been increased for inflation for several years.
- 3.17 There is a large apparent overspend in Innovation and Funding of £1.665m within Core. This has arisen because the budgeting for the IAS and company dividends

do not match the way they have been accounted for. It is offset by underspends within Central Expenses and additional corporate income. There is a similar issue in Inclusive Growth where there is an apparent overspend of £0.847m where costs have not been recharged to other areas. This will be realigned for the next financial year. Overall however the Investment Strategy did meet its revenue target for this year. More detail on this is available in the Treasury Management report elsewhere on the agenda.

- 3.18 Within Central Expenses there is an overall underspend of £5.357m. This includes £1.6m underspend on MRP and interest charges, £2m offset for savings not achieved, £1.0m redundancy provision, £1.5m Adecco recharge/gainshare, £0.4m RCCO budget not required. These underspends were however offset by increases in bad debt provision for Temporary Accommodation (£1.4m – because we have changed our methodology to a more robust basis) and General Income (£1.04m because the amount of aged debt has increased this year.) This indicates the value of the debt management project which if successful should reduce the need for such large provisions next year.

4. Housing Revenue Account

- 4.1 The final position on the Housing Revenue Account (HRA) is a revenue overspend of £5.478m which has been mitigated by reducing the revenue funding of capital as shown below.

HRA Class	Budget £000	Actual £000	Variance £000
Income			
Dwelling Rents	-83,339	-84,678	-1,339
Non-Dwelling Rents	-750	-736	14
Charges for services & facilities	-20,426	-24,442	-4,016
Interest Received	-350	-45	305
Total Income	-104,865	-109,901	-5,036
Expenditure			
Repairs & Maintenance	20,035	24,317	4,282
Supervision & Management	38,858	41,403	2,545
Rent, Rates, Taxes & Other Charges	361	1,108	747
Bad Debt Contribution	3,309	871	-2,438
CDC	685	685	0
Depreciation	13,034	15,860	2,826
Interest Payable	9,692	12,244	2,552
Total Expenditure	85,974	96,488	10,514
Net Cost of Services	-18,891	-13,245	5,478
MRR/RCCO Capital Funding	18,891	13,610	-5,281
Leasehold Reserve Fund	0	1,428	1,428
Transfer from HRA Balances	0	-1,793	-1,625
Transfer from HRA Balances	0	0	0

- 4.2 Overall there was £5.036m overachievement of income, of which £1.4m was leaseholder contributions that will be taken to the reserve. There was also an improvement in dwelling rents and affordable housing rents (£1m).
- 4.3 There is an overspend of £4.2m on Repairs and Maintenance. The budgets in this area have not been increased for inflation for a number of years and so there may be some level of inherent pressure. In addition the main repairs contractor BDMS (which was formerly part of the council but is now a separate company) introduced a new billing system from August 2019. Issues in implementing the new system reduced the flexibility the council had to manage some of this overspend more effectively in year. Processes are being developed to ensure more timely allocation of costs in the future'
- 4.4 Supervision & Management costs exceeded budget by £2.5m. There was also a review of outstanding council tax bills from prior years which was recharged to the HRA from My Place and cost £1.0m. These bills include void properties and also properties that have been decanted in preparation for an estate renewal programme. A further £0.4m was incurred in electricity costs above budget. These were offset by a successful review of water & sewerage billing in prior years where demolished properties had been charged to the Council; this generated a refund from the water authority of £0.7m.
- 4.5 The HRA has maintained a prudent budget for the contribution towards bad debts of £3.3m. This was originally in anticipation that the rollout to Universal Credit may put increased pressure on collection rates. There is evidence that UC does increase arrears but the pace of the rollout and the 1% reduction in rent means that the overall level of debt has risen but not to the extent of the worst case planned for. The contribution towards bad debts required this year was £0.9m which means the surplus £2.4m budget provision can be returned to HRA balances.
- 4.6 Depreciation costs have exceeded budget by £2.8m based on a robust review of HRA assets. This and the increased interest charges have been offset by a reduction in the contribution to the capital programme resulting in an overall outturn deficit of £1.625m. This will be drawn down from the HRA reserve.
- 4.7 The reduced level of revenue contribution will require a higher level of borrowing to support the programme. However, this allows the HRA to maintain a prudent level of reserves.

5. Capital Programme

- 5.1 The Capital Programme comprises a number of distinct elements. The largest element is the investment strategy where the outturn was £119m compared to a budget of £235m. The large majority of this expenditure relates to a multi-year council-led new build programme, so the outturn figure reflect movements between financial years as the delivery profile of the programme evolves. We continue to develop a strong delivery capacity in this area, with recent GLA figures showing that Barking and Dagenham accounted for 20% of all the affordable homes started by councils across the whole of London in the 2019/20 financial year. The outturn for the general fund capital programme was £56m compared to a budget of £82m, in particular due to some significant parks improvement projects taking longer than anticipated to secure planning consent. The outturn for the HRA capital programme was £41m compared to a budget of £74m, a significant proportion of which reflects

that some major works were reprofiled into 2020/21 to ensure that proper leases holder consultation was completed. More information is provided in the text below and in Appendices B and C.

Investments:

- 5.2 Budget adjustments made were made as schemes were agreed at the various Gateway stages, which included an initial pre-development budget agreed at Gateway 2 and a development budget at Gateway 4. Additional budget was added for purchases of commercial schemes, such as Welbeck Wharf, Restore and the Piano works.
- 5.3 As schemes have moved through the Be First governance processes more slowly than expected this financial year only 51% of the budget allocation has been spent. A number of key schemes did reach gateway 4 towards the end of the last financial year, including two significant phases of the Gascoigne estate regeneration. This means that over the course of the next year a number of schemes will get on site and therefore capital spending on this element of the investment programme is expected to accelerate in 20/21.

General Fund:

- 5.4 **Adults Care & Support:** The service has spent approximately 90% of the annual budget allocation in 2019/20, with most of the underspend in Direct Payments Adaptations. This scheme was suspended for most of the year as it was no longer meeting the services' needs.
- 5.5 **Community Infrastructure Levy Schemes:** The service has spent approximately 68% of the annual budget allocation in 2019/20. A number of new schemes have come on stream including, Boxed-up Crime, Kingsley Hall, and the East End Women's Museum.
- 5.6 **Community Solutions:** The service has spent approximately 11% of the annual budget allocation in 2019/20, with spend still to commence on the Barking Learning Centre Works.
- 5.7 **Core:** The service has spent approximately 32% of the annual budget allocation in 2019/20. The majority of the underspend is on the Elevate ICT investment, where this work will continue into 2020/21.
- 5.8 **Ward Budgets.** A new capital allocation was created in 2019/20 for projects proposed by ward members. This budget was set at £340k or £20k per ward. In practice expenditure was not coded directly against this budget but has been included elsewhere (depending on the nature of the spend.) The total spend on such projects was £105k and there has been a budget adjustment for this amount. The underspend allocation of £235k will be carried forward to the next financial year.
- 5.9 **Culture, Heritage & Recreation:** The service has spent approximately 12% of the annual budget allocation in 2019/20. The majority of the slippage is in relation to the Parsloes Park football scheme and the Central Park masterplan, both of which have been delayed due to planning issues. Spend is expected in future years once these issues have been resolved.

- 5.10 **Education, Youth and Childcare:** The service has spent approximately 80% of the annual budget allocation in 2019/20. The underspend includes a significant project at Greatfields Secondary where works have been delayed while final sign off is negotiated with the DfE. This is partly offset by some schools where spend has been accelerated. The Education programme is self-financed by DfE grant.
- 5.11 **Enforcement:** The service has spent approximately 38% of the annual budget allocation in 2019/20. Spend on CPZ and enforcement equipment will now be 2020/21 although there is a risk of further delay as a result of the CoVid lockdown.
- 5.12 **My Place:** The service has spent approximately 87% of the annual budget allocation in 2019/20. Slippage includes Barking Station improvements and bridges and structures.
- 5.13 **Inclusive Growth:** The service has spent approximately 93% of the annual budget allocation in 2019/20.
- 5.14 **Section 106 Schemes:** The service has spent approximately 46% of the annual budget allocation in 2019/20.
- 5.15 **Public Realm:** The service has spent approximately 81% of the annual budget allocation in 2019/20. Most of the budget for fleet replacement has been spent but £1.131m of net slippage is requested into 2020/21.

HRA

- 5.16 The HRA programme is self-financed by the HRA using a mixture of Government grants, capital receipts and HRA revenue funding. Therefore, they do not pose a pressure on the General Fund, in terms of servicing the cost of borrowing. The 2019/20 Budget adjustment made related to 2018/19 underspends carried forward into 2019/20 and related to spend commitments (£5.1m). The service has spent 55% of the annual budget in 2019/20. This delay was anticipated during the year and a reprofiling has already been built into the 2020/21 programme.

The HRA 2019/20 outturn position (delivered by both My Place & Be First) is detailed below:

	2019/20 Budget	2019/20 Outturn	Variance	Slippage	2020/21 Approved Budget	Total Budget +slippage
	£'000	£'000	£'000	£'000	£'000	£'000
Stock Investment (My Place)	42,737	21,321	(21,416)	21,416	17,042	38,458
Estate Renewal (Be First)	11,500	15,357	3,857	(3,857)	8,000	4,143
New Build Schemes (Be First)	20,000	4,458	(15,542)	0	2,500	2,500
TOTAL	74,237	41,136	(33,101)	17,559	27,542	45,101

- 5.17 While the £21m variance on the Stock Investment Programme is significant, this has been reported to Members on a regular basis. The 2019/20 slippage plus the

2020/21 new approved budget represented a realistic budget for actual spend in this financial year, however this is now being reviewed in light of Covid-19 and monitored through the Capital and Assets Board.

- 5.18 The £3.857m variance on Estate renewal is as a result in an acceleration of the regeneration schemes, mainly in Gascoigne East and West. Overall, this overspend is balanced out by the significant underspends in the other two HRA capital budgets.
- 5.19 The variance for the HRA new build budget is because this budget was set in anticipation of a larger HRA new build programme than transpired. As the default is now that new homes are funded through the General Fund, only one HRA 'legacy' scheme was funded through the HRA in 2019/20. There are no future HRA new build schemes with any formal governance approvals. It is proposed that the HRA funds a future pipeline of specialist housing; the majority of this spend will be in future financial years, however a small allocation has been made for 2020/21 to allow for capital spend related to this emerging programme.

Transformation

- 5.20 Transformation schemes have spent approximately 39% of the budget allocation in 2019/20. This includes capital spend on Community Solutions, Children's Services improvement, and the New Ways of Working programme. The outturn for transformation was spend of £4.248m which will be funded from capital receipts in line with the flexible use dispensation. The remaining budget will be carried forward into 2020/21 and subsequent years and will be used to support the Transformation programmes approved by Cabinet.

Capital Programme Proposals

- 5.21 As reflected in Appendix C, the overall Capital Programme for 2019/20 was underspent against profile by £181.238m. It is proposed that £155,067m of that underspend which relates to timing differences on expenditure is rolled forward into 2020/21. This funding will be in addition to the approved 2020/21 budget of £315.921m, giving a revised total approved budget for 2020/21 of £470.988m.
- 5.22 Given the uncertainty in relation to COVID 19, it is recommended that lifetime budgets (2020/21 onward) for all schemes are re-profiled to provide a revised 2020/21 and 2021/22 budget as well as a lifetime 5-10-year capital programme.

6. Reserves

- 6.1 The Council uses its reserves for a number of purposes including smoothing year on year fluctuations in spending (for example investment in ICT) and earmarking pots of money for specific future uses especially grant funding or monies held as part of a partnership such as the East London Housing Partnership. (Current accounting rules mean that most kinds of grant funding must be recognised in the year they are received and so if we wish to carry them forward this must be done via an earmarked reserve.)
- 6.2 In 2019/20 the drawdown of £3.659m from reserves supported the in-year budget. £1.254m is a drawdown from the Investment reserve to smooth the timing of returns from Be First, £0.161m is the final drawdown from the previous PRPL scheme

reserve and the rest is made up of various grants and other budget carry forwards from 2018/19.

6.3 It is proposed to transfer £5.399m of grants and other funding forward into 2020/21 or future years for specific projects. A full list is given as an appendix. Cabinet are asked to approve these transfers to and from reserves.

6.4 These proposed transfers in this report were considered and endorsed by the Chief Financial Officer.

7. Dedicated Schools Budget

7.1 The final outturn position for the Dedicated Schools Budget is an overspend of £1.620m, which mainly relates to High Needs Block which has been under increasing pressures from the high level of demand and complexity of needs for some students. The Schools Forum has a working group which has worked well with council officers to put in place a management action plan to mitigate those pressures down from a worst case forecast of £4m to a final overspend of £1.474m.

7.2 There was a net overspend on the Early Years block of £302k made up of an underspend on 2years of £884k and an overspend on 3&4 years of £1.187m. The forecast assumes that the overspend on 3&4yr olds will not be refunded by the DfE as there has been no May census and at the time of writing the DfE have not indicated their proposed approach. This is therefore a worst case scenario and may improve once the final Early Years adjustments are made.

	Funding Forecast £'000	Block Transfers	Revised Funding Forecast	Exp'ture Forecast March 2020	Deficit (surplus) at as March £'000
Schools Block – ISB	168,020	(1,039)	166,981	166,646	-335
Early Years Block	22,230		22,230	22,532	302
High Needs Block	28,714	1,039	29,753	31,260	1,507
Central Block	2,575		2,575	2,575	0
Total	221,539		221,539	223,013	1,474
B/f DSG balances					(3,202)
Unallocated DSG reserves (surplus)					(1,728)

7.3 LBBD maintained schools also form part of the Council's overall financial position. In 2019/20 there were twenty schools that achieved an in year surplus totalling £2.528m and twenty two schools that experienced an in year deficit totalling £2.490m. The overall impact was an increase in the Local Maintained Schools Reserve of £0.038m to £10.793m. Within this there are seven schools in overall deficit. The Local Authority is working with the Governors and Headteachers of all these schools to agree a recovery plan.

8 Financial Implications

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

8.1 The financial issues are detailed in the report.

9. Legal Implications

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

- 9.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor its budget during the financial year and its expenditure and income against the budget calculations. The Council sets out its treasury strategy for borrowing and an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 9.2 The Council is legally obliged to 'have regard to' the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out its functions under the Act. Furthermore, the Prudential Code emphasises that authorities can set their own prudential indicators beyond that specified in the Code where it will assist their own management processes.
- 9.3 This report serves an important role in providing an updated narrative on the Council financial position as the 2019-2020 financial year has closed.

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

List of appendices:

Appendix A: General Fund Revenue Outturn

Appendix B: 2019/20 Capital Programme

Appendix C: Capital Outturn

Appendix D: Reserves Transfers for Approval

Appendix E: The Council's reserves as at end of March 2020

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GENERAL FUND REVENUE OUTTURN

DEPARTMENT	MAR-20	FINAL OUTTURN	RESERVE TRANSFERS		VARIANCE	P10 FORECAST
	FINAL BUDGET		TO	FROM		
PEOPLE COMMISSIONING	7,016,073	5,805,220	652,303		(558,550)	6,796,490
CORE	6,442,172	8,425,909	451,456	(115,493)	2,319,700	6,855,740
CENTRAL EXPENSES	36,344,864	32,271,435		(1,254,314)	(5,327,743)	28,834,937
EDUCATION, YOUTH & CHILDCARE	4,059,354	3,489,471	960,533		390,649	3,918,400
LAW, HR, ENFORCEMENT	(1,236,383)	(1,816,625)	544,021	(535,819)	(572,040)	(1,300,906)
POLICY & PARTICIPATION	2,899,409	2,707,776	947,025	(228,787)	526,605	3,347,718
CARE & SUPPORT	72,338,955	82,550,847	41,544	(11,765)	10,241,671	86,406,998
INCLUSIVE GROWTH	1,051,783	2,074,161	75,000	(250,000)	847,378	994,880
COMMUNITY SOLUTIONS	9,747,848	9,989,375	947,299	(250,000)	938,826	10,273,605
MY PLACE	5,732,285	6,446,163		(36,747)	677,131	6,237,591
CONTRACTED SERVICES	4,423,650	5,986,863			1,563,213	6,312,315
TOTAL GENERAL FUND BUDGET	148,820,010	157,930,594	4,619,181	(2,682,925)	11,046,841	158,677,768
CORPORATE FUNDING						
COUNCIL TAX	(61,786,000)	(61,785,551)			449	
BUSINESS RATES	(29,321,368)	(29,321,368)			0	
NON-RINGFENCED GRANTS	(57,712,642)	(59,545,693)	780,726	(975,994)	(2,028,319)	
C/F SURPLUS	0	(1,793,261)			(1,793,261)	
DIVIDENDS	0	(2,295,420)			(2,295,420)	
CAPITAL GRANTS AND CONTRIBUTIONS	0	0				
	(148,820,010)	(154,741,294)	780,726	(975,994)	(6,116,552)	(151,934,326)
NET GENERAL FUND POSITION	0	3,189,300	5,399,907	(3,658,919)	4,930,289	6,743,442
DEDICATED SCHOOLS GRANT	0	1,476,000		(1,476,000)	0	2,201,095
HOUSING REVENUE ACCOUNT	0	197,000	1,428,000	(1,625,000)	0	2,870,000
OVERALL LBBD POSITION	0	5,030,300	6,827,907	(6,927,919)	4,930,289	11,814,537

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Changes to the Capital Programme 2019/20

The table below details the changes in GF capital programme budget since Cabinet Report in February 2020, the Outturn and Over / (under) spend position.

Service	Sept 2019 Cabinet Budget (£'000)	Feb 2020 Revised Budget (£'000)	Mar 2020 Revised Budget (£'000)	2019/20 Outturn (£'000)	Over / (Under) spend to date (£'000)	Spend against Budget %
Adults Care & Support	£2,241	£2,241	£2,241	£1,989	(252)	88.7
CIL Schemes	£0	£0	£466	£316	(150)	67.8
Community Solutions	£210	£210	£210	£23	(187)	11.0
Core	£3,392	£3,592	£3,486	£1,108	(2,378)	31.8
Culture, Heritage & Recreation	£10,675	£10,675	£10,696	£1,276	(9,421)	11.9
Education, Youth & Childcare	£45,591	£45,591	£46,561	£37,417	(9,144)	80.4
Enforcement	£2,116	£2,116	£2,116	£804	(1,312)	38.0
Inclusive Growth	£1,069	£2,008	£2,008	£1,860	(148)	92.6
MyPlace	£6,117	£6,070	£6,070	£5,207	(862)	85.8
Public Realm	£7,571	£7,571	£7,571	£6,104	(1,468)	80.6
SSDI Commissioning	£0	£0	£0	-£199	(199)	0.0
Section 106 Schemes	£0	£0	£544	£250	(294)	46.0
General Fund	£78,982	£80,074	£81,969	£56,155	(25,814)	68.5
Investments	£124,001	£196,551	£234,728	£119,153	(115,576)	50.8
HRA	£69,100	£74,237	£74,237	£41,136	(33,101)	55.4
Transformation	£10,995	£10,995	£10,995	£4,248	(6,747)	38.6
Total Overall Budget	£283,078	£361,857	£401,930	£220,692	(181,238)	54.9

The Chart overleaf shows the various capital budgets, split by service area.

Chart 1: 2019/20 Capital Budget Split (£000s)

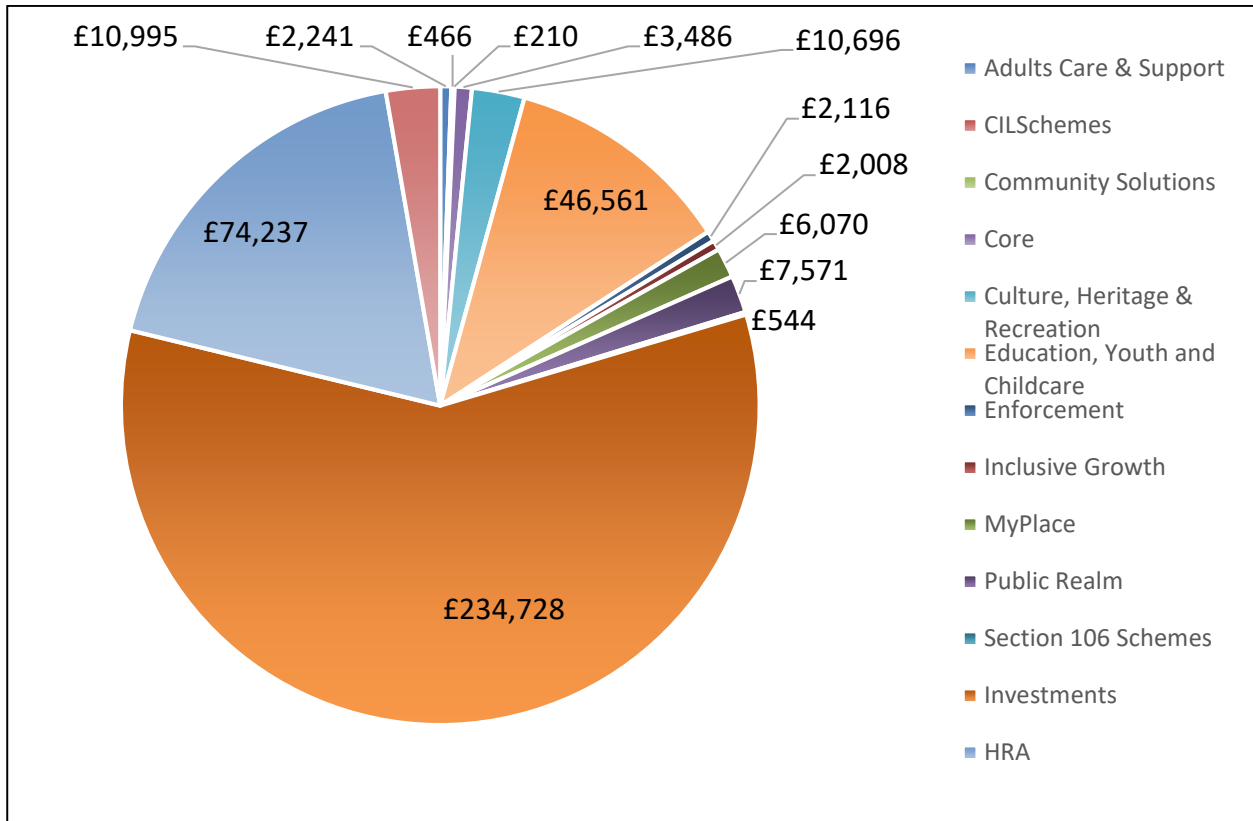
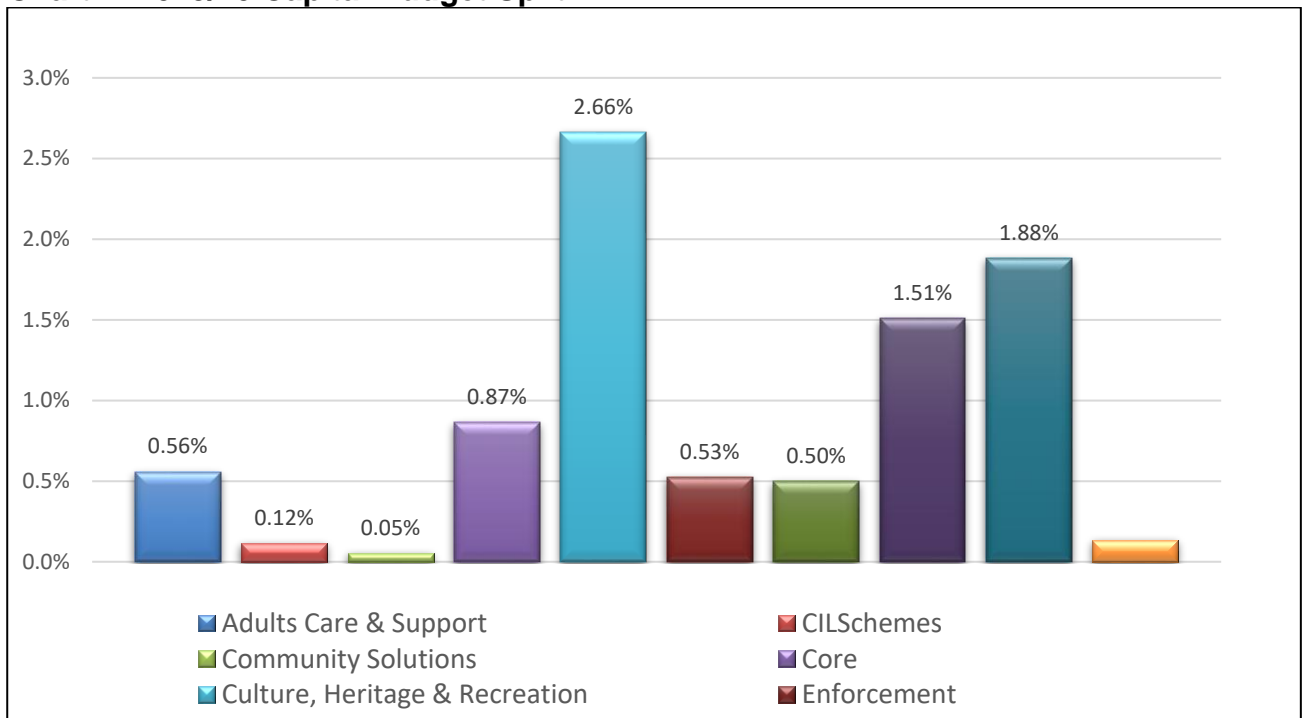


Chart 2 shows the various General Fund Capital Budgets (excluding education), split by service area and reported as a percentage of the total Capital Budget

Chart 2: 2019/20 Capital Budget Split



Capital Programme 2019/20 Outturn and Future Years

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
GENERAL FUND						
Adults Care and Support						
Disabled Facilities Grant	1,841	1,988	147	(147)	1,841	3,683
Direct Payment Adaptations	400	1	(399)	399	0	400
Total for Adults Care & Support	2,241	1,989	(252)	252	1,841	4,083
Community Solutions						
Barking Learning Centre Works	182	0	(182)	182	0	182
Upgrade & enhancement of Security & Threat Management System at BLC	28	23	(5)	5	0	28
Total for Community Solutions	210	23	(187)	187	0	210
Customer Services Channel Shift	107	(9)	(116)	116	0	107
Elevate ICT investment	2,191	659	(1,532)	1,532	1,950	4,141
ICT End User Computing	438	147	(291)	291	172	610
Implement Corporate Accommodation Strategy	200	165	(35)	35	0	200
Modernisation & Imp Cap Fund	0	1	1	(1)	0	0
Oracle R12 Joint Services	174	(1)	(175)	175	0	174
Ward Capital Spend	235	0	(235)	235	340	575
Woodlands Repairs	141	146	5	(5)	0	141
Total for Core	3,486	1,108	(2,378)	2,378	2,462	5,948

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Becontree Centenary - Create London	77	77	0	(0)	697	775
Box Up Crime	180	30	(150)	150	120	300
BRL Thames Clipper (CIL)	0	0	0	0	600	600
East End Women's Museum	0	0	0	0	250	250
Green Community Infrastructure	59	59	0	0	59	117
Kingsley Hall	150	150	0	0	150	300
Litter in Parks (CIL)	0	0	0	0	96	96
Total for CIL Schemes	466	316	(150)	150	1,972	2,438
Culture, Heritage & Recreation						
3G football pitches -Parsloes Park	6,695	108	(6,587)	6,587	0	6,695
50m Demountable Swimming Pool	1,084	460	(624)	624	0	1,084
Abbey Green Restoration/Works	132	0	(132)	132	0	132
Abbey Sports Centre Site	0	10	10	(10)	0	0
B&D Local Football Facility (CIL)	0	0	0	0	160	160
Broadway Theatre	1	5	5	(5)	0	1
Central Park Masterplan Implem.	1,046	23	(1,023)	1,023	0	1,046
Children's Play Spaces & Facilities	110	1	(109)	109	55	165
Community Halls	12	3	(10)	10	0	12
East London Industrial Heritage Museum	75	0	(75)	75	0	75
Eastbury Manor House - Access and egress improvements	245	35	(210)	210	0	245
Fixed play facilities	29	58	29	(29)	50	79
Lakes	142	124	(18)	18	190	332
Libraries Mgmt. Sys Tender	0	(2)	(2)	2	0	0

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Old Dagenham Park BMX Track	244	238	(5)	5	0	244
Park Buildings – Response to 2014 Building Surveys	65	21	(45)	45	75	140
Park Infrastructure Enhancements	0	7	7	(7)	20	20
Parks & Open Spcs Strat 17	200	75	(125)	125	100	300
Parsloes Park regional football hub	0	(293)	(293)	293	0	0
Redressing Valence	0	0	0	0	500	500
Reimagining Eastbury	0	0	0	0	100	100
Safer Parks (CIL)	21	0	(21)	21	63	84
Strategic Parks - Park Infrastructure	54	4	(50)	50	0	54
Tantony Green Play Area	8	66	58	(58)	0	8
The Abbey: Unlocking Barking's past, securing its future	181	39	(142)	142	0	181
Valence Park Play Facility	277	293	17	(17)	0	277
Youth Zone	76	2	(75)	75	0	76
Total for Culture, Heritage & Recreation	10,696	1,276	(9,421)	9,421	1,313	12,009
Education Youth & Childcare						
Other Schemes						
Additional SEN Provision	0	6	6	(6)	231	231
Healthy School	370	38	(332)	332	0	370
Implementation of early education for 2-year olds	200	119	(81)	81	252	452
In Borough Specialist Resid. Home	0	0	0	0	325	325
New SCA from backlog	300	295	(5)	5	4,239	4,539
Pupil Intervention Project (PIP)	450	348	(102)	102	0	450
SCA 2019/20 (A)	0	3,241	3,241	(3,241)	640	640
School Condition Alctns 18-19	2,862	1,625	(1,237)	1,237	1,500	4,362
School Conditions Alloc. 2017-19	0	(46)	(46)	46	0	0

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
School Conditions Alloc. 2018-20	967	662	(304)	304	0	967
School Expansion Minor projects	0	75	75	(75)	0	0
Schools Condition Alloc. 2019-20	0	0	0	0	3,800	3,800
Schools Expansion Prog. 2020/22	300	92	(208)	208	1,700	2,000
SEND 2018-21	1,246	1,658	412	(412)	1,300	2,546
SMF 2014-16	0	(4)	(4)	4	0	0
Trinity Special School Expansion	250	367	117	(117)	750	1,000
Warren / Furze Expansion	103	10	(93)	93	0	103
Primary						
Gascoigne Prmy 5forms to 4 forms	404	233	(171)	171	0	404
Greatfields Primary	0	0	0	0	8,000	8,000
Greatfields Primary	0	0	0	0	0	0
Marks Gate Infant/Juniors 2018-20	500	476	(24)	24	1,000	1,500
Ripple Suffolk Primary	1,000	147	(853)	853	800	1,800
Roding Primary Classroom Reinstatement	1,000	2,069	1,069	(1,069)	75	1,075
Secondary	0	0	0	0	0	0
Barking Abbey Expansion 2016-18	5,500	2,205	(3,295)	3,295	1,040	6,540
Dagenham Park	0	19	19	(19)	0	0
Eastbury Secondary	267	75	(192)	192	0	267
Lymington Fields New School	13,000	18,806	5,806	(5,806)	1,500	14,500
Greatfields Secondary School	13,583	4,614	(8,969)	8,969	18,500	32,083
Robert Clack Expansion 13-15	4,259	286	(3,973)	3,973	0	4,259
Total for Education Youth & Childcare	46,561	37,417	(9,144)	9,144	45,652	92,212

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Enforcement						
Consolidation & Expansion of CPZ	1,486	640	(847)	847	2,062	3,548
Enforcement Equipment	629	164	(466)	466	0	629
Total for Enforcement	2,116	804	(1,312)	1,312	2,062	4,177
Inclusive Growth						
'Greening the Fiddlers' - Becontree Heath Low Emission Neighbourhood	0	0	0	0	600	600
Barking Station Improvements	875	490	(385)	385	0	875
Barking Town Centre 2014/15 (TfL)	0	1	1	(1)	0	0
Becontree Heath Low Emission	213	254	42	(42)	0	213
Cycle Schemes - Quietway CS3X	310	(5)	(315)	315	0	310
Dagenham Heathway 'Healthy Streets' Corridor Improvements	0	0	0	0	500	500
Eastbury Manor House Access Improvements	0	0	0	0	50	50
Gale Street Corridor Improvements	0	110	110	(110)	0	0
Heathway Corridor - BE FIRST	50	22	(28)	28	0	50
Local Transport Plans	40	9	(31)	31	0	40
Minor Works (Various Locations)	0	0	0	0	40	40
Renwick Road/ Choats Road 2014/15 (TfL)	396	858	462	(462)	0	396
Road Safety and Access Improvement Programme (Various Locations)	0	0	0	0	150	150
Station Access Improv Prog	50	22	(28)	28	0	50
Station Access Improvements Programme 2020-22	0	0	0	0	250	250
Thames View Cycle/Walking Link Improvements	75	98	23	(23)	0	75

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Valance Avenue 'Healthy Streets' Corridor Improvements	0	0	0	0	50	50
Total for Inclusive Growth	2,008	1,860	(148)	148	1,640	3,648
MyPlace						
Barking Riverside Trans link	0	93	93	(93)	0	0
Boundary Road Hostel: Critical Needs Homelessness Assess & Support Centre	0	9	9	(9)	0	0
Bridges and Structures	600	25	(575)	575	300	900
Energy Efficiency Programme	0	99	99	(99)	0	0
Engineering Works (Road Safety)	115	36	(79)	79	0	115
Flood Risk and Drainage Grant (Formally Flood Risk Management)	120	0	(120)	120	0	120
Frizlands Depot washbay	80	0	(80)	80	0	80
Frizlands Phase 2 Asbestos Replacement	0	0	0	(0)	0	0
Frizlands Public Realm Building Improvements	55	55	(0)	0	0	55
HIP 2016-17 Footways & Carriageways	4,000	4,162	162	(162)	2,815	6,815
Procuring in cab tech for waste vehicles and subsequent licences	0	0	0	0	110	110
Replacement of Winter Maintenance Equipment / Gully Motors	8	(0)	(8)	8	0	8
Reside Lifts Replacement	420	0	(420)	420	0	420
Road Safety Improvements Programme (Various Locations)	227	259	33	(33)	0	227
Roycraft House refurbish	180	149	(31)	31	180	360

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Stock Condition Survey	265	136	(129)	129	265	530
Street Lighting 2016-2019	0	26	26	(26)	0	0
Structural Repairs & Bridge Maintenance	0	158	158	(158)	0	0
Total for My Place	6,070	5,207	(862)	862	3,670	9,740
Public Realm						
Chadwell Heath Cemetery Ext	149	0	(149)	149	0	149
Bins Rationalisation	125	0	(125)	125	50	175
Refuse Fleet	7	2	(5)	5	0	7
On-vehicle Bin Weighing System for Commercial Waste	45	29	(16)	16	0	45
Equipment to reduce Hand Arm Vibration	42	0	(42)	42	0	42
Vehicle Fleet Replacement	7,203	6,072	(1,131)	1,131	3,129	10,332
	0	0	0	0	0	0
Total for Public Realm	7,571	6,104	(1,468)	1,468	3,179	10,750
Investment Strategy & Be First						
12 Thames Road	2,252	1,769	(483)	483	1,578	3,830
200 Becontree	7,675	1,727	(5,948)	5,948	0	7,675
27 Thames Road	602	602	0	0	0	602
Abbey Green & Barking Town Centre Conserv. Area						
Townscape HLF Project	0	106	106	(106)	0	0
Abbey Road Infrastructure	0	(11)	(11)	11	0	0
Becontree Heath New Build	10,710	8,628	(2,082)	2,082	0	10,710
Clockhouse Ave - Freehold Purchase	3,180	73	(3,107)	3,107	0	3,180
Sacred Heart Convent	3,512	1,565	(1,947)	1,947	5,529	9,042
CR27	250	220	(30)	30	0	250

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Creative Industry (Barking Bathhouse)	108	108	0	0	0	108
Cromwell Centre (32 Thames Road)	6,320	6,320	0	0	0	6,320
Crown House	9,596	7,436	(2,160)	2,160	33,556	43,152
Establishment of Council Owned Energy Services Company	2,000	292	(1,708)	1,708	1,000	3,000
Gascoigne East Ph2	599	540	(59)	59	0	599
Gascoigne East Phase 2	17,706	12,989	(4,717)	4,717	67,215	84,922
Gascoigne East Phase 3	8,608	941	(7,668)	7,668	0	8,608
Gascoigne West (Housing Zone)	14,134	804	(13,331)	14,383	24,114	38,248
Gascoigne West P1 Development	9,045	8,958	(87)	87	0	9,045
Gascoigne West Phase 2	12,634	856	(11,778)	11,778	0	12,634
Grays Court	3,716	702	(3,014)	3,014	230	3,946
Kingsbridge Development	0	(19)	(19)	19	0	0
Land Acquisitions 2016-18	11,900	0	(11,900)	0	0	0
Land at BEC - live work scheme	2,658	91	(2,567)	2,567	3,988	6,647
Land rear of 134 Becontree Ave	10	10	(0)	0	0	10
Limbourne Avenue	90	64	(27)	27	0	90
Margaret Bondfield	2,674	218	(2,456)	2,676	406	3,081
Marks Gate	1,899	0	(1,899)	1,899	43,773	45,672
Oxlow Road	1,656	591	(1,066)	1,066	1,118	2,774
Padnall Lake	6,781	558	(6,223)	6,223	0	6,781
Pianoworks	9,477	9,477	0	0	0	9,477
Purchase of 1-4 Riverside	1,207	1,207	0	0	0	1,207
Rainham Road South	1,675	25	(1,650)	1,650	3,543	5,217
Restore	13,000	12,585	(415)	415	0	13,000
Roxwell Road	1,251	523	(728)	728	1,783	3,034

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Royal British Legion	957	411	(547)	547	2,987	3,945
Salisbury Road	13	13	0	0	0	13
Sebastian Court - Redevelop	8,062	3,990	(4,072)	4,072	19,546	27,608
Travelodge Dagenham	7,000	6,031	(969)	969	0	7,000
Travelodge Isle of Dogs	250	139	(111)	111	0	250
Weighbridge	10,233	8,346	(1,887)	1,887	0	10,233
Wellbeck Wharf	18,000	17,916	(84)	84	6,500	24,500
Wivenhoe Containers	2,444	658	(1,785)	1,785	1,957	4,400
Wivenhoe Road - Traditional	19	19	0	(0)	0	19
Woodward Road	20,821	1,674	(19,147)	19,147	5,765	26,587
Total for Investment Strategy	234,728	119,153	(115,576)	104,947	224,589	447,418
S106 Schemes						
Barking Town Centre Master Plan	544	250	(294)	294	0	544
Total S106 Schemes	544	250	(294)	294	0	544
SDI Commissioning						
Social Care IT Replacement System	0	(199)	(199)	199	0	0
Total SDI Commissioning	0	(199)	(199)	199	0	0
TOTAL GF CAPITAL PROGRAMME	316,698	175,308	(141,390)	130,762	288,379	593,177
HRA						
Asset Management						
Aids And Adaptations	1,427	717	(710)	710	1,200	2,627
Voids	2,000	2,805	805	(805)	1,500	3,500

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Minor Works & Replacements	4	4	(0)	0	0	4
Conversions	271	83	(188)	188	0	271
Compliance (Asbestos, Tanks, Rewires)	31	30	(1)	1	0	31
Communal Heating Replacement	747	744	(3)	3	0	747
Decent Homes Central 2017-19	220	352	132	(132)	0	220
Windows & Door Replacements	5	5	0	(0)	0	5
Energy Efficiency inc Green Street	0	(0)	(0)	0	0	0
Estate Roads Resurfacing	2	467	465	(465)	0	2
Communal Repairs & Upgrades	151	217	66	(66)	0	151
External Fabric inc EWI- Blocks	1,169	1,158	(11)	11	0	1,169
Decent Homes North 2017-19	332	701	369	(369)	0	332
Decent Homes South 2017-19	219	456	237	(237)	0	219
Fire Safety Improvement Works	1,974	1,136	(838)	838	0	1,974
Lift Replacement Programme	0	(1)	(1)	1	750	750
Domestic Heating Replacement	1,220	15	(1,205)	1,205	500	1,720
Box-Bathroom Refurbs (Apprenticeships)	2,000	1,669	(331)	331	300	2,300
Public Realm Improvements	0	(0)	(0)	0	0	0
Minor Works & Replacements	0	(14)	(14)	14	0	0
DH R&M Service	0	(193)	(193)	193	0	0
Externals 1 - Houses & Blocks	11,050	841	(10,209)	10,209	2,209	13,259
Externals 2 - Houses & Blocks	3,000	2,004	(996)	996	500	3,500
Door Entry Systems	100	19	(81)	81	1,000	1,100
Compliance	2,200	350	(1,850)	1,850	0	2,200
Fire Safety Improvement Works	3,000	57	(2,943)	2,943	0	3,000
Fire Doors	3,000	821	(2,179)	2,179	2,000	5,000
De-Gassing of Blocks	150	109	(41)	41	50	200

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Lateral Mains	750	0	(750)	750	0	750
Lift Replacement Programme	300	528	228	(228)	0	300
Communal Boilers	650	414	(236)	236	500	1,150
Garages	300	1	(299)	299	0	300
Estate Roads Resurfacing	2,000	2,556	556	(556)	2,000	4,000
Energy Efficiency inc Green Street	500	0	(500)	500	1,500	2,000
Other Works	800	18	(782)	782	500	1,300
ESCO	215	0	(215)	215	0	215
DH Internal	2,950	3,252	302	(302)	2,533	5,483
Stock Investment (My Place)	42,737	21,321	(21,416)	21,416	17,042	59,779
Estate Renewal						
Estate Renewal	11,500	15,357	3,857	(3,857)	8,000	19,500
Estate Renewal (Be First)	11,500	15,357	3,857	(3,857)	8,000	19,500
HRA New Build Schemes						
Infill Sites	0	15	15	0	0	0
Ilchester Rd / North St New Build	0	243	243	0	0	0
Leys Phase 2	0	252	252	0	0	0
New Build Schemes	20,000	23	(19,977)	0	2,500	22,500
Melish and Sugden	0	3,925	3,925	0	0	0
HRA New Build Schemes (Be First)	20,000	4,458	(15,542)	0	2,500	22,500
Total for HRA	74,237	41,136	(33,101)	17,559	27,542	101,779

Project Name	Budget	Spend			Future Year Budgets	
	Revised £'000	Outturn £'000	Variance to budget Over / (Under) spend £'000	Net (Slippage) / Acceleration request £'000	2020/21 £'000	Total £'000
Transformation Projects						
Redesign Adults & Children's Social Care	0	1	1	(1)	0	0
Customer Access Strategy (CAS)	637	18	(620)	620	0	637
Smarter Working Programme	569	52	(517)	517	0	569
My Place	0	2	2	(2)	0	0
Community Solutions	1,304	528	(776)	776	0	1,304
Core Transformation	7,933	3,625	(4,308)	4,308	0	7,933
Children's Improvement Prog.	551	23	(528)	528	0	551
Total for Transformation	10,995	4,248	(6,747)	6,747	0	10,995
GRAND TOTAL	401,930	220,692	(181,238)	155,067	315,921	705,951

TRANSFERS TO RESERVES

Description	Reserve	Amount	Division
Brexit Preparation Grant carry forward from 19/20	Budget Support	- 209,968.00	FUNDING
2018-19 Business Rates Pool accrual surplus	Collection Fund	- 377,200.00	FUNDING
Business Rates Levy Surplus 19/20	Collection Fund	- 193,558.00	FUNDING
2019-10 Speech & Language therapist post Carry Forward – earmarked funding from CCG	YOS - HEALTH & JUSTICE	- 8,810.00	CHILDREN'S CARE & SUPPORT
H&J - B&D YOS co located health activities and programmes Carry Forward	YOS - HEALTH & JUSTICE (FROM CCG)	- 32,734.00	CHILDREN'S CARE & SUPPORT
EYC Carry Forward 2019-20 to be used in 2020-21 – investment in services	EDUCATION, YOUTH & CHILDCARE RESERVE	- 169,356.00	EYC
Trewern Trading Account Carry Forward 2019-20	EDUCATION, YOUTH & CHILDCARE RESERVE	- 13,632.00	EYC
PFI transfer to cover for future shortfall on PFI contract	EDUCATION, YOUTH & CHILDCARE RESERVE	- 648,773.00	EYC
Public Health Grant 19/20 Transfer to Reserves	PUBLIC HEALTH RESERVE	- 120,250.00	PUBLIC HEALTH
Out of Schools Setting and Children's Secure Estates Projects-grant c/f 19-20	Service Grant Carry Forwards	- 532,053.00	CHILDREN'S COMMISSIONING
To hold surplus from Parking account 19/20	PARKING	- 189,181.00	ENFORCEMENT
Innovation and Enforcement grant 19/20 carry forward	Service Grant Carry Forwards	- 15,000.00	ENFORCEMENT
To hold surplus on market trading activities	MARKETS	- 55,149.00	ENFORCEMENT
Grant Received in Advance - Unspent Pen to Print Grant 2019/20	Service Grant Carry Forwards	- 35,266.00	UNIVERSAL LIFECYCLE
To fund the spend of the New Town Culture Project under the conditions and terms/agreements of funders in the future	Service Grant Carry Forwards	- 44,999.00	CULTURE & RECREATION
Unspent income at 5p per lottery ticket purchased to distribute to Community Groups by Participation & Engagement Team	Service Grant Carry Forwards	- 10,586.00	STRATEGY & PROGRAMMES
NCIL grant funding Carry Forward	Service Grant Carry Forwards	- 547,040.00	STRATEGY & PROGRAMMES
Charity Fund Carry Forward	Service Grant Carry Forwards	- 65,132.00	STRATEGY & PROGRAMMES

Research Budget underspend Carry Forward	OTHER MISCELLANEOUS	- 20,000.00	STRATEGY & PROGRAMMES
Controlling Migration (Housing Standards) underspend c/f 19/20	OTHER MISCELLANEOUS	- 200,000.00	ENFORCEMENT
Air Quality Grant C/F 19/20	Service Grant Carry Forwards	- 25,793.00	ENFORCEMENT
Welfare Reform grant C/F 19/20	Service Grant Carry Forwards	- 155,794.00	CORE SERVICES
Cyber Security Grant C/F 19/20	Service Grant Carry Forwards	- 13,000.00	CORE SERVICES
Taxi Card Underspend C/F 19/20	OTHER MISCELLANEOUS	- 282,662.00	CORE SERVICES
ELHP 19/20 grant and other C/F	EAST LONDON HOUSING PARTNERSHIP (ELHP)	- 912,033.00	ELHP
Dagenham Park PFI reimbursement transfer to reserves 19-20	PFI	- 128,771.60	EYC
CIL income c/f from Inclusive Growth for specific projects in 20/21	Budget Support	- 75,000.00	INCLUSIVE GROWTH
MOPAC grant 2019-20 carry forward	Service Grant Carry Forwards	- 43,898.30	ENFORCEMENT
Additional NCIL grant funding Carry Forward 19/20	Service Grant Carry Forwards	- 259,268.13	STRATEGY & PROGRAMMES
Funding for Social Care Workforce Development Grant C/F 19/20	Service Grant Carry Forwards	- 15,000.00	LAW & GOVERNANCE

TRANSFERS FROM THE RESERVES

Brexit Preparation Grant carry forward from 18/19	Budget Support	104,984.00	FUNDING
Business Rates Levy Surplus 18/19	Budget Support	871,010.00	FUNDING
Inclusive Growth carry forward from 18/19	Budget Support	250,000.00	INCLUSIVE GROWTH
Transfer from Investment reserves to smooth dividends	Investment Reserve	1,254,314.00	CENTRAL EXPENSES
Unspent Participation City grant income treated as RIA in error - moved to reserves	Reserves Closure Adjustment	10,744.71	CHILDREN'S CARE & SUPPORT
Crowdfunding bf from 18/19 and spent in 19/20	Reserves Closure Adjustment	48,000.00	STRATEGY & PROGRAMMES
Draw down from CFM/NEET reserve to meet expenditure	LEAVING CARE SERVICE (NEET FUNDING - RE CMF GRANT)	1,020.00	CHILDREN'S CARE & SUPPORT
ESFA funds across academic years	Reserves Closure Adjustment	250,000.00	ELHP
DCLG funding to support expenditure for local authority fraud cases.	Service Grant Carry Forwards	6,493.00	FINANCE
Ministry of Housing, Communities and Local Government Grant	Reserves Closure Adjustment	36,747.00	PUBLIC REALM
Drawdown to finance agency costs for Chief Info Officer 19/20	IT Reserve	109,000.00	CORE SERVICES
MHCLG - Connected Communities Grant	Reserves Closure Adjustment	180,787.00	STRATEGY & PROGRAMMES
PRPL -drawdown 19/20	PRPL	161,162.00	ENFORCEMENT
Legal Services 19/20 Drawdown to support spend	LEGAL	374,657.00	LAW & GOVERNANCE

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RESERVES

	Balance at 31/03/2019	Transfers in 2019/20	Transfers out 2019/20	OVERSPEND	Balance at 31/03/2020
	£000	£000	£000	£000	£000
GENERAL FUND BALANCE	17,031	0.00	0.00	0.00	17,031
EARMARKED RESERVES - GF					
PFI reserve	12,628	778			13,405
Departmental Reserves	1,182				1,182
Budget Support	12,295	210	(1,226)	(4,930)	6,349
Corporate Restructuring	735				735
Collection Fund Equalisation Reserve	3,503	571			4,074
Other Miscellaneous	952	822	(1)		1,773
Insurance	1,639				1,639
Capital Investment Reserve	3,576				3,576
Public Health	563	532			1,095
Legal Trading Reserve	815		(375)		440
LEP Housing Rental Reserve	205		(161)		44
Elections Reserve	297				297
VAT Market Repayment	168	55			223
Council's Entities	774				774
Investment Reserve	4,333		(1,254)		3,079
Education, Youth and Childcare	901	169			1,070
Closure Adjustments	3,047		(533)		2,514
Corporate Infrastructure	1,214		(109)		1,105
SERVICE GRANT CARRY FORWARDS	-	1,351			1,351
EAST LONDON HOUSING PARTNERSHIP	-	912			912
HRA	11,299			(1,625)	9,674
Leasehold Repairs	5,546	1,428	-		6,974

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CABINET**16 June 2020**

Title: Housing Innovation Programme – Small Sites	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For decision
Wards affected: All	Key decision: Yes
Report Authors: Michael Westbrook, Head of Housing and Asset Strategy; Selasi Setufe, Innovative Sites Programme Manager (Be First)	Contact Details: michael.westbrook@lbbd.gov.uk
Accountable Strategic Leadership Director: Graeme Cooke, Director of Inclusive Growth	
<p>Summary</p> <p>This report proposes that the Council launches a ‘Housing Innovation Programme’ centred around small sites owned by the Council. The aim of this programme is to deliver innovative new build housing schemes in the following categories:</p> <ul style="list-style-type: none"> • Innovative/specialist housing meeting particular housing needs (such as the housing needs of vulnerable groups) • Innovative housing design/delivery methods – such as modern methods of construction and innovations in building sustainability • Community participation and engagement – including community led housing <p>The report also describes the different ways in which it is anticipated the schemes will be delivered. This will be a mixture of direct delivery by the Council (through Be First) and disposal of sites to external organisations (which could include community groups) to enable innovative housing schemes.</p>	
<p>Recommendation(s)</p> <p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> (i) Approve the aims of the Housing Innovation Programme to bring forward small sites owned by the Council for innovative projects, as detailed in section 2 of the report; (ii) Agree that the sites listed in paragraph 4.1 and Appendix 1 to the report form the initial programme; (iii) Approve the assessment criteria for schemes put forward by external organisations/groups, as outlined in section 3 of the report; (iv) Delegate authority to the Director of Inclusive Growth, in consultation with the Cabinet Member for Regeneration and Social Housing, to approve the inclusion of 	

other Council-owned small sites to the programme when it would meet the objectives of the programme as set out in the report;

- (v) Delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance and the Chief Financial Officer, to approve specific proposals for Be First-led schemes proposed for any small site in the programme on the advice of the Director of Inclusive Growth in consultation with the Cabinet Member for Regeneration and Social Housing;
- (vi) Delegate authority to the Chief Operating Officer to agree to the disposal of any small site in the programme, in consultation with the Investment Panel, where it is identified as the best way to meet the objectives of the programme as set out in the report
- (vii) Delegate authority to the Chief Operating Officer to agree to the appropriation of sites in the programme under Section 122 of the Local Government Act 1972 from the Housing Revenue Account to the General Fund; and
- (viii) Authorise the Director of Law of Governance, or an authorised delegate on her behalf, to execute all the legal agreements, contracts and other documents on behalf of the Council to enable schemes in line with the aims outlined in the report.

Reason(s)

The recommendations are intended to allow the Council to bring forward proposals for new homes on small sites. The aims of the programme as set out in the report are aligned to the Council's priorities relating to inclusive growth, participation and engagement, and prevention, independence and resilience as set out in the Corporate Plan.

In particular, the recommendations will allow proposals to be brought forward to provide new homes in the borough on the sites identified. The report proposes that some small sites are used to explore different types of community engagement and participation relating to the provision for housing. The report also proposes that some small sites are used to provide new homes that are suitable for the housing needs of more vulnerable groups.

As such the proposals respond directly to key aims identified in all three overarching strategic priorities set out in the Corporate Plan.

1. Introduction and Background

- 1.1 The Council has a number of smaller sites which are suitable for development but which are not currently part of the Be First development programme. This report proposes that these sites are added to a new programme: the housing innovation programme.
- 1.2 The aim of this programme is to deliver innovative new build housing schemes. The rationale for this is that these sites will only ever be able to deliver a small number of homes, so will make a small contribution to our overall housing delivery numbers compared to the main Be First programme, and third-party strategic sites such as

Barking Riverside. Therefore, it makes sense to focus on the types of homes and how they are delivered than the overall numbers – looking at innovation and wider community benefit.

1.3 It is proposed that three main categories of innovations are pursued under this programme:

- Innovative/specialist housing meeting particular housing needs (such as the housing needs of vulnerable groups)
- Community participation and engagement – including community led housing
- Innovate housing design/delivery methods – such as modern methods of construction and innovations in building sustainability

1.4 In some cases, these types of innovations might be able to be combined, for example a zero-carbon scheme co-produced with interested members of the community.

1.5 More detail on the types of these innovation categories is set out in the next section. The report also describes the different ways in which it is anticipated the schemes will be delivered. This will be a mixture of direct delivery by the Council (through Be First) and disposal of sites to external organisations (which could include community groups) to enable innovative housing schemes.

2. Proposal and Issues

Types of innovation projects

2.1 The priority categories of innovation are described below.

Specialist housing

2.2 A priority for the programme is to use a number of the small sites to build homes for vulnerable groups. This is linked to the Housing for Vulnerable People Commitments approved by Cabinet in January 2020. This will include developing proposals for housing for older people, purpose-built shared housing for younger people (including care leavers) and purpose-built adapted housing for people with disabilities whose needs cannot easily be met from the existing housing stock in the borough.

2.3 The specialist housing strand of the housing innovation programme only forms one part of our approach to the supply of new specialist housing. The Council is also looking to deliver specialist housing as part of larger sites and as part of sites that will be delivered in the next phase of the Council's house building plans.

Innovations in construction methods

2.4 The programme is an opportunity to deliver some 'exemplar' projects relating to innovations in construction. This includes the various types of 'Modern Methods of Construction' (MMC) which may – once further tested – change how the industry delivers new homes and have benefits in terms of speed, cost, and quality.

- 2.5 Linked to this, the programme will be exploring exemplar projects around sustainability, aligned to the Council's commitments around tackling the climate emergency.

Community-led housing

- 2.6 It is also proposed that this programme explores community-led housing. This is an umbrella term for a fairly wide range of approaches to housing development. There are several models of community-led housing, including:
- Self-build, where residents/a community group manage the building of new homes themselves, normally to be lived in by those involved
 - Cooperatives, where the homes are managed by residents in line with cooperative principles
 - Community Land Trusts (CLTs) –where land is held as a community asset, with covenants that ensure the homes are kept affordable in perpetuity. Homes usually have a local connection requirement and the homes are managed by the residents. CLTs often have a mixture of tenures from social rent to ownership –though homes for ownership are normally sold close to the build cost, and future sales linked to a measure of inflation rather than house prices.
 - Co-production, where residents with lived experience are heavily involved with the commissioning of new homes –for example where the homes are intended to meet the needs of a specialist group
- 2.7 The Council and Be First will begin formal engagement with the community following Cabinet approval of the programme. The aim is to allow as many residents as possible to engage with the programme and develop proposals for community-led housing. The proposed policy criteria for selecting potential community-led schemes are set out in Section 3.

How schemes will be delivered under the programme

- 2.8 There are two main ways in which homes will be delivered under the programme – either direct delivery by the Council via Be First, or the site disposed to an external organisation to enable a scheme in line with the aims of the programme. This could include small builders, community groups or small/specialist Housing Associations.
- 2.9 Where it is proposed that a scheme is delivered by the Council itself, the Council will retain ownership of the land and fund the development either through the General Fund or the Housing Revenue Account. It is envisaged that schemes for specialist housing delivered by the Council will be funded through the Housing Revenue Account. Schemes proposed through this route will follow the existing Council/Be First process for assessing development proposals and will require approval by the Investment Panel.
- 2.10 Where it is proposed that a site is disposed of to an external organisation, the Council can make use of a GLA process for disposal and contracting. This includes an online bidding system which the Council can use to advertise small sites, with the ability to set our own criteria from the types of organisations the Council would consider bids from. The GLA have also developed standard legal agreements which have been designed to:

- offer a reasonable level of control
- avoid lengthy procurement processes
- allow the site to be retained by the landowner until development can start
- give the landowner continuing influence over the development
- discourage those who do not intend to get on and build
- allow covenants to secure affordable and/or community-led housing to be included

2.11 Disposal of a site to an external organisation will be recommended if and when it is judged that this route is the best mechanism for a small site to be developed to meet the aims of the programme. Such a disposal would usually be by way of a long lease. This report seeks a delegation to the Chief Operating Officer to approve such disposals, and asks Cabinet to agree a delegated authority to define the circumstances in which a small site may be transferred from the Housing Revenue Account to the General Fund to fulfill the programme objectives.

2.12 The expectation is that external organisations would fund developments themselves. There are organisations that provide both revenue and capital funding to community groups to enable community-led housing. The GLA have a revenue and capital grant programme for community-led housing and sponsors an organisation called Community Led Housing which can also provide advice on developing proposals.

2.13 Any decision to proceed with an individual site will only take place after more detailed proposals are worked up and further consultation has taken place. Non-housing options (such as public realm-related works) will also be considered for some sites depending on considerations such as location and site constraints.

3. Criteria for assessing bids from external organisations

3.1 As the proposal is also to work with external organisations/groups, the Council needs a framework to assess proposals if more than one group is interested in the same site.

3.2 As described in this report, not all sites will be made available for external organisations. Those that are will be categorised based on those deemed most suitable for transfer to different types of organisations, such as a small builder or for a community-led scheme.

3.3 The proposed criteria for assessing bids from external organisations are set out below

Criteria	Weighting	Description
Alignment with the Council's strategic framework relating to new homes	25%	<ul style="list-style-type: none"> • Number and type of new homes • Tenure mix, including affordability • Allocations of new homes, including new homes for households on the housing register

Alignment with the Council's wider strategic framework	25%	<ul style="list-style-type: none"> • Participation and Engagement – who is involved and how, quality of engagement, wider community involvement and benefit • Prevention, Independence and Resilience – housing that meets the needs of vulnerable groups or people who otherwise need specialist housing, initiatives that support Council's care and support responsibilities • Mentoring, training, apprenticeships, and wider employment benefits • Environmental sustainability and carbon reduction • Any non-residential buildings proposed as part of the wider development • Use of local contractors and suppliers
Value for money/viability	20%	<ul style="list-style-type: none"> • Finance and Funding – robust viability appraisal, detail of how costs will be met with sources of funding identified • Business plan for ongoing costs after completion (management, repairs, stock investment etc)
Deliverability	20%	<ul style="list-style-type: none"> • Project Management arrangements to deliver the proposal • Programme – project milestones and timescale for delivery • Planning –stage in the planning process, and planning advice
Quality	10%	<ul style="list-style-type: none"> • Design – does the project meet London Design Guide requirements as a minimum, and does it exceed these requirements • How does the project at least meet or exceed minimum standards relating to Building Regulations, the Local Plan and other relevant policies and guidance

4. Sites

Initial sites

4.1 The initial set of sites that are recommended to be added to the programme are listed below. The red lines of these sites are shown in Appendix 1.

- Farmway
- Goresbrook Road
- Chelmer Crescent
- Rear of 134 Becontree Avenue
- Keir Hardie Way

4.2 Due diligence works are being carried out on these sites, funded through GLA grant funding for small sites.

Further sites

- 4.3 The aim is that this is a rolling programme, with additional sites added once they have been assessed as being suitable.
- 4.4 A review of wider potential sites is currently underway. Most of these are current garage sites, which are being assessed for alternative uses, including their potential for housing development.
- 4.5 This report seeks delegated authority to add other small sites to the programme once they have been assessed as being suitable.

5. Consultation

- 5.1 Consultation has been carried out with the Corporate Strategy Group, the Leader, the Cabinet Member for Regeneration and Social Housing and other Cabinet Members.
- 5.2 No formal external consultation has been carried out on any specific proposals relating to the sites proposed for this programme. This will commence following Cabinet approval.
- 5.3 Any decision to proceed with an individual site will only take place after more detailed proposals are worked up and further consultation has taken place. Non-housing options (such as public realm-related works) will also be considered for some sites depending on considerations such as location and site constraints.

6. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager

- 6.1 The report includes the proposal that the Council funds new homes on some small sites under this programme. It is proposed that this is primarily through the Housing Revenue Account. The 2020/21 budgets for the Housing Revenue Account includes a £2.5m capital budget for new build. Any HRA new build budgets for subsequent years will be proposed as part of the HRA Business Plan reports presented to Cabinet in February each year.
- 6.2 Specific Council-led projects proposed to be delivered under this scheme will follow the Be First Gateway and Council Investment Panel process, as well as Cabinet where required.
- 6.3 As set out in the report, it is not anticipated that the Council will finance any developments it does not directly deliver itself.

7. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

Council Powers

- 7.1 The Council has power to deliver the proposals 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.
- 7.2 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to participate in such transactions as set out in this report and 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.
- 7.3 In exercising the power of general competence and in making any investment decisions, the Council must also have regard to the following:

Compliance with the Statutory Guidance on Local Government Investments:

- Fulfilling its fiduciary duty to taxpayers;
- Obtaining best consideration for any disposal;
- 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);
- Compliance with any other relevant considerations such as State Aid and procurement rules;

Funding and Borrowing Considerations

- 7.4 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) was issued on 1 April 2018. The Guidance is relevant to the extent that a loan may be necessary in order to facilitate delivery of any of the potential housing developments. 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

- 7.5 In the event of deciding to make available loans for the developments, the funds can be acquired from the Public Works and Loan Board. However, there are other sources of funding and it is recommended this is kept under review for best flexibility. Such arrangements will need to be examined to ensure that the terms are compliant with the aims of this programme and the terms will need to reflect commercial market terms to ensure that there are no State Aid implications, more on below.

State Aid

- 7.6 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. It must be made on 'market terms' in order to satisfy the "Market Economy Investor Principle" which means a proper valuation of the land involved must be made and any financial assistance must also be compliant.

Appropriation and Disposal of HRA Land

- 7.7 If as envisaged in the report that a proportion of ownership of the completed development / units will be outside the Housing Act 1985. 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.
- 7.8 Any disposal of the land (or to for example 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. The details of such consents will need to be carefully considered to ensure any transactions and mechanism needed to facilitate delivery of the scheme are within those parameters.

Other Matters

- 7.9 Given that the sites are within well-established developed locations it will be inevitable that there will be displacement of utilities and services such as electricity substation(s), gas and water mains, telecommunications cables etc plus changes to highways and facilities, which may necessitate leases and licenses. These will be familiar matters in a development context to the Council and Be First, and should

not, if managed soundly, raise intractable issues. Early surveying will minimise costs and risks of delays.

- 7.10 Potential risk arising include, but are not limited to, any third-party rights or restrictions or incumbrances which may frustrate or prevent the Council's regeneration objectives and development of the land. In terms of environmental risks, caution must be exercised in that the sites may raise risks of land contamination and if so, any remedial action and the costs of such remediation would need to be factored into the feasibility and viability considerations. Specifically, there should be early due diligence before contractually committing earmarking sites for the construction of dwellings. So, there will need to be investigation into whether there is a risk of the presence of historical contamination, and that it is capable of being remedied. Such costs need to be factored into the project valuation(s) to ensure it does not compromise the viability or design of any residential development.

8. Other Implications

- 8.1 **Corporate Policy and Equality Impact** – The overall aim of the programme is to provide new homes that meet the needs of residents of the borough. The programme also has wider aims relating to participation and engagement and prevention, independence and resilience. As such it is considered that the programme will have a positive equality impact. The equality impact of specific proposals will be considered on a scheme by scheme basis before decisions are made.
- 8.2 **Property / Asset Issues** – issues relating to council property/assets – including the proposed development of council-owned land or the proposed disposal of council-owned land – are set out in the legal issues section.

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

List of appendices:

- Appendix 1 – red line diagrams of initial sites

Appendix 1 – red line diagrams of initial sites

1. Farmway



2. Goresbrook Road



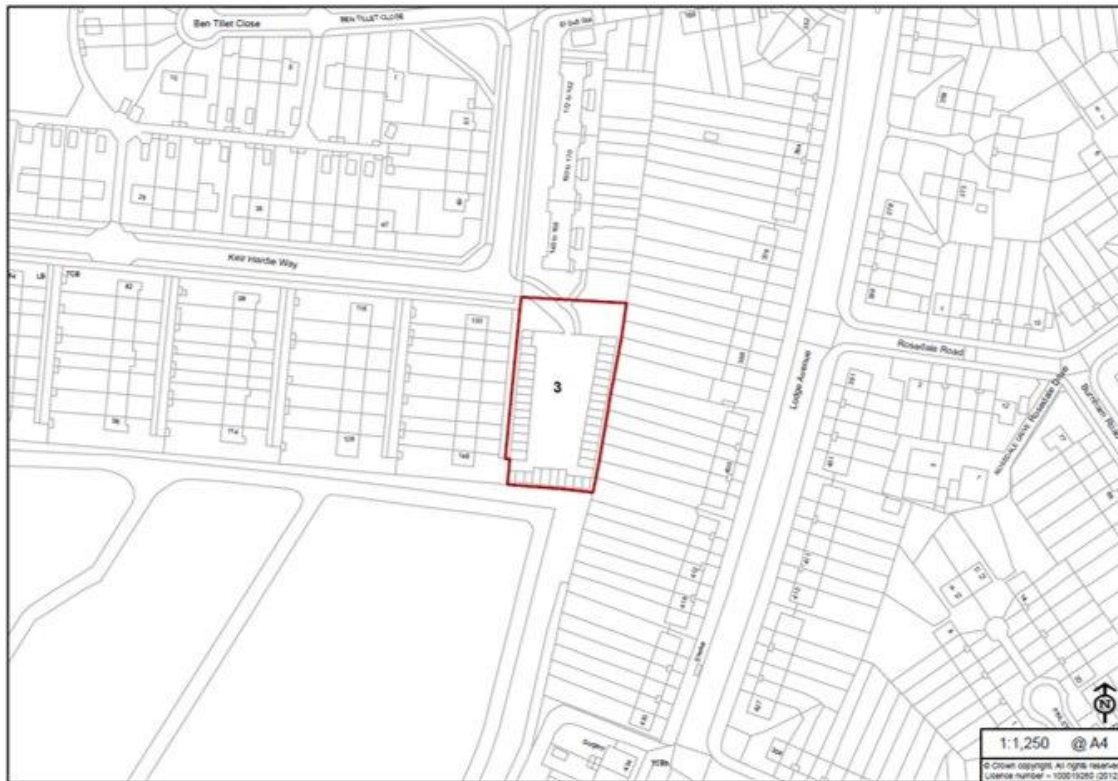
3. Chelmer Crescent



4. Rear of 134 Becontree Avenue



5. Keir Hardie Way



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CABINET

16 June 2020

Title: Semi-Independent Accommodation for Care Leavers via West London Alliance	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Valerie Tomlinson-Palmer, Senior Commissioner– Children’s Care and Support	Contact Details: Tel: 020 8227 3549 E-mail: valerie.tomlinson-palmer @lbbd.gov.uk
Accountable Director: April Bald; Operational Director Children’s Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti – Director of People and Resilience	
Summary	
<p>By Minute 79 (22 January 2019), the Cabinet approved entering into an Access Agreement and joining an existing commissioning partnership - the West London Alliance (WLA) in order to source placements for:</p> <ul style="list-style-type: none"> • Independent Fostering Agencies, and • Children's Residential Homes <p>The WLA have now extended the Dynamic Purchasing Vehicle (DPV) programme to include the provision of Semi-independent Accomodation. This went live for applications from Providers in April 2020 and was opened to LA’s for call-off’s from 1st June 2020. Surrounding Local Authorities are signing up to this new programme, including Redbridge, Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hounslow and Hillingdon.</p> <p>One of the key pillars of collaboration in the WLA is the Children’s Programme which is supported by a Strategic Commissioning, Procurement and Contract Management Service that delivers against scale and sub-regional objectives to deliver a more efficient and effective approach to Children’s service delivery and market engagement.</p> <p>Joining the Partnership for the new Semi-Independent Accommodation service for Care Leavers will enable LBBD to explore opportunities to engage in shared services and joint working to increase efficiencies, cash savings and service delivery. Savings will also be made by a reduction in administrative effort and cost for the contracting authority. In addition, the initial tendering process allows contracting authorities to identify competitive suppliers, who should offer more competitive prices based on an expected volume of business.</p>	

<p>The resulting contract/s will also give more choice and flexibility when sourcing placements.</p>
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree to extend the Council’s participation in the WLA to include the provision of semi-independent accommodation for Care Leavers by entering into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle, in accordance with the Council’s Contract Rules and on the terms detailed in the report; and (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the Access Agreement and all other ancillary call-off agreements upon conclusion of the procurement process.
<p>Reason(s)</p> <ul style="list-style-type: none"> • To support the Council’s vision to “protect the most vulnerable, keeping adults and children healthy and safe”. • To provide an appropriate, best-value service that delivers excellent outcomes for children and young people. • To help relieve budget pressures by ensuring the best value for money options are available to the Nominated Officer when seeking to place a young person in supported accommodation.

1. Introduction and Background

- 1.1 Section 22G of the Children Act 1989 (‘the 1989 Act’) requires local authorities to take steps that secure, as far as reasonably practicable, sufficient accommodation within the authority’s area, to meet the needs of children who the local authority is looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation.
- 1.2 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.
- 1.3 Recent incidents and media interest have highlighted the variable quality of semi-independent living provisions across the country. Concerns have been expressed around some unregulated provision, in particular increasing issues about the vulnerability of young people in unregulated accommodation to organised crime, including county lines, exploitation and missing episodes.
- 1.4 This type of accommodation is not inspected or regulated by Ofsted or any other inspectorate. Whilst some Local Authorities can choose to put in place robust

quality Frameworks through their Commissioning arrangements, research has found that there is variable practice across England with some young people advising they experience good provision and others describing poor accommodation with little to no support.

- 1.5 Another risk is out-of-area placements in these types of provisions. Even though Local Authorities may be scrutinising provisions in their areas where they place Looked after Children that they are responsible for, the same level of scrutiny does not necessarily take place for children placed from other Local Authorities in that area.
- 1.6 This can result in children feeling lonely, isolated and contribute to the risk of a child going missing.
- 1.7 Financial pressures on Children Services are limiting Councils efforts to develop and maintain the right provision locally. It can mean that they are forced to place children out of area or in placements that are not best suited to their needs. By joining the WLA we will increase the number of providers that we are able to access.
- 1.8 On 23 May 2017 Officers sought agreement from Cabinet to conduct a procurement exercise for the provision of supported and unsupported accommodation together with outreach support. The framework aims were as follows:
 - To provide an appropriate, best-value service that delivers excellent outcomes for young people.
 - To standardise the quality of accommodation provided to young people to ensure an equitable position for all Care Leavers provided with accommodation and support where relevant.
 - To help relieve budget pressures by ensuring the best value for money options are available to the Nominated Officer when seeking to place a young person.
- 1.9 The approach was taken to formalise agreements with providers and standardise the quality and specification requirements to ensure the Council was achieving value for money and to simplify the commissioning process for all parties concerned.
- 1.10 The framework was intended to form part of a wider solution to accommodating and supporting Care Leavers together with the allocation of social housing. If social stock became available, the Council would be able to scale down the level of private housing and the nature of the framework was that payments were only made for occupancy with no long-term commitment.
- 1.11 In order to improve on the current process and increase the number of available providers (26 on the existing framework); approval is being sought to the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers.
- 1.12 The Direct Purchasing Vehicle (DPV) will replace the current framework. Current contracts have been extended to allow the governance process to take place and existing providers have been encouraged to sign up the WLA to ensure continuity for those young people placed with them.

Background of Partnership

- 1.13 The WLA is a partnership between eight local authorities across West London and their vision is to develop an environment where the needs of young people are met effectively by the market. The strategic commissioning approach seeks to achieve this by local authorities (LAs) collectively procuring, with a single system and consistent terms and conditions –which supports providers as well as LAs. WLA have developed an initial set of Dynamic Purchasing Vehicles (DPV) across fostering, residential care homes and has extended to supported Accomodation.
- 1.14 Dynamic Purchasing Vehicles (“DPV’s”) and Dynamic Purchasing Systems (“DPS”) differ from traditional framework agreements in that they allow suppliers who meet the selection criteria to join at any stage of the life cycle of the DPV which promotes continued competition. Procurement is delivered through digital platforms and electronic processes.
- 1.15 In practice, each DPV operates as a digital marketplace of pre-approved suppliers for specific categories of placements for children. The participating Councils advertise their placement requirements on the e-Brokerage system (CarePlace), which are then bid for by providers on that specific DPV. Once the bids have been assessed against the requirements, the authorised officer accepts the successful bid and issues a digital contract to secure the placement offer. The whole process is fully auditable and compliant with the PCR 2015 and the Councils Contract Rules.
- 1.16 The WLA have delivered significant financial cash and cost avoidance savings from their approach to the market and service delivery. Since joining the WLA in July 2019 for Residential and IFA’s, LBBB has achieved savings in excess of £38,116.
- 1.17 Applying long term discounts in due course will deliver additional savings for long term placements.

2. Proposed Procurement Strategy

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

- 2.1.1 The Service will be available to young people aged between 16 and 25, who have a range of needs. This will include the following type of provisions, but the list is not exhaustive:
 - I. Supported housing with a mix of support offered to young people with varying levels of need that will include provision for young people with challenging and complex needs
 - II. Hostels/foyers
 - III. Supported lodgings
 - IV. Floating support for all levels of needs
 - V. Accommodation & support for young parents
- 2.1.2 This contract performance management approach is intended to give the West London Alliance and Contracting Bodies a framework to assess a Provider’s performance on the Semi-Independent Accommodation and Support DPV.

- 2.1.3 CarePlace will be the system used by local authorities to procure and manage the Services from the WLA DPV and will be the primary system used to performance manage Providers. In being accepted to provide services on the DPV, Providers also explicitly agree to respond to all service requests and performance management approaches. Failure to do so could result in temporary suspension, termination or permanent barring from the WLA DPV.
- 2.1.4 Providers will complete a Self-Certification process at least annually to certify that they have reviewed policies/procedures or renewed insurances, HMO Licences, certificates etc. Annually, Providers will be sent an online Self-Certification form to complete. Providers will be expected to follow this process and meet the required standards. Failure to do so could result in temporary suspension or permanent barring from the WLA DPV under the Suspension and Barring Policy.
- 2.1.5 As part of the WLA Local Authorities' sub-regional commissioning, procurement and market management arrangements, a central programme team will be in place to manage all aspects of the WLA DPVs and strategic engagement with Providers. The team will be a mixture of Commissioners and Contract Managers and will be managed by a Lead Officer with overall responsibility for the sub-regional service and accountability to the West London Director of Children's Services Board.
- 2.1.6 The WLA Central Programme Team will manage and co-ordinate performance ensuring that both Providers and Contracting Bodies comply with their responsibilities. They will also undertake some tasks on behalf of Contracting Bodies such as contract negotiation and conflict resolution. The central team will also be available to offer support and advice to Providers and Contracting Bodies for the duration of the DPV contract.

Benefits of a joining the WLA

- 2.2 The WLA full commissioning service offer includes access to joined up commissioning across the group, using scale to influence the market at a macro level, access all existing DPVs and preferential rates for any future additions to the catalogue, contract management of providers on each DPV, as well as the full managed service technology solution and implementation. Joining the WLA and using the DPV will enable:
- **Open & easy to access.** Minimum criteria to be approved to supply – Insurance and credit report. Service requirements defined at point of call off.
 - **Any Local Authority.** DPVs are open to any LA nationally, to maximise the benefit of scale and investment
 - **Block & individual placements.** Robust call off procedures setting out arrangements for placing individual children and calling off a block contract
 - **E-Brokerage & E-Contracting.** Electronic brokering and contracting functionality within CarePlace
 - **Automated Key Performance Indicators.** Responsibility on providers to report on KPIs, through an online system that automatically collates responses to be utilised as effective MI.
 - **Safeguarding Alerts.** CarePlace allows for one LAs safeguarding alert to be visible to all LAs on the system.
 - **Informed commissioning.** CarePlace real time data on the DPVs' journey LAs towards more informed commissioning

- **Central team.** Commissioning and contract management capability to maximise the opportunity of the DPVs for each LA and ensure compliance by providers.

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

2.3.1 As LBBB currently has a contract in place for the use of CarePlace; the annual cost to call off for supported accommodation is currently £24,250 per annum. This will reduce to £23,750 per annum as the next LA joining triggers the next discount level. As more LA's join the level of discount will increase. The total contract value over 3 years (In line with the current WLA Access Agreement) would be £72,750.

2.3.2 No commitment to expenditure by the Council will be stipulated within the WLA contract itself. Expenditure will only be incurred when referrals are made. The current expenditure for LB Barking and Dagenham is circa £3,842,172 per annum for Supported Accommodation . The total combined potential value of the contracts would, therefore, be circa £11,526,516.

2.4 **Duration of the contract, including any options for extension**

2.4.1 This report is seeking approval for LBBB to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers; enter to an Access Agreement with the West London Alliance (WLA) and Call-Off for Supported Accommodation from the WLA Dynamic Purchasing Vehicle for a period of three (3) years commencing on 1st July 2020 until 31st June 2023.

2.4.2 Either the Council or the Participant can give notification to terminate the Service Agreement any time after the initial 12 months of the contract has elapsed. The termination must be given via a written notice and can end at the next renewal point as long as a minimum of six (6) months is given. The written notice must include the effective termination date.

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

2.5.1 Contracts are subject to the Public Contracts Regulations 2015 however the contracts with each provider are considered a 'light touch regime contract' under current procurement legislation.

2.5.2 The Lead LA's have given due consideration to the PCR2015 and have ensured the principles of transparency and equal treatment of suppliers are embedded in the establishment the DPV.

2.6 **Recommended procurement procedure and reasons for the recommendation**

2.6.1 It is recommended that permission is given for LBBB to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers; to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle for Supported Accommodation.

2.6.2 The Council will also benefit from better contractual arrangements with agencies to ensure quality and the price of these placements; where necessary; are driven down as much as possible.

2.7 **The contract delivery methodology and documentation to be adopted**

2.7.1 Service to be delivered by external providers. The WLA will be responsible for contract procurement, management and monitoring functions.

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

2.8.1 All Providers must work to any specific outcomes agreed with the Contracting Body at time of call-off and set out in the ISA and/or Block Contract. In addition, Providers must work towards achieving the outcomes listed below.

- a) The young person enjoys good physical, emotional, mental and sexual health; has a healthy lifestyle, and has access to information about health issues that allows them to make informed choices.
- b) The young person is physically safe, stable and emotionally secure. They are protected from ill-treatment, neglect, violence and sexual exploitation; they are free from bullying and discrimination; and are protected from social exclusion through involvement in crime, anti-social behaviour and other risk-taking activities.
- c) The young person attends and fully engages in education, training or employment and receives encouragement and recognition for their achievements.
- d) The young person positively participates in their own development and with the local community; they are actively involved in making decisions about their future; they develop self-confidence and can deal with change and other life challenges; they understand the effects of racism and discrimination and are able to challenge this behaviour; they demonstrate enterprise and a will to contribute to the well-being of others
- e) The young person is equipped with all the skills they require and supported to move into permanent independent living, making smooth and successful transition into adult life. This includes, but is not limited to:
 - Money management (e.g. budgeting, saving, managing debt, accessing bank accounts);
 - Accessing benefit entitlements;
 - Managing a tenancy and the rights of tenants;
 - Managing a household (e.g. paying bills. cleaning and other practical skills);
 - Cooking and eating a healthy diet;
 - Personal hygiene;
 - How to access support/help from the community;
 - Seeking employment and maintaining a job.

- 2.8.2 The Provider must be able to provide robust evidence to demonstrate that they are proactively working towards delivering agreed outcomes.
- 2.8.3 The Provider must monitor the effectiveness of the support being given to young people, and strive to constantly improve their service offer.
- 2.8.4 The actual saving achieved depends on the individual needs of the child. Placement costs are agreed for the life of the placement, so no inflation rises, and the WLA also require pre-agreed costs of additional staff and education to ensure no surprises.
- 2.8.5 Joining the WLA will afford the following benefits:
- Increased Competition
 - Improved Placement Options
 - Reduce the need for Spot Purchasing
 - Better use of online brokerage system
- 2.8.6 A number of our placements are long term and therefore are in some cases cheaper. The WLA have therefore outlined the potential opportunity to transfer LBBD's best price onto the DPV to make use of the ceiling price arrangement to ensure that we get the best of both prices.
- 2.9 **Criteria against which the tenderers are to be selected and contract is to be awarded**
- 2.9.1 Suppliers will be asked to submit prices as part of their application to be placed on the DPV. They will also be required to provide costs for a menu of Additional Services. Placements can be enhanced with additional services which will be charged at the Contractors tendered rate. Additional Services will be time limited, outcomes focused and reviewed regularly by the Placing Authority and Contractor with all arrangements being set out clearly in the Individual Agreement.
- 2.9.2 Call-Off procedures will be flexible to ensure that LA's are able to match the needs of young people and ensure placement sufficiency and best value.
- 2.9.3 All placement requests and responses from suppliers will be made via CarePlace. LBBD will be able to call off in three ways:
- Individual Placement Call-Off Procedure
 - Block Placement Call-Off Procedure
 - Direct Award Call-Off Procedure
 - Direct Award Call-off will be made on a very occasional basis, when services fall within the scope of Regulation 32 of the Procurement Regulations 2015 as adapted for the DPV, the Negotiated Procedure without Prior Publication of an OJEU Notice. This is only permitted where it is strictly necessary and a direct award by way of negotiation with only one Provider is available only in extremely limited circumstances under the Regulations.

- 2.9.4 Suppliers will be able to drop their prices at the point of responding to a referral to offer a placement to be more competitive to respond to specific needs of young people.
- 2.9.5 Using CarePlace will make Call offs simpler as all referrals made will be sent through CarePlace, Users will be able to utilise the enhanced Search Functionality so only relevant providers are contacted. CarePlace allows users to collate all options quickly and easily and Providers can be ranked in price order (i.e. cheapest first) or Identify best match. If two options fully meet needs of child, LBBB can choose the cheapest. Careplace will also confirm the placement with the provider and issue the IPA.

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

2.10.1 The Council continues to be committed to promoting the welfare of and protecting the most vulnerable children and young people in Barking and Dagenham. It will meet the Council's Social Value policies and the Social Value Act 2012 by:

- **Promoting employment and economic sustainability:** tackle unemployment and facilitate the development of skills amongst providers
- **Building the capacity and sustainability of the private and voluntary sector:** enabling companies to provide the service and encourage volunteering and employment of local residents where applicable
- **Creating opportunities for SME's and social enterprises:** Enabling the development of local businesses in the provision of this service.

2.11 **Contract Management methodology to be adopted**

2.11.1 For participating LA's the West London Alliance will:

- Hold regular Provider Review Meetings
- Have oversight of provider activity, compliance and performance and be a source for strategic market intelligence
- Act as mediator to support both Las and Providers
- Be available for contract advice and queries
- Undertake KPIs & monitoring and placing of Safeguarding Alerts on CarePlace
- Will ensure that all issues of concern are escalated, and decisions made about suspension/barring
- Ensure non-compliant organisations are suspended/barred - Suspended providers will be unable to receive referrals via the DPV
- Undertake Quality Assurance and spot checks
- Mediate complaints/disputes
- Provide Feedback & qualitative information

3. **Options Appraisal**

3.1 **Option 1: Do nothing and Continue the Current Framework** - The current contract is a four (4) year framework agreement (2 years + 2 years) that has no minimum value, nor has any commitment to expenditure by the Council stipulated within the contract itself. Expenditure is only be incurred when referrals are made.

With only 26 Providers on the Framework and the increasing demand for complex placements; if we continue with the current framework this will increase off-framework spend due to insufficient placements available with Framework Providers.

In addition; current agreements with providers have varying quality standards and pricing resulting in a process that does not necessarily deliver proven value for money. If we do nothing this will continue to add pressure to service budgets and provide an inconsistent service to our young people.

- 3.2 **Option 2: Procure as a single borough service** - Going out to market on our own would not offer the same opportunities for economies of scale (thereby maximising value for money) that joining the WLA will offer.
- 3.3 **Option 3: (Preferred Option) Join the West London Alliance** - For the reasons set out in this report; for LBBD to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers; enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicles for Supported Accommodation.

4. Consultation

- 4.1 The proposals in this report were endorsed by the Council's Procurement Board on 18 May 2020.

5. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 5.1 The process outlined in the report is to access the market through a DPS, which is flexible in a volatile market, in addition the DPS allows for new providers to be added, which ensures volumes should be maintained to provide the requirements to the Council.
- 5.2 The evaluation ratios are acceptable for this type of service and should deliver against the Council's priorities for ensuring a quality service for a representative cost.
- 5.3 The process for competition will be conducted by the West London Alliance (WLA) and as such their terms and conditions will be used, and the direct supplier contract management will also be performed by the WLA.

6. Financial Implications

Implications completed by: Murad Khan, Group Accountant

- 6.1 This report seeks approval for LBBD to join an existing commissioning partnership - the West London Alliance (WLA) and call-off from an already established and now extended Dynamic Purchasing Vehicle (DPV) to procure Semi-independent Accommodation. It is expected that this arrangement whilst increasing efficiencies and delivering cash savings, will give LBBD access to more choice and flexibility when sourcing placements.

- 6.2 The council currently secures supported accommodation placements through spot purchasing and individually brokered packages with providers. The current arrangement has proven to be costly, with the current annual cost estimated at £3,842,172. Entering into this partnership arrangement will not only help standardise the quality of accommodation and support provided to young people, but help increase efficiencies and deliver cash savings.
- 6.3 The DPV will replace majority of current spot purchasing arrangements. The cost of the 3-year contract which is expected to commence in June 2020 through to June 2023 is £72,750. Expenditure will only be incurred when referrals are made. The Council may choose to terminate the arrangement after the first year via a written notice.
- 6.4 This proposal will allow LBBB the benefit of tapping into the cash savings and cost avoidance the WLA will deliver due to economies of scale. The current arrangement with the WLA for Independent fostering agencies and Children's residential homes has delivered around £38,000 in the first year. Overall it is anticipated that the extended arrangement would generate savings which would go towards reducing projected overspends against the existing budget envelope.

7. Legal Implications

Implications completed by: Graham Marlow, Contracts and Procurement Solicitor.

- 7.1 This report seeks permission for LBBB to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle for Supported Accommodation.
- 7.2 A procurement of this nature and value is subject to the requirement of a full OJEU-compliant competitive tender in accordance with the Public Contracts Regulations 2015 ("the Regulations") and LBBB's contract rules, as set out in its constitution.
- 7.3 Although the services described in this report are subject to the light touch regime, the value indicated is such that the requirement for a full competitive tender still applies.
- 7.4 Regulation 34 of the Regulations permits the use of a dynamic purchasing system as set out in this report and this meets the requirement for a competitive tender process as required by the Regulations.
- 7.5 The proposed procurement route set out in this report also complies with LBBB's contract rules as the agreement proposed is a framework agreement and so its use is permitted under contract rule 33.
- 7.6 Therefore, the proposed procurement route is legally compliant and in accordance with LBBB's constitution.

8. Other Implications

- 8.1 **Risk Management** - The West London Alliance Contract Management Team will periodically review the Call-Off process to ensure that all partners (Contracting

Bodies and Providers) are adhering to the agreed processes. Corporate Procurement have been consulted and responses and comments in relation to risk management have been added to this report.

The DPV will be overseen by a Commissioning Board, and it will have oversight of any key risks/issues that are identified. The West London Alliance will work closely with key stakeholders (i.e. suppliers, sector representative bodies and care leavers) to ensure any potential issues are swiftly identified and can be resolved.

8.2 **Staffing Issues** - Joining the WLA and the use of Careplace will assist the placements Officers (1FTE and 1 PTE) to meet the needs of the organisation more effectively. There are also efficiencies in using e-Brokerage to send packages to multiple suppliers simultaneously instead of officers having to individually call/email.

8.3 **Corporate Policy and Equality Impact** - The service will impact on LAC. The service will contribute towards reduced levels of placement disruption for those children in care.

Wellbeing of children in the borough: and ensuring that potentially vulnerable children and young people are safely housed and supported based on their needs, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.

The services will enable children and young people to be safeguarded while being housed and allows them to experience services within the community in a safe way, thereby, contributing to positive life chances, educational and social development.

8.4 **Safeguarding Adults and Children** - Referrals will be made by the Placements Team via CarePlace. The Team manager will work closely with the WLA throughout the contract life to ensure close communications and sharing of relevant information.

8.5 **Health Issues** - The wellbeing of children in the borough is a fundamental responsibility of the council and this service which will contribute to positive health outcomes for the children and young people.

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

List of appendices: None

CABINET**16 June 2020**

Title: Treasury Management Annual Report 2019/20	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open	For Decision
Wards Affected: None	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: Philip Gregory, Finance Director (S151 Officer)	
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive	
Summary	
<p>Changes in the regulatory environment now place a greater onus on Elected Members for the review and scrutiny of treasury management policy and activities. This report (the Treasury Management Annual Report) is important in that respect, as it provides details of the outturn position for treasury activities, significant new borrowing proposed, and highlights compliance with the Council's policies previously approved by the Assembly prior to the start of each financial year.</p> <p>This report presents the Council's outturn position in respect of its treasury management activities during 2019/20. The key points to note are as follows:</p> <p><u>Interest Income and Investments:</u></p> <ul style="list-style-type: none"> i) Total treasury investments held at 31/3/2020 was £346.95m (2018/19: £286.84m); ii) Total loans lent held at 31/3/2020 was £75.40m (2018/19: £76.57m); iii) Interest for 2019/20 was £8.8m (2018/19: £8.9m) compared to a budget of £6.6m, an outperformance of £2.2m; iv) Investment income from the Council's Investment and Acquisition Strategy (IAS) totalled £2.7m (2018/19: £2.7m) for the year compared to a budget of £4.3m, an underperformance of £1.6m; v) The Council's average treasury interest return of 1.35% for 2019/20 was 0.51% higher than the average London Peer Group return and 0.53% higher than the Local Authority average return; vi) The Council's average return on its loans, consisting of commercial and property loans was 3.57% for 2019/20 (3.63% for 2018/19); 	

Interest Expense and Borrowing:

- i) Interest payable for 2019/20 totalled £34.2m (2018/19: £29.2m), £9.6m for PFI / Finance leases, £12.2m for HRA and £12.4m for the General Fund;
- ii) The Council borrowed £140.0m of long-term General Fund borrowing in 2019/20 at an average rate of 1.87%;
- iii) The total long-term General Fund borrowing at 31/3/2020 was £579.7m, comprising of market loans, Public Works Loan Board (PWLB), Local Authority, European Investment Bank and Green Investment Bank loans;
- iv) The value of short term borrowing as at 31 March 2020 totalled £126.1m;
- v) Total HRA borrowing totalled £275.9m, with PFI / finance lease borrowing totalling £134.4m;
- vi) Total Council borrowing as at 31 March 2020 was £1.116bn;
- vii) The Council did not breach its 2019/20 authorised borrowing limit of £1.152bn but did exceed its Operational Boundary limit of £1.052bn as a result of an increased short-term borrowing position taken to fund an IAS investment; and
- viii) The Council complied with all other set treasury and prudential limits.

Recommendation(s)

The Cabinet is asked to recommend the Assembly to:

- (i) Note the Treasury Management Annual Report for 2019/20;
- (ii) Note that the Council complied with all 2019/20 treasury management indicators;
- (iii) Approve the actual Prudential and Treasury Indicators for 2019/20, as set out in Appendix 1 to the report; and
- (iv) Note that the Council borrowed £140.0m from the Public Works Loan Board (PWLB) in 2019/20.

Reason(s)

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

1. Introduction and Background

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce a treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA

Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

1.2 For the 2019/20 period Assembly received the following reports:

- an annual treasury strategy in advance of the year (Assembly 27/02/2019);
- a mid-year (minimum) treasury update report (Assembly 20/11/2019); and
- an annual review following the end of the year describing the activity compared to the strategy (this report).

1.3 This Annual Treasury Report covers:

- The Council's treasury position as at 31 March 2020;
- Economic Factors in 2019/20 and Interest rates Forecasts;
- Investment Strategy and Performance in 2019/20;
- Borrowing Outturn;
- Treasury Management costs in 2019/20;
- Compliance with Treasury limits and Prudential indicators; and
- Prudential Indicators for 2019/20 (Appendix 1).

2. Treasury Position as at 31 March 2020

2.1 The Council's treasury position for 2018/19 and 2019/20 can be found in table 1:

Table 1: Council's treasury position at the start and end of 2019/20

	31-Mar-19	Average Rate of interest	Average Life	31-Mar-20	Average Rate of interest	Average Life
	£'000	%	Years	£'000	%	Years
Fixed Rate Debt - Long Term Borrowing						
HRA – PWLB	265,912	3.51	36.81	265,912	3.51	35.81
HRA – Market	10,000	3.98	59.21	10,000	3.98	58.21
General Fund (GF) – PWLB	335,032	2.28	28.33	463,498	2.16	23.83
GF - Market	49,000	2.85	28.78	36,815	3.92	41.91
GF – EIB	86,669	2.21	26.02	79,363	2.21	24.01
Fixed Rate Debt - Short Term Borrowing						
GF - Local Authorities	101,000	0.88	0.1	126,100	0.85	0.07
Total Debt	847,613	2.56	27.85	981,688	2.44	25.07
Investments						
Treasury Investments	286,841	1.22	2.44	346,951	1.34	2.37
Loans	76,670	3.63	N/A	75,397	3.57	N/A
Total Loans & Investments*	363,511	1.73	N/A	422,348	1.73	N/A

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

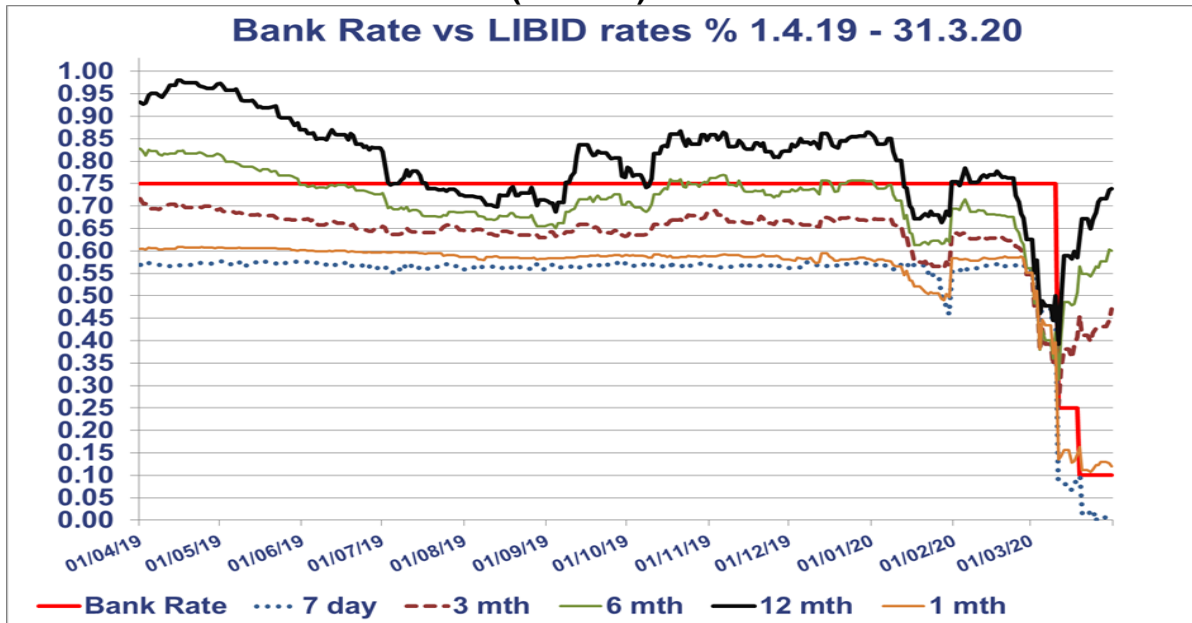
2.2 The Council manages its debt and investment positions through its in-house treasury section to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.

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

3. Economic Factors in 2019/20 and Interest Rate Forecasts

- 3.1 **UK.** Brexit. The main issue in 2019 was Brexit. Repeated battles in the House of Commons resulted in the resignation of Theresa May and the election of Boris Johnson, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons frustrated that renewed effort and so a general election in December settled the matter by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.
- 3.2 Economic growth in 2019 was volatile with Q2 recording -0.2%, Q3 bouncing back up to +0.5% and Q4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. The three-monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in Q2. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.
- 3.3 After the Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in April and beyond. Chart 1 below shows the BOE rate cuts in March and the impact on short- and medium-term interest rates:

Chart 1: Bank Verses LIBID Rate (2019/20)



- 3.4 The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.
- 3.5 Inflation has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could turn negative in the Eurozone, this is currently not likely in the UK.
- 3.6 Employment had been growing healthily through the last year, but it is obviously heading for a big hit in March – April 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.
- 3.7 USA. Growth fell back to 2.0% in Q2 and 2.1% in Q3 and 4. The slowdown in economic growth resulted in the Fed cutting rates from 2.25-2.50% by 0.25% in each of July, September and October. Once coronavirus started to impact the US, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. Near the end of March, Congress agreed a \$2trn stimulus package and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.

3.8 WORLD. The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were focused on the general weakening of growth in the major economies of the world. These concerns resulted in government bond yields falling significantly during 2019. In 2020, coronavirus is the big issue which is going to sweep around the world and have a major impact in causing a world recession in growth.

4. Investment Strategy and Performance in 2019/20

4.1 Annual Investment Strategy (AIS) 2019/20

4.1.1 All investments were managed in-house and were invested with institutions of high credit standing listed in the Council's approved lending list and specified limits. The Council invested over a range of periods from overnight to three years, with an increase in lending to other Local Authorities and a reduction in lending to banks.

4.1.2 Council officers met quarterly with Treasury Adviser to discuss financial performance, objectives, targets and risk in relation to the Council's investments and borrowing. The Cabinet Member for Finance, Performance and Core Services was briefed regularly on treasury activity by the Section 151 Officer.

4.1.3 During 2019/20 the Council's investment policy was governed by CLG guidance, which was implemented in the 2019/20 Annual Investment Strategy. The policy sets out the Council's approach for choosing investment counterparties.

4.2 Treasury Outturn

4.2.1 The Treasury Outturn position is in Table 2 Below.

Table 2: Treasury Outturn for 2018/19 and 2019/20

Interest	2018/19 Actual	2018/19 Budget	Differ- ence	2019/20 Actual	2019/20 Budget	Differ- ence
HRA Borrowing Costs	9,690	9,690	0	9,690	12,244	2,554
General Fund Investments & Interest Costs						
GF Borrowing costs	9,744	8,198	1,546	12,374	11,769	605
GF Interest Income - external	(8,879)	(4,299)	(4,580)	(8,818)	(6,648)	(2,170)
GF Investment Income	(2,678)	(2,811)	133	(2,735)	(4,333)	1,598
GF Net Investment & Interest Cost	(1,813)	1,008	(2,901)	821	788	33

4.2.2 Overall, the General Fund borrowing costs were higher than forecast due to an additional £80.0m of borrowing from the PWLB towards the end of 2019/20 as there were opportunities to lock in low borrowing rates to fund a large commercial investment, due to be made in 2020/21. General Fund interest income was £1.098m more than budgeted due to good treasury investment returns and interest from a number of loans the Council made to Reside and to its trading partnerships.

4.2.3 Investment Income totalled £2.735m compared to a budget of £4.333m for 2019/20, a shortfall of £1.598m but against an increased budget. This was driven largely by the lack of new schemes becoming operational during the year and commercial income not providing a significant return above borrowing costs. When combined, the

treasury and investment strategy marginally underachieved its target by £33k in 2019/20.

4.2.4 From time to time the Council uses brokers to act as agents between the Council and its counterparties when lending or borrowing. However, no one broker will be favoured by the Council. The Council will ensure that sufficient quotes are obtained before investment or borrowing decisions are made via brokers. In 2019/20, brokerage costs of £146k (2018/19: £145k) were incurred from the short-term borrowing and costs from borrowing from the PWLB.

4.3 Investments decisions during 2019/20

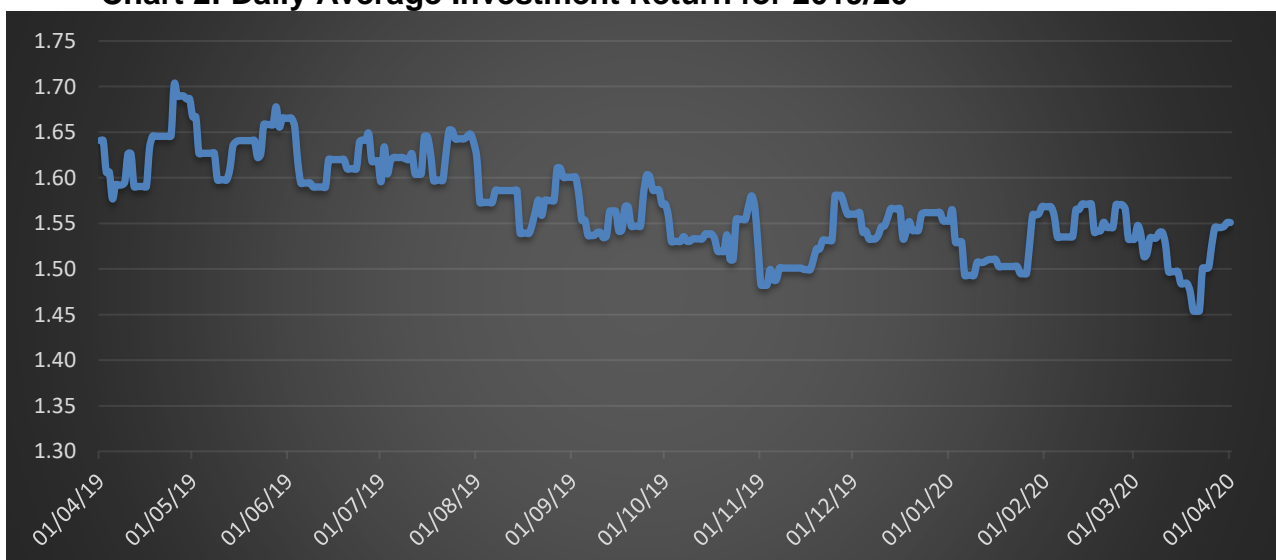
4.3.1 When making investment decisions the Council must have regard to its investment priorities being:

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

4.3.2 Using the above as the basis for investment decisions does mean that investment returns will be lower than would be possible were yield the only consideration. During 2019/20, the Council ensured that all investments were made with appropriately rated counterparties and that liquidity was maintained. On occasion, short term borrowing was also used to allow the Council to take advantage of investment opportunities.

4.3.3 During the year there were several opportunities for the Council to invest with credit worthy financial institutions as well as Local Authorities over a longer duration at much improved rates. As a result of these opportunities the Treasury Section was able to provide an average return of 1.34% for 2019/20 (1.22 for 2018/19), which increased to an average return of 1.57% when including non-treasury investments. Chart 2 below graphically illustrates the increase in the average daily return for the Council during the year:

Chart 2: Daily Average Investment Return for 2019/20



4.3.4 In addition, an average interest of 3.57% was returned on loans made by the Council (total loans value at 31/3/2020 was £75.4m), and 3.25% on borrowing costs from commercial property (borrowing for commercial property at 31/3/2020 was £55.9m).

4.3.5 The average cash balance held was £353.7m. The average cash balance was high as this included the use of short-term borrowing to cover some of the investment opportunities. Short-term borrowing was also used to smooth the cash flow fluctuations, allowing treasury to keep a considerable proportion of its investments invested over a longer duration.

4.4 Strategy Changes in 2019/20

4.4.1 The Council’s investment policy was agreed in the AIS approved by the Assembly on 27 February 2019. Members agreed to delegate authority to the Section 151 officer in consultation with the Cabinet Member for Finance, Performance and Core Services to proportionally amend the counterparty lending limits agreed within the TMSS.

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

4.5 Performance Benchmark in 2019/20

4.5.1 As part of ensuring value for money and to monitor the Council’s investment return, the Council’s treasury performance is benchmarked by against a peer group of London and other Local Authorities. Benchmarking date is provided by the Council’s treasury advisors, Link Asset Services. Table 3 summarises the benchmarking data as at 31 March 2020.

Table 3: Advisor’s Benchmarking data as at 31 March 2020

Savings Proposal	LBBD	London Peer Group (20)	Total LA Group (223)
Weighted Average Rate of Return	1.35%	0.84%	0.82%
Weighted Average Maturity(days)	342	104	107
Credit Risk (lower is less risky)	1.74	2.66	2.72

4.5.2 The benchmarking data outlines the outperformance of the Council’s treasury investment return compared to a group of 21 London Boroughs and 223 Local Authorities (LAs). By only including treasury returns (i.e. returns from deposits, Money Market Funds etc) the performance of each treasury team can be compared on a like for like basis. The Council’s average return as at 31 March 2020 was 0.51% higher than the average London Peer Group return and 0.53% higher than the Local Authority average return. On an average investment balance of £353.7m that equates to additional income above the average of £1.80m against the London Peer group and £1.87m against the Local Authority average.

4.5.3 The Council’s credit risk, at 1.74 was lower (better) than the London Peer Group at 2.66 and lower than the Local Authority Group at 2.72. This lower average is due to the Council moving away from investing in banks and other financial institutions and investing more with other Local Authorities.

4.5.4 Chart 3 illustrates the Council’s return against the upper and lower banding levels. The Council has a high overall return (the highest when compared to the Local Authority group), but it is under the model banding given the longer-term duration the

Council has taken. Although this is disappointing, the Council had a significant cash balance of £346.95m as at 31 March 2020 as it borrowed £80m in February and March to fund the IAS. It is expected that a number of deposits investments will mature in the early part of 2020/21 and there are also a number of stepped deposits that will increase in early April (deposits where the return increases each year) and will help improve the return. As a result, it is expected that the average return will increase to above the banding by June 2020. The Council's treasury return is indicated in the chart below:

Chart 3: Advisor's benchmarking data as at 31 March 2020



4.6 Table 4: Investments held by the Council at 31 March 2020

Counterparty	Rating	Rate %	£000s	Start	End
LBBB Pension Fund	Local Authority	0.25	10,378		
Valence Primary School	Local Authority	3.50	100,000	12/02/2015	01/04/2020
Lloyds Bank Plc	A+	1.25	10,000,000	01/04/2019	01/04/2020
Northamptonshire CC	Local Authority	1.10	5,000,000	04/04/2018	03/04/2020
Plymouth City Council	Local Authority	1.40	5,000,000	03/04/2018	03/04/2020
Lloyds Bank Plc	A+	1.15	5,000,000	05/04/2017	06/04/2020
Cambridgeshire CC	Local Authority	1.35	5,000,000	04/04/2018	06/04/2020
Plymouth City Council	Local Authority	1.40	5,000,000	09/04/2018	09/04/2020
Lancashire CC	Local Authority	1.50	10,000,000	25/04/2018	24/04/2020
Dudley MBC	Local Authority	1.30	5,000,000	27/04/2018	27/04/2020
Lloyds Bank Plc	A+	0.90	5,000,000	15/06/2017	15/06/2020
Lloyds Bank Plc	A+	1.10	5,000,000	30/06/2017	30/06/2020
Lloyds Bank Plc	A+	1.25	10,000,000	04/07/2019	06/07/2020
Lloyds Bank Plc	A+	1.09	10,000,000	14/07/2017	14/07/2020

Lloyds Bank Plc	A+	1.10	10,000,000	07/08/2019	07/08/2020
Warrington BC	Local Authority	0.92	20,000,000	08/09/2017	08/09/2020
Lloyds Bank Plc	A+	1.14	5,000,000	19/09/2017	18/09/2020
Barnsley Mbc	Local Authority	0.94	3,000,000	21/09/2017	21/09/2020
Lancashire CC	Local Authority	1.00	5,000,000	01/11/2017	21/09/2020
Lancashire CC	Local Authority	1.35	5,000,000	24/09/2018	24/09/2020
Torfaen County BC	Local Authority	2.50	5,000,000	30/03/2020	30/09/2020
Northumberland CC	Local Authority	1.04	10,000,000	28/04/2017	28/10/2020
Doncaster Mbc	Local Authority	1.10	5,000,000	06/11/2017	06/11/2020
Lancashire CC	Local Authority	1.45	10,000,000	15/11/2018	16/11/2020
Lancashire CC	Local Authority	1.35	10,000,000	23/11/2018	23/11/2020
Lancashire CC	Local Authority	1.16	5,000,000	27/11/2017	27/11/2020
Lloyds Bank Plc	A+	1.24	5,000,000	05/12/2017	07/12/2020
Lloyds Bank Plc	A+	1.16	4,500,000	19/12/2017	21/12/2020
Darlington bc	Local Authority	1.45	5,000,000	20/12/2018	21/12/2020
L B Newham	Local Authority	1.20	8,000,000	12/01/2018	12/01/2021
Cambridgeshire CC	Local Authority	1.50	10,000,000	06/04/2018	06/04/2021
Medway Council	Local Authority	1.50	10,000,000	16/10/2018	16/04/2021
South Ayrshire Council	Local Authority	1.55	5,000,000	22/10/2018	22/04/2021
L B Croydon	Local Authority	1.40	10,000,000	24/04/2018	23/04/2021
Wokingham BC	Local Authority	1.55	10,000,000	30/01/2019	30/07/2021
Sedgemoor DC	Local Authority	1.08	5,000,000	20/08/2019	20/08/2021
Lloyds Bank Plc	A+	1.48	10,000,000	31/08/2018	31/08/2021
Rugby Borough Council	Local Authority	1.80	5,000,000	18/10/2019	18/10/2021
Rugby Borough Council	Local Authority	1.80	5,000,000	15/11/2019	15/11/2021
Rugby Borough Council	Local Authority	1.60	10,000,000	25/11/2019	25/11/2021
Wokingham BC	Local Authority	1.65	15,000,000	28/01/2020	28/01/2022
Folkstone & Hythe DC	Local Authority	1.60	5,000,000	31/01/2020	31/01/2022
Lloyds Bank Plc	A+	1.59	5,500,000	18/04/2019	19/04/2022
Southwood Primary	Local Authority	3.50	56,593	28/04/2017	28/04/2022
Runnymede BC	Local Authority	1.80	5,000,000	20/12/2019	20/12/2022
Colchester BC	Local Authority	1.75	5,000,000	02/03/2020	03/01/2023
Cardiff Council	Local Authority	1.75	10,250,000	10/01/2020	10/01/2023
Dudley Metropolitan BC	Local Authority	1.80	10,000,000	21/02/2020	21/02/2023
Northumberland CC	Local Authority	1.80	5,000,000	27/02/2020	27/02/2023
Grafton Primary School	Local Authority	4.50	73,666	03/03/2016	03/03/2026
Gascoigne Primary	Local Authority	4.50	72,965	03/03/2016	03/03/2036
Other Balances	A+	0.05	19		
	Total Investments		346,951		

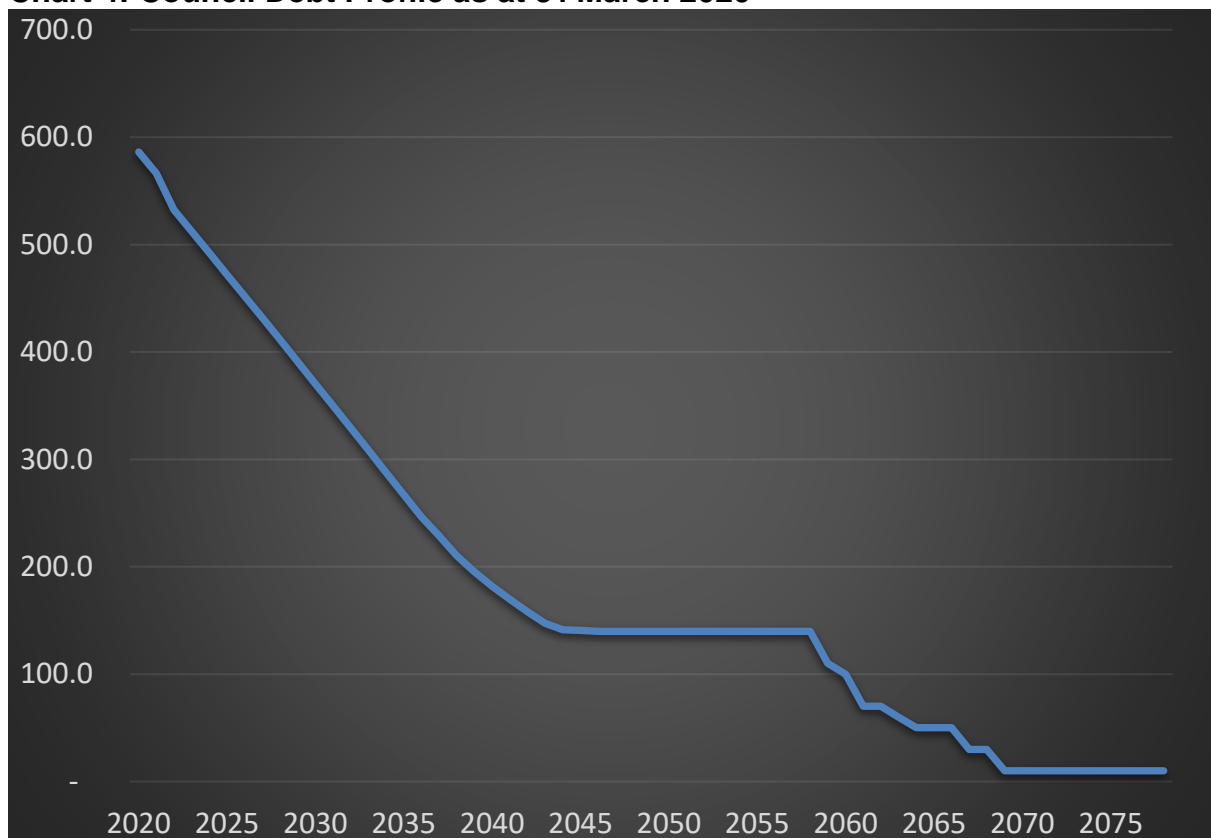
5. Borrowing in 2019/20

5.1 Council's Growth Strategy

- 5.1.1 In 2015, the Growth Commission Report – “No-one left behind: in pursuit of growth for the benefit of everyone”, recommended the establishment of a Borough-wide regeneration vehicle that would be an early statement of the Council's intent to increase the pace of regeneration of the borough.
- 5.1.2 Subsequently Be First was set up to deliver the Council's long-term strategic regeneration objectives, including enhancing economic growth and prosperity for the people of Barking and Dagenham. In addition, Be First has been charged with delivering significant financial benefits to the council by bringing forward returns in New Homes Bonus, Council Tax and NNDR, and delivering dividends to the Council.

- 5.1.3 In October 2016, Cabinet agreed an Investment and Acquisition Strategy (IAS) alongside an initial £250m investment budget and £100m land and property acquisition budget. An Investment Panel was also established and charged with managing an investment portfolio to deliver a net income of £5.1m per annum by 2020.
- 5.1.4 In 2017 the Council established a revised IAS, with a number of revised strategies taken to Cabinet each year, the last one agreed was at the September 2019 Cabinet.
- 5.1.5 During 2019/20 the Treasury Section, in consultation with the Section 151 officer, continued its strategy of building up a debt portfolio to support the Council's investment. Although the Council has significantly increasing its long-term debt by £140m, officers have sought to ensure that the borrowing matches the relevant asset life and potential repayment profile of the Council's investment portfolio. Chart 4 below summarises the GF long term debt position as at 31 March 2020, indicating the repayment profile.

Chart 4: Council Debt Profile as at 31 March 2020



5.2 Borrowing Owed as at 31 March 2020

- 5.2.1 Table 5 outlines the borrowing owed by the Council as at 31 March 2020. The table also shows the interest rate charged and the repayment date for each loan. The loans are split between HRA, General Fund Long and Short-Term Loans. The type of loan is also included, with a mixture of Annuity repayments, Equal Instalment Repayments and repayments on maturity. The Council has one LOBO loan with Dexia, which is a fixed rate loan. The large Short-term borrowing position is to cover a number of large

payments the Council will make in early 2020/21, including the purchase of the Muller site and a prepayment to the pension fund on 1 April 2020.

Table 5: Loans as at 31 March 2020

Lender	Start Date	End Date	Amount	Rate %
HRA				
PUBLIC WORKS LOAN BOARD (Maturity)	28/03/2012	28/03/2042	50,000	3.50
PUBLIC WORKS LOAN BOARD (Maturity)	28/03/2012	28/03/2062	65,912	3.48
PUBLIC WORKS LOAN BOARD (Maturity)	28/03/2012	28/03/2061	50,000	3.49
PUBLIC WORKS LOAN BOARD (Maturity)	28/03/2012	28/03/2052	50,000	3.52
PUBLIC WORKS LOAN BOARD (Maturity)	28/03/2012	28/03/2060	50,000	3.49
BARCLAYS (Maturity)	01/04/2019	30/05/2078	10,000	3.98
HRA Total LT Borrowing			275,912	
General Fund				
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	09/06/2066	20,000	2.72
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	15/12/2059	10,000	2.65
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	29/12/2059	10,000	2.49
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	29/06/2062	10,000	2.38
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	06/01/2062	10,000	2.14
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	05/04/2067	20,000	2.36
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	12/09/2040	17,826	1.98
PUBLIC WORKS LOAN BOARD (Maturity)	01/04/2019	19/06/2058	30,000	2.36
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	21/02/2036	17,778	2.38
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	07/03/2035	8,824	2.20
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	19/03/2038	18,000	2.31
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	29/05/2043	18,800	2.27
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	01/10/2039	38,095	2.38
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	30/10/2036	18,889	2.14
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	10/12/2043	19,200	2.28
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	04/02/2042	19,130	2.17
PUBLIC WORKS LOAN BOARD (EIP)	01/04/2019	26/03/2042	38,261	1.99
PUBLIC WORKS LOAN BOARD (EIP)	04/06/2019	04/06/2046	19,630	1.97
PUBLIC WORKS LOAN BOARD (EIP)	08/08/2019	08/08/2039	19,500	1.39
PUBLIC WORKS LOAN BOARD (EIP)	05/09/2019	05/09/2042	19,565	1.23
PUBLIC WORKS LOAN BOARD (Annuity)	28/02/2020	01/03/2038	20,000	2.27
PUBLIC WORKS LOAN BOARD (Annuity)	03/03/2020	03/03/2038	20,000	2.18
PUBLIC WORKS LOAN BOARD (Annuity)	10/03/2020	10/03/2040	20,000	2.06
PUBLIC WORKS LOAN BOARD (Annuity)	11/03/2020	11/03/2045	20,000	1.98
LANCASHIRE COUNTY COUNCIL (Maturity)	01/04/2019	27/02/2060	10,000	4.05
DEXIA (Maturity)	01/04/2019	30/06/2077	10,000	3.98
LANCASHIRE COUNTY COUNCIL (Maturity)	01/04/2019	26/03/2059	10,000	4.05
L1 RENEW (Annuity)	01/04/2019	01/10/2046	6,815	3.44
European Investment Bank (Annuity)	01/04/2019	31/03/2044	79,363	2.21
Total LA / PWLB			579,676	
Other Loans				
STAFFORDSHIRE PENSION FUND	29/10/2019	29/04/2020	5,000	0.90
BARNESLEY MBC	31/10/2019	30/04/2020	10,000	0.90
EXETER CITY COUNCIL	25/10/2019	27/04/2020	5,000	0.90
ST HELENS MBC	28/10/2019	28/04/2020	5,000	0.90
WIGAN METROPOLITAN BC	31/10/2019	30/04/2020	5,000	0.85
SOUTH LANARKSHIRE COUNCIL	03/01/2020	03/04/2020	10,000	0.75
NORTHERN IRELAND HOUSING EXEC	27/01/2020	27/04/2020	5,000	0.77
LANCASTER CITY COUNCIL	27/01/2020	27/04/2020	5,000	0.78

Essex CC	22/01/2020	22/05/2020	5,000	0.76
EAST NORTHAMPTONSHIRE COUNCIL	28/01/2020	28/04/2020	2,000	0.75
MIDDLESBROUGH BC	28/01/2020	28/04/2020	7,000	0.75
Essex CC	29/01/2020	29/04/2020	5,000	0.76
DACORUM BOROUGH COUNCIL	04/02/2020	24/07/2020	2,000	0.80
DACORUM BOROUGH COUNCIL	07/02/2020	24/07/2020	2,000	0.80
Staffordshire Police & Crime Commissioner	13/02/2020	13/05/2020	3,000	0.80
NORTHERN IRELAND HOUSING EXEC	14/02/2020	14/05/2020	4,000	0.85
STOKE on TRENT & STAFFORDSHIRE	19/02/2020	19/05/2020	3,000	0.88
East London Waste Authority	14/02/2020	14/05/2020	2,000	0.85
CALDERDALEMBC	17/02/2020	27/04/2020	1,600	0.80
CUMBRIA COUNTY COUNCIL	21/02/2020	24/04/2020	5,000	0.85
KETTERING BOROUGH COUNCIL	24/02/2020	26/05/2020	3,000	0.85
MIDDLESBROUGH BC	03/03/2020	04/05/2020	5,000	0.87
Portsmouth City Council	24/02/2020	01/04/2020	10,000	0.90
DEVON COUNTY COUNCIL	25/02/2020	08/04/2020	2,500	0.90
CORNWALL COUNTY COUNCIL	01/04/2019	03/04/2020	10,000	1.00
RUGBY BC	01/04/2019	09/04/2020	2,000	1.00
STEVENAGE BOROUGH COUNCIL	01/04/2019	09/04/2020	2,000	0.98
GF Total ST Borrowing			126,100	

6. Compliance with Treasury limits and Prudential Indicators

- 6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordable limits) are included in the approved Treasury Management Strategy (TMSS).
- 6.2 During the financial year to date the Council has operated within and complied with the treasury limits and Prudential Indicators set out in the Council's annual TMSS. The Council's prudential indicators are set out in Appendix 1 to this report. In 2019/20, the Council did not breach its authorised limit on borrowing of £1.152bn.
- 6.3 The Operational limit set in the 2019/20 TMSS was £1.052bn. This limit was exceeded towards the end of the financial year as borrowing increased to cover the purchase of the Muller site in Q2 of 2020. As at 31 March 2020 the total borrowing was £1.116bn.

7. Options Appraisal

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

8. Consultation

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

9. Financial Implications

Implications completed by: Katherine Heffernan, Finance Group Manager

- 9.1 This report sets out the outturn position on the Council's treasury management position and is concerned with the returns on the Council's investments as well as its short- and long-term borrowing positions. The net impact of the position is reflected in the Council's overall outturn position and the impacts into future years from borrowing and investment decisions will be incorporated into its MTFS.

10. Legal Implications

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

- 10.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor its budget during the financial year and its expenditure and income against the budget calculations. The Council sets out its treasury strategy for borrowing and an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 10.2 The Council is legally obliged to 'have regard to' the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out its functions under the Act. Furthermore, the Prudential Code emphasises that authorities can set their own prudential indicators beyond that specified in the Code where it will assist their own management processes.

11. Risk Management

- 11.1 The whole report concerns itself with the management of risks relating to the Council's cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income throughout the past year.
- 11.2 EIB funded urban regeneration programme - The urban regeneration programme will be governed by a programme delivery board established in the Regeneration department. A programme manager will be identified within the Council who will be responsible for delivering each scheme within the investment programme.

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

List of appendices:

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

The Prudential Code for Capital Investment in Local Authorities

1. Introduction

1.1 There are a number of treasury indicators which previously formed part of the Prudential Code, but which are now more appropriately linked to the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code). Local authorities are still required to “have regard” to these treasury indicators.

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

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

2. Net borrowing and the Capital Financing Requirement

2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council’s borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need;

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

2.3 Net borrowing should not therefore, except in the short term, have exceeded the Capital Financing Requirement (“CFR”) for 2019/20 plus the expected changes to the CFR over 2019/20 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2019/20.

2.4 For a number of years, the Council has used borrowing to fund its Investment and Acquisition Strategy (IAS), which is predominantly focused on the regeneration of the borough and the provision of affordable housing. Prior to any investment a scheme is appraised to ensure that it is financially viable and provides a contribution to the Council that will, at a minimum, cover its interest costs and Minimum Revenue Provision contribution, as well as pay for its management and maintenance costs. The IAS will result in a significant increase in the Council’s borrowing, but this will be supported by an asset of a similar value being built and cash flows into the Council to support the increased borrowing.

- 2.5 Once a scheme is agreed and after development starts, treasury will seek to secure the borrowing to fund the scheme at a competitive rate. As such, from time to time, the Council may hold a higher than average cash balance as it holds the borrowed amount until it is required for the investment.
- 2.6 Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.
- 2.7 **The authorised limit** – This sets the maximum level of external borrowing on a gross basis (i.e. Not net of investments) and is the statutory limit determined under Section 3 (1) of the Local Government Act 2003 (referred to in the legislation as Affordable Limit).
- 2.8 **The operational limit** – This links directly to the Council’s estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limits reflecting the most likely prudent but not worst-case scenario but without the additional headroom included within the Authorised Limit for future known capital needs now. It should act as a monitor indicator to ensure the authorised limit is not breached.
- 2.9 **Total external borrowing**, including PFI and Finance Leases as at 31 March 2020 was £1.116bn, which is lower than the Approved Authorised Limit of £1.152bn. It is higher than the Operational Boundary of £1.052bn due to a significant amount of long-term borrowing in February and March 2020 to cover the proposed purchase of the Muller site in Chadwell Heath.

3. Capital Outturn and Capital Finance Requirement for 2019/20

- 3.1 The overall capital programme is £401.930m of which £81.969m is General Fund, £234.728m Investments, £74.237m is HRA, £10.995m is Transformation and £112k for PFI. Spend against the programme is £220.804m, which is 55.0% of planned 2019/20 spend. This was largely due to underspends in the Investment Strategy and there was slippage on Culture and Heritage as well as Education programmes.
- 3.2 The HRA programme is self-financed by the HRA using a mixture of Government grants, capital receipts and HRA revenue funding. Therefore, they do not pose a pressure on the General Fund, in terms servicing the cost of borrowing. The 2019/20 Budget adjustment made related to 2018/19 underspends carried forward into 2019/20 and related to spend commitments (£5.1m). The service has spent 55% of the annual budget in 2019/20.

3.3 The 2019/20 outturn position is detailed below:

Capital Expenditure by Service	2019/20 Outturn	Mar 2020 Revised Budget	Over / (Under) spend
	£000	£000	£000
Adults Care & Support	1,989	2,241	(252)
Community Infrastructure Levy Schemes	316	466	(150)
Community Solutions	23	210	(187)
Core	1,108	3,486	(2,378)
Culture, Heritage & Recreation	1,276	10,696	(9,421)

Education, Youth and Childcare	37,417	46,561	(9,144)
Enforcement	804	2,116	(1,312)
Inclusive Growth	1,860	2,008	(148)
MyPlace	5,207	6,070	(862)
Public Realm	6,104	7,571	(1,468)
Service Development and Integration	(199)	-	(199)
Section 106 Schemes	250	544	(294)
Investment and Acquisition Strategy	119,153	234,728	(115,576)
HRA	41,136	74,237	(33,101)
Transformation	4,248	10,995	(6,747)
Add: PFI Additions (lifecycle costs)	112	112	
Approved Capital Programme	220,804	402,042	(181,238)
Financed by:			
Grants	51,658		
Section 106	293		
CIL	382		
Capital Receipts	3,625		
HRA Contributions	29,166		
Sub-Total	85,124		
Net financing need for the year	135,680		
Prudential Indicator – Capital Financing Requirement			
Opening CFR as at 31 March 2019	742,629	743,333	(704)
CFR – General Fund	577,711	630,559	(52,848)
CFR – Housing	290,442	278,472	(11,970)
Total CFR as at 31 March 2020	868,153	909,031	(40,878)
Net movement in CFR	125,524	165,698	(40,174)
Net financing need for the year	135,680	175,900	(40,220)
Less: MRP/VRP	(10,156)	(10,202)	46
Movement in CFR	125,524	165,698	(40,174)
Long & Short-Term Borrowing	981,688	910,000	71,688
PFI and finance lease liabilities	133,956	134,000	(44)
Total debt 31 March 2020	1,115,644	1,044,000	71,644
Operational Boundary	1,052,000	1,052,000	0
Authorised Limit	1,152,000	1,152,000	0

4. Affordability Prudential Indicators.

- 4.1 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.
- 4.2 The ratio of financing costs to net revenue stream. This indicator identifies the cost of capital (borrowing and MRP net of investment income) against the net revenue stream. For 2019/20 this was 5.75%, with most of the cost being MRP. In future the interest payable is likely to increase significantly as the Council continues to borrow and the treasury income is likely to reduce as cash balances are reduced. There is forecast to be a significant increase in investment income.

Table 2: Ratio of financing costs to net revenue stream 2019/20

General Fund Cost of Capital	2019/20 Actual
Net General Fund Base Budget	148,820
Cost of Capital	
GF Interest Payable	12,374
Treasury Income	- 7,746
Investment Income	- 3,799
MRP	7,731
Net Cost of Capital	8,560
Financing Cost to Net Revenue	5.75%

5. Limits for Fixed and Variable Interest Exposure

- 5.1 The following prudential indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.
- 5.2 The Council's existing level of fixed interest rate exposure is 100.0% and variable rate exposure is 0.0%. The high fixed interest rate is as a result of locking in low long-term rates for the HRA borrowing and for the IAS, which invests in property, which requires certainty over the cost of borrowing. Table 3 shows the fixed and variable interest rate exposure.

Table 3: Fixed and variable rate exposure 2019/20 to 2021/22

Interest Rate Exposures	2019/20	2020/21	2021/22
	Actual	Estimate	Estimate
	%	%	%
Upper limit for fixed interest rate exposure	100.0	100.0	100.0
Upper limit for variable interest rate exposure	70.0	70.0	70.0

6. Maturity Structure of Fixed Rate Borrowing

This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period. The majority of General Fund borrowing is either equal instalment repayment or annuity repayment, which means that each year a part of the loan is repaid. Table 4 summarises the borrowing structure based on £981.688m of long and short-term borrowing.

Table 4: Borrowing as at 31 March 2020

Maturity structure of fixed interest rate borrowing 2019/20			
	Actual Position	Lower	Upper
Under 12 months	14.88%	0%	40%
12 months to 2 years	3.46%	0%	60%
2 years to 5 years	6.14%	0%	70%
5 years to 10 years	10.35%	0%	70%
10 years and above	65.17%	0%	100%

7. Investments over 364 days

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

Maximum principal sums invested > 364 days £'000s	2019/20 £000's Actual	2020/21 £000's Estimate	2021/22 £000's Estimate
Principal sums invested > 364 days	350,000	250,000	200,000

8.1 Summary Assessment

- 8.1 The outturn position is set out above in respect of the Prudential Indicators approved by Assembly in February 2019.
- 8.2 The outturn figures confirm that the limits and controls set for 2019/20 were applied throughout the year, and that the treasury management function adhered to the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability. The treasury management indicators were regularly monitored throughout 2019/20.

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Glossary of Terms

1. **Authorised Limit** –represents the limit beyond which borrowing is prohibited, and needs to be set and revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.
2. **Bank Rate** – the rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.
3. **Counterparty** – the other party involved in a borrowing or investment transaction.
4. **Capital Financing Requirement (CFR)** – the level of capital expenditure to be financed from borrowing.
5. **Liquidity** – The ability of an asset to be converted into cash quickly and without any price discount. The more liquid a business is, the better able it is to meet short term financial obligations.
6. **LIBID** – London Interbank Bid Rate - The interest rate at which London banks ask to pay for borrowing Eurocurrencies from other banks. Unlike LIBOR, which is the rate at which banks lend money, LIBID is the rate at which banks ask to borrow. It is not set by anybody or organisation, but is calculated as the average of the interest rates at which London banks bid for borrowed Eurocurrency funds from other banks. It is also the interest rate London banks pay for deposits from other banks.
7. **LOBO** (Lenders Option Borrowers Option) - Long term borrowing deals structured which usually has a short, initial period (anything from 1 year to 7 years), followed by a “step rate” to a higher rate of interest (the “back end” interest rate), which is to be charged for the remainder of the loan period.

The overall length of LOBO’s is usually 50 or 60 years but can be shorter or longer periods. After the “step up” date, and at set intervals thereafter, the lender (the bank) has the option of increasing the “back end” interest rate. Whenever this option is exercised, if the proposed new rate is unacceptable, the borrower (The Council) can redeem the loan without penalty.
8. **Monetary Policy Committee** – independent body which determines the Bank Rate.
9. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an early warning indicator to ensure the Authorised Limit is not breached.
10. **Prudential Code** – The Local Government Act 2003 requires the Council to ‘have due regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

11. PWLB – Public Works Loan Board. An institution managed by the Government to provide loans to public bodies at rates which reflect the rates at which the government is able to sell gilts.

CABINET

16 June 2020

Title: Fire Safety Policy Annual Report	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Tania Peart, Head of Contract Management, Compliance and Quality; Francesco La Torre, Principal Quality and Compliance Manager; Ross Graham, Strategy & Commissioning Officer, Inclusive Growth.	Contact Details: E-mail: tania.peart@lbbd.gov.uk E-mail: francesco.latorre@lbbd.gov.uk
Accountable Director: Lisa Keating, Director of My Place	
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive and Chief Operating Officer	
<p>Summary</p> <p>This report provides Cabinet with an annual report of fire safety issues in the Council's role as a corporate and residential landlord. Updates are provided on fire safety issues, including:</p> <ul style="list-style-type: none"> • Progress against Cabinet 2017 recommendations • Fire Safety Capital investment • Fire doors replacement programme • Compartmentation and stay put policy • Fire suppression and sprinkler systems • Combustible materials on external walls • Resident engagement • Communal areas • National fire safety policy and reform • Metal gates and grilles <p>The update is contained in section 2.</p> <p>The annual report also asks Cabinet to agree three new fire safety policy proposals relating to the risk caused by items in communal areas. These are designed to strengthen the fire safety management and control of residential and corporate buildings.</p> <p>The proposals are as follows:</p> <ol style="list-style-type: none"> 1. Overall Management of Communal areas: introduce a 'Zero Tolerance' policy for all Council low-rise, medium-rise and high-rise blocks and a 'Managed Use' Policy for Extra Care and Part 2 Sheltered Accommodation. This means that no items will 	

be allowed to be kept in the communal areas of Council low-rise, medium-rise and high-rise blocks and that some items will be allowed to be kept in the communal areas of the Sheltered Accommodation buildings when agreed by the Council on a risk-based approach.

- 2. Management of works:** introduce a 'permit to work in residential buildings' for external utilities companies and other contractors to set expectations around their fire safety responsibilities, preventing them from causing fire safety breaches such as leaving waste generated by their work in the buildings' protected areas such as electrical intake cupboards.
- 3. Use and storage of mobility scooters:** introduce a 'mobility scooters in communal areas policy' to regulate the use and storage of mobility scooters in Council buildings, with a new requirement that the Council must be satisfied that a scooter can be stored and charged in a safe location. This will apply to current and new owners of mobility scooters and includes Council tenants, leaseholders and tenants of leaseholders. This is to protect residents from the risk of fire associated with the storage and charging of Mobility Scooters and powered wheelchairs in communal areas and prevent the potential blockage of protected fire escape routes.

The detail of these proposals and options considered is set out below. The proposals are set out beginning at section 3.

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the fire safety updates provided in the report and feedback as appropriate;
- (ii) Agree the introduction of a 'Zero Tolerance' policy for the management of all Council low-rise, medium-rise and high-rise blocks communal areas and a 'Managed Use' policy for Extra Care and Part 2 Sheltered Accommodation schemes with communal lounges and kitchens, as detailed in section 3.2 of the report;
- (iii) Agree the introduction of a Permit to Work in LBBB Residential Buildings scheme for utilities companies and contractors, as detailed in section 3.3 and Appendix 3 to the report; and
- (iv) Agree the introduction of a Mobility Scooters in Shared Communal Areas Policy, as detailed in section 3.4 and Appendix 1 to the report.

Reason(s)

The updates and proposals in this report support the Council's new strategic framework, as included in the new Corporate plan for 2020-2022:

- **Participation and Engagement:** The proposals included in this policy support this Council priority because by creating a safer place for people to live in, we can encourage and empower residents to take pride of the place they live and engage in their community.

- **Prevention, Independence and Resilience:** The proposals included in this policy supports the this priority by protecting life and resident health in preventing exposure to the consequences of fire and hazardous fumes that could cause death or life long-lasting physical and psychological injuries and impact of people’s quality of life
- **Inclusive Growth-**The proposals included in this policy supports the above Council priority by ensuring our assets are sustainable and inclusive, supporting the well-being of all of our residents.

1. Introduction and Background

- 1.1 Fire Safety management in residential blocks and public and commercial buildings is a high priority for the Council. In 2017, My Place was launched and effectively became the managing agent for LBBB land, property and infrastructure assets – a £2bn mixed portfolio that includes 18,000 residential and commercial properties, schools, parks, community centres, roads and pavements.
- 1.2 The Regulator Reform (Fire safety) Order 2005 (RRO) is the key piece of relevant *legislation* and places responsibilities on the Duty Holder (LBBB) to manage fire safety in premises under their control by:
- Taking such general fire precautions as will ensure, so far as is reasonably practical, the safety of any of his or her employees; and in relation to relevant persons who are not his or her employees, take such general fire precaution as may reasonably be required in the circumstances to ensure that premises are safe.
 - Take a suitable and sufficient assessment of the fire risks to which relevant persons are exposed for the purpose of identifying the general fire precaution that the Council needs to take to comply with the requirements and prohibitions imposed by this order.
- 1.3 To comply with these regulations, LBBB’s Fire Safety strategy has three objectives:
- Reduce the risk to life and personal injury to residents, fire fighters and employees;
 - Protect properties and businesses;
 - Prevent environmental damage.

Fire Safety management policy is designed to ensure these aims are met.

- 1.4 My Place’s last full Fire Safety report was presented to Cabinet in autumn 2017. At this meeting, Cabinet recommended the following:
- that the Council publishes forward programmes of Fire Risk Assessments (FRAs) on its website.
 - that the Council publishes a summary of the findings for each FRA on its website.

- that the Council present further annual Fire Safety update reports to Cabinet on the progress and any new significant findings and recommendations related to Fire Safety.

1.5 This report is the first full annual report since 2017 and is submitted in part to satisfy the third Cabinet recommendation from 2017.

1.6 The report first updates Cabinet on fire safety actions since the 2017 report. It then goes on to propose three new fire safety polices for Cabinet approval.

2. Fire Safety update

2.1 The following updates provides Cabinet with an update on preventative actions and investment put in place to respond to Central Government revised fire safety legislation and findings and recommendations from the Grenfell Tower fire investigation. These updates cover a number of fire safety policy issues:

2.2 Progress update against 2017 Cabinet recommendations

2.2.1 Agree that the Council publishes a forward programme of Fire Risk Assessments (FRAs) FRAs on its website.

- Since the last report, My Place has set up a programme of FRAs and FRAs short version copy to be published on the Council website. The programme has been prioritised based on the Risk Rating Assessments and key findings and recommendations arising from the Grenfell Tower Fire Incident investigations. The programme includes:

- Stage 1 (High priority): all High-rise blocks 18m high and above
 - Published short version of the FRAs for all 18m high and above blocks are on the Council Web Site.
 - Increased frequency of Fire Risk Assessment for block 18m high and above, from yearly to a quarterly FRAs.
 - Introduced level 3 and 4 intrusive Fire Risk Assessment inside Voids flats, to test the compartmentation between the inside of the flats into the communal areas of the blocks and between flats.
- Stage 2 (Medium Priority): all Sheltered accommodation residential buildings
 - This is now in place. Full copy of the individual block FRAs are made available on request.
- Stage 3 (Low Priority): all Low-rise blocks below 18m high
 - This is planned to start in September 2020. Full copy of the individual block FRAs are made available on request.

- All FRAs and associated documents can be found here:
<https://www.lbbd.gov.uk/fire-safety>

2.2.2 Agree that the Council publishes a summary of the findings for each FRA on its website.

- Completed, as referenced above.

2.2.3 Agree that the Cabinet be presented with an annual report on fire safety issues.

- Completed with the submission of this document.

2.3 Capital Investment

2.3.1 In 2019/20 financial year the Council ringfenced £6.3 million capital budget for Fire Safety improvement programmes in residential blocks. As per the following table:

	Fire Safety projects	19/20 Budget
Communal / Compliance	Fire Safety (compartmentation)	£550,000
Communal / Compliance	Fire Safety (Bradwell & Terling)	£100,000*
Communal / Compliance	Fire Safety (firefighting signage)	£350,000
Communal / Compliance	Fire Safety (emergency lighting)	£200,000*
Communal / Compliance	Fire Safety removal of internal pram sheds (Longbridge Road)	£300,000*
Communal / Compliance	Fire Safety (Sprinkler systems) and Mobility Scooters external Storage and Charging Units -Sheltered Accommodation.	£700,000*
Communal / Compliance	Fire Doors (Blocks) 1,400 properties identified in 2018/19 requiring new fire doors.	£3,800,000*
	Total	£6,300,000*
	Spent	£1,300,000

*underspend due to Central Gov decision regarding choice of Fire Doors being delayed to Oct 19 and schemes joined with other capital works planned for 20/21

2.3.2 A further £17 million of Capital budget has been ringfenced for external works project to improve the external and internal communal areas components of the buildings to enhance the safety and quality of the external and internal fabric of residential buildings stock around the borough.

2.3.3 New funding £2.0m is included in the programme for 2020/21 to build extra mobility scooter storage units, sprinkler systems, fire doors and compartmentation of fire escape routes.

2.4 Fire door replacement capital programme

2.4.1 Fire doors have two critical functions; a well-designed fire door will delay the spread of fire and smoke and to provide fire protection consistent with the latest Building Regulation and fire safety standards. When closed they form a barrier to stop the spread of fire and smoke and when opened they provide a means of escape.

2.4.2 The Council has ringfenced £3.8m Capital budget to finance the replacement programme of fire door and frames to communal areas and flats front doors and frames to meet current building regulation standard on a risk-based approach, with high-rise blocks and low-rise blocks highlighted by the LFB as top priority.

2.4.3 The first tranche of door and frames replacement includes 1,411 FD30S Fire doors and frames (30 minutes fire and smoke resistant doors installed of the flats front doors) and FD60S Fire doors and frames (60 minutes fire and smoke resistant doors installed in the protected fire escape routes in communal areas).

2.4.4 Work has started on the replacement of the fire door and frames in table one:

Sites	No of flats	No of flats door and frames	No of communal door and frames	Total No of door and frames	Estimated Completion date
Braintree Road Low Rise	72	72	10	82	March 2020
Peverel House High Rise	93	93	118	211	November 2020
Hawkwell House High Rise	93	93	116	209	November 2020
Laburnum House High Rise	93	93	119	212	November 2020
Total	351	351	363	714	November 2020

2.4.5 The replacement of fire doors and frames in LOT-2 have been programmed to start in October 2020 and estimated completion date March 2021:

LOT-2 Sites	No of flats	No of flats door and frames	No of communal door and frames	Total No of door and frames	Estimated Completion date
Parkside House High Rise	101	101	121	222	March 2021
Thaxted House High Rise	96	96	114	210	March 2021
Millard Terrace	108	108	157	265	March 2021
Total	305	305	392	697	March 2021

2.4.6 **Quality assurance:** In choosing the door and frames for this programme, My Place has considered several door manufacturers to ensure that they meet the Council standards, current building regulation and national agreed Code of Practice standards. The doors and frames chosen will be a hardwood timber door and carry a third-party certification on the following requirements:

- **Fire and smoke resistance:** All door and frame sets within the scope of this project have a test evidence demonstrating that they meet the performance requirement in the Building Regulations guidance for fire resistance and smoke control from both sides and an independent (UKAS or the equivalent) Third-Party certification.
- **Installation:** The door and frame sets will be installed by independent third-party (UKAS or the equivalent) certified installers, referring to the manufacturer's installation instruction installation/installer and must provide a Third-Party certification.
- **Security:** The Fire door and frame sets to flat front entrance doors meet the Police "Secure by Design" (SBD) certification and thermal transmittance and acoustics certification to a British Standard PAS24:2012.

- **Repairs:** Lifelong Repair and Maintenance of the door and frame sets will be carried out by a Third-Party (UKAS or the equivalent) certified operatives in accordance to the Doors Manufacture maintenance guidance.

2.5 **Compartmentation & Stay put policy**

- 2.5.1 In line with current fire safety guidance, LBBB has continued to adopt a stay put strategy for all its high, medium, and low-rise residential blocks and sheltered accommodation buildings and have focussed skills and resources to achieve the set aims.
- 2.5.2 All buildings have an 8-step fire escape plan displayed in the communal areas of the blocks. LBBB has also issued a hard copy of the plan to each flat within the blocks guiding the residents on what to do in case of fire, either in their flats or in the communal area of the blocks as well as what to do should there be a need to evacuate the building.
- 2.5.3 The control and prevention of spread of fire, relies on a robust compartmentation of the flats and communal areas compartments. The strategy gives a high priority and investment through the capital programme and responsive repair maintenance programme to achieve effective maintenance and protection of vertical and horizontal compartments of the blocks including the protection of fire-fighting shafts and fire-fighting lifts structurally designed to maintain up to a two-hours of fire protection.
- 2.5.4 The design of the new fire doors will create horizontal evacuation fire resistant refuge zones on each floor of the high-rise blocks. Residents with medical conditions/restricted mobility and wheelchair users will be able to evacuate from their flat into a fire safety refuge zone on the opposite side the landing protected by fire and smoke resistant doors or in the protected fire escape staircases.
- 2.5.5 Other controls in place include:
- All high-rise blocks (18m and above) are cleaned five days per week and H&S cleaning on Saturday and Sunday and all low-rise blocks are cleaned once a week by the caretaking Service.
 - Landlord Service Officers are carrying out quarterly Health and Safety and fire safety estate and block inspections.
 - My Place quality and assurance officers carry out quarterly fire risk assessments (FRA) for all high-rise blocks, and yearly fire risk assessments for all low-rise blocks. This frequency and level of FRA exceeds the legal requirement. Officers believe that LBBB is one of few Councils in UK that are carrying out assessments this frequently.

2.6 **Automatic fire suppression system**

- 2.6.1 The Council is working in partnership with the London Fire Brigade on a range of joint fire prevention initiatives, including the installation of automatic fire suppression systems in residential Building: sprinklers. So far, the Council has retrofitted

sprinklers to the following extra care and sheltered accommodation communal areas and flats:

- Millicent Preston (Part 2.5 Extra Care Scheme)
- George Crouch (Part 2.5 Extra Care Scheme)
- Ted Hennan (Part 2.5 Extra Care Scheme)
- Dunchurch House (Part 2 Standard care Scheme).

2.6.2 The Council has also installed fire sprinkler inside the properties in the following new-build properties:

- 21-22 Earls Walk (Bungalows)
- 1-5 Margaret Bondfield (Bungalows)
- Porters Mews (Bungalows)
- 1-20 Newbury Close (Bungalows)
- Mill Point (15-Storey block).

2.6.3 In 2017, the council was awarded a further £200,000 grant from the LFB for the installation of Sprinklers in sheltered accommodation schemes. The council then match funded this grant to make a total of £422,000 to finance the installation of sprinkler systems to the following sheltered schemes:

- 2 -19 Forsters Close
- 29 - 46 Forsters Close
- 47 - 64 Forsters Close
- 1 - 35 Catherine Godfrey House
- 84 - 132 Dewey Road
- 134 - 180 Dewey Road.

2.6.4 Work is ongoing in liaison with the London Fire Brigade fire safety officers leading on the Sprinkler Systems. All above schemes are due to be completed by June 2020.

2.7 Use of combustible materials on external walls of high- and low-rise residential buildings

2.7.1 In November 2018, the Government banned the use of use of combustible materials will not be permitted on the external walls of new buildings over 18 meters containing flats, as well as new hospitals, residential care premises, dormitories in boarding schools and student accommodation over 18 meters.

2.7.2 In response to these regulations, My Place carried out and audit of all residential, commercial and corporate buildings with cladding in place. The audit identified four Council high-rise residential blocks which have undergone refurbishment in the past 10 years. The refurbishment included an external fabric designed to improve the thermal insulation of the buildings. However, the fabric is not ACM or combustible material.

2.7.3 My Place has also reviewed the Employer Requirement (ER) specification for the new buildings. Within the specification, the Council has prohibited the use of any combustible material in the design of any external cladding, including the use of any

combustible material in the design of external balconies regardless the height of the building.

2.7.4 My Place is continuing to work with LFB and with private residential building owners, to provide help and support. In July 2019, MHCLG asked all local housing authorities to identify all external wall materials and insulation on all high-rise residential buildings (18 metres and over) including private residential buildings in their borough. My Place was given the task to carry the audit and provide MHCLG with the data requested by the 31st of March 2020. In March 2020, we completed the audit of 68 buildings within the borough (37 LBBB buildings and 31 private buildings) and provided the data for each building to on the Delta data collection system set up by MHCLG.

2.7.5 Going forward the Council will continue to respond to any guidance and recommendations made by MHCLG. The council will also continue to work with LFB, London Councils and other field expert leaders to ensure that best practice and legal requirements are applied, and updated standards set out in the new building regulations to achieve full compliance via a resilient inspection and compliance regime.

2.8 Resident engagement

2.8.1 In the months following the Grenfell Tower fire My Place carried out a joint reassurance visits to all high-rise blocks in the borough with the LFB, the Police and Secure by Design Team. The aim of this initiative was to reassure residents and provide professional advice on how to prevent fire and stay safe in their home.

2.8.2 Following the success of the above initiative, My Place is currently working with Barking and Dagenham Fire Station Manager and Borough Commander and the Police to carry out similar visits to all high-rise blocks to continue to provide reassurance and maintain residents awareness on how to prevent fires. Due to current Covid19 associated risk, a joint decision has been taken with LFB to postpone the visits until Government further guidance.

2.8.3 My Place has also carried out presentations to Barking and Dagenham forums on fire safety, (the Borough Commander also attended the Barking Forum) and used the opportunity of LBBB summer festivals, to have a marquee on site and provided fire safety awareness and distributed a “fire safety in your home” LBBB leaflets.

2.8.4 A copy of the LBBB Fire Escape plan and LBBB fire safety in your home leaflet has been hand delivered to all flats in high-rise blocks.

2.8.5 My place is currently working with the Council Comms team to produce a “Resident Fire Safety Pack” that will be delivered to each block and will be published on the Council Web site.

2.9 Communal areas

2.9.1 Items stored in communal areas of residential buildings can pose a major fire risk. Items made of plastic, foam and other highly combustible materials that can produce intensive heat and toxic smoke/fumes that can kill, or cause life changing injuries should there be a fire in the block. The items can also provide a fuel for any

potential arsonist. In addition, items in communal areas can block or obstruct fire escape routes for all residents.

2.9.2 Unrestricted and unmanaged use of common areas creates an unacceptable fire risk and prevents the Council discharging its legal duties under the fire safety order and could lead to legal prosecution and manslaughter charges taken against the Council by the enforcement authorities.

2.9.3 Fire Risk Assessments completed by My Place has highlighted this as a concern in our residential builds. My Place has reviewed LBBB's approach to managing fire risk in communal areas and has concluded that new policies should be introduced. These are discussed in section three.

2.10 **National fire safety policy and reform**

2.10.1 My Place will bring a further report to Cabinet on the Council's response and action taken following Dame Judith Hackitt's independent review of building regulations and fire safety published in 2018.

2.10.2 This report will also detail My Place's action against the 46 recommendations made following the Grenfell Tower Inquiry Phase 1, and any new emerging fire safety legislation contained in the new Government Fire Safety Bill. The Fire Safety Bill 2019-21 was presented to Parliament by the Government on the 19 March 2020 for the first reading. As of May 2020, the Bill has passed through second reading and is currently at Committee stage.

2.11 **Metal gates and grilles**

2.11.1 Just before My Place was launched in 2017 officers carried out an audit of all metal gates installed by tenants, leaseholders and tenants of leaseholders in Council blocks. The audit identified approx. 700 metal gates.

2.11.2 Following this, we wrote to all tenants and leaseholders and asked for the gates to be removed, as they are a breach of tenancy/leaseholder agreement because the gates were installed on the Council's part of the wall without the Council's permission.

2.11.3 Since the start of this project we removed approx. 600 metal gates. They were removed either by the tenants and leaseholders or by us free of charge at their request.

2.11.4 The LFB have not firmly stated a particular approach however they note that any metal grills/gate on the fire escape routes would delay the time taken to respond to a fire. However, the guidance reminds us that the landlord is responsible for building safety and compliance with the Fire Safety Order (as per LFB Fire Safety Guidance Note GN11).

2.11.5 Our specification of the design for new fire doors and frames that we are installing includes a requirement of a "Secure by Design" standard doors. This will replace the existing doors with a more secure doors to national standard and give us the opportunity to remove some of the gates during the replacement of the fire door

capital programme. This should help to address residents' understandable concerns around security.

2.11.6 A high number of the remaining gates are in the Gascoigne regeneration high rise blocks that are due to be demolished which will also help to reduce the number of gates left. We are also removing gates as part of void works.

2.11.7 My Place are planning to carry out a further audit of the remaining gates in late summer/ autumn and decide on how to progress with any remaining gates.

3. Policy proposals

3.1 The following proposals are presented for Cabinet approval, in order to improve My Place's management of fire risk in communal areas. Each proposal is set out in turn.

3.2 Proposal 1: Overall Management of Communal areas

3.2.1 Unrestricted and unmanaged use of commons areas creates an unacceptable fire risk and prevents the Council discharging its legal duties under the fire safety orders

3.2.2 In order to mitigate this, the Council requires an overall policy direction for the management of communal areas. There are two policy options available: a '**zero tolerance**' approach and a '**managed use**' approach.

3.2.3 A '**zero tolerance**' approach means that communal areas must be a sterile environment and kept free of combustible material, ignition sources and obstructions. In practice, this means that no items should be stored in communal areas. A '**managed use**' approach means that some items can be kept in communal areas, if agreed by the Council. This approach allows controlled use of communal areas and limits the items allowed to be kept controlling fire load and ease of ignition. It also includes strict conditions on where such items can be kept on a risk-based approach.

3.2.4 The My Place proposal is that the Council should operate a zero-tolerance approach for all Council low-rise, medium-rise, and high-rise blocks and operate a managed use policy for extra care and part 2 sheltered accommodation.

3.2.5 This managed approach for extra care and part 2 sheltered is because these buildings have an integral communal hall, kitchen, living room, and access to each flat is via an internal communal corridors, stairs and lifts. Part 1.5 sheltered accommodation is a lower level of need, more similar to general needs, and will be included in the zero-tolerance policy.

3.2.6 Should Cabinet approve these measures, My Place will commence an implementation plan which will consist of:

- Clear notices installed on each floor of the blocks informing all residents of the policy.
- A letter sent to all Tenants and Leaseholders confirming in writing the new Council policy approach on items stored in the communal areas of the blocks.

- Items left in the communal areas would be in breach of the policy and will be removed by the Council without any further notice.
- The items will be stored in Council garages allocated for this Policy for a period of 7 days maximum.
- If no claim is made after the 7th day, the items will be disposed of, and any costs incurred will be charged against the tenants/leaseholders.
- If the property is claimed back by the Tenant / Leaseholder, any cost incurred for storage and officer times, will be charged against the tenants/leaseholders.
- For repeat offenders, the Council will also consider legal procedure against their Tenancy /Lease agreement.

3.3 Proposal 2: Management of works

- 3.3.1 The FRAs conducted by My Place since 2017 highlighted the fire risk relating to communal areas and the work of external contractors. This is because sometimes utilities companies and other external contractors may leave rubbish in communal areas, remove cable metal box covers and leave cables unprotected. All of this causes significant fire risk.
- 3.3.2 To mitigate this risk, My Place is proposing to introduce a 'permit to work in LBBB residential buildings' for all contractors and utilities companies that carry out work in residential blocks. This permit enables them to work in a Council building and informs them of Council expectations in relation to fire safety.
- 3.3.3 If approved by Cabinet, this permit will be implemented following the steps below:
- The Council will notify all utilities companies, contractors commissioned by Be First, BDMS, My Place and all Tenants and Leaseholders that live in the blocks of the new permit requirement.
 - Before accessing the block, contractors, utilities companies must apply for and obtain a council written permit to access the block to carryout work. Access will be refused if a permit has not been approved.
 - Residents must also apply for a permit if they commission any utilities company to carryout work to their flats that will require access to restricted areas of the block.
 - Any damaged caused by the work and the cost of rectifying the damage will be recovered against the contractors, utility companies or Tenants and Leaseholders if they commissioned the work to their flat.
 - The Council will refuse access to the blocks for persistent offenders.

3.4 Proposal 3: Use and storage of mobility scooters

- 3.4.1 There are several risks associated with the use and storage of mobility scooters in communal areas. This ranges from significant fire safety risk to third party liability for injuries caused to others. Nationally there have been several serious fire incidents and loss of life caused by fire from mobility scooters.
- 3.4.2 Some mobility scooters components are made of plastic, foam, and several other highly combustible materials that can produce intensive heat and toxic smoke/fumes. This can kill, or cause life changing injuries should there be a fire in the residential buildings. The electrical wiring of the scooters can also provide the

spark to start a fire and a fuel for any potential arsonist. In addition, mobility scooters stored in communal areas can block escape routes.

3.4.3 To mitigate this risk, the My Place is proposing to introduce a 'mobility scooters in communal areas policy' to regulate the use and storage of mobility scooters in Council buildings, with a new requirement for Council tenants, leaseholders and tenants of leaseholders that the Council must be satisfied a scooter can be stored and charged in a safe location. This will either be in a storage unit, or in their own residence. Scooters should not be stored in communal areas.

3.4.4 In order for the Council to agree a scooter can be used and stored safely, current and new owners must apply to the Head of Landlord services in My Place. The Council is committed to working with every resident to make sure their scooter can be stored safely. To enable this, My Place has completed the following works to create storage capacity (full details on this are included in the mobility scooter policy equality impact assessment):

- 48 mobility scooter storage and charging units have been built across all extra care sheltered accommodation buildings.
- 2 mobility scooters storage and charging units have been built in two low rise blocks.
- 1 adaption to a security door entrance to block of flats been carried out to facilitate the automatic opening the door and easy access for a powered wheelchair user.
- 11 new storage and charging units have been completed in 2019 and 7 more unit will be completed by the end of April 2020 in sheltered accommodation buildings.
- Within 2020/21 capital programme, the Council has invested a further capital budget to build mobility scooter storage facilities in another 5 sheltered accommodation sites.
- The council is carrying out an audit of all storage areas on the ground floor of the block of flats to explore the option to convert it into bikes, pram and mobility scooter storage facilities.
- Should there be a need to evacuate the building, we want to ensure that all our residents can leave the building safely in the event of a fire or other emergency
- We are writing to all residents that live in blocks to ask whether they need a Personal Emergency Evacuation Plan (PEEP) to make sure that they can leave the building safely in the event of an emergency.
- The council is investing £3.5m per year to replace all fire doors to flats front door and the communal areas of the blocks the design of the new doors will create a horizontal fire safety refuge zones on each floor of the high-rise block to enable wheelchair users, resident with medical condition restricting their mobility.

3.4.5 Should a person still be unable to charge their scooter safely despite these mitigations, the Council is committed to working with people on a case by case basis with the possibility of flexing the policy provisions in exceptional circumstances.

3.4.6 If approved by Cabinet, the implementation of this policy will be as follows:

- Written notice to all residents in sheltered accommodation schemes and block of flats on the new policy on mobility scooters.

- Residents must then apply for Council consent to house a mobility scooter in the building from the Landlord Services, before purchasing the scooter.
- For any resident that does not comply with the conditions set in the policy, the Council will withdraw consent. The Council will refuse future applications for any repetitive offenders.

3.4.7 The full policy and EIA can be found at Appendices 1 and 2 respectively.

4. Policy Proposals Options Appraisal

4.1 Proposal 1: Overall Management of Communal areas

- 4.1.1 Option 1: Do nothing – option rejected due to the requirement to mitigate the fire risk in communal areas.
- 4.1.2 Option 2: a zero-tolerance policy for all buildings – rejected due to different use of communal areas in sheltered accommodation and extra care compared with general needs Council blocks.
- 4.1.3 Option 3: a managed use policy for all buildings – rejected for the same reasons as option 2.
- 4.1.4 Option 4: a zero-tolerance policy for all Council low-rise, medium-rise, and high-rise blocks and managed use policy for extra care and part 2 sheltered accommodation. This option is recommended as it balances to need to mitigate fire risk with different usage of communal areas across different kinds of accommodation.

4.2 Proposal 2: Management of works

- 4.2.1 Option 1: do nothing – rejected due to the findings of My Place fire risk assessments indicating that the activity of some external contractors completing works creates a fire risk as a result of materials being left behind, and this risk needs to be mitigated.
- 4.2.2 Option 2: introduce a permit to work in LBBB residential buildings for external works, outlining the Council's fire safety expectations. This option is recommended to mitigate the fire risk and ensure works are carried out safely.

4.3 Proposal 3: Use and storage of mobility scooters

- 4.3.1 Option 1: do nothing – option rejected due to the fire safety risk caused by the storage of mobility scooters in communal areas.
- 4.3.2 Option 2: introduce a mobility scooters in communal areas policy which stipulates that the Council must be satisfied that all mobility scooters stored and used in Council builds can be stored safely. This option is recommended to mitigate this risk and ensure fire escape routes are not blocked.

5. Policy proposals consultation

- 5.1 All of the proposals set out in this report have been consulted with:

- My Place DMT
- LBBD Assurance Board
- Cabinet Member for Regeneration and Social Housing
- Cabinet Member for Social Care and Health Integration
- Barking and Dagenham Forums
- London Fire Brigade (LFB)
- London Councils Directors Fire Safety Group
- LBBD Finance, Legal and Procurement

6. Financial Implications

Implications completed by Tony McNamara, My Place Finance Business Partner

- 6.1 The HRA capital programme set aside £6.3m in 2019/20 for Compliance improvement works of which £5.0m has been taken forward into 2020/21.
- 6.2 New funding of £2.0m is included in the programme for 2020/21 meaning that total available resources are £7.0m.
- 6.3 The budgets are on FC05006 & FC05007 and include work to fire doors. The service will need to manage all commitments against the overall fire safety budget, including fire doors to ensure resources are used efficiently.
- 6.4 There are some works timed for delivery in March 2021. Consideration will need to be given as to whether this is still achievable under the current emergency. If not, then the budget will need to be carried over into 2021/22 and a review of any external funding time limits should be explored
- 6.5 The introduction of mobility scooter storage is embedded in the budget above. The introduction of charges will generate more income however this is unlikely to be material.

7. Legal Implications

Implications completed by: Simon Scrowther, Litigation lawyer, Law & Governance.

- 7.1 The Local Government (Miscellaneous Provisions) Act 1982 gives local authorities the power to dispose of goods found on their premises, or deposited with them, when certain conditions are met. Where possible, a notice must be served on the owner or depositor. The legislation covers cases where the whereabouts of the owner are known, and notice can be served upon them, as well as situations where it is not possible to serve notice on the owner, or the owner is not known. Section 41(3) of the 1982 Act provides the following where notice can be served on the owner:
- Where the property is found on their premises, or deposited with them, the local authority can serve a notice on the owner or depositor requiring them to collect the property.
 - The notice must give the owner or depositor at least one month to collect the property.
 - If the property is not collected after one month has elapsed, the local authority becomes the legal owner and may dispose of it.

- Where the owner is not known (and notice cannot be served).
- If, on the date they come into possession of the property, the local authority forms the view that it is “impossible” to serve a notice on the owner, the property becomes theirs one month from that date; or
- If after making reasonable enquires, it appears to be impossible to serve a notice on the owner, the property becomes the local authority’s six months from the date they took possession.

7.2 Application:

- Communal areas/landings within blocks will be considered the premises of LBBB.
- In cases where LBBB can identify the whereabouts of the owner, a notice should be served under section 41(3) of the 1982 Act as soon as practicable after LBBB takes possession of any property from premises under its control. This may be by leaving a copy of the notice in the place where the item was found and/or removed from.
- LBBB will be required to give a minimum of one month’s notice to collect the items in its possession and, given the cost of storing the items, it would seem reasonable to give the minimum notice period.
- Thereafter, uncollected property may be disposed of or sold once the notice expires.
- Any notice served should give the deadline date for collection
- Where a notice can’t be served then, following reasonable enquiries, the property may be disposed after 6 months. The extent of the enquiries may depend on the assumed value of the goods that have been taken; and
- LBBB can ask that the owner of any property taken into possession to pay relevant costs before the property is released back to them. Such costs may include: Costs incurred in making reasonable enquiries for the purpose of serving a relevant notice and Costs incurred in looking after the property adequately whilst it was in our possession, including reasonable fees.

7.3 Practical Considerations:

- Consideration will need to be given as to how the Council will ensure the individuals collecting are the owners of the items – this may be by way of photographs, receipts, detailed descriptions, etc

8. Other Implications

8.1 **Risk Management** – To mitigate the Risks associated with the recommendations included in this report, My Place has consulted with legal, finance and procurement.

8.2 **Corporate Policy and Equality Impact** - My Place carried out an Equality Impact Assessment (EIA) on the proposals in line with the Council’s Equality and Diversity strategy. (Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation, Married and Civil Partnership and Pregnancy and Maternity. (Appendix 2 of this report provides a copy of EIA assessment).

The EIA found that this policy will have a low negative impact on a small number of residents that store their mobility scooter in the shared communal areas and protected fire escape routes of the buildings, as they will no longer be able to store

their scooter in these areas under the new policy. These residents are likely to have a protected characteristic relating to age, disability or both. The Council is mitigating this negative impact by building storage units and committing to work on a case by case basis with anyone experiencing this negative impact and flexing the policy if necessary.

Due to its mitigation of fire risk the policy has an overall positive impact on all protected characteristics.

The updates and proposals in this report support the Council's new strategic framework, as included in the new Corporate plan for 2020-2022:

- **Participation and Engagement:** The proposals included in this policy support this Council priority because by creating a safer place for people to live in, we can encourage and empower residents to take pride of the place they live and engage in their community.
- **Prevention, Independence and Resilience:** The proposals included in this policy supports the this priority by protecting life and resident health in preventing exposure to the consequences of fire and hazardous fumes that could cause death or life long-lasting physical and psychological injuries and impact of people's quality of life
- **Inclusive Growth:** The proposals included in this policy supports the above Council priority by ensuring our assets are sustainable and inclusive, supporting the well-being of all of our residents.

- 8.3 **Safeguarding Adults and Children** - The proposals will have a positive impact and protect adults and children from the risk of fire and prevent loss of life or life changing injuries. The aim of the proposals is to improve the quality, security and safety of the buildings and create a clean and welcoming space for adults and children.
- 8.4 **Health Issues** - Fire kills and destroy lives. The proposals included will have a positive impact on the health of the tenants and leaseholders and their families by protecting children, adults and vulnerable people from the risk of fires and risk of exposure to hazardous fumes. The proposal will also create a cleaner environment and will help preventing contamination and infection.
- 8.5 **Crime and Disorder Issues** - Some of the fire incidents, were due to arsonist using the items stored in the communal areas of the blocks as fuel. The proposals will improve the security of the buildings and remove potential fuel for arsonists.
- 8.6 **Property / Asset Issues** - The proposal will protect the buildings from damage caused by fire and smoke and the costs of repairing any damage caused by the fire. The proposals will also prevent cost of moving people out their home into a temporary accommodation.

Public Background Papers Used in the Preparation of the Report:

- LFB Fire in Communal Areas -Fire Safety Guidance Number GN 84.
- National Fire Chief Council (NFCC) Mobility Scooter Guidance for Residential Buildings.
- Dame Hackitt Building a Safer Future - Independent Review of Building Regulations and Fire Safety:

List of appendices:

- Appendix 1 - Mobility scooters in communal areas policy
- Appendix 2 - Mobility scooters equality impact assessment
- Appendix 3 - Permit to work in LBBD residential buildings
- Appendix 4 – Mobility Scooters Storage Units by Scheme

The London Borough of Barking and Dagenham
Mobility Scooters in Shared Communal Areas Policy

Policy Name:	Mobility Scooters in Shared Communal Areas Policy
Status:	3rd draft. Revised in April 2020
Approved by:	Cabinet on 15 June 2020 <i>(to be confirmed)</i>
Drafted By:	Francesco La Torre, Principal Quality and Compliance Manager.
Date Effective from:	To be confirmed
Equality Impact Assessment (EIA) Carried out:	<p>An EIA has been carried out and is included as a background document to the policy. The EIA was informed by an audit of existing mobility scooter users across Council Extra Care and Sheltered schemes, as well as the findings of the regular Fire Risk Assessments carried out for other Council blocks.</p> <p>The EIA concluded that the policy is justified – with the mitigations identified – to ensure that the Council delivers its Landlord Statutory duties as required by the Fire Safety Order and by the Housing Act, and as far as reasonably possible, protect the Health and Safety of all users of the residential buildings. (Section 4 of this Policy provides a summary of the Adverse and Positive impact of this Policy on the nine Protected Characteristics covered by the Equality Act.)</p> <p>This EIA identified that the policy could have an adverse impact on some residents that are currently using mobility scooters protected by the Age and Disability characteristics of the Equality Act, because there may be cases of residents who will no longer be able to store their scooter where they do currently if the Council assesses the storage location as representing a fire risk to building residents under the terms of this policy.</p> <p>To mitigate this, we are making a significant investment in the storage capacity of Council owned and managed accommodation, as detailed below in section 4.</p> <p>We are mindful that notwithstanding our investment, it is possible that some residents may be unable to store their scooter safely should this policy be adopted. If this adverse impact circumstance arises, we will seek to arrive at a mutually beneficial outcome which supports people and allows us to abide by our policy to ensure fire safety.</p> <p>This will involve engaging with colleagues in Care and Support and Community Solutions on a case by case basis to generate solutions tailored to an individual's specific circumstances with the possibility, in exceptional circumstances, of exempting certain aspects of the policy at the dispensation of the Director of My Place, or a senior manager acting on their behalf.</p> <p>Six months from the implementation of this policy, and at regular intervals thereafter, officers will review this adverse impact and recommend amendments to this policy if necessary.</p>

<p>Consultation:</p>	<p>The Policy was consulted with:</p> <ul style="list-style-type: none"> • My Place - Fire Safety Strategy Group (FSSG) • My Place Director Management Team (DMT) October 2018 • The Assurance Board November 2018 • Cabinet Member for Social Care and Health Integration Portfolio December 2018. • Cabinet Member for Regeneration and Social Housing November 2018 • My Place Landlord Services • Disability Care and Support Service <p>In drafting this policy, we also referred to the following Local and National professional advice:</p> <ul style="list-style-type: none"> • National Fire Chief Council (NFCC) Mobility Scooter Guidance for Residential Building (appendix 1 of this Policy) • The London Fire Brigade (Fire Safety Guidance Note GN84-Fires in Communal Area for External Partners) • GOV.Uk Government (Mobility Scooters and Powered Wheelchairs: the rules) • Audit of 10 other social housing authorities' approach to Mobility Scooters Policies including Housing Associations. • Disable Living Foundation (DFL Choosing a Mobility Scooter Factsheet) • LBBD-Joint Strategic Needs Assessment - May 2017
<p>Review Date:</p>	<p>This Policy will be reviewed every 3 years or at each occasion where there has been a significant change in legislation and resident's needs.</p>

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Section 4	Policy Equality Impact Assessment (EIA)
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Section 9	Terms and Conditions
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Section 12	Policy Rent charge for a Mobility scooters storage space.
Appendix 1	<i>Mobility Scooters Use and Storage Application Form</i>

1	Policy Statement
1.1	The policy is outlined in full beginning at section 8. The new mobility scooters in shared communal areas policy is designed to ensure that residents living in Council buildings (all residents including tenants, leaseholders and tenants of leaseholders) with shared communal areas who wish to purchase or store a mobility scooter can do so safely.
1.2	To achieve this, the Council will work with every existing mobility scooter owner and those wishing to purchase a scooter to ensure their scooter can be used safely and can be stored safely in their property or in a storage unit. To begin this process, residents must apply to the Council to use and store a mobility scooter.
1.3	This is in order to ensure the Council discharges its duty to maintain buildings in full compliance with Health and Safety and Fire Safety duties by preventing mobility scooters being charged or stored in communal areas.
1.4	The policy outlines the criteria that the Council will use to establish whether a mobility scooter can be used and stored safely or not. This criteria is outlined in section 8. In short, to own and store a mobility scooter the Council must agree that the mobility scooter can be safely stored and charged in a resident's property or the buildings storage unit and that the resident has a professionally assessed need for a mobility scooter.
1.5	The policy will apply to new purchases and existing mobility scooter owners.
1.6	The Council is committed to creating a safe and welcoming living space for all residents to enjoy, and to ensure that we do all that is possible to assist residents to live an independent life. The Council acknowledges and recognises the positive part that powered wheelchairs and mobility scooters can play to help people to live an independent life.
1.7	This policy outlines how the Council will manage the increasing number of mobility scooter users within Council residential buildings with shared communal living spaces and all the Health and Safety risks associated with the mobility scooters. It is the intent of the policy to:
1.8	<ul style="list-style-type: none"> • Provide clear guidance to any resident that wishes to purchase a mobility scooter.
1.9	<ul style="list-style-type: none"> • Provide an inclusive and transparent approach to the decision making during the evaluation of each application to store, use and charge a mobility scooter in Council buildings.
1.10	<ul style="list-style-type: none"> • Balance the need of the residents to live an independent quality of life and the Council's Landlord duties to maintain the Health and Safety of the buildings.
1.11	<ul style="list-style-type: none"> • Comply with the spirit and letter of current Health and Safety legislation, approved Codes of Practice and authoritative guidance and literature.
1.12	Link to the Council Corporate Health and Safety Policy and the Council Duty Holder Compliance, and support the Council new strategic priorities as outlined in the 2020 – 2022 Corporate Plan:

1.13	<ul style="list-style-type: none"> • Participation and Engagement: The proposals included in this policy support this Council priority because by creating a safer place for people to live in, we can encourage and empower residents to take pride of the place they live and engage in their community. • Prevention, Independence and Resilience: The proposals included in this policy supports the this priority by protecting life and resident health in preventing exposure to the consequences of fire and hazardous fumes that could cause death or life long-lasting physical and psychological injuries and impact of people’s quality of life • Inclusive Growth-The proposals included in this policy supports the above Council priority by ensuring our assets are sustainable and inclusive, supporting the well-being of all of our residents. <p>Provide guidance to other Social Housing providers, such as, Housing Associations, Private Care Homes etc.</p>
2	Policy Business Case
2.1	<p>Fire can destroy lives, buildings and business. The residents’ safety in their homes is a primary aim of the Council. Following the Grenfell Tower fire tragedy, My Place has been reviewing all Council fire safety systems and procedures to ensure that the Council has a robust system in place to effectively manage all health and safety risks including risks associated with Fire Safety across all council residential, commercial and public buildings.</p>
2.2	<p>In May 2018, the National Fire Chief Council (NFCC) reviewed their “Mobility Scooter Guidance for Residential Building”. The following is an extract from the guidance:</p> <div data-bbox="229 1296 1463 1897" style="border: 1px solid black; padding: 10px;"> <p>Extract from the National Fire Chief Council (NFCC) Mobility Scooter Guidance for Residential Buildings:</p> <p>1.3 of the guidance: - With the increased use of mobility scooters, comes the corresponding fire safety concern associated with their storage and charging. The design of many premises, particularly smaller and older premises, does not always lend itself easily to the safe storage and charging of mobility scooters. The lack of space and the layout of the corridors, lifts and stairways in communal areas mean that individuals will often leave scooters adjacent to their front entrance doors on protected escape routes or within protected stairways.</p> <p>1.4 of the guidance: - When a mobility scooter is involved in fire, the risk of harm is significant. In residential buildings, mobility scooter fires can pose a life safety risk to tenants, employees, firefighters and other relevant persons.</p> </div>
2.3	<p>Buildings are designed to protect residents via a fire-resistant compartments and protected fire escape routes, allowing residents to either safely escape from a fire or stay put in a safe place. The lessons learned from the Grenfell Tower fire incident and our own findings from the Fire Risk Assessments (FRAs) of residential tower blocks, Extra Care and Sheltered accommodation buildings, has highlighted the need for the</p>

	<p>Council to strengthen fire safety controls and control of the buildings and the management of all components of fire.</p> <p>2.4 The findings highlighted there is an increasing number of residents that use the protected communal landings and stairways in the blocks and sheltered accommodation residential buildings as an extension of their living space and store several high combustible personal items including, storing and charging mobility scooters. Most of the Council residential buildings and sheltered accommodation buildings communal areas, were designed before mobility scooters become available on the market. Communal landings, fire door openings, corridors, fire escape routes were not designed to accommodate the use, charging and storage of such equipment.</p> <p>2.5 Some residents purchase a mobility scooter without Occupational Therapy Assessment or other professional Medical assessments on the need of a mobility scooter to the Health and Wellbeing of the residents. This also includes an assessment on the resident's competency and mental health capacity to safely drive the scooter. If a person uses and stores mobility scooter when it is not required or has been approved, this exposes themselves and others to significant risk, as outlined below.</p> <p>2.6 There are several risks associated with the use of mobility scooters in shared living spaces ranging from, fire safety risk to third party liability for injuries caused to others. Nationally there have been several serious fire incidents and loss of life caused by fire from mobility scooters. The following are some of the key risks:</p> <ul style="list-style-type: none"> • Increased risk of fire and potential source of spark and fuel to start a fire. • Harm and potential loss of life from the hazardous/toxic fumes released by the highly flammable components of the scooters. • Injuries caused to other residents colliding with /struck by the mobility scooter • Damage caused to the building, walls, doors, lifts by the impact/collision of the scooters on the building furniture. • Major disruption to the business and to other residents living in the block. <p>2.7 Some mobility scooters components/parts are made of plastic, foam and several other high combustible materials that can produce intensive heat and toxic smoke/fumes that can kill, or cause life changing injuries should there be a fire in the residential buildings. The electrical wiring of the scooters can also provide the spark to start a fire and a fuel for any potential arsonist.</p> <p>2.8 The Council is aware of cases where residents are purchasing mobility scooters without 'without a' full understanding of the risk implication associated with mobility scooters. After they purchased the scooter, there is an expectation from residents, for the Council to provide a storage space and charging facility for the scooters regardless the design of the building and the building capacity to safely accommodate the scooters.</p> <p>2.9 The following are some of the findings from the fire risk assessment and inspection of the buildings:</p> <ul style="list-style-type: none"> • Often residents store and charge the scooter in the communal areas of the blocks without the Council /Duty Holder awareness or approval • There are no controls in place to ensure that the scooters are serviced regularly or covered by liability insurance for any injury caused to other people living in the building and any damage caused to the building.
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2.10	<ul style="list-style-type: none"> • Under the current regulations, residents do not need to take a driving test nor have a driving license to drive a mobility scooter. It is a legal requirement that only registered disabled people may use Class 2 or Class 3 scooters. (Class 2 and 3 scooters can reach speed from 4mph to 8mph. • The storage of the scooters obstructing communal passageways and creating potential access difficulties and blocking fire escape routes in emergency situations. • Damage to fixtures and fittings, including lifts, when they are used in buildings without adequate turning circles and for which these are not use designed for. <p>Unrestricted and unmanaged use of communal areas creates an unacceptable fire risk and prevents the Council discharging its legal duties under the Fire Safety Order. This could lead to legal prosecution and manslaughter charges taken against the Council by the enforcement authorities.</p>
3	Policy Aims
3.1	<p>In the context of this business case, the aim of this Policy is to balance the need of the residents to live an independent quality of life with the Council Landlord legal duties, to maintain the Health and Safety of the buildings in full compliance with the duties and legal requirement set within The Regulator Reform (Fire safety) Order 2005 (RRO) , The Housing Act 1985 and 2004 and Management of Health and Safety at Work Regulations 1999. The Policy will also have a Positive impact on all nine “Protected Characteristics” covered by the Equality Act. (Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation, Married and Civil Partnership and Pregnancy and Maternity).</p>
4	Policy Equality Impact Assessment (EIA)
4.1	<p>In April 2020, My Place and the Disability Care and Adult Support team jointly carried out a survey of all Class-2 and Class-3 Mobility Scooters and Powered Wheelchair users in Extra Care and Sheltered accommodation building. The survey identified that out of 700 flats; 16 residents use a powered wheelchair and 71 (10%) use class 2 and class 3 mobility scooters as an aid to their mobility and independence.</p>
4.2	<p>As part of the Fire Risk Assessment (FRA) of the buildings My Place, has also carried out a similar survey of residents that live in all block of flats buildings. The FRAs have identified that out of the 11,000 flats; 1 resident uses a Powered Wheelchair and 8 residents use a Class-2 and Class-3 mobility scooters.</p>
4.3	<p>Based on the demographic trends described above, we can expect the number of residents seeking to use mobility scooters to increase over the coming years, and therefore it is important to adopt this policy moving forward.</p>

4.4	<p>In October 2018, My Place Quality and Compliance Team and the Disability Care and Support Service team carried out a joint audit of current number of mobility scooters within the sheltered and extra care schemes buildings across the borough. This was to identify the number of residents that currently use a mobility scoter and could be affected by this Policy.</p>
4.5	<p>The audit identified 74 known mobility scooter users (21 scooters in extra care schemes buildings and 53 in sheltered accommodation schemes buildings).</p>
4.6	<p>Fire risk assessments of the blocks have also identified several mobility scooters stored in the communal areas of the high-rise, medium-rise and low-rise blocks.</p>
4.7	<p>Following the outcome of the audit, in April 2020, My Place Principal Quality and Compliance Manager carried out an Equality Impact Assessment (EIA) of the Policy on the on the nine “Protected Characteristics” covered by the Equality Act. (Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation, Married and Civil Partnership and Pregnancy and Maternity). The outcome of the EIA concluded that:</p>
4.8	<p>Adverse Impact</p>
4.8	<p>This Policy could have an adverse impact on some residents that are currently using a mobility scooters protected by the Age and Disability characteristics of the Equality Act. This is because there may be cases of residents who will no longer be able to store their scooter where they do currently if the Council assesses the storage location as representing a fire risk to building residents.</p>
4.9	<p>To mitigate this, we are making a significant investment in the storage capacity of Council owned and managed accommodation:</p>
4.10	<ul style="list-style-type: none"> • 48 mobility scooters storing, and charging units have been built across all extra care sheltered accommodation buildings. • 2 mobility scooters storing, and charging facility been built in two low rise blocks. • 1 adaption to security door entrance to block of flats been carried out to facilitate the automatic opening the door and easy access for a powered wheelchair user. • 11 new storage and charging mobility scooter units have been completed in 2019 and 7 more unit will be completed by the end of June 2020 in sheltered accommodation buildings. • Within 2020/21 capital programme, the Council has invested a further capital budget to build mobility scooter storage facilities in another 5 sheltered accommodation sites. • The council is carrying out an audit of all storage areas on the ground floor of the block of flats to explore the option to convert it into bikes, pram and mobility scooter storage facilities. • Should there be a need to evacuate the building, we want to ensure that all our residents can leave the building safely in the event of a fire or other emergency

	<p>. We are writing to all residents that live in blocks to ask whether they need a Personal Emergency Evacuation Plan (PEEP) to make sure that they can leave the building safely in the event of an emergency.</p> <ul style="list-style-type: none"> • The Council is investing £3.5m per year to replace all fire doors to flats front door and the communal areas of the blocks , the design of the new doors will create a horizontal fire safety refuge zones on each floor of the high-rise block to enable wheelchair users, resident with medical condition restricting their mobility. <p>4.11 We are mindful that notwithstanding our investment, it is possible that some residents may be unable to store their scooter in a safe space should this policy be adopted. If this adverse impact circumstance arises, we will seek to arrive at a mutually beneficial outcome which supports people and allows us to abide by our policy to ensure fire safety.</p> <p>4.12 This will involve engaging with colleagues in Care and Support and Community Solutions on a case by case basis to generate solutions tailored to an individual's specific circumstances with the possibility, in exceptional circumstances, of exempting certain aspects of the policy at the dispensation of the Director of My Place, or a senior manager acting on their behalf.</p> <p>4.13 Six months from the implementation of this policy, and at regular intervals thereafter, officers will review this adverse impact and recommend amendments to this policy if necessary.</p> <p>4.14 Positive Impact The primary aim of the Council is to protect life and prevent life-changing injuries from the risk of fire and any other Health and Safety risks associated with the use of mobility scooters in shared communal areas of residential buildings. This policy reduces the risks and will benefit all residents that live in the residential buildings and any visitors, employees, fire fighters that visit the buildings.</p> <p>4.15 Conclusion The overall outcome of the EIA concluded that the Policy is justified to ensure that the Council delivers its Landlord Statutory duties as required by the Fire Safety Order and by the Housing Act, and as far as reasonable possible, protect the Health and Safety of all users of the residential buildings. The Policy will also have a Positive Impact on all nine "Protected Characteristics" covered by the Equality Act. (Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation, Married and Civil Partnership and Pregnancy and Maternity).</p>
5	Policy Legal Framework
5.1	<p>There are several legal requirements relating to people's rights under the Equality Act and the Council Legal duties as the Landlords/Responsible Person for the residential buildings. The primary legislation related to mobility scooters include:</p> <p>5.2 Equality Act 2010: The Act came into force in October 2010 providing a modern, single legal framework with clear law to better tackle disadvantage and discrimination against the following nine "Protected Characteristics" protected by the Equality Act. (Age, Disability, Gender Reassignment, Race, Religion or Belief, Sex, Sexual Orientation, Married and Civil Partnership and Pregnancy and Maternity).</p>

5.3	<p>The General Equality Duty 2011: - The The general equality duty came into force on 5 April 2011. In the exercise of their functions, public authorities in England, Scotland and Wales must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other unlawful conduct in the Equality Act 2010, advance equality of opportunity and foster good relations. The Equality Duty, also requires organisations to <i>consider</i> equality considerations to be reflected into the design of policies and the delivery of services, including internal policies, and for these issues to be kept under review.</p>
5.4	<p>Regulatory Reform (Fire Safety) Order 2005: - The Regulator Reform (Fire safety) Order 2005 (RRO) places responsibilities on the Council as the Duty Holder, to manage fire safety in premises under their control by:</p> <ul style="list-style-type: none"> • Taking such general fire precaution as will ensure, so far as is reasonably practical, the safety of any of his or her employees; and in relation to relevant persons who are not his or her employees, take such general fire precaution as may reasonably be required in the circumstances to ensure that premises are safe. • Take a suitable and sufficient assessment of the fire risks to which relevant persons are exposed for the purpose of identifying the general fire precaution that the Council needs to take to comply with the requirements and prohibitions imposed by this order.
5.5	<p>The Housing Act 1985 and 2004: - The Acts apply regulation and control to residential properties, including Sheltered Housing buildings and High, Medium and Low-rise buildings.</p> <ul style="list-style-type: none"> • The Acts makes the Council responsible for keeping the condition of its housing stock under constant review to ensure that all aspect of health and safety, including fire safety of the blocks is maintained. • The legal duty on the council regarding its housing stock applies to all the buildings including private living accommodations (i.e. individual flats).
5.6	<p>Other legislations related to the use of mobility scooters also include:</p> <ul style="list-style-type: none"> • Management of Health and Safety at Work Regulations 1999 • Use of Invalid Carriages on Highways Regulations 1988.
6	Policy Review
6.1	<p>This Policy will be reviewed every 3 years and at each occasion where there has been a significant change in legislation, use of the building and resident's needs.</p>

7	Policy Scope
7.1	<p>Mobility scooters are defined as “Invalid Carriages” under the use of the Invalid Carriages on Highways Regulation 1998. The regulation divides the scooters in three classes:</p> <ul style="list-style-type: none"> • CLASS 1: - Class 1 “invalid carriage” means an invalid carriage which is not mechanically propelled i.e. Manual wheelchairs that are self-propelled or attendant-propelled, not powered. (not covered by this policy) • CLASS 2: - Class 2 “invalid carriage” means a mechanically propelled invalid carriage which is so constructed or adapted as to be incapable of exceeding a speed of 4 miles per hour on the level under its own power; i.e. Powered wheelchairs and scooters, for use on pavements and other footways with a maximum speed of only 4mph and a maximum unladen weight of 113.4kg (250 lb). (Covered by this policy) • CLASS 3: - Class 3 invalid carriage” means a mechanically propelled invalid carriage which is so constructed or adapted as to be capable of exceeding a speed of 4 miles per hour but incapable of exceeding a speed of 8 miles per hour on the level under its own power; Powered wheelchairs and scooters, for use on roads with a maximum speed of 8mph and the facility to limit the maximum speed to 4mph for use when travelling on the pavement, and with a maximum unladen weight of 150kg (330 lb). Residents purchasing Class 3 scooters must register the vehicle with the Driver and Vehicle Licensing Agency (DVLA). (Covered by this policy). <p>The scope of the Policy will include Class 2 and 3 mobility scooters stored and charged in the following residential buildings that have internal and external shared communal living space:</p> <ul style="list-style-type: none"> • All Block of Flats. • All Extra Care Sheltered Accommodation buildings. • All Standards Sheltered Accommodation buildings (Excluding single store Bungalows sheltered schemes). • All Hostels.
	The Policy
8	Ensuring Safe use and storage of mobility scooters
8.1	<p>This Policy sets out the requirement and condition in which the Council will ensure that the mobility scooters can be stored and charged safely. The policy will apply to all new residents that move in the Council properties (all residents including Council tenants, leaseholders and tenants of leaseholders) and existing residents that have already purchased and use the scooter.</p>
8.2	<p>Tenants, Leaseholders and tenants of leaseholders living in buildings with shared communal areas that wish to purchase and store a mobility scooter in Council properties, must comply with this Council policy to ensure the scooter meets their need</p>

8.3	<p>and can be stored safely outside of communal areas for the purposes of fire safety. To do so, owners of scooter and those wishing to purchase a scooter must apply to the Council by using the form in Appendix 1 of this Policy. The form must be filled in full.</p> <p>Each request will be considered by the Landlord Services Manager in consultation with the Council Principal Quality and Compliance Manager (Fire Safety Risk Assessor). The Fire Risk Assessor officer will carry out and fire risk assessment of the building prior to reaching a decision.</p> <p>In considering each application the Council will consider:</p> <ul style="list-style-type: none"> • Needs an assessment carried out by a practitioner from the local authority, such as an occupational therapist, nurse or the resident's General Practitioner (GP) which will support the resident in applying for a mobility scooter. (no applications will be considered without proof of an assessment). • The potential adverse impact on other residents living in the building. (safety and wellbeing of other residents and users of the building must not be put at risk). • The capacity of the building to safely store and charge the mobility scooters. • The capacity of the flats to safely store and charge the mobility scooter inside residents' property. • Any reasonable or unreasonable cost to carry out physical alteration to the building to accommodate the scooter. • The resident has taken a Liability Insurance and Service Maintenance to ensure the safety of the scooter (It is expected that the scooter to be Electrical and Safety checked and tested a minimum once a year). • If the scooter is larger than the width of the internal and external doors and lift doors and cannot be safely manoeuvred. • Whether the resident has already one scooter stored in on the premises.
9	Policy Terms and Conditions
9.1	<p>Where the Council agrees the use or purchase of the mobility scooter is necessary and safe, this will be based on a set condition and will depend on the residents producing the relevant, insurance certificates, service and maintenance certificates etc. The resident must make all relevant certificates available during any inspections during Fire Risk Assessments of the building. (failure to produce the certificates may result in consent being withdrawn).</p>
9.2	<p>The Council will carry out periodic checks to ensure that the Policy is complied with, and reserves the right to take action if the use of the scooter no longer complies with this policy.</p>
9.3	<p>Council consent to use and store a mobility scooter in Council buildings will be valid for two years, (residents must inform the Council if there are any changes in their health condition that could have an impact on their ability to safely drive the mobility scooter).</p>

9.4	Residents must ensure that the Insurance, covers public and third-party liability and is adequate to cover all risks to other residents living in the building and visitors to the building, including fire risks, personal risk and any damage caused to the building furniture.
9.5	Mobility scooters must not be stored and charged in the communal areas of the building. If the scooter is stored inside the resident's flat, the scooter must not be left on charge during the night.
9.6	Mobility scooters should be driven safely and with a due care for other residents, especially within the communal areas of the building. Speed limit must be kept at the lowest speed setting when used in internal communal areas of the building.
9.6	The Council strongly recommends that the mobility scooter owners undertake training and are competent in the safety operating and driving class 2 and class 3 scooters, especially if they are not used to driving a vehicle.
9.7	Residents must pay particular care, when entering and exiting the communal lifts. Any damage caused to the lift could potentially render the lift " out of service ". The lifts controls are very sensitive, and residents rely heavily of the effective operation of the lift to access their property. Any " out of service " lift could cause a considerable amount of inconvenience for residents, visitors and staff /contractors
9.8	Consent to use is at Council's discretions and could be withdrawn at any time if there are changes to be made in the Policy due to new legal requirements or significant changes in the use of the building.
9.9	The residents must ensure that the mobility scooters are serviced and maintained by a competent person every year and provide a copy of the test certificate to the Council.
9.10	The Council recommends that the scooter charger and charging leads are PAT tested every year by a competent person. The Council also recommend fitting a current circuit breaker to protect the scooter electrical circuit from any electrical faults/short circuit.
9.11	Due to limited number of scooter storage places, and the increasing number of scooters, consent will be granted on first to come first to serve approach. If an application is refused on due to lack of storage space ground, the application will then be put on a waiting list until a space becomes available.
9.12	Some drugs/medication can affect people's ability to safely drive and control the mobility scooter. Residents should consider their safety and the safety of others before they buy a mobility scooter and should consult with their GP, Nurse or pharmacist about all the medicines that they are using (prescription and over the counter) to assess their fitness to use a scooter.
9.13	Alcohol can affect peoples' ability to safely drive and control mobility scooter inside the communal areas of the buildings and on the public Highways. Drivers of mobility scooter should not drive their scooter if they have consumed alcohol or are impaired by using drugs. The Police have successfully prosecuted drivers of scooters, for driving the scooters while impaired through alcohol drink.

9.14	If you need to wear glasses or contact lenses to meet the 'standards of vision for driving ', mobility scooter drivers must wear them every time they drive . Residents with restricted vision should consult with their GP before purchasing and driving a mobility scooter.
10	Terms of Refusal
10.1	The Council will respond to any application within 25 working days. If the Council does not believe the mobility scooter can be used or stored safely, the council will provide the applicant with a full explanation in writing on which ground their application was refused and advise the applicant on the Council appeal process that they need to follow, if they decide to appeal against the decision.
11	Breach of Conditions
11.1	If there is a breach of the safety Conditions of this policy under which consent is granted the council will take the necessary action to safeguard the safety of other residents that live in the building and the safety of the building.
11.2	Wherever possible the Council will seek to reach a satisfactory solution with the resident, however, if a scooter is stored and charged in Council buildings without the or outside the terms of this policy or any other agreement with the resident, the Council reserves the right to remove the scooter and recover any cost incurred in the removal of the scooter from the resident.
12	Policy Rent Charges for a mobility scooters storage space.
12.1	Mobility scooters are individual needs and benefit single individuals, therefore the Council cannot charge the cost and maintenance of mobility scooter storage facilities and energy used to charge the scooters to all residents that live in the building. The costs associated with the mobility scooter storage and energy used to charge the scooter can only be recovered from residents that benefit from the storage space.
12.2	The following rent charges only apply to mobility scooters stored in purpose build mobility scooter sheds and don't apply to mobility scooters stored and charged inside residents' property. The cost has been based at 1/3 of the current weekly rent of a Council owned garage, and it includes, administration costs, energy cost to charge the scooters. The rent charges are reviewed annually as part of the Council budget setting programme. The yearly cost for 2020/21 will be: <ul style="list-style-type: none"> ▪ £5 per week including the energy cost to charge the scooter - for Council Tenants. (£260 yearly rent cost). ▪ £5 per week including energy cost to charge the scooter +20% VAT total £6 per week rent for private residents. (£312 yearly rent cost).

Appendix 1

The London Borough of Barking and Dagenham

“Mobility Scooters Use and Storage Application Form”

Please fill in this form in full and send it to the following address:	Head of Landlord, Customer & Commercial My Place Barking Town Hall; 2 Town Square; IG11 7LU Email: - HousingServicesOfficer@lbbd.gov.uk
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Date of this application	Please provide information to all the following questions:	
Your full Name	Are you the property named Tenant / Leaseholder?	
	If not, please confirm if you have the Property named Tenant / Leaseholder agreement to apply to use and store a mobility scooter	
	Printed:	
	Signature:	
Your full address	House number:	
	Street:	
	Town:	
	County:	
	Country:	
	Post Code:	
Contact Details	Landline phone number:	
	Mobile phone number:	
	Email:	
	Other:	
Type of Property	Flat in Highrise block:	
	Flat in low rise block:	
	Sheltered Accommodation flat:	
	Extra Care sheltered accommodation flat:	
	Bungalow:	
	House:	
	Hostel:	
Type of Tenancy	Introduction Tenancy:	
	Temporary accommodation:	
	Secure Tenancy:	
	Leaseholder:	
	Reside:	
Type of Mobility scooter	Manufactory details:	
	Class of the Scooter:	Class 2 Class 3
	Approx. Size of the scooter:	
	Confirm if it is a new scooter:	
	Confirm if it is a second-hand scooter:	
	Approx. age of the scooter:	

	Any service history: -	
	Does the scooter fit inside your property	
Liability and Thirty Party liability insurance.	Insurance details and certificates:	
Needs Assessment for a mobility scooter	Copy of the Needs Assessment:	
	Any other medical information in support of your application:	
	Are you registered disabled?	

The Council will acknowledge this application within 10 working days from a receipt of the application and confirm the decision of your application in writing within 25 working days from the date of receipt of your application.

Community and Equality Impact Assessment

As an authority we have made a commitment to apply a systematic screening process to both new policy development or changes to services.

This is to determine whether the proposals are likely to have a significant impact on different groups within our community.

This process has been developed, together with **full guidance** to support officers in meeting our duties under the:

- Equality Act 2010.
- The Best Value Guidance
- The Public Services (Social Value) 2012 Act

As well as supporting you to look at whether there is, or will be, a significant impact, the guidance will also consider ways in which you might mitigate this in the future.

About the service or policy development

Name of service or policy	My Place: Mobility scooters in communal areas fire safety policy
Lead Officer	Francesco La Torre, Principal Quality and Compliance Manager, My Place
Contact Details	Francesco.LaTorre@lbbd.gov.uk

Why is this service or policy development/review needed?

The new mobility scooters in shared communal areas policy is designed to ensure that residents living in Council buildings (all residents including tenants, leaseholders and tenants of leaseholders) with shared communal areas who wish to purchase or store a mobility scooter can do so safely. This is in order to ensure the Council discharges its duty to maintain buildings in full compliance with Fire Safety duties by preventing mobility scooters being charged or stored in communal areas.

To achieve this, the Council will work with every existing mobility scooter owner and those wishing to purchase a scooter to ensure their scooter meets their need and can be stored safely in their property or in a storage unit, not in a communal area where it poses a fire risk.

The policy outlines the criteria that the Council will use to establish whether a mobility scooter can be used and stored safely or not. To own and store a mobility scooter the Council must agree that the mobility scooter can be safely stored and charged in a resident's property or the buildings storage unit and that the resident has a professionally assessed need for a mobility scooter. The policy will apply to new purchases and existing mobility scooter owners.

Currently LBBD has no policy or guidance in place to effectively manage the safe use, storage and charging of Mobility Scooters in Residential Buildings. Some residents purchase mobility scooters without an Occupational Therapy Assessment or other professional Medical assessment on the need of a mobility scooter to their Health and Wellbeing and assessment on the resident's competency and mental health capacity to safely drive the scooter. This could expose themselves and others to significant risk, in relation to fire safety and injury to others or themselves.

The intention of this Policy is not to prevent residents purchasing a mobility scooter. This Policy is necessary to ensure that the Council can safely manage the use of mobility scooters within the council's residential buildings with shared communal living spaces and all risks associated with powered wheelchair and mobility scooters. This Policy is also necessary to provide guidance and advice to residents who currently own a scooter and to those who wish to purchase or lease a mobility scooter. It is essential that we raise awareness on the safe use of the scooters and risks relating to the use, storage and charging of the scooters as well as their potential liability for any injuries caused to other people and buildings as a result of their mobility scooter usage.

1. Community impact (this can be used to assess impact on staff although a cumulative impact should be considered).

What impacts will this service or policy development have on communities?
 Look at what you know? What does your research tell you?

Consider:

- National and local data sets
- Complaints
- Consultation and service monitoring information
- Voluntary and Community Organisations
- The Equality Act places a specific duty on people with ‘protected characteristics’. The table below details these groups and helps you to consider the impact on these groups.

There are several risks and residents’ liability associated with mobility scooters ranging from fire and safety risks to scooters owner’s liability for injuries caused to others. Nationally there have been several serious fire incidents caused by mobility scooters that led to a loss of life and loss of property. Fire can destroy lives, buildings and business. Residents safety in their homes is a primary aim of the Council.

By ensuring the safe use, storage, and charging of mobility scooters to mitigate fire risk and prevent the blockage of fire escape routes the Council is supporting Council tenants, leaseholders, and tenants of leaseholders.

This policy will impact age and disability most significantly. Barking & Dagenham has an ageing population with 20,924 people over 65.2. Of these, 8,068 are aged between 75-89, and 1,075 are aged 90+. Where people are living longer, we can expect this section of the population (and their care and support needs) to grow. There are also more people living with disabilities or long-term health conditions. According to the Census 2011, 26.9% of all households in the borough have a person with a long-term health condition or disability.

Within these groups, we know the changes will impact at least 77 residents, which is the number who currently use at mobility scooter or powered wheelchair. This consists of:

Extra Care and Sheltered accommodation: Out of 700 flats, 16 residents use a powered wheelchair, 71 use class mobility scooters.

General needs: Out of 11,000 flat, 1 resident uses a powered wheelchair and 8 use mobility scooters.

Based on the demographic trends described above, we can expect the number of residents seeking to use mobility scooters to increase over the coming years, and therefore it is important to adopt this policy moving forward.

The below outlines the impact on each protected characteristic in detail.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
Local communities in general	X			<p>Additional fire safety protection for Council tenants, leaseholders and tenants of leaseholders.</p> <p>This Policy will also provide residents that currently are storing and charging their Powered Wheelchairs and scooters inside their flats or in their Bungalows/single dwelling, help and support and professional advice on the safe storage and charging the powered wheelchairs and scooters inside their own property.</p> <p>Residents that live in the buildings that don't use a mobility scooter or a powered wheelchair, will also benefit by a safer shared communal spaces environment. This</p>	<p>My Place has an comprehensive implementation plan to ensure this policy is adhered to and that all mobility scooters can be charged safely.</p>

			<p>will also help to reduce potential tension between residents that use the mobility aid and other residents.</p> <p>Residents that are currently storing and charging mobility scooters and powered wheelchair in the communal areas of the buildings, also use the landlord electric supply, that is recharged to all residents in the building. This has a negative financial impact on the residents that live in the building and don't use a mobility scooter or powered wheelchair and they pay for but don't benefit from the use of the extra electrical power required to charge the scooter and powered wheelchair.</p> <p>To mitigate the negative financial impact on those residents, this Policy will ensure that the electric power used to charge the mobility scooters or powered</p>	
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COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			wheelchairs is recharged only to residents that use and benefit from the use of the scooters or powered wheelchair.	
Age	X		X	<p>The overall impact of this Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p> <p>The Policy will have a low negative impact on residents that are currently using mobility scooters protected by the Age and Disability characteristics of the Equality Act, because there may be cases of residents who will no longer be able to store their scooter where they do currently if the Council assesses the storage location as representing a fire risk to building residents.</p> <p>To mitigate this adverse negative we are making a significant investment in the storage capacity of Council owned buildings:</p> <ul style="list-style-type: none"> • 48 mobility scooters storage and charging units have been built across all extra care sheltered accommodation buildings. • 2 mobility scooters storage and charging units have been built in two low rise blocks. • 1 adaption to security door entrance to block of flats has been carried out to facilitate the automatic opening the door and easy access for a powered wheelchair user. • 11 new storage and charging mobility scooter units have been completed in 2019 and 7 more units completed by the end of June 2020 in sheltered accommodation buildings. • Within the 2020/21 capital programme, the Council has invested a further capital budget to build mobility scooter storage facilities in another 5 sheltered accommodation sites. • The council is carrying out an audit of all storage areas on the ground floor of the block of flats to explore the option to convert it into bikes, pram and mobility scooter storage facilities.

				<ul style="list-style-type: none"> • Should there be a need to evacuate the building, we want to ensure that all our residents can leave the building safely in the event of a fire or other emergency (We understand that many disabled and vulnerable people will be able to leave the building without help; however, some people may need assistance. We are writing to all resident that live in a block of flats to ask whether they need a Personal Emergency Evacuation Plan (PEEP) to make sure that they can leave the building safely in the event of an emergency. • The Council is investing £3.5m per year to replace all fire doors to flats front doors and the communal areas of the blocks, the design of the new doors will create a horizontal fire safety refuge zones on each floor of the high-rise block to support wheelchair users or residents with a medical condition restricting their mobility. <p>We are mindful that notwithstanding this investment, it is possible that a resident will be unable to store their scooter in a safe place should this policy be adopted. If this adverse impact circumstance arises, we will seek to arrive at a mutually beneficial outcome which supports people and allows us to abide by our policy to ensure fire safety. The Council will judge these circumstances on a case by case basis.</p> <p>This will involve engaging with colleagues in Care and Support and Community Solutions to generate solutions tailored to an individual's specific circumstances with the possibility, in exceptional circumstances, of exempting certain</p>
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				<p>aspects of this policy at the dispensation of the Director of My Place, or a senior manager acting on their behalf.</p> <p>Six months from the implementation of the policy, and at regular intervals thereafter, officers will review this adverse impact and recommend amendments to the policy if necessary.</p> <p>An audit conducted in April 2020 by My Place and Care & Support provides accommodation specific mitigation detail:</p> <p>Mobility scooters in Extra Care</p> <p>This Policy will have a Positive impact on 11 out of 16 current scooter users. The mitigations for the other 5 current scooters users are set out below. However, the overall impact of this Policy on this protect characteristic will be positive. The Policy will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p> <p>The audit carried out in April 2020 has identified 17 Scooters users in Extra Care, Sheltered and Low-rise buildings (1Class 2 and 15 Class 3). The audit also highlighted that:</p> <ul style="list-style-type: none"> • 8 x scooters are currently stored inside the resident flats. • 3 x Scooters are safely stored inside Mobility scooter purpose-built storage and changing units build by the council. • 5 x scooters are stored inside the communal areas and protected fire escape routes of the buildings.
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					<p>To mitigate the impact on the 5 residents that currently are storing the scooters in the communal areas of the buildings, the council has built 13 new purpose-built scooter storage and charging units in the communal garden of the buildings, (3 are currently been used and there is a capacity to safely store a further 10 scooter).</p> <p>6 of the of the new available scooters storage units are on the same site where the 5 residents are storing their scooters inside the communal area of the building. This new facility will provide all the five residents with the facility to safely store their mobility scooter in new purpose-built storage units and mitigate any negative impact on the five residents.</p> <p>The Council will be working with the five residents that currently are storing their mobility scooters inside the communal area of the buildings, Adult Care and Support team and Community Solution team, to advise and assist them to store the scooters inside the purpose-built safe storage and charging units that the Council built on site</p> <p>Mobility scooters in part 2 Sheltered Accommodation</p> <p>This Policy will have a Positive impact on 9 out of 17 current scooter users. The mitigations for the other 8 current scooters users are set out below. However, the overall impact of this Policy on this protect characteristic will be positive. The Policy will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p>
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					<p>The audit carried out in April 2020 has identified 17 Scooters users in Part 2 Sheltered buildings (8 Class 2 and 9 Class 3). The audit also highlighted that:</p> <ul style="list-style-type: none"> • 6 x scooters are currently stored inside the resident flats. • 3 x Scooters are safely stored inside Mobility scooter purpose-built storage and changing units build by the council. • 8 x scooters are stored inside the communal areas and protected fire escape routes of the buildings. <p>To mitigate the impact on the 8 residents that currently are storing the scooters in the communal areas of the buildings, the council has built 21 new purpose-built scooter storage and charging units in the communal garden of the buildings, (3 of the scooters are currently been stored inside the units and there is a capacity of 18 extra purpose -built storage units to safely store the remaining 8 scooters that are currently stored inside the communal area of the buildings).</p> <p>12 of the new available scooters are on the same site where the 8 residents are storing their scooters inside the communal area of the building. This new facility will provide all the 8 residents with the facility to safely store their mobility scooter in the new purpose-built storage units and mitigate any negative impact on the five residents.</p> <p>The Council will work with the 8 residents that currently are storing their mobility scooters inside the communal area of the buildings, Adult Disability Care and Support team and Community Solution Team, to assist the residents to store the scooters inside the purpose-built safe storage and charging units that the Council has built on site.</p>
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					<p>The Audit has also highlighted that 2 of the mobility scooters are permanently stored inside the purpose-built storage units and are not used by the residents. As part of this Policy, the Council will be working with the residents and Adult Disability Care and Support team to assess the needs of those two scooters, and if residents no longer need the mobility will help the resident to safely dispose the redundant scooters.</p> <p>Mobility scooters in part 1.5 Sheltered Accommodation</p> <p>This Policy will have a Positive impact on all 26 scooter users. The overall impact of this Policy on this protect characteristic will be positive. The Policy will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p> <p>The audit carried out in April 2020 has identified 26 Scooters users in Part 1.5 Sheltered buildings (9 Class 2 and 17 Class 3). The audit also highlighted that:</p> <ul style="list-style-type: none"> • 4 x scooters are currently stored inside the resident’s flats. • 16 x Scooters are safely stored inside Mobility scooter purpose-built storage and changing units build by the council. • 6 x scooters are stored in the open in the communal gardens. <p>The Audit has also confirmed that none of the scooter are stored inside the fire escape routes communal staircase.</p> <p>To mitigate the impact on the 6 residents that currently are storing the scooters in the open communal garden areas of the buildings, the council has</p>
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				<p>built 43 new purpose-built scooter storage and charging units in the communal garden of the buildings,(4 are currently been used and there is a capacity to safely store a further 39 scooters).</p> <p>The Council will be working with the 6 residents that currently are storing their mobility scooters outside communal garden areas of the buildings, Adult Disability Care and Support team and Community Solution Team, to assist the residents to store the scooters inside purpose-built safe storage and charging units that the Council has built on site.</p> <p>Mobility scooters in part 1 Sheltered Accommodation</p> <p>This Policy will have a Positive impact on all 26 scooter users. The overall impact of this Policy on this protected characteristic will be positive. The Policy will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p> <p>The audit carried out in April 2020 has identified 12 Scooter users in Part 1 Sheltered buildings (6 Class 2 and 6 Class 3). The audit also highlighted that:</p> <ul style="list-style-type: none"> • 4 x scooters are currently stored inside the resident’s flats. • 8 x scooters are stored in the open in the communal gardens. <p>The Audit has also confirmed that there are no purpose-built external storage and changing units on any of the sites.</p> <p>To mitigate the impact on the 12 residents that currently are storing the scooters in the open communal garden areas of the buildings, the Council will liaise with Adult Disability Care and</p>
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				<p>Support team to consider reasonable action on a case by case basis, including the option of building a mobility scooters storage units or exempting aspects of this policy in exceptional circumstances.</p> <p>Mobility scooters in general needs blocks of flats</p> <p>This Policy will have a medium negative Impact on the 8 scooter users living in flats. However, the overall impact of this Policy on this protect characteristic will be positive. The Policy will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p> <p>The audit carried out in April 2020 has identified 8 Scooters users in block of flats buildings (7 Class 2 and 1 Class 3). The audit also highlighted that:</p> <ul style="list-style-type: none"> • 6 x scooters are currently stored in the block protected fire escape routes. • 1 x scooters are stored in the open communal gardens. • 1x scooter store in a purpose-built storage and scooter storage and charging unit. <p>The Audit has also confirmed that there is only 1 purpose-built external storage and changing units on the sites.</p> <p>To mitigate the impact on the 6 residents that currently are storing the scooters in the protected fire escape routes of the buildings, the Council will liaise with residents, Adult Disability Care and Support team and Community Solutions to consider reasonable action on a case by case basis, including the option of safely storing the scooters</p>
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				<p>inside the flats and the option of building a mobility scooters storage units, or exempting aspects of this policy in exceptional circumstances.</p> <p>The Council is currently carrying out an audit of any empty storage spaces on the ground floor of the buildings that could potentially be converted into a safe storage and charging of mobility scooters.</p> <p>Powered Wheelchair User across all buildings</p> <p>This Policy will have a positive impact on all residents that use Powered Wheelchairs. The audit carried out in April 2020 has identified 17 powered wheelchair users in Extra Care, Sheltered and Low-rise buildings. All the wheelchairs are currently stored inside residents' flats. The policy will assist residents and offer guidance and support on how to safely continue to store and charge the Powered Wheelchairs inside the residents flat.</p>
<p>Disability</p>	<p>X</p>	<p>X</p>	<p>The Policy will have Low negative impact on some of the residents as highlighted that currently use a mobility scooter, as outlined above. The mitigations outlined above also apply to any resident with this protected characteristic.</p> <p>However, the overall impact of this Policy on this</p>	<p>Mitigation as the above section of age.</p>

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			protected characteristic will be positive as it will protect all residents from the risk of fires and provide residents professional safety advise on the appropriate use and maintenance to prevent any damage or injuries caused to others by the use of the scooters.	
Gender reassignment	X		<p>Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.</p> <p>The overall impact of this Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters</p>	My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated, in consultation with civil society partners.
Marriage and civil partnership	X		Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.	My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated, in consultation with civil society partners.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			<p>The overall impact of this Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p>	
Pregnancy and maternity	X		<p>Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.</p> <p>The overall impact of this Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p>	<p>My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated, in consultation with civil society partners.</p>
Race	X		<p>Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.</p> <p>The overall impact of this</p>	<p>My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated, in consultation with civil society partners, including those that represent different BME communities.</p>

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters	
Religion or belief	X		<p>Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.</p> <p>The overall impact of this Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p>	My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated, in consultation with civil society partners, including those that represent different faith communities.
Sex	X		<p>Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.</p> <p>45.10% of borough scooter users are women and 54.90% of</p>	My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated, working in consultation with civil society partners.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			<p>the scooter users are Male.</p> <p>The overall impact of this Policy on this protected characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters</p>	
Sexual orientation	X		<p>Based on the evidence, it is not anticipated that the policy will have a negative impact relating to this protected characteristic.</p> <p>The overall impact of this Policy on this protect characteristic will be positive as it will protect all residents from the risk of fires and from the risk of liability for any damage or injuries caused to other by the use of the scooters.</p>	My Place will monitor the impact of the new policy on different groups to inform the policy and how resources are allocated/
Any community issues identified for this location?			The policy applies to the council's overall policy approach and seeks to secure resources across the borough	

2. Consultation.

Provide details of what steps you have taken or plan to take to consult the whole community or specific groups affected by the service or policy development e.g. on-line consultation, focus groups, consultation with representative groups?

The proposals set out in this report have been consulted with:

- My Place DMT
- LBBD Assurance Board
- Cabinet Member for Regeneration and Social Housing
- Cabinet Member for Social Care and Health Integration
- Barking and Dagenham Forums
- London Fire Brigade (LFB)
- London Councils Directors Fire Safety Group
- LBBD Finance, Legal and Procurement
- Corporate Strategic Group (CSG)

My Place is committed to working every owner and prospective owner of a mobility scooter and powered wheelchair to ensure they can use, store and charge their scooter safely.

3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented? <i>These actions should be developed using the information gathered in Section 1 and 2 and should be picked up in your departmental/service business plans.</i>		
Action	By when?	By who?
Review the low negative impact of age and disability every six months	December 2020	Francesco La Torre,
Review the impact of the policy – including the benefits to the overall community and particular disadvantaged groups – with a view to improving the approach on an ongoing basis.	June 2021	Francesco La Torre,

4. Next steps

It is important the information gathered is used to inform any Council reports that are presented to Cabinet or appropriate committees. This will allow Members to be furnished with all the facts in relation to the impact their decisions will have on different equality groups and the community as a whole.


Take some time to précis your findings below. This can then be added to your report template for sign off by the Strategy Team at the consultation stage of the report cycle.

Implications/ Customer Impact
<p>This policy is vital to ensure the Council discharges its duty to maintain buildings in full compliance with Fire Safety duties by preventing mobility scooters being charged or stored in communal areas.</p> <p>The impact of the policy will be monitored on an ongoing basis, including how many scooters are stored in the new chagrining units and regular inspection of communal areas.</p>

5. Sign off

The information contained in this template should be authorised by the relevant project sponsor or Divisional Director who will be responsible for the accuracy of the information now provided and delivery of actions detailed.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Name	Role (e.g. project sponsor, head of service)	Date
Tania Peart 	Head of Service – My Place (Contracts, compliance and quality)	26/05/2020

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PERMIT to WORK in LBBB RESIDENTIAL BUILDINGS

The maintain the safety of the residents and the safety of the buildings is a primary aim of the Council. The following permit is necessary to ensure that the safety of the residents and the safety of the buildings is not compromised during any work carried out in the buildings. Officers of the Council will be inspecting the work after completion to ensure that the Contractor has fully complied with the condition of the permit and the building has been left in safe condition.

	The area highlighted in grey must be filled by the Contractor
Company Name	
Date of Permit requested	
Location	
Description of the work related to this permit	
Start date of the work	
Duration of work	
Areas of the building that requires access	
Contractor Statement	<p><i>By signing this Permit, I am agreeing to fully comply with all the conditions set within this permit.</i></p> <p>Printed Name: -----Signature: -----Date: ----- -</p>
	LBBB Approval
Permit Valid	From:----- To-----
Date of Permit been issue by LBBB	
Name of LBBB officer issuing/approving the Permit	Printed Name: ----- Signature: -----Date: -----

Conditions of the Permit

- The council will respond to any Permit requests within 10 working days for a planned work and within 24 hours for urgent work.
- A single permit will be provided by the Council to Contractors commissioned under a formal contract agreement to carry out a cyclical maintenance work and statutory testing and inspection work. The permit will be valid for the duration of the contract and reviewed periodically at each occasion where there have been significant changes or a non-compliance with the permit condition.
- The permit is only valid for the work specified above and cannot be used for any other works without the Council permission.
- The Contractor must provide a Copy of the specific project Work Method Statement and Safe Working System attached to this permit application.

- The contractor will be responsible to rectify any damage caused to the building and the furniture of the building.
- The Company must ensure that the officers carrying out the work are competent and 3rd party certified to carry out the work.
- The Contractor must ensure that any waste material created by their work is cleared and building left tidy and clean (the contractor must not dispose their generated waste in the Building Domestic Waste & Recycling Bins).
- The contractor must ensure that any panels removed to access/run cables are fixed back.
- The Contract must ensure that any fire safety breach to the building compartments caused by their work must be fire-stopped by a competent and 3rd party certificate officers and provide the relevant certifications. (Any serious breach of Health and Safety and Fire Safety of the building, will be investigated and appropriate action taken by the Council against the Contractor).
- The contractor must ensure that areas of the building non accessible to the public are kept secure at all time during the work.
- The contractor must not wedge fire doors and security door open during the work.
- The Contractor operatives must apply duty of care for the safety of the residents that live in the building and any lawful visitors to the building at all time during the work.
- The Contractor operatives must carry an Identification Card at all time during the work.
- The Contractor operatives must fully comply with the “No Smoking” policy in the communal areas of all Council Buildings.
- The Contractor operative must familiarise themselves on the Fire Escape Plan and Asbestos Coloured plaque displayed in the communal areas of the building.
- The Contractor operative must respect the right of residents that live in the block and must not play loud music and be mindful of the language used during the work.
- All relevant test certificates must be provided at the end of the work where are required.

For any enquiries please contact:

(to enter contact details and Council web site)

Appendix 4

Mobility Scooters Storage Units by Scheme Francesco La Torre- Principal Quality and Compliance Manager

The table below shows the number of mobility scooter storage spaces provided for each sheltered scheme. It also shows the number of mobility scooters for each scheme that were identified in the recent audit. Clearly this will not have identified every mobility scooter but was done as an evidence base to inform the proposed policy.

The aim of the new proposed policy is to allow mobility scooters to be stored safely, and not in communal areas. The numbers below indicate that all mobility scooters identified in the audit that are currently stored in communal areas will be able to be safely stored in a storage unit once the units currently being built are complete.

EXTRA CARE BUILDINGS	Number of purpose-built mobility scooter storage and charging units on site	Mobility scooters identified in audit and where currently stored
1. Ted Hennem House	New storage facilities proposed as part of 2020/21 capital programme	<ul style="list-style-type: none"> • 6 mobility scooters stored inside flats
2. Millicent Preston House	7 new units due to be completed by end of June 2020	<ul style="list-style-type: none"> • 5 mobility scooters in communal areas
3. George Crouch Centre	6	<ul style="list-style-type: none"> • 2 mobility scooters inside flats • 3 mobility scooters in storage units
PART 2 SHELTERED ACCOMMODATION	Number of purpose-built mobility scooter storage and charging units on site	Mobility scooters identified in audit and where currently stored
1. Dunchurch House	8	<ul style="list-style-type: none"> • 4 mobility scooters in the communal areas • 1 mobility scooter inside the flat • 2 mobility scooters in the purpose-built storage units
2. Catherine Godfrey House	7 purpose-built scooter storage units due be completed by end of June 2020	<ul style="list-style-type: none"> • 4 mobility scooters stored in communal areas • 3 mobility scooters stored inside flats
3. Kilsby Walk	New storage facilities proposed as part of 2020/21 capital programme	<ul style="list-style-type: none"> • 1 mobility scooter Inside the flat
4. Kidd House	6	<ul style="list-style-type: none"> • 1 mobility scooter inside the flat • 1 mobility scooter in storage unit
PART 1.5 SHELTERED ACCOMMODATION	Number of purpose-built mobility scooter storage and charging units on site	Mobility scooters identified in audit and where currently stored
1. Inskip Road	5 new purpose-built scooter storage units due be completed by end of June 2020	<ul style="list-style-type: none"> • 3 mobility scooters inside flats • 3 mobility scooters outside the communal gardens
2. Burford Close	0	<ul style="list-style-type: none"> • 1 mobility scooter inside the flat
3. Maxey Rd	5	<ul style="list-style-type: none"> • 3 mobility scooters stored inside purpose-built storage units
4. Stone Close	5	<ul style="list-style-type: none"> • 2 mobility scooters stored inside storage units
5. Dewey Rd	4	<ul style="list-style-type: none"> • 4 mobility scooters stored in inside storage units

6. Wyhill Walk	3	<ul style="list-style-type: none"> 2 mobility scooters stored inside converted bin sheds with a new electrical charging point
7. Turner Court	0	<ul style="list-style-type: none"> 1 mobility scooter stored inside the flat
8. Earls Walk	New storage facilities proposed as part of 2020/21 capital programme	<ul style="list-style-type: none"> 2 mobility scooters stored outside gardens
9. Forsters Close	15	<ul style="list-style-type: none"> 3 mobility scooters stored inside purpose-built storage units
10. Earls Walk	0	<ul style="list-style-type: none"> 2 mobility scooters stored in outside garden
11. Vicars Walk	New storage facilities proposed as part of 2020/21 capital programme	N/A
12. Bennetts Castle Lane	0	N/A
13. Seabrook Road	0	N/A
14. Berryman Close	0	N/A
15. Shipton Close	0	N/A
16. Humphries Close	0	N/A
PART 1 BUNGALOWS SHELTERED ACCOMMODATION	No of purpose-built mobility store & charging units on site	Mobility scooters identified in audit and where currently stored
1. Padnall Road	0	N/A
2. Birch Garden	0	<ul style="list-style-type: none"> 2 mobility scooters stored outside garden
3. Ely Gardens	0	N/A
4. Park Drive	0	<ul style="list-style-type: none"> 2 mobility scooters stored in outside sheds
5. Hooks Hall Drive	0	<ul style="list-style-type: none"> 1 mobility scooter stored inside bungalow 1 mobility scooter stored in garden
6. Thompson Road	New storage facilities proposed as part of 2020/21 capital programme	<ul style="list-style-type: none"> 3 mobility scooters stored inside bungalow
7. Pembroke Gardens	0	<ul style="list-style-type: none"> 3 mobility scooters stored outside back garden
8. Rosehatch Ave	0	N/A

CABINET**16 June 2020**

Title: Debt Management Performance and Write-Offs 2019/20 (Quarter 4)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Gill Hills, Head of Revenues	Contact Details: Tel: 0208 724 8615 E-mail: gill.hills@elevateeastlondon.co.uk
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive and Chief Operating Officer	
Summary	
<p>This report sets out the performance of the Council's partner, Elevate East London, in carrying out the contractual debt management function on behalf of the Council. This report covers the fourth 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 emerging impact of Universal Credit on collection levels and particularly 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 fourth 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.
- 1.3 The Revenues service is responsible for the collection of Council Tax, Business Rates, Housing Benefit Overpayments, General Income, Rents and for the monitoring of cases sent to Enforcement Agents for unpaid parking debts

2. Performance

- 2.1 The Key Performance indicators are shown below with details of collection rates. Further performance indicators are shown in table 12.

Council Tax

- 2.2 The table below shows the Net Collectable Debit (NCD) for Council Tax including the percentage of the tax collected within the year for the past two years. The overall amount to be collected is increasing by approximately £5m each year due to both the increase in the tax and reduction in Council Tax Support (CTS)

Table 1	Council Tax – Quarter 4		
	2017/18	2018/19	2019/20
NCD (000)	£71,091	£76,524	£81,798
Percentage collected	95.8%	95.7%	95.7%

- 2.3 Collection rates for Council tax remained largely unaffected by Covid-19 in the final month of 2019/20 and the target was achieved. Universal Credit (UC) remains one of the biggest challenges faced by the Revenues Service and delays in payment of UC are resulting in a knock-on delay in payment of Council Tax. Table 2 below shows Council Taxpayers that are claiming CTS and are also receiving UC or legacy benefits. The Revenue Service looks to assist those customers in receipt of UC and who are experiencing financial difficulty by removing debt recovery costs, allowing longer periods to pay, and referring them to Community Solutions. However, whilst this can help to alleviate the pressure placed on the customer and help to ensure that the customer's current year debt is being paid, it does have an effect upon collection of arrears.

- 2.4 Universal Credit has had a detrimental effect upon both current year and arrears collection. The table below shows a 7% difference in the collection rate in 19/20 of those on UC and those still on legacy benefits. This 7% difference equates to £98k reduction in collection.

Table 2	CTS – Universal Credit	CTS – Legacy benefits
NCD	£11,400,401	£3,764,264
Percentage collected	85.3%	92.3%

- 2.5 The introduction of Universal Credit (UC) in April 2018 has had an effect on the debt recovery process. UC has delayed the assessment of Council Tax Support which has in turn moved payment instalments forward. This has created accounts which are not technically behind with payments but are not being charged correctly. Once the CTS has been assessed instalments are recalculated and started from the following month.
- 2.6 The table below shows the number of recovery documents sent in by the end of quarter 4 for the past 3 years.

Table 3	2017/18	2018/19	2019/20
Reminders	74,822	65,501	67,564
Summonses	14,661	11,117	12,354
Total	89,483	76,618	79,918

- 2.7 Reminders and summonses reduced in 2018/19, which was the first year of Universal Credit. However, these have now begun to increase again as residents fall behind more frequently.
- 2.8 The amount of CTS being awarded to taxpayer accounts continues to reduce. The table below shows Council Tax payable, the value of CTS and the percentage of the debt paid by the CTS. The reduction in CTS has resulted in an additional £803k being charged to taxpayers. These taxpayers are among the most financially vulnerable residents in the borough.

Table 4	2017/18	2018/19	2019/20
Council Tax	£83,984	£89,613	£94,377
CTS (000)	£12,893	£12,707	£12,579
% of Council Tax paid by CTS	15.4%	14.2%	13.3%
Reduction		1.2%	0.9%
Payable shortfall (000)		£1,050	£803

- 2.9 The collection of Council Tax arrears has been steadily increasing in previous years. However, UC has meant that Taxpayers are now falling behind faster and greater effort is required by the Council Tax team to deal with current year debts. In addition, the Covid-19 pandemic dramatically reduced payments towards arrears in March. The table below shows the comparable position at the end of quarter 4

Table 5	2017/18	2018/19	2019/20
Collected	£2,328,127	£2,541,572	£2,282,688
Variation		£213,446	-£258,884

- 2.10 To deal with the change to UC the Revenues team has been identifying Council Taxpayers that are experiencing financial distress and has been working closely with Community Solutions to identify the root cause of financial problems and to look to help taxpayers find a resolution. This includes the awarding of discretionary relief, budgeting advice, payment arrangements which aim to bring the customer back on track, training and employment assistance, and referral to CAB, Job Centre or Social Services.
- 2.11 The budget for Council Tax discretionary relief this year is £50k. At the end of quarter 4, £59k had been allocated to customers to help them recover from financial hardship.
- 2.12 The changes made to collection techniques alongside the continued collaboration with Community Solutions has ensured that current year collection rates have not been as badly impacted as other boroughs. However, arrears payments have been affected and have reduced for the first time in 3 years.
- 2.13 **Successes** – Council Tax collection target for the current year was achieved.
- 2.14 **Concerns** – Arrears collection is being affected by Universal Credit and the Covid-19 pandemic.

3. Rent Collection

- 3.1 As tenants' transition to Universal Credit the amount of housing benefit being paid directly to rent accounts has reduced dramatically. The table below shows the collection rates since 2017/18.
- 3.2 Collection rates increased marginally in 2019/20

Table 6	Rent collection		
	2017/18	2018/19	2019/20
NCD (000)	£102,260	£100,180	£101,907
Percentage collected	97%	96.4%	96.7%

- 3.3 The Revenue team has reacted to the introduction of Universal Credit by helping residents with the transition and working closely with Community Solutions through our joint work in the Homes and Money Hub. However, as the table below shows the level of arrears for those residents receiving UC continues to increase.

Table 7	Number	In arrears	Percentage in arrears
Residents in receipt of Housing Benefit	6,738	1,479	21.95%
Residents in receipt of UC	2,988	1,798	60.17%

Table 8	Value of arrears	Average arrears
Residents in receipt of Housing Benefit	£550,074	£372
Residents in receipt of UC	£1,951,794	£1,086

3.4 As tables 7 and 8 show, residents in receipt of UC are more likely to be in arrears and for higher amounts.

3.5 The Rents team has been working closely with Community Solutions to identify residents that require additional support. The Rents team has responded to the challenges of UC by agreeing repayments plans that consider the variable nature and delays in UC payments. This has maintained collection rates and minimised the impact of UC upon collection rates. This two-pronged approach of realistic payment plans, and appropriate support is working well.

3.6 **Successes** – Rent collection has improved and achieved target

3.7 **Concerns** – There is a clear indication that UC has a detrimental effect upon tenants and rent collection. Increases in rent in 2020/21 will present new challenges increasing pressure on both the residents and the service.

4. Leasehold collection

4.1 The table below shows the estimated amount charged and paid by leaseholders compared with 2018/19.

Table 9	Leasehold – Quarter 4		
	2017/18	2018/19	2019/20
NCD (000)	£4,541	£4,321	£5,316
Percentage collected	99.76%	99%	83.1%

4.2 Both the service charge and reserve fund have been increased in 2019/20. The increase in the reserve fund includes some backdating, this has reduced the collection rate in comparison with the previous year.

4.3 The General Income team has collected £144k more this year than at the same time last year, however the size of the increase in service charge, coupled with the backdating of reserve fund charges has meant that it has not been possible to

maintain the same percentage of collection as last year. In addition, the Covid-19 pandemic resulted in a drop in collection in March.

- 4.4 Customers are being allowed more time to pay any backdated charges and this has reduced the percentage of collection.
- 4.5 The Revenue service was unaware that the methodology for calculating charges had been changed. The increases were not only in the reserve fund but for other charges, i.e. management fee, lift maintenance, caretaking, insurance etc.
- 4.6 Having established the reason for the increase in the 19/20 charge the revenue service diverted resource to deal with the increase in queries from customers and to recover the charges. However, in some cases customers had many thousands of pounds added to their charge which were beyond their means to pay within the financial year.
- 4.7 In many cases the service has agreed repayment plans that are realistic, and this means that some debt will not be paid within the financial year.
- 4.8 It should be noted that the annual charge in 20/21 has returned to the expected level of £4.5m. The Revenue service will expect that customers continue to pay their 20/21 charge and maintain any payment agreements made for charges in 19/20. However, Covid-19 is likely to extend the repayment period in some cases.
- 4.5 **Successes** – the amount collected has been increased compared with last year.
- 4.6 **Concerns** – unexpected increases in service charge. Backdated reserve fund and increases in the service charge causing £1m increase in the collectable amount. Although the target was reduced the increase in charge was too great to be able to maintain collection rates.

5. General Income collection

- 5.1 The table below shows the charge raised for General Income as well as payment and percentage of collection.

Table 10	General Income – Quarter 4		
	2017/18	2018/19	2019/20
NCD (000)	£105,345	£115,699	£129,732
Percentage collected	97.5%	96.3%	96.3%

- 5.2 The amount to be collected increased significantly in 2019/20 however collection rates were maintained
- 5.3 **Successes** – significant increases in revenue collected.
- 5.4 **Concerns** – lack of a debt management system makes the process labour intensive and the progress of cases through recovery cannot be reported. Entities moving from Oracle to other systems without enough planning for migration of

future payment allocation to invoices that remain in Oracle is causing an additional administrative workload.

6. Fairer Contribution Collection

6.1 The table below shows the charges raised for homecare in 2017/18, 2018/19 and 2019/20.

Table 11	Fairer contribution – Quarter 4		
	2017/18	2018/19	2019/20
NCD (000)	£984	£980	£864
Percentage collected	81.5%	81.1%	80%

6.2 The figures above are also included as part of the General Income figures shown in table 10. The amount charged in homecare has reduced this year compared with last year and the collection rate was slightly lower. The difference in collection is the equivalent of £9k.

6.3 **Successes** – improved liaison with Social Services to better deal with queries.

6.4 **Concerns** - lack of a debt management system makes the process labour intensive and the progress of cases through recovery cannot be reported.

7. Commercial Rent

7.1 The table below shows the amount raised for Commercial Rent for 2018/19 and 2019/20.

Table 12	Charge raised	Percentage
2018/19 (000)	£4,410	98.25%
2019/20 (000)	£5,215	98.78%
Variation (000)	£805	0.53%

7.2 Commercial rent raised this year has increased in comparison with last year.

7.3 Collection rate improved on last year by 0.53%.

7.4 **Successes** – closer working with property services to identify arrears and take appropriate action

7.5 **Concerns** - lack of a debt management system makes the process labour intensive and the progress of cases through recovery cannot be reported. Further testing of the new Housing system is scheduled before go live, which is stretching further the resources in the team

8. Performance

8.1 Performance against targets is shown below:

Table 13	Service level	Target	Variation from target
Council tax in year collection	95.7%	95.7%	0.0%
General Income collection in year	96.34%	96.20%	0.14%
Rents	96.74%	96.36%	0.38%
Leasehold Income collection %	83.14%	91.60%	-8.46%
Fairer contribution (homecare in year)	80.03%	80.00%	0.03%
NNDR in year collection %	98.0%	98.4%	-0.4%
Commercial Rent %	98.78%	97.85%	0.93%
Council Tax arrears £	£2,282,688	£2,475,000	-£192,312
Former Tenant arrears	£202,497	£206,000	-£3,503
Road Traffic Enforcement %	16.5%	14.0%	2.5%
HB overpayment %	110.70%	61.2%	49.50%
Reside	16.5%	14.0%	2.5%

9. Arrears

- 9.1 The tables below show arrears for quarter 4 and the current level of debt recovery activity. The debt recovery activity shows the current action being undertaken; this does not mean that other actions have not been taken in the past. The databases (Academy) for Council Tax, NNDR and Housing Benefit overpayments do not report previous actions. General Income does not have a debt management system and so debt recovery action cannot be recorded, and the process remains manual.
- 9.2 In most debt streams shown in table 14 the arrears will show as higher in 2019/20 than in 2018/19. However, Council Tax was increased in 2018/19 and as shown above, CTS reduced, therefore the uncollected amount will appear as higher. General Income arrears can fluctuate dependent upon the amounts raised by issuing departments.
- 9.3 The definition of arrears is different for each of the revenue streams. The table below shows the amount of unpaid debt at the end of the year compared with the same time in 2018/19.

Table 14	2018/19 (000)	2019/20 (000)	Variation (000)	Description
Council Tax	£25,011	£25,792	£780	Debts raised and unpaid which are not for the current year
Housing Benefit overpayments	£27,873	£27,020	-£853	Currently outstanding for all years
NNDR	£6,206	£8,031	£1,825	Debts raised and unpaid which are not for the current year
Leasehold	£234	£570	£336	Debts raised and unpaid which are not for the current year
General Income	£6,351	£8,156	£2,173	Debts raised and unpaid which are not for the current year
Rent	£3,620	£3,757	£137	Rent that has not been paid for 1 week or longer

10. Council Tax Arrears

- 10.1 Council Tax arrears are defined as any debt that remains unpaid after the end of the financial year in which it was raised.
- 10.2 The recovery of Council Tax continues after the year has ended. Although it is not possible to collect all Council Tax charged in the financial year, replacing Council Tax Benefit with Council Tax Support, welfare reform and more recently Universal Credit have made collection within year more challenging. Therefore, some Taxpayers will still be paying off Council Tax from previous years and are unable to catch up.
- 10.3 The table below shows the debt recovery status of the arrears. There will be some debts that have not entered the recovery process as they are newly created or are being disputed.

Table 15

Action	Balance (000)	Number of liability orders
Enforcement Agent	£7,218	10,725
Attachment to benefits or earnings	£1,121	2,869
Returned by Enforcement Agent	£5,348	9,138
Awaiting write off	£2,426	3,899
Payment arrangement	£979	1,895
Absconded	£3,362	5,378
Other	£3,759	6,150
Total	£24,213	40,054

- 10.4 Liability orders are obtained at court and allow further enforcement action, i.e. Enforcement Agents. Taxpayers will often have more than one liability order as normally they are obtained for each unpaid year. There are 40,054 liability orders but there 20,178 individual accounts. Therefore, there is an average of 2 liability orders per taxpayer.
- 10.5 The process of sending cases to Enforcement Agents is automated, although pre checks are made. However, all other actions are manual, this includes agreeing payment arrangements, attachments to benefits or earnings, bankruptcy and committal. Current resource does not allow all cases to be immediately pursued. Debts that have been designated as uncollectable are coded for write off, but again the process is manual and is not prioritized over enforcement action.

11. Housing Benefit Overpayments Arrears

- 11.1 Where a housing benefit overpayment has been created the debt is immediately pursued. The table below shows the current debt recovery status of those overpayments

Table 16

Action	Balance (000)	Cases
Payment arrangement	£12,909	3,487
Actively being managed	£7,245	6,967
Awaiting recovery action	£6,866	9,058
Total	£27,020	19,512

11.2 Those debt being actively managed covers several different actions, including the use of debt collection agencies and attachments to benefits or earnings.

11.3 The table below shows the creation of Housing Benefit payments quarterly over the course of 19/20. As can be seen, the amount raised is decreasing and this is mainly due to the ongoing transition to Universal Credit.

Table 17

Quarter	Raised
Quarter 1	£2,651
Quarter 2	£1,841
Quarter 3	£1,632
Quarter 4	£1,303

11.4 As many debtors have been or are still in receipt of benefit, the process of debt collection can be relatively slow with small payments being made towards often large debts.

12. NNDR

12.1 Business Rates arrears can fluctuate considerably. Appeals against rateable values are sometimes made many years after the year of the charge. This means that debts can sometimes be increased or decreased by hundreds of thousands of pounds. Although arrears are pursued, collection is shared with the London pool.

13. General Income (including Homecare) arrears

13.1 All General Income is recorded using Oracle which has no debt management system. It is therefore not possible to determine where each debt is within the debt recovery process.

13.2 The arrears figures shown in table 13 represent 7,580 invoices and each must be examined manually to determine the current and next best course of action. Therefore, the General Income team works from spreadsheets of invoices and relies on knowledge and experience of each area to determine recovery priorities.

14. Rent arrears

14.1 The table below shows the breakdown of rent arrears. Rent arrears are designated as any tenancy that is one week or more in arrears.

Table 18

Arrears range	Cases	Value
Less than £250	3,911	£287,049
£250 to £500	867	£316,434
£500 to £1,000	598	£423,694
£1,000 to £3,000	628	£1,092,964
£3,000 to £5,000	165	£636,130
Over £5,000	73	£522,854
Total	6,242	£3,279,125

- 14.2 Over 50% of residents in arrears are still in receipt of Housing Benefit or are now claiming Universal Credit. The majority of tenants in arrears are less than £250 behind with their rent, which is the equivalent of 1 to 3 weeks. Higher debts are managed by the Rents team either by court order or by payment arrangements. Improving liaison with Community Solutions is helping to reduce court action and help residents to control their budgets.
- 14.3 The arrears figures tend to fluctuate month on month because Universal Credit is paid to tenants monthly and so for 3 weeks out of every 4, they can be in arrears.
- 14.4 This has increased the complexity of cases being dealt with by the Rents Team and prompted a revision to the recovery process. The new process focuses attention more on identifying those falling into arrears and then assisting or working with Community Solutions to find a resolution.

15. Costs

- 15.1 The table below shows the amount of Council Tax Court costs raised in this year compared with the same time last year.

Table 19	2018/19	2019/20
Raised	£1,627,760	£1,560,946
Withdrawn	£988,398	£1,191,016
Payable	£629,363	£369,930
Paid	£578,528	£362,994
All years outstanding	£3,225,618	£3,232,665

- 15.2 Council Tax costs represent most costs charged to residents for non-payment of debt. Every summons issued for non-payment attracts an additional cost, to the resident, of £123.
- 15.3 Although a similar amount of costs has been raised compared with last year, a much high proportion have been withdrawn
- 15.4 However, not all summonses result in a court hearing as taxpayers may agree to pay the charge by revised instalments. Similarly, if there is reason to believe the taxpayer is vulnerable the summon and costs will be withdrawn.
- 15.5 More summonses have been withdrawn this year to date than last. Increases in the tax, coupled with the introduction of Universal Credit has put additional pressure on

taxpayers. This makes it more likely they will miss instalments and receive a summons.

16. Financial Implications

Implications completed by Sandra Pillinger Group Accountant

- 16.1 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. The monthly meetings between Elevate and the Council mainly focus where the targets are not being achieved to discuss ways to improve prompt collection of Council revenues
- 16.2 At the end of quarter 4, Elevate has achieved many but not all of its targets. Leasehold collection is below target by 8.46%, and NNDR collection is slightly below target by 0.4%.
- 16.3 Performance is impacted by welfare reform and the introduction of Universal Credit where delays in payment of UC are resulting in delays in the payment of Council Tax. UC has also delayed the assessment of Council Tax support.
- 16.4 The Revenues team has been working closely with Community Solutions to identify residents in financial difficulty and to provide support to assist in tackling financial problems and managing debt
- 16.5 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 2018/19 and earlier years are charged, the preventing any impact upon the Councils current revenue income. A periodical review is carried out required to ensure the adequacy of the Council's Bad Debt Provisions adjustments to the provisions are met from the Council's revenue budget and reduce the funds available for other Council expenditure

17. Legal Issues

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

- 17.1 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.
- 17.2 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.

- 17.3 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. 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: None

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