

Notice of Meeting

CABINET

Monday, 15 February 2021 - 6:00 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 and Cllr Maureen Worby

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Please note that this meeting will be webcast to enable the press and public to listen 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. Members are reminded that the provisions of paragraph 9.3 and 9.4 of Part 5, Chapter 1 of the Constitution in relation to Council Tax and Council house rent arrears apply to agenda items 6 and 7 respectively.

3. Minutes - To confirm as correct the minutes of the meeting held on 19 January 2021 (Pages 3 - 11)

4. Independent Barking and Dagenham Domestic Abuse Commission Report (Pages 13 - 67)

5. Update on COVID-19 Issues (Page 69)

6. **Revenue Budget Monitoring 2020/21 (Period 9, December 2020) (Pages 71 - 93)**
7. **Budget Framework 2021/22 and Medium Term Financial Strategy 2021/22 to 2024/25 (Pages 95 - 149)**
8. **Housing Revenue Account: Estimates and Review of Rents and Other Charges 2021/22 (Pages 151 - 171)**
9. **Air Quality Action Plan 2020-2025 (Pages 173 - 221)**
10. **Treasury Management Strategy Statement 2021/22 (Pages 223 - 269)**
11. **Procurement of All-Age Care Technology Service (Pages 271 - 309)**
12. **Pay Policy Statement 2021/22 (Pages 311 - 320)**
13. **Short-Term Contract for SIA Security and Ancillary Services - Direct Award (Pages 321 - 329)**
14. **Barking & Dagenham Trading Partnership - Request to Change Auditors (Pages 331 - 333)**
15. **Any other public items which the Chair decides are urgent**
16. **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 / observe Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). ***There are no such items at the time of preparing this agenda.***

17. **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

Participation and Engagement

- To collaboratively build the foundations, platforms and networks that enable greater participation by:
 - Building capacity in and with the social sector to improve cross-sector collaboration
 - Developing opportunities to meaningfully participate across the Borough to improve individual agency and social networks
 - Facilitating democratic participation to create a more engaged, trusted and responsive democracy
- To design relational practices into the Council's activity and to focus that activity on the root causes of poverty and deprivation by:
 - Embedding our participatory principles across the Council's activity
 - Focusing our participatory activity on some of the root causes of poverty

Prevention, Independence and Resilience

- Working together with partners to deliver improved outcomes for children, families and adults
- Providing safe, innovative, strength-based and sustainable practice in all preventative and statutory services
- Every child gets the best start in life
- All children can attend and achieve in inclusive, good quality local schools
- More young people are supported to achieve success in adulthood through higher, further education and access to employment
- More children and young people in care find permanent, safe and stable homes
- All care leavers can access a good, enhanced local offer that meets their health, education, housing and employment needs
- Young people and vulnerable adults are safeguarded in the context of their families, peers, schools and communities

- Our children, young people, and their communities' benefit from a whole systems approach to tackling the impact of knife crime
- Zero tolerance to domestic abuse drives local action that tackles underlying causes, challenges perpetrators and empowers survivors
- All residents with a disability can access from birth, transition to, and in adulthood support that is seamless, personalised and enables them to thrive and contribute to their communities. Families with children who have Special Educational Needs or Disabilities (SEND) can access a good local offer in their communities that enables them independence and to live their lives to the full
- Children, young people and adults can better access social, emotional and mental wellbeing support - including loneliness reduction - in their communities
- All vulnerable adults are supported to access good quality, sustainable care that enables safety, independence, choice and control
- All vulnerable older people can access timely, purposeful integrated care in their communities that helps keep them safe and independent for longer, and in their own homes
- Effective use of public health interventions to reduce health inequalities

Inclusive Growth

- Homes: For local people and other working Londoners
- Jobs: A thriving and inclusive local economy
- Places: Aspirational and resilient places
- Environment: Becoming the green capital of the capital

Well Run Organisation

- Delivers value for money for the taxpayer
- Employs capable and values-driven staff, demonstrating excellent people management
- Enables democratic participation, works relationally and is transparent
- Puts the customer at the heart of what it does
- Is equipped and has the capability to deliver its vision

MINUTES OF CABINET

Tuesday, 19 January 2021
(6:01 - 8:45 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 and Cllr Maureen Worby

62. Declaration of Members' Interests

There were no declarations of interest.

63. Minutes (15 December 2020)

The minutes of the meeting held on 15 December 2020 were confirmed as correct.

64. Update on COVID-19 Issues

The Cabinet Member for Social Care and Health Integration gave the following update on COVID-19 issues:

- In the last seven days there had been a further 2,199 positive cases of COVID-19 in the Borough. The current rate of 1,000 cases per 100,000 was a reduction on the previous high of 1,600 cases and indicated that the local community were abiding by the current lockdown rules,
- The significant increase in positive cases since the last update showed how virulent the latest strain of the virus was and that it was still vital that residents continued to abide by the rules and self-isolate when required,
- Sadly, there had now been a total of 370 deaths in the Borough,
- Further testing sites were now operational in the Borough, whether or not people were displaying symptoms,
- Regional vaccination centres were shortly to be opened at the Barking Broadway Theatre and at London East,
- All local care home residents had now been vaccinated. The vaccine roll- out was gathering pace with the latest figures indicating that 4,000 had received their first dose. That said, the vaccination did not mean that people were safe and could not still spread the virus. Therefore, this was not the time to be complacent, and that it was still a matter of hands, face and space.

In response to a question about the vaccine, the Cabinet Member was confident that all the vulnerable members of the community would receive the vaccine in good time and that, in general, the uptake was good. She acknowledged, however, that there had been resistance from some frontline workers and the Council was working hard to dispel the myths around the vaccine.

The Cabinet Member for Enforcement and Community Safety placed on record her thanks for the excellent work of the Enforcement Team and commented that while most people were adhering to the current lockdown restrictions, there would be no let-up in enforcing the rules and, where appropriate, issuing fines.

65. Revenue Budget Monitoring 2020/21 (Period 8, November 2020)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue budget monitoring position for the 2020/21 financial year at 30 November 2020 (period 8).

As a consequence of COVID-19 and subsequent economic impacts, the Council had experienced a high level of additional costs and pressures including loss of service income from fees and charges. As a result of underlying financial pressures including increased costs, demographic and other demand growth, savings not yet delivered and other risks, there was an underlying budget variance of £5.743m, largely in the service areas of Care and Support and My Place.

The Cabinet Member commented that the period 8 monitoring report had been compiled prior to the latest lockdown and, consequently, the resultant latest financial effects would become clearer in the coming months. As had been anticipated, the financial position had worsened by £1.3m since the last report in December 2020, meaning an overall expenditure variance of £27.913m.

Taking into account un-ringfenced grant support funding and claims as compensation for loss of income, the total predicted overspend as at the end of November 2020 was £3.568m. The Cabinet Member pointed out, however, that the impact of increased infection rates and the continuing restrictions over the rest of the winter period meant that the year-end position could result in an overspend of circa £16m based on the most pessimistic projections, which would need to be met through a combination of budget support and General Fund reserves.

The Cabinet Member highlighted the continuing financial difficulties that the Council had faced over the period of the pandemic and the longer-term legacy of austerity. In that respect, he repeated his previous remarks about the lack of Government funding particularly for care and support services, highlighting the fact that the Government had again decided to place the onus on local authorities to raise additional income for those vital services through the Social Care precept on Council Tax.

The Cabinet Member also referred to the proposal in the report regarding the B&D Energy Business Plan for developing the Barking Town Centre (BTC) District Energy Network (DEN), which was approved by the Cabinet in March 2019. Tenders for the construction of the underground pipework and substation infrastructure had come in over budget, mainly due to the small number of suppliers in the market and compounded by "risk pricing" associated with COVID-19.

B&D Energy proposed to contribute £267,000 from its operational budget towards the additional costs and was seeking an additional loan facility of up to £2.769m from the Council while it explored further options for potential Government funding to help bridge the gap

Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2020/21 financial year

as set out in sections 2 to 4 and Appendix A of the report and the potential impact on the reserves position as set out in section 7 of the report,

- (ii) Note the update on key savings programmes, as set out in section 5 of the report,
- (iii) Note the update on the impact of COVID-19 and the lockdown, as set out in section 6 and 7 of the report; and
- (iv) Approve an additional capital loan facility of up to £2.769m to B&D Energy to bridge the funding gap in relation to Energy tenders as set out in section 9 of the report, subject to the condition that any third-party funding that was secured would reduce the loan amount required by the full funding amount.

66. Procurement of New Credit Union to Deliver a Local Community Banking Service

The Cabinet Member for Finance, Performance and Core Services introduced a report seeking approval for the procurement of a new Credit Union to deliver a local community Banking Service.

Since June 2020, supported by LGA grant funding, the Council had worked with the Financial Inclusion Centre on the options appraisal for access to affordable credit and finance for residents, based on evidence of the need and demand for affordable credit and financial services in the Borough. The Cabinet Member referred to the options considered and advised that the recommended approach was to seek to partner with a dynamic, forward-thinking Credit Union to extend their delivery into the Borough to provide a holistic community banking offer for residents and staff.

It was noted that the preferred solution would require an investment of £300,000 by the Council to build both capacity and membership via a comprehensive communications and advertising campaign. The Cabinet Member stressed, however, that the investment would represent an invest-to-save opportunity as residents would often turn to the Council for support when in financial difficulties which, in turn, would result in costs to the Council. The Cabinet Member added that he saw the credit union as the first step towards a longer-term aspiration of establishing a 'Barking and Dagenham Bank'.

Members spoke of their wholehearted support for the proposal and, in particular, its potential contribution to reducing child poverty which was a significant issue in the Borough.

Cabinet **resolved** to:

- (i) Agree to the procurement of a contract for a credit union to underpin a local Community Banking service, in accordance with the strategy set out in the report, with the aim of increasing access to more affordable credit, fairer financial services and supportive debt and money advice; and
- (ii) Delegate authority to the Director of Community Solutions, in consultation with the Acting Chief Executive and the Director of Law and Governance, to

award the contract for the new Credit Union.

67. Article 4 Direction - Permitted Development Rights Allowing Upwards Extensions to Certain Buildings

The Cabinet Member for Regeneration and Social Housing presented a report on the issue of permitted development regulations, introduced by the Government from August 2020, that had granted the right to extend various buildings upwards, including blocks of flats, dwelling houses and commercial units, through the prior approval planning process.

The Cabinet member advised that the prior approval process afforded local authorities limited criteria, set in law, against which to examine proposals and only allowed limited contributions to mitigate their impact on local infrastructure or ensure the provision of affordable housing through a S106 planning obligation. The new regulations had the potential to create significant negative impacts on local communities and the Council would have no control on the design of those types of development, therefore undermining the Council's ambitions for improving the design quality of new developments within the Borough.

The Cabinet Member stated that evidence suggested that the greatest impact of the permitted development rights would be on existing residential areas and not on the industrial areas within the Borough, as exemplified by two recent planning applications for the construction of additional storeys on top of existing residential buildings to create new units. It was therefore considered that it would be in the Borough's best interests to adopt an Article 4 Direction to remove certain permitted development rights within the residential areas of the Borough, excluding industrial areas as shown in appendices to the report and in accordance with the provisions of the Local Plan.

Cabinet **resolved** to:

- (i) Agree to adopt the Article 4 Direction, under the General Permitted Development Order 2015, to remove the permitted development rights in relation to additional storeys above certain buildings within specific areas of the London Borough of Barking and Dagenham; 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 vary the extent of the Article 4 Direction in relation to industrial areas in the Borough as deemed appropriate.

68. Independent Review of the Fire at Samuel Garside House, Barking

The Cabinet Member for Regeneration and Social Housing presented a report detailing the findings and recommendations arising from an independent review commissioned by the Council and led by Sir Steve Bullock and Diarmaid Ward, into the events and aftermath of the fire at Samuel Garside House at Barking Riverside that occurred in June 2019.

The Cabinet Member recalled the events surrounding the fire on the day which was an emotional and traumatic time for all involved and primarily the residents.

He paid tribute to the efforts of Council staff in responding to the fire, including setting up an emergency centre at Thames View Community Centre, and the help and support that came from individuals, families, voluntary and community groups both on the day and the period thereafter.

The report outlined the events of the day and the review team's interpretation of the key issues. Of particular note, the report highlighted how the Council stepped up to deliver for residents amid a confusing mix of responsibilities, caused by the complex private ownership and management arrangements of the building.

The Cabinet Member summarised the key findings and recommendations arising from the review which had brought together a series of practical, relatively inexpensive measures to improve public safety which he hoped would become legally binding through, for example, a Parliamentary Private Members Bill.

The Leader reflected on his role as London Councils Lead on Housing and Planning and commented that, in his view, the Government's response to date to the Grenfell tragedy had made it harder for local government to protect its local residents when it came to fire safety. Cabinet Members also commended the way the community rallied together to support residents.

The Leader placed on record his thanks to the efforts of the Cabinet Member for Regeneration and Social Housing as well as to both Sir Steve Bullock and Diarmaid Ward for their thorough review of the key events surrounding the fire, identifying the lessons learnt and recommendations for action and/or change.

Cabinet resolved to:

- (i) Note the full independent review report at Appendix 1 to the report; and
- (ii) Endorse the recommendations for Government and the private sector as set out in paragraph 2.3 of the report and section 3 of the full independent review report.

(Prior to moving on to the next item of business, the Cabinet resolved to suspend Standing Order 7.1 (Part 2, Chapter 3 of the Council Constitution) to allow the meeting to continue beyond the two-hour duration threshold.)

69. Modern Slavery Charter Update

The Cabinet Member for Social Care and Health Integration introduced a report providing a progress update on the Council's commitments in its Modern Slavery Charter and an updated Modern Slavery Statement for 2021/22,

The Cabinet Member commented that modern slavery was a significant safeguarding issue for the local community, made worse by the effects of the pandemic not least because many victims lived in appalling conditions and were unable to keep safe from Covid. Home Office figures indicated that, in the UK, there were up to 13,000 potential victims of modern slavery recorded in 2013 and more than 10,000 cases of human trafficking recorded in 2019, with 27 of those referrals being in Barking and Dagenham. Modern slavery was hidden, often in

plain sight; on high streets, in local businesses, and even suburban streets. Unwittingly, the local community may be using victims of modern slavery to wash their cars, paint their nails and lay their drives. Children were also victims with many of the more vulnerable being exploited for drug trafficking, sometimes coerced, along so-called “county lines”.

Against that background, the Cabinet Member updated the Cabinet on the considerable progress against the ten commitments in the Co-operative Modern Slavery Charter, which the Council signed up to in May 2018, and spoke on the Council’s updated Modern Slavery Statement for 2021/22. Concluding her report, the Cabinet Member paid tribute to staff for their work in helping to tackle the difficult issues associated with modern slavery and trafficking, adding that there was still much more to do.

The Cabinet Member for Enforcement and Community Safety commented that the issue was a high priority for the Borough’s Community Safety Partnership and also referenced the ‘Step Up Stay Safe’ project, a partnership and cross-service initiative to develop a tiered intervention approach to youth violence.

Cabinet **resolved** to:

- (i) Note the progress against the Modern Slavery Charter and the account given of the Council’s approach as set out in the Modern Slavery Statement 2021/22 at Appendix 1 to the report; and
- (ii) Note the brief on the wider direction of travel relating to Modern Slavery in Barking and Dagenham, including the governance update between partnership boards.

70. Council Tax Support Scheme 2021/22

The Cabinet Member for Finance, Performance and Core Services introduced a report on the local Council Tax Support Scheme (CTSS) for 2021/22, which the Council had a statutory duty to review annually.

The Cabinet Member commented that arrangements for local schemes had been implemented by the Government in 2013 as part of its wider welfare reforms, the impact of which disproportionality impacted on the poor and disadvantaged members of society. The Council’s CTSS had supported many residents over the years and it was proposed to retain the fundamentals of the 2020/21 scheme, including the £50,000 budget to support those in exceptional hardship, while making a number of administrative changes aimed at improving clarity, aligning with other welfare benefits, primarily Universal Credit, and enhancing access for those eligible for entitlement.

Cabinet **resolved** to recommend the Assembly to agree that the Council Tax Support Scheme implemented for 2020/21 be retained for 2021/22, subject to the administrative changes as set out in Section 2 of the report.

71. Calculation and Setting of the Council Tax Base 2021/22

The Cabinet Member for Finance, Performance and Core Services introduced the

annual Council Tax Base report for the 2021/22 financial year, which must be set by 31 January each year in accordance with Section 67 of the Local Government Finance Act 1992.

With regard to the level of Council Tax for 2021/22 that would be set by the Assembly in February 2021, the Cabinet Member advised that the Council's latest Medium Term Financial Strategy had assumed an increase in the Council Tax base of 1.5%. However due to Covid-19, many more residents were claiming Council Tax Support which had reduced the number of chargeable properties to the extent that, based on the Band 'D' properties for 2021/22 after all discounts and exemptions had been applied, the amount of Council Tax income would reduce by £0.268m compared to the previous year. It was noted that the resultant financial pressure was likely to mean that the Council would have to consider implementing the maximum permissible increase when determining the level of Council Tax for 2021/22.

Cabinet **resolved** to agree that, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by the London Borough of Barking and Dagenham Council as its Tax Base for the year 2021/22 shall be 50,995.71 Band 'D' properties.

72. Corporate Plan 2020-22 - Q1 and Q2 2020/21 Performance Reporting

The Cabinet Member for Finance, Performance and Core Services introduced the Corporate Performance monitoring report for quarters 1 and 2 of the 2020/21 financial year, the first report under the new performance regime which provided updates on the delivery of projects and programmes of strategic importance, known as the Strategic Framework.

The Cabinet Member explained that the performance framework underpinned the new Corporate Plan and was all encompassing, comprising 300+ metrics and 150+ deliverables to give an effective overview and based on a thematic and narrative-led approach to reporting. Following the outbreak of Covid-19 it had been necessary to revisit and update the Strategic Framework to reflect the Council's response and the social and economic legacies of the pandemic which had profound implications for the Council's short and medium-term plans.

Other Cabinet Members provided brief overviews of performance within their portfolios, collectively paying tribute and giving thanks to the outstanding efforts of frontline workers during the pandemic.

Cabinet **resolved** to note the performance highlights and areas of improvement for quarters 1 and 2 of 2020/21 as set out in Appendix 1 to the report.

73. Private Business

Cabinet **resolved** to exclude the public and press for the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

74. Regeneration Strategy for Dagenham Dock: Dagenham Freeport

The Cabinet Member for Regeneration and Social Housing presented a report on proposals for the Council to join Ford Motor Company and other partners in the progression of a bid to create a Freeport at Dagenham Dock.

The Cabinet Member advised that the Government planned to create at least 10 Freeports across the UK to become new hubs for business and enterprise targeted at creating, as the Government has suggested, “thousands of jobs, regenerating communities and turbocharging Britain’s post-Brexit growth”. Those Freeports would benefit from generous tax reliefs, simplified customs procedures and wider Government support to incentivise the growth of business.

In response to the Government’s plans, Ford had entered into an agreement with the Port of Tilbury and London Gateway Port to jointly bid for a Freeport as part of Ford’s strategy for the future of its business in the area, including their Dagenham site. In order to comply with the Government’s bidding requirements, LBBB would be required to become a joint party to the bid which would entail direct involvement in the governance of the port. LBBB would also need to agree to other key issues such as a structure for investment of future retained business rates growth, a Local Development Order (LDO) to control development via planning and other measures required to support delivery of the Freeport.

The Cabinet Member concluded that if the Freeport bid was successful the project would bring a range of benefits to the Borough and its residents in the form of more and better jobs as well as significant investment in the Ford site and the wider Dagenham Dock area, supporting and enabling the Council’s vision for regeneration and inclusive growth in that area.

Cabinet **resolved** to:

- (i) Approve the Council supporting Ford’s proposal for a Freeport and submitting the Freeport bid jointly with Ford and its key bid partners, including the Port of Tilbury, London Gateway Port and Thurrock Council, subject to Ford agreeing to work with the Council to support and enable wider regeneration in Dagenham Dock and to mitigate any negative impacts of the Freeport bid, and to delegate authority to the Director of Inclusive Growth, in consultation with the Leader and the Cabinet Member for Regeneration and Social Housing, to progress the negotiations with Ford;
- (ii) Approve the request for in-principle support for the Council becoming a party to the governance structure for the new Freeport,
- (iii) Delegate authority to the Director of Law and Governance, in consultation with the Council’s Leader and Cabinet Member for Regeneration and Social Housing, to agree to the formal arrangements for the Council’s role in the Freeport’s governance structure,
- (iv) Approve the request for in-principle support for a scheme for businesses rates relief, relief reimbursement by Government and the local investment of future retained business rates growth,

- (v) Delegate authority to the Finance Director, in consultation with the Council's Leader and Cabinet Member for Finance to agree to the formal process for business rates relief and to agree a decision-making process for setting out how future business rates will be reinvested,
- (vi) Approve the request for in-principle support for a Local Development Order (LDO) to support and accompany a Freeport at Dagenham Dock,
- (vii) Delegate authority to the Director for Inclusive Growth, in consultation with the Council's Leader and Cabinet Member for Regeneration and Social Housing, to undertake appropriate consultation and draft the LDO, to then be submitted to Cabinet for final approval,
- (viii) Agree in principle to the use of compulsory purchase powers to acquire any third-party land interests required to support delivery of the Freeport and associated infrastructure, and
- (ix) Authorise the Director for Inclusive Growth to undertake the investigative and preparatory work required for the compulsory purchase process should it be necessary to acquire third party land interests and, should it prove necessary and appropriate for one or more compulsory purchase orders to be made, note that a further report would be brought to Cabinet seeking approval to the making of an Order.

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CABINET

15 February 2021

Title: Independent Barking and Dagenham Domestic Abuse Commission Report	
Report of the Cabinet Member for Social Care and Health Integration and the Cabinet Member for Enforcement and Community Safety	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Florence Henry, Domestic Abuse Commission Programme Manager	Contact Details: E-mail: florence.henry@lbbd.gov.uk
Accountable Director: Mark Tyson, Director of Strategy and Participation	
<p>Summary</p> <p>Domestic abuse has been an issue for too long in Barking and Dagenham. The council has consistently had the highest police reported rates of domestic abuse in London, with national evidence showing that large amounts of domestic abuse goes unreported to the police. A 2017 and 2019 school survey of over 2000 Barking and students found that 26% of year 10 to year 12 students thought it was sometimes acceptable to hit your partner. In January 2019 at the East Borough Command Unit Serious Violence Summit, Councillor Maureen Worby, Cabinet Member for Health and Social Care announced the plan to launch a domestic abuse commission.</p> <p>In September 2019, the Barking and Dagenham Domestic Abuse Commission launched at Eastbury Manor House. The commission brings together a panel of national experts chaired by Polly Neate, CEO of Shelter to look at the attitudes in the borough related to domestic abuse. The commission also had a national launch at City Hall on 4th February 2020, where Jess Phillips MP and Sophie Linden, Deputy Mayor for Crime and Policing, spoke along with commissioners and Cabinet Members. The commission is the first of its kind in the country.</p> <p>The commission has conducted a range of qualitative and quantitative insight in the borough with residents and professionals. In particular, survivors of domestic abuse have co-produced the report and the outcomes, and recommendations within it. The report is structured as 7 survivor-based outcomes with a series of recommendations below each of these recommendations. Involving survivors of domestic abuse in any approach is one of the commission's key recommendations. The report also contains photos of people holding up 'We Believe You' signs – the commission recommends that We Believe You is a key message, and that culture change to ensure that survivors are believed takes place.</p>	
Recommendation(s)	
The Cabinet is recommended to:	

- (i) Agree to the publication of the Independent Domestic Abuse Commission Report, as set out at Appendix 1 to the report; and
- (ii) Note that the Council's formal response to the Commission, outlining how it intends to respond to the Commission's recommendations, shall be presented to a future meeting of the Cabinet for approval.

Reason(s)

Domestic abuse is one of the council's 'five giants', as outlined in the 2020-2022 Corporate Plan – it is one of the five cross-cutting issues which the council must try new approaches to address. The commission report provides recommendations of how the borough should respond to domestic abuse, and is the first report of its kind in the country.

Domestic abuse falls under the strategic priority of Prevention, Independence and Resilience – improving the understand of and response to domestic abuse will enable children, families and adults in Barking and Dagenham to live safe, happy, healthy and independent lives.

1. Introduction and Background

- 1.1 Barking and Dagenham has had the highest police-reported rates of domestic abuse in London. In addition to this, a school survey in 2017 and 2019 found that 26% of Barking and Dagenham young people in years 10 to 12 thought it was sometimes acceptable to hit your partner. Domestic abuse is a priority for Barking and Dagenham, and at the East Borough Command Unit in January 2019, Councillor Worby, Cabinet Member for Social Care and Health Integration, announced her intention to launch a domestic abuse.
- 1.2 The Barking and Dagenham Domestic Abuse Commission was launched in September 2019 at Eastbury Manor House, with all members invited. The commission brings together a panel of 12 national experts, chaired by Polly Neate CBE, CEO of Shelter and former CEO of Women's Aid. The commission was given three tasks – to look at the community attitudes towards domestic abuse, to look at the response of the council and partners and to provide a toolkit for others to follow. The commission's independent experts are as below:
 - Polly Neate (Chair) - CEO of Shelter, former CEO of Women's Aid
 - Simon Blake - Chief Executive of Mental Health First Aid and is also Deputy Chair of Stonewall
 - Amna Adbullatif - Community psychologist who is currently working as national lead on children and young people for Women's Aid
 - Nicki Norman - Director of Services Women's Aid
 - Junior Smart - Founder of SOS Project, Director of SmartCC
 - Becky Rogerson - Chief executive at My Sister's Place and acting Director at Wearside Women in Need
 - Sarah Hughes - CEO of Centre for Mental Health
 - Raji Hunjan – Director of Housing and Homelessness at Oak Foundation
 - Jo Todd - CEO of Respect

- Jess Phillips - MP of Birmingham Yardley, Chair of APPG on Domestic Violence and Abuse
- Rick Henderson - CEO of Homeless Link

1.3 Importantly, as well as the national commissioners, a Borough Expert Panel chaired by Councillor Maureen Worby, provided local insight on the borough and links to key members of the community which was invaluable through-out the commission's work.

1.4 This report contains the independent commission's report and recommendations. Separately, the council's response to the commission is being formulated and will be coming to Cabinet and Assembly later in the year. This will outline how the council is responding to the commission's recommendations, and have full details of impacts on options appraisals, financial implications and any impact on the impact on staff.

2. Proposal and Issues

2.1 The commission's report has been co-produced with survivors of domestic abuse. The commission recruited a survivors panel to gain qualitative insight about their lived experience of domestic and its outcomes –the survivors' panel took place monthly in person from November 2019 to March 2020, and twice weekly since March 2020. The rich insight gained from survivors of domestic abuse is embedded through-out the report.

2.2 The commission is holding a virtual launch event for the report in March 2021. This will build on the launch event for the commission at City Hall on 4 February 2020 and bring together those in the domestic abuse and local government sector to promote the report as the first of its kind in the country, and its findings. The council is also planning a series of learning events to share with our local authorities the commission's findings, and process.

2.3 The commission has structured its report as 7 outcomes which outline what life should be like for survivors of domestic abuse in the borough, and within each of the outcomes are a series of recommendations which have been co-produced with survivors of domestic abuse. The 7 outcome chapters within the report are as below:

1. Outcome 1 - Professionals and services
2. Outcome 2 – Healthy relationships and young people
3. Outcome 3 – Trauma informed
4. Outcome 4 – Community awareness
5. Outcome 5 – Perpetrators and challenging abusive behaviours
6. Outcome 6 – Community groups and community spaces
7. Outcome 7 - Child survivors of domestic abuse

2.4 Each chapter begins with the qualitative insight gained from survivors of domestic abuse – this highlights what survivors of domestic abuse have told the commission about this area, and why it is important. The survivor quotes are embedded through-out the text. Each chapter also outlines what Barking and Dagenham have already done in this area, and then outlines a series of recommendations as 'steps' which build on what Barking and Dagenham has already done in relation to

domestic abuse. This reflects that Barking and Dagenham is already on a journey in relation to domestic abuse. The commission also has a chapter on 'Domestic Abuse in Barking and Dagenham Now' which provides an overview of the work the borough has already done to tackle domestic abuse.

- 2.5 It was very important to ensure that the commission reflects the borough's cultural diversity, and was acknowledged that a 'one size fits all' approach to domestic abuse would not work. For this reason, commission's report also has a chapter on culture and communities which breaks down the nuances between the qualitative insight heard from the different communities in the borough – domestic abuse is a problem for all communities but there are some nuances that the commission has outlined.

3. Options Appraisal

- 3.1 This report contains the independent commission's report, and not the council response to it and therefore does not include an options appraisal. The council's response to the Commission's findings will be presented to the Assembly later in the year – this will contain an options appraisal for the council's response to the commission's recommendations, and the advantages and disadvantages of each option.

4. Consultation

- 4.1 The commission has consulted with over 500 residents and staff through the process of its work, with the report detailing this consultation. In particular, the commission's report and recommendations have been co-produced with survivors of domestic abuse. Engagement with survivors of domestic abuse took place monthly before the pandemic, and since March has taken place twice weekly virtually. The voices of survivors are key through-out the report narrative and recommendations within the report.
- 4.2 As the lead Member for the Commission, Councillor Worby has been regularly updated on the commission's report and had regular meetings with the chair of the commission. In addition to this, updates on the report have also been given also been given regularly at Member forums, and partnership boards such as Health and Wellbeing Board and Community Safety Partnership.

Consultation of commission report:

Triggers meeting – 14th December 2020

Corporate Strategy Group – 17th December 2020

Prevention Independence and Resilience Member Group – 26th January

- 4.3 This report was considered and approved by the Corporate Strategy Group at its meeting on 17th December 2020, where the chair of the commission, Polly Neate presented the report. The report was also considered by the Prevention Independence and Resilience Member Group on 26th January, where Polly Neate presented the report, and it was approved for submission to Cabinet.

5. Financial Implications

Implications completed by: Sandra Pillinger Group Accountant

- 5.1 There are no direct financial implications of this report as it concerns publication of the report of the Domestic Abuse Commission. There may be financial implications from the council's response to the report's recommendations when this is brought to Cabinet later in the year.

6. Legal Implications

Implications completed by: Lindsey Marks, Deputy Head of Law.

- 6.1 The Domestic Abuse Bill 2020/2021 attempts to further develop awareness and understanding of domestic abuse by providing a wider definition of what domestic abuse is. The Bill proposes a new legal duty on local authorities to deliver accommodation-based support to victims of domestic abuse and their children. The Bill also creates the new Domestic Abuse Commissioner role to help drive consistency and better performance in the response to domestic abuse across all local areas and agencies.
- 6.2 The Domestic Abuse Bill has its second reading in the House of Lords in early January 2021 and was committed to a committee of the whole house.

7. Other Implications

- 7.1. **Staffing Issues** – Staff have been very engaged with the work of the commission since it was launched. Polly Neate CBE, Chair of the commission, spoke at the Top 400 managers' event in November 2019 which was well received by staff. Some staff have also volunteered to support the commission's engagement activities, and the commission has ensured it has spoken to staff and professionals, as well as residents in its consultation and focus groups. A series of questions on domestic abuse were included in the Staff temperature check survey for the first time in 2020, and insight from this was provided to commissioners.

The specific impacts on staff of the commission's recommendations and any consultation with staff and unions, will be worked through as part of the council's response to the commission later in the year. It is not currently clear how the council will take on board the recommendations, and therefore any staffing issues will be outlined in the council response.

- 7.2 **Corporate Policy and Equality Impact** – In the 2020 – 2022 Corporate Plan, Domestic abuse is outlined as Barking and Dagenham's 'five giants' – the five key cross-cutting key issues and priorities which Barking and Dagenham will focus on to create change in relation to these issues or outcomes. Domestic abuse falls within Prevention, Independence and Resilience

A full Equality Impact Assessment has been completed for this proposal, and is attached as an appendix to this report (Appendix 2). The commission acknowledges that domestic abuse happens to both genders, but sees it as a gendered crime which is backed up by both national and local evidence which shows that domestic

abuse disproportionately impacts women – MOPAC data highlights 78% of police-reported victims of domestic abuse were female.

The commission has been keen to ensure that its evidence has been representative of the different equality groups in the borough, and to ensure . The commission's report has a chapter on cultures and communities – this chapter goes through different insight gained from different communities which make up Barking and Dagenham's diverse population. The commission is clear to highlight that there is no evidence domestic abuse happens more specific races or religions - domestic abuse happens in all cultures and communities, and the commission concludes that there is a need to make domestic abuse more visible in all cultures, and ensure that communities are not "othered".

The commission has also engaged with the LGBTQ+ community around domestic abuse and has found that there are additional barriers to disclosing domestic abuse. The commission recommends further engagement with the LGBTQ+ community to ensure that their lived experience of domestic abuse is heard. One of the commission's key recommendations is to ensure that a diverse group of survivors of domestic abuse play a key role in the council's approach moving forward.

- 7.3 **Safeguarding Adults and Children** - Domestic abuse is a key safeguarding issue – of children who are in touch with children's social care, local and national data shows that domestic abuse is a common feature. Domestic abuse was a factor in 26% of assessments on children under 5 carried out by children's care and support. Living in a home where domestic abuse can have an impact on a child or young person's mental and physical wellbeing, their behaviour and their development. The new domestic abuse bill which is due for Royal Assent shortly, names children who witness domestic abuse as child survivors in their own right.

The borough has been on a journey with domestic abuse, in particular in the last 18 months – the borough's work to date on domestic abuse is listed in the commission's report, including adopting the Safe and Together model within children's social care, the introduction of a perpetrator intervention programme and the Refuge Domestic and Sexual Violence service contract from October 2019 onwards.

The commission's recommendations focus on improving outcomes for survivors of domestic abuse in 7 key areas – all of which would improve outcomes for survivors and their families. One of the commission's outcomes focuses directly on child survivors of domestic abuse, and recommends increasing the capacity of tailored interventions for child survivors of domestic abuse which would have a positive impact on children in the borough.

- 7.4 **Health Issues** – Domestic abuse can have a negative impact on the victim's health, in particular mental health. There can be huge trauma-impacts as a consequence of domestic abuse which are well evidenced. In addition to this, the physical consequences of abuse can cause victims of domestic abuse to seek medical attention. Health partners have a key role to play in tackling domestic abuse with national evidence showing that GP practices have a key role to play in dealing with disclosures. The report's recommendations include recommendations for health partners – there is also an outcome within the report on trauma-informed, focusing on the impact that trauma has on survivors of domestic abuse.

7.5 Crime and Disorder Issues -

The Community Safety Partnership Action plan details tackling violence against women and girls as one of its priority, in particular supporting survivors, educating and communicating, challenging abusive behaviours and including lived experience. Domestic abuse happens to both genders, but disproportionately affects women and girls. The commission's report is focused on improving outcomes for survivors, and has been co-produced with survivors of domestic abuse's lived experiences. The commission's recommendations also contain recommendations relating to challenging abusive behaviours and educating and communicating.

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

List of appendices:

Appendix 1 – Independent Domestic Abuse Commission Report

Appendix 2 - Equality Impact Assessment

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Barking & Dagenham



Barking and Dagenham Domestic Abuse Commission Report

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Councillor Maureen Worby



“Domestic abuse has a huge and profound impact on communities within Barking and Dagenham and is an issue close to my heart. The costs are too high for individuals, families, to our community and to services – and they have been for too long. Our health, social care and wider services see the impact of domestic abuse everyday. The prevalence of domestic abuse in Barking and Dagenham is too high.



Although domestic abuse has been a priority for our political leadership, I knew we needed to go further. We’ve tried many things to tackle domestic abuse, yet our police reported rates are still the highest in London. This is why I was keen to launch the commission – we needed an independent panel of experts to help us look at the attitudes in the community to domestic abuse and our response.”

Our Commissioners



Polly Neate CBE – Chair

Polly Neate is Chief Executive of Shelter, the homelessness and housing charity which defends the right to a safe home, working with individuals, in communities and across society. She is an influential commentator on housing, women's rights, leadership and wider social justice issues, and is a trustee of Agenda, the alliance for women and girls at risk. She was previously Chief Executive of Women's Aid, where she raised the profile of domestic abuse, including successfully campaigning for coercive and controlling abuse to be made a crime.

Throughout Polly's career she has influenced governments and campaigned for policy change and social justice and has regularly appeared in the media and on platforms as diverse as the Oxford Union and the first Women's March London. Between 2005 and 2013 she was Executive Director of External Relations and Communications at Action for Children, one of the UK's largest charities, where she also led major organisational change programmes. Polly is a journalist by profession and won national awards for both journalism and campaigning. For several years she has been voted one of the Top 30 charity CEOs on social media and can be followed on Twitter at @pollyn1 and on Instagram at @pollyatshelter



Simon Blake OBE

Simon Blake has been Chief Executive Officer of Mental Health First Aid (MHFA) England CIC since October 2018, leading the organisation to achieve its vision of normalising society's attitudes and behaviours around mental health, through training one in ten of the population in Mental Health First Aid skills.

Simon has worked on some of today's most complex social issues; sex and relationships education, sexual and reproductive rights, volatile substance abuse, Personal, Social, Health Education (PSHE) and Citizenship and LGBT rights.

Simon has over 20 years experience of working with young people through his roles at the Sex Education Forum, National Children's Bureau, sexual health and wellbeing charity Brook and, most recently, as Chief Executive of the National Union of Students (NUS). He has written over 40 publications on all aspects of PSHE and Citizenship.

Simon received an OBE in 2011 for his services to the voluntary sector and young people. He is Deputy Chair at Stonewall, Governor at Bath Spa University, a Companion of the Chartered Management Institute and a Fellow at Windsor Castle Society of Leadership Fellows.



Becky Rogerson MBE

Becky Rogerson is CEO of My Sisters Place in Middlesbrough. Currently on secondment to Wearside Women in Need (WWiN), delivering an improvement plan to refuge, outreach and well-being services for women and children.

Becky has held her substantive post at My Sisters Place since 2004, supporting the charity to develop from a small independent Home Office pilot site, to a substantial service with a national best practice profile.

Previous experience includes ten years as a serving magistrate in the adult criminal court; probation service employment in prison and community settings, and the design and delivery of Voluntary Sector Perpetrator Programmes.

Becky is a Winston Churchill Fellow, specialising in 'Criminal Justice and Community Responses to Domestic Abuse in the Americas'; and presented as an 'expert' at the UK/China Human Rights Dialogue in Beijing (2017) on the role of Civil Society in Domestic Violence Law Reforms.



Amna Abdullatif

Amna Abdullatif is a community psychologist who has worked with communities, children and women for over 14 years. She is currently the lead for Children and Young People at Women's Aid Federation England, a leading national charity in the UK which focuses its work on domestic violence, supporting women and children.

Amna led the Safer Futures project at Women's Aid in the UK, which aims to promote and support the education of young people about domestic violence and healthy relationships. Amna currently runs training to support specialists working with pregnant women and children impacted by domestic abuse.

Amna is a local councillor, a campaigner and activist for women's rights, with interest in foreign policy and its impact on women, specifically the Middle East and North Africa, and has had her thesis paper published in the Journal of Social Science Education.



Nicki Norman OBE

Nicki Norman has over 25 years direct experience of providing, managing and developing local domestic violence services in a range of settings. Nicki has worked for Women's Aid Federation England since 2007, and is Acting Co Chief Executive assisting with all aspects of the national charity's work to end violence against women and children.

Nicki oversees the delivery and development of Women's Aid's direct services which include the National Domestic Violence Helpline, online Survivors' Forum and 'No Woman Turned Away' project. Nicki's remit also includes supporting and representing a national network of around 175 local member organisations providing violence against women services, as well as the National Training Centre and all its work. Currently, Nicki is leading on a national project that is transforming multi-agency responses to domestic abuse in England and Wales – 'Change that Lasts'.



Jo Todd

Jo Todd is the founding CEO of Respect, the UK domestic abuse charity providing the national voice on perpetrators, male victims and young people.

Jo has worked in the domestic abuse sector for 26 years, including frontline work supporting survivors, running behaviour change groups for perpetrators, providing clinical supervision and delivering training and consultancy across the UK and abroad, including in Germany, the Republic of Ireland, Mexico and Jordan.

As CEO at Respect for 19 years, Jo has been at the forefront of the development of safe, effective, accountable practice and influencing public policy to ensure better responses to perpetrators that put the survivor at the heart.

Jo has an MA in the Sociology of Gender from Essex University (1992) and qualified as a counsellor in 1999. Jo is co-author of a three-volume practitioner manual, 'Working Towards Safety' (Iwi & Todd, DVIP, 2000) and is an Associate Editor of the Journal of Gender Based Violence which was launched in May 2017.



Sarah Hughes

Sarah Hughes has worked in mental health for 28 years and has been the Chief Executive at Centre for Mental Health for over a year now. Having initially trained as a social worker, Sarah has managed a range of innovative community and secure services. She also led the research and evaluation of the pioneering First Night in Custody project in Holloway Prison which saw the roll out of these principles across the prison estate supported by the Cabinet Office.

In recent years, Sarah has led Mind in Cambridgeshire (among other organisations) which is known for values led practice and high impact campaigns including Stop Suicide and Stress LESS.

Sarah is also undertaking a professional doctorate with the Tavistock and Portman Centre studying Women, Resilience and Leadership. She writes a blog and has written many guest pieces for various platforms.

Sarah is passionate about the mental health of the nation and believes it is possible to achieve parity of esteem by drawing on the amazing work already being undertaken across the country.



Raji Hunjan

Raji Hunjan is the Program Director for Housing and Homelessness at the Oak Foundation. She was previously the Chief Executive Officer of anti-poverty charity Z2K (Zacchaeus 2000 Trust). She is also the Chair of the Independent London Housing Panel funded by the Trust for London and the GLA. In this capacity she sits on the Mayor's Homes for Londoners Board. In 2018, Raji was a Commissioner on Shelter's Future of Social Housing Commission, and remains committed to campaigning for the building of more social housing as well as tenant voice.

Raji was formerly Operations Director at Inquest and prior to this she was the Director of North Kensington Law Centre. Raji is passionate about empowering people and grassroots action which formed a large part of her work previously as Director of Democracy at the Carnegie UK Trust and at the Hansard Society before that. This includes ensuring that the voices of those who are most excluded from decision making processes are heard.



Jess Phillips MP

Jess Phillips is a Labour Party MP who has been the MP for Birmingham Yardley since 2015. Jess is a prominent campaigner on issues relating to violence against women and girls. Jess became a councillor in 2012 through the Labour Future Candidates Programme. In this role she worked tirelessly to support residents, with her work being recognised when she became Birmingham's first ever Victims Champion. Jess chairs the All-Party Parliamentary Group on Domestic Violence and Abuse, which provides a forum for discussion on how policy and legislation relating to domestic violence is affecting survivors and specialist support services.



Rick Henderson

Rick Henderson is the CEO of Homeless Link and was appointed to that role in July 2012. Prior to this he was the CEO of Action for Advocacy and has a background in advocacy and human rights. He is a member of the government's National Rough Sleeping Advisory Panel and the Mayor of London's Rough Sleeping Task Group. Rick also represents Homeless Link internationally, as a member of FEANTSA - the European homelessness network - and the Housing First Europe Hub. Rick is prolific on Twitter and somehow still manages to find the time to sing and play around with classic cars in his spare time.



Junior Smart

Ex-offender Junior Smart founded SOS Project, ST Giles Trust, in 2006. The ex-offender led gangs intervention project offers intensive, tailored one-to-one support for young people caught up in the negative vortex of gangs and weapons crime. Initially starting as a small South London pilot, SOS grew over the years to become London's largest gangs exit project assisting over 500 young people annually to break free to gang, gun and knife crime and lead positive, productive lives in the community. The project won multiple awards including the Charity Awards 2014, The Third Sector Excellence Awards 2011, the Centre for Social Justice Awards 2010 and The South London Press Awards 2008. Junior was listed in the Evening Standard's list of 1,000 Influential Londoners in 2014 and 2015 in recognition of campaigning work around the issue of London's gang and serious youth violence problem.

Going back to education, Junior achieved a First Class BA Hons in Youth Work and a First Class Distinction MA in Youth Crime and Justice. Junior also undertook numerous other qualifications in areas including Conflict Resolution, Youth Work, Gangs Work, Substance Misuse and is an accredited PTTLS trainer. Junior is now the Director of Smart Training and Consultancy.

Introduction



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Domestic abuse is a national crisis. The crime survey of England and Wales estimates that one in three women will experience domestic abuse in their lifetime, and on average a woman is killed by her male partner or former partner every four days in the England and Wales. However, domestic abuse prosecutions fell 24% in the last three months of 2019. Domestic abuse affects both men and women, but is a gendered crime, with women more likely to experience domestic abuse and more likely to experience more severe incidents and prolonged patterns of abuse. Despite this, or perhaps because of its gendered dynamics, domestic abuse is not a national political priority. It is deeply rooted in our cultures and its effects are seen not only by specialist domestic abuse services, but in our healthcare, homelessness, substance misuse and child safeguarding services. Everywhere, in fact,

where the trauma survivors experience over many years is seen. Any strategy to defeat domestic abuse must tackle both its effects and its roots.

This Commission set out to discover what a local authority can do, despite the lack of political focus. We set our agenda by the experiences of women who have survived, and tested our findings with them every step of the way.

A few months into our work, the COVID-19 pandemic took hold.

During the first three weeks of the lockdown in March 2020, 16 women and girls were killed in domestic homicides in the UK, more than three times the number from the same period in 2019. As one of our survivors told us, “you’re at lower risk dying of COVID-19 than you are dying from

your partner killing you.” The national charity Refuge notes that calls to the National Domestic Violence Helpline were up 80% in June. The work of the Commission became even more urgent. For survivors, lockdowns “make me feel that the government is now my abuser”. With the Domestic Abuse Bill now before Parliament, the time is right to show how fundamental change at a local level can happen.

The Commission was set three tasks: to address the cultural normalisation of domestic abuse in the borough; to improve the council’s own services and the services of partners in the borough; and to provide a toolkit for others to use. We wanted to know why survivors weren’t able to get help, despite the usual avenues being available: police, a local commissioned support service, some local charities exist, yet survivors still feel they have nowhere to turn. Real change on abuse will only happen when communities come together to take action against domestic abuse and survivors know they will be believed and will find help.

We brought together national experts, who could draw on local experience and expertise but scrutinise with fresh eyes, with the aim of setting Barking and Dagenham on a radical new path, while also starting a conversation that empowers more local areas to tackle domestic abuse at its root, by sharing how we reached our conclusions. Our commissioners are not only domestic abuse specialists – though several of them are. They are also experts in many of the policy areas and services touched by domestic abuse, such as homelessness, mental health and poverty. The Commission marks a step change in giving survivors the response they deserve within their communities.

Our recommendations are both radical and unsurprising. Radical in that no local area exists with the level of response and focus on culture

change that we recommend. Unsurprising in that the truth is out there. It isn’t surprising because the women’s sector in particular has been arguing for this approach for decades, often without being heard, always without being given the resources to make it happen.

The leadership and transparency Barking and Dagenham Council has shown is impressive. With London’s highest police reported domestic abuse rates, and school surveys in 2017 and again in 2019 showing that 26% of young people thought it was sometimes acceptable to hit your partner, the council wanted to ask some hard questions, and is an ideal case study. But domestic abuse is a national issue and the attitudes and experiences detailed within this report are found across the country – the findings of the Commission should be read with this in mind. Barking and Dagenham is the first area in the country to seek to understand what residents think and have experienced, and to commit to change as a result. Let’s hope it isn’t the last .

Executive Summary

Through over 55 focus groups with residents and professionals across the borough, the commission has found that domestic abuse is normalised in the community, and that one consequence of this is that domestic abuse survivors often aren't believed by their friends, families and professionals alike.

There is a richness in the qualitative insight that has come out of focus groups and the stories of those we've spoken to through-out our work is woven into this report. There are some headline theme figures that we can draw together to highlight what we've learnt:

- **52 out of 55** groups, including interviews, felt abusive behaviours in relationships were normalised
- **44 out of 55** groups, including interviews, identified they were not explicitly taught about relationships and learned more from what they saw
- **32 out of 55** groups said they learned from family, parents and friends about relationships
- **11 out of 12** of the young people's groups said they learned about relationships from social media
- **All the young persons focus groups** said social media is a way to reach young people
- **34 out of 55**, over 60%, groups had little to no knowledge of coercive control or financial abuse
- **13 out of the 55** groups including interviews identified language barriers as an issue when trying to seek help

Victim blaming with domestic abuse happens in a way that does with very few other crimes - "why don't they just leave?" "what did you do to provoke it?", "I would never get myself into a relationship like that". We all owe it to survivors of domestic abuse to do more about this terrible crime, and amplify survivor voices.

For this reason, the Commission has structured its recommendations as seven outcomes which have been co-produced by our survivors panel. They outline what the experience has been like for survivors of domestic abuse in Barking and Dagenham now, as they've told us. The future outcomes are what survivors in Barking and Dagenham have told us their lives should be like –the vision is for this to be the universal experience in the borough. Telling the stories and experiences of survivors of domestic abuse is a powerful way of no longer "sweeping [domestic abuse]... under the carpet" as Jo Richardson MP noted back in 1983 in the Barking and Dagenham Post. It helps to raise awareness and understanding of the whole experience of survivors, as well as giving survivors the voice they deserve. Below each of these outcomes are recommendations drawn from best practice evidence, wider consultation with survivors, professionals and residents, and data which details specifically what steps the commission recommends should be taken in each of these areas.

The commission has come up with six key principles which should guide any change around domestic abuse. In addition to this, the outcomes shouldn't be taken in isolation but as key areas that should be addressed in relation to domestic abuse moving forward:

- **We believe survivors** – Survivors should be believed as a starting point of any approach.
- **We are led by survivors** – Survivors are at the heart of any approach to domestic abuse. They are consulted and their needs are put at the centre.
- **We focus first on changing behaviour in order to change attitude** – The commission views the best way to change attitudes towards domestic abuse, first to change someone's behaviour. You can make it clear that domestic abuse will not be tolerated



and that tackling domestic abuse is a priority, which can help to change someone's attitude and belief system around domestic abuse.

- **We do not create harm** – We don't create harm by implementing something which tries to help but can have a negative impact because it's not fully developed and co-ordinated with a wider offer.
- **We are feminist and anti-racist** – As the most diverse area in London, a one-size fits all approach won't work. Campaigns, services, and professionals alike need to consider the accessibility for different cultural groups within the borough and need to prioritise anti-racist and feminist approaches.

- **We are trauma informed** – Trauma is inseparably bound up with systems of power and oppression. For people who have experienced trauma in their lives, public services can unwittingly make things worse if they create situations that bring back the trauma or make them feel unsafe. We will make sure Barking and Dagenham Council will strive to change the culture and structure of help and support.

A history of Barking and Dagenham



Why is history relevant to the Commission?

It was important for the Commission's independence that the commissioners should be from outside Barking and Dagenham, able to bring a national perspective, but be advised by the expert group of borough organisations, and of course led by the experiences and views of survivors of domestic abuse from the borough. But because they did not know the borough well, the commissioners were keen to explore and understand more about the history of Barking and Dagenham, particularly in relation to culture, gender and any references to domestic abuse. The Commission aims to understand attitudes in the community, and understanding the sense of place in Barking and Dagenham, both past and present, is a vital piece of context.

A history

Mary Wollstonecraft, a pioneer of women's rights, grew up in Barking and Dagenham and lived here from 1759 until 1868. Her influential book published in 1792 'A vindication of the

rights of woman' is seen as the first to argue for equal rights of men and women: she argues for equal education for both sexes, and speaks vehemently of how women are held back without education. The key to her argument is summed up by the quote: "I do not wish them to have power over men; but over themselves" – still relevant today. Partly in recognition of this historic link, since 2015, the council has held a Women's Empowerment Month in March to celebrate the social, economic, cultural and political achievements of local women.

Annie Huggett, the influential suffragette moved to Barking when she was 10 years old, and played a key role in campaigning for votes for women. She often had members of the Pankhurst family around for tea, including Emmeline Pankhurst, also organising meetings for the cause in the former George Inn in Barking Broadway – known then as the Three Lamps – when she was 18. The Huggett Centre, run by Nia, in Dagenham Heathway was named after her.

		What is life like for survivors now? Current outcomes	What should your life be like? Future outcomes
Outcome 1	Professionals and services	I didn't know where to get help for domestic abuse. When I have approached services, staff don't believe me or I am blamed for the domestic abuse. I am not referred into domestic abuse specific service, and the police don't believe me. My perpetrator manipulates professionals in the same way as he manipulates me.	I know where to get help from for domestic abuse, and when I do seek help, I feel supported, believed by different services and they don't make me feel as if it is my fault. Services are aware perpetrators may manipulate professionals as well as victims. Tackling domestic abuse is the duty of every professional in Barking and Dagenham.
Outcome 2	Healthy relationships and young people	I never understood what a healthy relationship was – I didn't know the signs or how to respond to it. I was never taught about healthy relationships and domestic abuse in schools or with my friends, and my children aren't taught about healthy relationships and domestic abuse now either.	All young people in Barking and Dagenham understand gender, domestic abuse and relationships through teaching about domestic abuse, gender and relationships in schools and the wider community so they're aware of the signs of domestic abuse and how to respond to it.
Outcome 3	Trauma-informed	I have to repeat my abuse and relive the trauma when re-explaining my story.	I only have to tell my story once to different services and services recognise that it is triggering to retell my story.
Outcome 4	Community awareness	I've found that the community is mixed, with those who understand domestic abuse because they've been through it and those who don't.	Those within the community understand domestic abuse, including those going through it, and the borough has a clear and unified message about its response to domestic abuse.
Outcome 5	Perpetrators and those using abusive behaviours	Survivors are the ones who face the consequences, whilst perpetrators get away with their behaviour. Survivors don't get justice around their perpetrators' behaviours, and perpetrators manipulate those in the criminal justice system.	Perpetrators are both held to account for their actions and have the opportunity for honest conversations to challenge their behaviour through interventions. Survivors have a sense that their abuse has been taken seriously.
Outcome 6	Community Groups and community spaces	I haven't had the opportunity to process and recover from my abuse. I need psychological support and in the meantime I have no support at all.	I feel supported in Barking and Dagenham and can recover from and process my experience, with the support of access to supportive groups/professionals quickly where I need them.
Outcome 7	Child survivors of domestic abuse	I worry about my children not being safe and their needs not being met. I'm concerned about the impact of domestic abuse on my children.	I know my children are safe, and their psychological and emotional needs are met. They are able to thrive.

More recently, the Commission has focused on Barking and Dagenham's defining history since the First World War. The London County Council built the Becontree housing estate, the first council house estate built under the Addison Act. It was completed in 1935 and was the largest council estate in the world offering "homes for heroes". Today it is still considered the largest council estate in Europe.

Around the same time, in 1931, the Ford Factory opened its doors in Dagenham, employing 58,000 people at its height. After World War One created an imperative for women to work, the inclusion of women in factories played a key role in changing perceptions of women's roles. In 1911, just over 1,000 women in Barking and Dagenham worked in manufacturing. By 1931, almost a third of the factory workforce in the district were women. When the Second World War broke out in 1939, women were conscripted into war work – though still paid less than men, for the same work.

Day nurseries, funded by the government, were opened to care for children while their mothers were at work. At least five nurseries opened in Dagenham during the Second World War, including Eastbury Manor House, which was a nursery from 1942 to the 1960s, and hosted the launch of the Domestic Abuse Commission on 25 September 2019.

The East End Women's Museum carried out a series of interviews on the historic 1968 machine strike. Over 150 women sewing machinists at Ford's Dagenham plant walked out on strike. Sewing was seen as work for women and wasn't recognised as skilled, so they went on strike until their pay was increased to the level of semi-skilled male workers. Their strike inspired the government to pass the Equal Pay Act in 1970, making it illegal for employers to pay women and men different wages for the same work.



Jo Richardson

Through exploring the archives at Valence House, the commission was also reminded of the work of Jo Richardson, a leading feminist and the former Labour MP for Barking from 1974 to 1995. Jo was a tireless activist for women's rights, and in 1986 persuaded the Labour Party to adopt the creation of a ministry for women as policy. The first appearance of violence against women in Parliamentary politics was in 1976 when Jo introduced a bill to give women, who suffered from domestic violence, the right to apply for an injunction. She was also a fierce campaigner for better support for survivors of domestic violence.

“**May & Bakers had sent some of their management to argue against us two so they put their case forward first for May & Bakers saying that the men done more than the women and they shouldn't have equal pay. So and then.. he questioned me on what I'd done. And I told him a few facts about what we used to do, what the men never used to do.. a little while after we both got a letter to say we'd won.**”

– Winifred Griffiths

“

Women's lives are being made a misery and Barking is no better or worse than elsewhere in London. But people in Barking tend to sweep it under the carpet and pretend it isn't happening here. I see many women in my surgery who are desperate to be rehoused because of their husband's violence.”

– Jo Richardson, 1986, Barking and Dagenham Post

Although Barking and Dagenham's population has changed dramatically since Jo Richardson said this, yet her words ring absolutely true to the commissioners following their investigations of present day attitudes and the challenges faced by survivors.

However, migration and an increasingly diverse and changing population now play a key part in Barking and Dagenham's sense of place. Since 2001, Barking and Dagenham's population has changed dramatically: between 2001 and 2016, the population has increased by 25%. The proportion of White British residents has also fallen from 90% of residents to less than 50%. In the space of a few years, a very significant British ethnic minority population moved into the borough from inner parts of London.

Another significant part of the borough's recent history is the notorious election of British National Party (BNP) councillors in May 2006. The BNP secured 12 councillors in Barking and Dagenham, and narrowly missed securing a 13th – if they had put forward a candidate in every ward, they would have been the first BNP-controlled council in the country. They lost all their seats in the 2010 local elections, and party leader Nick Griffin lost the battle to win a parliamentary seat. But it would be foolhardy to say the far right influence

has disappeared altogether, and this relatively recent history cannot be ignored as context for the marginalisation many survivors from Black and other ethnic minorities spoke of to the commission. Community cohesion has been a council priority for the last few years, with huge amounts of work taking place in this area, led in particular by the council's Deputy Leader, Councillor Ashraf.

It is noteworthy that in the 2016 European referendum, 62.4% of Barking and Dagenham residents voted to leave the European Union, an outlier in the wider London context. This cannot but have an impact on the experience of Eastern European women in the borough in particular. Moving forward, the East End Women's Museum has found a permanent site in Barking town centre and is set to open in 2022. Given the borough's history it seems fitting that Barking will be so central to ensuring the history of women in east London past and present can be recorded, researched, shared and celebrated. The commission is working with the East End Women's Museum to ensure domestic abuse is not "swept under the carpet", in the words of Jo Richardson, but is represented as part of the story told by what will be the only dedicated women's museum in the country.

Cultures and communities

Given Barking and Dagenham’s diversity, it was important for the Commission to explore the cultural differences in attitudes between communities in relation to domestic abuse, as well as common themes. We needed to hold this at the forefront of our minds, while also never forgetting that domestic abuse happens in all cultures and backgrounds, and cannot be linked exclusively to any particular cultural group or community. It’s important not to let the need to differentiate between cultures provide an excuse to “other” violence against women and not recognise that both domestic abuse, and the sexist and oppressive attitudes that let it thrive, are present in all communities in the UK and in Barking and Dagenham. Within all communities, there is a need to make domestic abuse more visible and tackle it at its root.

Page 30 From a range of qualitative insight, the Commission sought to understand some of the challenges which different communities face around domestic abuse. Perpetrators are highly manipulative and will use whatever tools they have available to them to control their victim – this often includes warped views of faith, outdated cultural attitudes and the fear that individuals, already marginalised and stigmatised, may feel towards public services or others in the community. The Commission does not want to dictate to different communities exactly how they should respond to domestic abuse. For everyone to play a role in making domestic abuse more visible, it is vital for communities to be encouraged to speak with their own voice. Specific messages should ideally be community-led and authentic, as well as survivor-led. The Commission has sought to bring out the positive examples of women’s empowerment within different communities in Barking and Dagenham, which should be built on moving forward to tackle domestic abuse.

We also heard from survivors about the need for survivors from different cultures to come together to discuss their shared experiences. Survivors told us that “when domestic abuse is so engrained”, mixed groups provide the opportunity to come together to break down cultural myths around abuse, free survivors from the fear of judgement and help them recover.

Importantly, we need to get away from the myth that domestic abuse is intrinsically linked to specific cultures. We found that professionals tend to assume domestic abuse is specific to some cultures because of their perception of attitudes towards traditional gender roles. But we found that the reality is starkly different. We heard from some groups “are we talking about domestic abuse or c.... [racist term] domestic abuse?”. We found that othering of domestic abuse was a symptom of the widespread normalisation and minimisation which enables both professionals and others to ignore how widespread it is, and how it happens to our neighbours, friends and family members regardless of their background. As Women’s Aid highlight, domestic abuse affects women from all ethnic groups, and there is no evidence to suggest that women from particular ethnic or cultural communities are any more at risk than others.

At national level, the work on the Faith and VAWG Coalition by Standing Together has been ground-breaking work, reframing the conversation by bringing different faiths together and highlighting the positive role that faith can play in tackling domestic abuse. We also heard strong views in Barking and Dagenham itself, from across communities, from both survivors and the wider community, about the key role that faith provides. Faith should be seen as a comfort and an offer of support, rather than weaponised by perpetrators into a supposed



justification for domestic abuse. We heard from victims, perpetrators and the wider community in particular about how discussions about relationships and marriage through faith groups act as their reference point about what is right and wrong in a relationship throughout their lives. At the Barking and Dagenham Faith Forum in July 2020, there was a discussion on domestic abuse, in response to the Commission. These discussions should be happening regularly, and the borough must include faith partners as key associates in responding to domestic abuse, without making assumptions about its prevalence or justification within their communities.

The Commission also heard about the intersection of mixed cultures. One survivor told us how racism formed a part of the domestic abuse he experienced as a black man from his white female partner. “She was physically abusive and racially

abusive towards me. She used to love my food but suddenly she started spitting in my food, spitting on me, telling me to go back to my country.” This couple’s mixed race children witnessed the emotional abuse, which the perpetrator linked to race as a way of undermining and controlling the victim - “She was never racially abusive about our mixed race son but if you are being racist to the father, it affects the son.”

We heard of some specific issues in relation to some of the key communities in the borough:



LGBTQ+ communities

The Commission has found it hard to engage with LGBTQ+ community to the extent that we would have wished. National research from Galop has highlighted that LGBTQ+ victims are disproportionately affected despite the hetero-normative narrative around domestic abuse, and despite this there is very limited data available about the prevalence of domestic abuse in the LGBTQ+ community. National research also highlights that the LGBTQ+ community often face barriers in approaching public services. Specifically in Barking and Dagenham, in 2016 the Stephen Port murders and the response to them profoundly damaged the confidence in public services of the LGBTQ+ community in Barking and Dagenham. Specifically in relation to domestic abuse, we heard that LGBTQ+ survivors “don’t think the police take abuse in a same sex relationship as seriously as they do in a straight relationship. I almost feel like they think it’s just two girls arguing and fighting and they don’t see the abuse element of it”.

The Commission recommends the borough continue its attempts to engage with the LGBTQ+ community on this issue, building on the successful partnership between Studio 3 Arts and the council which has built community visibility through the Be + Do project. LGBTQ+ people also told us that more funding for LGBTQ+ spaces and services would fill a gap in provision and importantly “having police provide some of that funding would be a good way for them to recognise the failings in the Port case and be part of a solution to help protect LGBT people from violence”.

Again, the need for informal spaces, which would be of huge benefit to survivors as part of the community as a whole, and provide a pathway to further support, were seen as the vital first step, rather than the establishment of a specific and labelled domestic abuse service.

Disability and domestic abuse

National evidence from the British Crime Survey highlights that disabled women are twice as likely to experience domestic abuse that non-disabled women. Disability can both be used by a perpetrator to further isolate the victim, and also create additional barriers in seeking help from services. Within Barking and Dagenham, the winner of the women of the year in the first 2015 B&D Women’s Empowerment Awards was a deaf survivor of domestic abuse, Karla Felicianne – listening to the stories of, and celebrating the achievements of disabled survivors is key to raising awareness.

In terms of local evidence, service level data from the borough’s independent gender-based violence advocate run by Refuge highlights that 43% of those supported by Refuge with long-term support identify as having either a physical disability, or mental health problem. We also heard from survivors about the wide-ranging impacts of both mental and physical conditions. One survivor told us about self esteem and her disability - “I told my nan I wanted to be a police officer and she told me I can’t do that because I’m half deaf. I was always told I wasn’t good enough”. Mental health was also commonly mentioned - PTSD, ADHD, anxiety, and depression were all referenced by survivors as making it harder for them to seek help.

The commission acknowledges that this is a need to further consult with, listen to and support disabled survivors of domestic abuse.

White British

Engagement with white British residents showed that domestic abuse was seen as a normal part of relationships, yet nobody talked about it. In groups of older women, we heard a large number of disclosures, and they all accepted that domestic abuse was highly prevalent in their communities, yet our focus groups were the first time that these women had ever discussed

the domestic abuse they had experienced. One survivor told us “you didn’t have much help then or anywhere to go.... Nothing was taught in schools and nothing was spoken about from parents”. They discussed how coercive control, financial abuse and often physical violence were just seen as a normal part of marriage. Financial abuse in particular was seen as the norm – they were controlled with money: “he would give me £20 to cover the household costs but it was never enough” one resident told us, while another said “you put up with it because you had a roof over your head”. Domestic abuse was also intergenerational and linked strongly to traditional gender roles: their mothers had seen it as normal, and therefore so did they. One older survivor told us “I grew up in a violent relationship with [my] parents. I just had to put up with it”. White British residents linked a lack of education about relationships more generally, to the fact that domestic abuse was never openly discussed.

Eastern European

We heard from those running Eastern European support services that the community’s isolation, in part due to language barriers, is used as a tool by perpetrators. We heard stories of perpetrators who will not let their victims learn English, forcing them to stay at home. We also heard about the wider stigma around mental health and getting emotional support, and how this played a role in preventing survivors from getting help. Support services talked about the lack of safe spaces for the Eastern European communities, and how when they discovered domestic abuse cases, it was when they were seeking help for other problems such as financial difficulty or homelessness rather than domestic abuse itself. Overall, the key gap was felt to be the lack of support following the first disclosure, to help support Eastern European women to follow through with support services and the police in order to stop the abuse.

There are several examples of good practice to empower women within the local Eastern European community which should be built on. Shpresa is an organisation working in east London with the Albanian-speaking community including with people in Barking and Dagenham. Their work focuses on development, education and health and wellbeing rather than domestic abuse specifically, but they have had many women coming forward to them with domestic abuse disclosures. They worked with Solace Women's Aid to develop a domestic abuse offer to those women. The borough's current contracted service provider, Refuge, have also recently set up an Eastern European specialist service across Barking and Dagenham and Redbridge, recognising the barriers that Eastern European women face to accessing specialist services. The Eastern European Resource Centre has also recently set up a new project for women affected by domestic abuse, offering them support with welfare, immigration and basic advocacy and legal advice, as well as Polish and Romanian therapists. These services not only provide the valuable support that Eastern European women need, but also importantly help to make domestic abuse more visible in the community and break down the stigma of talking about domestic abuse and seeking help.

They demonstrate that there are pockets of work in the community, that can be used as starting points for a wider campaign to reach the Eastern European community, and huge potential for wider work with the Eastern European community. But the council must adequately resource its ability to work with and build on them.

Muslim communities

We heard from some Muslim women that Islamic teachings, as with other religious scriptures, can be used to justify domestic abuse by perpetrators. Muslim women wanted to promote the fact the Quran contains a number of passages which clearly highlight that any violence and coercion against women is unacceptable. One young person told us: "I'm Muslim and what they teach in the Quran is that a man can have four wives, which is meant as something else but people take it in the wrong context. The Quran says to discipline your wife but shouldn't cause damage but that it is taken out of context".

We also heard from Muslim survivors that cultural shame and taboos around divorce and sex before marriage for instance, can be used by abusers to further isolate victims of domestic abuse. We also heard that there was a culture of comparison between women, where victims did not want to report their domestic abuse because they knew their neighbours, friends and family might be experiencing it too, but worse than them. This was strongly agreed by women as a major obstacle to disclosure.

We heard of best practice where the Hive women's group at Al Madina Mosque held events highlighting these teachings and raising awareness of domestic abuse, something the Commission sees as best practice which should be built upon. We heard from Muslim survivors that there were many examples of positive female scholars and other influencers who challenge what is sometimes taught to justify the oppression of women. Importantly, Muslim survivors saw an urgent need to amplify the voices of empowered Muslim women.

Black communities

The treatment of both the Black African and Caribbean communities by the police, was frequently cited as a reason why domestic abuse victims will not consider reporting their abuse. Recent events worldwide, Black Lives Matter was bringing urgently to our attention during the period when the Commission was working, racism as an additional barrier that prevents black communities from accessing all public services. In the case of domestic abuse, this is extremely dangerous. National work has highlighted that victims are often concerned about how their black male perpetrator would be mistreated by the police given racist attitudes and police brutality.

We heard that experiences of racism from past interactions with the police, or from friends and family members' experiences, prevents victims from reporting their abuse. We were told from those we spoke to that in some families, young people were taught never to call the police because it was seen as too risky. We also heard that stereotypes around 'strong black women' mean that black women who experience domestic abuse do not want to be seen as victims, or will not be treated as such, leading to a need to communicate the strength and courage of domestic abuse survivors. Within black African churches, we heard of instances where the church directly provides mediation to families, without full domestic abuse training, rather than referring onto specialist support. This was a cause of great concern to the Commission.

The Black Lives Matter protest in Barking in July 2020 shows the importance of coming together to talk openly about racism, and the barriers faced by the black community. The Commission has heard that within some black families, traumatic experiences were not spoken about and therefore things were often swept under the carpet. There has been a generational shift where young generations are opening up dialogues about trauma.

South Asian

South Asian victims of domestic abuse told us about how the interconnected nature of their communities made disclosing domestic abuse difficult. It meant that disclosing domestic abuse could leave you separated from your whole community – "my sister was married to his brother" one survivor told us. Again, shame is used by perpetrators to further isolate their victims. We also heard that the intergenerational nature of abuse led to greater tolerance and the idea that abusive behaviour was seen in some families as a normal part of marriage. We heard from survivors about the need to promote positive ambassadors from South Asian communities who are able to talk about their domestic abuse openly to show that it is not acceptable.

Common themes

There are some clear messages common to the conversations held with all the above groups of women. Domestic abuse was extremely common, and was considered normal by many of the people women interact with daily. There was a lack of willingness to seek help, but this was to a large extent driven by lack of opportunity, and the view that there would be no point contacting formal services because it would cause more harm than good. There was also a striking lack of awareness of local specialist services, as well as a perception that the police would not believe women, would be racist, and would be confrontational – for example asking if they planned to withdraw their statements later, telling them "this isn't a game".

The overwhelming message is summed up by one survivor who told us "there need to be more spaces where us women can come together and have these conversations about relationships and abuse" and that community groups should have a unified message when it comes to domestic abuse, while not necessarily being specifically labelled as a domestic abuse service.

Excel Women’s Centre

One of the very few examples of this in the borough is the Excel Women’s Centre. We ran a series of focus group at the centre, which included women who were Black African, South Asian and Middle Eastern, mostly of Muslim faith. The Commission was struck by this thriving example of women coming together in a community space, and having the opportunity to talk about their experiences. It was obvious that everything the centre does is driven by a deep understanding of the local community and experiences of local women, and that while helping women to develop new skills like language, employment and creative crafts, it also provided a safe space where domestic abuse could be discussed. Spaces such as this are key to developing the borough’s response to domestic abuse, and are in extremely short supply.



Overall, when taking the above experiences of the different communities which make Barking and Dagenham the vibrant place it is, the Commission was struck by the need to address the culture in the community around domestic abuse. There is a need to ensure that survivors are believed, that community members are aware of domestic abuse and importantly that the community have opportunities to come together.

Overall commission recommendations

There are many positive examples in the borough which should be built on moving forward. The Commission is aware of the huge amount of work done by the council on an ambitious participation and cohesion programme, reconnecting the community closer to the council led by Deputy Leader Cllr Saima Ashraf. This has created the engagement tools and mechanisms which can be applied to bring the community together around domestic abuse. The key is to make domestic abuse more visible within different communities, building on what is already there, and ensuring that survivors are able to own the way in which support is offered within their own community, understanding the specific barriers that need to be overcome, but as part of a wider effort across the borough to raise awareness, challenge attitudes and ensure survivors can make the first step towards finding support.

Domestic abuse in Barking and Dagenham now

The Commission has drawn on extensive data on domestic abuse in order to develop its analysis and recommendations.

We have looked at the data from two perspectives. First, as independent commissioners without significant prior knowledge of Barking and Dagenham, it was important to understand the borough’s sense of place and identity.

Secondly, the commissioners were keen to ensure that the recommendations and findings were grounded in as comprehensive an understanding as possible of the complex landscape of services which impact on the lives of survivors and perpetrators. An overview of data is found within this chapter, but further relevant data is also included within each outcome as evidence to support the recommendations.

Statistical overview



Domestic abuse data

Barking and Dagenham has had the highest police reported rates of domestic abuse for the last 10 years. The Mayor’s Office for Policing and Crime (MOPAC) data highlights that in 2018/2019, 78% of victims were female and 22% were male, while 93% of perpetrators are male and 7% are female. Data from the North East London Foundation Trust, which provides integrated community and mental health services including talking therapies and health visiting, showed that within mental health services, 82.7% of victims were female and 17.27% were male. The number of people disclosing domestic abuse within sexual health services was less than five. The raw numbers of domestic abuse disclosures from other services is also far lower than would be expected from the high police reported rates of domestic abuse, and qualitative reports from professionals, indicating that in many health care and other settings, survivors do not feel able to disclose.

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- The proportion of social care assessments where domestic abuse is listed as a factor is the third lowest in London at 26.6%. This compares to an England average of 51.1% and London average of 42.6%, surely again indicating a lack of awareness on the part of professionals and an unwillingness to disclose on the part of survivors.
- Anecdotally, many social workers reported to the Commission that domestic abuse is often recorded as neglect because of the impact on the child from a child protection perspective and this is reflected in the data. Neglect is listed as a factor in 21% of social care assessments, compared to London average of 14.9% the third highest in London. Taken together with the figure in the point above, this was cause for concern to the commissioners.

- Homelessness data shows that in 2018/2019, the Barking and Dagenham average across the year of households who owed a duty because of domestic abuse is 4%, compared to the London average of 6.1%. In terms of the support need of the household, in 2019 the total number of households with support needs who owed a duty and at risk of or have experienced domestic abuse is 10.81%, compared to the London average of 15.81%.
- Barking and Dagenham is in the middle of London boroughs in 2019/2020 for calls received by the National Domestic Violence Helpline.
- Hospital admissions data for domestic abuse is notoriously hard to measure nationally, but limited data shows Barking and Dagenham in the middle of London boroughs for a range of clinical codes relating to domestic abuse.
- Domestic abuse service level data from Refuge reflects the cultural diversity of the borough – there are men approaching the service too, albeit in far smaller numbers than women.



One Borough Voice survey

We asked residents a series of questions on the council’s One Borough Voice platform to understand their views on abusive behaviours, asking nationally benchmarkable questions.

We were keen to ask survey respondents questions which we could compare to other data.

For this reason, we replicated the question asked by the LBB’s school survey commissioned by Public Health, and undertaken by the School Health Education Unit. The survey was undertaken by over 2000 students in the borough.

The first question came from the school survey, and when asked to the wider population shows that there is a stark difference between survey respondents and young people.

One Borough Voice survey results

The data from the wider One Borough Voice resident survey of adult residents suggests that the following percentages think some of these behaviours are sometimes acceptable:

- 23%** - Checking where you are all the time
- 22%** - Telling you what to wear
- 18%** - Forcing you to do something you don’t want to do
- 18%** - Telling you who you can and can’t see
- 18%** - Them checking your phone

Barking and Dagenham school survey results

- **61%** of students think it’s sometimes acceptable to check where your partner is all the time
- **60%** of students think it’s sometimes acceptable to check your partner’s phone
- **32%** of students think it’s sometimes acceptable to demand undressed/sexual photos from a partner
- **32%** of students think it’s sometimes acceptable to use hurtful or threatening language to a partner
- **26%** of students think it’s sometimes acceptable to hit your partner

For the other questions, the commission replicated some questions from the Crime Survey for England and Wales, and from the British social attitudes survey. The comparison results can be seen below – these suggest that more people who answered the survey in Barking and Dagenham had experienced domestic abuse than the national benchmarks. A British social attitudes survey question on gender was in line with national data.

One in five of those who answered the survey did not know how to report domestic abuse, with one in three of those answered the survey not sure how to support a friend or family member. One in three of those who answered the survey thought that some domestic abuse in a relationship was normal.

	Barking and Dagenham One Borough Voice survey	Crime Survey for England and Wales 2018	British social attitudes survey: an annual survey testing how social attitudes
Agree with the statement “I have experienced domestic abuse since age of 16”	69%	21%	n/a
Agree with the statement “I have experienced domestic abuse in the last year”	16%	6%	n/a
Agree with the statement “A man’s job is to earn money; a woman’s job is to look after the home and family”	75%	n/a	72%
Agree with the statement “I don’t know how to support a friend or family member experiencing domestic abuse”	27%	n/a	n/a
Agree with the statement “I don’t know how to report domestic abuse”	20%	n/a	n/a
Agree with the statement “people I know think some level of abuse is normal”	33%	n/a	n/a



The council’s response to domestic abuse so far

The council has made several changes around domestic abuse in the last few years, particularly in the last 18 months. Domestic abuse is a stated corporate priority and as a result a range of projects are already underway. The commissioners have been regularly briefed about the council’s changing approach to domestic abuse and commend the council for making considerable progress during the time the Commission has been working in the borough. However, there is no room for complacency and the Commission does not consider the approach is sufficiently resourced, coordinated or broad. There are many excellent ideas and ambitions but some of the basics are not in place to enable these to be followed through safely or to best effect.

Each chapter in the recommendations outlines the work already done in the borough as a starting point.

The Commission has noted that Barking and Dagenham Council has a tendency to focus on specific projects in relation to domestic abuse, rather than addressing the overall culture. This is a common pattern in local government, and in part is driven by short-term funding streams from central government and regional mayors.

This is not to say that individual projects are not valuable. However, it does mean that the need for the local authority to focus on the issues of culture change and the basic level of support available to survivors in the community. An outline of the initiatives that the council has begun is below, and is given in some detail, mainly for the benefit of other local areas wishing to follow the same approach, so they can understand the starting point on which the Commission’s recommendations will build.

In relation to services, the council commissioned Refuge charity on a three-year contract in September 2020 to provide specialist support to victims in the borough. This included a perpetrator programme available to those within Tier 3, the highest level of social care intervention. The contract provides refuge accommodation, and specialist support for those experiencing domestic abuse including two children and young people’s intervention workers. A peer mentor programme is also in the process of being developed through Refuge. In the first year of its Barking and Dagenham contract, Refuge supported 955 residents through its Independent Gender-Violence service. This is compared to 3,302 police reported domestic abuse related incidents in the borough in the same period.

The council also commissions counselling for survivors of gender-based violence through the Ashiana Network, on a three-year contract from 2019 to 2021.

During the COVID-19 crisis, the council became aware of the need for a universal programme for perpetrators and commissioned Cranstoun to deliver a 24-week Men and Masculinity programme. Work is also taking place on an innovation pilot to house perpetrators, which puts an onus on the perpetrator of domestic abuse to move to ensure survivor safety. There are currently three flats which have been found to be used for this purpose. In addition, DV Flag East provides free legal advice to victims of domestic abuse, in partnership with the council's legal services and the Citizens Advice Bureau.

IRIS training, who aim to improve the healthcare response to gender-based violence through training those in General Practice about domestic abuse, is currently being implemented in the borough as a one-year pilot funded by the Violence Reduction Unit through the Mayor of London. The council has also provided domestic abuse training for managers, and created a staff policy on domestic abuse which offers 10 days' paid leave for those who are experiencing domestic abuse. The council has also trained up domestic abuse ambassadors in the workplace.

The council has commissioned the school survey run by the Health Education Partnership to ask questions on young people's acceptance of abusive behaviours, and also commissioned the Health Education Partnership to run training for schools on how to build awareness of domestic abuse, and how to develop staff policies.

Barking and Dagenham has recognised the important link between housing and domestic abuse and is embarking on the Domestic Abuse Housing Alliance accreditation. DAHA accreditation is the UK benchmark for how housing providers should respond to domestic abuse in the UK and includes eight priority areas: policies and procedures, case management, risk management, inclusivity and accessibility, perpetrator management, partnership working, training, and publicity and awareness. The borough is due to be assessed on this in February 2021.

The borough has also adopted the Safe and Together model which aims to create a domestic violence-informed child welfare system.

The council is to be commended on its journey so far. Guided by the experiences of survivors, however, in the context of the high prevalence of domestic abuse and the relatively low base from which the council is building, the Commission believes that its recommendations are urgent and in some cases should carry a higher priority than some of the projects already in their early stages. Unless survivors are believed across the system, can access support, and live in a community which does not minimise, normalise and tolerate domestic abuse, the Commission believes the important work already undertaken by the council will be limited in its impact.

Outcome 1: Professionals and services

“

Health and safety is everyone's concern. Domestic abuse should be everyone's concern too. You might be the one person that victim may come and speak to – they might never speak to anybody else.”

– Domestic abuse survivor

Survivors of domestic abuse have told us how important the response of professionals is. Just one individual a woman chooses to speak to when she's experiencing abuse can be the start of a journey of survival – or not. Every interaction with a survivor is precious. It is the behaviour of professionals across the system that determine whether or not the council and other local agencies are effective.

People working in public services are subject to the same influences and pressures as anyone else. Around 40% of the council's employees live in the borough. There is no hard boundary between “the council” and “the residents”. This is a significant opportunity, because those residents who work for the council are those who the council has most opportunity and authority to.

What survivors told us

For survivors who choose to disclose to professionals, the response is vital to their recovery, either reaffirming, and sometimes even showing them, that the abuse was not their fault, or at the other end of the spectrum revictimising them and minimising the abuse. As one survivor put it “health and safety is everyone's concern. Domestic abuse should be everyone's concern. They may speak to one person which may be you. You might be that one person that victim may come to speak to and they might never speak to anybody else”. Put simply, it must be everyone's job to make sure that survivors feel believed and are offered the right support is crucial.

Positively, the commission heard of how much of a difference a supportive professional can make. One survivor told us: “I had no vocabulary for what actually happened to me for... three years. I realise now I am lucky to have a support worker who genuinely loves her job, she fought for me. I literally put my life in her hands. If it was not for her, I wouldn't have got this far”. We heard from another survivor how “one [police officer] in particular took it slowly with me. He picked me up and took me to the station.. if it wasn't for him, I wouldn't have pressed charges and probably gone back to him [the perpetrator]”. The same survivor told us how her social worker “really helped [me], within two days of being in [my] own place she had kitted out my home. She also worked really well with the police and made things much easier for me”.

Another survivor told us “once I started the [therapy] sessions, I realised how it felt to receive the right help, it felt so different the lady was so supportive and very welcoming, she made me feel heard, she provided me with the right questions”. Professionals have the power to really change a survivor's experiences for the better.

However, we also have heard many examples from survivors which suggest an engrained culture of not believing survivors of domestic abuse across different public services. Survivors told us about negative experiences with the police which “make it hard to report these things... they didn't do anything”. Survivors felt they were treated by the police as if they were

causing trouble – “not you again” police told one survivor who had called the police for different incidents of abuse. Survivors told us that police told them “this is not a game” when threats of further abuse from their perpetrator meant that they were unsure about continuing with prosecution. Overall, survivors were mistrusting of the police and their ability to help – “you call the police, they don’t get them or even look for them”, “I recently called the police. They didn’t do anything. I suffered an anxiety attack that day”. Currently, too often the police response to domestic abuse leaves survivors not feeling heard, and justice not being served.

One of the points survivors have been most unanimous about, and most anxious to see reflected in this report is the lack of understanding on the part of professionals that perpetrators are highly manipulative, and that professionals are just as easily manipulated as survivors themselves – and arguably less likely to understand the risk. One survivor told us how “My mum called the police after a physical injury, they came and they believed his story. They let him go upstairs before he left my property – he didn’t live there but he told them he did so needed to get his stuff. He stole the last of my child benefit, my cigarettes and my bank card before he left”. Another survivor told us “my ex was so charming that he charmed my social worker... she took sides” and yet another explained how when undergoing legal proceedings, “he manipulated the mediator”. Another told us about her GP being manipulated by her perpetrator – “he manipulated the GP – she told me ‘you need to appreciate what you have... he loves you so much’ when I told her about the abuse, because he manipulated her”.

Survivors also told the commission about missed opportunities when questions were not asked. For example: “When I went to hospital with a broken hand, I didn’t tell the nurse, I lied and said I was playing with my kids and got carried away. But if someone asked me, I would have

told them”. The survivors we spoke to strongly recommended routine questioning at dentists, GPs and all health services. Survivors told us that “if you ask more questions, you can realise that there’s an issue and investigate it further”.

Our interviews with professionals themselves substantiated the criticisms made by survivors. We heard from a frontline homelessness prevention officer that “a lot of people come in here, say domestic abuse and expect to get a council home”, and from another, when asked about domestic abuse survivors, “do you mean genuine domestic abuse or the ones who make it up?”. Survivors also talked of their own struggles to find a safe and secure home – “my ex was going to petrol bomb my house, I told the council and asked if they can change my door and they said no, and didn’t offer me support. So I had to do it myself, and they then said I shouldn’t have done that”. Another survivor told us that “I told my friend about my experience with housing and she said if it is this difficult to find somewhere else to live, she will just stay with her abusive partner”. Survivors do not feel listened to, supported or believed by professionals and services – “[it] feels like a survivor isn’t being believed if there’s no conviction - the person who’s holding that info, is saying we don’t believe a survivor. A survivor has done enough fighting” and another said “even when I go for help, I feel helpless. All the professionals that are meant to be there for you, I feel helpless”.

We also heard many examples from survivors that professionals had more of an understanding of certain types of abuse, mainly physical, with coercive control and financial abuse being much less understood - “when I speak to professionals about domestic abuse, they think of physical abuse straight away”. Survivors also told us of instances of social workers not acknowledging the impact of domestic abuse on them – “if you experienced domestic abuse five years ago, why is that relevant now?”.



What other evidence shows us

The importance of the professional response is corroborated by the data analysis undertaken by the Commission. Despite having the highest police reported rates of domestic abuse in London, a high acceptance of abusive behaviours among young people at school, as demonstrated by the school survey, and reports from professionals across the system about the high rates of domestic abuse, this high level of need is not reflected in wider service level data. Looking at data for social care assessments, Barking and Dagenham has the third lowest rate in London for domestic abuse listed as a factor, yet the third highest for neglect. Social workers themselves told the Commission that there is a tendency in the council for domestic abuse to be recorded as neglect, meaning the official response is to a mother’s failure to protect her children, rather than to both mother and children as victims of abuse. Social workers reflected in our conversations with them that case notes featured

the language of “failure to support their child” in relation to victims of domestic abuse, without acknowledging the impact of the abuse on the mother. They felt there was far more to be done at an operational level to ensure survivors of domestic abuse are believed and supported.

All public sector partners have work to do to improve the understanding of and response to domestic abuse. A culture change is needed across the system to ensure that survivors feel believed and supported when they disclose domestic abuse. The Commission believes strongly that public sector professionals should lead the way in creating a community which understands and responds to domestic abuse, particularly because any increase in understanding in the wider community will lead to demand on services. This was highlighted in particular in a focus group with young people about healthy relationships, where a youth worker’s sexist attitudes and negative attitudes

to domestic abuse influenced the young people in the group. Professionals, especially those working directly with residents can have a huge impact. The professional response should be the first part of the wider system to be addressed, and only when it is adequate should work in the community take place to raise awareness.

It is important to state frankly here that the Clinical Commissioning Group (CCG) at local level has been particularly concerning in its response to the Commission's work. The Commission first started the process of requesting local GP level data on domestic abuse in July 2019. By November 2020, despite the request being approved, this data has still not been sent despite much chasing. There has been welcome progress locally from health partners, particularly the establishment of an IRISi pilot, training GPs on responding to domestic abuse disclosures. However, this work is awarded and funded directly by the Violence Reduction Unit run by the Mayor of London on a single year basis, it does not reflect the commitment of local health partners. Given the scale of domestic abuse in Barking and Dagenham and the national evidence about both the key role of GPs and the frequency of domestic abuse disclosures in the wider health system, as well as the savings which can be made for health services through early intervention, the CCG and wider health partners need to do more, including providing funding.

The Commission also has specific observations about data collection. As most domestic abuse is never reported to the police, we must look at a combination of other service level data in order to get a true sense of prevalence. Understanding prevalence of domestic abuse provides evidence for both internal and external funding applications, which groups might face barriers accessing specific services, and it makes domestic abuse visible to all agencies, creating a shared agenda. Despite this, there is a culture in several agencies of reluctance to

share data which is not corroborated by police data. Discussions of "alleged domestic abuse" or of only "allowing" police-reported data to influence the accepted views on prevalence, actively contribute to the culture of disbelieving survivors.

In reality there is no evidence that false claims are common. The Crown Prosecution Service did the first study of false allegations in 2013, which found that in a 17-month period, there were 111,891 prosecutions for domestic abuse with just six prosecutions for making false allegations.

Another aspect of data collection which is key to draw attention to is the data collection of domestic abuse within the LGBTQ+ community. National evidence from Galop suggests rates of underreporting of domestic abuse in the LGBTQ+ community are between 60-80% and importantly, there is a lack of robust data about DA prevalence as a result of this, despite some evidence that LGBTQ+ communities are at a higher risk of domestic abuse. Research from Galop also concludes that underreporting means that that "violence and abuse in the LGBT+ community remains absent from domestic abuse datasets and is therefore invisible to service providers and policy makers". The Commission recommends that improving data collection at a local level in relation to LGBTQ+ domestic abuse, matched with increased community awareness, could play a role in starting to ensure the needs of the LGBTQ+ community are addressed.

The level of funding for specialist domestic abuse services was also of concern to the Commission. In the first year of its Barking and Dagenham contract, Refuge, the borough's commissioned specialist domestic abuse service provider, supported 955 residents through its Independent Gender-based violence (IGVA) service. This is compared to 3,302 police reported domestic abuse related incidents in the borough in the same year period, not to mention the far higher

level of domestic abuse unreported to the police. As the borough looks to challenge the culture of disbelief in the local community, and encourage disclosures, the specialist service must have enough capacity to deal with increased demand.

The Commission recommends following the Home Office Violence Against Women and Girls National Statement of Expectations. Echoing some of the commission's principles and outcomes, these recommend that survivors themselves are the key focus of any approach, alongside a clear response to perpetrators. They suggest a strategic system-wide approach to commissioning, a locally-led approach which safeguards individuals and raises local awareness of the issues and involves, engages and empowers communities to seek, design and deliver solutions. We recommend the Statement of Expectations should be used in line with the Women's Aid VAWG sector shared core standards which enable joint commissioning across specialist services.

Key to all our recommendations is training for professionals. Those working in social care and early help services, for example, told us that they wanted more training to support interactions with both survivors and perpetrators.

Other residents shared the distrust felt by survivors of the public service response to domestic abuse – one resident told us: "I might know how to support a friend in terms of police or services, but I don't believe they actually help. We tell people to call the police and the police are inconsistent at best and dangerous at worst".

What Barking and Dagenham have already done

Barking and Dagenham Council has shown leadership and a commitment to tackle domestic abuse. In particular, senior councillors talk from the heart about the need to tackle domestic abuse, sometimes citing their own personal stories and importantly letting the community know that they are not alone. Domestic abuse is also one of the council's five strategic priorities.

The council have undertaken managers' training for all managers and created a domestic abuse staff policy which gives 10 days' paid leave for staff experiencing domestic abuse. This also includes DA staff advocates who are trained to support staff.

Some training has been delivered to wider staff on domestic abuse, but it is not yet widespread. The council is currently preparing for accreditation by the DAHA standards for housing providers on domestic abuse. And the council's Children's Care and Support teams are adopting the Safe and Together Model which focuses on creating a domestic violence-informed child welfare system. However, at the moment these are pockets of good practice. They do not represent a serious attempt to shift the organisational culture – never mind that of the wider community of which the council is a key part. All public sector staff in Barking and Dagenham must understand domestic abuse and know how to respond to it within their own role, with domestic abuse a factor – where appropriate – in all decisions that affect people's lives.

Therefore the Commission recommends:

The council leads the way and sets an example for other partners to follow

- **Step 1 – Create a culture change around domestic abuse so that a shared language of “we believe you” is the starting point for all professionals**

The first step in tackling domestic abuse is a widespread culture change across public services. There is no excuse for the council not starting in its own backyard, and leading the way, by starting to create a system which does not tolerate domestic abuse.

Training is fundamental to this culture change and should highlight the risk of manipulation by perpetrators, and lesser known types of abuse such as financial abuse and coercive control. There also should be the opportunity for tailored training for those in key areas, or aimed at specific roles – for instance, those who work with residents around money and debt should have the opportunity to gain a detailed understanding of financial abuse.

Training should importantly include how domestic abuse manifests in LGBTQ+ relationships, as well as heterosexual relationships.

Celebrating good practice around DA is also important. The Commission recommends a domestic abuse champion scheme which recognises and celebrates staff who have done important work on tackling domestic abuse and supporting survivors.

- **Step 2 – Council lobbies partners to invest in domestic abuse training**

The work of the Commission has shown how important the response from other public sector partners is. The Commission recommends the council should play a key role in ensuring that partners also prioritise domestic abuse training. In particular, engagement with survivors and professionals across the system has shown that Domestic Abuse Matters training for police is key to creating a response that believes survivors. Given the considerable number of police forces who have undertaken this training, its clear recommendation by the College of Policing, and the presence of local advocates within the police, it is of grave concern that it has not yet been taken up in the borough.



- **Step 3 – Create a three-point domestic abuse assessment for all council services and decision-making boards**

The Commission recommends that to embed the principles of the Commission into ways of working, and make domestic abuse a key part of the council’s business, a three-point assessment in relation to domestic abuse is required alongside the Equalities Impact Assessment by every decision-making meeting of officers or elected members of the council. The assessment would contain:

- 1) ‘We believe you’: services, professionals and decisions required to demonstrate how they encourage believing domestic abuse victims;
- 2) Trauma-informed: demonstrating how the impact of trauma has been considered; and
- 3) Not believing excuses: demonstrating how opportunities for manipulation by perpetrators or “opt-outs” by professionals have been sought out and challenged. An example copy of what this assessment could look like can be found in the appendix of the report.

- **Step 4 – The council shows leadership on tackling domestic abuse, incorporating domestic abuse into all decision making**

Domestic abuse should be a key part of the council’s core values and linked into the staff code of conduct, appraisal and performance management system, holding staff members accountable for their views of healthy relationships and domestic abuse. Tackling domestic abuse should be the duty of every council staff member, as detailed in a ‘BD Against Domestic Abuse’ staff code of conduct. The council should then lobby partners to adopt the same principles, ensuring that tackling domestic abuse is the duty of every professional in Barking and Dagenham. Leadership around domestic abuse means it is business as usual and sits at the heart of all decisions. For illustration, as the council develops its work from home policy as a response to the COVID-19 pandemic and social distancing requirements, domestic abuse should be embedded in the policy as it applies to everyone, rather than creating an exception for survivors which would require disclosure or evidence.

Outcome 2: Healthy relationships and young people

“It all comes down to healthy relationships – if I’d learnt about this when I was younger, I would have been more aware when I got into a relationship.”

– Domestic abuse survivor

The Barking and Dagenham school survey in 2017 and 2019 of over 2,000 secondary school students found that 26% of young people thought it was sometimes acceptable to hit your partner.

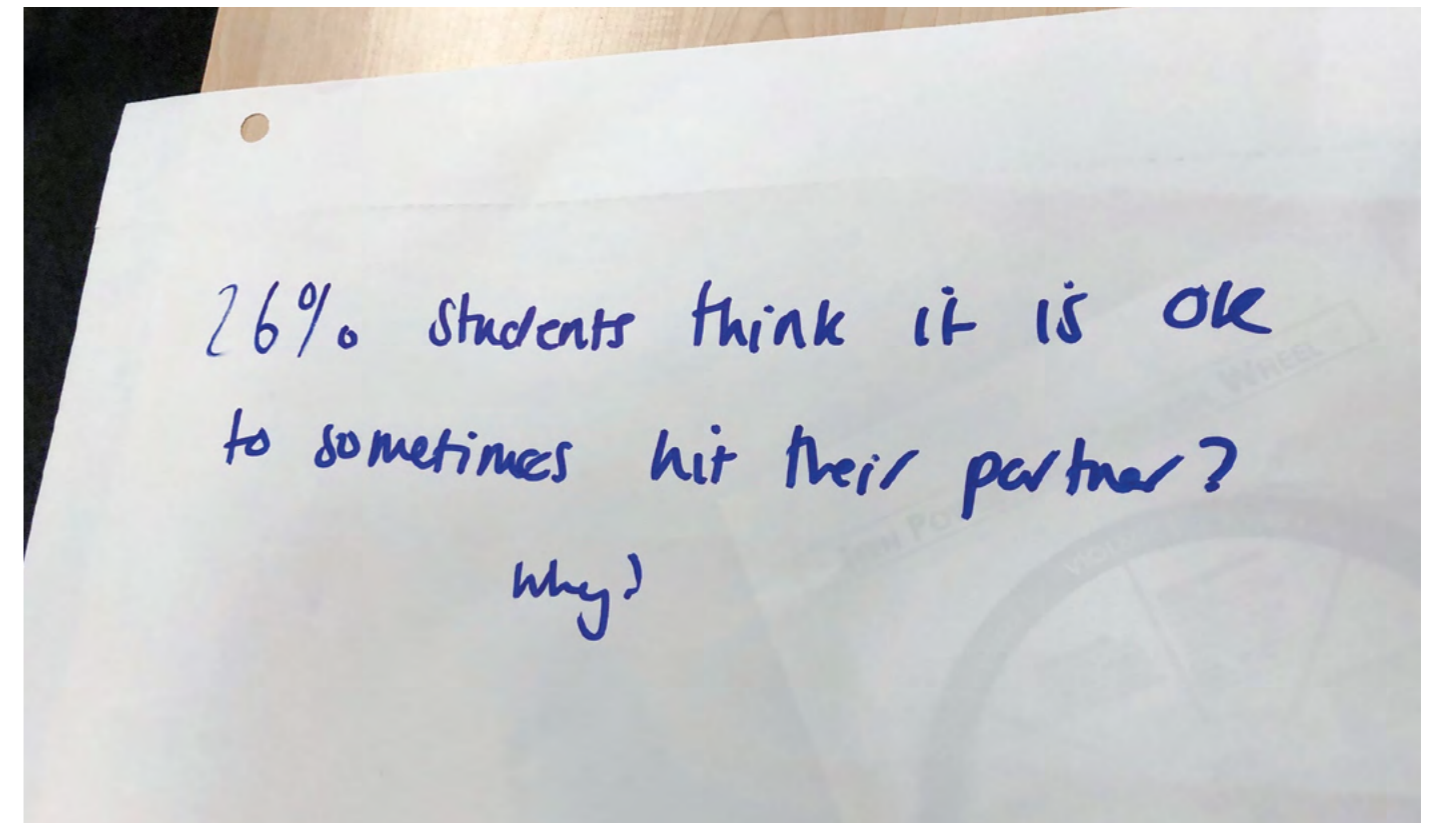
The Commission wanted to dig deeper into the lives behind this snapshot and understand the views of young people and the wider community towards relationships.

School survey – 2019 headline results

- 61% of students think it’s sometimes acceptable to check where your partner is all the time
- 60% of students think it’s sometimes acceptable to check your partner’s phone
- 32% of students think it’s sometimes acceptable to demand undressed/sexual photos from a partner
- 32% of students think it’s sometimes acceptable to use hurtful or threatening language to a partner
- 26% of students think it’s sometimes acceptable to hit your partner

Headline: differences between groups

- 46% of young people from single parent family think it’s sometimes acceptable to hit your partner, compared to 26% of young people as a whole
- 31% of LGBT students thought it was sometimes acceptable to hit your partner, compared to 26% of the young people as a whole
- 19% of female students think it’s sometimes acceptable to hit your partner, compared to 33% of male students



Now is the time for decisive action, both by schools and by communities, to support young people to learn safely about healthy relationships and domestic abuse. As a result of Covid-19, schools have a lot to catch up on. The Commissioners were concerned that this could distract from implementation of the new requirement to provide relationships and sex education. Our view is that in fact the pandemic makes high quality education on healthy relationships, backed by a whole-school approach, more important than ever, given the impact on young people who may be witnessing increased levels of domestic abuse in the home. With police reported cases nationally at a 10-year high during lockdown, exacerbated by school closures, the number of child survivors of domestic abuse is likely to be higher than ever. Prioritising healthy relationships both within education settings and the wider community is how Barking and Dagenham can change attitudes for the next generation.

What survivors have told us

None of the survivors of domestic abuse we spoke to had a good understanding of it before it happened to them – “I didn’t know the signs to look out for, I only found out what domestic abuse was after I’d left my abusive relationship and was speaking to a social worker”. Survivors linked their self-confidence to their vulnerability to domestic abuse – “I was always told I wasn’t good enough. I took up school subjects just because my friends did... I had low self esteem”. One survivor told us that he “used to attend all the classes at the church... many were about relationships and marriage so I knew what was wrong and what was right”, but he still ended up in an abusive relationship further down the line. Nevertheless, he realised it was domestic abuse and sought help because of the classes he had attended.

Survivors talked passionately about how young people held the opportunity to change the culture for the future, and how this would make the biggest difference in tackling domestic abuse: “it all comes down to young people... We need to educate the girls from a young age”. Linking to this, survivors were very concerned when they could see their children using some of the same abusive and violent behaviour as their perpetrator – “he hasn’t had much support... [and] now I see my son using the same behaviours as his Dad”.

However, helping young people to learn about healthy relationships is not a panacea. As outlined in this report, healthy relationships education is a key part of a wider system response to domestic abuse and can play an important role in prevention. Schools across the borough have invested in healthy relationships education for their young people, but weaknesses in the approach can still be found. An audit on domestic abuse in the borough completed by the Health Education Partnership, who have provided training to teachers on domestic abuse, found that eight out of 12 schools in the borough felt that although the leadership of their school had expressed strong support for addressing healthy relationships and abuse, staff still identified significant gaps, chiefly related to staff professional development and confidence, including seeking support for themselves if needed. Healthy relationships education is one tool in the box, but without wider awareness and interventions, and support for teachers from specialists, it will not be effective.

What other evidence shows us

Perpetrators told us

Engagement with perpetrators of domestic abuse also highlighted the importance of teaching about relationships outside of the home. One perpetrator of domestic abuse told us that he “grew up not with just my mum and my father not around, [but he] didn’t really have much of an example of what relationships were like...”. Others told us that “schools should have lessons teaching young people how to treat each other – not just about sex... but about respect. It shouldn’t be left up to the parents”.

Perpetrators highlighted that “there need to be more youth spaces for young people to come together and learn... I think about young people that join the church and they may have come from gangs and crime. They will say that they grew up in that environment and went straight into that lifestyle but a friend brought them to church and they changed. Young people can influence young people”. As this highlights, we traditionally view healthy relationships education as the business of schools, but there is a need for a wider conversation which young people and the wider community help to lead.

Young people told us

The commission engaged with a total of 220 young people about domestic abuse and healthy relationships through 15 focus groups and workshops, with a range of young people – including mainstream schools, pupil referral units and LGBTQ+ young people. The key themes that emerged from these groups are below:

- **Social media and TV are key in learning about relationships both now and to raise awareness moving forward** – 14 out of the 15 groups of young people noted that they learned about relationships from social media.

Young people said social media was the best way to get messages to young people, but equally that “young people have been educating ourselves a lot more on social media, like Tik Tok”. In a focus group with the Barking and Dagenham Youth Forum over half of the group said they would look online for advice around their relationships and domestic abuse more generally in the first instance. When asked how the borough could raise awareness amongst young people, social media came up in every focus group – young people told us that to start conversations and raise awareness, “We need ads on social media promoting awareness on domestic abuse”.

- **Some young people reflected on experiences in the home that they had seen and brought these into their understanding.** When talking about financial abuse “my dad... would just dip into savings account to pay for alcohol”. Another student detailed that “financial abuse is when somebody set up bills in another person’s names and builds up debt in their name”. Detailed understanding from some members of the group, made us aware that it was likely some young people in the room were talking directly from experience. Equally, when asked about where they learned about relationships some young people said “not my parents” or “my parents are bad examples”.
- **Young people linked wider violence to normalisation of domestic abuse** – Knife crime was an issue that young people brought into discussions, referencing both wider thoughts around safety concerns in the borough and discussions around domestic abuse, linking the two together. One young person noted that “knife crime violence is so normalised in the borough, so young people normalise other violence too”.

- **Need for anonymous reporting** – “I would rather talk to someone I didn’t know so they don’t go back to my mum and tell her”
- **Enthusiasm among young people for discussion on domestic abuse** – There was no reluctance at all from any of the young people we spoke to. Once trust was established in the group, they were enthusiastic about discussing healthy relationships and sharing their experiences, and spontaneously acknowledged the importance of these conversations. The idea that young people might be embarrassed or reluctant to have these conversations was not borne out at all by our research.

What Barking and Dagenham have already done

Barking and Dagenham council has already commissioned a school survey of over 2,000 young people through the School Health Education Unit, at Exeter University, every two years to understand the attitudes of young people towards abusive behaviour. This marks an important step in understanding the views of young people towards domestic abuse – and should be used to work through gaps and areas of focus for the work of young people.

The council have also commissioned the Health Education Partnership who have worked on a whole schools approach to domestic abuse – providing training for teachers on domestic abuse, and also working on staff policies. The Barking and Dagenham Youth Forum is made up of 13 to 19 year olds elected by their peers, who come together to have their say in issues affecting their lives and communities – the BAD Youth Forum has done some fundraising for Refuge charity – this should be built on, with the Youth Forum playing a key role in conversations relating to domestic abuse and young people.

Therefore the Commission recommends:

Young ambassadors should play a key role in promoting messages around healthy relationships and domestic abuse

- **Step 1 – Schools in Barking and Dagenham prioritise healthy relationships and domestic abuse education, despite or even because of the challenges of COVID-19**

Teaching on domestic abuse and healthy relationships is now more important than ever. Young people need this education to start now. They need this education to represent the world in which they live – covering key topics like the influence of porn with all young people, but young men in particular. And, where possible they also need this education to cover gender and be applied through a gendered lens, particularly in early education.

The Department for Education has reiterated that relationship education will still be statutory for schools, but have delayed the requirement for full delivery to the summer term 2021. Barking and Dagenham schools must play a leading role in prioritising these subjects and deliver a full programme of health relationships education immediately.

- **Step 2 – The council has oversight on the healthy relationships work that is taking place in schools**

Currently, the council does not have oversight about what happens in schools around healthy relationships. It should play a role in monitoring and auditing the work which is taking place within schools on healthy relationships and domestic abuse – this will allow the council to share best practice among schools, and ensure that schools are prioritising healthy relationships. For schools, this will mean that they are able to learn from best practice approaches and importantly

request support and resources from the council and DA specialists where they need it. It is suggested that a central monitoring report becomes a standing item at the Healthy and Wellbeing Board, and that the Survivors Panel provide some narrative for the report about the work taking place in each school.

- **Step 3 – Recruit a group of culturally diverse young ambassadors of domestic abuse and healthy relationships**

This group should receive funding to develop conversations with their peers. Their role will be to lead conversations in key locations identified by them and relevant to young people in the locality, helping to create messages that will resonate with diverse groups of young people on healthy relationships and domestic abuse, and ensure Barking and Dagenham becomes a place where young people feel they do not need to tolerate and can call out abusive behaviours. The diversity of the group needs to reflect the diversity of Barking and Dagenham's population.

- **Step 4 – Young ambassadors of domestic abuse use social media to create organic conversations to tackle domestic abuse**

In every focus group, young people strongly expressed the view that social media should be used to engage young people in conversations about relationships and domestic abuse. The commission believes that using young people themselves to seed these conversations will be most effective, and that once they have received training the young ambassadors should be free to do this in their own way and in their own words. This will require a level of “letting go” by the local authority but we believe without this freedom, the effectiveness of messaging will be compromised and the opportunity to make real change might be lost.

Outcome 3: Trauma informed

“

What people don't remember is when I've told my story again, I'm left by myself in the night, reliving it all over again. That one conversation can set my depression off for a year.”

– Domestic abuse survivor

Within the Commission's principles, we have defined trauma-informed as:

“Trauma is inseparably bound up with systems of power and oppression. For people who have experienced trauma in their lives, public services can unwittingly make things worse by creating situations that feel unsafe or trigger traumatic memories. We will make sure Barking and Dagenham considers the impact of trauma in implementing all our recommendations”.

The process of the commission has been trauma-informed throughout: survivors have co-produced the commission recommendations and shaped each stage of our work. In order to implement the recommendations, this must continue. Barking and Dagenham has the opportunity to lead the way nationally with a trauma-informed response.

What survivors told us

Survivors described the wide ranging impact that the trauma of their domestic abuse has had. Some of this is a direct result of being asked to retell traumatic experiences to professionals. “What people don't remember is that when I've told my story again, I'm left by myself in the night, reliving it all over again. That conversation can set my depression off for a year”. Another survivor told us: “I was being triaged for therapy and told my whole story to them, at the end of the call they told me they couldn't help me and I had to heal from that phone call”.

We also heard from survivors about how their trauma can follow them in all aspects of their lives, often in ways non-survivors would never consider. For example, we heard from survivors that they don't answer private numbers, because their perpetrator calls them on a private number. This means that when council or other services call them, they don't answer. One survivor explained about a friend who is also experiencing domestic abuse – “she won't block his number because he'll just call her on private number and Refuge, the council, the police all call her on private numbers”.

We heard how the trauma survivors have experienced prevents them from working. Often it makes it hard to stay in their own home – we heard from one survivor “I've had to redecorate my whole entire house due to trauma”, and another told us “I couldn't cook in the kitchen because he strangled me there, so I relived the trauma every time I went to cook for my child”. This survivor told us about having to arrange her own transfer to a smaller property. Survivors felt that the impact of trauma was not considered by services. One survivor told us that, when she was in contact with social services over her children, “in my early days, I didn't want to be in the same room as my ex. I refused to be in that room and they said I was non-engaging”.

Importantly, survivors have told us about their experience of the COVID-19 pandemic and the different ways it is triggering for them, reminding them of their abuse. We heard from



The COVID-19 restrictions also resulted in some post-separation abuse from some of our survivors – “a lot of women have found their abusive exes have got back in touch [during lockdown], three of my abusive exes have tried to get back in touch with me.” In one case, a survivor experienced post separation abuse which she had to call the police about, after her perpetrator came to her home after not getting in contact for years.

Another aspect of the pandemic which survivors told us about was the impact of face masks. This was twofold: firstly, face masks make them scared of their perpetrator – “I knew my ex would’ve been one of those guys wearing a hoody and face mask. I know that he would be using a mask as a big excuse to hide his identity in my area. It does make it hard and it makes me panic”. Secondly, within the government’s face mask exemptions list, you are not required to wear a face mask if “you cannot put on, wear, or remove a face covering without severe distress”. For some survivors, wearing face masks can cause severe distress – it can bring back triggering memories from sexual trauma, strangulation or smothering which are common parts of domestic abuse. But it is also traumatic to have to say so.

Survivors were also aware of the impact of the pandemic on incidence of domestic abuse and felt that the government were not doing enough – “domestic abuse didn’t come into the news till April – well I’m not being funny, there was a need for refuge space... what about women in refuges?”. We heard from survivors their concerns that during the pandemic “someone could die in a domestic situation and it could be blamed as coronavirus – I don’t think the homicide rate has doubled, I think it’s gone way beyond that”. Survivors talked about friends who were currently experiencing domestic abuse and how their perpetrators were using the restrictions

survivors during lockdown that “it feels like the government is now my perpetrator”, with government restrictions on going out and socialising reminding them of the restrictions their perpetrator placed on them. Survivors told us about how shopping during the pandemic also reminded them of their abuse. During their abuse, their perpetrator limiting their money and time allowed to go to shopping - “shopping was the thing that affected me the most as a single parent with five kids – I wouldn’t go shopping because I didn’t want to be judged. It was like I was living with him again, and it still feels that way. I don’t know when I will feel safe again going shopping”. National research from Women’s Aid in their ‘Perfect Storm’ report found that 53% of survivors who had experienced abuse in the past, found the pandemic triggering and that it negatively affected their mental health.

and how it was harder for them to get space – again Women’s Aid research shows that 66.7% of survivors still experiencing domestic abuse noted that their abuser was using lockdown or the COVID-19 virus as part of the abuse.

It is of course to be hoped that the relevance of this report will well outlive the pandemic. However, survivors’ responses to the pandemic are cited in detail here because they serve to highlight how unpredictable and constantly evolving trauma can be. This is one of the main reasons why the Commission recommends survivors must not only be at the centre of its own work and recommendations, but of all aspects of the borough’s response, including monitoring and governance. Without this, there is a risk that key issues will not be spotted. Survivors have told us they are keen to be involved in shaping this work in the future. They would relish opportunities to speak to professionals, schools and other survivors about their experiences. They see sharing their experiences with others as hugely important to raise awareness and create change.

What other evidence shows us

There is a growing body of evidence for trauma-informed services. When people have a say in their care and treatment, they are more likely to engage with a service. This means that they are less likely to miss an appointment, and less time is spent on staff time for ineffective interventions. Staff also report less burnout, improved relationships with service users and greater collaboration.

We also heard from social workers that they would like the opportunity to engage with survivors of domestic abuse as part of their training and reflective practice, highlighting the appetite among professionals too for trauma-informed services.

What Barking and Dagenham has already done

Barking and Dagenham council is not completely new to the concept of trauma-informed services. Its substance misuse services have been commissioned in a trauma-informed way. Trauma-informed approaches have been discussed through the Community Safety Partnership. Through the Community Safety Partnership RockPool Trained a total of 195 professionals, of which 20 are now able to deliver half-day ABC Trauma Informed Training sessions and have delivered to a further 223 staff through sessions arranged by the Community Safety team. Further sessions which have been arranged mean that eventually close to 350 staff will be trained.

Participation and engagement is one of the council’s three strategic priorities as outlined in its 2018-2022 Corporate Plan. The council is doing a large amount to reshape its relationships with residents – empowering residents by enabling greater participation in the community and in public services. However, the Commission believes this needs to go further to ensure that those with lived experience play a key role in service design and policy: a shift from participation to co-production.

Therefore the Commission recommends:

Embed trauma-informed approaches into council ways of working

- **Step 1 – Commit to being a trauma-informed council**

The Commission recommends that the council commits to being a trauma-informed council, including becoming one of the first local authorities to join the soon to be established UK National Trauma Council. As detailed earlier the Commission recommends a three point domestic abuse assessment for every decision-making board, with one of the three being a trauma-informed assessment. This will help to ensure that survivors of domestic abuse, and other trauma, are considered in each decision taken by the council. The Commission recommends the council keeps up to date with national policy work on this, through One Small Thing and their work in this area. There are also specific things which survivors have raised which the council could act upon quickly and simply: for instance, for council telephony system should stop calling residents through withheld numbers to ensure survivors feel comfortable to engage with services, without concern that their perpetrator is at the other end of the phone. Alongside this, it will be key to keep trauma-informed approaches in mind when continuing to respond to COVID-19 social distancing requirements within council buildings.



- **Step 2 – Establish a permanent domestic abuse survivors panel for co-production**

Engaging with those with lived experience has huge benefits. Co-production will help to change perspectives and attitudes, while helping to come up with new solutions. It is also important to explore different mechanisms to engage with survivors to allow male survivors and LGBTQ+ survivors to play a key role in the process, as well as heterosexual women who form the vast majority of domestic abuse survivors.

- **Step 3 – Transform the MARAC model to include experts by lived experience**

Ensure there is a survivor of domestic abuse at MARAC, Multi-Agency Risk Assessment Conference, meetings who is reimbursed for their time, and provides the voice of lived experience. This individual would be drawn from a trained panel of survivors, with all other MARAC attendees trained on how to amplify survivor voices and ensure survivors feel supported and are heard in meetings. This would work to change the culture of MARAC meetings.

- **Step 4 – The council must look to include lived experience of key policy priorities as a desired criteria within recruitment**

The council should explore opportunities for guaranteed interviews, or the opportunity to respond with lived experience rather than qualifications within job descriptions. It is proposed that domestic abuse is one of these areas. This would help to create a culture change within the organisation about lived experience, and the impact of trauma.



- **Step 5 – Health partners should develop a specific perinatal domestic abuse locally**

Local and national data highlight the need to ensure that there is a specific local perinatal domestic abuse approach. Barking and Dagenham has the highest police reported rates of domestic abuse in London, and the highest birth rate in England and Wales. This, matched with national evidence that domestic abuse is more likely to increase in pregnancy, leads us to conclude that it will be key for the council and partners to work together specifically on this issue. There is considerable national focus on perinatal mental health, and partners across the borough should play a key role developing a bespoke approach around domestic abuse.

Outcome 4: Community awareness

“
In my experience, I’ve found that the community is split between those who have experienced domestic abuse and those who haven’t.”

– Domestic abuse survivor

The Commission was specifically asked to explore attitudes towards domestic abuse in the local community. As the council suspected, what we found was a culture of disbelief and an overwhelming ignorance of the nature and impact of domestic abuse. The Commission agrees with the council that domestic abuse is the result of harmful sexist beliefs that are deeply ingrained in all communities in the UK – and in all the communities in Barking and Dagenham, and that therefore culture change is one of the key objectives the council should adopt.

In terms of the order of implementation of our recommendations, however, the commission is clear that the first step in system-wide change is to improve the response survivors receive from professionals and services. Only when the professional response is of a good quality, is it safe to run wide-ranging work on community awareness. It is also vital to have community ambassadors in place before an awareness campaign begins, to help signpost survivors to the support they need.

What survivors told us

Survivors have told us that “the community is mixed – between those who understand domestic abuse because they have been through it, and those who do not”. They feel that the Barking and Dagenham community is not aware of what constitutes domestic abuse, nor how to respond to it. Survivors felt that community awareness was key to help survivors who had previously been through abuse to feel believed and

supported by their community, but also importantly to raise awareness amongst those that are currently experiencing domestic abuse. Creating a community that is aware and has conversations about domestic abuse was at the heart of the response survivors wanted to see.

One survivor told us – “I did not know I was living my abuse until after. I never saw no posters, no awareness, no nothing”. Survivors told us they “didn’t know what any of this meant until afterwards – I could’ve been saved once or twice before”. With specific types of abuse, we heard from survivors that “I didn’t even know sexual abuse could happen in a relationship” highlighting that the lack of awareness around the dynamics of an abusive relationship. One survivor told us the community needs to understand “the red flags of perpetrators”. Survivors talked about the need for domestic abuse to be more visible in the borough, to help get the message across.

Survivors also talked of their friends and family not being aware of abuse, or of its impact. “[When he hit me], I remember no one did anything, I was so shocked. I knew it was wrong, I was brought up to hit anyone back if they hit me, but he had just wiped me clean off my feet... so I just ran away” one survivor told us. Another said – “I spoke to one of my friends about it, she said it was normal and asked why I was worried about it, but I knew it wasn’t normal. My dad never hit my mum and my previous boyfriend did not treat me like that. But I don’t know, maybe it was normal”. Survivors

felt from their experience that domestic abuse was normalised in the community, so that their own friends and family failed to understand or to respond.

We also heard about judgement in the community about domestic abuse, with the school playground a common example given. Survivors told us how they had opened up to the mother of their child’s friend about how they had experienced domestic abuse, and that this had resulted in their child no longer being allowed to see their friend. Another survivor told us: “When I told my friend about something that happened to me, she said ewww but when I told [a survivor], she totally got it”. We also heard of the impact that a positive friend can have: “I had really good neighbours. Whenever she heard me crying or scream, she came and checked on me. I didn’t know what was right and what was wrong and I checked with her.”

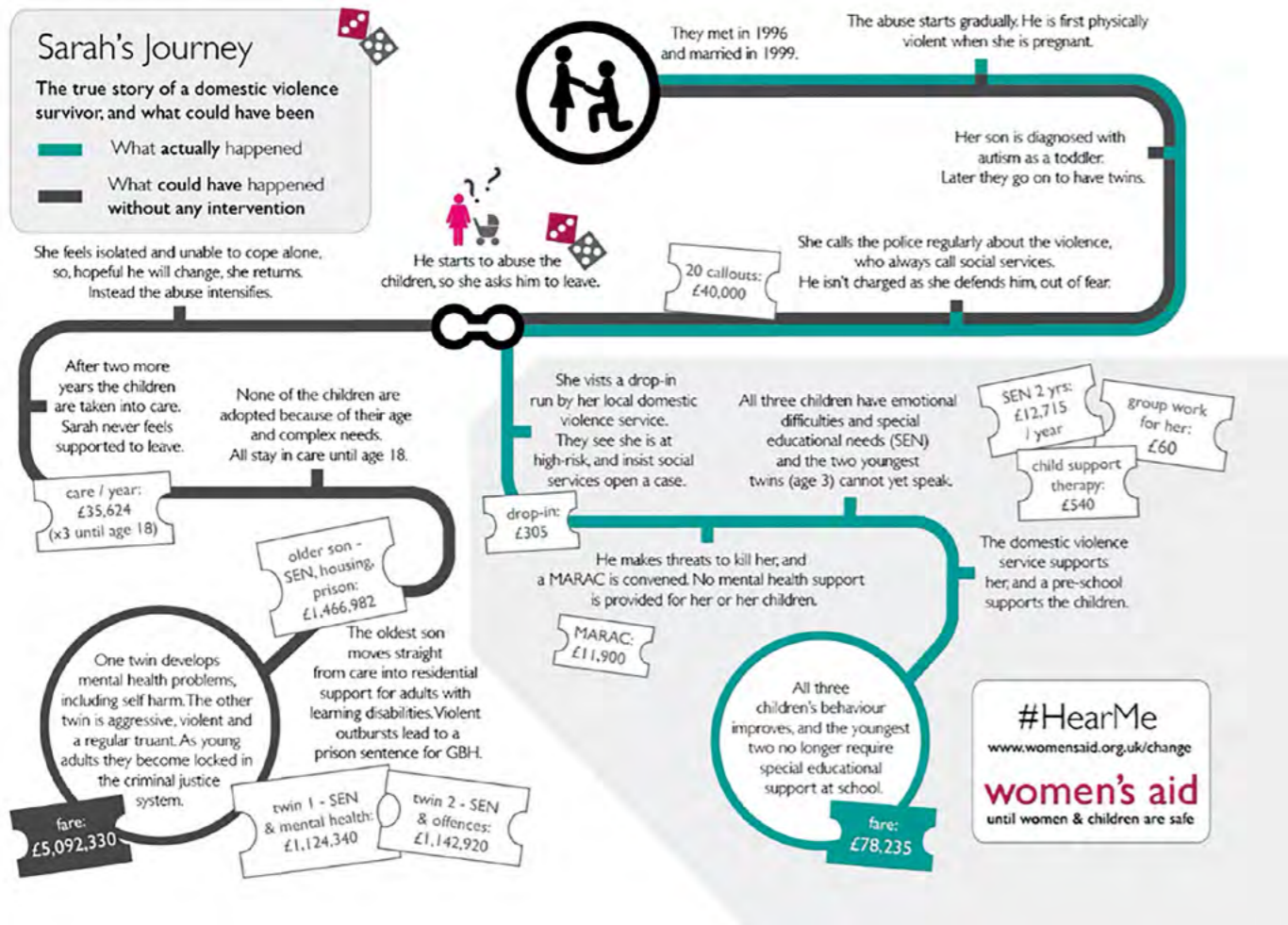
Survivors also told us about the need for more awareness of how abuse manifests in different relationships. We heard about how residents and services alike did not recognise abuse within same sex relationships as domestic abuse, meaning LGBTQ+ survivors did not get the support that they needed.

Survivors told us about how their perpetrator isolated them from their friends and family, using this culture of normalisation and judgement to their advantage. They explained how their families and friends would talk about not liking their perpetrator, rather than understanding and acknowledging their abusive behaviour. “My mum didn’t like him, but that just pushed me away from her. If someone had given me the details of domestic abuse hotline or Refuge, that would have made a difference.”

What other evidence shows us

The community acts as the first line of defence for domestic abuse. A survey of survivors run by Wearside Women in Need in 2020 asked survivors who they told about their domestic abuse. It found that 62% of survivors told a friend or family member about the abuse before they told anybody else. Only 11% of survivors first told the police about abuse, and only 4% of survivors told a specialist domestic abuse service first. This highlights the key role that the community plays in domestic abuse, borne out by our own research, as the first point of call for most survivors, with many never wanting to talk to a professional at all.

Importantly, community awareness plays a key prevention role. A community which is aware, and knows how to respond to domestic abuse is a key pillar of a system which promotes early intervention. When the response to abuse can take place in the community, it can prevent escalation and the high-risk and crisis cases which end up with statutory services. We also heard from non-survivor residents about the need for the community to play a key role in the response to domestic abuse: “Why does it have to be the council doing this? I feel like it should be parents and people in the community. If the council keeps talking about the same thing you find that people will just become desensitised to it.”



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Women's Aid Change that Lasts

Women's Aid Change that Lasts is best practice in the domestic abuse sector when it comes to increased community awareness. It aims to increase the number of women and children living free from abuse by improving the response survivors receive from people in the community, from the first time they speak about their abuse, to their contact with professionals, to achieving freedom and long term safety. The system is made up of three parts:

- **Ask Me** - This is the community-based response including raising awareness, safe enquiry, signposting and importantly a community that believes survivors and doesn't accept abuse.

- **Trusted Professionals** - This provides support, advice and safety planning in a range of service settings including health visitors, drug and alcohol services, housing and others.

- **Expert Voices** - This provides training for specialist domestic violence services, including IDVAs, refuges, outreach and community workers.

After having the training, 94% of community ambassadors discussed their training, 82% challenged victim blaming myths and stereotypes, 44% used social media to talk about domestic abuse, 28% put up a poster about domestic abuse. The majority of disclosures the ambassadors received came from friends



or family, followed by clients or customers and then colleagues. Women's Aid Change that Lasts provides help earlier and saves money to statutory services, the early intervention that the community ambassador scheme offers, the cost could have been over £5million to the public purse.

What Barking and Dagenham has already done

During the 16 days of activism against gender-based violence, every year, partners across the borough hold awareness-raising events.

During the coronavirus pandemic, the borough has worked with colleagues in the Cultural Partnership to create a Community Safeguarding campaign which was co-produced with survivors

of domestic abuse. The #BDProtect campaign also worked with local artists to design artwork to be used online and offline. Stickers were produced to go on pharmacy bags across the borough, and on food boxes given out during the pandemic.

The Commission applauds these efforts, but is mindful that awareness-raising without community ambassadors or an adequate response from professionals could create risk. The visibility of domestic abuse must be a priority all year round. It is also important that the diverse communities in the borough - led by survivors - have the opportunity to influence and own campaigns and messages.

Therefore the commission recommends:

Make domestic abuse visible

• Step 1 – A community ambassador scheme to increase domestic abuse awareness and train up community champions

The Commission recommends a community ambassador scheme to increase domestic abuse awareness. It is suggested that BD Collective would be key to provide links with members of the community to create ‘safe spaces’ and recruit community ambassadors. It is also suggested that businesses should play a key role in the community ambassador scheme, so they are able to spot the signs of domestic abuse and deal with disclosures. The community ambassador scheme should also importantly raise awareness in the community about LGBTQ+ domestic abuse. The Commission views Women’s Aid Change that Lasts as best practice in the sector.

• Step 2 – Use the Citizens’ Alliance Network to start resident conversations/ownership of campaigns

Use Barking and Dagenham’s existing online platform to start resident conversations about domestic abuse, and allow residents to feed their views into campaigns around domestic abuse and volunteer for specific roles.

• Step 3 – Compel local businesses to play a key role in tackling domestic abuse

Local businesses in Barking and Dagenham should play a key role in community ambassador schemes, undertaking training for domestic abuse. Businesses and employers in the borough should also look to create a staff policy on domestic abuse to ensure that staff who are experiencing domestic abuse get the support that they need. Employers in the borough should learn from the council’s staff policy which won a PPMA silver award and offers 10 days’ leave. In addition to this, the council’s approach to social value – compelling businesses it has procurement contracts with to demonstrate their value to the community – should include tackling domestic abuse as a matter of priority.

• Step 4 – Launch a borough-wide “We Believe You” campaign

A top down, high-profile awareness campaign from the local authority can play a key role in making the issue visible, and sending a clear message that survivors of domestic abuse are believed until proven otherwise. Local businesses should also look to use this messaging. The campaign needs significant profile on billboards and all council materials. Messaging must be simple and unified.



• Step 5 – Launch bottom up campaign about domestic abuse

Offer seed funding to encourage organisations (VCSE groups, faith groups, residents etc) to launch tailored campaign messages to raise awareness of domestic abuse which, while adhering to the Commission’s principles and the central “We Believe You” message, are given freedom to flex to meet the priorities of particular groups. One example of this would be funding Shpresa, the Eastern European Resource Centre and Refuge’s Eastern European service, to work together on a campaign focusing around “We Believe You”, ensuring that this was translated into different languages, and also importantly ensuring that the wider campaign messages resonated with the Eastern European community’s experiences of domestic abuse. Another would be to ensure that specific campaigns could be run by and

for LGBTQ+ people, centred on the core “We Believe You” message but flexed for different genders and experiences of abuse. This will require considerable courage from the council to fund messaging it does not control, but the Commission believes this is necessary in order for survivors in all parts of the borough to benefit from culture change on this issue.

Outcome 5: Perpetrators and challenging abusive behaviours

“Perpetrators go from victim to victim. My perpetrator has a record after me – he’s been charged with DA for someone else after me.”

– Domestic abuse survivor

If perpetrators effectively commit abuse with impunity, without experiencing any pressure to change their behaviour or being subject to the criminal justice system, then domestic abuse is accepted as normal behaviour. Unfortunately this is the case in Barking and Dagenham. The borough is by no means unusual in this. In fact the same could be said for the vast majority of the country. Responding to perpetrators in a robust manner requires considerable investment, not least because such a response is wholly dependent on support being available for survivors. Despite the cost, there is no alternative for any locality aiming to be a place where domestic abuse is not tolerated.

Survivor safety and interventions for survivors should always come before perpetrator interventions. This means that the Commission recommends that perpetrator interventions should not be the first priority. This does not mean they are not important, and we urge the council to ensure this part of our report is not overlooked.

What survivors told us

Survivors told us that there was a real sense that as victims of domestic abuse, they faced the consequences whilst their perpetrator got away with their behaviour. “Nothing is being done to the perpetrators in my situation, he’s completely fine enjoying his life”, whereas she had to move home. Another survivor noted, “why do we have

to move when he’s fine?”. We also heard from a survivor that “I feel like everyone is laughing at me. I know he’s laughing at me when he pleaded guilty then going out and partying”. Overall, there was a sense that perpetrators “do so much damage in one family’s life but they don’t pay for it”.

We heard from survivors that perpetrators “go from victim to victim”, heard of perceived imbalance in terms of support – “he got a six month perpetrator programme and I didn’t get anything. I didn’t get any therapy or support group”. We also heard from survivors scepticism and an awareness of the difficulty of getting perpetrators to change their behaviour: one survivor told us “there are people out there who won’t get help, he thinks there’s nothing wrong with him.”

Survivors were hugely critical of the criminal justice system and the lack of justice. Overall, there was a strong sense that “perpetrators are not held to account” – “it’s law that needs to change. We can’t make the perpetrators do more, can we?”. Survivors told us how despite Domestic Violence Protection Orders being in place, their perpetrator had visited their property and breached their orders. Survivors felt that current legal protections were not enough to ensure their safety and were not taken seriously by perpetrators.

The need for enforcement was strongly referenced by survivors - “they need to be named and shamed just like murderers”. Survivors talked about the injustice of the difference between the way domestic abuse was treated compared to other crimes – one told us “If it was a gang attack, he would get a much more severe sentence rather than DV” and another “Normal GBH is taken more seriously than DV – GBH gets prison, DV gets community service”.

Survivors also told us how perpetrators who have undergone behaviour change programmes, should be role models within the community and setting an example of how it is possible to change.

What other evidence shows us

As well as the highest police reported rates of domestic abuse in London, Barking and Dagenham also has high-harm domestic abuse. Professionals frequently told us that they did not know how to deal with perpetrators and would like more training on understanding how best to respond to the perpetrators they encountered in their day to day practice.

Nationally, Women’s Aid research shows that less than one in ten of incidents of domestic abuse reported to the police ended with the perpetrator receiving a custodial sentence. The new Domestic Abuse Bill will improve the legal response – the Bill provides for the breach of an order to be a criminal offence, punishable by up to five years’ imprisonment, or a fine, or both.

We also spoke with perpetrators themselves, to understand their perspectives. Perpetrators told us how they felt in general there was not enough support out there for men – “from what I have heard, there is not enough support for men... whether you are the abuser or abusee, the embarrassment of coming out about it stops you from getting support”. One perpetrator also told us about the benefits of his intervention – “I’m so

grateful for what the council have done for me, they have been so supportive and quick in helping me find a place.” And how the programme is “independent and impartial. You realise there are a lot of people that have been in your situation”. Talking about the programme, we heard “when I was first referred to Cranstoun, I was nervous. I thought people would judge me and assume I was a wife beater and also the other men would be massive guys, you assume people would judge you straight away”. This highlights the need to encourage open conversations about abusive behaviour and challenging it.

In terms of their motivation to change and undertake a behaviour change programme, one perpetrator told us “most men on the course are there because they have to be, but also they want to change”. We heard about their desire to better themselves. Another perpetrator talked about “The will to better myself, I don’t think a lot of myself, I don’t have a lot of confidence. I decided to start doing a bit of exercise, and I felt a bit more confident. I just decided that I wanted to make myself better. I don’t want to be that person I once was, I’m a really nice guy when I’m not getting drunk but recently I haven’t thought much of myself.”

We are conscious of the minimisation of abuse contained in almost all of these quotes from the perpetrator interviews. This in itself is instructive. The one thing survivors were anxious to warn us about was the ability of perpetrators to manipulate professionals and gain sympathy. This is why we strongly recommend that Barking and Dagenham create an environment in which survivors are believed and supported, professionals in all agencies understand the dynamics of abuse and the manipulative tactics of perpetrators, and the police in particular have a robust response to all of the crimes that occur in a domestic abuse situation. Only then is it safe and appropriate to offer support and enforcement to change perpetrator behaviour.

What Barking and Dagenham has already done

The perpetrator response in Barking and Dagenham is underdeveloped. It takes time to build up a well-established and an effective response. There was no work with perpetrators at all before 1 October 2019, when Refuge took over the contract to deliver the borough's specialist service. The response now in place is for those in touch with tier 3 social care. In addition, during the coronavirus pandemic, Cranstoun has been delivering their men and masculinities 24-week programme in the borough, which is aimed at behaviour change.

The Housing Perpetrator reMOVE abuse innovation programme has also been launched by the council, in partnership with police colleagues and Cranstoun. This pilot looks to remove the perpetrator from the home providing them with intervention and accommodation. It is testing the hypothesis that this will improve outcomes for both the survivor and the perpetrator, as well as reducing the cost of new accommodation by rehousing the perpetrator while allowing the survivor (and usually any children in the family) to stay in their home.

However, the commission has some concerns about this approach. Not all survivors wish to remain in the property where they have experienced severe trauma. This report outlines elsewhere the fact that the survivor response is by no means adequate in the borough, and that survivors frequently receive an unsatisfactory service from the housing service. The approach to rehousing perpetrators outlined above could be the right way forward, but we feel this is difficult to judge in the current context. There is significant and long-term work to be done to build up a tiered approach to managing perpetrators which reflects national best practice. This is not to say that Barking and Dagenham is unusual in being at such an early stage of its response to perpetrators. Quite the opposite is the case, and the borough's openness to new thinking and awareness of the need to improve are to be commended.

Therefore the Commission recommends:

Tiered interventions for perpetrators and an embedded perpetrator response

- **Step 1 – Tiered interventions for perpetrators, which are all Respect Accredited**

A well developed local perpetrator response should have tiered interventions, which meet the national Respect standards – reflecting known best practice.

- **Step 2 – Use a MATAC model for high risk perpetrators**

Multi-Agency Tasking and coordination protocol or MATAC, in place in the North East, involves regular meetings led by the police, with key partners, to plan bespoke interventions that target and disrupt serial perpetrators and/or support them to address their behaviour. This is particularly appropriate given the high rates of severe harm in Barking and Dagenham. In Sunderland, this approach has shown a 61% reduction in overall offending of perpetrators after MATAC intervention and a 65% reduction in domestic abuse related offending. Initial analysis of the social return on investment study suggest a return of £14.09 social value per £1 invested, a high percentage of this coming from the positive impact on victims.

- **Step 3 – Perpetrator training for front-line staff**

Professionals have outlined that this is a gap for them, and survivors have also told us about how professionals were often charmed by their perpetrator. Providing perpetrator training for front-line staff once tiered interventions have been established will help to ensure that perpetrators' behaviour is understood, and they are dealt with effectively and with reduced risk.

- **Step 4 – A community training perpetrator scheme**

The commission believes that community ambassadors can play a key role, and that the opportunity for community conversations is a key part of any tiered perpetrator response. This allows for conversations that challenge abusive behaviours to be widespread in the community, enabling those using abusive behaviours to get help. Best practice in this area is in its infancy. The Commission recommends that Barking and Dagenham become a pilot area for the Make a Change programme, a partnership between Women's Aid and Respect.

Outcome 6: Community groups and community spaces

“You give each other confidence and then we’re like fireworks going off into the world.”

– Domestic abuse survivor

The coronavirus pandemic has shown the power of cooperation and mutual support in communities. There is a national conversation about how to harness this for the future, building on one of the few opportunities created by the pandemic. In Barking and Dagenham there is an opportunity to build on the community groups that have come together in a borough where the number of small, local voluntary organisations was less than in many other parts of London. The Commission urges the council to build on this, because a thriving network of voluntary organisations is vital to creating a community response to domestic abuse. One of the points most frequently made in conversations with survivors was the huge benefit they experienced just from meeting together and, as part of the Commission process, being introduced to community spaces which felt safe, welcoming and empowering.

What survivors told us

For survivors, the opportunity to come together with other survivors and from there to raise awareness of domestic abuse in the wider community was very highly valued. They clearly told us this should be a priority, and that there are not enough spaces in the borough where survivors can come together. Survivors talked about how “there’s a group for people with cocaine addictions, what about domestic abuse?”, while another survivor stated “we’ve got alcoholics anonymous, why don’t we have one for domestic abuse? It’s hard; you can’t have that story with any Tom, Dick or Harry”.

The process of coming together as a group to engage with the Commission had its own benefits which they want to continue: “you give each other confidence and then we’re like fireworks going off into the world” one survivor stated. They spoke about the need for a purpose in life for survivors whose lives have been turned upside down: “friends of mine who were in abusive relationships who don’t have kids said they have nothing to wake up for”. Survivors talked about their ambition for these groups to provide moral support. For example some survivors we spoke to had experienced disclosing their abuse to utility providers, with a positive outcome, and were very anxious to support other survivors to do the same. Survivors are passionate about being part of the response to domestic abuse – “the lack of support from services makes me want to set up something on my own. I know the help that they need, and I can help them get it”. The Commission clearly recommends that this lack of support from agencies is rectified, but nevertheless there is a will to act on the part of survivors that presents a significant opportunity.

Survivors also told of the benefits for them of getting involved in community groups, or running their own group. “After you leave domestic abuse, you’re leaving that situation with no self worth. To be able to do your career or volunteering, plays a big role with self worth... [you] feel like you’re part of your community”, one survivor told us.



We also heard from survivors that it’s important to have neutral spaces for people to come together. We heard in particular that this can play a key role in tackling cultural assumptions. Survivors told us that community spaces linked to but independent of faith groups and premises provided an essential forum for open discussions about challenging domestic abuse within a faith context. Survivors also told us it was really important to have different cultural groups talking about their shared experience of domestic abuse to tackle normalisation. If some think domestic abuse is normal because their mother, sisters, aunts have all experienced it, the chance to have a discussion in their own community that tackles cultural myths could be life-changing or even life-saving. Survivors also want spaces and groups for their sons and other boys – one survivor, a single mother, told us that there needs to be more support for black boys who express a need for male role models, having seen how much her son had benefited from such an opportunity.

What other evidence shows us

Professionals have also told us about the need for more community-based informal work which can help those experiencing domestic abuse, before residents end up at the social work front door. One social worker told us “Culturally, the borough keeps quiet about domestic abuse. The borough should run coffee mornings where people should just talk as a community”. This highlights a key point: the high return on investment from community-based groups. These groups are so low-cost that even if they only prevent one person from entering into statutory services they will earn a positive return on investment.

The groups can also provide information for friends and family who are concerned about domestic abuse, and help to make domestic abuse more visible. The impact of domestic abuse lasts for a number of years, well beyond the capacity of specialist interventions.

These groups can provide support after specialist support ends, as well as reaching those who don't want to seek specialist support at all – either as a gateway or, in some cases, providing all they need.

A significant part of the huge economic cost of domestic abuse is the lost economic output of survivors. The Home office estimates that lost output of survivors accounts for £7,245 of the economic cost of domestic abuse per survivor, and £14,098 million of the overall annual economic and social cost of domestic abuse to England and Wales. A volunteering route that builds on survivors' lived experience and commonly held desire to help others and prevent further abuse is an obvious route to employment. In fact many women employed in the specialist domestic abuse sector, up to managerial and senior management level, are survivors who began as volunteers.

What Barking and Dagenham has already done

During the coronavirus pandemic, Barking and Dagenham community and social sector mobilised a network of support called BDCAN. BDCAN is a local platform for the co-ordination of social support provided by hundreds of local volunteers and orchestrated by an alliance of voluntary and faith organisations from nine locality hubs across the borough. This highlights the community spirit that should be built on and applied to domestic abuse.

A huge amount of regeneration is also taking place in Barking and Dagenham: over the next 20 years the borough plans to build more than 50,000 new homes and create 20,000 new jobs. Ensuring that the borough in 20 years benefits domestic abuse survivors will be key to creating a lasting legacy. In particular, the Commission strongly recommends that new housing developments must build in the physical spaces required for community activity, including safe spaces for women to meet.

Refuge, providers of the borough's contracted specialist service, are developing a peer mentor service which trains up survivors of domestic abuse to support other survivors within the community. Currently, developing the service has to be balanced with responding to crisis intervention – they started training around 20 individuals in December 2020 and are aiming to grow this from there.

Therefore the commission recommends:

Use CAN, momentum from the pandemic and the opportunities provided by new development to allow support groups to grow

- **Step 1 – Enable survivors of domestic abuse to set up support groups in the borough**

Survivors need some resource to enable them to set up mutual support and the council should provide this. The council should launch a fund which survivors can apply to, managed by survivors themselves, to set up survivor-led community support and outreach.

- **Step 2 – Resource the specialist domestic abuse service to provide a peer mentor service**

Refuge charity, currently the specialist domestic abuse service provider, are currently developing their peer mentor support service. In order to help grow this, and allow it to take place alongside the service's business as usual crisis intervention work, the commission recommends that a peer mentor service should be a stand alone part of the borough's commissioned service, with ring-fenced additional funding to allow it to take place in addition to crisis-intervention work.

- **Step 3 – The council should ensure that all new housing developments have community spaces within them**

Consultation with commissioners and survivors, as well as wider research, highlights that residents, and women in particular, feel safe when there are community spaces within housing developments. Community spaces offer survivors of domestic abuse physical locations to come together for support groups. A workshop run by the Commission for senior

staff from several local agencies also found there was unanimous agreement that community spaces, and specifically spaces where women-only meetings could be held, are essential. The volume of housing development happening in the borough is a golden opportunity to ensure this resource is in place.

- **Step 4 – Use the Citizens' Alliance Network to help both women's groups, and domestic abuse specific support groups to flourish both online and offline**

The Citizens' Alliance Network is a network developed by the council, currently online only, to enable residents to have a say in things that matter to them. Once lockdown restrictions ease, there will also be face to face and in person meetings. The network is currently still being shaped, but was used during COVID-19 to provide food for vulnerable residents. The decisions about the network's future must be led by the Commission's recommendations.

- **Step 5 – Learn from programmes of positive male role models in the borough to spread awareness of positive masculinity**

Men have told us they do not feel there is enough support for them in the borough and young boys have clearly shown, during interviews for the Commission, that they need and want to talk about relationships and masculinity. There are few opportunities to be exposed to positive masculinity – and a plethora of environments that promote the very opposite. Creating a community of men that lead by positive example and spread awareness of positive masculinity can create a safer culture for all.

Outcome 7: Child survivors of domestic abuse

“My eldest child needs support the most – I can see aspects of his Dad’s behaviour in him but there’s no support for him to tackle that.”

– Domestic abuse survivor

What survivors told us

The survivors we spoke to confirmed the view of commissioners that children must be considered primary victims of domestic abuse, not merely “witnesses”. They were deeply upset and worried about the impact on their children, which influenced all areas of their lives. In particular, survivors told us about that their children had lost their community – “nothing happened to [the perpetrator], but we lost our school and playground. My son wants to go back to the green space, the school, playing with his friends has kept him going – that was his therapy”. The mental health impacts of this change in setting for children is also stark – “when my son was suffering and having panic attacks in school, I kept telling him that it was the last move before settling”. Another survivor told us “he struggles with it now. My eldest son who is 14 – I got calls in Y7 saying he wasn’t engaging and again in Y8, that’s when I realised it was the domestic abuse”.

In terms of support, we heard from survivors that “their minds don’t know how to process it – as a child [survivor of domestic abuse], I didn’t know what to think.” Survivors felt that currently, children’s experiences of domestic abuse are only considered by professionals in terms of child protection – “Why is the impact on children not recognised outside of child protection? Why is there a lack of emotional support for children and young people who are affected?”.

We also heard from survivors about their concerns when they witnessed behaviours in their children that echoed the perpetrator – “My eldest child needs support the most – I can see aspects of his Dad’s behaviour in him but there’s no support for him to tackle that”.

Child survivors themselves told us about the abuse “I saw it, I was scared but I didn’t talk about it” and one male child survivor told us that the perpetrator “[tries] to be your friend and gain your trust”.

Survivors also told us that they had struggled to know how to have conversations with their children about what they are witnessing or have witnessed: an incredibly stressful and upsetting conversation for both parties. “I couldn’t talk about it with my children, because I didn’t want to cry in front of them. I didn’t know what I was experiencing at the time so how could I explain it to them?” Another survivor told us “It would be nice if there was a service that could support the children and me, and help me have the conversation with them”.

Another survivor mentioned the intersectional experiences her son would face, and that she felt her son was being failed by his school as a black young person specifically. “My son was in the top set in primary school and then he was put in a lower set in secondary. When I confronted the school they told me they felt her would be better



suited in a lower set”. She explained that she felt black boys were treated differently in school and that especially given her son’s experiences of domestic abuse, he needed support. “Schools are dumbing down black boys”. She said because her son didn’t have a positive male role model to look up to at home, and she recognised the same gap in the lives of other young black boys, she wanted to start her own group to support them and raise their expectations about what they could achieve and contribute.

What other evidence shows us

At a national level, the domestic abuse bill, which is awaiting royal assent at the time of writing, will recognise children as victims of domestic abuse in their own right.

Women’s Aid estimates that 14.2% of children and young people under the age of 18 will have lived with domestic abuse at some point in their childhood. Every child survivor of domestic abuse

is affected differently, and importantly there is no automatic cause and effect relationship between witnessing domestic abuse as a child, and becoming either a victim or a perpetrator later in life. The key issue is that children and young people must be able to access support for the trauma they have experienced, not because they are seen as future victims or perpetrators, but to address their experiences as victims in the here and now.

Professionals also told us about the need for gender specific resources – they wanted the ability to tailor support to the specific experiences of young people of different genders, ethnicities, sexual orientations and so on.

Respect has developed a significant body of work with young people who are showing abusive behaviours, which is best practice in the sector for addressing these concerns. The Respect Young People’s Programme is a

programme for families where children or young people aged between 10 and 16 are abusive and violent towards people close to them, and is targeted to reduce risk factors associated with later offending and aggressive behaviour. The evaluation found that: “Two thirds of parents reported improvements in their child’s overall mental health and conduct” and all indicators for both children and parents showed significant improvement.

What Barking and Dagenham has already done

Through the specialist service delivered by Refuge, there are two workers providing support to children and young people directly. One worker supports children between the ages of 12 and 17, and the other supports children under 12. The borough’s social work with children is committed to meaningful engagement with children and hearing the voice of the child in all practice. Through the Early Help team the council runs a programme for survivors called AVA (Against Violence and Abuse): this 10 week programme runs 3 times a year, supporting around 10 women and 10 children during each session. The Commission heard that this programme is hugely popular with those have undertaken it – as one survivor wrote: “AVA is a 10 week step-by-step course for women and children on domestic abuse and how we can stay safe... we would attend with our child, they were in a different room to us and they also built friendships”.

Survivors who had gone through the programme told us how “the penny was dropping week by week that domestic abuse wasn’t just physical, it was mental, emotional, financial, sexual and coercive” and that the group marks “huge new beginnings for us and our children”. However, they noted that only one of their children was allowed to take part in the programme at one time, which meant they had to work out who they thought needed support the most.

Despite the above, the Commission’s view is that there is more to be done, both by the council itself and by other partners, to improve the support that child survivors of domestic abuse receive. For a borough with the highest proportion of under 16s in England and Wales, and the highest police reported rates of domestic abuse in London, it is inevitable that there will be a very large number of child survivors of domestic abuse, and it is not satisfactory that the only direct support is the AVA programme which is itself limited to one child per family. Especially during the coronavirus pandemic, when rates of domestic abuse increased and children spent more time at home due to school closures, providing child survivors with the support they need is now urgent. Partners across the system, including police and health, need to address this unmet need in the community to allow Barking and Dagenham young people to thrive.

Therefore the Commission recommends:

Specifically tailored programmes and interventions for children to support their mental health and help them recover from domestic abuse

- **Step 1 – Increase capacity of existing AVA programme within the council**

We have heard from survivors about the big impact that the AVA programme run by Community Solutions. We recommend that all children in a family should be able to benefit from the programme.

- **Step 2 – Commit to language change across the system to “child survivors of domestic abuse” in line with national Domestic Abuse Bill**

The new Domestic Abuse Bill acknowledges that children should be considered by all agencies as survivors in their own right, with specific needs which may be different from those of the non-abusing parent in the home. The council should commit to making this language change immediately across services. In making this change, it is also important to challenge the response of children’s social work which currently sees children too often as victims of neglect by the non-abusing parent rather than of the domestic abuse which that parent is also suffering. The Commission believes that the recommendations under this outcome can only be achieved when the provisions for survivors outlined in the rest of this report are put in place as well.

- **Step 3 – Work with schools across the borough to ensure behaviour policies are trauma-informed**

Survivors told us about how domestic abuse has affected their child’s behaviour at school. Schools across the borough should ensure that

trauma is included in their behavioural policies so that the link between behavioural issues and domestic abuse is acknowledged.

- **Step 4 – Increase capacity of tailored programmes and interventions for young people provided by specialist services to allow for gender specific resources and support groups**

There is a need to increase the capacity of tailored interventions for young people to meet the unmet demand in the community, and also a need to ensure that there are gender specific resources for children and young people to access varied support which acknowledges that child survivors require different support depending on their situation.

- **Step 5 – Health and police to invest in specialist support for young survivors of domestic abuse**

As the borough with the highest proportion of under 16s in England and Wales and the highest police reported rates of domestic abuse, there is a need for support for child survivors to be in place and coordinated across partners. Mental health services should have bespoke work for child survivors, given the likely high number in Barking and Dagenham. Police colleagues should also ensure that child survivors have the right support that they need during any criminal prosecutions. The Commission recommends a new working group is established on child survivors of domestic abuse across partner agencies, bringing together senior officers from across agencies to develop a bespoke borough-wide response for child survivors.

The cost benefit of the recommendations

Survivors have told us that these recommendations “give them hope”, and that the process of co-producing them has “made [us] feel that there’s light at the end of the tunnel. We didn’t get our justice, but we got our justice in another way by helping others”. Perhaps above all else, the commissioners strongly urge the council and all its partners to continue the process we have begun of supporting survivors themselves to be the driving force behind the fundamental systemic changes this report recommends.

It should be enough that our recommendations will improve the life chances of survivors, and create a culture where they are believed, and where domestic abuse is no longer normalised or tolerated. However, we recognise that the economic realities in which today’s public and voluntary services operate, particularly in the aftermath of the coronavirus pandemic, mean that all agencies are far more likely to embrace change if there is a cost benefit. Fortunately, the cost benefits of our recommendations are both significant and well evidenced.

There is a considerable body of research demonstrating the cost to public funds of domestic abuse. We have not summarised it all here, however, there are some key highlights which we draw to the council’s attention, while urging further research if it is felt to be needed.

Cost benefit analysis evidence

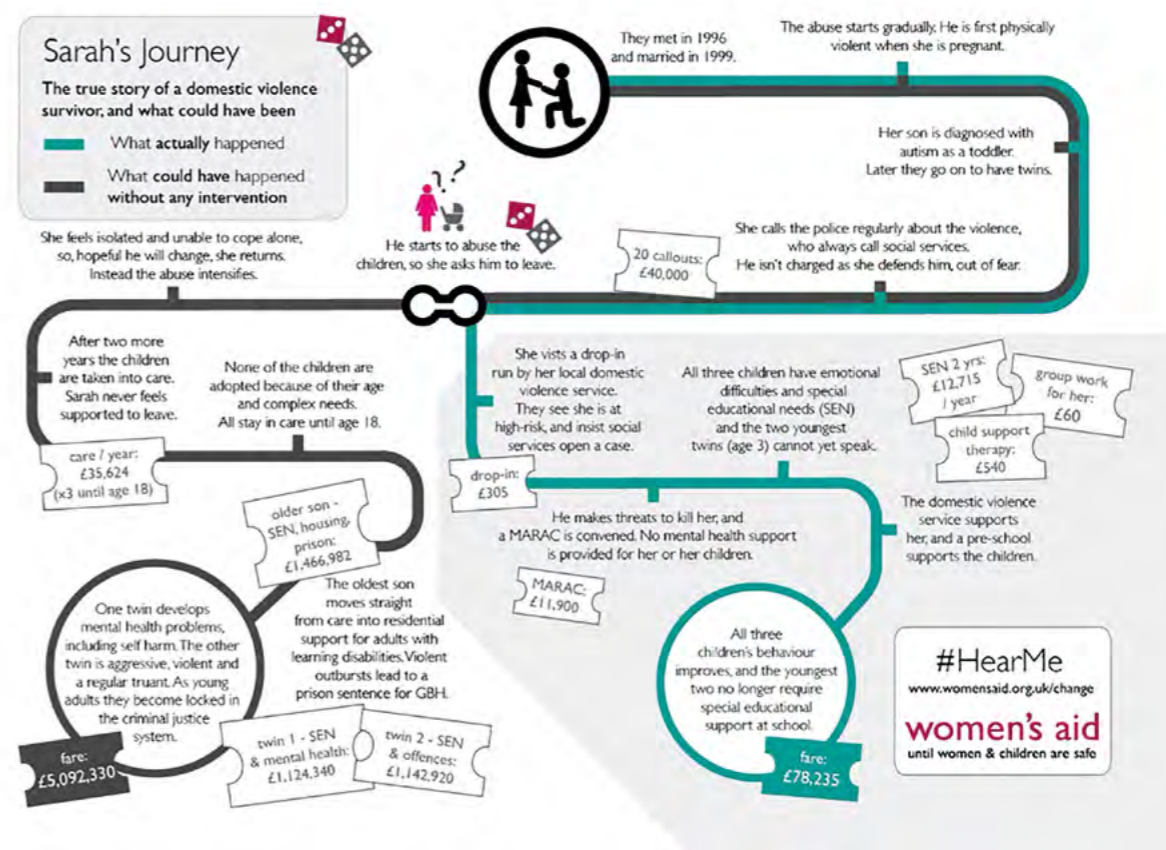
The cost of domestic abuse to local authorities across the country is huge. Research by the Local Government Association and Safer Portsmouth Partnership on the direct cost to council services of domestic abuse found that for a population of 209,100 the cost of domestic abuse is £2,506,288 per year. Barking and Dagenham has a population of 211,998, is broadly comparable in size although there is more deprivation, meaning the cost is likely to be higher. The costs in the Portsmouth research include:

- Fiscal cost to housing - £555,830 p/a
- Fiscal cost to children’s social care - £975,229 p/a
- Fiscal cost to adult social care - £975,229 p/a

£2,506,288 per year

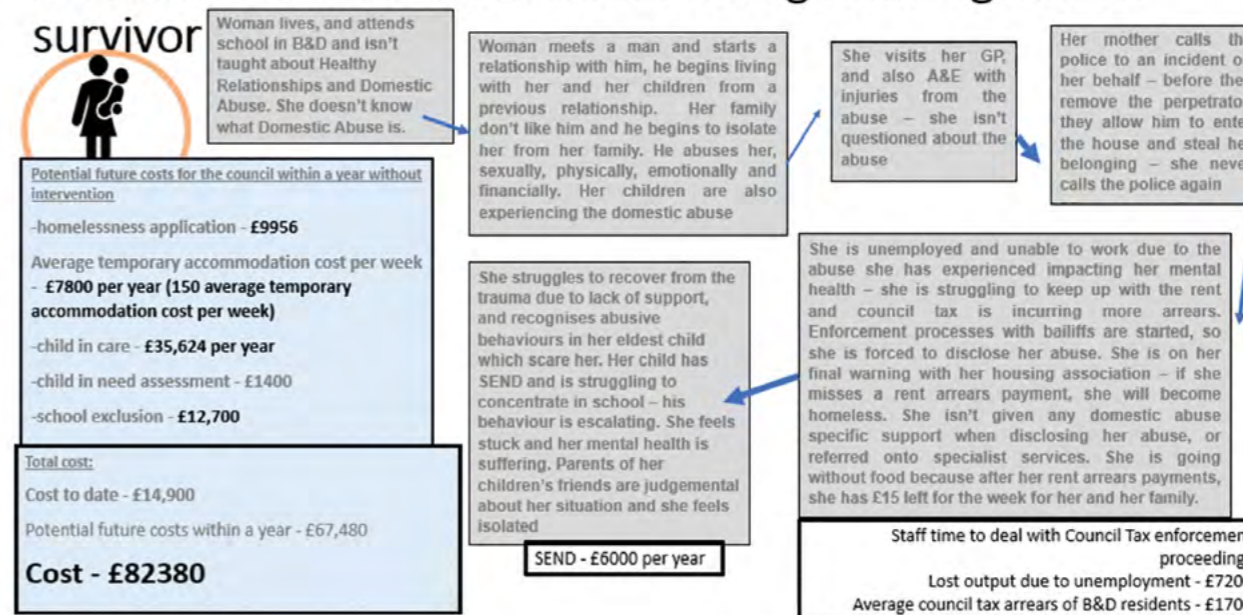
This means that the total estimated cost of domestic abuse over a five-year period is £12,531,440.

Research by Women’s Aid, as part of their Change that Lasts approach, has shown that the potential journey of a survivor where intervention takes place at a late stage (as is most often the case in Barking and Dagenham at present) can be as much as £5 million for one family, compared to £78,235 when early intervention happens.

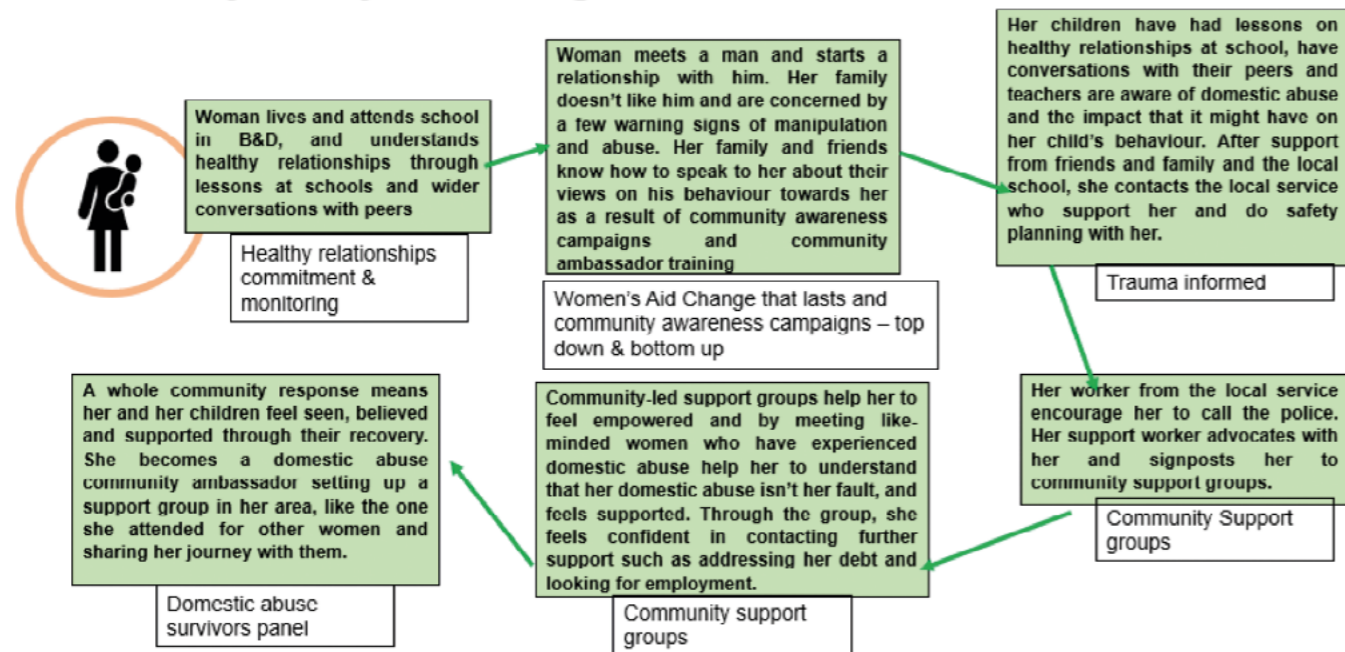


Based on this, we have produced our own survivor journeys, based on the true stories of our Survivor-panel, to highlight the estimated direct cost to the local authority in the current system, and how each of the recommendations could improve the survivor journey in Barking and Dagenham.

Survivor panel journey: before commission recommendations from local Barking and Dagenham

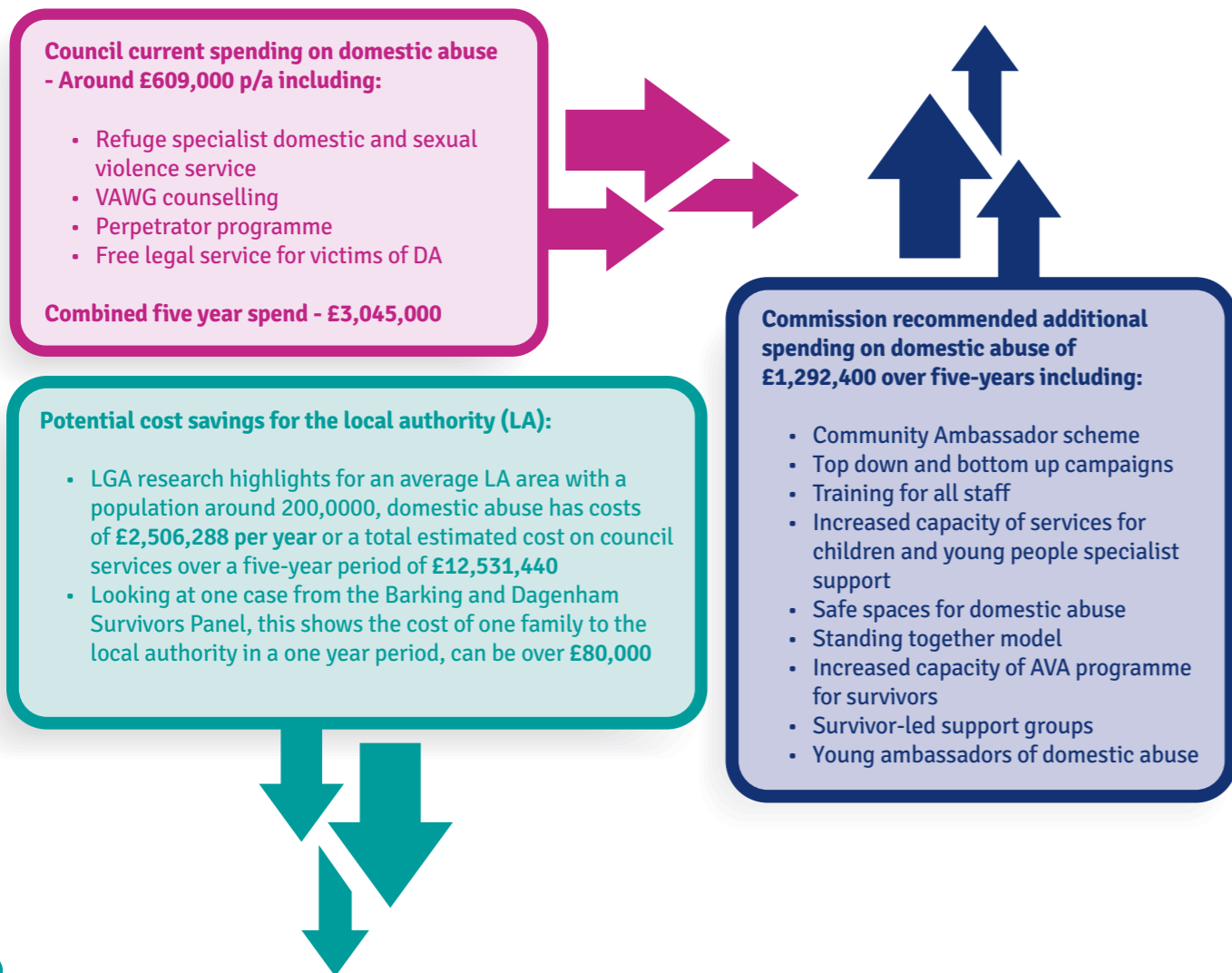


Survivor journey: following commission recommendations



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Potential cost savings



Conclusion



This report outlines a radical vision for the next five years of how to create long-term change in the community around domestic abuse. Although there are some key actions and quick wins, which can and should, be taken now. The steps and recommendations outlined in this report requires determined action by the whole community, started over a five year period and continued over a generation to make real and lasting change.

The Commission was set three tasks: to address the cultural normalisation of domestic abuse in the borough; to improve the council's own services and the services of partners in the borough; and to provide a toolkit for others to use. The Commission's conclusion is that the way to address these three asks are interlinked. The commission found attitudes towards domestic abuse are held by professionals and residents alike and recommends the way to change is for the council to lead the way in creating culture change among staff so that "We Believe You" becomes the response to

domestic abuse survivors, every time. And then for the council to lobby partners to do the same. Tackling domestic abuse should also be a core value and part of core business for all council services and importantly, the council should show real leadership in tackling domestic abuse.

Survivors' input into this report has been invaluable – the Commission recommends first and foremost that survivors of domestic abuse play a key role in the council's approach moving forward. In a vibrant and diverse area like Barking and Dagenham, it is also key that those within communities are empowered to be part of the change. A one size fits all approach won't work – bottom up campaigns, and empowering different communities to tailor and deliver their own messages will be key to truly raising awareness and changing attitudes towards domestic abuse.

Acknowledgements

The Commission's work would not have been possible without the collective effort of the Barking and Dagenham community. In particular, we would like to thank the survivors of domestic abuse who shared their stories and experiences so openly throughout the work of the Commission. The input from survivors of domestic abuse has guided the work of the Commission from beginning to end. People of all ages, ethnicities and backgrounds have shared their experiences, which requires great courage and trust and we have been humbled by their commitment to creating a better system for other survivors. We would particularly like to thank our Survivors' Panel, who have worked hard on this report, meeting every two weeks and providing insight and commentary without which our work would not have been possible.

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We would also like to thank the Borough Expert Panel and its chair Councillor Maureen Worby. We could not have produced this report without the local knowledge, expertise and links into the community the Panel has provided. In particular we would like to thank Hazel North Stephens for her advice, openness, wisdom, knowledge and support throughout.

And finally, those who took part in engagement, interviews, focus groups and workshops – the commission would not have been possible without your input:

- Abigail Phiri and Sasha Timmermans
- Valence House
- East End Women's Museum
- Rahat Ismail
- Georgia Mantzana, Louis Maughan and Maxine Brown – website team
- Barking and Dagenham Refuge service
- Excel Women's Centre
- Flipside and peer support youth group
- The Technical Skills Academy
- Lifeline School
- Sydney Russell Secondary School
- Jo Richardson Community School
- Mayesbrook Park School
- BAD Youth Forum
- DV Flag East & CAB
- Ageing Well Community Group
- Golden Years Community Group
- The Hive at Al Madina Mosque
- Shpresa
- Eastern European Recourse Centre
- Powerhouse International Ministries Church
- PAUSE group at LBBD
- AVA and Early Help team within Community Solutions
- Caring Dads
- Positive Parenting
- Community Solutions homelessness prevention team
- Early Help Team
- Care Leavers Team
- Youth Offending Team
- Children's care and support
- Adult's care and support
- East BCU police
- Lillywhite Williams Solicitors
- Millner Elledge Solicitors
- Alexander Rose Solicitors
- Revd Jide Macailay
- Ekanem Robertson - Afruca Safeguarding
- Yemi Ebulu & Giz Ojiako - Saffron Safeguarding

Last but by no means least, the Commission would like to thank Florence Henry, Programme Manager, and Amelia Grant, Engagement Officer, who have been a joy to work with as well as providing an example of how to run a complex and sensitive project which we truly believe any local authority and its partners could (and in fact should) learn from.

We would like to thank Barking and Dagenham Council, its Leader Councillor Darren Rodwell, Cabinet Member for Social Care and Health Integration, Councillor Maureen Worby, Chief Executive Chris Naylor and Acting Chief Executive Claire Symonds whose commitment to improving the response to domestic abuse – and, even more importantly, to genuinely transforming the local culture in relation to domestic abuse – has been extraordinary. Their commitment to the Commission's feminist approach to the issue has also been courageous, as is their willingness to allow a group of national experts to scrutinise their current work.



Councillor Darren Rodwell



Councillor Maureen Worby



Chief Executive Chris Naylor



Acting Chief Executive Claire Symonds



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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	Domestic Abuse Commission Report
Lead Officer	Florence Henry, Domestic Abuse Commission Programme Manager
Contact Details	florence.henry@lbbd.gov.uk

Why is this service or policy development/review needed?
<p>The Domestic Abuse Commission brings together a panel of 12 national experts to look at the attitudes in the community to domestic abuse. The Commission was launched in September 2019 at Eastbury Manor House and will launch its final report at the end of February 2021, after the report is signed off at LBBB Cabinet.</p> <p>Separately, the council is publishing its response to the commission and will bring this to Cabinet in April.</p>

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

<p>What impacts will this service or policy development have on communities? Look at what you know? What does your research tell you?</p> <p><i>Consider:</i></p> <ul style="list-style-type: none"> • 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.
<p>Demographics</p> <p>Existing data was one of the reasons for launching the commission. Police reported data highlights that Barking and Dagenham has the highest police reported rates of domestic abuse in London and has done for the last 10 years. National data highlights that a huge amount of domestic abuse goes unreported to the police.</p> <p>National evidence highlights that women are more likely to experience domestic abuse, which is reflected in local data. MOPAC data showed that 78% of police-reported victims were female, and 22% were male, while 93% of perpetrators are male and 7% are female. Data from NELFT, which provides mental health services and health visiting shows similar figures – 82.7% of victims were female and 17.27% were male.</p>

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Another key set of data which was key in launching the commission was the 2017 and 2019 School Health Education Unit survey, commissioned by public health which found that in both years 26% of young people (from years 10 to 12) thought it was acceptable to hit your partner, with a higher acceptance of abusive behaviours for elements of coercive control. Again, the school survey data highlights the gender difference in domestic abuse - 9 per cent of female students thought it was sometimes acceptable to hit your partner, compared with 33 per cent of male students.

In terms of demographic backgrounds, national evidence highlights that domestic abuse does not impact one cultural background, more than other – domestic abuse is prevalent in all cultural groups. Any disparities in police reported data can be seen to, therefore, reflect the differences in reporting domestic abuse to the police, rather than with domestic abuse prevalence itself.

A key part of the commission’s work has been consultation, so although there are gaps in national data sets, the commission has qualitative insight on the experiences of different groups in relation to domestic abuse that offer evidence in relation to this. This can be found in the commission’s report, and is referenced below. The commission’s chapter, cultures and communities talks about the qualitative insight gained for different communities in Barking and Dagenham and this is also referenced below. It’s important not to let the need to differentiate between cultures provide an excuse to “other” violence against women and not recognise that both domestic abuse, and the sexist and oppressive attitudes that let it thrive, are present in all communities in the UK and in Barking and Dagenham. Within all communities, there is a need to make domestic abuse more visible and tackle it at its root. The overall conclusion of the commission’s work looking at different cultures is that homophobia and racism can create additional barriers to seeking help – distrust of public services, past experiences and attitudes of frontline services can create an additional barrier to seeking help.

The commission’s report is independent, and the council are currently formulating their response – the below impacts are written talking about the impact of the report itself, and assuming that the council takes on the overall 7 outcomes in the report, without going into detail of the impacts of individual recommendations as these are yet to be decided.

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			-In a borough with high police reported rates of domestic abuse, the report starts a journey of increased awareness of domestic abuse amongst community and residents – making it easier for people who are in abusive	The commission report recommends ensuring that survivor-led support groups, any community ambassador schemes and borough-wide campaigns need to reflect the diversity of the population. It is important for the whole community to feel represented in change and for it to be impactful.

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			relationships to seek help from services and get the support that they need from public services. The report's recommendations also focus on stopping against the wide-ranging impacts of domestic abuse, including trauma, child survivors.	
Age	X		The commission spoke to a range of residents, and survivors throughout its work. Domestic abuse affects all age groups, so there is a need to ensure that awareness raising, and any survivor interventions work for all age groups.	The commission has spoken to a range of survivors of different ages through its work. The commission recommends that survivors of domestic abuse should be key to any approach moving forward – it will be important to ensure that survivors of different ages are represented.
Disability	X		The commission is aware of national evidence base of the additional vulnerabilities of those with disabilities. National evidence shows that those with disabilities are more likely to experience domestic abuse.	There are two related factors to disability to consider – the first is that national evidence highlights that those with disabilities and more likely to experience domestic abuse. Secondly, experiencing domestic abuse can have huge mental health impacts linked to the trauma it receives. This was really prominent in the commission's work with survivors of DA. The commission has a section on disability, acknowledging that there is more work to be done to ensure that disabled survivors of domestic abuse are heard, and supported.
Gender reassignment	X	X	Evidence from the Scottish Transgender Alliance indicates that 80% of trans people had experienced emotional, sexual or physical abuse from a partner or ex-partner.	The commission has suggested that there is a need for further engagement with the LGBTQ+ community to ensure that their lived experience of domestic abuse is understood. The commission has heard of homophobia within the response to LGBTQ+ survivors and not acknowledging that domestic abuse takes place in same sex relationships.

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Marriage and civil partnership		X	The commission’s work focuses on domestic abuse and raising awareness about unhealthy relationships and domestic abuse.	
Pregnancy and maternity	X		National evidence shows that domestic abuse can begin or escalate during pregnancy. Raising awareness of domestic abuse, and supporting survivors will have a positive impact on pregnancy and maternity through raising awareness of the issue, and supporting victims when domestic abuse does occur.	<p>The commission’s report includes recommendations for all partners, starting with the council to lead the change. Importantly, the commission does recommend that all partners should adopt a ‘we believe you’ approach for survivors and undergo culture change training in relation to domestic abuse, including in health services which would improve the response to domestic abuse from health professionals when disclosing domestic abuse in pregnancy or maternity. Given that Barking and Dagenham has the highest birth rates in England and Wales and high rates of domestic abuse, the commission also has a specific recommendation that health partners should develop a specific perinatal domestic abuse approach locally.</p> <p>The commission’s report will be discussed at partnership boards, such as Health and Wellbeing Board and local Safeguarding Boards to ensure that health partners are brought on board with the recommendations.</p>
Race (including Gypsies, Roma and Travellers)	X		Domestic abuse happens in all races and cultures – there is no evidence that it impacts one race more than another.	<p>The commission’s work has shown that there is a need for all work to be culturally diverse – domestic abuse happens in all cultures, but it is important that people feel represented in community ambassador training, campaigns and support groups alike. This is why the commission</p> <p>Engagement with black communities, for instance, highlighted that they were less likely to report domestic abuse to the police because of the treatment</p>

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				of Black African and Black Caribbean communities by the police. This is corroborated by national evidence which shows that victims are often concerned about reporting their black perpetrator to the police, because of the treatment that they might receive from police. The commission recommends police culture change on domestic abuse as a key recommendation, and also recommends a bottom up campaign where different communities can access seed-funding to tailor domestic abuse campaign messages. The commission also recommends a culturally diverse community ambassador scheme in the borough, to ensure that different communities feel represented.
Religion or belief	X		National evidence shows that domestic abuse happens in all faiths. It is important to ensure that message is clear.	<p>The work of the commission has highlighted that faith groups can play an important role in helping to create community change and spread key messages about domestic abuse. Linked to this, however, it is important to note that domestic abuse happens in all faiths and cultures – everyone has a responsibility to make domestic abuse more visible.</p> <p>The commission recommends that different faith groups should play a key role in programmes like community ambassador schemes and campaigns, helping to tailor messages to specific groups through bottom up campaigns on domestic abuse.</p>
Sex	X		Domestic abuse is a gendered crime, and disproportionately affects women. This is backed up by local data which highlights that women are more likely to be victims. National evidence highlights that women are more likely to experience domestic abuse, which is reflected	The commission has stated clearly in its report that domestic abuse is a gendered crime, which disproportionately affects women. It also acknowledges that there is a need to ensure that campaigns are tailored, and reach all within the community, with bottom up campaigns and diverse community ambassadors through-out the borough.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

				in local data. MOPAC data showed that 78% of police-reported victims were female, and 22% were male, while 93% of perpetrators are male and 7% are female. Data from NELFT, which provides mental health services and health visiting shows similar figures – 82.7% of victims were female and 17.27% were male. The commission has looked at domestic abuse from both sexes, but does acknowledge that DA is a gendered crime.	
Sexual orientation	X	X	X	National evidence from Galop shows that LGBTQ+ are more likely to experience domestic abuse, but that this is less likely to be reported to services.	The commission makes some specific recommendations about LGBTQ+ communities. It notes that the commission has found it harder to engage with LGBTQ+ communities, but did run 2 focus groups and an online survey to understand the lived experience of the LGBTQ+ community. The commission suggests moving forward that there is a need to ensure further consultation with the LGBTQ+ community, building on the good work of projects like the Be and Do project.
Any community issues identified for this location?		X		n/a	

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 Commission has engaged with over 500 residents and professionals through over 55 focus groups from October 2019 to July 2020. Consulting both the whole community, and specific groups affected by the commission's work has been a key part to the commission's work.

As well as wider engagement, the commission recruited a survivors' panel and had monthly prior to covid-19 and the first national lockdown, and then bi-weekly virtually since March 2021. One of the key principles running through the commission's work is that survivors of domestic abuse should be key to any approach, and any changes related to domestic abuse.

The commission also made a conscious effort to engage with those residents from under-represented and marginalised communities. We held an LGBTQ+ focus group, and carried out a survey to allow for those from LGBTQ+ communities to have a safe-space to discuss their experiences of domestic abuse. In light of the Black Lives Matter movement, we also held a specific focus group for black women to come together to share their experiences of domestic abuse. The commission has also engaged with different demographic groups in the borough – the commission has spoken to White British residents, Eastern European residents and Muslim residents to name a few. The commission report contains a chapter about the outcomes from each of these focus groups – it is also important for domestic abuse not to be othered, domestic abuse happens in all cultures and communities and there is a need to make it visible in all communities.

Survivors of domestic abuse have co-produced the commission's recommendations – the commission's report is structured around 7 survivor-based outcomes which focus on what life should be like for survivors of domestic abuse in Barking and Dagenham. The survivor voice is key for the narrative of the commission report, with each chapter starting with what survivors have told us about this issue. Consultation and co-production with survivors has led the commission's work at every stage.

3. Monitoring and Review

<p>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></p>		
Action	By when?	By who?
To be re-looked at once council response to commission report has been formulated, to ensure that the community impacts are up to date.	April 2021	Hazel North-Stephens, Lead Commissioner for Community Safeguarding

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>The Domestic Abuse Commission report will have a positive impact on communities and equalities groups across the borough – by ensuring that there is increased awareness about domestic abuse, that survivors are believed and a key part of the response and by ensuring that all campaigns and community initiatives reflect the diversity of the borough and the different lived experience.</p> <p>The council to the commission is currently being worked through, working through which of the recommendations will be adopted, how and when. The council response will highlight the specific and detailed implications for residents in the borough, and different equality groups.</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.

Name	Role (e.g. project sponsor, head of service)	Date
Mark Tyson	Director of Strategy and Participation	

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CABINET**15 February 2021**

Title: Update on COVID-19 Issues	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Information
Wards Affected: All	Key Decision: No
Report Author: Matthew Cole, Director of Public Health	Contact Details: E-mail: matthew.cole@lbbd.gov.uk
Accountable Director: Matthew Cole, Director of Public Health	
Accountable Strategic Leadership Director: Elaine Allegretti, Director of People and Resilience	
Summary: The Cabinet will be provided with an update at the meeting on the latest COVID-19 pandemic issues relating to the Borough.	
Recommendation(s) The Cabinet is recommended to: (i) Note the update on the latest COVID-19 pandemic issues relating to the Borough; and (ii) Comment on the latest issues and other matters pertaining to the Council's response to the pandemic.	
Reason(s) The ensure the Cabinet is kept informed of the latest Borough issues relating to the COVID-19 pandemic.	

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

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CABINET

15 February 2021

Title: Revenue Budget Monitoring 2020/21 (Period 9, December 2020)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Katherine Heffernan, Head of Service Finance	Contact Details: E-mail: katherine.heffernan@lbbd.gov.uk
Accountable Director: Philip Gregory, Finance Director	
Summary	
<p>This report sets out at a high level the Council's budget monitoring position and the likely challenges this year.</p> <p>The Council's General Fund budget for 2020-21 is £155.796m. As a result of underlying financial pressures including increased costs, demographic and other demand growth, savings not yet delivered and other risks there is an underlying budget variance of £5.934m largely in Care and Support and My Place. In addition, as a result of the COVID-19 epidemic, the lockdown, and subsequent economic impacts the Council has experienced a high level of additional costs and pressures including loss of service income from fees and charges. The minimum impact from this is assessed to be £28.175m including delayed or reversed savings which are also in the main forecast. Including these Covid costs, the Council's final net expenditure for the year is expected to be at least £189.951m. This would be an overall expenditure variance of £29.972m. This is an increased estimate since last month as a result of additional costs incurred in December following the worsening infection rates and stricter lockdown.</p> <p>Another tranche of unringfenced grant support funding for Local Government was announced in mid-October taking the total allocation for LBBD to £22.560m, plus £1.363m has been received and a further £1.7m claimed as compensation for loss of income. In addition by the end of December £9.791m of specific Covid related grants had been received which have been netted off in the forecasts. The Council has also received £0.6m of other non-ringfenced grants and a business rates pooling benefit of £0.5m. Taking into account this funding the expected outturn for the Council is an overspend of £3.131m. However, this is the position as at the end of December before the impact of increased infection rates and restrictions after Christmas. This means that the position for the Council is more risky than usual. The estimated pessimistic case for the Council is a further risk of £10.869m.</p> <p>The potential range of outturn variance therefore is between £3.131m at the more optimistic end to £14m at the more pessimistic (although still entirely possible) end. This is a narrowing of the range since last month as we approach the end of the financial year. However, this narrowing in part represents a shift of risk and costs into the next financial year rather than an absolute reduction in increased costs. In practice the final outturn is likely to fall between those extremes with a likely overall variance of £8.504m. This is the</p>	

main estimate and a sensible basis on which to plan. This could be funded from the budget support reserve and some draw from the general fund – although the higher estimate would also mean more drawdown from the general fund reserve was required. It is therefore important that all possible action should be taken to reduce the overspend by identification and implementation of efficiency savings, short term cost reductions (such as delaying recruitment or non-urgent projects) or maximisation of income where possible given anti COVID-19 constraints.

Recommendation(s)

Cabinet is recommended to:

- (i) Note the projected revenue outturn forecast for the 2020/21 financial year as set out in sections 2 to 4 and Appendix A of the report and the potential impact on the reserves position as set out in section 7 of the report;
- (ii) Note the update on key savings programmes, as set out in section 5 of the report;
- (iii) Note the update on the impact of COVID-19 and the lockdown, as set out in section 6 of the report;
- (iv) Approve the loan of £308,828 (including capitalised interest) to Barking and Dagenham Reside Ltd to smooth the financial return to the Council, as set out in section 9 of the report;
- (v) Approve the working capital loan to Barking and Dagenham Reside Regeneration Ltd, at 3% interest with a maximum loan facility of £371,000, as set out in section 9 of the report; and
- (vi) Approve the budget amendments / virement totalling £1.32m, as set out in section 10 of the report.

Reason(s)

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

1. Introduction and Background

- 1.1 This is the fifth budget monitoring report of the 2020/21 Financial Year. At this stage of the year the main financial trends are usually established but there is still a substantial part of the year to go so it is possible that new risks may emerge. In addition, this year there are complications arising from the COVID-19 pandemic and the response which creates further uncertainty. For this reason, a range of potential outcomes is being reported. The Council should plan on the basis of the main forecast but should seek to be assured that the pessimistic/worst case scenario can be managed within its resources.

- 1.2 It is clear that this will be a difficult financial year. The final outturn for 2019/20 was an overall overspend of £4.930m with £11m of overspent expenditure being offset by additional income. Most of this overspend was driven by long term budgetary pressures including demographic/demand pressures in Social Care and other frontline services. Considerable growth funding was provided in the MTFs including the use of additional government grant, but this was not sufficient to cover the level of pressure.

2. The 2020-21 Budget Monitoring Position - Summary

- 2.1. The 2020-21 budget was approved by the Cabinet in February and is £155.796m – a net increase of £6.976m from last year. Growth funding was supplied for Care and Support (to meet demographic and cost pressures), ComSol (for Temporary Accommodation), Public Realm (to cover additional work from housing growth), Legal (to cover additional work) and Policy and Participation (for the Community Engagement Strategy.) It also includes £12.696m of new savings plans.
- 2.2. In response to the Covid situation the Government has made available to Local Authorities a range of grants. Where these are ring fenced grants for specific activities these have generally been netted off within the forecasts. However, the main support is in the form of a large unringfenced grant which has been treated as corporate income (like Revenue Support Grant.) Services that have incurred additional costs as a result of this epidemic have been identified in the financial systems with a project code. These additional costs are shown as an overspend against the original budget, offset by additional corporate income.
- 2.3. As shown in the table below there is an underlying pressure of £5.934m which includes £4.1m of savings not delivered or delayed as a result of COVID-19. This is offset by £1.137m income above budget. In addition, there are £28.175m net of COVID-19 costs or income losses that have already been incurred or seem unavoidable at this stage. This includes an increased bad debt provision. This is offset by £25.703m, of general COVID-19 funding and income compensation. A new claim for income compensation has been submitted in December for £1.75m. This results in a net variance of £3.131m. This is a slight improvement since last month reflecting the minor improvements in Enforcement. However, it should be noted that there are further risks that are discussed further down in this report. A fuller table can be found in Appendix A showing the underlying pre COVID variances, the additional costs that are clearly attributable to COVID and the further level of COVID cost risk that the Council is facing.

	MAR-21			COVID ISSUES	
DEPARTMENT	ADJUSTED BUDGET	OUTTURN	VARIANCE	CoVid Costs	VARIANCE
SDI COMMISSIONING	8,940	8,934	(6)	2,000	1,994
CORE	5,004	7,061	2,057	598	2,655
CENTRAL MINUS F30080	35,629	33,064	(2,566)	2,619	53
EDUCATION, YOUTH & CHILDCARE	4,057	4,447	390	742	1,132
LAW, GOVERNANCE & HR	(1,416)	(2,653)	(1,237)	1,499	262
POLICY & PARTICIPATION	1,758	2,557	799	3,355	4,154
CARE & SUPPORT	83,222	87,086	3,864	5,350	9,214
INCLUSIVE GROWTH	1,001	1,047	0	46	46
COMMUNITY SOLUTIONS	12,471	13,395	924	1,769	2,693
MY PLACE	5,267	6,976	1,709	1,200	2,909
CONTRACTED SERVICES	(136)	(136)	0	1,000	1,000
COMMERCIAL INCOME	0	0	0	2,275	2,275
SAVINGS DELAYED	0	0	(4,137)	5,723	1,586
TOTAL GENERAL FUND BUDGET	155,796	161,777	1,797	28,175	29,972
CORPORATE FUNDING	(155,796)	(156,934)	(1,138)	(25,703)	(26,841)
NET GENERAL FUND POSITION	0	4,842	659	2,472	3,131

3.1 This section sets out the main service variances in this financial year. In some areas there are underlying pressures and also there are known COVID-19 costs or income losses. As far as possible we have tried to distinguish between these but in some areas the relationship is complicated.

3.2 Care and Support

3.2.1 The total expenditure forecast for 2020/21 is £102.6m which would result in an overall budget pressure of £9.2m – around £5m of which is attributable to COVID.

3.2.2 The table below summarises the overall position for each service.

People & Resilience Group	20/21 Budget £000	20/21 Forecast £000	Variance £000	Period Movement £000	Change since 2019/20 £000
Adults Care & Support	22,493	20,803	-1,690	0	912
Adults Commissioning	5,599	5,464	-134	0	1,335
Disabilities Service	24,229	29,026	4,797	-73	4,395
Children's Care & Support	37,762	43,869	6,107	591	4,627
Children's Commissioning	3,882	3,882	0	100	-293
Public Health	(537)	(409)	128	40	128
Group Total	93,428	102,635	9,208	658	11,104

3.3 Adults' Care & Support

3.3.1 Adults' Care and Support (ACS) detailed summary table below;

Service Area	20/21 Budget £'000	20/21 Forecast £'000	Variance £'000	Period Movement £'000
Adult packages	8,044	4,754	-3,290	-293
Adult teams	3,557	3,502	-55	-55
Adult homes and centres	2,119	2,419	300	198
Mental Health	7,413	8,839	1,426	221
Adults Other (Support Service)	1,360	1,290	-71	-71
Directorate Total	22,493	20,803	-1,690	0

3.3.2 The net forecast for Adults Care and Support (ACS) is £20.8m, which has resulted in a budget underspend of £1.69m. There has been no change to the forecasted position this month.

3.3.3 Significant work has been undertaken by finance to re-align budgets to reflect a more realistic and current picture of our spend and income, the result is a much clearer picture of where our pressures or underspends are. However, there may be further realignments required this year in line with some changes in responsibility as set out in the Adults, Disabilities and MH PIDs.

3.3.4 Adults packages is forecasted to underspend by £3.290m, an improvement of £293k from reported period 8 position, this can be attributed to the following;

- £1.069 overspend on Homecare this has been caused by COVID and the greater need to provide care at home with outbreaks in care homes. An increment of £40k from period 8 reported position.
- £883k underspend on Residential and Nursing clients, this reduction is attributable to the fact the CCG has been funding and allocating placements for the first 6 months of the year due to COVID and the need to free up hospital beds quickly. A reduction of £447k, this is partly due to £180k refund after finally obtaining the information to complete his financial assessment. Secondly, Residential forecast has been adjusted to reflect the payment runs by the assessment team in Oracle.
- £630k underspend on Direct Payment as more clients are opting for Managed personal budgets. An increment of £630k from last month's reported position.
- £263k overspend on Supported Living attributable to demand led for spot placements. A reduction of £11k from last month's reported position.
- £33k overspend on Transport and Day Care service.
- The above is offset by the winter pressures money, which is now part of the iBCF, this equates to £913k
- £1.2m of unallocated BCF funding
- The remainder of the growth pot which has not yet been allocated to budgets which is approx. £789k.

3.3.5 Mental Health (MH) is reporting a total overspend of £1.426m, an increase of £221k from last month reported position, this is broken down below;

- £1.031m overspend on Home Care attributable to increases in Dementia cases, a reduction of £20k from last month's reported position.
- £356k overspend on Supported Living due to lack of Housing options for young people with MH and transitional cases. Additionally, the Complexity

and chronicity in needs had also pushed costs up. This service has seen an increment of £186k from last month's position, as forecast has been adjusted to align with assessment team payment runs in Oracle.

- £236k overspend on Direct Payments due to increases in Dementia cases. This represents £21k increment from last month's position.
- £299k underspend on Residential and Nursing due to COVID impact on death rate. An increment of £28k from last month's position as forecast has been adjusted to align with assessment team payment runs.
- £19k underspend on Day Care and transport. This is largely attributable to fear of Covid infection.
- £105k overspend on Additional staffing costs as per Mental Health PID

3.3.6 There is an estimated £300k pressure in the Adults Homes and Centres service, this is predominantly due to Relish café and Grays Court which have not been able to earn any income this year due to COVID.

3.3.7 Finally Adults Teams and Other Services are showing a combined underspend of £126k due to staff vacancies and adjusting of forecasts across the services to better reflect current levels of spend which are lower than initially predicted.

3.3.8 Included in this position is approx. £2m of additional spend due to COVID-19. Half of this has been interim uplifts to providers, the other half has seen a very sharp increase in numbers of residents requiring both medical/NHS and social care support for Mental Health issues.

3.3.9 There has been a significant rise in demand within mental health, this is a culmination of increasing numbers but also the full year impact of the dementia cases that moved over to MH in the last financial year. Due to this unforeseen pressure, our contingencies for COVID-19 have been swallowed up leading to the movement in the position mentioned above.

3.4 Disabilities Care and Support

3.4.1 The Disabilities service detailed summary table is below:

Service Area	20/21 Budget	Forecast	Variance	Period Movement
	£0	£0	£0	£'000
Adults Care Packages	13,733	15,623	1,890	(67)
Children's Care Costs	1,946	2,564	618	(18)
SEND transport	2,892	4,196	1,304	0
Centres and Care Provision	1,960	2,360	400	0
Staffing/Management	3,698	4,284	586	12
Directorate Total	24,229	29,026	4,797	(73)

3.4.2 The forecast for Disability Services is an overspend of £4.8m. A small improvement of £73k this month due to the capitalisation of some COVID-19 related equipment for hospital discharges.

3.4.3 Packages and Placements total overspend of £3.812m, the breakdown of this is reported below:

- **£1.890m** overspend on Learning Disabilities Adults – There has been a favourable movement of £67k from P8. The reduction is due to the cost of hoists and other adaptation expenditure being transferred against the Disabled Facilities Grant. The current forecast of LD packages is based on clients recorded on Controcc as at end of December. The direct payment forecast has been adjusted based on the actual postings on Oracle. The trend based on actuals on Oracle exceeds the Controcc forecast so the higher figure has been applied.
- **£1.304m** Out of Borough School Transport overspend -This is due to the redesign of the school routes taking in the light of COVID and social distancing requirements. This means vehicles covering the school routes for the protection of the children. There has been no change to the position at P7.
- **£618k** budget pressure on the Children with disabilities social care provision. The small reduction from the forecast at P8 is due to the budget for the BSO post transferred to Commissioning being taken from the team's budget rather than the packages.

3.4.4 Teams and Centres total overspend is forecast at **£986k** which is an increase of £12k from the previous month. The increase is the net of the budget transfer of £19k to Commissioning and a reduction of £7k on other team related expenditure.

- **£400k** overspend across the centres is due to the loss of income due to the pandemic (£333k) and other unbudgeted but essential expenditure items at 80 Gascoigne (£94k). The overspends are being mitigated by an underspend of £27k at the Heathway centre.
- **£345k** Overspend on School Psychological Services due to loss of income due to school closures over the pandemic and schools only purchasing the statutory minimum for the new school year.
- **£241k** overspend against the other Teams budget. This is due to the need to recruit agency staff in both Life planning teams due to the increase in caseloads as a direct result of the pandemic. Included in the overspend also is the staff pay awards and unbudgeted employers liability insurance.

3.4.5 Included in this forecast is the estimated COVID-19 related expenditure of £1.075m. £648k on additional vehicles for home to school transport, £128k one off direct payment support, £197k of equipment and minor adaptation following hospital discharges and £90k for additional agency staff to cover the increased case workload.

3.5 Children's Care & Support

3.5.1 Children's Care and Support detailed summary table below:

Service Area	20/21 Budget £'000	20/21 Forecast £'000	Variance £'000	Period Movement £'000
Corporate Parenting & Permanence	22,069	28,151	6,082	591
Family Support & Safeguarding	5,640	5,693	53	0
Assessment & Intervention Team	4,004	3,984	-20	0
Snr Leadership Team & Service Dev.	2,193	2,444	251	0
Specialist Intervention Service	2,143	2,143	0	0
Adolescence & YOS	1,713	1,454	-259	0
Directorate Total	37,762	43,869	6,107	591

- 3.5.2 Children's Care and Support is forecast to spend £43.869m and would result in a budget overspend of £6.1m. The position has worsened by £591k this month, this can be attributed to additional costs in the placements budgets as we have had more children in care.
- 3.5.3 The projected overspend is £6,084m is due to packages and the breakdown is as follows:
- £2.722m overspend on Residential Homes.
 - £2.034m overspend on Leaving care services.
 - £713k overspend Family Assessment Units
 - £582k overspend on Specialist Agency Fostering
 - £355k overspend on Adoption Placements.
 - £240k overspend in Asylum Seeker
 - The overspending above is mitigated by underspends of £562k across inhouse foster care provision, secure placements, and team budgets.
- 3.5.4 The Adolescence and Youth Offending Service is forecast to underspend by £259k this is because of vacant posts within the establishment. The position is the same as reported at P8.
- 3.5.5 Family Support & Safeguarding Team is reporting an overspend of £53k, the same as in the previous month. The overspend on staffing costs has been mitigated by a reduction in legal and court costs. There has been a reduction in the cost of counsel and associated court applications, a direct impact of COVID-19.
- 3.5.6 Assessment and Intervention team including the MASH service is projecting an underspend of £20k. There has been no change to the position of this Service area. The service has held some posts vacant and has also reviewed the use of use of agency staff in both teams.
- 3.5.7 The adverse variance of £591k is related in its entirety to placement costs. The has been an increase of 6 new LAC cases in the month of December at a projected cost of £226k. There has also been an increase of £165k in the family assessment cases due to extensions of current placements and additional client to start in February. There are also new clients that have been recorded just outside of the close of P9 which account for £200k worth of costs.
- 3.5.8 The budget pressure on residential placements is in part due to the impact of the COVID-19 pandemic and the availability of providers to meet the increased demand

and complexity of cases. There are 15 children with disabilities in this cohort with a projected expenditure of £3.493m.

3.5.9 There is approx. £1.9m of spend within the forecast that can be directly attributed to the COVID Pandemic.

3.6 My Place

3.6.1 The My Place summary table is below.

2020/21	PERIOD 9			
REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
	£000	£000	£000	£000
MY PLACE	8,359	9,913	1,554	472
PUBLIC REALM	8,344	9,699	1,355	(179)
TOTAL MY PLACE	16,703	19,612	2,909	293

3.6.2 The Directorate is reporting a forecast outturn of £19.612m at Period 9, representing a projected overspend of £2.909m. This represents an adverse movement of £293,000 on P8. It is estimated that COVID-19 related costs and income loss account for £1.2m of the overspend.

3.6.3 My Place (excluding Public Realm) is reporting a £1.554m overspend on the 2020/21 Budget of £8.359m. This is an adverse movement of £472k on the position reported in P8.

	PERIOD 9			
REPORT LEVEL	BUDGET	FORECAST	VARIANCE	P8 to P9
	£000	£000	£000	£000
BUSINESS DEVELOPMENT	2,798	2,811	14	0
CONTRACTS MGMT	13,158	12,969	(189)	(3)
LANDLORD SERVICES	4,034	3,992	(42)	0
LEASEHOLD & COMMERCIAL	(4,361)	(4,359)	2	181
MNGMT CENTRAL	(21,553)	(19,638)	1,916	386
PROPERTY ASSETS	14,283	14,137	(146)	(92)
TOTAL	8,359	9,913	1,554	472

3.6.4 There has been an adverse movement of £181k on Leasehold and Commercial although the service is forecast to break-even. This represents a reduction in admin fee income on Right to Buy sales.

3.6.5 Management Central is reporting an adverse movement of £386k. This comprises:

- An income budget of £174k where no income has been received but which had previously been reported to be met in full.
- An increase of £150k in the forecast for employer liability premiums to £600k. These costs are unbudgeted and to date only the first quarter has been recharged.
- A £62k net decrease in the recharge from My Place to the HRA.

3.6.6 Property Assets are reporting a favourable movement of £92k. This represents a £62k reduction in expenditure on gas and a £30k over-achievement on rental income.

3.6.7 Expenditure on Repairs and Maintenance is difficult to forecast as invoicing is not up-to-date. For example, of a total R&M budget of £2.7m across My Place, to date only £314k has been invoiced. The service is forecasting expenditure of £2.5m against these budgets, but this is subject to uncertainty, given the limited information.

3.6.8 The overspend on Public Realm has reduced by £179k to £1,355k. This is due to additional income of £390k from arboricultural works offset by additional staffing costs, mainly due to the impact of coronavirus.

2020/21	PERIOD 9			
REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
	£000	£000	£000	£000
OPERATIONS	7,255	8,980	1,725	191
PARKS & ENVIRON	2,198	2,076	(122)	(295)
FLEET MANAGEME	(391)	(401)	(10)	9
COMPLIANCE	(718)	(955)	(237)	(84)
ELWA	(30)	(30)	0	0
TOTAL	8,344	9,699	1,355	(179)

3.6.9 The forecast takes into account a budget reduction of £958k to finance MRP and interest payments on capital investment in new fleet throughout 2019/20. Further fleet purchases in 2020/21 will result in higher MRP and interest payments in 2021/22, and the service will need to identify how these costs will be funded.

3.6.10 The forecast overspend on Operations has increased by £191k. This is attributable to additional staffing costs within Street Cleansing and Caretaking due to staffing issues caused by the third lockdown.

3.7 Policy and Participation

3.7.1 The Policy and Participation summary table is below:

	£'000	£'000	£'000	£'000
Director	118	142	24	0
Culture	1,328	1,373	45	0
Leisure, Parks and Heritage	-889	2,995	3,884	0
Communications and Policy	112	106	-6	0
Participation and Engagement	1,329	1,380	51	0
Insight and Innovation	460	497	37	0
Advertising	-158	-42	116	0
Transformation	508	508	0	0
PMO	140	140	0	0
Total Strategy & Participation	2,947	7,098	4,152	0

3.7.2 Policy and Participation is forecast to overspend by £4.1m of which £3.4m is due to the impact of COVID-19 on income from the leisure centres concession and loss of income from museums and parks.

3.7.3 Leisure, Parks and Heritage are forecast to overspend by £3,884k. Approximately £3m of this is attributable to the support package provided to SLM. The £2,057k

concession fee for 2020/21 has been waived and funding of up to £965k is to be provided. Cashflow support of £241k to cover payroll costs has been repaid to the Council.

3.7.4 A bid has been made to the National Leisure Recovery Fund and it is anticipated the outcome will be known in the next couple of weeks.

3.7.5 Parks Commissioning are forecasting to overspend by £793k due to non-achievement of MTFS savings for 2020/21. It was planned to meet the savings target through income from soil importation to Central Park, but the timescale for this has slipped.

3.7.6 Heritage services are forecast to overspend by £240k which is partly due to income loss whilst Valence and Eastbury are closed.

3.7.7 The advertising budget is forecast to overspend by £116k. This is largely due to a £91k shortfall in advertising income resulting from delays in the current contractor removing advertising hardware from sites. NNDR costs of £22k are unfunded.

3.8 Core

3.8.1 The Core service summary table is below:

	Budget	Forecast	Variance	Change
	£'000	£'000	£'000	£'000
Finance	2,314	2,202	(112)	0
IT	1,266	1,838	572	0
Commercial	(36)	539	574	(7)
Investment Strategy	(4,673)	(4,674)	(1)	0
Customer Services	7,129	8,655	1,526	200
Strategic Leadership	63	159	95	(72)
Total Core	6,064	8,719	2,655	122

3.8.2 Core Services are forecast to overspend by £2.655m, of which £600k is attributable to COVID-19. This is an increase of £122k from P9.

3.8.3 IT are forecast to overspend by £572k. Further detailed work needs to be undertaken to reconcile actual and planned expenditure on IT contracts with all IT funding streams, including capital and the IT reserve.

3.8.4 Commercial Services are forecasting a pressure of £574k, which is largely due to the impact of COVID-19 on commercial income. This comprises £263k on the Film Unit and £240k on the CR27 Travelodge investment. There is also a pressure on Procurement of £131k due to non-achievement of income targets.

3.8.5 Customer Services are forecast to overspend by £1.5m of which £122k is due to a shortfall in Registrars income due to COVID-19. The balance is due to the shortfall on the cost of services transferred from Elevate.

3.8.6 Strategic Leadership are forecasting a pressure of £95k which comprises salary budget underspends of £98k offset by £194k of Core Savings which were not deducted from service budgets.

3.9 Law and Governance and HR

3.9.1 The Law and Governance and HR service summary table is below:

	Budget £'000	Forecast £'000	Variance £'000	Reserves £'000	Net Variance £'000	Change £'000
Enforcement	(2,808)	(2,449)	359	0	359	(514)
Democratic Services	1,010	814	(196)	0	(196)	(54)
HR	38	107	69	0	69	0
Leader and Cabinet Office	(7)	22	29	0	29	0
Legal	619	674	55	(55)	0	0
	(1,148)	(832)	317	(55)	262	(567)

3.9.2 Law Governance and HR are forecast to overspend by £262k after drawing down £55k from the legal reserve. This represents a reduction of £567k from P8. This is mainly due to a reduction in staffing expenditure within Enforcement due to the impact of vacancies.

3.9.3 Enforcement are forecast to overspend by £359k. This broadly comprises an overspend in Parking of £906k and East Street Market of £516k, offset by salary underspends across a range of services. Several restructures have taken place over the last year, e.g. Regulatory Services and Community Safety and a number of posts remain vacant.

3.9.5 Parking income fell to £642k in December after achieving £935k in November. This is due to the impact of lockdown and also the refund of staff permit costs. Delays to the rollout of the CPZ programme has also resulted in a reduction in income levels.

3.10 Community Solutions

3.10.1 The Community Solutions service detailed summary table is below:

Service Area	20/21 Budget £000	Forecast £000	Variance £000	Period Movement £'000
Intervention Lifecycle	387	1,194	807	645
Triage Lifecycle	2,192	1,753	(434)	(453)
Support Lifecycle	4,110	3,498	(612)	(651)
Universal Lifecycle	4,558	4,271	(287)	(287)
Service Dev. & Dir of Comsol	1,194	2,260	1,066	1,099
Works & Skills Lifecycle	523	734	211	282
Revs & Bens Lifecycle	3,331	3,503	172	250
Directorate Total	16,295	17,180	923	885

3.10.2 Community Solutions is forecast to overspend by £923k, a slight increase of £38k from previous months. The overspend is due to combination of factors including the loss of grant income for the Works and Skills lifecycle and the brought forward budget gap for staffing costs within the service. There are also risks to the MTFS savings plan for reducing the cost of homelessness. The service has worked on budget realignment to ensure that the Oracle budget matches the respective budgets for each area. The improved forecast position which has resulted in the reduction of the reported overspend from £1.094m to £923k overspend is due to the effectiveness of management actions developed to mitigate the overspend which

includes, vacancy freeze, moratorium on consultancy budget, reattribution of costs to grants, savings on print & posts etc.

3.10.3 The management actions being delivered by the service has been effective in achieving savings and in most cases are resulting in the downward trend in overall outturn forecast, however because the service costs are volatile and sensitive to unpredictable demands, we are gatekeeping a strict monitoring regime to avoid reporting monthly fluctuating outturn position. The reported figures for Comsol include circa £172k pro-rata of pension costs for Revenues and Benefits Service that has recently joined Comsol from September.

3.11 Revenues and Benefits

3.11.1 Revenues and Benefits is forecast to overspend by £1m due to a loss of courts income as a result of COVID-19. The Court service has been suspended, and courts remain closed for all cases with the exception of those deemed priority. This means that it is not possible to obtain a liability order which allows further action by enforcement agents.

3.12 Inclusive Growth

3.12.1 Inclusive Growth is forecasting a £46k overspend which is attributable to a downturn in CIL income from admin fees. The service has a significant income target which is currently under review as it is unachievable.

4. Housing Revenue Account

4.1 The HRA is forecast to overspend by £5.3m which is an increase of £2.2m on P9.

PERIOD 8		PERIOD 9			
FORECAST	REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
		£000	£000	£000	£000
44,722	SUPERVISION & MANAGEMENT	45,054	45,248	194	526
18,745	REPAIRS & MAINTENANCE	14,219	18,579	4,360	(166)
139	RENTS, RATES ETC	357	438	81	299
10,742	INTEREST PAYABLE	10,742	10,742	0	0
15,860	DEPRECIATION	15,860	15,860	0	0
0	DISREPAIR PROVISION	0	2,200	2,200	2,200
3,309	BAD DEBT PROVISION	3,309	3,309	0	0
685	CDC RECHARGE	685	685	0	0
94,202	TOTAL EXPENDITURE	90,226	97,061	6,835	2,859
(19,846)	CHARGES FOR SERVICES & FACILITIES	(20,497)	(20,517)	(20)	(671)
(85,318)	DWELLING & NON-DWELLING RENTS	(85,755)	(85,288)	467	30
(50)	INTEREST & INVESTMENT INCOME	(350)	(50)	300	0
(105,214)	TOTAL INCOME	(106,602)	(105,855)	747	(641)
14,118	TRANSFER TO MRR	16,376	14,118	(2,258)	0
3,106		0	5,324	5,324	2,218

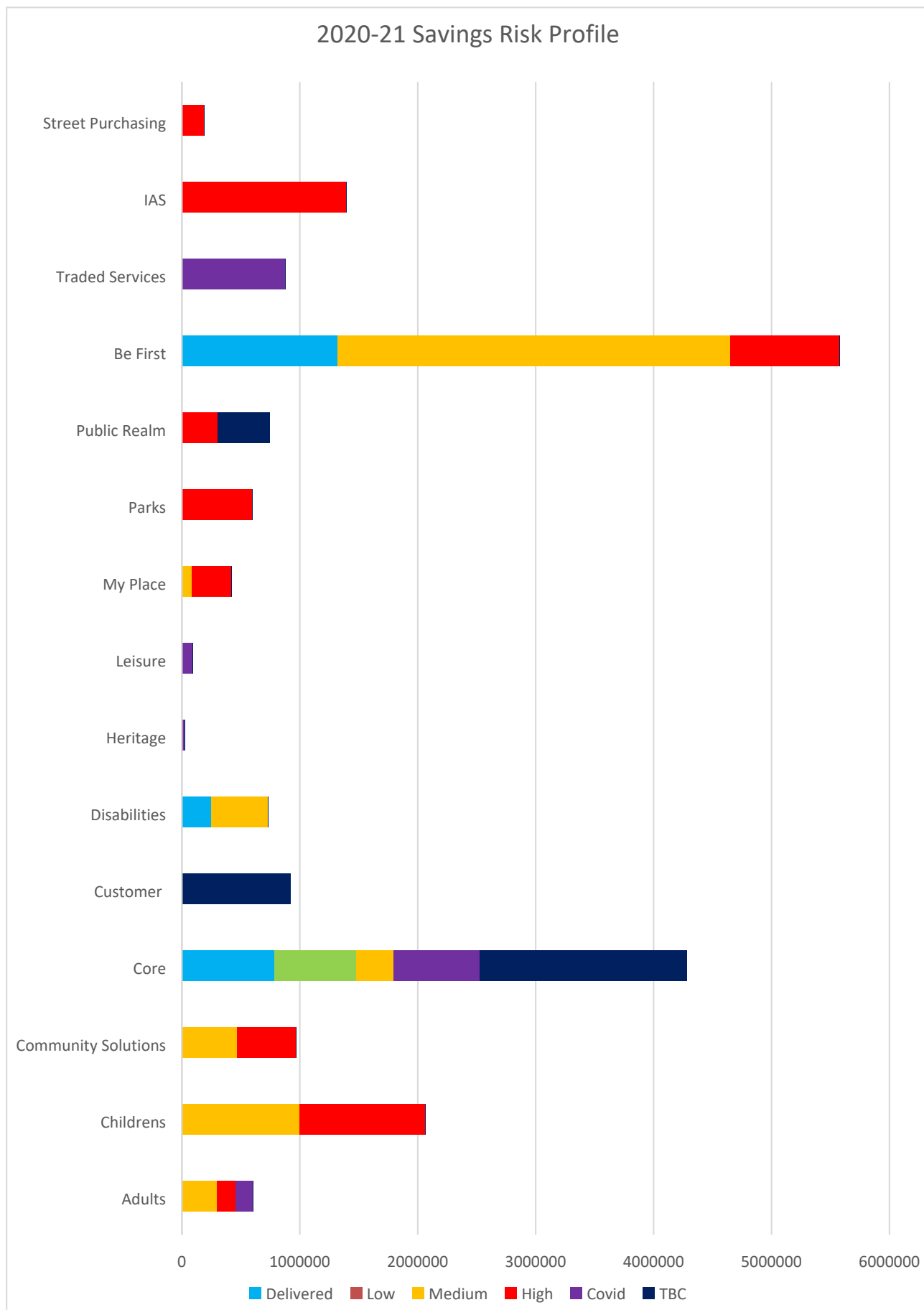
4.2 Supervision and Management is forecast to overspend by £194k which is largely due to an increase in the insurance premium for leasehold properties.

- 4.3 Repairs and Maintenance is forecast to overspend by £4.36m. This comprises:
- DLO salaries, agency and overtime costs of £908k.
 - Forecast expenditure of £1.982m on Voids and Mechanical and Electrical compliance maintenance expenditure, made up of certified expenditure of 982k plus an estimate of £1m for the remainder of the year.
 - Other costs of £1.611m.
- 4.4 A provision of £2.2m has been made for the legal costs of disrepair cases. Legal Services have provided an estimated cost in relation to 100 disrepair claims that are underway against LBBD as the landlord. 16 disrepair cases have been settled to date.
- 4.5 Rents income is £467k less than budgeted (0.54%) and is within acceptable tolerances. The level of rent arrears has risen as a result of covid but this is currently expected to be covered by the bad debt provision budget.
- 4.6 Investment income is forecast to under-achieve by £300k. The income budget will be adjusted as part of 2021/22 budget-setting.

5. Key Savings Programmes

- 5.1 2020/21 is the fourth and final year of the original Ambition 2020 savings and transformation programme. The total savings for the target is £48.8m of which £36.129m was originally profiled as to be delivered by the end of 2019/20 and £12.696m is due in 2020/21. As at the end of 2019/20 the total delivered was £29.314m leaving £6.788m so far undelivered. This includes contributions from Be First (which would normally come a year in arrears following audit of accounts), and undelivered savings in Care and Support, My Place/Public Realm, Customer Services and the first tranche of income from the Central Park re-landscaping. The chart below shows performance to date against the total target for the MTFs.
- 5.2 The total savings yet to be delivered in 2020/21 were already high risk even before the COVID-19 situation arose and the pandemic and the response has considerably worsened the situation. A small number of savings have been assessed as impossible to deliver in the current year but may be possible to reinstate in future years. These are the Leisure Concession Fee which will not be payable in 2020/21, increased Heritage income, a further change to the Adults Charging Policy and the Council Tax Support Scheme (part of the Core programme) where the impact of the epidemic has reversed the previous reduction in this scheme.
- 5.3 In addition there are a large number of savings where the original plans have been delayed (My Place restructure) or are much more difficult/high risk (Debt collection in Core, Homelessness reductions in COMSOL.) In addition, it is now expected that the additional income from BDTP will not be achieved this year as a direct result of COVID.
- 5.4 As part of a detailed review of Care and Support for the MTFs, these services have identified new plans to deliver their remaining savings gap through increased income collection, small service efficiencies and commissioning savings. These are expected to come into effect over this financial year and next. The savings have been rated high risk and will be monitored to ensure they are being delivered.

5.5 The table below shows the risk breakdown of savings in the current financial year. £5.7m of non-delivered savings has been included as a COVID-19 cost on the MHCLG return (broadly those shown as COVID-19 or tbc below.)



6 COVID-19 Risks

- 6.1 The known pressures associated with COVID-19 have been shown separately in the table in section two. The Council has experienced both cost increases and loss of income. Cost pressures are made up of additional demand for services and additional costs of providing services including the costs of PPE for front line works and new IT equipment for those working from home.
- 6.2 Income losses were incurred across the Council with the almost total suspension of a range of normal activities during the initial period of lockdown. Almost all services experienced some degree of loss, but Enforcement was particularly affected from the reduction in parking, licensing and market income. In addition, the Council's leisure centres were closed and return to normal activity is expected to be slow resulting in the loss of the concession income from the managing partner company. Since the easing of the lockdown income levels for Enforcement have begun to increase again but whether this can be sustained will depend on whether further restrictions are introduced.
- 6.3 Details of the Income Loss Compensation scheme have now been announced. This provides 75% compensation for income losses after the first five percent reduction. The Council has now submitted two claims for the April to November period and claimed £3.127m in total. Further income losses are expected to be compensated at similar levels.
- 6.4 The level of costs that has been £28.175m. This has risen in the last month reflecting increased costs for children's services and the impact of increased infection rates and restrictions on front line services such as Public Realm.
- 6.5 Central Government has announced four tranches of non-ringfenced grants to support Local Government in this situation. The LBBB allocation is £22.559m. Together with the income compensation funding this means that the net cost to the Council for known definite costs is just under £2m.
- 6.6 In addition, there have been £9.7m of specific grants for Test and Trace, Infection Control, Contain Outbreak Management and Welfare Support and Food Assistance and some NHS funding is available to support discharges from hospital to social care. These have been netted where they are being allocated directly to services.
- 6.7 However, there are further risks to the Council from the second lockdown and any further impacts. The total pessimistic case estimate is a total pressure in the region a further £10.9m of further costs. This figure is reducing as we near the end of the financial year but we are now expecting some costs to continue into the next year.
- 6.8 The further risks are chiefly a further £5m potential commercial income risk and up to £5m risks in Care and Support and Community Solutions (especially Homelessness) if activity increases sharply. There are also risks around loss of Parking income and additional costs in Enforcement and Policy and Participation.

7. Impact on Reserves

- 7.1 The potential range of outturn variance therefore is between £3.131m at the most optimistic end to £14. m at the more pessimistic (although still entirely possible)

end. In practice it is likely to fall between those extremes with a likely overall variance of £8.5m (ie assuming that half of the future risks come to pass.)

- 7.2 There are several reserves that would be available to meet this level of pressure. As at the end of 2019/20 there sufficient funding across the budget support and restructuring reserves to cover the lower range of scenarios.
- 7.3 The worst-case scenario of £14m would fully deplete the budget support reserve and reduce the General Fund reserve from £17.031m to £10.8m which is below the minimum level set in our reserves policy. The mid-case estimate of £8.504m would leave £16.611m in the General Reserve. This means that even the worst-case estimate is containable within Council resources but could have a detrimental effect on our future financial resilience.
- 7.4 Alternatively if we wish to preserve the General Fund or if further call on reserves is required there are a number of reserves held for longer term investment such as the Capital Investment reserve and the Corporate Infrastructure reserve that could be used in the short term. They would require repayment in future years in order to deliver against the Council's longer-term plans and strategies.

8 Council Companies

- 8.1 The accounts for the 2019/20 are being finalised and will be subject to audit. Following this there will be a formal process to agree any returns or dividends to the Council. It must be remembered that although the dividends will be based on the previous financial year, the company boards will need to consider the current financial and trading position before agreeing release of funds and so the COVID-19 risks could result in a lower return than expected in 2021/22. For this reason, there is now a high expectation that it may not be possible for BDTP to make a full payment of dividend in this financial year. The company did return a profit in 2019/20 but some of their trading in this year has been affected by the Covid lockdown. It would not therefore be prudent for them to diminish their cash reserves by returning a payment this year. This has created a £2.273m in year financial risk. It is expected that this is a short-term impact and dividends will be payable in future years. The other companies are less exposed to the lockdown effect and we are still forecasting returns from them. The process for the respective boards to meet and approve dividends will take place in the next few months.

9. Other matters – RESIDE LOANS

Private Rented Sector Landlord Licensing Costs

- 9.1 The London Brough of Barking and Dagenham has selective licensing in place for private rented properties. All Reside's homes fall within this scheme as the various Reside vehicles are not Registered Providers. The fee for 477 properties was paid of £326,745 (£685 per home) covering a 5-year period starting from 1 September 2019.
- 9.2 As selective licensing was not in place when the legal agreements for Barking and Dagenham Reside Ltd were entered into, these fees do not form part of the original waterfall of payments under the various 2012 legal agreements. In line with the financial forecasts and to smooth costs and returns, the Council have treated this on an accruals basis when calculating the return from Barking and Dagenham Reside

Ltd to the Council. Barking and Dagenham Reside Ltd paid £38,120.25 of the costs last financial year from profits, which was equivalent to the seven month charge applicable to the 2019/20 financial year.

- 9.3 The balance of £288,624.75 has been accounted for as a loan from the Council in the Financial Statements. This loan now needs formalising. The loan proposed is an unsecured loan at 3.5%, with interest being payable from 1st April 2020. Under normal circumstances the Council would seek to make the loan repayable on an annuity basis over the remaining 4 years, 5 months.
- 9.4 The Council will already be aware that, as a result of lower than normal levels of rent collection as a result of COVID19, Reside Ltd is already forecasting a deficit this year which in practice means that MyPlace will be unlikely to receive their full management fee for 20/21. It is expected that it is likely this situation will continue into the 21/22 financial year which was already showing a marginal position because of high contributions being required to the life cycle cost account.
- 9.5 It is therefore recommended that the facility will be repaid over the two year and five-month period ending 31 August 2024 (so before the current selective license comes to an end). Interest accrued for the first two years will be added to the loan, resulting in the maximum loan value increasing to £308,828. Current forecasts show that this will be affordable assuming a recovery to more normal levels of rent collection, with forecast surplus rents / underpayment of management fee to the Council being:

	2021/22	2022/23	2023/24	2024/25
Cash surplus / (deficit) before payment of selective licensing	-38	185	200	210
Selective licensing fee payment	0	137	132	102*
Surplus (rent to Council) / (deficit / underpayment of management fee to MyPlace)	-38	48	68	108
Bad loss assumed as a % of gross rent	3%	1%	1%	1%

NB * 2024/25 includes £53k for the last repayment of the current loan, the financial forecast then assumes an ongoing annual cost for licensing of £80k a year.

- 9.6 The Reside Board have agreed the loan and the funder has given consent for B&D Reside Ltd to enter into the loan.
- 9.7 Loans to Barking and Dagenham Reside Abbey Roding LLP for £87,132 and B&D Reside Weavers LLP for £120,412 have recently been agreed under delegated authority for the same purpose. These loans will be repaid on an accruals basis, as there will be sufficient funds to pay the principle due each year.
- 9.8 The auditors, BDO, require the loan to be formalised as part of the audit of the accounts for the Council and Barking and Dagenham Reside Ltd. The Cabinet is therefore recommended to approve this loan.

Working Capital Loan Barking and Dagenham Reside Regeneration Ltd

- 9.9 Barking and Dagenham Reside Regeneration Limited incurs the Reside management costs in line with the budgets agreed as part of the Reside Business Plan that is approved by the shareholder. The approval of expenditure in line with these budgets is currently delegated to the Managing Director.
- 9.10 These costs cover the management of all the Reside businesses and, as agreed by Board on 19th October 2020 are recharged to the various property holding vehicles on the basis of the number of homes managed by each vehicle. Board agreed that as from the December 2020 these should be charged quarterly in arrears. Prior to that date they had been recharged on an annual basis.
- 9.11 Currently the Council finance Barking and Dagenham Reside Regeneration Ltd expenditure by an interest-bearing working capital loan, however this loan agreement has not been formalised.
- 9.12 Cabinet are therefore requested to approve that this arrangement be formalised and will provide funding through until 31 March 2024, by which date it is anticipated Barking and Dagenham Reside Regeneration Ltd should have taken on the management of its first market rent homes. A review of short term working capital requirements should be undertaken before these homes are taken into management but it is expected that the creation of a regular income stream in addition to the management fees should reduce the day to day requirement for a working capital loan.
- 9.13 The loan proposed is an unsecured loan at 3%, with interest being payable from 1st April 2019. Interest costs due for the year to the 31st March 2020 have already been charged to Barking and Dagenham Reside Regeneration Ltd. The loan agreement has been structured so the amount borrowed can be reduced with the agreement of the Council at any time to enable interest costs to be minimised. The maximum amount of the loan will be £371,000.
- 9.14 The auditors, BDO require the loan to be formalised as part of the audit of the 2019/20 accounts for the Council and Barking and Dagenham Reside Regeneration Ltd.

10. Budget Adjustments

- 10.1 In the budget setting for 2020-21 a provision was made for £1m contractual/non pay inflation. This was not allocated out in the original budget setting process as further work was required to identify where it was needed. In addition there is a £0.32m insurance budget held centrally which should be distributed to services. It is now proposed to allocate this funding as follows:
- £260k to Cemeteries – reprofile the interest charges on Cemeteries improvements to give a realistic income target
 - £390k to remove uncollectable income charges incorrectly charged to DSG/Schools budgets
 - £45k energy inflation cost in Street Lighting
 - £625k to increased Employee Liability insurance contract costs (across service departments in proportion to staff numbers.)

- 10.2 Cabinet are asked to approve this adjustment which corrects some budget setting errors from past years and recognises areas of cost pressure that have not been increased in line with inflation for a number of years.

11 Financial Implications

Implications completed by Katherine Heffernan, Head of Service Finance

- 11.1 This report details the financial position of the Council. It also requests an extension to the loan facility to B&D Energy of an additional £2.769m due to increased procurement costs. As described in section 9 above analysis shows that the project is still expected to generate a good overall return on investment, but it must be remembered that any loan does always carry some risk of non-repayment.

12 Legal Implications

Implications completed by Dr Paul Feild, Senior Governance Lawyer

- 12.1 Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This does mean as a legal requirement there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.
- 12.2 In this current Covid 19 emergency, the general laws still apply unless there are special legislative measures to take account of the factors which may or will have an effect on the Council and its duties, powers and obligations. The key provision at time of writing being the Coronavirus Act 2020 which addresses specific issues connected with the challenges that the pandemic presents rather than matters of finance and procurement.
- 12.3 Nevertheless, the unique situation presents the prospect of the need to purchase additional supplies and services with heavy competition. Value for money and best value duties still apply. There is also the issue of the Councils existing suppliers and service providers also facing issues of pressure on supply chains and staffing matters of availability. As a result, these pressures will inevitably create extra costs which will have to be paid to ensure statutory services and care standards for the vulnerable are maintained. Careful tracking of these cost will facilitate grounds for seeking Covid 19 support funds.
- 12.4 Loans and State Aid - As local government is an emanation of the state, the Council must comply with UK Law regarding State Aid. This means that local authorities cannot subsidise their commercial undertakings or confer upon them an unfair economic advantage. While the UK has left the European Union (EU), issues regarding state aid have not ceased. For example, the UK membership of the World Trade Organisations agreement on trade also has requirements regarding State Aid albeit somewhat less prescriptive than the EU. Nevertheless, under the proposals the Council will be entering into the arrangements mainly for commercial financial purposes.
- 12.5 The business of leasing and letting of the Reside Portfolio are housing market activities and in agreeing final terms for the loans to the Reside entities, the Council

should be satisfied they are state aid compliant. To do this the Council should ensure it acts as a market operator would, meaning the terms it agrees should be such that an operator or investor in the private sector would agree to those terms in the same or similar circumstances. In relation to the loans at paragraph 9 supra they would appear to be at a commercial rate, so as long as the final terms are objectively commercial then they should not expose the Council to issues relating to State Aid.

- 12.6 Loan to B&D Energy – again the state aid principle applies in that any support the Council gives B&D Energy (such as use or supply of its property, assets, staff or services) must be provided at arms’ length and on market normative terms/cost. The recent report into Nottingham City Councils Robin Hood Energy Limited highlights the energy market faces difficult challenges. The Council cannot subsidise B&D Energy, which in the parlance of the new Trade and Cooperation Agreement 2020, must operate on ‘a level playing field’. This includes loans, which must be on terms as if B&D Energy were any other arm’s length private undertaking to ensure compliance with state aid rules.

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

List of Appendices

Appendix A – General Fund Revenue budgets (period 9)

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APPENDIX A

DEPARTMENT	MAR-21	DEC-20	FORECAST	RESERVE TRANSFERS		OUTTURN	VARIANCE	COVID ISSUES		
	ADJUSTED BUDGET	ACTUAL		TO	FROM			CoVid Costs	TOTAL VARIANCE	PESSIMISTIC COVID
SDI COMMISSIONING	8,939,803	6,269,530	8,933,803			8,933,803	(6,000)	2,000,000	1,994,000	
CORE	5,003,904	10,758,871	7,060,904			7,060,904	2,057,000	598,000	2,655,000	
CENTRAL MINUS F30080	35,629,421	45,438,758	34,314,576			33,063,576	(2,565,845)	2,618,546	52,701	
EDUCATION, YOUTH & CHILDCARE	4,056,906	6,846,247	4,446,906			4,446,906	390,000	742,000	1,132,000	
LAW, GOVERNANCE & HR	(1,415,866)	(4,885,812)	(2,597,866)		(55,000)	(2,652,866)	(1,237,000)	1,499,000	262,000	340,500
POLICY & PARTICIPATION	1,757,904	4,793,351	2,556,887			2,556,887	798,983	3,354,860	4,153,843	125,000
CARE & SUPPORT	83,222,471	63,663,869	87,086,471			87,086,471	3,864,000	5,350,000	9,214,000	4,673,000
INCLUSIVE GROWTH	1,000,743	(77,738)	1,046,743			1,046,743	0	46,000	46,000	
COMMUNITY SOLUTIONS	12,470,774	9,380,461	13,394,774			13,394,774	924,000	1,768,800	2,692,800	870,000
MY PLACE	5,266,542	(11,110,793)	6,975,542			6,975,542	1,709,000	1,200,000	2,909,000	
CONTRACTED SERVICES	(136,122)	(172,200)	(136,122)			(136,122)	0	1,000,000	1,000,000	
COMMERCIAL INCOME								2,275,000	2,275,000	4,861,000
SAVINGS DELAYED	0	230,826	0			0	(4,137,000)	5,723,000	1,586,000	
TOTAL GENERAL FUND BUDGET	155,796,480	131,135,370	163,082,618	0	(55,000)	161,776,618	1,797,138	28,175,206	29,972,344	10,869,500
CORPORATE FUNDING										
COUNCIL TAX	(65,787,000)	(65,786,989)	(65,787,000)			(65,787,000)	0		0	
BUSINESS RATES	(80,608,000)	(19,392,654)	(81,111,330)			(81,111,330)	(503,330)		(503,330)	
NON-RINGFENCED GRANTS	(7,656,480)	(136,248,263)	(8,291,100)			(8,291,100)	(634,620)	(25,703,000)	(26,337,620)	
C/F SURPLUS	(1,745,000)	(1,745,150)	(1,745,000)			(1,745,000)	0		0	
	(155,796,480)	(223,173,056)	(156,934,430)			(156,934,430)	(1,137,950)	(25,703,000)	(26,840,950)	0
NET GENERAL FUND POSITION	0	(92,037,686)	6,148,188	0	(55,000)	4,842,188	659,188	2,472,206	3,131,394	14,000,894

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CABINET**15 February 2021**

Title: Budget Framework 2021/22 and Medium Term Financial Strategy 2021/22 to 2024/25	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Philip Gregory, Finance Director (Chief Financial Officer / Section 151 Officer)	Contact Details: Tel: 020 3911 7936 E-mail: philip.gregory@lbbd.gov.uk
Accountable Director: Philip Gregory, Finance Director (Chief Financial Officer / Section 151 Officer)	
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive	
Summary	
<p>The budget framework for 2021-22 is prepared in the context of unprecedented uncertainty arising from the continuing impact of the COVID-19 pandemic. The impact on the community of COVID-19 has resulted in financial pressures to the Council throughout 2020-21 which will have implications for years to come. It must, however, be recognised that the Council has worked in partnership with the local community to ensure that no resident is left behind and many links with the community have been forged and strengthened since March 2020.</p> <p>The Council has paid over £29m to local businesses in COVID-19 grants. To support vulnerable local residents the Council has provided additional Council Tax Support in addition to providing food deliveries and other support.</p> <p>The Government have had to alter the financial planning framework during the course of the year. The level of uncertainty throughout the public sector has increased in the absence of an Autumn Spending Review and the cancellation of the Budget by Government. As an interim measure another one year funding settlement has been provided for 2021-22. Specific funding changes for Local Government including the Fair Funding Review and the reset of Business Rates have been deferred until 2022-23 at the earliest. This has resulted in an extremely uncertain environment within which the budget and MTFS have been prepared.</p> <p>This report sets out the:</p> <ul style="list-style-type: none"> • Proposed General Fund revenue budget for 2021-22 • Proposed level of Council Tax for 2021-22 • Medium Term Financial Strategy (MTFS) 2021-22 to 2024-25 • Draft capital investment programme 2021-22 to 2024-25 • Update on the Dedicated Schools Grant and Local Funding Formula for Schools 	

The General Fund net budget for 2021-22 is £174.326m. The budget for 2021-22 incorporates decisions previously approved by Members in the Medium Term Financial Strategy including the savings approved by Cabinet in February 2017 and February 2018 together with changes in government grants and other financial adjustments.

The Council proposes to increase Council Tax by 4.99%. This includes 1.99% for general spending and a further 3% that is specifically ringfenced as an adult social care precept. This will increase the level of Council Tax from £1,284.80 to £1,348.91, (£64.11) for a band D property.

The Mayor of London is proposing to increase the Greater London Authority (GLA) element of Council Tax by £31.59 (9.5%) for a Band D property, changing the charge from £332.07 to £363.66, of this £15.00 relates to the Police Precept, £1.59 for the London Fire Brigade and £15 as a contribution towards the cost of discretionary concessionary fares.

The combined amount payable for a Band D property will therefore be £1,712.57 for 2021-22, compared to £1,616.87 in 2020-21. This is a total change of £95.70. At its meeting on 19 January 2021, the Cabinet agreed an enhanced Council Tax Support Scheme in order to continue to support local residents on very low incomes.

The proposed draft 4-year capital programme is £1,483m for 2021-22 to 2024-25, including £96.805m for General Fund schemes. Details of the schemes included in the draft capital programme for 2021-22 are at Appendix F.

Recommendation(s)

The Cabinet is asked to recommend the Assembly to:

- (i) Approve a base revenue budget for 2021-22 of £174.326m, as detailed in Appendix A to the report;
- (ii) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2021-22 to 2024-25 allowing for other known pressures and risks at this time, as detailed in Appendix B to the report, including the revised cost of borrowing to accommodate the capital costs associated with the implementation of the MTFS;
- (iii) Delegate authority to the Chief Financial Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to finalise any contribution required to or from reserves in respect of the 2021-22 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2021;
- (iv) Approve the Statutory Budget Determination for 2021-22 as set out at Appendix D to the report, which reflects an increase of 1.99% on the amount of Council Tax levied by the Council, an Adult Social Care precept of 3.00% and the final Council Tax proposed by the Greater London Assembly (9.5% increase), as detailed in Appendix E to the report;
- (v) Note the update on the current projects, issues and risks in relation to Council services, as detailed in sections 8-10 of the report;

- (vi) Approve the Council's draft Capital Programme for 2021-22 totalling £399.105m, of which £30.845m are General Fund schemes, as detailed in Appendix F to the report;
- (vii) Approve the Flexible Use of Capital Receipts Strategy as set out in Appendix G to the report;
- (viii) Note the update on Dedicated Schools Funding and approve the Local Funding Formula factors as set out in section 13 and Appendix H; and
- (ix) Note the Chief Financial Officer's Statutory Finance Report as set out in section 15 of the report, which includes a recommended minimum level of reserves of £12m.

Reason(s)

The setting of a robust and balanced budget for 2021-22 will enable the Council to provide and deliver services within its overall corporate and financial planning framework. The Medium Term Financial Strategy underpins the delivery of the Council's vision of One borough; one community: no-one left behind and delivery of the priorities within available resources.

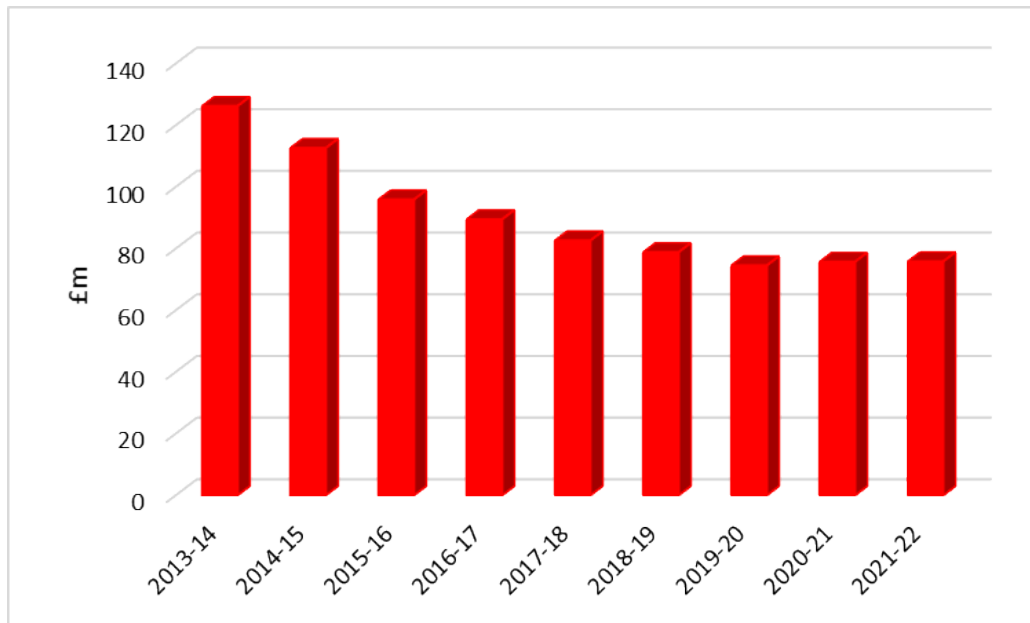
1. Introduction and Background

- 1.1. This report sets the context for the future financial position for the London Borough of Barking and Dagenham and to seek agreement to proposals for the revenue budget for 2021-22 of £174.326m. The report also sets out the Medium Term Financial Strategy (MTFS) for 2021-22 to 2024-25 and the Council Tax level for 2021-22.
- 1.2. The MTFS is a statement on the council's approach to the management of its financial resources to meet its Corporate Priorities. The MTFS also considers the appropriate level of reserves that the Council holds to mitigate current and longer term risks.
- 1.3. 2020-21 was the fourth and final year of the original Ambition 2020 savings and transformation programme. The total programme savings target was £48.8m of which £36.129m was originally profiled as to be delivered by the end of 2019-20 and £12.696m was due to be delivered in 2020-21.
- 1.4. In July 2020, Cabinet approved an updated MTFS for 2020-21 including an indicative forward forecast for future years. This identified a cumulative savings gap of £39.6m during the MTFS period from 2021-22.
- 1.5. The COVID-19 pandemic has continued to have a profound and unprecedented impact on the activity and finances of the council. The pandemic has resulted in three major financial effects on the council's financial position:
 - Additional costs
 - Income loss
 - Agreed savings at risk

- 1.6. The cost to the Council of the COVID-19 response is significant and the impact on the MTFs is unlikely to be contained to 2020-21 and will affect many years to come.
- 1.7. The wider context within which this Budget and MTFs has been prepared is one of unprecedented uncertainty. The financial sustainability of the whole of Local Government has been tested like never before in the response to the COVID-19 pandemic. This Council has stepped up to provide support to the most vulnerable members of the community as they have shielded from COVID-19 whilst still continuing to deliver a full range of services to our residents and businesses.
- 1.8. There have been significant cuts over a number of years to revenue support grant from the Ministry of Housing, Communities and Local Government (MHCLG) which, combined with increasing demographic and demand led pressures and the cost of the COVID-19 response, result in the need to identify savings and transformation proposals to deliver a sustainable MTFs. The 2021-22 Budget includes a number of savings and growth proposals.
- 1.9. The fair funding reforms and 75% business rates retention proposals are expected to be a benefit the council when introduced. These reforms were due to be introduced in 2020-21 following the four-year funding settlement. These reforms have now been delayed until 2022-23 at the earliest. The council has therefore lost the financial benefit from these reforms in 2020-21 and 2021-22 resulting in a wider savings gap in these financial years.
- 1.10. The Spending Review, published by Government in November 2020, provided a single year financial framework for 2021-22 only. The absence of a financial framework over a number of years significantly hampers the ability of the Council to assess the robustness of the MTFs beyond a one-year time frame, thereby increasing the uncertainty of financial projections from 2022-23 onwards.
- 1.11. The approach of the Council continues to be to invest in the borough to generate growth and prosperity, while redesigning and transforming council services to meet the needs of the community at a lower cost.

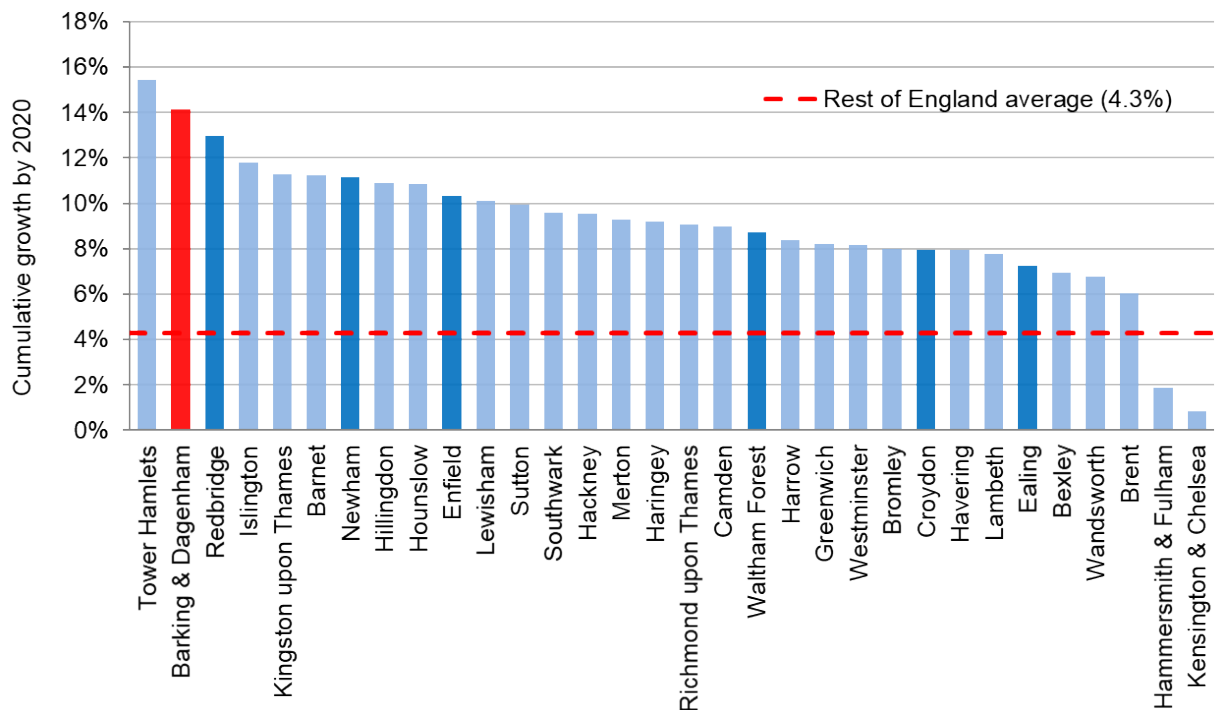
2. Our Medium Term Financial Strategy

- 2.1. The funding the Council receives from government has consistently reduced since public sector austerity was introduced in 2010-11. In 2013-14 local government were allocated a share of business rates from their area. Since 2013-14 government grants have reduced by over 40%. In 2013-14 our grant was £126m, in 2021-22 our grant will be £76m.



Government grant funding 2013-14 to 2021-22

2.2. Barking and Dagenham also has seen the second highest population growth in London during the same time period and almost 10% higher than the average English local authority. Our residents tend to be younger than the average in other London boroughs and many of our residents face a range of challenges and disadvantages that mean that they may need help and support from the Council at some point.

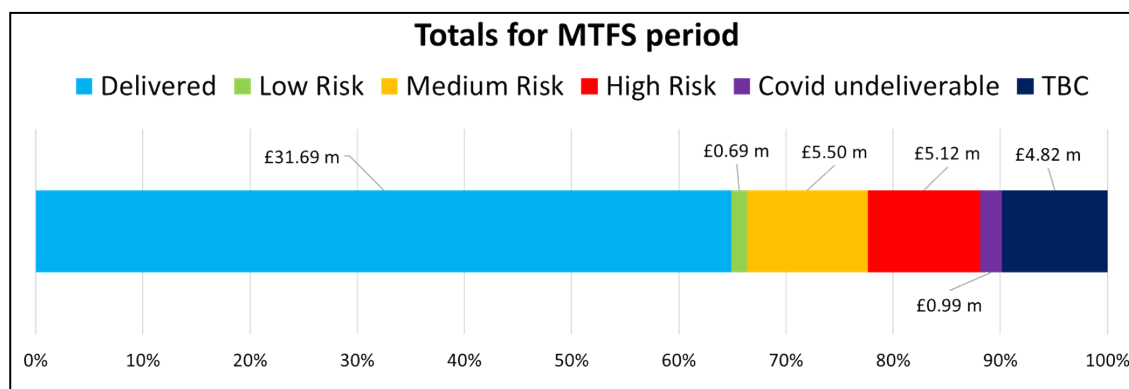


London Population growth 2013-2020

2.3. The combination of reducing funding and a growing population meant the Council had to do something in order to be able to continue to provide services to local residents and businesses. The Ambition 2020 programme began in 2017 and will deliver a New Kind of Council whilst delivering almost £50m in savings. A primary focus of the programme was to maximise housing, business and economic growth

within the borough.

- 2.4. This includes the creation of an investment portfolio, the establishment of subsidiary companies to deliver services more efficiently and generate additional income and the redesign of all Council services into a New Kind of Council. The funding for the programme that delivered this scale of transformation has been largely drawn from the Flexible Use of Capital Receipts and further information on this can be found in Appendix G.
- 2.5. The Ambition 2020 programme identified £48.8m of savings to be delivered over the four years of the programme. The chart below summarises progress to date:

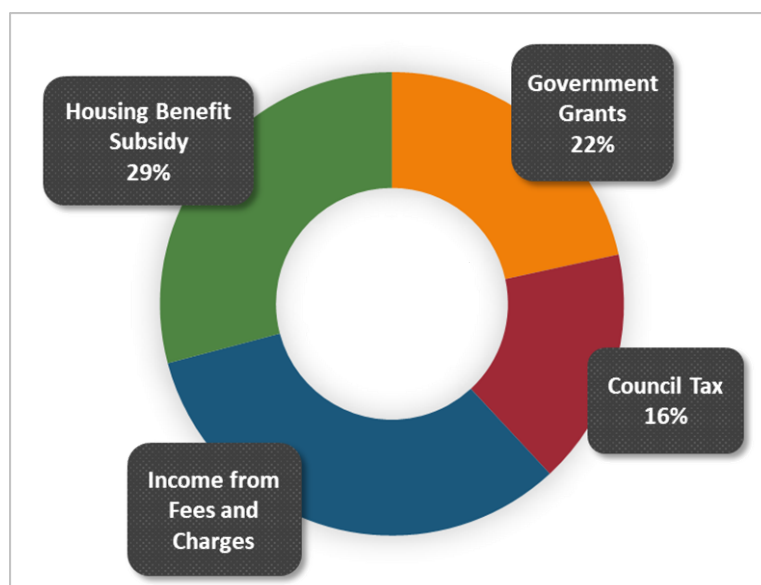


- 2.6. 2020-21 is the fourth and final year of the original Ambition 2020 savings and transformation programme. The total savings for the programme is £48.8m of which £36.129m was originally profiled as to be delivered by the end of 2019-20 and £12.696m was due to be delivered in 2020-21.
- 2.7. The total delivered so far is £31.69m leaving £17.11m so far undelivered, of which £12.7m was planned to be delivered in 2020-21. The total savings yet to be delivered in 2020-21 were already high risk even before the COVID-19 situation arose and the response to the pandemic has considerably worsened the situation. A small number of savings have been assessed as impossible to deliver but may be possible to reinstate in future years. In addition, there are a large number of savings where the original plans have been delayed or are much more difficult/high risk than first anticipated.
- 2.8. The progress of the delivery of approved savings is reported in the regular budget monitoring reports to Cabinet. Any savings that are not delivered in full will result in an overspend and an increased drawdown on reserves.
- 2.9. Delivering agreed savings is essential to deliver a balanced budget for 2021-22 and beyond. Where agreed proposals are deemed to be unachievable these should be replaced with alternative proposals by the service responsible, subject to Cabinet approval.
- 2.10. We have continued to invest in our services by focusing our resources to meet the needs of the community and deliver the priorities set out in the Corporate Plan. Our Borough Manifesto has 11 aspirations which form the long-term vision for the Borough:

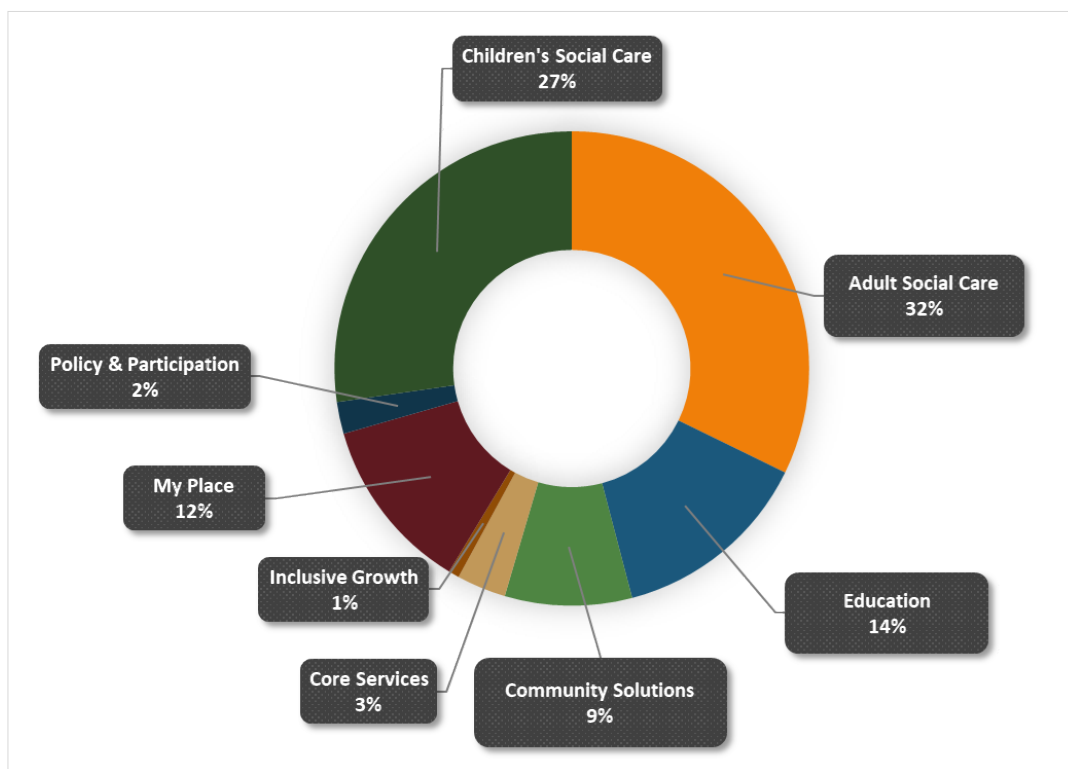


2.11. Over the course of many years the focus of the MTFs has been to deliver a transformed Council whilst maintain our financial sustainability. Over £175m of savings have been delivered since 2010. We have carefully set aside money into reserves and used these when necessary. This careful and prudent approach to financial management has enabled the Council to be in a position to meet the cost to the Council of COVID, which is set out in more detail in section 3 of this report.

2.12. Funding for the Council largely comes from the following sources:



2.13. Our budget allocates funds to services in the proportions set out below. 73% of our budget is spent on Social Care and Education.



2.14. The continued aim of the Council is to prioritise investment in services for the most vulnerable in a sustainable way. The Council takes an innovative approach to the way it delivers services and the way it finances these through the development of its investment and acquisition strategy.

3. COVID-19 Pandemic

3.1. The COVID-19 pandemic has continued to have a profound and unprecedented impact on the activity and finances of the council. The pandemic has resulted in three major financial effects on the council's financial position:

- Additional costs
- Income loss
- Agreed savings at risk

3.2. The cost to the council of the COVID-19 pandemic response at the time of writing is estimated to be £55.3m in 2020-21. Government have provided emergency grant funding (un-ringfenced and ringfenced) of £28.2m and an income loss guarantee scheme with an expected benefit of £5.5m in addition to NHS funding of £0.9m leaving a residual cost pressure to the council of £20.7m. If council tax and business rates income losses of £9.6m are excluded the pressure on the general fund is £11.1m (council tax and business rates losses are accounted for within the Collection Fund where deficits are accounted for in future financial years). The £11.1m cost pressure is equivalent to a £50 charge to every resident in the borough. The council can manage this cost pressure of £11.1m by utilising reserve balances.

- 3.3. COVID-19 is driving greater demand for particular services and consequently increases in costs. Anticipated latent demand is expected to emerge in some Care and Support services as lockdown and shielding restrictions ease, e.g. domiciliary care in Adults and LAC support in Children's.
- 3.4. In addition, costs that are not yet quantified may arise and these maybe dependant on the actions that partner organisations take or avoid which results in increased costs for the council. We work closely with partner organisations to ensure that our plans do not cause each other unintended financial consequences.
- 3.5. There are a number of savings proposals that were agreed and built into the 2020-21 budget. Some of these savings proposals are unable to be delivered whilst the council is focused on the pandemic response. Where these savings are not achieved, they will be funded from reserves as described above and the planned saving achieved in 2021-22.
- 3.6. The number of residents claiming Council Tax Support has increased due to the economic effects of COVID-19 during 2020-21 reversing the declining trend over a number of years. This has resulted in the Council Tax base reducing and further detail is included in paragraph 6.4 of this report.
- 3.7. The council has provided grant funding to businesses during 2020-21 of over £29m through 13 different grant schemes. The Revenues and Benefits team have worked incredibly hard to ensure that businesses receive the grants that are available to them in a timely way. In addition, officers have worked to safeguard public funds identifying ineligible and fraudulent claims.
- 3.8. COVID-19 has had a devastating effect on some of our most vulnerable residents. The Council has responded to this need by utilising the strength and breadth of its services that have been developed in the New Kind of Council. Unique and unprecedented needs have emerged and some of the highlights of the Council response are:
- The Council mobilised the community throughout the pandemic through BD_CAN to provide emergency support to over 2,000 households.
 - The Homes and Money Hub have provided advice to over 1,750 residents, maximising their income by over £430k.
 - The Council have provided hardship funding to over 400 households for help with emergency supplies including food, fuel and clothing.
 - The Council operated four community food hubs, visited by over 3,500 residents.
 - Supported Care Homes in the borough with emergency PPE supplies.
 - Delivered community events including the online 'One Borough, One Love' festival, Black History Month event and 3-Style Friday dance battles to name a few.
 - Delivered thousands of holiday activity kits for children over Christmas.
- 3.9. However, the pandemic has not stopped the activity of the Council. We have continued to deliver the priorities set out in the Corporate Plan demonstrating the opportunities available and ensuring we remain focused on 'no one left behind'. Some of the achievements of 2020-21 are:

- Secured the development of Dagenham East Studios creating up to 1,200 jobs
- Supported local businesses to create over 100 Kickstart training opportunities
- Over 1,050 new affordable homes have been built since May 2018, with over 2,700 by 2023.
- New specialist housing for residents with Autistic Spectrum Disorder (ASD) approved.
- Delivered over 300 Cosy Homes projects with 160 more booked in.
- Launched the Domestic Abuse Commission.
- The Thames Clipper is coming to Barking Riverside.
- Detected 178 frauds with a total value of £1.4 million.
- Over 30,000 new trees have been planted in the 'Forest of Thanks'.

3.10. There will inevitably be additional costs that will continue beyond 2020-21 due to the extended nature of lockdown through winter 2020-21. The impact of the continued lockdown will continue to be closely monitored and these assumptions may need to be revised, for example to take in to account the effect of a wave of the COVID-19 virus in winter 2021-22 or a significant change in behaviour within the community. In recognition of the ongoing nature of the pandemic the Government have provided further support. A grant of £7.694m has been provided in 2021-22 and the income guarantee scheme for fees and charges will continue for at least the first quarter of 2021-22.

4. Three strategic priorities

4.1 The MTFS is underpinned by three key strategic priorities for the council:

- **Inclusive Growth.** All activity related to homes, jobs, place and environment will be organised into a single strategy, focused on intervening in our economy in order to improve economic outcomes for all residents.
- **Prevention, independence and resilience.** All activity relating to people facing public service is organised into a single strategy, focused on intervening in society in order to improve health and wellbeing outcomes for all residents, at every stage of life.
- **Participation & engagement.** All activity related to community engagement and social infrastructure is organised into a single strategy focused on giving every resident the power to influence local decisions, and to pursue their version of the good life.

4.2. These strategic priorities will sit alongside our continued efforts to build and embed our **new kind of council** and will drive all council activity in the years ahead. Critically, each has an important part to play in managing future demand on council services. The financial position set out in the MTFS is designed to reflect this position.

5. **Headline Financial Position**

- 5.1. The Provisional Local Government Settlement was published on 17 December 2020. This is subject to the finalisation of business rates baseline and section 31 grant calculations.
- 5.2. The medium-term financial challenge facing the Council reflects significant risks and a great deal of uncertainty. The scale of these risks will become more certain during the next year, following the Government's Budget and the subsequent Spending Review.
- 5.3. Revenue streams are likely to be under considerable pressure as the Government intends to change current funding mechanisms to reflect an increased emphasis on need and to reset the current business rates retention system:
- **Budget 2021** – The Chancellor of the Exchequer has announced that the Budget will be published on 3 March 2020. There is significant uncertainty in relation to local government funding beyond 2021-22 and the Budget will be the first opportunity to see the direction that the Government will take in response to the COVID-19 pandemic.
 - The **Fair Funding Review** of local government is likely to shift resources away from London. The design of new funding formula is predicated on moving to a more dynamic, realistic method of allocating funding that is able to respond to demographic changes. On this basis and considering the demographic changes within Barking and Dagenham, this approach may prove beneficial to us. The implementation of the new funding formula to be used to allocate funding has been delayed until at least 2022-23.
 - The **Business Rates Retention** scheme is also being redesigned and is expected to be introduced from 2022-23.
 - The **New Homes Bonus** funding for 2021-22 is allocated for one year only and will not result in legacy payments in future years. It is expected that the New Homes Bonus funding will be wrapped up within the Fair Funding Review. It is unclear how the Government will incentivise local authorities to deliver additional housing within the new funding regime. Funding allocations are included in Appendix J.
- 5.4. The Council will receive Government funding through Revenue Support Grant and Business rates baseline funding in 2021-22. The total amounts should be compared and are in line with the MTFP assumptions. The table below shows the funding changes over the past few years and the increased reliance on business rates as a source of funding.

£m	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
RSG	36.7	28.8	0.0*	0.0*	18.0	18.1
Baseline funding	52.8	53.9	78.8	74.5	57.7	57.7
TOTAL:	89.5	82.6	78.8	74.5	75.7	75.8

* In 2018-19 and 2019-20 Revenue Support Grant was rolled into the baseline funding allocation as part of the business rates pilot arrangements

- 5.5. The Council took part in the London-wide business rates pilot introduced in 2018-19. Initially, the pilot allowed London to benefit from retaining 100% of the business rate growth but this was reduced for 2019-20 to 75%. It had been assumed that the pilot would be further extended into 2020-21 however, the Government announced that they are terminating the London pilot after 2019-20 and suggested that London Authorities form a business rates pool.
- 5.6. London Councils worked with all London Authorities to set up a business rates pool based on the original business rates retention scheme in 2017-18, retaining 67% of business rates. Cabinet approved the Council's participation in the London pool in December 2019. The pool shared the benefits of business rates growth across London during 2020-21. The net benefit of the scheme during 2020-21 became marginal as a result of the impact of COVID-19 on business rates across London.
- 5.7. The business rates pool will not operate in 2021-22 due to the financial exposure across London should business rates income fall further as a result of COVID-19. A request to government to underwrite safety net funding for the business rates pool in 2021-22 was made by London Councils on behalf of London Authorities. This request did not receive a response so the pool will be terminated from 31 March 2021. This is particularly unfortunate as the pilot and subsequent pool demonstrated that London Authorities are able to work together and deliver strategic infrastructure for the benefit of London overall.
- 5.8. The forecast for business rate over the MTFS period is shown below.

Business Rates Forecast	2021-22	2022-23	2023-24	2024-25
Baseline Business Rates Funding (incl. S31 Grant)	61.567	58.314	59.471	60.821
RSG	18.119	18.122	18.485	18.854
Change to Baseline (Fair Funding)	-	0.652	1.513	1.513
NET Business Rates	79.686	77.088	79.468	81.188

- 5.9. It should also be noted that the business rates “tariff and top up” levels have been reset. This means that the benefit of previous growth is now included in baseline funding and slightly increases the level of collection risk.
- 5.10. The forecast outturn for 2020-21 is an overspend of £9.9m as reported to Cabinet in January 2021. This can be mitigated through use of the budget support reserve though this would exhaust this reserve. Overspends in future years will result in draw down from the unearmarked general reserve which has a balance of £17m and a minimum balance of £12m (i.e. only £5m is available).

6. Council Tax

- 6.1. Barking and Dagenham maintained a council tax freeze from 2008-09 until Assembly approved an increase for the 2015-16 budget. The impact of not increasing council tax is cumulative over many years and this freeze resulted in a tax base that is now £15m lower than it would have been had it risen by 1.99% every year.
- 6.2. Given that government funding is reducing in real terms every year while the Council's costs are increasing the Chief Financial Officer strongly advises council tax should as a minimum keep pace with inflation to ensure that the council can

continue to meet the demands placed upon it.

- 6.3. The provisional Local Government Financial Settlement for 2021-22 sets a maximum increase of Council Tax of 1.99% without incurring any penalties or being required to hold a referendum. It is therefore proposed that the general council tax increase should be 1.99%. In addition, an Adult Social Care precept may be levied of up to 3.0%.
- 6.4. The Council tax base report was approved by Cabinet in January 2021. This shows a decrease in the Council tax base of 0.4% compared to an increase of 1.5% that was included in the MTFs. Due to Covid-19 the Council has seen an increase in the number of residents claiming Council Tax Support (CTS) which reduces the number of chargeable properties in the tax base. This represents a reduction in Council Tax income of £1.316m compared to the amount included in the MTFs (the increase in the tax base that will not be realised plus the reduction in actual tax base).
- 6.5. The Government include an estimate of Council Tax income in their Core Spending Power (CSP) assessment of the Council as part of the provisional Local Government Financial Settlement, this is £71.051m for 2021-22. The CSP calculation assumes a 2.9% increase in tax base and a 4.99% increase in Council Tax. In this scenario Council Tax income increases by £1.981m compared to the £1.040 included in the MTFs. The CSP tax base is what the government assume the council will raise from Council Tax which is £2.257m higher than the actual tax base.

	Tax base in MTFs	Actual Tax base	CSP Tax Base
2020-21	51,204.07	51,204.07	51,204.07
2021-22	51,972.13	50,995.71	52,672.93
Variance	786.06	-208.36	1468.86
Value of Variance	*£1,040,130	* (£275,706)	**£1,981,359

* assumed increase in Council Tax in MTFs of 2.99% (£1,323.22) for 2021-22

** CSP assumed increase in Council Tax of 4.99% (£1,348.91) for 2021-22

- 6.6. The Government has provided a grant of £2.022m for 2021-22 to cover the reduction in Council Tax base due to the increase in CTS claimants as a result of COVID-19.
- 6.7. If the number of CTS claimants doesn't decrease after COVID-19, this will represent a permanent reduction in Council Tax in future years and a permanent reduction in the spending power of the Council.
- 6.8. Details of all the levies (Environment Agency, East London Waste Authority, Lee Valley Park, London Pension Fund Authority) the Council is required to pay in 2021-22 are yet to be confirmed.
- 6.9. It is proposed that authority is delegated to the Chief Financial Officer in consultation with the Cabinet Member for Finance, Performance and Core to make the necessary adjustments using the funding provision or from reserves following confirmation of levy and final funding announcements.
- 6.10. The Council proposes to increase Council Tax by:

- 1.99% Local Authority Precept increase; and
- 3.0% increase for the Adult Social Care Precept

- 6.11. These increases will raise the level of Council Tax for a Band D property from £1,284.80 to £1,348.91, an increase of £64.11.
- 6.12. The Greater London Authority has provisionally proposed a 9.5% increase in its charge for 2020/21. This precept will increase the charge to a Band D property from £332.07 to £363.66, an increase of £31.59 (comprising an additional £15 for the Metropolitan Police, £1.59 for the London Fire Brigade and £15 as a contribution towards the cost of discretionary concessionary fares).
- 6.13. The combined amount payable for a Band D property will therefore be £1,712.57 for 2021-22, compared to £1,616.87 in 2020-21. This is a total change of £95.70 in comparison to the Council Tax bill for 2020-21. As always there will be a Council Tax Support Scheme to help the poorest taxpayers.
- 6.14. The calculation of the proposed Council Tax for 2020/21 is shown in Appendix E.
- 6.15. It is proposed that any surpluses on the Collection Fund should be transferred to the Budget Support reserve.
- 6.16. Under the Local Government Act 1992, Council Tax must be set before 11 March of the preceding financial year.

7. Medium Term Financial Strategy Forecasts

- 7.1. Reports to Cabinet in July and November 2020 set out the following financial forecasts over the medium term:

	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Budget Gap (incremental)	7.497	6.320	6.132	(0.614)
Budget Gap (cumulative)	7.497	13.817	19.949	19.335

- 7.2. A review of the assumptions has been undertaken and the financial forecast has been updated as shown in the table below.

	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Budget Gap (incremental)	-	6.525	7.567	7.117
Budget Gap (cumulative)	-	6.525	14.092	21.209

- 7.3. The MTFs set out in Appendix B shows a balanced budget. This is achieved through the prudent use of reserves and increased investment income as a result of a change in accounting policy. The cumulative spending gap has not materially altered, though the requirement for further savings during the MTFs period is significant.
- 7.4. The strategy to address the funding gap is through the following routes:

- Savings proposals: those that have been identified and those that are proposed for approval in this report.
- Delivery of the corporate plan priorities and agreed transformation programmes to deliver sustainability in the longer term.
- Continue to identify new investment opportunities to secure financial sustainability and deliver regeneration for the borough.

7.5. A summary of the savings and growth proposals is included in Appendix C.

8. Revenue Spending Proposals

8.1. The overall budget requirements have been prepared in accordance with the strategy and the requirements for 2020-21 and 2021-22 are summarised below and included in Appendix A. The Statutory Budget Determination is included in Appendix D.

Summary of Revenue Budgets:

Department	Original 20-21	Latest 20-21	Original 21-22
CARE & SUPPORT	82.757	84.521	94.779
CENTRAL	4.792	8.213	9.684
COMMUNITY SOLUTIONS	12.935	16.621	17.218
CONTRACTED SERVICES	0.794	(0.136)	0.00
CORE	4.862	5.128	6.726
EDUCATION, YOUTH & CHILDCARE	20.928	21.038	18.581
INCLUSIVE GROWTH	1.117	1.114	1.305
LAW, GOVERNANCE & HR	(0.588)	(1.137)	(1.386)
MY PLACE	17.844	17.661	15.094
POLICY & PARTICIPATION	3.303	2.947	3.247
SDI COMMISSIONING	7.052	8.907	9.078
TOTAL GENERAL FUND	155.796	164.876	174.326
BUSINESS RATES + S31	(80.608)	(80.608)	(80.593)
C/F	(1.745)	(1.745)	2.663
NON-RINGFENCED GRANTS	(7.656)	(7.656)	(10.947)
COMPANY DIVIDENDS	-	(8.318)	(12.490)
INVESTMENT INCOME	-	(0.762)	(5.712)
NHB	-	-	1.543
COUNCIL TAX REQUIREMENT	65.787	65.787	68.789

- 8.2. The 2021-22 budget is dependent on agreed savings and additional income being delivered totalling £2.641m. These are summarised below with a full description and any future year impact shown in Appendix C.

Service Area	Proposal	2021-22 £k
Education, Youth & Childcare	Staffing changes – transfer to DSG	(42)
Community Solutions	John Smith House retention	(30)
Community Solutions	Management spans of control	(37)
Community Solutions	Housing Benefits FTE (Support)	(110)
Community Solutions	Reduce staffing in Housing Reviews, Culture/Comms (service development)	(94)
Community Solutions	Improving Debt Collection	(388)
Customer Services	Contact Centre Restructure	(561)
LGHR – Regulatory Services	Additional Fine Revenue	(100)
LGHR – Regulatory Services	Financial Investigation Income	(45)
LGHR – Regulatory Services	Barking Market additional day	(80)
LGHR – Parking Services	Additional on-street PCN income	(150)
LGHR – Parking Services	Additional CCTV PCN income	(150)
LGHR – Parking Services	Additional Permit Income	(100)
Policy and Participation	Staffing – Culture & Communications	(55)
Inclusive Growth/Community Solutions	Barking Foyer	(250)
Workforce & OD	Service Restructure – additional income	(137)
Core Services	Dispersed Working	(312)
TOTAL		(2,641)

- 8.3. It remains vitally important that all approved savings are delivered to plan. Directors must be focussed on managing expenditure within their service budgets and delivering all agreed savings or implementing alternative savings proposals. This includes implementing action plans in order to manage and mitigate expenditure pressures.

- 8.4. The 2021-22 budget also includes new budget growth proposals totalling £5.723m. These are summarised below with a full description and any future year impact shown in Appendix C.

Service Area	Proposal	2021-22 £k
Care and Support	Adults Services Net Revenue Pressures	194
Care and Support	Disabilities Net Revenue Pressures	1,828
Care and Support	Children’s Net Revenue Pressures	1,400
Community Solutions	Homelessness Prevention & Temporary Accommodation	280
Community Solutions	Revenues & Benefits Transformation	300
Community Solutions	Local Community Banking Service	100
Customer Services	Create a Customer Experience Team	559
Inclusive Growth	Economic Development Team	200

Service Area	Proposal	2021-22 £k
Legal Services	Counter Fraud	60
Finance	Counter Fraud	99
Finance	Transformation Review of Structure	150
Workforce & OD	Transformation Review of Structure	373
ICT	Cyber Security	180
TOTAL		5,723

- 8.5. The existing MTFS includes the following budget growth totalling £11.704m. These are summarised below with a full description and any future year impact shown in Appendix B.

Service Area	Approved Growth	2021-22 £k
Care and Support	Adults Services Revenue Pressures	(685)
Care and Support	Disabilities Revenue Pressures	4,992
Care and Support	Children's Revenue Pressures	3,629
Community Solutions	TA Inflationary Pressures	260
Participation and Engagement	Participation & Engagement Structure Costs	(110)
Participation and Engagement	Census Information Scheme	18
Parks	Income Shortfall Pressure	600
Council-wide	Staff Pay Award	2,000
Council-wide	Non-staff inflation	1,000
TOTAL		11,704

- 8.6. The net impact of savings and growth (proposed and approved) is shown in the table below. These values have been included in the MTFS.

£'000	2021-22	2022-23	2023-24	2024-25
New Savings	(2,641)	(0,900)	(1,227)	-
New Growth	5,723	(4,333)	(1,468)	-
SUBTOTAL	3,082	(3,433)	(2,695)	-
Approved Savings	-	-	-	-
Approved Growth	11,704	11,652	12,570	12,202
NET BUDGET CHANGE	14,787	6,419	9,875	12,202

- 8.7. Included within the MTFP is income from dividends and investment activity from subsidiary companies. The income targets currently in the MTFS are shown in the table below.

£million	2020-21	2021-22	2022-23	2023-24	2024-25
Be First	4.733	10.390	10.895	10.707	10.707
BDTP	1.225	2.100	2.100	2.100	2.100
TOTAL INCOME TARGET	5.958	12.490	12.995	12.807	12.807

- 8.8. The Council is reliant on the subsidiary companies delivering the expected dividend payments in the relevant financial year. There is a significant risk to the MTFP if these dividends are not delivered.
- 8.9. The MTFP also includes the expectation of a return of £5m from the Investment Strategy and £0.7m from further commercial activity (Hotel scheme) which increases the level of commercial risk. The MTFP is included in Appendix B.

9. Current Service Updates

- 9.1. **Children's Care and Support** – The relatively young demographic make up of our borough and the multiple challenges faced by some of our residents means that supporting our most vulnerable children and families remains our largest area of expenditure. In 2019-20 the Council spent around £40m on Care and Support for vulnerable children and the level of spending has increased by a further £3m during the current financial year. The impact of COVID-19 has meant that additional social workers have been needed in order to ensure children are protected from harm and there has also been an increase in the numbers of specialist placements required – especially for very vulnerable adolescents and also mother and baby placements. These needs are expected to persist into next year and the number of children and adolescents in the borough is continuing to grow year on year. The service has identified a number of efficiency improvements and commissioning savings as a contribution to meeting these pressures. Each individual initiative is small but this will contribute £0.8k and the Council is increasing the budget allocated to the service by £5.3m in order to fund the net growth. This is in addition to substantial budget growth provided in 2020-21.
- 9.2. **Disabilities Care and Support** - The continuing improvements in medical care and life expectancy together with our growing population mean that there are increasing numbers of people living with severe and complex disabilities in our borough and children with significant special educational needs. The recent review of the service and development of the Disabilities Improvement Programme identified the need for significant investment in assessment, support and prevention especially for children and young people. We have recognised these needs by allocating £6.8m of growth funding to this service. This is partly funded from the Care and Support grants from Central Government and partly from the Council's own resources including Council tax.
- 9.3. **Adults' Social Care** – significant budget growth was provided for Adult services in 2020-21. This has allowed us to meet the needs of vulnerable Older People and the increasing numbers of residents with mental health needs. We will maintain this level of investment in 2021-22.
- 9.4. **Community Solutions** - Community Solutions supports residents facing challenges such as unemployment or homelessness as well as providing advice and support and universal services such as libraries for all. During the epidemic and lockdown it has had a particularly important role. Some additional funding of £0.54m has been provided to meet inflationary costs and increased demand on temporary accommodation. The service will continue to find more efficient delivery methods and so will achieve £0.27m savings in office costs and management. In addition it is proposed to improve debt collection. This will be a small net cost in 2021-22 but will deliver reduced debt levels in future years.

- 9.5. **My Place** - My Place is the Council's asset management service. It will continue to support delivery of the Council's capital programme and look after the Public Realm. There are no changes to this budget in 2021-22 but the service will need to work on achieving savings deferred from the previous year as a result of COVID-19.
- 9.6. **Enforcement**- This service has played a vital role in the lockdown and will continue to do so into 2021-22. However, when normal business does return it is expected to bring in additional income from a mixture of fines and commercial income and potential additional markets activity. An increase in Parking income is also expected.
- 9.7. **Core Support Services** – During the 2020-21 financial year the borough's joint venture with Elevate was wound up and services such as ICT, income collection, procurement and customer services were brought back into the Council. The budgets for these services will be realigned allowing full achievement of the £4.2m saving in the 2020-21. Services such as Finance, HR and ICT provided from the Corporate Centre have been reviewed and will be increased to reflect the increased range of services they are supporting. However, they will still remain extremely lean in comparison with other London Boroughs.
- 9.8. **Customer Services and Digital** - As part of the transfer back we will also review our customer services especially how we are responding to changes in technology and our customers' preferences when contacting the Council. We expect this to achieve £0.56m of savings while improving the customer experience. This is a saving that had been written into the 2020-21 budget and delayed by COVID-19.

10. Investment Strategy

- 10.1. The Council continues to put our balance sheet to work. We are continuing to leverage our assets to generate financial returns to the Council and provide benefits for the community.
- 10.2. The Council has pursued an ambitious programme of investment. The target return included in the MTFS is £5.7m in 2021-22. This is dependent on investments delivering the expected return on time as outlined in business plans that have been agreed already. The cumulative General Fund borrowing total is expected to reach £836m in 2020-21, growing to £1,396m in 2021-22. Work is ongoing to ensure that the cost of financing the borrowing requirement is managed carefully in order to meet the target return in each year of the MTFS.
- 10.3. Further detail on the Investment Strategy can be found in the Treasury Management Strategy Statement also on this meeting's agenda.

11. Capital Programme

- 11.1. The Council's current General Fund capital programme for 2020-21 is £40.216m for Services and transformation and £278.300m for the Investment strategy. The largest element of the Services programme is Schools/Education which is largely grant funded by the Department of Education.
- 11.2. The Council's Indicative General Fund Capital Programme 2021/22 to 2023/24 is

set out below. A more detailed breakdown of the 2021-22 programme is set out in Appendix G. Cabinet are asked to approve the 2021-22 programme.

Capital Expenditure	2020/21	2021/22	2022/23	2023/24
	£000s	£000s	£000s	£000s
General Fund				
Adults Care & Support	996	2,026	1,841	-
Community Solutions	187	-	-	-
CIL / S106	743	1,198	-	-
Core	1,339	-	-	-
Culture, Heritage & Recreation	1,426	7,088	466	150
Enforcement	937	1,766	1,000	-
Transport for London schemes	1,538	-	-	-
My Place	4,678	6,101	4,850	4,850
Public Realm	3,391	50	-	-
Education, Youth and Childcare	20,205	12,200	4,422	6,400
Other	1,999	416	340	340
Transformation	2,777	-	-	-
TOTAL EXPENDITURE	40,216	30,845	12,919	11,740
Financed by:				
Capital Grants	- 23,812	- 18,832	- 6,262	- 6,400
CIL/S106	- 2,162	- 2,420	- 155	-
Revenue Contributions	-	- 88	-	-
Capital Receipts	- 2,777	-	-	-
Total Net Borrowing Requirement	11,465	9,505	6,502	5,340
Investment and Acquisition Strategy (net costs)				
Committed Funding Requirement	271,845	368,260	351,152	140,106
Potential Funding Requirements	6,455	194,663	151,548	180,296
Total Net Borrowing Requirement	278,300	562,923	502,700	320,402
Net financing need for the year				
	289,765	572,428	509,202	325,742

- 11.3. The budgets are indicative and may change as a result of budget roll-forward from the 2020-21 financial year, for example if there has been programme slippage, if additional external funding is provided or if purchases or sales as part of the Investment and Acquisition Strategy take place. It is likely that the Schools programme will be increased in later years. Potential Funding Requirements of £194.663m are included in the table above for reference but have not been included in Appendix G as they have yet to be approved and are included to reflect the potential budget requirements over the next three years.
- 11.4. The MTFs includes provision of £450k to fund a corporate capital programme of £5m of new capital schemes (actual cost dependent on asset life and interest rate).
- 11.5. There was no bidding round for the 2021-22 capital budget for new capital schemes as internal funding available from non-ringfenced resources is already set aside for existing commitments. Non-ringfenced resources comprise prudential borrowing, capital receipts (excluding HRA right to buy receipts) and revenue contributions from either budgets or earmarked reserves. Given the current pressures on the revenue General Fund budget and the lack of previously accumulated General

Fund capital receipts, the only resource available to meet future capital demands is prudential borrowing for 2021-22, limiting any new capital schemes which are not externally funded to £5m as set out in 11.4. The commitments can be summarised as follows:

	£m
Recurring allocations (see 11.6 below)	1.3
Future year impact of 2020-21 bids (see 11.7 below)	3.7
Total already committed	5.0

11.6. As part of the 2019-20 and 2020-21 budget reports, there were two schemes which were put forward for approval as recurring amounts in the capital programme every year (approved by Cabinet in Jun 2019 and Feb 2020). These are:

- £1m for urgent maintenance and health and safety works
- £340k for ward budgets

11.7. There were also a number of capital bids approved as part of the 2020-21 budget which included future year commitments against those schemes approved. These schemes total £3.7m for 2021-22 as set out below:

Scheme Name	Description	20-21 (£'000)	21-22 (£'000)	22-23 (£'000)	23-24 (£'000)	Total Cost (£'000)
In Cab Technology	Procuring in cab tech for waste vehicles and subsequent licences etc	110	30	65	30	235
Highway Improvement Programme	Resurface/Reconstruct Footways and Carriageways on the borough's public highway network.	2,815	3,520	3,485	3,820	13,640
In Borough Specialist Residential Home	Refurbishment of Oval Road South to provide specialist residential care for small group of severely disabled children with potential savings to Care and Education budgets	325	-	-	-	325
Lake Enhancement Schemes	Essential health & safety work and improvements to the physical environment for the lakes at Valence Park, Mayesbrook Park (south) & Eastbrookend Country Park.	150	150	150	150	600
	TOTAL	3,400	3,700	3,700	4,000	14,800

12. Flexible Use of Capital Receipts

12.1. The Council intends to make further use of the flexibility provided by the Government to use capital receipts for the specific purpose of investment in transformation in 2021-22. Further information on the Council's approach is set out in Appendix G.

13. Dedicated Schools Budget and Early Years Funding

- 13.1. The Dedicated Schools Grant is a ringfenced grant provided by the Department for Education. The allocation for 2021-22 is based on October 2020 pupil census data and the Department for Education has published the final DSG allocations for 2021-22 which is £312m (pre-recoupment i.e., inclusive of funding for academies and free schools.).
- 13.2. In December Cabinet received a report detailing the Dedicated Schools Grant (DSG) and approved the principles for setting the local funding formula for schools.
- 13.3. As set out in the December report there will be no transfers between the DSG blocks this year. However, the Schools block has been topsliced to provide sufficient funding for growth – new classes that we expect to be required for September 2021 and to create a small fund to assist schools facing temporary financial challenges as a result of falling rolls.
- 13.4. The Schools funding formula has been set in line with the principles agreed by Schools Forum and Cabinet. The national rates (adjusted for area costs) have been used for all additional needs factors but the basic age weighted funding element has been adjusted to bring the funding balance between primary and secondary phases to the agreed ratio of 1:1.35. All schools have had their pupil led funding protected to give them an increase of 2.0% per pupil. Cabinet are recommended to confirm approval of the overall principles and the consequent funding factors for the schools block, which are set out in appendix H.
- 13.5. The Dedicated Schools Grant also provides funding for Early Years Education and Childcare for eligible two year olds (15 hours per week) and three and four years olds (fifteen or thirty hours depending on eligibility.) The provisional allocation for 2021-22 for Early Years is £23.205m but this is subject to change in line with take up of places. This allocation includes an increase in the hourly rates of 6p for three to four year olds and 8p for two year olds. It is recommended that this increase is passed through to our local providers.
- 13.6. This would increase the basic provider rate to £5.51 per hour for two year olds and £4.84 per hour for three to four year olds. Cabinet are asked to approve these increased rates.

14. Consultation

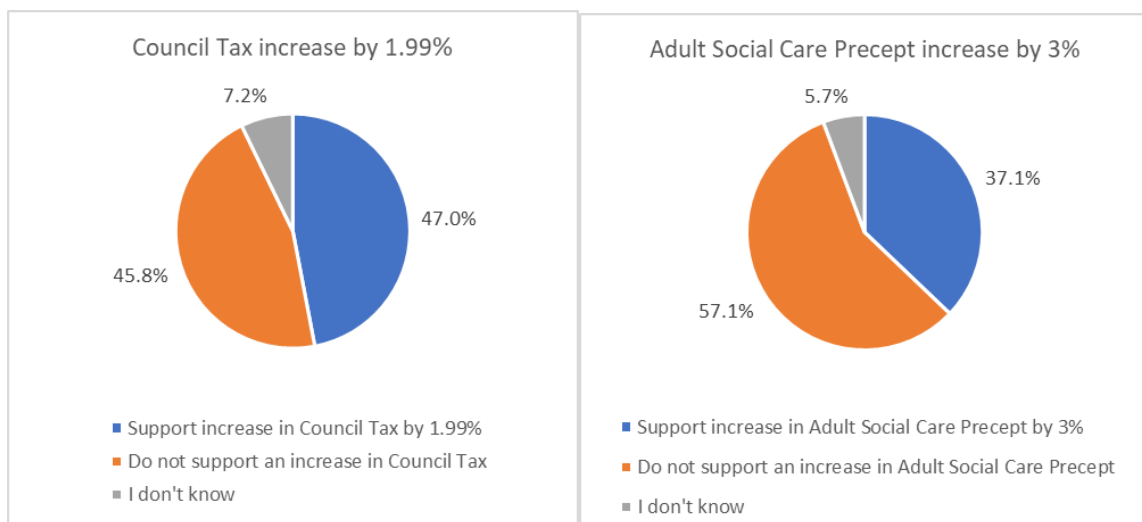
- 14.1. A report on the Budget strategy was presented to Cabinet in November 2020, updating the Committee on funding assumptions and other factors affecting the MTFS.
- 14.2. A consultation exercise on the budget with residents and businesses began in January 2021. The Council was interested to hear residents' views on the proposed social care precept and their views on the type of services that will need to be delivered in the future.
- 14.3. As a result of the provisional local government finance settlement being published later than expected in December 2020, the consultation exercises started later than in previous years.

14.4. The exercise comprised a number of events as follows:

- An online budget consultation which ran throughout January and had 83 responses.
- Social media posts from 6 January to 31 January
- Facebook Live Q&A, 28 January 5.15pm

14.5. The online budget consultation was completed by 81 residents and 2 representatives of an organisation. The online survey asked 9 questions which provided the opportunity to include detailed comments on where the council should reduce or remove spending, where service users could be charged and where the council should focus when developing future proposals.

14.6. When asked for their views on raising council tax and the adult social care precept the results are shown below:



14.7. The proportion of residents who do not support an increase in council tax has decreased by 9%, with an increase in those that do support increasing council tax by 4.7% and a greater proportion of residents who didn't know. The responses on the increase to the Adult Social Care Precept were exactly the same as last year.

14.8. The areas where respondents suggested the council could reduce or remove spending were on social care, new home building, and community events.

14.9. Respondents supported charging or fining people for wear and tear to council properties, HMO landlords, fly-tipping, more controlled parking zones and means testing for social care services.

14.10. There was support for increased street cleansing, improving town centres with planters, investment in highways, improving community safety, enhancing parks and leisure facilities, more anti-social behaviour enforcement and greater support for local businesses. There was also support for council staff to work remotely in order to save money on office accommodation.

14.11. At its extraordinary meeting on 26 January 2021, the Overview & Scrutiny Committee received a report of the proposed savings that underpin the setting of this budget. At their meeting, they also had the proposals set in context through a presentation from the Deputy Leader and Cabinet Member for Finance, Business &

Performance. The late notification of the provisional finance settlement for local government meant that the turnaround of questions and comments was quite short. All Members of the Council were invited to attend the meeting, and 38 attended in total (including members of the Committee). Questions were requested in advance, with supplementary questions allowed on the night.

- 14.12. The Committee did not conclude by recommending to Cabinet to fundamentally reconsider any of the proposals that were put before it. The Committee noted that the substantial reductions in the budget that were achieved by the Ambition 2020 programme, together with the enhanced commercial capacity of the Council, meant that the following year did not have a large gap to close. They also observed, however, that in later years there was still a substantial gap to bridge for which proposals were not yet developed.
- 14.13. Nonetheless, the Committee asked a number of questions about some of the proposals which indicate matters that it would like Cabinet to consider, whether in agreeing the budget or in its implementation.
- 14.14. The movement in social care budgets is a matter of some complexity. Through its previous work on the Ambition 2020 programme, the Committee has already highlighted how critical the approach to managing demand is, and of course that this impacts very significantly on the potential required spend. The additional resources being committed, on top of previous commitments, are testament to this. Even while sounding this note of caution, however, the Committee welcomed the investment, from the perspective of ensuring that some of our most vulnerable residents are well supported.
- 14.15. In both Education and Parking there were some notable increases in income expected from enforcement activity, and the Committee asked a number of questions to understand how these figures had been arrived at. Whilst the approaches themselves were understandable, the Committee perceived some risk in attaching specific figures to something potentially volatile.
- 14.16. The Committee did question some of the assumptions about the expansion of Barking Market by an additional day, and the solidity of the proposed additional income. Reassurances were received from Members and officers on the preliminary consultation and scoping that had been done, but the Committee were still keen to flag this risk.
- 14.17. Finally, there were a number of smaller savings in Community Solutions, with one in particular that caught the Committee's attention. The proposal to place an emphasis on voluntary sector management of buildings in the Community Hubs programme felt to the Committee to be assuming both that there was interest, and that the sector could run the assets more cheaply and save the Council the money. On both points, there were again reassuring answers about the initial conversations and the sense of an appetite in the local partnership to take this on. However, it was also the case here that the Committee wanted the risks involved to be noted, and potentially would want to return to the subject in a future municipal year's Scrutiny programme to understand how this had turned out in practice.

15. Statutory Report of the Chief Financial (S151) Officer

- 15.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to

report on the robustness of the budget estimates and the adequacy of financial reserves. The Act also requires the Authority to which the report is made to have regard to the report when making decisions about the budget.

- 15.2. In this context, the reference to the Chief Finance Officer is defined in Section 151 of the Local Government Act 1972. This statutory role is fulfilled in this authority by the Finance Director.
- 15.3. In summary, the Chief Finance Officer considers the budget proposals to establish a net budget requirement of £174.326m and council tax requirement of £68.789m for 2021-22 as set out in this report as robust. The level of reserves is sufficient to mitigate known risks during the forthcoming financial year taking account of the Council's financial management framework. However, the financial outlook over the medium term remains challenging with increasing cost pressures and uncertainty due to the ongoing impact of the COVID-19 pandemic and further delays to planned changes to the national local government funding framework, now expected from 2022-23. The council will be required to remain proactive in delivering sustainable council transformation to ensure a balanced budget position can be maintained for 2021-22 and beyond.
- 15.4. The robustness of the underpinning financial planning assumptions on which the budget has been determined:
- Financial resources are appropriately aligned to the strategic priorities of the council with appropriate investment to meet priorities and respond to changes in demand.
 - Savings have been identified in line with the Council's transformation programme and action plans are in place for their delivery.
 - Appropriate actions are being taken to identify and collect outstanding debts owed to the council, including historic debts.
 - Contingency budgets are held centrally to mitigate unforeseen cost pressures in the event they arise during the course of the year. This could be used to meet unexpected increases in demand led services or potential impact following the Exit from the EU.
 - Employee budgets are based on the appropriate scale point although the cost of annual pay rises is expected to be absorbed within service budgets.
 - Assumptions about future inflation and interest rates are realistic.
 - Income estimates are based on updated forecasts against trend.
 - Capital and revenue budgeting are integrated with the revenue consequences of the capital programme considered as part of the overall budget process.
- 15.5. Appropriate governance arrangements are in place to manage financial resource throughout 2021-22:
- Financial management is delegated appropriately, and commitments are entered into in compliance with Financial Regulations and Contract Rules as contained in the Council's Constitution.
 - Effective governance arrangements are in place for budget monitoring and reporting during the financial year with corrective action taken to mitigate overspends where necessary.
 - A risk assessment has been carried out on the revenue budget and this will

be monitored and reported to Cabinet throughout the year.

15.6. An assessment of the funding framework for local government:

- The settlement figures provided in the budget are based on the provisional settlement. Any variations in the final settlement will be reported as part of quarter 1 budget monitoring 2021-22.
- The Cabinet's proposals do not breach the "excessiveness" principle for 2021-22, where local referendum is required. The threshold for 2021-22 for general council tax if it rises by 2% or more, alongside a maximum 3% social care precept.
- Appropriate assessment has been made of the council tax and business rate base 2021-22 and the likely levels of collection and bad debt recovery. There is a risk that may emerge during 2021-22 if business rate revaluations take place as a result of COVID-19.

15.7. In assessing the adequacy of reserves, the Chief Finance Officer has considered the level of reserves and undertaken a risk-based approach to assessing the minimum level of balances. For 2021-22 and 2022-23 the minimum level of General Reserves is recommended at £12.0m. The current level of the General Fund balance is £17.0m.

15.8. Earmarked Reserves are available to provide financing for future expenditure plans. Earmarked Reserves (excluding those held by schools under delegation) stood at £49.6m at 31 March 2020. These are forecast to be £40.3m by 31 March 2021.

15.9. The Budget Support Reserve, intended to provide short term support and pump prime efficiencies, stood at £8m at 31 March 2020. This reserve balance is forecast to be fully utilised by 31 March 2021. The underlying 2021-22 budget does not place undue reliance on reserves as general budget support.

15.10. The Council continues to face financial challenges over the medium term. The delivery of a balanced budget for 2021-22 is reliant on delivering new savings of £2.641m in addition to those outstanding from previous years. Further savings will need to be identified in 2022-23, 2023-24 and 2024-25. There is significant uncertainty in relation to local government funding beyond 2021-22 and the potential impact of changes to New Homes Bonus, the Business Rates Retention Scheme and the Fair Funding Review. The Council continues to maintain its focus on delivering transformation at pace and thereby securing financial sustainability.

16. Financial Implications

Implications completed by: Philip Gregory, Finance Director

16.1. The detailed financial implications have been covered throughout the report. Members are asked to note the CFO opinion as outlined in section 15 above.

17. Legal Implications

Implications completed by: Dr Paul Feild, Senior Standards & Governance Lawyer

17.1. As set out in the main body of the report, local authorities are under an explicit

statutory duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This is set by sound public accounting practice guidance. As part of this requirement a forward-thinking medium-term budget strategy is key to ensuring stability. This includes taking account of future income, liabilities, risks, investments, contingencies, statutory compliances, contractual obligations and of course securing best value for money.

- 17.2. The Local Government Act 2003 Section 25 sets a specific duty on an Authority's Chief Financial Officer (Finance Director) to make a report to the authority for it to take into account when it is considering its budget and funding for the forthcoming year. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the budget and the Authority must have regard to the report in making its decisions. Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The Secretary of State stated that 'the provisions are a fall back against the circumstances in which an authority does not act prudently, disregards the advice of its Chief Financial Officer and is heading for serious financial difficulty'.
- 17.3. The proposals are founded on the information known at the time however circumstances can change such as we have seen in the current financial year (2020-21) with the Covid 19 Pandemic and its significant impact on both incomes and additional costs, an event which no one could have reasonably foreseen. Budgetary tools such the MTFs are living documents which must adjust according to the situation the authority encounters and further anticipates. As a consequence, there is an ongoing need to prepare for contingencies including maintaining sound risk management and level of reserves which enables the authority to be prepared to deal with risks, contingencies and its future strategic vision.
- 17.4. By law a local authority is required under the Local Government Finance Act 1992 to produce a 'balanced budget'. The current budget setting takes place in the context of significant and widely known reductions in public funding to local authorities. Where there are reductions or changes in service provision as a result of changes in the financial position the local authority is free to vary its policy and consequent service provision but at the same time must have regard to public law considerations in making any decision lawfully as any decision eventually taken is may be subject to judicial review. Members would also wish in any event to ensure adherence as part of good governance. Specific legal advice may be required on the detailed implementation of any agreed savings options. Relevant legal considerations are identified below.
- 17.5. Whenever there are proposals for the closure or discontinuance of a service or services, there will be a need for appropriate consultation, so for example if savings proposals will affect staffing then it will require consultation with unions and staff. In relation to the impact on different groups, it should be noted that the Equality Act 2010 provides that a public authority must in the exercise of its functions have due regard to the need to eliminate discrimination and to advance equality of opportunity between persons who do and those who do not share a relevant 'protected characteristic'. This means an assessment needs to be carried out of the impact and a decision taken in the light of such information. In addition to that, Members will need to be satisfied that Equality Impact Assessments have been carried out before the proposals are decided by Cabinet.

17.6. If at any point resort to constricting expenditure is required, it is important that due regard is given to statutory duties and responsibilities. The Council must have regard to:

- any existing contractual obligations covering current service provision. Such contractual obligations where they exist must be fulfilled or varied with agreement of current providers;
- any legitimate expectations that persons already receiving a service (due to be cut) may have to either continue to receive the service or to be consulted directly before the service is withdrawn;
- any rights which statute may have conferred on individuals and as a result of which the council may be bound to continue its provision. This could be where an assessment has been carried out for example for special educational needs statement of special educational needs in the education context);
- the impact on different groups affected by any changes to service provision as informed by relevant equality impact assessments;
- to any responses from stakeholders to consultation undertaken.

18. Corporate Policy and Equality Impact

18.1. The Equality Act 2010 requires a public authority, in the exercise of its functions, to have due regard to the need to eliminate discrimination and to advance equality of opportunity between persons who do and those who do not share a relevant protected characteristic. As well as complying with legislation, assessing the equality implications can help to design services that are customer focussed, in turn leading to improved service delivery and customer satisfaction.

18.2. The Council's Equality and Diversity strategy commits the Council to ensuring fair and open service delivery, making best use of data and insight and reflecting the needs of the service users. Equality Impact Assessments allow for a structured, evidence based and consistent approach to considering the equality implications of proposals and should be considered at the early stages of planning.

18.3. There are no new savings proposals put forward that require EIAs and these have been carried out for all existing saving to ensure the Council properly considers any impact of the proposal. The Council's transformation programme aims to redesign services to make them more person-centred and focussing on improving outcomes for residents. Therefore, in most cases the proposals have either a positive or neutral impact. However, where a negative impact has been identified, the Council will ensure appropriate mitigations are considered and relevant affected groups are consulted.

Public Background Papers Used in the Preparation of the Report:

- Provisional Local Government Finance Settlement
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022>
- Calculation and Setting of Council Tax Base 2021/22

<https://modgov.lbbd.gov.uk/internet/mglIssueHistoryHome.aspx?IId=78638>

- Council Tax Support Scheme 2021/22
<https://modgov.lbbd.gov.uk/internet/mglIssueHistoryHome.aspx?IId=78637>
- Dedicated Schools Budget and Schools Funding Formula 2021/22
<https://modgov.lbbd.gov.uk/internet/ieDecisionDetails.aspx?AllId=82486>
- Fees and Charges 2021
<https://modgov.lbbd.gov.uk/internet/ieDecisionDetails.aspx?AllId=82479>

List of appendices:

- Appendix A – Revenue Budget
- Appendix B – MTFS
- Appendix C – Savings and Growth Proposals
- Appendix D – The Statutory Budget Determination
- Appendix E – Calculation of the Council Tax Requirement
- Appendix F – Draft Capital Programme
- Appendix G – Flexible Use of Capital Receipts
- Appendix H – School Funding Formula Factors
- Appendix I – Forecast General Fund and Usable Reserves
- Appendix J – New Homes Bonus Allocations

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Appendix A - Revenue Budgets 2021-22

	Initial Base	Capital	Recharges	Savings	Growth	Reserves	Other MTFS Adjustments	Central Items	Service Adjustments	TOTAL
CARE & SUPPORT	77,536,934	1,248,640	5,547,700	0	11,358,590	0	0	(913,000)	0	94,778,864
CENTRAL	32,181,441	(32,716,900)	2,513,280	0	3,860,000	2,248,000	(7,694,000)	8,334,030	958,399	9,684,250
COMMUNITY SOLUTIONS	9,975,024	4,697,070	2,495,750	(909,000)	940,000	0	0	0	18,700	17,217,544
CONTRACTED SERVICES	36,078	0	0	0	0	0	0	0	(36,078)	0
CORE	13,161,084	324,000	(8,329,380)	(561,000)	1,006,000	0	762,000	0	363,638	6,726,342
EDUCATION, YOUTH & CHILDCARE	2,104,656	14,566,510	1,952,250	(42,000)	0	0	0	0	0	18,581,416
INCLUSIVE GROWTH	(232,307)	104,170	1,233,050	0	200,000	0	0	0	0	1,304,913
LAW, GOVERNANCE & HR	1,146,244	346,680	(2,550,410)	(762,000)	433,000	0	0	0	0	(1,386,486)
MY PLACE	9,168,122	10,135,450	(2,938,580)	(312,130)	0	0	0	0	(958,400)	15,094,462
POLICY & PARTICIPATION	2,669,884	1,294,380	(951,980)	(55,000)	(110,000)	0	0	745,980	(346,260)	3,247,004
SBI COMMISSIONING	8,049,320	0	1,028,320	0	0	0	0	0	1	9,077,641
TOTAL GENERAL FUND	155,796,480	0	0	(2,641,130)	17,687,590	2,248,000	(6,932,000)	8,167,010	0	174,325,950

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2019/20 Outturn	2020/21 Budget	2020/21 Forecast Outturn	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
£m	£m	£m	£m	£m	£m	£m

NET COST OF SERVICES	157.933	152.869	152.869	161.318	176.365	176.909	179.817
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Financial Planning

Savings - Existing Plans	-	(12.696)	(12.696)	(2.641)	(0.850)	(1.227)	-
Savings - to be identified	-	-	-	-	(6.525)	(7.567)	(7.117)
Growth	-	18.896	23.357	17.428	7.319	11.102	12.202
Capital	-	0.040	0.040	0.260	0.600	0.600	-

COVID-19 Response

Additional Costs	-	-	27.610	-	-	-	-
Income Reductions	-	-	12.307	-	-	-	-
Reprofiled Savings	-	-	5.723	-	-	-	-
Government Grants & Funding	-	-	(34.636)	(7.694)	-	-	-
Net Expenditure	157.933	159.109	174.575	168.671	176.909	179.817	184.902

Reserves

Contributions to Earmarked Reserves	5.400	3.407	3.407	7.062	-	-	-
Contributions from Earmarked Reserves	(8.592)	-	(4.461)	(3.407)	(6.756)	(1.600)	-
COVID-19 use of Reserves	-	-	(9.005)	-	-	-	-
Use of General Reserve	-	-	(2.000)	2.000	-	-	-
Net Expenditure after Reserves	154.741	162.516	162.516	174.326	170.153	178.217	184.902

Funding

NDR/RSG	(81.160)	(80.608)	(80.608)	(80.593)	(77.088)	(79.468)	(81.188)
Section 31 Grants	-	-	-	-	-	-	-
Other Grants	(7.707)	(7.656)	(7.656)	(10.948)	(8.676)	(8.590)	(8.513)
(Surplus)/Deficit on Collection Fund	(1.793)	(1.745)	(1.745)	2.663	3.100	3.100	-
Company Dividends	(2.295)	(5.958)	(5.958)	(12.490)	(12.995)	(12.807)	(12.807)
Investment Income	-	(0.762)	(0.762)	(5.712)	(2.377)	(4.542)	(3.042)
NHB Payments	-	-	-	1.543	0.499	-	-
Demand on Collection Fund	61.786	65.787	65.787	68.789	72.616	75.910	79.352

Council Taxbase	50,009	51,204	51,204	50,996	52,271	53,055	53,850
Council Tax at Band D (£)	1,235.50	1,284.80	1,284.80	1,348.91	1,389.24	1,430.78	1,473.56

Council Tax Precept £m	61.786	65.787	65.787	68.789	72.616	75.910	79.352
Percentage Increase in Council Tax	-	3.99%	3.99%	4.99%	2.99%	2.99%	2.99%

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2021-22 SAVINGS AND GROWTH PROPOSALS

		2021/22	2022/23	2023/24	2024/25	TOTAL
		£k	£k	£k	£k	£k
* negative values (in brackets) are savings proposals						
SERVICE AREA	SAVINGS PROPOSAL					
Care & Support	There are continuing demand pressures emerging that will continue in 2021-22. Some of these relate to ongoing pressures resulting from the COVID-19 pandemic beyond 2020-21. There are a number of savings and growth proposals that underpin the net position included below. In future years, the MTFs includes significant growth in each year. The work undertaken by and investment in Care and Support services will result in a reduction in the amount of growth required from 2022-23. The values included below from 2022-23 reduce the growth that has already been included in the MTFs.					
	Adults Services Net Revenue Pressures	194	(430)	(324)	-	(560)
	Disabilities Services Net Revenue Pressures	1,828	(2,058)	(990)	-	(1,220)
	Children's Services Net Revenue Pressures	1,400	(1,845)	(154)	-	(599)
Education Youth and Childcare	Staffing - reduce/move to DSG	(42)	-	(35)	-	(77)
Education Youth and Childcare	Increase FPN income	-	(50)	(15)	-	(65)
Community Solutions	John Smith House retention (Universal) JSH closed August 2020 but retained in order to maximise income opportunities.	(30)	-	-	-	(30)
Community Solutions	Management spans of control (Universal)	(37)	-	-	-	(37)
Community Solutions	Homelessness Prevention & Temporary Accommodation Increased demand pressures. Investment may result in cost avoidance within Care & Support.	280	-	-	-	280
Community Solutions	Housing Benefits FTE (Support)	(110)	-	-	-	(110)
Community Solutions	Building transfer - Leys Children's Centre to the VCS (Universal) Depends on availability of VCS to take over premises. Reduced control/influence over operation and impact/service offer.	-	(40)	-	-	(40)
Community Solutions	Building transfer - Becontree Children's Centre to VCS (Universal) Depends on availability of VCS to take over premises. Reduced control/influence over operation and impact/service offer.	-	(30)	-	-	(30)
Community Solutions	Building transfer - Sue Bramley Children's Centre/Library to VCS (Universal) Depends on availability of VCS to take over premises. Reduced control/influence over operation and impact/service offer.	-	(20)	-	-	(20)
Community Solutions	Building transfer - Park Centre to VCS (Universal) Depends on availability of VCS to take over premises. Reduced control/influence over operation and impact/service offer.	-	-	-	-	-
Community Solutions	Reduce staffing in Housing Reviews, Culture/Comms (Service Development) Housing Reviews is part of a necessary independent service that provides the Service and Council with assurance that we are operating in a way that will not lead to costly judicial reviews. Our Comms and Culture/L&D activity has been critical to the development of the ComSol model; connecting staff across a significantly part of the Council workforce and in several areas leading the way for how we engage staff and managers in the journey to meeting our individual and shared objectives.	(94)	-	-	-	(94)
Community Solutions	Revenues & Benefits Transformation (subject to Workforce Board approval)	300	(300)	-	-	-
Community Solutions	Improving Debt Collection Invest to Save bid. 12 month pilot cost for 3 inspectors, £112k with estimated income to Collection Fund, £500k	(388)	-	-	-	(388)

2021-22 SAVINGS AND GROWTH PROPOSALS

		2021/22	2022/23	2023/24	2024/25	TOTAL
		£k	£k	£k	£k	£k
* negative values (in brackets) are savings proposals						
Community Solutions	Local Community Banking Service Partner with a London Credit Union to provide a community banking offer. £300k cost over 3 years. Aim to reach 4,500 members, generate £2.7m cost savings for local households, £11.4m in wider social, health & wellbeing benefit, and £1.7m financial benefit for the local economy. First £100k funded by the Council, £200k year 2 & 3 costs to be funded externally.	100	(100)	-	-	-
Customer Services	Contact Centre Restructure	(561)	-	-	-	(561)
Customer Services	Creating a Permanent Customer Experience Team (CIT)	559	-	-	-	559
LGHR - Regulatory Services	Additional Fine Revenue An increase in fine revenue, particularly targeted at landlords through the issuing of civil penalty notices for breaches of licence conditions including failure to manage anti-social behaviour or fly tipping adequately.	(100)	(50)	-	-	(150)
LGHR - Regulatory Services	Financial Investigation Income Commercial income through providing financial investigation services on behalf of other local authorities.	(45)	-	-	-	(45)
LGHR - Regulatory Services	Barking Market additional day Providing an additional day at Barking market (a Monday), which will support local businesses, increase accessibility for the public and generate income for the council through pitch/licence fees.	(80)	(20)	-	-	(100)
LGHR - Parking	The council adopted the Parking Strategy in 2016 which set out a vision "To provide Safe, Fair, Consistent & Transparent Parking Services". To deliver this strategy the parking team is expanding the areas in the borough where restrictions are in place and reviewing operational deployment, policies and charging structures to make them fairer and more consistent and meet local needs. Parking enforcement is controversial with residents and businesses so expansion and changes to policies needs to be based on good evidence and changed gradually so that they can be assessed and modified to ensure the right balance between regulation and compliance. The impact will be changes to parking and permit prices so that they are more consistently applied and reflect emissions based charging, and an increase in on-street and CCTV enforcement so that the increase in controlled parking across the borough can be regulated fairly. There is a need to increase the establishment to manage the extra demands in the team but this will lead to increases in income to the council.					
	Additional on street PCN income	(150)	(100)	-	-	(250)
	Additional CCTV PCNs	(150)	(100)	-	-	(250)
	Additional Permit income	(100)	(50)	-	-	(150)
Policy and Participation	Everyone Everyday Reduction in committed contribution from 2022-23	-	-	(100)	-	(100)
Policy and Participation	Staffing - Culture and Comms Deletion of vacant post	(55)	-	-	-	(55)
Policy and Participation	Parks Further soil importation schemes 2023 onwards	-	-	(500)	500	-
Inclusive Growth	Barking Foyer There is an opportunity to increase rental income from the use of Barking Foyer as Temporary Accommodation.	(250)	-	-	-	(250)
Inclusive Growth	Economic Development Team One off request for transformiaon activity to create capacity alongside the subsidiary companies Subject to CSG and Workforce Board agreement	200	(200)	-	-	-
Legal Services	Income generation Assess opportunities to generate income through traded work	-	-	-	-	-
Legal Services	Counter Fraud Legal assistant post creation (subject to Workforce Board approval)	60	-	-	-	60
Finance	Counter Fraud Service review (subject to Workforce Board approval)	99	-	-	-	99

2021-22 SAVINGS AND GROWTH PROPOSALS

		2021/22	2022/23	2023/24	2024/25	TOTAL
		£k	£k	£k	£k	£k
* negative values (in brackets) are savings proposals						
Finance	Transformation Review Structure Changes Additional capacity to maintain financial oversight (subject to Workforce Board approval)	150	-	-	-	150
Finance	Bad Debt Provision Review	tbc	-	-	-	-
Finance	Collection Fund Review	tbc	-	-	-	-
Workforce & OD	Human Resources and Organisational Development Service Restructure - Base Budget proposals	373	-	(577)	-	(204)
Workforce & OD	Dispersed Working Project OD support		-	-	-	-
Workforce & OD	Human Resources and Organisational Development Service Restructure - Income	(137)	-	-	-	(137)
Core	New Procurement Savings Contract management savings are being developed for 2022-23 and beyond			-	-	-
Core	Dispersed Working Roycraft House closure, transferring services to the Town Hall and other buildings where appropriate. A further £188k saving would be realised if Roycraft House was disposed of.	(312)	-	-	-	(312)
Core	Community Hubs & Dispersed Working These proposals are in development. It is likely that the initial costs will be funded from capital receipts within Transformation. Any costs outside transformation activity will require a growth bid to be approved.	*1	-	-	-	-
Core	Innovation Fund One-off resources available to Directors to design and deliver innovations in service delivery to deliver the priorities within the Corporate Plan over the next 2 years. Funds will be allocated by CSG against a set of agreed criteria on an Invest-to Save basis.	*2	-	-	-	-
ICT	Cyber Security There are specific mitigations that can be introduced to increase the security of our ICT network. This work is being developed and will be procured during 2021.	180	(40)	-	-	140
TOTAL		3,082	(5,433)	(2,695)	500	(4,546)

*1 - estimated total £2.1m cost funded through capital receipts within Transformation.

*2 - estimated £1.0m innovation fund available from 2021-22.

APPROVED GROWTH PROPOSALS

	2021/22	2022/23	2023/24	TOTAL
	£k	£k	£k	£k
* negative values (in brackets) are savings proposals				
SERVICE AREA				
Staff pay award and capacity building	2,000	2,000	2,000	6,000
Non staff inflation	1,000	1,000	1,000	3,000
Public Realm	-	530	-	530
LAC/Care	600	600	600	1,800
Adults	1,000	1,000	1,250	3,250
Disabilities	500	500	500	1,500
Adults Revenue Pressures	(1,685)	119	1,132	(434)
Disabilities Revenue Pressures	4,492	3,128	3,628	11,248
Children's Revenue Pressures	3,029	800	1,400	5,229
Community Solutions	260	260	260	780
Participation & Engagement	(110)	(50)	-	(160)
Parks	600	-	-	600
Census Information Scheme 2021	18	-	-	18
ELWA levy increase	-	765	800	1,565
Pensions remove advance payment element	-	1,000	-	
Unallocated central grants & growth	-	-	-	-
TOTAL	11,704	11,652	12,570	34,926

DRAFT STATUTORY BUDGET DETERMINATIONS

SETTING THE AMOUNT OF COUNCIL TAX FOR THE LONDON BOROUGH OF BARKING AND DAGENHAM

1. At its meeting on 19 January 2021 the Council approved the Council Tax Base 2021-22 calculation for the whole Council area as 50,995.71 [Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended (“the Act”)]

2. The following amounts have been calculated by the Council for the year 2021-22 in accordance with Sections 31 to 36 of the Act:-

(a)	771,619,474	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	702,830,851	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£68,788,623	being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (i.e. Item R in the formula in Section 31A(4) of the Act).
(d)	£1,348.91	being the amount at 2(c) above (i.e. “Item R”), divided by Item T (shown at 1 above), calculated by the Council, in accordance with Section 31B(1) of the Act as the basic amount of its Council Tax for the year. Refer below for further detail.

Valuation Bands

A	B	C	D	E	F	G	H
£899.27	£1,049.15	£1,199.03	£1,348.91	£1,648.67	£1,948.43	£2,248.18	£2,697.82

being the amounts given by multiplying the amount at 2(d) above by the number which, in the proportion set out in Section 5(2) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band 'D' calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2021-22 the Greater London Authority has indicated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:-

Precepting Authority: Greater London Authority

Valuation Bands

A	B	C	D	E	F	G	H
£242.44	£282.85	£323.25	£363.66	£444.47	£525.29	£606.10	£727.32

4. That, having calculated the aggregate in each case of the amounts at 2 and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2021-22 for each of the categories of dwellings shown below:-

Valuation Bands

A	B	C	D	E	F	G	H
£1,141.71	£1,332.00	£1,522.28	£1,712.57	£2,093.14	£2,473.72	£2,854.28	£3,425.14

Appendix E

Calculation of the Proposed Council Tax for 2021/22

		£000
Revised 2020/21 Budget before reserves usage		161,318
Roll forward of last year's surplus	(3,407)	
New MTFS Items	17,428	
Approved Savings	(2,641)	
Covid-19 Grant	(7,694)	
Technical Items	260	
Transfer to Earmarked Reserves	<u>9,062</u>	
Total Adjustments		13,008
Base Budget Requirement for 2021/22		<u>174,326</u>
Funded By:		
Retained Business Rates Income	(80,593)	
Company Returns	(12,490)	
Specific Grants	(9,405)	
Investment Income	(5,712)	
Collection Fund Deficit	2,663	
Total Funding		(105,537)
Council Tax Requirement		<u>(68,789)</u>
Council Tax Base (Equivalent Band D properties)		50,995.71
Council Tax:		
London Borough of Barking & Dagenham		1,348.91 TBC
Greater London Authority		<u>363.66 TBC</u>
Overall Council Tax - Band D equivalent		<u>£1,712.57</u>

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2021-22 CAPITAL PROGRAMME

Project No.	Project Name	Forecast Slippage	2021/22 New	2021/22 Total
		£'000	£'000	£'000
Adults Care & Support				
FC00106	Disabled Facilities Grant	185	1,841	2,026
	Total for Adults Care & Support	185	1,841	2,026
CIL (external)				
FC05027	Kingsley Hall	-	90	90
FC05028	Box Up Crime	170	-	170
FC05029	East End Women's Museum	150	-	150
FC05030	Green Comm. Infrastructure "Company Drinks"	-	13	13
FC05031	Becontree Centenary - Create London	475	-	475
FC05063	BRL Thames Clipper (CIL)	-	300	300
	Total for CIL & S106 Schemes	795	403	1,198
Culture, Heritage & Recreation				
FC03032	Parsloes Park Activation	-	5,900	5,900
FC03090	Lakes	118	150	268
FC04013	Park Infrastructure Enhancements	-	20	20
FC04017	Fixed play facilities	35	50	85
FC04018	Park Buildings– Response to 2014 Building Surveys	39	75	114
FC04043	The Abbey: Unlocking Barking's past, securing its future	92	50	142
FC04080	Children's Play Spcs & Fac (CIL)	148	55	203
FC04081	Parks & Open Spcs Strat 17	10	100	110
FC04085	Play Facility at Valence Park'	-	5	5
FC05060	Safer Parks (CIL)	84	-	84
FC05061	B&D Local Football Facility (CIL)	157	-	157
	Total for Culture, Heritage & Recreation	683	6,405	7,088
Enforcement				
FC02982	Consolidation & Expansion of CPZ	533	1,000	1,533
FC04015	Enforcement Equipment		233	233
	Total for Enforcement	533	1,233	1,766
My Place				
FC03065	HIP 2016-17 Footways & Carriageways	-	3,520	3,520
FC04064	Bridges and Structures	500	300	800
FC05018	Stock Condition Survey	20	1,000	1,020
FC05055	Road Safety Improvements Programme	67	150	217
FC04063	Flood Risk and Drainage Grant	180	-	180
FC04029	Engineering Works (Road Safety)	86	-	86
FC05048	Procuring in cab tech for waste vehicles and subsequent licences etc	-	30	30
FC05075	Reside Capital - Abbey Road	88	-	88
FC05077	Community Hubs and Dispersed Working	160	-	160
	Total for My Place	1,101	5,000	6,101
Public Realm				
FC04012	Bins Rationalisation	-	50	50
	Total for Public Realm	-	50	50
Education Youth & Childcare				
FC04059	Chadwell Heath	-	100	100
FC04072	School Condition Alctns 18-19	-	57	57
FC04052	SEND 2018-21	-	1,057	1,057
FC05033	SCA PRIORITY WORKS 20/22	-	2,063	2,063
FC05034	Schools Expansion Programme 20/22	-	1,008	1,008

Project No.	Project Name	Forecast Slippage	2021/22 New	2021/22 Total
		£'000	£'000	£'000
FC05069	SCA 20-21	-	3,500	3,500
	Primary	-	-	-
FC04058	Marks Gate Infants & Juniors 2018-20	-	1,800	1,800
FC04098	Ripple Suffolk Primary	-	103	103
TBC	Greatfields Primary	-	300	300
	Secondary			
FC03022	New Gascoigne (Greatfields) Secondary School	-	1,612	1,612
FC03054	Lymington Fields New School	-	600	600
FC03078	Barking Abbey Expansion 2016-18	-	-	-
	Total for Education Youth & Childcare	-	12,200	12,200
	Other			
FC02811	Ward Capital Spend	-	340	340
FC03099	Abbey Green & Barking Town Centre Project	76	-	76
	Total for Other	76	340	416
		-	-	-
	General Fund Total	3,373	27,472	30,845
	Investment Strategy & Be First			
	Commercial Investments			
TBC	Job Centre		1,540	1,540
TBC	8 Cromwell		230	230
TBC	23 Thames Road		560	560
TBC	Barking Business Centre		800	800
TBC	Muller		800	800
TBC	Other Commercial		44,000	44,000
TBC	Heathway		800	800
	Total for Commercial	-	48,730	48,730
	Residential Developments			
FC04067	12 Thames Road		22,227	22,227
FC04065	200 Becontree		1,570	1,570
FC03072	Sacred Heart		1,210	1,210
FC04069	Crown House		18,339	18,339
Various	Gascoigne (East and West Phases 1 to 3)		172,706	172,706
FC03086	A House for Artists		1,197	1,197
FC04068	Oxlow Road		2,572	2,572
FC05035	Padnall Lake		22,328	22,328
FC04066	Roxwell Road		6,144	6,144
FC03080	Royal British Legion		1,884	1,884
FC03084	Sebastian Court		1,425	1,425
FC05065	Chequers Lane		3,745	3,745
FC05066	Beam Park		23,275	23,275
FC05020	Woodward Road		9,484	9,484
TBC	Brocklebank		1,144	1,144
TBC	Industria		26,847	26,847
	Total for Residential	-	316,098	316,098
	Temporary Accommodation			
FC04101	Margaret Bondfield		3,432	3,432
	Total for Temporary Accommodation	-	3,432	3,432
	Total for Investment Strategy	-	368,260	368,260
	Total Overall Budget	3,373	395,732	399,105

Strategy for the flexible use of Capital Receipts

Background

Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) regulations 2003 made under section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure. The use of capital receipts to support revenue expenditure is not permitted by the regulations.

However, the Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a Direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.

For a number of years the local government sector has been lobbying central government to provide councils with greater freedoms and flexibilities in relation to the use of Capital Receipts to support the delivery of savings and efficiencies. In 2013, the Local Government Association argued that freedoms should be given to Councils to “release value currently residing on council’s balance sheets without the need for further funding from taxation; the sale of assets generates economic activity, as does transformational revenue expenditure”¹.

In response, the Secretary of State for Communities and Local Government issued guidance in March 2016², giving local authorities greater freedoms in relation to how capital receipts can be used to finance expenditure. This Direction allows for the following expenditure to be treated as capital:

“expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”

This was extended in an amended direction² in December 2017 by a further three years up to and including 2021-22 to allow the continued flexible use of capital receipts for the above purposes.

To benefit from this dispensation and comply with the Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a ‘Flexible Use of Capital Receipts Strategy’. The guidance also requires that each authority should disclose the individual projects that will be funded or part funded through capital receipts flexibility to full Council or the equivalent. It goes on to say that this requirement can be satisfied as part of the annual budget setting process, through the Medium-Term Financial Plan or equivalent, or for those authorities that sign up to a four-year settlement deal, as part of the required Efficiency Plan. Accordingly this strategy sets

¹ LGA Consultation Response “Proposals for the use of capital receipts from asset sales: 24th September 2013.

² Statutory Guidance on the Flexible Use of Capital Receipts (Updated) DCLG March 2016, amended by extension Direction in December 2017

out how the flexible use of Capital Receipts will be utilised in 2021-22. Updates will be included in the Budget and MTFs reports to Assembly in future years or earlier if required.

There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects.

The Statutory Guidance for the Flexible Use of Capital Receipts Strategy states that the Strategy should include a list of each project where it is intended capital receipts will be used, together with the expected savings that the project will deliver. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.

The Flexible Use of Capital Receipts Strategy is set out below

Flexible Use of Capital Receipts Strategy

The Council welcomes the Government's Flexible Use of Capital Receipts dispensation and believes that if it is used judiciously and prudently, it can help the authority deliver savings while protecting revenue budgets. Working in this way will help to protect jobs and shield the tax payer. It aligns with the more commercial approach the Council is adopting to the use of its balance sheet to get the best value from its assets, in terms of both acquisitions and disposals; and also boosting our income generating asset portfolio.

Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

In 2021-22, £6.5m capital receipts are forecast and will be available to provide funding for transformation.

The Council has successfully used Capital Receipt funding to fund its 2016-2021 Transformation Programme which has delivered £29.314m to date and is expected to deliver a further £15.254m in 2020/21 and 2021/22.

In addition the Cabinet has approved the use of receipts for further programmes in Core, Childrens Services, Adults and Disabilities and Dispersed Working.

Approved expenditure for 2020/21 is shown in the table below.

2016-2021 Transformation Programme	Budget £000	Spend £000	Forecas t £000	Forecas t Varianc e
Customer Access Strategy (CAS)	620	383	467	-153
New Ways of Working (formerly Smarter Working) Programme	517	158	158	-359
Community Solutions	1,111	665	740	-371

Programmes Added in 2019/20				
Children's Improvement Programme	528	415	467	-61
Core and B&D Way	2,892	1,153	2,930	38

New Programmes Added in 2020/21				
Adults and Disability Improvement Programme	307	25	25	-282
Dispersed Working	420	-	420	-

TOTAL for 2020/21	6,395	2,799	5,207	-1,188
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The first four programmes listed are expected to finish at the end of this financial year with the exception of any minor delays.

The following programmes will be operational during 2021/22 and are eligible for the use of capital receipts.

	2021/22 Budget £000
Core Programme	1,824
Adults and Disabilities	420
Dispersed Working	1,705
TOTAL	3,949

Further Information on each of the programmes is provided below.

Core Programme

The Core Programme business case was approved by Cabinet in January 2019 and is forecast to deliver £5.9m of savings by the full completion of the programme as follows:

Core Programme	2020/21`	2021/22	2022/23
Costs	2892	1824	
Savings Forecast	2315	4457	5875

Adults, Disability and Mental Health.

There is an improvement programme in Adults, Disabilities and Mental Health that is expected to improve services and provide savings through process improvements and increased income as shown below.

Adults Disabilities and Mental Health	Costs		
	2020/21`	2021/22	2022/23
Programme Management, Design and Analysis	225	255	0
Social Work and Financial Assessment Implementation	82	165	0
	307	420	0
	Savings		
Process Improvements and Income collection	375	25	
Disability savings and CHC income		136	290
	375	161	290

Dispersed Working and Flexible Hubs

The updated Corporate Plan 2020 – 2022 sets out our commitment to the implementation of “*a digitally enabled, truly **dispersed** model, which is less reliant on central offices and allows more of our staff to spend more of their time in the community, closer to residents. This model will be built around the reconfiguration of our buildings, so that they can act as more resident-centred, integrated **community hubs**.*”

Over the next year, the Core will work in partnership with the Council’s Operational Divisions to develop, test, and implement this model. This work will be structured around two phases:

- **Phase one: Development January to March 21.** Focused on reviewing evidence and testing initial thinking with a view to developing more detailed proposals.
- **Phase two: Implementation April to December 21.** Focused on the implementation of proposals related to Community Hubs and Dispersed Working.

The implementation of proposals during phase two will require new resources above and beyond those that have been identified above to support phase one. To support phase two implementation, we are proposing the creation of an indicative funding envelope based on initial estimates about the work required to deliver the desired outcomes – Table 1.0 below.

The specific size and shape of this resource ask will depend upon the outcome of phase one activity. Before any resource is fully committed, these estimates will need to be supplemented by more detailed proposals/designs that will be signed off by the relevant officer boards.

Strategic priority	Description and key deliverables	Infrastructure, buildings, IT costs	Project and programme costs
Community Hubs and Dispersed Working	Improvements to existing core hubs at Dagenham Library and BLC.	£150k	N/A
	Options for future redevelopment of existing hubs into new core Hub provision as part of wider regeneration opportunities.	N/A <i>part of any future capital programme</i>	100k
	Development of wider network of local hubs including local access points.	£200k	N/A
	Design and delivery of specific hub-based initiatives to address identified local issues.	N/A	£200k
	Reconfiguration of the Town Hall to support a dispersed working model.	£440k	£80k
	Reconfiguration of Frizlands and digitisation of My Place frontline services to support a dispersed working model.	£90k	N/A
	Development of facilities management, internal communications, OD, wellbeing functions to support a dispersed working model.	N/A	£120k
	Overall programme management	N/A	£115k
	20% contingency	£180k	£130k
Totals		£1.06m	£645k
		Overall total	£1.705m

This programme will make corporate accommodation savings of at least £0.375m and may also generate capital receipts in future.

Impact on Prudential Indicators

The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. There will be no impact on the Council's prudential indicators as a result of the implementation of this strategy because none of the assets in question have currently been allocated to the for use in the Council's capital programme

APPENDIX H

	A	B	C	D
	2020-21 Unit Rates (£s)	2021-22 Unit Rates (£s)	2021-22 Pupil Numbers	2021-22 Funding (£s)
Primary (Years R-6)	3,375	3,820	24,796	94,721,904
Key Stage 3 (Years 7-9)	4,365	5,025	9,375	47,110,640
Key Stage 4 (Years 10-11)	5,010	5,654	5,625	31,803,749
Primary:				
FSM	508	520	5,272	2,741,210
FSM6	633	650	6,246	4,060,044
IDACI Band F	237	243	4,586	1,114,504
IDACI Band E	282	294	9,101	2,675,569
IDACI Band D	424	463	3,785	1,752,661
IDACI Band C	458	503	2,825	1,421,178
IDACI Band B	491	537	383	205,438
IDACI Band A	678	701	5	3,512
Secondary:				
FSM	508	520	3,425	1,780,863
FSM6	921	949	5,394	5,118,683
IDACI Band F	339	350	2,809	983,105
IDACI Band E	458	469	5,232	2,453,979
IDACI Band D	604	655	2,341	1,533,284
IDACI Band C	655	712	1,682	1,197,407
IDACI Band B	706	768	307	236,144
IDACI Band A	949	977	4	3,890
EAL 3 Primary	604	621	7,160	4,446,298
EAL 3 Secondary	1,627	1,678	791	1,326,627
Mobility - Primary	989	1,117	297	332,256
Mobility - Secondary	1,412	1,596	16	25,572
Primary Low Attainment	1,203	1,237	7,187	8,889,997
Secondary low attainment (year 7)	1,819	1,876	3,384	6,348,297
Lump Sum	129,255	133,096	56	7,453,376
Split Sites				1,360,000
Rates				4,736,789
PFI funding				3,261,647
Minimum Funding Guarantee				1,931,257
Total Funding for Schools Block Formula				241,029,880

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APPENDIX I - FORECAST RESEVES	Opening Balance 2020-21 (1st April 2020)	Transfer to Reserves	Drawdown from Reserves	Forecast Closing Balance 2020-21 (31st March 2021)
General Fund Balances	(17,030,171)		2,000,000	(15,030,171)

Earmarked Reserve Balances

BUTLER COURT (REFURBISHMENT)	(89,323)			(89,323)
SKILLS & LEARNING PROGRAMME RESERVE	(1,093,129)			(1,093,129)
TOTAL DEPARTMENTAL RESERVE	(1,182,452)			(1,182,452)
CAPITAL INVESTMENT RESERVE	(3,575,842)			(3,575,842)
TOTAL CAPITAL INVESTMENT RESERVE	(3,575,842)			(3,575,842)
Entities	(1,106,203)			(1,106,203)
TOTAL ENTITIES RESERVE	(1,106,203)			(1,106,203)
PFI RESERVE	(5,706,277)			(5,706,277)
JO RICHARDSON AND EASTBURY PFI	(7,698,827)			(7,698,827)
TOTAL PFI	(13,405,104)			(13,405,104)
OTHER MISCELLANEOUS	(3,643,637)			(3,643,637)
GRANTS - DEPARTMENT FOR EDUCATION	(38,700)			(38,700)
PARKING RESERVE	(254,181)			(254,181)
TREWERN OUTDOOR CENTRE RESERVE	(94,432)			(94,432)
YOS - HEALTH & JUSTICE (FROM CCG)	(115,766)			(115,766)
LEAVING CARE SERVICE (NEET FUNDING - RE CMF GRANT)	(140,074)			(140,074)
TOTAL OTHER MISCELLANEOUS	(4,286,790)			(4,286,790)
SERVICE GRANT CARRY FORWARDS	(1,351,026)		1,351,026	0
ELHP	(912,033)			(912,033)
INVESTMENT RESERVE	(3,265,410)			(3,265,410)
PUBLIC HEALTH RESERVE	(1,094,561)			(1,094,561)
CORPORATE RESTRUCTURING - REDUNDANCIES RESERVE	(735,000)			(735,000)
INSURANCE FUND - LIABILITY RESERVE	(1,639,009)			(1,639,009)
BUDGET SUPPORT RESERVE	(8,026,163)	(3,407,000)	11,433,163	(0)
VAT MARKET REPAYMENT	(223,406)			(223,406)
LEGAL TRADING RESERVE (LBBB SHARE)	(440,059)			(440,059)
COLLECTION FUND EQUALISATION RESERVE	(4,073,767)			(4,073,767)
ELECTIONS RESERVE	(296,755)			(296,755)
LEP HOUSING RENTAL RESERVES	(43,508)			(43,508)
EDUCATION, YOUTH & CHILDCARE RESERVE	(2,887,165)			(2,887,165)
IT RESERVE	(1,105,000)			(1,105,000)
NET EARMARKED RESERVE BALANCES	(49,649,254)			(40,272,065)

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New Homes Bonus Calculator

Barking & Dagenham

[Return to homepage](#)

Current housing stock (Oct 20): 76,650
 Net change in stock (Oct 20)^{1,2}: 617
 Affordable housing supply (19/20)³: 101
 Stock of empty homes (Oct 20): 224

Year of Payment →

Year of Delivery ↓

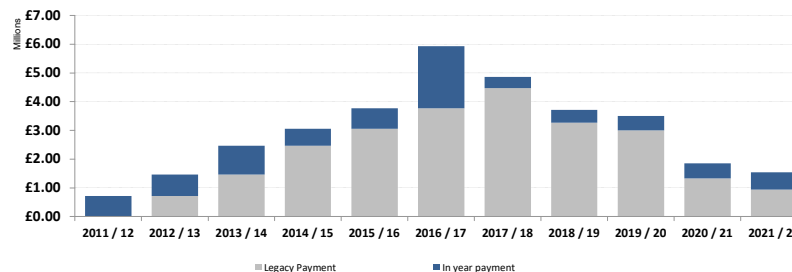
Cumulative Payments	2011 / 12	2012 / 13	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 22	2022 / 23
Payments for Year 1	£719,290	£719,290	£719,290	£719,290	£719,290	£719,290						
Payments for Year 2		£749,594	£749,594	£749,594	£749,594	£749,594						
Payments for Year 3			£996,051	£996,051	£996,051	£996,051	£996,051					
Payments for Year 4				£596,541	£596,541	£596,541	£596,541					
Payments for Year 5					£703,055	£703,055	£703,055	£703,055				
Payments for Year 6						£2,172,770	£2,172,770	£2,172,770	£2,172,770			
Payments for Year 7							£396,708	£396,708	£396,708	£396,708		
Payments for Year 8								£437,256	£437,256	£437,256	£437,256	
Payments for Year 9									£498,946	£498,946	£498,946	£498,946
Payments for Year 10										£520,059		
Payments for Year 11											£606,588	
2021/22: Total Payments											£1,542,789	

Total Payments (2021/22)

Year 8 **£437,256**
 Year 9 **£498,946**
 Year 11 **£606,588**

Total Payment: £1,542,789

Total New Homes Bonus Payments



Notes:
 1. Net additional dwellings are calculated by subtracting effective stock (total stock less long-term empty homes, and demolitions) as recorded on the CTB in one year from the previous year: See 'Calculating the New Homes Bonus' in the first page of this spreadsheet
 2. Data taken from the Council Tax Base form: <https://www.gov.uk/government/statistics/council-taxbase-2020-in-england>
 3. Data taken from Live Table 1008 - <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

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CABINET

15 February 2021

Title: Housing Revenue Account: Estimates and Review of Rents and Other Charges 2021/22	
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 and Katherine Heffernan Head of Service Finance	Contact Details: michael.westbrook@lbbd.gov.uk
Accountable Directors: Graeme Cooke, Director of Inclusive Growth, and Philip Gregory, Finance Director	
<p>Summary</p> <p>The Council as a stock-owning local authority has an obligation to maintain a Housing Revenue Account (HRA). This is the income and expenditure relating to the management of the Council's housing stock and the Council is obliged to set a balanced budget.</p> <p>This is the second year in which the Council is able to increase rents since the Government imposed the 1% rent reduction policy on all providers of social housing from April 2016 for four years. It is proposed that rents increase by CPI + 1% from April 2021. This means an average increase of £1.44 per week, increasing the average HRA rent from £95.76 per week to £97.20 per week.</p> <p>This report considers the available HRA resources within the context of the wider 30-year Business Plan and proposes the budgets for 2021/22 for both revenue and capital expenditure.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that rents for all general needs secure, affordable and sheltered housing accommodation be increased by the Consumer Price Index (CPI) (September 2019) of 0.5% + 1%, from the current average of £95.76 per week to £97.20 per week;
- (ii) Agree the following service charges for tenants:

Service	Weekly Charge 2021/22	Increase / reduction
Grounds Maintenance	£2.93	£0
Caretaking	£7.65	£0
Cleaning	£3.68	£0
Estate Lighting	£3.94	£0.02
Concierge	£10.06	£0
CCTV (SAMS)	£6.17	£0
Safer Neighbourhood Charge	£0.52	£0.02
TV aerials	£0.62	£0

- (iii) Agree that charges for heating and hot water increase by CPI (September 2020), as follows:

Property size	Weekly Charge 2020/21	Weekly Charge 2021/22
Bedsit	£13.34	£13.41
1 bedroom	£14.16	£14.23
2 bedroom	£16.99	£17.07
3 bedroom	£17.30	£17.39
4 bedroom	£17.75	£17.84

- (iv) Agree that the above charges take effect from 1 April 2021;
- (v) Agree the HRA Investment in Existing Stock Capital Programme of circa £30.494m for 2021/22, together with the commitment of circa £6.06m for 2022/23 to enable My Place to commence design and procurement arrangements, as detailed in Appendix 5 and paragraph 4.4 of the report.

Reason(s)

The recommendations in this report align to the Inclusive Growth theme of the Corporate Plan, in particular relating to improving the quality and management of homes. The Housing Revenue Account provides the financial resources for the housing services provided to council tenants as well as investment in council homes and estates.

The Council annually reviews housing rents and other and must give prior notification to tenants of the charges for be applied from the new financial year.

1. Introduction and background

Legislative context

- 1.1 The Local Government and Housing Act 1989 requires the Council to manage its housing stock, and to balance its accounts for the housing stock as a ring-fenced account. This means that the Housing Revenue Account (HRA) does not receive any subsidy from the Government, or from Council Tax, and nor is it allowed to subsidise the General Fund. The legislation sets out those items that can be charged to the HRA.
- 1.2 The Localism Act 2011 introduced a new method of managing the HRA called self-financing whereby in return for taking on a share of the national housing debt, local authorities could retain any rental surpluses, and manage their HRAs over a 30-year period. It is good practice therefore to maintain a 30-year Business Plan which projects the income that will be received alongside the expenditure required to manage and maintain the properties.

Policy context

- 1.3 There have been a number of changes in the external environment over the last five years which have had an impact on the HRA Business Plan. The most significant of these was the one per cent rent reduction policy which was imposed through the Welfare Reform and Work Act 2016. This forced all providers of social housing to reduce rents by one per cent for four years from April 2016. This replaced the previous national rent policy of an increase of CPI plus one per cent for ten years, which had itself only come into force in April 2015. The cumulative impact of the rent reduction policy was a loss of approximately £34m of anticipated income over these four years. The compound impact of the rent reduction policy on the 30-year Business Plan is much larger, with a significant effect on the level of resources available within the HRA compared to income assumptions made before the policy came into force.
- 1.4 More recently, in October 2018 the Housing Revenue Account debt cap was removed. This had set a limit on the amount that local authorities could borrow within their HRAs regardless of the capacity to borrow. The removal of the debt cap gives local authorities more flexibility to use prudential borrowing as part of how they finance their HRA Business Plans, though increased borrowing will increase the revenue cost of interest payments. Authorities will also need to have assurance that any eventual debt repayments are sufficiently provided for.
- 1.5 In the Queen's Speech following the December 2019 election, the government re-announced its intention to pass a Building Safety Bill in this Parliament. In August 2020 a draft of the Building Safety Bill was published. This is currently subject to pre-legislative scrutiny and is expected to go through the parliamentary process in 2021 with full implementation likely the following year. Among other things, the Bill proposes the establishment of a Building Safety Regulator. A Fire Safety Bill is also going through the parliamentary process and this is expected to achieve Royal Assent shortly. The Fire Safety Bill contains a narrower set of changes, principally around Fire Risk Assessments. Officers are assessing the implications of both Bills so that the Council is able to respond accordingly.

1.6 Finally, in November 2020 the government published a social housing white paper entitled ‘*Charter for Social Housing Residents*’. This white paper focused on reforming the Regulator of Social Housing (RSH), empowering the regulator to be more proactive in ensuring landlords adhere to consumer standards. This includes creating a new arm to proactively regulate on consumer standards including housing quality, repairs, and resident engagement. The white paper proposes inspections of housing providers (including local authorities) and a review of the Decent Homes Standard. It is not yet clear when these proposals will become legislation/regulation, and it is likely that the government will carry out further consultation as part of refining their plans. Implications for the Housing Revenue Account will be considered as details emerge and reported in future Cabinet reports as appropriate.

2. Rents and Service Charges

Rents

2.1 Rent increases for social housing are determined by government regulation. In October 2017 the government announced a new five-year rent policy from 1 April 2020 which would allow rents to be increased by CPI plus one percentage point. CPI is defined as the rate published by the Office for National Statistics in September of the preceding year. This rent policy was confirmed by the Regulator in October 2019 and the new confirmed Rent Standard was published. A link to the new Rent Standard is contained at the end of this report.

2.2 An increase of CPI + 1% from April 2021 would represent the following average increases:

- Average rent in 20/21: £95.76
- Average rent in 21/22: £97.15 per week £97.20

2.3 Overall this would be an average increase of £1.44 per week or £75 per year. The average increase by bed size is shown in the table below:

No of Bedrooms	20/21 Avg. Rent p.w.	21/22 Avg. Rent p.w with CPI +1%	Rent increase p.w.
0 to 1	£80.89	£82.10	£1.21
2	£96.44	£97.89	£1.45
3	£105.05	£106.63	£1.58
4	£132.44	£134.43	£1.99
5	£127.77	£129.69	£1.92
6	£140.20	£142.30	£2.10

- 2.4 Rental income represents the most significant source of income for the HRA. As well as rent policy, the amount of income generated from rents is clearly also affected by the number of homes held in the HRA. When the initial self-financing settlement was made, the Council had 18,894 homes. However, shortly after the self-financing settlement was made, the Government increased the discount on Right to Buy properties, which caused the numbers of sales to significantly increase. In the year before the change, 97 homes were sold under the RTB in 2012/13 and then after the change, this rose to 226 sales in 2013/14, and sales have continued at around this level since that date. There were 202 sales in 2018/19 and 181 in 2019/20.
- 2.5 A number of HRA properties are also in the process of being decommissioned ahead of demolition as part of estate renewal schemes. There are around 140 HRA properties in estate renewal schemes where the tenants have been rehoused and which are currently being used as temporary accommodation. These properties provide an income to Community Solutions as a management fee for managing the temporary accommodation for homeless households. This is a temporary arrangement as the buildings are all due for ultimate demolition. The loss of temporary accommodation when buildings are prepared for demolition can be partially offset by other accommodation in estate renewal schemes becoming available for temporary accommodation. Around 180 new build units for temporary accommodation will also be delivered through the Be First programme which will help to stabilise the number of Council-owned temporary accommodation over the longer-term.
- 2.6 The impact of the rent uplift is forecast to be a net increase in rent of £0.905m once stock adjustments are taken into account.

Service charges

- 2.7 Tenant service charges are specific charges for services that some tenants receive and others do not. The list of charges which are identified separately are set out below. Landlords may not charge more than the actual cost of the service, plus a reasonable management fee. Not all tenants pay service charges. Around 10,000 do not pay service charges at all, due to the type of property that they occupy. The current and proposed charges are set out below:

Service	Charges for 20/21	Proposed charges for 21/22	Increase/reduction
Grounds Maintenance	£2.93	£2.93	£0
Caretaking	£7.65	£7.65	£0
Cleaning	£3.68	£3.68	£0
Estate Lighting	£3.92	£3.94	£0.02
Concierge	£10.06	£10.06	£0
CCTV (SAMS)	£6.17	£6.17	£0
Safer Neighbourhood Charge	£0.50	£0.52	£0.02
TV aerials	£0.62	£0.62	£0

- 2.8 The Council has a programme in place which has been reviewing the effectiveness of our services to tenants including caretaking and estate management in order to improve standards. Following the conclusion of the programme and successful

implementation of improvements we will carry out a full review of the costs of delivering these services and whether the full cost is being recovered through service charges. Since under recovery of charges means a financial loss to the HRA which has to be cross subsidised by other tenants who do not receive services it is our intention to move towards full cost recovery. However this will not be done until after the conclusion of the programme. Service charges for Caretaking, Cleaning, Grounds Maintenance and concierge services will therefore be maintained at current levels in 2021-22

- 2.9 The Safer Neighbourhoods charge recovers the cost of additional support from the Metropolitan Police to certain HRA estates and neighbourhoods. The charge from the police has risen slightly and this will be passed on to tenants as an increase of £0.02 per week.
- 2.10 The TV aerials contract is currently being re-procured and so the charge is being maintained at the same level. Charges for estate lighting and heating/hot water will be increased by CPI.
- 2.11 These charge increases are offset by cost increases and so there is no net financial benefit to the HRA.

Heating and Hot water charge

Property size	Weekly Charge 2020/21	Weekly Charge 2021/22
Bedsit	£13.34	£13.41
1 bedroom	£14.16	£14.23
2 bedroom	£16.99	£17.07
3 bedroom	£17.30	£17.39
4 bedroom	£17.75	£17.84

- 2.12 The small increases to the charges outlined above are matched by increases in costs of delivery and have no net benefit to the HRA.

Housing Revenue Account Budgets

- 2.13 The Management and Maintenance of the Council's housing stock is split between a number of service delivery agents. My Place provide landlord services, while functions such as the Housing Register and tenancy support are managed by Community Solutions. My Place also manage and supervise the Repairs and Maintenance service (including void repairs), which is delivered by BDMS.
- 2.14 During the period of four year rent reduction the Council reduced the budget for repairs and maintenance and did not provide any pay inflation for operatives. At a time of high cost rising for construction and related services this was not sustainable and resulted in significant overspends. It is proposed that this budget is increased to take account of these pressures. This has been assessed as an

increase of £4.245m. The HRA Repairs and Maintenance budget is a My Place commissioning budget, with My Place responsible for ensuring value for money from the repairs contract and continuing to improve the repairs service. This is an area of particular focus for My Place in 2021/22.

- 2.15 The increase in the Repairs and Maintenance budget has been offset by a close review of budgets within supervision and management which has identified some areas where budgets can be reduced. This means a net reduction in Supervision and Management budgets of £1.432m.
- 2.16 In addition there have been cost increases for insurance, business rates and council tax on empty properties.
- 2.17 The impact of Covid-19 has increased current arrears, and therefore the risk of bad debt. It is likely that the full bad debt provision will be needed in 2020/21 to manage this risk, though the Council's income team will continue to recover as much of the arrears as possible. As the impact of Covid will continue into 2021/22, a similarly prudent bad debt provision is proposed.
- 2.18 The HRA was previously holding significant reserves and capital receipts on which it attracted interest. However these balances have been used to fund the capital programme so the interest received has reduced.
- 2.19 The proposed HRA Budgets for 2020/2021 are set out below:

	Cabinet		Revised
	<u>2020/21</u>	<u>Changes</u>	<u>2021/22</u>
<u>Income</u>			
Dwelling Rents	(84,985,000)	(905,000)	(85,890,000)
Non Dwelling Rents	(770,000)	0	(770,000)
Charges for Services & Facilities	(20,497,000)	(83,700)	(20,580,700)
Interest & Investment Income	(350,000)	300,000	(50,000)
Total Income	(106,602,000)	(688,700)	(107,290,700)
<u>Expenditure</u>			
Repairs & Maintenance	14,219,000	4,245,000	18,464,000
Supervision & Management	45,054,000	(1,431,744)	43,622,256
Rent, Rates, Taxes and Other	357,000	65,500	422,500
Provision for Bad Debt	3,309,000	0	3,309,000
Interest Charges	10,742,000	0	10,742,000
Corporate & Democratic Core	685,000	0	685,000
Total Expenditure	74,366,000	2,878,756	77,244,756
NET REVENUE SURPLUS	(32,236,000)	2,190,056	(30,045,944)
Used to Fund Capital Programme – as follows			
Depreciation	15,860,200	1,018,786	16,878,986
Revenue Contribution to Capital	16,375,800	(3,208,842)	13,166,958
	32,236,000	(2,190,056)	30,045,944

3. HRA Capital Programme

- 3.1 The HRA capital programme is largely funded from the rent income paid by tenants. The Council is required to set aside money every year for 'Major Repairs' and may make additional revenue contributions above this. In addition, the Council may use some kinds of capital receipts and following the lifting of the Indebtedness Determination (the 'borrowing cap') may borrow in order to invest in its housing.
- 3.2 The main focus of HRA capital spend is on investment in the housing stock and estates, including achieving and maintaining the Decent Homes Standard and also communal and estate environmental works. In addition, there are Estate Renewal and New Build/Acquisition programmes. More information about these three programmes is given in the sections below.
- 3.3 The proposed Capital Programme for 2020/21 is summarised below:

Draft Capital Programme

Investment in Stock Programme:

Slippage from 20/21	15,356
Approved 21/22 Prog	10,700
New 21/22 Prog	4,438
Total Investment in Stock Programme	30,494
Estate Renewal	4,800
New Build	1,500
TOTAL PROGRAMME	36,794
Funded by:	
Revenue Surplus	-30,046
RtB Receipts	-450
Borrowing	-6,298
Interest Cost @ 3%	188.9

- 3.4 The cost of borrowing is estimated to be in the region of £0.189 a year based on an interest rate of 3%. Approximately half of this will be incurred in the first year.

4. Investment in Existing Stock

- 4.1 The main focus of HRA capital spend is on investment on the housing stock and estates. The stock investment programme is focused on the following five groups of types of works:
1. Internals (kitchens, bathrooms, boilers and rewire etc)
 2. Externals (roofs, windows, doors, rainwater goods etc)

3. Communal / Compliance (fire doors, lifts, communal boilers, lateral mains, water tank replacement, asbestos removal, door entry systems etc)
 4. Landlord Works (disabled adaptations, capital voids, energy efficiency)
 5. Estate Environmental Works (road surfaces, footpaths, garages etc)
- 4.2 The delivery of the 2020/21 stock investment programme has been impacted by Covid-19, and is currently forecast at £19.8m spend from a budget of £38m. Slippage of £15.4m of committed spend will be incurred in 2021/22. The residual £4m of works not yet committed will effectively be included for new works as part of the new 21/22 programme.
 - 4.3 Cabinet also approved £10.7m of works for 2021/22 as part of the April 2020 HRA budget setting. This means that spend of £30.494m on existing stock is expected in the next financial year. It is anticipated that delivery of the stock investment programme in 2021/22 will still be impacted to some extent by Covid, and the proposed £30.494m budget has been set based on an assessment of what is deliverable in that context at the time of budget setting.
 - 4.4 Cabinet are also asked to agree a further £6m of committed budget as part of the programme for 2022/23. This approval will give authorisation to My Place to start the design and procurement of these works against the agreed budget. Further information about the programme is set out in Appendix 5.
 - 4.5 The stock investment programme hit its target of fewer than 10% of properties not meeting the Decent Homes Standard. Continuing to reduce this figure to zero so that all council homes are decent is a major aim of the stock investment programme.
 - 4.6 The £30m funding allocation is net of leaseholder contributions. Where works are carried out that benefit leasehold properties the Council may recover the relevant proportion of cost from the leaseholders. This will be used to offset the overall cost of the programme.

5. Estate Regeneration

- 5.1 The council has an long-standing estate renewal programme. The HRA Estate Regeneration budget funds mainly the costs of tenants and leaseholders' home loss and disturbance payments for those tenants and leaseholders who have to move as a result of the demolition of their homes. In addition, it funds the buyback of homes from leaseholders where these homes are going to be demolished. It has also funded the actual costs of demolition in some locations.
- 5.2 The current phase of the Estate Regeneration Programme – including the later phases of Gascoigne and schemes such as Roxwell Road and Oxlow Lane – requires a significant number of tenants to be rehoused and leaseholders to be bought back to enable the demolition of the existing estates and construction of new homes. Work is also currently underway to assess estates which could form part of a future estate renewal programme. Any such schemes will be required to demonstrate through rigorous options appraisal that investment in them will be of financial benefit to the HRA.

6. New Build programme

- 6.1 The main approach to new build for the Council is through General Fund borrowing, with the homes built by Be First and ultimately managed by Reside. The intention is to invest most future RtB receipts in this programme. However there is an intention to fund a small new build programme through the HRA, primarily for specialist housing to support vulnerable residents. In November 2020 Cabinet approved new HRA specialist housing for the Brocklebank site, and these homes are expected to start on site in late 2021/22. Provision has been made for these new homes in the HRA.
- 6.2 The Housing Capital Programme will be funded through a combination of capital receipts, Revenue Contributions to Capital Outlay (RCCO), the Leasehold Reserve and borrowing. Not all of these funding sources can be used for all these expenditure items, and the funding will be appropriately profiled to the projects.

7. Consultation

- 7.1 Consultation on the proposals in this report has taken place with the Leader, the Cabinet Member for Regeneration and Social Housing, and the Cabinet Member for Finance, Performance & Core Services.

8. Financial Implications

Implications completed by Katherine Heffernan, Group Manager, Service Finance

- 8.1 The Council is required to maintain a specific ringfenced Housing Revenue Account for the management of its social housing properties. All expenditure on Social Housing must be fully funded from rental income with no call on general Council funds. The Council is also required to have business planning processes in place to ensure that the HRA remains sustainable over the longer term (thirty years.)
- 8.2 In the period immediately following the introduction of Self Financing in 2012, HRA finances were relatively buoyant especially when considered over the thirty years of the business plan. However, the four-year rent reduction and the “revitalization” of Right to Buy have both reduced the income achievable from the HRA.
- 8.3 The requirement to reduce rents has now ended and this report proposes that Council rents should increase by the maximum amount permitted which is 1.5%. This brings in £0.9m additional income to the HRA. However the HRA has overspend in the last two years on Repairs and Maintenance and it is prudent to plan for this level of expenditure. Although this can be offset by efficiencies and improvements in Supervision and Management there is a net increase in costs of £3.6m. The net revenue surplus is therefore £28.604m. This is a lower surplus than last year’s budget and results in less funding being available for capital. Although the HRA is now allowed to borrow to meet its capital requirements this does reduce the funding available over the 30 year business plan period.
- 8.4 In previous years despite the constraints in rental income the use of the built-up reserve of capital receipts enabled the Council to continue to invest in its Social Housing. This historic reserve is now mostly used up. The Council is able to make use of borrowing to fund capital expenditure and will do so for some elements of this

year's programme. The Housing Capital Programme will be funded through a combination of capital receipts, Revenue Contributions to Capital Outlay (RCCO), the Leasehold Reserve and borrowing. Not all of these funding sources can be used for all these expenditure items, and the funding will be appropriately profiled to the projects.

9. Legal Issues

Implications completed by Dr Paul Feild, Senior Governance Solicitor

- 9.1 The basis for setting rent is Section 24 of the Housing Act 1985 which provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses.
- 9.2 Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.

10. Other Implications

- 10.1 **Equality implications** – the report proposes that rents are increased in line with government regulations. HRA rents remain low compared to market rents even following the proposed increase, and in general are around 35% of the borough's market rents. Rents for HRA properties can be fully covered by housing benefit/Universal Credit if needed. The rental increase is considered to be proportionate because rent is the main source of HRA income, and funds the services to council tenants as well as maintenance/investment in council stock.
- 10.2 **Risk Management** – There are a number of risks associated with the delivery of estate renewal projects. The recommendations in this report are designed to help ensure delivery of these projects.
- 10.3 **Safeguarding Adults and Children** – None directly arising from this report. Specific estate renewal proposals and rehousing programmes will need to take into account safeguarding considerations.
- 10.4 **Property / Asset Issues** – None directly arising from this report – specific estate renewal proposals will need to take into account relevant asset issues.

Public Background Papers Used in the Preparation of the Report:

Rent Standard from April 2020 (Annexe 2 of linked document):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/847359/Decision_Statement_Consultation_on_the_Rent_Standard_FINAL.pdf

List of appendices:

- Appendix 1 - HRA Working Balances
- Appendix 2 - Average rent analysis
- Appendix 3 - Budget assumptions
- Appendix 4 - HRA Budget Summary 2020/21
- Appendix 5 - HRA Investment in Existing Stock – 2019/20 to 2021/22

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APPENDIX 1

HRA WORKING BALANCE	
	£'000
Working Balance 1st April 2020	9,490
Projected Surplus /(Deficit) 2020/21	5,324
Working Balance 1st April 2021	4,166
Projected Surplus /(Deficit) 2021/22	-
Working Balance 31st March 2022	4,166

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APPENDIX 2

AVERAGE RENT ANALYSIS			
	2020-21 per week £.pp	2021-22 per week £.pp	Change per week £.pp
Average Rent	95.76	97.2	1.44
Tenants Service Charges * (excl. heating and water)	35.53	41.38	93.35

The Tenant Service charge average is not reflective of the charge to all tenants as each receives a varying range of services. 10,000 tenants pay no service charges at all.

	2020-21 per week £.pp	2021-22 per week £.pp	Change per week £.pp
Current Charge			
Grounds	2.93	2.93	0
Estate Lighting	3.92	3.94	0.02
Caretaking	7.65	7.65	0
Cleaning	3.68	3.68	0
Safer Neigh	0.50	0.52	0.02
CCTV	6.17	6.17	0
Concierge	10.06	10.06	0
TV aerials	0.62	0.62	0

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APPENDIX 3

BUDGET ASSUMPTIONS						
<u>Rent</u>						
Average Rent Increase						1.50%
Average Rent Increase Houses						1.50%
Average Rent Increase Flats						1.50%
Voids (Percentage of Gross Rent)						1.00%
<u>Rent Policy</u>						
In Accordance with Government policy						1.50%
<u>Stock Assumptions</u>						
Right to Buy Sales in year						150
<u>Tenants Service Charges</u>						
	2020-21		2021-22		change	
	£ p.w		£ p.w		£ p.w	
Grounds Maintenance	2.93		2.93		0	
Estate Lighting	3.92		3.94		0.02	
Caretaking	7.65		7.65		0	
Cleaning	3.68		3.68		0	
Safer Neighbourhood	0.50		0.52		0.02	
CCTV	6.17		6.17		0	
Concierge	10.06		10.06		0	
TV Aerials	0.62		0.62		0	
<u>Energy</u>						
CPI Sept 2020						0.50%
<u>Interest</u>						
Average Debt Interest						3.63%

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APPENDIX 4

HOUSING REVENUE ACCOUNT	2020/21		2020/21
	BUDGET	CHANGE	BUDGET
Income			
Dwelling Rents	-84,985	-905	-85,890
Non Dwelling Rents	-770	0	-770
Charges for Services and Facilities	-20,497	-84	-20,581
Interest and Investment Income	-350	300	-50
TOTAL INCOME	-106,602	-689	-107,291
Expenditure			
Repairs and Maintenance	14,219	4,245	18,464
Supervision and Management	45,054	-1,432	43,622
Rent, Rates, Taxes and other	357	66	423
Provision for Bad Debt	3,309	0	3,309
Interest Charges	10,742	0	10,742
Corporate and Democratic Core	685	0	685
TOTAL EXPENDITURE	74,366	2,879	77,245
Available for Capital Expenditure	-32,236	2,190	-30,046

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HRA INVESTMENT IN EXISTING STOCK

APPENDIX 5

Project Code	Programme Element	Code Description	EXISTING PROGRAMME	NEW PROGRAMME FOR APPROVAL	CAPITAL BUDGET	
			Carry Forward 20/21	NEW PROGRAMME	2021/22	2022/23
FC00100	Landlord Works	Disabled Adaptations	991,000	1,000,000	1,592,800	398,200
FC02933	Landlord Works	Capital Voids	486,361	1,500,000	1,986,361	-
FC04002	Communal/ Compliance	Lift Replacement (previous year)	628,783	500,000	903,026	225,757
FC04003	Internal	Domestic Heating	480,000		480,000	-
FC04004	Landlord Works	Boxed Bathroom (insulation)	181,469		181,469	-
FC04006	Landlord Works	Minor Works	400,000		320,000	80,000
FC05000	Internal	DH Internal	2,550,000		2,040,000	510,000
FC05002	External	Externals (all blocks)	5,433,261	7,000,000	9,946,609	2,486,652
FC05003	External	Externals	305,092	3,500,000	3,044,073	761,018
FC05004	Communal/ Compliance	Door Entry Systems	1,400,000		1,120,000	280,000
FC05005	Communal/ Compliance	Compliance	899,944	500,000	1,119,955	279,989
FC05006	Communal/ Compliance	Fire Safety	-	900,000	720,000	180,000
FC05007	Communal/ Compliance	Fire Doors	1,348,950	1,000,000	2,348,950	-
FC05010	Communal/ Compliance	Lift Replacement	50,724		50,724	-
FC05011	Communal/ Compliance	Communal Boilers		400,000	320,000	80,000
FC05013	Estate Environmental work	Estate Road Resurfacing		1,000,000	1,000,000	-
FC05014	Landlord Works	Energy Efficiency		3,500,000	2,800,000	700,000
FC05015	Contingency	Contingency	-	200,000	200,000	-
FC05068	HRA Void Extensions	HRA Void Extension	200,000	200,000	320,000	80,000
			£ 15,355,583	£ 21,200,000	£ 30,493,968	£ 6,061,616

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CABINET

15 February 2021

Title: Air Quality Action Plan 2020-2025	
Report of the Cabinet Member of Enforcement and Community Safety	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Theo Lamptey, Service Manager Public Protection	Contact Details: Tel: 0208 227 5655 E-mail: theo.lamptey@lbbd.gov.uk
Accountable Director: Andy Opie, Operational Director of Enforcement and Community Safety	
Accountable Strategic Leadership Director: Fiona Taylor, Director of Law and Governance	
Summary	
<p>Every Local Authority that has an active Air Quality Management Area (AQMA) is required under Part IV of the Environmental Protection Act 1995 to produce an Air Quality Action Plan (AQAP) to address the identified areas of poor air quality in the Borough.</p> <p>The London Borough of Barking and Dagenham's (LBBD) existing AQAP is significantly out of date; the last AQAP was adopted in 2008 and should be revised every 5 years maximum. The AQAP has been prepared following consultation with key internal and external stakeholders who play a major part in improving air quality in Barking and Dagenham. Once adopted, the AQAP will set out our objectives to improve air quality between 2020 – 2025.</p> <p>This report provides an overview of the current position in respect of air quality in Barking and Dagenham and highlights the key areas and actions that are considered in the AQAP to improve air quality.</p>	
Recommendation(s)	
That Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Approve and adopt the London Borough of Barking and Dagenham Air Quality Action Plan 2020-2025 for implementation, as set out at Appendix A to the report; and (ii) Authorise the Operational Director of Enforcement and Community Safety, in consultation with the Cabinet Member of Enforcement and Community Safety, to approve any non-material amendments to the AQAP prior to publication. 	

Reason(s)

Air pollution is a public health and environmental issue. Working to improve air quality is linked to the Council's 2nd Priority, Theme 2 "Empowering People" whereby the actions undertaken to reduce pollution and human exposure to pollution are underpinned by the principles of protecting the most vulnerable people.

Air pollution is linked to the development of chronic and respiratory illness. Local air pollution affects all populations however it also disproportionately affects the young, old and those with existing health conditions (e.g., respiratory and heart).

1. Introduction and Background

- 1.1 Barking and Dagenham suffers from some of the worst pollution in London. At the advice of Council officers in 2008, Cabinet agreed to adopt an Air Quality Management Area (AQMA) due to exceedances of legal limits for Nitrogen Dioxide and Particulate Matter. This AQMA is still adopted to date for the same pollutants.
- 1.2 The health impacts of air pollution are increasingly well understood. Air quality is increasingly being framed as a public health issue, as well as (or even superseding its status as) an environmental issue. This, as well as recent national court cases and the threat of legal action on Government for not achieving the legal limits, has helped push the issue of air quality higher up the national and local agenda.
- 1.3 LBBD's Local Implementation Plan, published January 2019, demonstrates that air quality is part of the 8 key objectives and 4 priority themes. The Borough Manifesto sets out the long-term vision for Barking and Dagenham with key priorities including the need to promote healthy, sustainable travel and to create better streets and places. The Council has integrated air quality into various Council strategy documents such as the Health and Wellbeing Strategy, The Local Plan – Core Strategy, Economic Growth Strategy and The Development Management Policies.
- 1.4 On 29 January 2020, Members declared a Climate Emergency in recognition that Barking and Dagenham needs to reduce greenhouse gas and carbon emissions and help meet national targets for the UK to attain net zero carbon by 2050. Local air pollution and climate change are directly linked in respect to atmospheric emissions being released from the combustion of fossil fuels and the negative effects on the environment and human health. They are also directly linked by energy use and sustainability.

2. Air Quality in Barking and Dagenham

- 2.1 In Barking and Dagenham levels of the noxious gas Nitrogen Dioxide (NO₂) are above legal limits set by EU Directives and enshrined in UK law. The other key pollutant of concern in Barking and Dagenham, and London, is Particulate Matter (PM). Barking and Dagenham currently meets EU Objective levels for PM₁₀, however there is no safe level or concentration of these pollutants where there is no adverse impact on health, so as a Council we are trying to reduce PM levels as far as possible.

- 2.2 PM_{2.5} is particulate dust sizes less than 2.5 micrometres in diameter and are also part of UK law. This pollutant has further raised the local air pollution agenda into the environmental/public health spotlight due to the scientific evidence that this pollutant has significant negative impacts to human health. The fraction of mortality attributable to Particulate Matter in Barking and Dagenham is 6.8%, which is above the mean of 6.5% for all local authorities in London (2017, PHE). Barking and Dagenham has the 6th highest rate of asthma related hospital admissions in London.
- 2.3 The main sources of local air pollution in Barking and Dagenham are emissions from road transport, the existing building stock (mostly gas combustion) and from new development (demolition and construction). Road transport accounts for around 47% of NO₂ emissions and 19% PM₁₀ emissions; commercial and domestic heating is the source of around a quarter of NO₂ emissions, while PM emissions are produced in larger amounts by construction work (approximately 41%).
- 2.4 Three (3no.) Air Quality Focus Areas (AQFAs) have been declared by the GLA within Barking and Dagenham. AQFAs are geographic locations that exceed the NO₂ legal annual mean limit value and are locations with high human exposure. A map showing the locations of the three AQFAs and modelled concentrations of NO₂ from vehicle emissions is provided in the Appendix of this report.
- 2.5 Air quality monitoring in LBBD is undertaken by two automatic monitoring stations located in Rush Green Primary School and in Scrattons Farm Eco-Park. In July 2020, the Environmental Protection Team re-instated a relatively low cost NO₂ diffusion tube network which are placed at borough-wide roadside locations to assess the most polluted roads. The diffusion tubes will provide the Council monthly roadside concentrations of Nitrogen Dioxide which will then provide an annual average measurement required for annual reporting and monitoring purposes.
- 2.6 This report updates the Cabinet on the Council's Draft AQAP 2020 – 2025 following both consultation with the public and with the Greater London Authority (GLA). This report also provides the action planning that the Council consider delivering as part of their commitment to lower local air pollution and improve public health.

3. Health Impacts

- 3.1 Negative health impacts would likely increase within the local community should an AQAP not be adopted by Cabinet and actions not taken by the Council to minimise and mitigate Council activities. If adopted, the AQAP will have a direct and indirect positive affect on the local community by working towards lowering air pollution concentrations and increasing public knowledge of the need to consider pollution effects on their health.

4. The Air Quality Steering Group

- 4.1 During 2020, interdepartmental meetings were undertaken within an Air Quality Steering Group, chaired by Director of Enforcement and Community Safety. This includes attendees from relevant Council departments that are responsible for delivering actions within an adopted AQAP. The Environmental Protection Team

prepared the draft AQAP 2020 - 2025 to replace the current (and out of date) AQAP.

4.2 The Steering Group agreed a final draft AQAP at the end of 2020. The AQAP actions have been grouped into six categories following Greater London Authority (GLA) guidance:

- Reducing Emissions from developments and buildings
- Increasing of both public health and air quality awareness
- Reducing Emissions from delivery servicing and freight
- Reducing Emissions from Council owned vehicles i.e., Borough fleet actions
- Engaging of localised solutions
- The use of cleaner transport

4.3 The action table contains:

- a list of 49 actions that form part of the plan.
- the responsible departments/organisations who will deliver the action(s)
- expected benefit in terms of emissions and concentration reduction where possible.
- the timescale for implementation; and
- details of how progress will be monitored.

4.4 The Air Quality Steering Group will continue to meet quarterly to provide updates and progress of the AQAP actions, and it is vital that there is ongoing representation across Council services.

4.5 **External Consultation and Key Stakeholders**

4.6 The draft AQAP went out to public/external consultation from 1st October to 30th November 2020, on the Council's OneBorough Voice. The consultation had 385 visitors and 301 contributions from participants/members of the public with respect to the consultation's 9 survey questions.

4.7 The consultation's 9 survey questions are provided below for information:

- 1) Please tell us how important do you think the issue of air pollution is in Barking and Dagenham? (Very Important to Not Important)
- 2) How strongly do you agree or disagree that the Council's planning process should reduce air pollution at construction sites? (Strongly Agree to Strongly Disagree)
- 3) How strongly do you agree or disagree that the Council's planning process should reduce air pollution from commercial delivery vehicles, e.g., lorries and large vehicles? (Strongly Agree to Strongly Disagree)
- 4) How strongly do you agree or disagree with the Council carrying out a communications strategy to give people information on air pollution? (Strongly Agree to Strongly Disagree)
- 5) How strongly do you agree or disagree with the Council changing their existing vehicles to cleaner vehicles (for example by increasing the number of electric vehicles)? (Strongly Agree to Strongly Disagree)
- 6) How strongly do you agree or disagree with the Council's proposals to make Barking and Dagenham's streets healthier? (Strongly Agree to Strongly Disagree)

- 7) How strongly do you agree or disagree with the Council installing electric car charging points on the street to encourage the public to use cleaner vehicles/cars? (Strongly Agree to Strongly Disagree)
- 8) How strongly do you agree or disagree with the Council developing a plan to help reduce traffic congestion and air pollution on the A13? (Strongly Agree to Strongly Disagree)
- 9) Are there any areas of concern that you have (regarding air pollution) that you would like to raise to the Council's attention with respect to this consultation on the Air Quality Action Plan?

4.8 The consultation responses have been collated and considered. The consultation responses provide strong support for the AQAP:

- 48% of respondents strongly agreed that the Council should be installing electric car charging points on the street to encourage the public to use cleaner vehicles/cars. 8% strongly disagreed.
- 41% of respondents strongly agreed that the Council's planning process should reduce air pollution at construction sites. 5% strongly disagreed.
- 49% of respondents strongly agreed that the Council's planning process should reduce air pollution from commercial delivery vehicles, e.g., lorries and large vehicles? 7% strongly disagreed.
- 42% of respondents strongly agreed with the Council carrying out a communications strategy to give people information on air pollution. 5% strongly disagreed.
- 37% of respondents strongly agreed with the Council changing their existing vehicles to cleaner vehicles (for example by increasing the number of electric vehicles). 8% strongly disagreed.
- 44% of respondents strongly agreed with the Council's proposals to make Barking and Dagenham's streets healthier. 8% strongly disagreed.
- 34% of respondents strongly agreed with the Council installing electric car charging points on the street to encourage the public to use cleaner vehicles/cars. 12% strongly disagreed.
- 43% of respondents strongly agreed with the Council developing a plan to help reduce traffic congestion and air pollution on the A13. 11% strongly disagreed.

4.9 Question 9 invited participants to provide areas of concern with respect to this consultation on the Air Quality Action Plan. The questions have been answered where relevant in the appendices of the AQAP. A summary of the responses from the consultation is provided below:

- GREEN INFRASTRUCTURE
- RIVER ROAD FOR DUST AND HEAVY TRAFFIC (NOTE: SIGNIFICANT COMMENTS ON THIS)
- THE A13 AND TRAFFIC LEVELS (NOTE: SIGNIFICANT COMMENTS ON THIS)
- CYCLING INFRASTRUCTURE (LACK OF IT)
- NO 'BORIS/SANTANDER' BIKES
- DEVELOPMENT AND LACK OF GREEN SPACE WITHIN / OVER DEVELOPMENT
- IDLING VEHICLES ESPECIALLY AT SCHOOLS / 'THE SCHOOL RUN'
- NEED FOR ELECTRIC VEHICLE CHARGING POINTS

- CITY OF LONDON MARKETS MAKING TRAFFIC WORSE AT RIVER ROAD/A13
- MORE PUBLIC TRANSPORT NEEDED
- CPZ's / COST IMPLICATION OF AQAP TO PUBLIC (NOTE: SIGNIFICANT COMMENTS ON THIS)

4.10 The list below highlights the key stakeholders who will provide a pivotal role in the delivery of the AQAP:

- Environmental Protection (Environmental Health)
- Public Health
- Be First - Regeneration
- Legal Services
- My Place including Housing, Public Realm
- Transport Planning and Policy including Development Management.
- Inclusive Growth
- Fleet Services
- Parking Services
- GLA
- TfL
- Department for Transport (for LIP funding)

5. Consultation with the Greater London Authority (GLA)

5.1 The Mayor's London Local Air Quality Management (LLAQM) framework is the statutory process used by Local Authorities to review and improve air quality within their areas.

5.2 After public/external consultation of the draft AQAP ended on 30 November 2020 and after the action plan had been amended in response to the consultation comments (where relevant), LBBD were then required under LLAQM framework to consult the GLA.

5.3 LBBD consulted the GLA on 15 December 2020 and received consultation comments in reply on the 22 December 2020. The comments received during this statutory consultation have been collated and incorporated into the final draft AQAP which was then sent back to the GLA for their final comment. On 7 January 2021, the draft AQAP was given provisional approval by the GLA. The Operational Director for Enforcement & Community Safety, Andy Opie, received the formal approval letter on 14 January 2021 as can be found in Appendix C of the report.

5.4 This final draft AQAP was presented to the Corporate Strategy Group (CSG) on 21 January 2021 and was cleared for Cabinet approval.

6. Proposal and Issues

6.1 It is proposed that the draft LBBD Air Quality Air Plan 2020 - 2025 (which has followed the 6 recommended themes provided by the GLA and has gone through the statutory consultation processes) is approved by Cabinet.

- 6.2 It is a statutory requirement that an AQAP be produced for declared Air Quality Management Areas. The current AQAP is significantly out of date and needs superseding.

7. Options Appraisal

- 7.1 The option to approve the AQAP 2020 -2025, would aid planning and delivering of the AQAP within the Steering Group meetings and fulfil LBBD's requirement to have an adopted AQAP.
- 7.2 The option not to approve the AQAP could mean that the planning and delivery would need to be revised and different actions considered. This would likely have a serious negative impact on achieving delivery of the AQAP within the near future.

8 Timetable for Implementation

- 8.1 The action plan document provides details of all the responsible departments with actions to ensure they are delivered as planned and on time.
- 8.2 Updates and progress on the delivery of each action will be required at the quarterly Steering Group meetings. Information from the quarterly meetings will be collated by the Environmental Protection Team to provide update to the GLA as required under the Mayor's London Local Air Quality Management, as referred to in section 5.1 of this report.

9. Financial Implications

Implications completed by David Folorunso, Finance Business Partner

- 9.1 There are no direct cost implications for this decision and any agreed actions will be funded from the existing agreed budgets for the service area. If additional actions are required to improve the air quality, the funding sources will need to be identified.

10. Legal Implications

Implications completed by Deirdre Collins, Senior Lawyer Litigation Team

- 10.1 Air quality standards and objectives are set out in the Air Quality (England) Regulations 2000. The Council has a duty to review the quality of air within their area under Part IV of the Environment Act 1995.
- 10.2 The action plan must include the time(s) within which the Council proposes to implement its measures and include proposals submitted by the Mayor of London for the exercise of the Mayor's powers.
- 10.3 The Department for Food, Environment and Rural Affairs, in conjunction with Public Health England and Department of Health, Social Services and Public Safety have published the Clean Air Strategy in May 2018.

11. Other Implications

- 11.1 **Staffing Issues** – The proposed actions in the Draft AQAP 2020 -2025 do not have a direct significant negative impact on existing and future staff or staffing levels. Existing staff resource within Enforcement Service is well placed to finalise and deliver the AQAP. Internal departments responsible for agreed actions will be adequately resourced by existing and future staff and staffing levels. As part of the Air Quality Steering Group Meetings, key departmental contacts attend and agree how that department can commit resources to actions.
- 11.2 **Corporate Policy and Equality Impact** – The Borough Manifesto, Theme 5 ‘Health and Social Care’ and Theme 7 ‘Environment’ are addressed by the Draft AQAP and the actions to reduce local air pollution.

Adoption of the Draft AQAP will improve:

- the short, medium- and long-term health of those who live, work and visit the borough.
- breaking down disproportionate health inequalities within the borough both geographically and demographically
- more sustainable travel modes which in turn has direct and indirect positive changes in transport efficiencies and economic productivity. Delivery of cleaner air does not prejudice economic growth.
- lowering greenhouse gas and carbon emissions which in turn contributes towards LBBD corporate carbon reduction targets.

- 11.3 **Equality Impact Assessment** – An EIA has been undertaken and is attached as Appendix D. This highlights how the community are disproportionately affected by poor air quality and detail mitigation actions. By delivering the actions in the AQAP would contribute to increasing healthy life expectancy and reducing early death from cardiorespiratory diseases.
- 11.4 **Safeguarding Adults and Children** – The link between health inequalities and pollution is complex however studies show that the greatest burden of air pollution usually falls on the most vulnerable in the population, particularly the young and elderly and those with existing health conditions that are exacerbated by pollution.

Adoption of the Draft AQAP would positively improve the health of the most vulnerable persons at risk of air pollution including the adults and children. Agreed actions in the AQAP would target emission sources and increase the public’s protection to air pollution exposure.

Public Background Papers Used in the Preparation of the Report:

- The GLA’s ‘Borough Air Quality Action Matrix’, published 2019
https://www.london.gov.uk/sites/default/files/air_quality_action_matrix.pdf

List of appendices:

- **Appendix A – Draft Air Quality Action Plan (AQAP) 2020 - 2025**
- **Appendix B – Local Focus Areas**
- **Appendix C – Approval Letter from GLA to Andy Opie**
- **Appendix D – Equality Impact Assessment AQAP**

The London Borough of Barking and Dagenham Air Quality Action Plan 2020-2025



SUMMARY

This Air Quality Action Plan (AQAP) has been produced as part of our duty to London Local Air Quality Management. It outlines the action we will take to improve air quality in London Borough of Barking and Dagenham (LBBD) between 2020-2025.

This action plan replaces the previous action plan.

Air pollution is associated with a number of adverse health impacts, it is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. There is also often a strong correlation with equalities issues, because areas with poor air quality are also often the less affluent areas^{1,2}.

The annual health costs to society of the impacts of air pollution in the UK is estimated to be roughly £15 billion³. LBBD is committed to reducing the exposure of people in Barking and Dagenham to poor air quality in order to improve health.

We have developed actions that can be considered under seven broad topics. Our priorities are Monitoring and core statutory duties; Emissions from Developments and Buildings; Public Health and Awareness Raising; Delivery, Servicing and Freight; Borough Fleet; Localised Solutions and Cleaner Transport.

- **Monitoring and other core statutory duties:** maintaining monitoring networks is absolutely critical for understanding where pollution is most acute, and what measures are effective to reduce pollution. There are also a number of other very important statutory duties undertaken by boroughs, which form the basis of action to improve pollution;
- **Emissions from developments and buildings:** emissions from buildings account for about 15% of the NO_x emissions across London so are important in affecting NO₂ concentrations;
- **Public health and awareness raising:** increasing awareness can drive behavioural change to lower emissions as well as to reduce exposure to air pollution;
- **Delivery servicing and freight:** vehicles delivering goods and services are usually light and heavy duty diesel-fuelled vehicles with high primary NO₂ emissions;
- **Borough fleet actions:** our fleet includes light and heavy duty diesel-fuelled vehicles such as mini buses and refuse collection vehicles with high primary NO₂ emissions. Tackling our own fleet means we will be leading by example;
- **Localised solutions:** these seek to improve the environment of neighbourhoods through a combination of measures; and
- **Cleaner transport:** road transport is the main source of air pollution in London. We need to incentivise a change to walking, cycling and ultra-low emission vehicles (such as electric) as far as possible.

You will see in this report that we have worked hard to engage with stakeholders and communities which can make a difference to air quality in the borough. We would like to thank all those who have worked with us in the past and we look forward to working with you again as well with new partners as we deliver this new action plan over the coming years.

In this AQAP we outline how we plan to effectively use local levers to tackle air quality issues within our control. However, we recognise that there are a large number of air quality policy areas that are outside of our influence (such as Euro standards, national vehicle taxation policy, taxis and buses), and so we will continue to work with and lobby regional and central government on policies and issues beyond LBBDD's influence.

RESPONSIBILITIES AND COMMITMENT

This AQAP was prepared by the Environmental Health Department of LBBDD Council with the support and agreement of the following officers and departments:

- Regulatory Services; Environmental Health
- Legal Department
- BeFirst
- MyPlace
- Fleet Services
- Parking Services
- Planning
- Public Health
- Inclusive Growth
- Education Services
- Communications
- Leisure, Parks and Heritage
- Public Realm

This AQAP has been approved by:

Matthew Cole, Director of Public Health

A handwritten signature in black ink that reads "Matthew Cole". The signature is written in a cursive style with a long, sweeping underline.

This AQAP will be subject to quarterly reporting by internal departments via the Steering Group meetings. The Steering Group meetings will allow each department to provide progress/updates on their actions. Progress of each action within the AQAP will be annually reported in the Annual Status Reports produced by LBBD, as part of our statutory London Local Air Quality Management duties.

If you have any comments on this AQAP please send them to :
Environmental Protection Team, LBBD
Environmentalprotection@LBBD.gov.uk

¹ Environmental equity, air quality, socioeconomic status and respiratory health, 2010.

² Air quality and social deprivation in the UK: an environmental inequalities analysis, 2006.

³ Defra. Air Pollution: Action in a Changing Climate, March 2010

Abbreviations

AQ	Air Quality
AQAP	Air Quality Action Plan
AQMA	Air Quality Management Area
AQO	Air Quality Objective
BEB	Buildings Emission Benchmark
CAB	Cleaner Air Borough
CAZ	Central Activity Zone
EV	Electric Vehicle
GLA	Greater London Authority
LAEI	London Atmospheric Emissions Inventory
LAQM	Local Air Quality Management
LLAQM	London Local Air Quality Management
NRMM	Non-Road Mobile Machinery
PM ₁₀	Particulate matter less than 10 micron in diameter
PM _{2.5}	Particulate matter less than 2.5 micron in diameter
TEB	Transport Emissions Benchmark
TfL	Transport for London

Foreword

In this Air Quality Action Plan, we have focused on how we will best tackle local air quality issues within our control. We must do all we can to make sure that the air we all breathe is cleaner and safer now and into the future, and we owe it to future generations to take the lead on this important issue.

However, we must recognise that there are a large number of air quality policy areas that are outside of our influence, such as vehicle emission standards, national vehicle taxation policy, taxis and buses and traffic management on the major TfL regulated roads. While we are therefore determined to do what we can, as this Action Plan demonstrates, we will also continue to work with our communities and the Mayor of London, and lobby central government, to develop policies that will ensure more comprehensive action on issues beyond Barking and Dagenham's direct control.

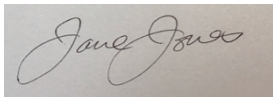
This is a first important step to grappling with an issue of tremendous significance for all of us.

Councillor Margaret Mullane, Cabinet Member for Enforcement and Community Safety



The Air Quality in this Borough is much poorer than any of us would wish and this results in adverse conditions for both our environment and health. This is borne out by poor lung health figures within the Borough. There are many factors that contribute to creating poor air quality and it is vitally important that Council Departments and Members work together to ensure that we are doing all that we can to source funding for resourcing projects that will mitigate the adverse effects of poor air quality.

Councillor Jane Jones,



The Air Quality Action Plan is an integral piece of work that seeks to improve the health of all those living in Barking and Dagenham. This plan has the potential to deliver cleaner air for future generations and is being proposed at a time when air quality is more important than ever.

The members of the steering committee were not oblivious to the challenges that shaping such a bold and innovative plan presented – and the final document has undergone scrutiny from across services. I am proud to have been a part of it and look forward to working alongside colleagues to ensure that this plan is not just a soundbite, but the start of real positive change for our residents.

Councillor Andrew Achilleos, Member Champion for Climate Change



Air Quality Action Plan 2020-2025

The actions have been grouped into seven categories: Monitoring and core statutory duties; Emissions from developments and buildings; Public health and awareness raising; Delivery servicing and freight; Borough fleet actions; Localised solutions; and Cleaner transport.

Action category	Action ID	Action name and description	Responsibility	Cost	Expected emissions/ concentrations benefit	Timescale for implementation	Outputs, Targets and KPIs	Further information
Monitoring and core statutory duties	1	Maintain the borough's monitoring network, and add an additional 20 diffusion tubes	Environmental Protection Team	Low	No emissions benefits but critical in terms of understanding emissions and concentrations	10 NOx Diffusion Tubes deployed July 2020, ongoing monthly monitoring. Target to install 20 further tubes minimum by 2023	All AQ stations monitors maintained and over 90% data capture. All NOx tube information to be provided in Annual Status Reports (ASR).	Details of LBBD monitoring can be found here: https://www.londonair.org.uk/london/asp/publicbulletin.asp?la_id=1&MapType=Google
Monitoring and core statutory duties	2	Work with and support relative emerging A.Q monitoring projects to integrate new/modern monitoring techniques, including the £1m C40 project delivered in partnership with the GLA.	Environmental Protection Team	Low	No emissions benefits but critical in terms of understanding emissions and concentrations	Dependent on project funding from GLA.	All monitors maintained. Increase and quantify monitoring sites wherever possible. 2 monitors located in LBBD.	Details of GLA monitoring can be found here https://www.breathelondon.org/

Monitoring and core statutory duties	3	IPPC duties and inspections under the Environmental Permitting Regulations 2010	Environmental Protection Team	Low	Emission reductions as processes upgrade to meet Best Available Technology (BAT) requirements	Ongoing.	Number of processes inspected, and risk assessed in accordance with framework	https://www.lbbd.gov.uk/industry-pollution
Emissions from developments and buildings	4	Raising awareness of and enforce the borough's Smoke Control Zone (SCZ) To include: an awareness campaign using Communications Team media platforms and active enforcement	Environmental Protection Team	Low	King's College estimate that between 23 and 31 per cent of the PM2.5 originating in London comes from wood burning	Start 2020. Publicise annual Clean Air Day 2020-2025. 3 comm's campaigns coordinated with Comm's Team and Public Health every winter, highlighting SCZ controls	No. of publicity information provided. Residents engaged via council communications No. of complaints of dark smoke investigated within 48 hours	https://www.lbbd.gov.uk/report-air-quality-issues

Emissions from developments and buildings	5	Ensuring emissions from construction are minimised. All major developments must carry out an Air Quality Assessment in accordance with the GLA's guidance.	Environmental Protection Team	Low	Difficult to quantify emission and concentration changes associated to this action	2020 – Policy included in draft Local Plan	No. of Air Quality Assessment conditions imposed. 100% target for major development with Air Quality Assessments included	https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/planning-guidance-and-practice-notes/control-dust-and
Emissions from developments and buildings	6	Include GLA guidance on environmental and construction best practices into BeFirst/LBBD and other major developments	BeFirst/Environmental Protection Team	Low	Indirect emissions reduction. Difficult to quantify emission changes. This is current best practice for reducing construction emissions (NOx and PM)	2020	No. of BeFirst Employer Requirements with GLA best practices included. 100% target for major development including GLA best practices	https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/planning-guidance-and-practice-notes/control-dust-and

Emissions from developments and buildings	7	<p>Ensuring enforcement of non-road mobile machinery (NRMM) air quality policies.</p> <p>Include NRMM requirements within local planning guidance.</p> <p>Planning conditions imposed asking for NRMM compliance for all relevant major developments.</p>	Environmental Protection Team / Planning (BeFirst Planning Policy)	Low	NRMM used in the construction/ infrastructure building sectors currently accounts for around seven per cent of NO _x and eight per cent of PM ₁₀ emissions in London.	2020	<p>Draft Local Plan includes NRMM.</p> <p>100% target of relevant major planning applications to include NRMM conditions</p>	https://nrmm.london/
Emissions from developments and buildings	8	Reducing emissions from CHP by ensuring that air quality as well as carbon emissions are considered when assessing planning applications or where existing schemes require new or upgraded heat sources	Environmental Protection Team	Medium	Hard to quantify emission reduction. Draft Local Plan policy requests SAP10 assessments which ensures carbon and air quality emissions are considered.	2021	Maintain a register of approved CHPs. Add to GLA CHP register.	https://www.london.gov.uk/sites/default/files/pilot_study_on_the_air_quality_impacts_from_combined_heat_and_power_in_london.pdf
Emissions from developments and buildings	9	Enforce the GLA 'Air Quality Neutral' (AQN) policy or any preceding changes to this regional measure to all major developments	Environmental Protection Team	Low	<p>Draft Local Plan policy in place to address this issue.</p> <p>Different emissions reductions from each development.</p>	Immediately	100% target of relevant major planning applications meeting AQN, or any preceding standard	See: https://www.aqconsultants.co.uk/CMSPages/GetFile.aspx?guid=226d8d5e-d7e9-40e1-bf0d-85c4554496da

Emissions from developments and buildings	10	Ensuring adequate appropriate, and well-located green space and infrastructure is included in new large-scale developments	Planning	Low	Difficult to quantify emissions or concentrations reduction. Green infrastructure is dependent on new development proposals	Immediately	Green Infrastructure in identified 'Site Allocations' e.g. green walls, roofs and vegetation used to mitigate air pollution	Local Plan Policy DMNE1, 2 and 3: Urban Greening. Strategic Policy 6: Green and Blue Infrastructure
Emissions from developments and buildings	11	Ensure that planning and development teams implement policies on Healthy Streets at an early stage for larger developments (as defined by the GLA)	Environmental Protection Team / Planning	Low	Quantifying emission reduction is difficult with this measure	2021	Healthy Streets included into Local Plan. Report No. of applications with Healthy Streets indicators used in assessment.	Local plan website, CHRIS Policy DMT1 https://www.london.gov.uk/what-we-do/health/transport-and-health/healthy-streets http://content.tfl.gov.uk/healthy-streets-for-london.pdf http://content.tfl.gov.uk/guide-to-the-healthy-streets-indicators.pdf

Emissions from developments and buildings	12	<p>Promoting and delivering energy efficiency and energy supply retrofitting projects in workplaces and homes through retrofit programmes such as Retrofit Accelerator and Cosy Homes.</p> <p>LBBB to be zero carbon from Council operations (e.g., housing and fleet) by 2030, and zero carbon Borough-wide by 2050.</p>	Inclusive Growth	High	NOx emission reductions from improved building thermal insulation and boiler replacement programmes	Ongoing	Performance Framework data to inform of number of buildings	https://www.lbbd.gov.uk/cosy-homes-scheme
Emissions from developments and buildings	13	Improve air quality in the Borough by delivering improvements to reduce building emissions and increase uptake of Decentralised Energy Networks	Inclusive Growth / Environmental Protection Team	Medium-High	NOx and PM ₁₀ emissions reduction from building energy generation	2020-2025	Report progress on district heat networks	https://www.lbbd.gov.uk/sites/default/files/attachments/Barking-Town-Centre-District-Energy-Scheme-information-for-developers-and-carbon-factors.pdf https://www.lbbd.gov.uk/news/barking-and-dagenham-council-launches-green-energy-company-beam-energy

Emissions from Development and Buildings	14	Participate in the Pan-London Non-Road Mobile Machinery registration campaign in conjunction with lead Borough (London Borough of Merton), to reduce emissions from construction vehicles in line with GLA guidance.	Environmental Protection	Low-Medium	LAEI 2016 data shows that NOx emissions from construction in LBBD was 12%.	2020	Provide quarterly updates of major development site audits, inspections and enforcement.	
Public health and awareness raising	15	Public Health department taking shared responsibility for borough air quality issues and implementation of Air Quality Action Plan. 11a Directors of Public Health (DPHs) regularly briefed on the scale of the problem in their area. 11b DPHs incorporate up to date air quality information in their Joint Strategic Needs Assessment 11c Air Quality Action Plans are formally signed off by the DPH 11d At least one Consultant grade public health specialist with air quality responsibilities in their job profile	11a DPH / Environmental Protection Team 11b DPH 11c DPH 11d DPH	Low	Strong cross council support to raise profile of air quality and public health	Immediately. Public Health have produced a health document to inform input of air quality into future JSNA.	Public Health key stakeholder in AQ steering group. Public Health to attend other relevant sub-groups Public health teams being involved in the delivery of relevant projects. Air Quality included in JSNA and within Health & Wellbeing Board priorities.	https://laqm.defra.gov.uk/public-health/roleforlas.html

Public health and awareness raising	16	Engage with local businesses and support access to business-specific funding schemes which promote sustainable transport, collaborative delivery and low emission procurement practices through business forums and newsletters distribution	Inclusive Growth	Low	No direct emissions reduction but potential for a range of emission reductions from transport post-engagement	2020 - 2025	4 business forums held annually (Pre-Covid). During Covid restrictions this is being moved to online services. Target during Covid time (online monthly distribution via webinars) is minimum 1000 business contacted p/month.	https://www.lbbd.gov.uk/business
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Public health and awareness raising	17	Develop and implement a communications strategy to disseminate air quality information to raise awareness and encourage behaviour change – may include messages to residents with heart and lung diseases (working in partnership with local NHS services). E.g., re-publicising the Mayor’s pollution alerts, promotion of active travel/sustainable transport, green home grants and anti-idling messages etc.	Public Health / Environmental Protection Team / Communications. Communications strategy working group to be coordinated by PH, Environmental Protection and Comm’s Teams. Query ComSol as directly facing services to residents including social prescribing and healthy ageing. Communications Team	Low	No direct emissions or concentrations reduction however promotion of active and healthy travel, promotion of protecting people’s health from pollution and greener forms of transport.	2020	Communications strategy developed and updated annually. Number of communication messages disseminated by Comm’s/ the strategy working group, measured annually.	
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Public health and awareness raising	18	Encourage schools to join the TfL STARS accredited travel planning programme. Promotes sustainable approach to active travel therefore reducing vehicle emissions and increasing physical activity.	BeFirst	Medium	Promotes sustainable approach to active travel thus reducing vehicle emissions and increasing physical activity. Baseline data as of 2020: 6 schools working towards engaged or accredited level: 5 will achieve engaged status by summer 2021. 14 schools at engaged level, 14 schools at Bronze level, 6 schools at Silver level: 4 at Gold level.	Ongoing	Number of schools in LBBD signed up to TfL programme, and table of Gold, Silver and Bronze accreditation further to the baseline data. Target: 10 schools per year for either Gold, Silver or Bronze accreditation.	https://stars.tfl.gov.uk/
Public health and awareness raising	19	Air quality in and around schools: 15a Apply to the funding made available through TfL for LIPs to deliver the recommendations from the 'school streets'.	BeFirst / Transport Planning	Medium	Pollution exposure reduction for school children	Next round of funding	5 to be delivered this year (2020). 5 delivered every subsequent year subject to funding.	https://www.london.gov.uk/what-we-do/environment/pollution-and-air-quality/mayors-air-quality-fund

Public Health and awareness raising	20	<p>Use council lobbying power to increase/encourage local and regional action.</p> <p>Lobbying within the BHR and NEL partnerships (including NHS and LA) to encourage other partners to consider measures to improve air quality – including their staff, residents, in their procurements and their in-house services.</p> <p>Lobby and work with TFL to reduce NO₂ & PM emissions from buses in LBBB, and to reduce air quality concentrations from TfL regulated roads.</p>	Public Health, Environmental Protection Team, all departments in steering group meetings	Low	No direct emissions or concentrations reduction however lobbying potentially provides greater funding, political interest and engagement of other regulatory bodies with shared responsibility for emissions in LBBB.	2021	Monitor and report on number and outcome of lobbying activities undertaken annually, from all relevant departments.	
Public Health and Awareness Raising	21	Submit responses to relevant government and regional consultations – ensure responses focus on reducing emissions of local air pollutants and CO ₂ .	Environmental Protection Team, Public Health, all relevant departments from Steering Group	Low-Medium	No direct emissions or concentrations reduction however consultation responses potentially provides greater funding, political interest and engagement of other regulatory bodies with shared responsibility for emissions in LBBB.	Ongoing	Publicise council responses to consultations through the Comm's team. List consultation responses annually.	

Public Health and Awareness Raising	22	Continued implementation of the Barking Riverside Travel Plan, to accelerate uptake of cycling walking and sustainable transport.	BeFirst	Medium	Promotes sustainable approach to active travel therefore reducing vehicle emissions and increasing physical activity	2020	<ul style="list-style-type: none"> - Initial target of 36% of residents travelling to work by car, 5% on foot and 7% by bicycle by end of 2021. - Report no. of Pedestrian and cycle provisions. - Report no. of registered members of Cycle Hub. - Report no. of registered members of Car club on site. 	https://barkingriverside.london/live-at-barking-riverside/community/
Public Health and Awareness Raising	23	Prepare and deliver Council-wide (LBBD) and BeFirst Travel Plans encouraging sustainable transport modes for staff and visitors	BeFirst	Low/Medium	Promotes sustainable approach to active travel therefore reducing vehicle emissions and increasing physical activity	2021	Report annually to show increase of sustainable transport modes, decrease in car usage etc.	

Public Health and Awareness Raising	24	Deliver the 'Ways of Working' (LBBB Staff) Travel to Work Plan and implement deliverables for staff to travel more sustainably and safely (in response to Covid19)	Inclusive Growth	Medium	Reduction in grey fleet emissions. Increase in more sustainable and active travel.	2020	Deliver Staff Travel Plan Survey Review all existing staff travel arrangements, related HR policies and travel plans Recommend actions for Council approval alternative and sustainable travel modes	
Delivery servicing and freight	25	Review of the process documentation templates (procurement strategy document, delegated authority documents and award contract documents) to include air quality requirements for reducing vehicle emissions	Head of Procurement	Low to Medium	Greater governance is being applied to procurement management now that the service is in-house from 2020	December 2020	Evidence that shows new templates including air quality requirements for tenders / contracts	
Delivery servicing and freight	26	Review, implementation and approval of the 'contract rules' in tandem with Council legal department with a view to adding air quality requirements for reducing vehicle emissions	Head of Procurement	Low to Medium	As above	March 2021	Document the change by Council Assembly by showing approval of the contract rules	

Delivery servicing and freight	27	<p>Reducing emissions from deliveries to local businesses and residents.</p> <p>Work with and support TfL to install rapid electric vehicle charging points to encourage low emission vehicles</p>	BeFirst	Medium	Reduced tail pipe emissions from commercial and private vehicles	2020	<p>3 Rapid chargers installed by December 2020.</p> <p>3 p/year installed subject to TfL funding.</p>	https://maps.london.gov.uk/ev-chargepoints/?intcmp=52680
Borough Fleet	28	<p>Reducing emissions from council fleet.</p> <p>Undertake 'Grey' Fleet review with Energy Saving Trust to inform future vehicle choice and infrastructure</p>	BeFirst/Inclusive Growth	Low	Reduced tail pipe emissions from fleet vehicles	2020	<p>Provide review outcomes provided by EST with recommendations</p> <p>Monitor and report on changes in vehicle fleet composition</p>	https://energysavingtrust.org.uk/scotland/businesses-organisations/transport/grey-fleet-review
Borough Fleet	29	<p>Investigate the feasibility of, and implement the best environmentally performing, alternative fleet vehicle fuel (e.g., Hydrogen, Electric, Gas-to-Liquid)</p>	Fleet	Medium-High	Reduced tail pipe emissions from fleet vehicles	2021		https://www.shell.com/energy-and-innovation/natural-gas/gas-to-liquids.html

Borough Fleet	30	Undertake an infrastructure and operational review for the Council fleet depot land space charging in the Borough to incentivise EV charging uptake at the workplace	Fleet / Inclusive Growth	Low - Medium	Potential indirect emission reductions from fleet and staff-owned vehicles, visitors etc.	2020	Provide cabinet recommendations for approval. Document outcome. Report progress on incentivising	
Borough Fleet	31	Undertake annual fleet audits with a vehicle replacement programme to show continued progress in phasing out older and more polluting vehicles by 2030	Fleet	Low	Direct emission reductions from fleet vehicles, NOx and PM.	2020	Change in annual vehicle fleet mix and vehicle replacement.	
Borough Fleet	32	Complete an industry-recognised fleet driver training programme (e.g., Freight Transport Association) to improve driver/vehicle operations and reduce fleet emissions	Fleet	Low - Medium	Direct emission reductions gained from reduced fuel consumption and improved driving efficiencies	2021	Report completed fleet training programme (number of drivers, % of fleet drivers completed, expected emission reductions post training)	

Borough Fleet	33	25% of total fleet vehicles to be fully electrified (Battery Electric Vehicle) by 2025. Long term target to have Council operations zero carbon by 2030 including fleet vehicles being zero tailpipe emission or as close as possible to zero tailpipe emissions using Best Available Technology.	Fleet	Medium - High	Direct NOx and PM emissions reduction from changing diesel vehicle to electric	2021	Report annual number increase of EVs in fleet and number of vehicles operating with alternative / clean fuels	
Localised solutions	34	19a) Implement the published Green Infrastructure Strategy. 19b) Apply for Green Space Grants / Community Tree Planting 19c) Develop and implement a tree planting delivery programme which strategically targets high pollution areas (roads) where feasible.	Leisure, Parks and Heritage / Public Realm	Medium Medium Low - Medium	Potential direct air pollution concentration reduction from strategically placed green infrastructure/vegetation	2020 2020 2021	19a) Implement strategy 19b) No. of applications submitted 19c) Progress of programme development and no. of trees planted	Barking and Dagenham's published 'Parks and Open Spaces Strategy (2017)' and 'Parks and Opens Spaces Tree Planting Strategy (2017)'

Localised Solutions	35	Continue to embed green infrastructure into LIP schemes.	BeFirst	Low	Indirect concentration reductions from green infrastructure, mostly PM.	From 2020, and each year funding from LIP	Annually quantify and detail projects delivered that include Green Infrastructure	https://www.lb.gov.uk/sites/default/files/attachments/LBBD%20Consultation%20Draft%20LIP3%20-%20Final.pdf
Localised solutions	36	Low Emission Neighbourhood (LEN): Continue to implement and project manage the TfL-funded 'Greening the Fiddlers' LEN in Becontree Heath, Dagenham, in one of the GLA's Air Quality Focus Areas.	BeFirst	Medium / High	Measures given within the LEN project outline will provide local and cumulative reductions to be achieved. Community led design project which aims to make the neighborhood around The Fiddlers junction safer, greener and more sustainable.	2019-2022	Improvements aimed at reducing traffic dominance and which support and encourage people to make active travel their first choice.	https://www.greeningthefiddlers.org/ https://yourcall.befirst.london/greening-the-fiddlers
Cleaner transport	37	Ensuring that Transport and Air Quality policies and projects are integrated. 37a) Head of Transport should sign off AQAP. 37b) Transport officers to attend air quality steering groups.	Head of Transport Transport Officers	Low	No direct emission reductions however strong cross council support to raise profile of air quality and sustainable transport	Immediately	a) Report signed by HoT b) Number of transport studies with air quality considerations	

Cleaner transport	38	Use parking policy to reduce private use vehicle emissions by reviewing borough parking permit fee banding and implement a policy to incentivise lower emission vehicles/ dis-incentivise higher emitting vehicles	Head of Parking	Low	Indirect reduction in tailpipe emissions from implemented policy – reduction in no. of higher emitting vehicles	2021	Document change of parking policy and show vehicle emission pricing.	Current parking permit prices can be viewed at, https://www.lbbd.gov.uk/permit-prices
Cleaner transport	39	Review parking policy to reduce the overall number of parking permits to single household/residential tenancy (de-incentivise higher number of cars p/house)	Head of Parking	Low	Reduction in the tailpipe emissions from reduced residential on-street cars in controlled parking zones.	2021	Monitor and report on the number and change in residential parking permits	Parking policy and permitting information: https://www.lbbd.gov.uk/parking-permits
Cleaner transport	40	Introduce a policy to charge commercial vehicles parking overnight and at weekends in borough roads to reduce congestion and discourage commercial vehicles.	Head of Parking	Low	Reduction in the tailpipe emissions from commercial on-street cars in controlled parking zones.	2021	Monitor and report on the number and change in commercial parking permits	
Cleaner transport	41	Review staff parking permits and implement a policy or management process to significantly reduce overall numbers, with the aim to reduce 'grey fleet' impacts	Head of Parking	Low	Reduction in overall tailpipe emissions from staff vehicles	2021	Monitor and report on the number and change in staff parking permits, annually.	

Cleaner Transport	42	Installation of Ultra-low Emission Vehicle (ULEV) infrastructure to encourage low emission vehicles. e.g. On-street Electric Vehicle Charging Points	BeFirst/Transport Planning	Low / Medium	Potential Reduction in tailpipe emissions by encouraging low emission transport	2021/2022	Annually report number of installations. Target 10 p/year every year	https://www.zap-map.com/charge-points/charging-work/
Cleaner Transport	43	Require private developers to install Ultra Low Emission Vehicle (ULEV) infrastructure as per the GLA London Plan for major residential and non-residential developments. E.g., electric vehicle charging points	Planning Policy	Low	Tailpipe emission reductions from vehicles using ULEV infrastructure.	2020	Monitor and report no. of car free developments. Target: 100% of new major development meeting the London Plan standard	Policy DMT2, Draft Local Plan

Cleaner Transport	44	<p>Provision of infrastructure to support walking and cycling</p> <p>e.g. the development of key strategic cycle routes including Barking Station to Chadwell Heath Station, cycle route CFR10 Barking Riverside to Ilford (via Barking Town Centre) and Heathway to Becontree Heath.</p> <p>Potentially 'Liveable Neighbourhoods' ambition for the Becontree Estates subject to TfL funding.</p>	BeFirst / Transport	Medium	<p>Indirect emission reductions from promoting sustainable travel.</p> <p>Currently 55% of average daily trips are made by walking, cycling and public transport. Our targets for sustainable mode share are 57% by 2021 and 72% by 2041, whilst achieving a 5-10% reduction in vehicular traffic during the same period</p>	2020	<p>Report length of new cycle lane/path delivered annually.</p> <p>No. of legible London signs installed</p> <p>No. of cycle lock/storage locations/cycle hangers etc. installed annually</p> <p>No. of 'Bike It' cycle training programmes and 'Dr Bike' sessions implemented</p>	<p>https://www.lbbd.gov.uk/cycling-in-the-borough</p> <p>https://www.cyclestreets.net/journey/</p> <p>https://www.sustrans.org.uk/our-blog/get-active/2019/everyday-walking-and-cycling/how-to-start-cycling-to-work/</p> <p>https://www.openwalks.co.uk/Directory/Barking-Dagenham/</p>
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Cleaner Transport	45	<p>Discourage unnecessary idling by road vehicles. Participate in the Pan-London Anti-Idling campaign/project in conjunction with the London Borough of Camden and proactively enforce regulations to reduce idling.</p> <p>Focus on anti-idling at school sites/roads by undertaking enforcement and awareness-raising campaigns, speaking to drivers in idling vehicles and distributing information on anti-idling.</p>	Environmental Protection Team / Fleet / Education	Low-Medium	This is a London-wide behaviour change campaign which helps to reduce localised air pollution.	2020 - 2025	<p>-Demonstrate signing up to campaign.</p> <p>-Fleet drivers undertake training.</p> <p>- No. of schools engaged</p> <p>Target: 2/3 of all schools to be engaged in the anti-idling campaign over the next 5 years (40 schools)</p> <p>Undertake anti-idling awareness campaigns at 5 schools p/year. Record numbers of drivers spoken to and information provided</p>	<p>https://idlingaction.london/</p> <p>www.twitter.com/idlingaction</p>
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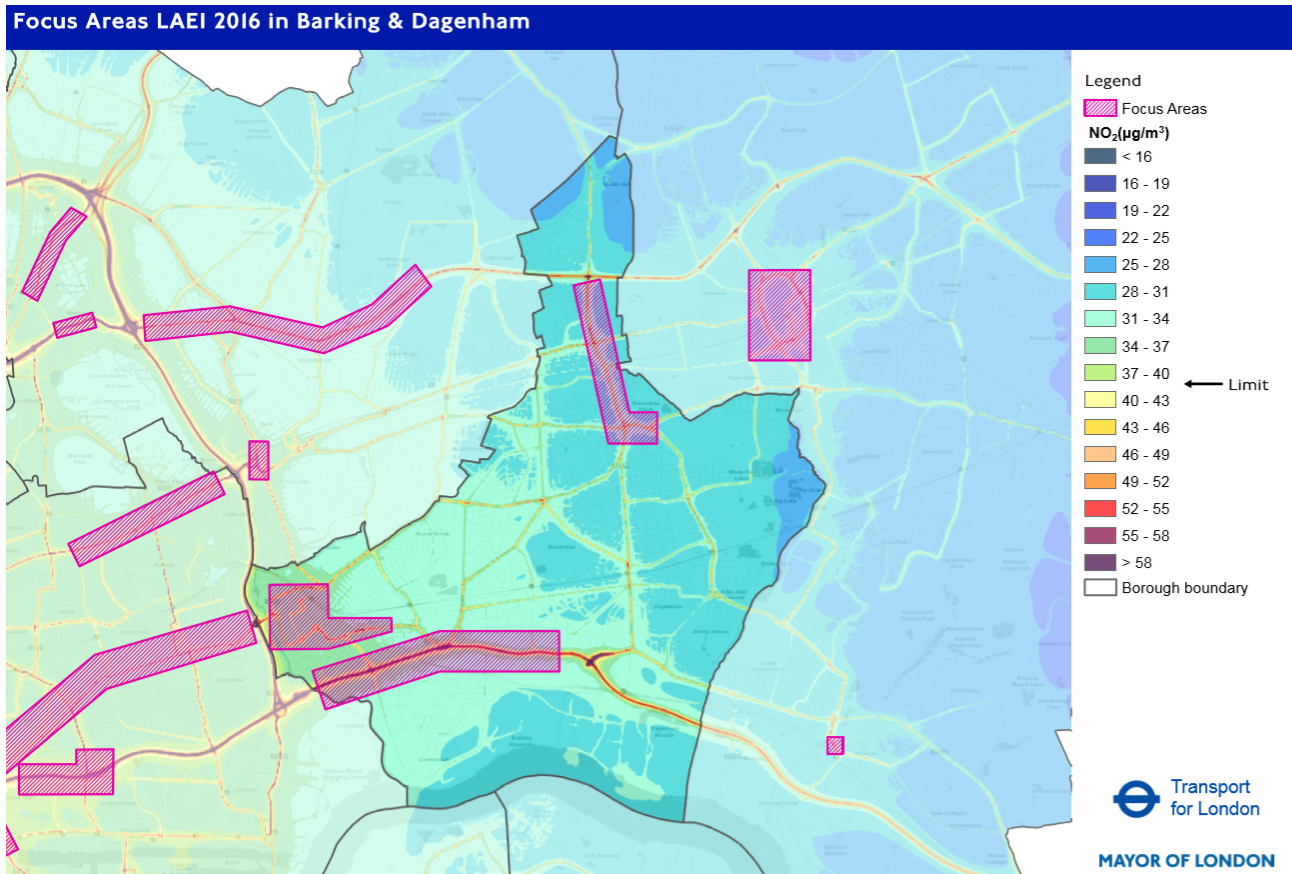
Cleaner Transport	46	Encourage behaviour change in transport modes to increase sustainable transport and decrease private car use: a) Campaigns to promote walking to school b) Campaigns to promote workplace travel plans.	BeFirst	Low	Behaviour change campaigns helps to change transport modes and reduces localised air pollution.	2020	A and b) Report on no. of awareness campaigns undertaken in schools and workplaces	
Cleaner Transport	47	Develop a long-term strategy for the A13 to help improve traffic congestion, improve air quality and enable sustainable growth. Require full Environmental Impacts Assessments (EIA's) for A13 development proposals including replacement of the Lodge Avenue flyover by TfL.	BeFirst BeFirst	Low Low	Potentially significant concentration reductions associated with change to the A13. Concentrations changes would be highlighted within EIA.	2020 2021	Report on preferred options for potential development on the A13. Report on AQ impact assessments included into EIA's	

Cleaner Transport	48	<p>Work with the River Roding Trust (RRT), the Canal and River Trust or relevant bodies to raise awareness of local air pollution emissions from waterways. Engage with canal boat owners to promote sustainability, cleaner fuel burning and anti-idling to reduce emissions from boats.</p> <p>Two Boat Mooring sites in LBBB; 1) near Hertford Road and Gurney Close IG11 8JY (narrow boat moorings only) and, 2) (static) barge mooring only, near Barking Creek IG11 7BW.</p>	Environmental Protection Team	Low	<p>Relatively low emission contribution however the RRT are to further promote sustainability and low emission boating through their community (diesel not used for heating, DEFRA approved heating stoves only). Static Barge Moorings all electrically powered only.</p>	2021	<p>Report promotion of low emission infrastructure (electrically powered moorings)</p>	<p>https://riverrodingtrust.org.uk/</p> <p>RRT Chairman: Paul Powesland</p>
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Cleaner Transport	49	<ol style="list-style-type: none"> 1) Promote World Car-Free day (22nd September) through Communications Department 2) Explore gaining funding through the Greater London Authority Mayor's Air Quality Fund (or other funding source) to promote car-free days in LBBD streets 3) Explore allowing residents to apply for 'Play Streets' or similar that allow streets/roads to be closed from traffic and encourage community engagement 	Environmental Protection Team	Low	Reduces short-term exposure to emissions, emission reduction is localised. Can potentially lead to longer term behavioural changes and be used to test more permanent traffic management changes.	2021	<p>Demonstrate Comm's Publication of Car Free Day and activities held annually.</p> <p>Publicise in Annual Status Reports funding gained for car-free days</p> <p>Publicise street closures/'play streets' for car-free events</p>	https://london.carfreeday.com/
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Greater London Authority Focus Areas in Barking and Dagenham



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GREATER **LONDON** AUTHORITY

Good Growth

Andy Opie

Operational Director, Enforcement & Community Safety
London Borough of Barking and Dagenham

Department: Good Growth

Date: 14/01/2021

Via email to: andy.opie@lbbd.gov.uk

Cc: chris.banks@lbbd.gov.uk; Theo.Lampzey@lbbd.gov.uk

Approval of London Borough of Barking and Dagenham Air Quality Action Plan

Dear Andy,

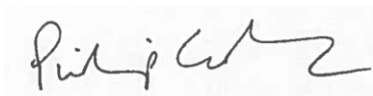
Thank you for the submission of your Air Quality Action Plan (AQAP) to the GLA for final approval.

The plan is sufficiently comprehensive, including all the actions required by the statutory London Local Air Quality Management framework plus some additional locally derived actions.

Furthermore, your officers worked very constructively with our officers: engaging with the GLA at the relevant times (both before and after the public consultation) and working to quickly incorporate the additional actions and targets requested by us.

As a result, I am happy to confirm that the AQAP is approved. Good luck with delivery of this plan, and we look forward to seeing your progress outlined in your Annual Status Reports, which are due for submission to us at the end of May each year.

Kind regards,

**Philip Graham**

Executive Director
Good Growth

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Community and Equality Impact Assessment

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

This is to determine whether the proposals are likely to have significant positive, negative or adverse impacts on the different groups in 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

About the service or policy development

Name of service or policy	Air Quality Action Plan (AQAP)
Lead Officer	Theo Lamptey
Contact Details	Theo.lamptey@lbbd.gov.uk

Why is this service or policy development/review needed?

It is a statutory requirement to produce an Air Quality Action Plan (AQAP) to outline the actions the Council will be taking to improve the local air quality in Barking and Dagenham.

Air pollution is a public health and environmental issue which is linked to the development of chronic and respiratory illness. There is often a strong correlation with equalities issues because areas with poor air quality are also often the less affluent areas. Local air pollution affects all populations; however, it also disproportionately affects the young, old and those with existing health conditions (e.g., respiratory and heart).

Therefore, the action plan (2020 – 2025) have developed a list of measures to engage with stakeholders and partners which can make a difference to air quality in the borough, thereby positively impacting on the health and quality of life of residents and visitors to the borough. Generally, improve air quality, reduce exposures and raise awareness of air quality.

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?

Please state which data sources you have used for your research in your answer below

Consider:

- National & 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.
- It is Council policy to consider the impact services and policy developments could have on residents who are socio-economically disadvantaged. There is space to consider the impact below.

Demographics
Data Sources:

- LBBB air quality monitoring data; 2 air quality monitoring stations/locations provide local air quality data that is representative of background air pollution in Barking and

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Dagenham. The pollutants that are monitored are Nitrogen Dioxide, Particulate Matter and Sulphur Dioxide. These are pollutants that are required to be monitored and regulated by Barking and Dagenham for the purposes of reporting to the Greater London Authority and Defra on an annual basis in respect to trying to achieve the National Air Quality Objectives.

- National Air Quality Strategy: The National Air Quality Strategy sets out air quality objectives and policy options to further improve air quality in the UK. The National Air Quality Objectives are health-based objectives whereby meeting or achieving the standards is related to the direct benefits to public health and are intended to provide important benefits to quality of life and help to protect our environment.
- National and Industry based articles and academia; Committee on the Medical Effects of Air Pollution (COMEAP) (www.Gov.uk) advises the government on all matters concerning the health effects of air pollutants. The National Air Quality Objectives are set based on expert advice from panels of medical and scientific advisors.

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			Positive; Lower air pollution improves public health from reduced exposure	Negative impacts minimised by working towards reducing pollution levels to the National Air Quality Objectives which are health-related statistical objectives Barking and Dagenham has the 6 th highest rate of asthma related hospital admissions in London. The AQAP will be tackling health inequalities.
Age	X			Positive; Lower air pollution reduces young and older generations' exposure	All ages are impacted by poor air quality but the young and the old are some of the most vulnerable. The AQAP implementation will have a positive impact for the elderly who are also more sensitive to air pollution leading to less care including hospitalisation.
Disability	X			Positive; Lower air pollution reduces the negative health effects from air pollution on those with existing health disabilities	The plan will benefit people with existing medical disabilities such as heart and lung conditions. There is no evidence to suggest there is a causal connection between the effects of air pollution and other disabled residents. There will be less hospital admissions and need for health care for those affected.
Gender reassignment		X		N/A	There is no evidence found to show that the action plan would have a potential impact on this characteristic

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Marriage and civil partnership		X	N/A	There is no evidence to suggest that the effects of air quality are determined by marriage and civil partnership
Pregnancy and maternity	X		Positive; Lower air pollution reduces the negative health effects on pregnant women and unborn children	There is evidence to suggest that air pollution leads to an increased risk of premature birth and low birth rates. Negative impacts will be minimised by reducing the concentration of poor air quality on those affected.
Race (including Gypsies, Roma and Travellers)		X	N/A	There is no evidence to suggest that the effects of poor air quality are determined by race
Religion or belief		X	N/A	There is no evidence that suggest the effects of poor air quality are determined by religion or belief
Sex		X	N/A	No differential impact has been identified on the grounds of this protected characteristic
Sexual orientation		X	N/A	No differential impact has been identified on the grounds of this protected characteristic
Socio-economic Disadvantage	X		Reducing air pollution will have positive impact for all parts of the community including those in disadvantaged socio-economic areas	Multiple studies have shown that socio-economically deprived areas are disproportionately negatively affected greater by air pollution than affluent areas.
Any community issues identified for this location?		X	N/A	No community issues identified

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.

If you have already undertaken some consultation, please include:

- Any potential problems or issues raised by the consultation.
- What actions will be taken to mitigate these concerns

The draft AQAP was devised and contributed to by internal departments in the Council including Public Health and Environmental Protection Unit/Environmental Health. Following this, the draft AQAP went out to public/external on-line consultation from 01 October to 30 November 2020 on the Council's OneBorough Voice.

The link to the public consultation was included into the monthly Business newsletter in October 2020.

Issues raised by the consultation.

- PUBLIC: (MAINLY FOCUSED ON.... GREEN INFRASTRUCTURE, RIVER ROAD AND A13 AREAS FOR DUST AND HEAVY TRAFFIC, THE A13 AND TRAFFIC LEVELS, CYCLING INFRASTRUCTURE (LACK OF IT), NO BORIS BIKES, DEVELOPMENT AND GREEN SPACE WITHIN, OVER DEVELOPMENT, IDLING VEHICLES ESPECIALLY AT SCHOOLS, 'THE SCHOOL RUN' DOMINATED BY CARS, NEED FOR ELECTRIC VEHICLE CHARGING POINTS, CITY OF LONDON MARKETS MAKING TRAFFIC WORSE, MORE PUBLIC TRANSPORT NEEDED)
- GLA: (ASKED TO CREATE TWO NEW ACTIONS: 1 FOR WATERWAY EMISSIONS (BOATS SHIPS ETC), 2 FOR 'CAR FREE DAY' 22ND SEPT' EACH YEAR AND COMM'S AROUND THIS). THIS HAS NOW BEEN COMPLETED). GLA ALSO ASKED FOR SLIGHT TWEAKS TO SOME ACTIONS BUT INSIGNIFICANT CHANGES

Actions taken to mitigate concerns in consultation:

- consultation feedback to relevant portfolio councillors
- internal meetings will be arranged with relevant departments to discuss mitigating consultation concerns.
- many of the concerns are already partly mitigated by the actions within the AQAP and by departmental responsibilities.

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?
Responsible departments will be providing regular update and progress of delivery action as required at the AQAP Steering Group Meetings.	Every quarter starting January 2021	Environmental Protection Officer/Team
Providing Update to Portfolio Holder's Meeting	Quarterly	Service Manager

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 wider community.

Take some time to summarise 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>The report to cabinet outline updates to the delivery of the AQAP. Within the reports, details have been provided regarding the negative health effects associated to the regulated pollutants that the Council is responsible for. Health impact data has been provided by Public Health and by the Environmental Protections team.</p> <p>Approval of the AQAP by Council will have a positive impact on the local communities in general, those in certain age ranges (particularly the young and the elder generations), those with disabilities (existing medical conditions that are determined as being a disability: e.g., heart and lung disabilities only), women who are pregnant and for unborn children, people who live in socio-economically disadvantaged areas.</p> <p>There is a neutral impact to those in the Barking and Dagenham communities who have undergone gender reassignment, those in marriage and civil partnerships, those in any race (including Gypsies, Roma and Travellers), people of any sex and people of any sexual</p>

orientation.

There are also no particular communities that have been identified in Barking and Dagenham as being negatively impacted by the implementation of the AQAP.

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.

Name	Role (e.g. project sponsor, head of service)	Date
Andy Opie	Operational Director Enforcement & Community Safety	21 January 2021

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CABINET

15 February 2021

Title: Treasury Management Strategy Statement 2021-22	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	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, Director of Finance	
Accountable Strategic Director: Claire Symonds, Acting Chief Executive	
Summary	
<p>This report deals with the Treasury Management Annual Strategy Statement, Treasury and Prudential Indicators, Annual Investment Strategy and borrowing limits, in compliance with Section 15(1)(a) of the Local Government Act 2003.</p> <p>The production and approval each year of a Treasury Management Strategy Statement and Annual Investment Strategy are requirements of the Council under Section 15(1) of the Local Government Act 2003. It is also a requirement of the Act to set an authorised borrowing limit for the forthcoming financial year.</p> <p>The Local Government Act 2003 also requires the Council to have regard to the Prudential Code, and to set prudential indicators which consider the Council's capital investment plans for the next three years.</p> <p>The Prudential Code was revised in 2017 with the main changes being the inclusion of the Capital Strategy 2021-22 requirements. The Capital Strategy is largely driven by the Council's Investment and Acquisition Strategy, which will be revised in March 2021 and will be based on the Be First Business Plan, which is due to come to Cabinet in March 2021.</p>	
Recommendation(s)	
<p>The Cabinet is asked to recommend the Assembly to adopt the Treasury Management Strategy Statement for 2021/22 and, in doing so, to:</p> <ul style="list-style-type: none"> (i) Note the current treasury position for 2021/22 and prospects for interest rates, as referred to in in sections 4 and 8 of the report; (ii) Approve the Annual Investment Strategy 2021/22 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 1 to the report; 	

- (iii) Approve the Council's Borrowing Strategy 2021/22 to 2023/24, as set out in Appendix 2 to the report;
- (iv) Note that the Capital Strategy 2021/22, incorporating the Investment and Acquisitions Strategy, shall be updated and presented for approval in April 2021;
- (v) Approve the Capital Prudential and Treasury Indicators 2021/22 to 2023/24, as set out in Appendix 3 to the report;
- (vi) Approve the Minimum Revenue Provision Policy Statement for 2021/22, representing the Council's policy on repayment of debt, as set out in Appendix 4 to the report;
- (vii) Approve the Operational Boundary Limit of £1.70bn and the Authorised Borrowing Limit of £1.80bn for 2021-22, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as referred to in Appendix 4 to the report; and
- (viii) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to consider the increase in short-term cash held from borrowing.

Reason(s)

To enable the Council to accord with the requirements of the Local Government Act 2003.

1. Introduction and Background

- 1.1 The Council is required to operate a balanced budget, with cash raised during the year sufficient to meet the Council's cash expenditure. Treasury management supports the Council by seeking to ensure its cash flow is adequately planned, with cash being available when it is needed. Surplus cash is invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate security and liquidity while also considering the investment return.
- 1.2 A second function of treasury management is funding the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses.
- 1.3 The Council is responsible for its treasury decisions, activity and risk appetite. The successful identification, monitoring and control of risk are integral elements of treasury management, including credit and counterparty risk, liquidity risk, market risk, interest risk, refinancing risk and legal and regulatory risk. The Council is statutorily required to approve the Treasury Management Strategy Statement (TMSS) prior to the new financial year.

2. Treasury Management Reporting Requirements

- 2.1 The Council is required to receive and approve at least three main treasury reports each year. These reports are required to be adequately scrutinised by Cabinet before being recommended to the Council. The three main treasury reports are:
- i. **The TMSS** is the most important report and considers the impact of the Council's proposed Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators (PIs) and the outlook for interest rates. In addition, the current market conditions are factored into any decision-making process.
 - ii. **A Mid-Year Treasury Management Report** to update Members on the progress of the capital position, amending PIs and investment strategy as necessary.
 - iii. **An Annual Treasury Report** which outlines the actual PIs, treasury indicators and treasury operations compared to the estimates within the strategy.
- 2.2 As the Council is responsible for housing, PIs relating to capital expenditure, financing costs and the Capital Financing Requirement (CFR) are split between the Housing Revenue Account (HRA) and the General Fund (GF). The impact of new capital investment decisions on housing rents will also need to be considered.
- 2.3 This report provides an explanation of the key elements of the Council's TMSS, its Minimum Revenue Provision (MRP) Strategy, the Annual Investment Strategy (AIS) for 2021-22 and the Borrowing Strategy, which are set out in detail in the appendices attached to this report.

3. Treasury Management Strategy Statement for 2021-22

- 3.1 The strategy for 2021-22 covers two main areas, including Treasury Management and Capital Strategy Reporting issues. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Ministry of Housing, Communities and Local Government's (MHCLG) MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

3.2 Treasury Management Issues

- Current Portfolio Position at 31 December 2020 (section 4);
- Medium Term Capital Finance Budget (section 5);
- Treasury Position at 31 December 2020; forward projections 2023-24 (section 6);
- Economic Update (section 7);
- Interest rate forecast (section 8);
- Investment and Borrowing Rates (section 9);
- The Capital Expenditure Plans 2021/22 to 2023/24 (section 10);
- Treasury Management Advisors (section 11);
- Minimum Revenue Provision Policy Statement (section 12);
- Appendix 1 – Annual Investment Strategy 2021/22;
- Appendix 2 - Borrowing Strategy 2021/22 to 2023/24;
- Appendix 3 – The Capital Prudential and Treasury Indicators 2021/22 to 2023/24;
- Appendix 4 – Minimum Revenue Provision Policy Statement 2021/22; and
- Appendix 5 – Scheme of Delegation and Section 151 Officer Responsibilities

3.3 Capital Strategy Reporting Requirements

3.3.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to prepare an additional report, a Capital Strategy Report (CSR), which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

3.3.2 The aim of this CSR is to ensure that Members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.3.3 The Council already has an Investment and Acquisitions Strategy (IAS), which forms the basis of the CSR. In addition to the IAS, the Council's Capital Strategy includes a Borrowing Strategy (appendix 2) and an MRP Policy (appendix 4), that include additional details on the borrowing and debt repayment for the Council's Capital Strategy. These documents combined provide details of the Council's Capital Strategy and includes:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

3.3.4 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

3.3.5 Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

3.3.6 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

3.3.7 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

3.3.8 The IAS was agreed at the October 2020 Cabinet Meeting. This will be updated to reflect the updated Be First Business Plan and presented to the April 2021 Cabinet.

4. Current Portfolio Position at 31 December 2020

4.1 The Council holds cash balances from its operational activities, which are offset by expenditure to run services. The timing of these cash flows can result in surplus cash which is then invested. Cash balances are also affected by working capital.

4.2 These balances are made up of the following sources of cash:

- Capital grants and Section 106 funds received in advance of expenditure;
- General Fund, HRA and School cash balances;
- Earmarked Reserves, provisions, Capital Receipts and Working Capital;
- Borrowing (Financial Institutions and PWLB)

4.3 Table 1 shows the Council's investments, loans and borrowing balances at 31 December 2020, including the Average Life and the Average Rate of Return.

Table 1: Council's Treasury Position at 31 December 2020

	Principal £000s	Return %	Average Life (yrs.)
General Fund Fixed Rate Long Term Borrowing			
PWLB	512,490	2.06	25.83
European Investment Bank	79,363	2.21	23.30
DEXIA BANK LOBO	10,000	3.98	56.50
L1 RENEWABLES	6,803	3.44	25.76
Total General Fund Debt	608,656	2.13	26.00
General Fund Fixed Rate Short Term Borrowing			
Local Authority Short Term	92,000	0.2	0.11
Total GF Debt	700,656	1.87	22.6
HRA Fixed Rate Borrowing			
PWLB	265,912	3.5	35.10
Market Loans	30,000	4.03	44.96
Total HRA Debt	295,912	3.55	36.06
Total Council Borrowing	996,568	2.37	26.60
MMF / Cash	76,490	0.10	-
Local Authority Deposits	163,250	1.65	1.07
Bank Deposit	15,500	1.52	0.89
Loans	132,379	4.20	Various
Total Council Investments	387,619	2.21	Various

4.4 The debt is split between HRA and GF borrowing to match the two pool approach the Council has adopted for borrowing. The Council invests all cash in one investment pool, with interest distributed between the HRA, schools and GF. The elevated short-term cash position is due to £60m borrowed towards the end of December 2020, which will reduce as short-term borrowing is repaid.

5. Medium Term Capital Finance Budget

- 5.1 A key part of the Council's budget strategy is the medium-term capital finance budget shown in Table 2. It is a statutory requirement that the level of borrowing is kept under review and is affordable. Due to the Council's IAS, it is likely that the Council's cash position will significantly reduce over the next few years as a result of utilising the Council's reserves and using cash balances to fund property investments. Table 2 also includes the MRP budget, Investment and Acquisitions target and HRA interest costs.
- 5.2 The significant increase in GF Interest Payable is due to the borrowing required to fund the Council's IAS. The medium-term capital financing budget to 2023/24 is shown in table 2.

Table 2: Medium Term Capital and Treasury Budget

£'000s	2020-21	2021-22	2022-23	2023-24
	Budget £000	Budget £000	Budget £000	Budget £000
General Fund				
MRP	7,398	8,352	8,502	8,652
Net Interest Budget	7,733	7,041	8,491	8,391
Investment Income	-5,725	-5,725	-5,725	-5,725
Net General Fund Cost	9,406	9,668	11,268	11,318
HRA Interest Payable	10,059	10,059	10,059	10,059

6. Treasury Position at 31 December 2020; Forward Projections 2023/24

- 6.1 The Council's treasury position at 31 December 2020, with forward projections, are summarised in table 3. The table shows the estimated external debt against the underlying CFR, highlighting any over or under borrowing. The CFR and the gross debt includes a significant increase in borrowing to fund the IAS. To ensure borrowing is only for a capital purpose Gross Debt should, except in the short term, be below the CFR over the period.

Table 3: Treasury Position at 31 December 2020, with Forward Projections

£'000s	2020/21	2021/22	2022/23	2023/24
	Estimate £000s	Estimate £000s	Estimate £000s	Estimate £000s
External Debt				
Debt at 1 April	981,688	1,140,465	1,616,825	2,090,630
Expected change in Debt	30,000	350,000	350,000	250,000
Finance Lease Liability	82,906	82,441	81,952	81,470
PFI Liability	45,871	43,919	41,853	39,617
Gross Debt at 31 March	1,140,465	1,616,825	2,090,630	2,461,717
CFR	1,147,096	1,707,653	2,204,687	2,519,566
Under/(over) borrowing	6,631	90,828	114,058	57,850

- 6.2 The £950m increase in expected debt from 2021-22 to 2023-24 largely relates to Be First portfolio schemes within the IAS that have been agreed or which are in the development pipeline within the Be First Business Plan. The schemes which have been approved so far are expected to deliver 4,396 new homes, delivering a positive financial return to the Council. Business cases for each scheme have been approved by Investment Panel and Cabinet.
- 6.3 Within the development pipeline there is potential to deliver a total of 9,000 homes by 2032 although this will require further funding to be approved which may include additional borrowing by the Council.
- 6.4 The Borrowing Strategy for the Council is set out in Appendix 2. This documents the treasury management considerations when undertaking borrowing and shows both the debt repayment profile and expected interest rates for the duration of the debt.
- 6.5 Further detail on the CFR, affordability, and limits to borrowing activity can be found in Appendix 3.

7. Economic Update by Link Asset Management

7.1.1 United Kingdom

The Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 5th November. However, it revised its economic forecasts to take account of a second national lockdown from 5th November to 2nd December which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of quantitative easing (QE) of £150bn, to start in January when the current programme of £300bn of QE announced in March to June, runs out. It did this so that "announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target".

7.1.2 Its forecasts appeared, at the time, to be rather optimistic in terms of three areas:

- The economy would recover to reach its pre-pandemic level in Q1 2022.
- The Bank also expects there to be excess demand in the economy by Q4 2022.
- CPI inflation is therefore projected to be a bit above its 2% target by the start of 2023 and the "inflation risks were judged to be balanced".

7.1.3 Significantly, there was no mention of negative interest rates in the minutes, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it "stands ready to adjust monetary policy", the MPC this time said that it will take "whatever additional action was necessary to achieve its remit". The latter seems stronger and wider and may indicate the Bank's willingness to embrace new tools.

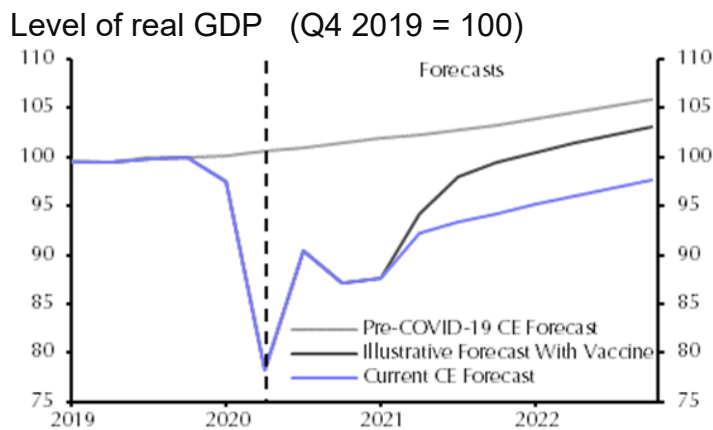
7.1.4 One key addition to the Bank's forward guidance in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in

effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. The Bank Rate forecast currently shows no increase through to Q1 2024 but there could be no increase during the next five years due to the slow rate of recovery of the economy and the need for the Government to see the burden of the elevated debt to GDP ratio falling significantly. Inflation is unlikely to pose a threat requiring increases in Bank Rate during this period as there is likely to be spare capacity in the economy for a considerable time. It is expected to briefly peak at around 2% towards the end of 2021, but this is a temporary short-lived factor and so not a concern.

- 7.1.5 However, the minutes did contain several references to downside risks. The MPC reiterated that the “recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside”. It also said “the risk of a more persistent period of elevated unemployment remained material”. Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. That could involve some or all of the lockdown being extended beyond 2nd December, a temporary relaxation of restrictions over Christmas, a resumption of the lockdown in January and lots of regions being subject to Tier 3 restrictions when the lockdown ends. Hopefully, restrictions should progressively ease during the spring. It is only to be expected that some businesses that have barely survived the first lockdown, will fail to survive the second lockdown, especially those businesses that depend on a surge of business in the run up to Christmas each year. This will mean that there will be some level of further permanent loss of economic activity, although the extension of the furlough scheme to the end of 31st March will limit the degree of damage done.
- 7.1.6 Upside risks include news that various COVID19 vaccines would be cleared as being safe and effective for administering to the public. The Pfizer announcement on 9th November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected. However, their phase three trials are still only two-thirds complete. More data needs to be collected to make sure there are no serious side effects. We don't know exactly how long immunity will last or whether it is effective across all age groups. The Pfizer vaccine specifically also has demanding cold storage requirements of minus 70C that might make it more difficult to roll out. However, the logistics of production and deployment can surely be worked out over the next few months.
- 7.1.7 However, there has been even further encouraging news since then with another two vaccines announcing high success rates. Together, these three announcements have enormously boosted confidence that life could largely return to normal during the second half of 2021, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels, which would help to bring the unemployment rate down. With the household saving rate currently being exceptionally high, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could begin to be eased, possibly in Q2 2021, once vulnerable people and front-line workers had been vaccinated. At that point, there would be less reason to fear that hospitals

could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% next year instead of 9%. But while this would reduce the need for more QE and/or negative interest rates, increases in Bank Rate would still remain some years away. There is also a potential question as to whether the relatively optimistic outlook of the Monetary Policy Report was swayed by making positive assumptions around effective vaccines being available soon. It should also be noted that as effective vaccines will take time to administer, economic news could well get worse before it starts getting better.

- 7.1.8 Public borrowing is forecast by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PwLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means the total interest bill paid by the Government is manageable despite the increase in the total amount of debt. The OBR was also forecasting that the government will be running a budget deficit of £102bn (3.9% of GDP) by 2025-26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.
- 7.1.9 Overall, the pace of recovery was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp but after a disappointing increase in GDP of only 2.1% in August, this left the economy still 9.2% smaller than in February; this suggested that the economic recovery was running out of steam after recovering 64% of its total fall during the crisis. The last three months of 2020 were originally expected to show zero growth due to the impact of widespread local lockdowns, consumers probably remaining cautious in spending, and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year also being a headwind. However, the second national lockdown starting on 5th November for one month is expected to depress GDP by 8% in November while the rebound in December is likely to be muted and vulnerable to the previously mentioned downside risks. It was expected that the second national lockdown would push back recovery of GDP to pre pandemic levels by six months and into sometime during 2023. However, the graph below shows what Capital Economics forecast could happen if successful vaccines were widely administered in the UK in the first half of 2021; this would cause a much quicker recovery.



7.1.10 There will be some painful longer-term adjustments as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a reversal of globalisation as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.

7.2 World growth

7.2.1 While Latin America and India have, until recently, been hotspots for virus infections, infection rates have begun to stabilise. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the crisis.

7.2.2 Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high-tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors.

7.2.3 This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

7.3 Summary

- 7.3.1 Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this is likely to result in more quantitative easing and keeping rates very low for longer. It will also put pressure on governments to provide more fiscal support for their economies.
- 7.3.2 If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.
- 7.3.3 **Inflation** has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to a marked acceleration of wage inflation which is likely to prompt central banks into a series of increases in central rates. The EU is probably about a year behind in a similar progression.
- 7.3.4 **Central bank monetary policy measures** - Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

8. Interest rate forecast

- 8.1 The interest rate forecasts provided by Link Asset Services in table 4 are predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31st December 2020.
- 8.2 Downside risks to current forecasts for UK gilt yields & PWLB rates include:
- **UK** - further national lockdowns or severe regional restrictions during 2021.
 - **UK / EU trade negotiations** – may cause economic disruption and downturn in the rate of growth.
 - **UK - Bank of England** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
 - A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU agreed a €750bn fiscal support package.
 - Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
 - **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD

party, because of the rise in popularity of the anti-immigration AfD party. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until the general election in 2021. This then leaves a major question mark over who the major guiding hand and driver of EU unity will be when she steps down.

- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, could lead to increasing safe haven flows.

8.3 Upside risks to current forecasts for UK gilt yields and PWLB rates include:

- **UK** - stronger than currently expected recovery in UK economy, especially if effective vaccines are administered quickly to the UK population and lead to a resumption of normal life and a return to full economic activity across all sectors of the economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

9. Investment and borrowing rates

9.1 Borrowing: the interest rate forecast is provided in table 4 below:

Table 4: Interest Rate Forecast for the BOE Base Rate and PWLB

Link Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

9.1.1 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis,

emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

9.1.2 Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure.

9.1.3 On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The new margins over gilt yields are as follows:

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

9.2 Alternative Borrowing

During 2020 a number of alternative borrowing options were looked at, including:

- private placements;
- income strips; and
- bonds.

Bonds and private placements proved to be competitive against a PWLB rate when it included a 180-basis point (bps) margin, with bonds generally around 100 to 120 bps (including all costs) and private placements at around 120 to 130 bps. Income strips were competitive if duration was 35 years and the net initial yield rate of 2.70% but this was generally only in the first ten years and their competitiveness relied on the index linkage being at around the historical average. All alternative borrowing included a number of additional costs and resource requirements, with income strips also having additional risks as the borrowing is index linked.

Subsequently, with the reduction in PWLB rate to a margin over gilts of 80 bps, other funding options are much more expensive, with the exception of bonds. Bonds remain competitive but do require a significant amount of additional work and incur additional costs both around issuing the bond and managing the reporting requirements once the bond has been issued.

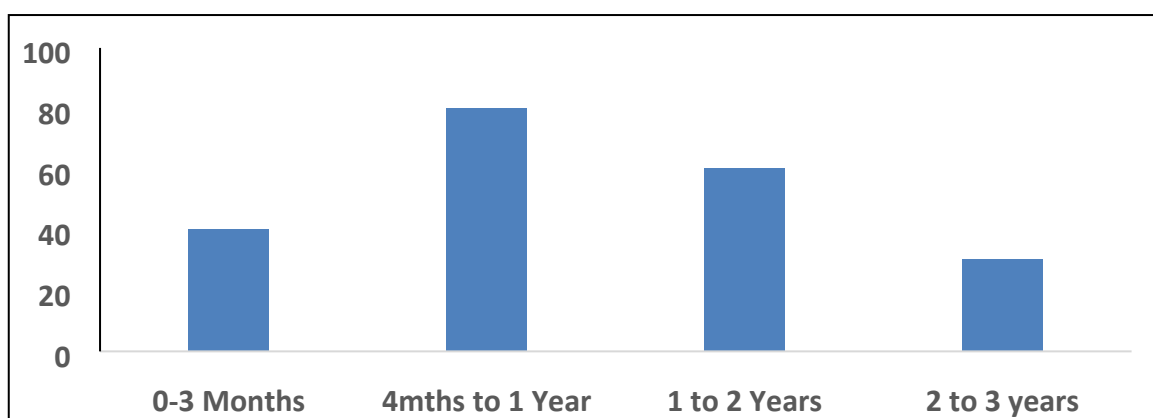
As the Council's IAS is focused on regeneration of the borough and the provision of social housing, the PWLB is available to fund these projects. The reduction in

PWLB borrowing rates has made some schemes that were marginally viable, predominantly due to the high level of social housing being provided, now viable.

9.3 Treasury Investment Returns

Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years. Due to the very low reinvestment rates for the majority of 2020/21 and the relatively high costs of PWLB borrowing prior until its rate reduction, cash has been used to fund capital spend. At the start of the year the Council had elevated cash levels of £354.5m and this has reduced to £251.2m.

Overall, the Council's cash holding will likely reduce to approximately £90m over the next couple of years, with treasury investments being replaced with loans and long leases to Reside. The maturity profile of the Council's current treasury investments is provided below:



9.4 **Return Target 2021/22 to 2023/24**

9.4.1 To achieve the interest target, the following average returns need to be achieved:

2021/22	1.60 on an average cash balance of £150m (£2.4m)
2022/23	1.70 on an average cash balance of £120m (£2.04m)
2023/24	1.50 on an average cash balance of £90m (£1.80m)

9.4.2 The return reflects the current investment positions (i.e. most of the return has already been secured) but if opportunities are available to secure competitive rates then further investments will be made.

9.5 **HRA Investments and abolition of HRA debt cap**

9.5.1 Cash balances held by the HRA will be invested as part of the Council's overall treasury strategy. Cash balances will generally earn the average short-term rate of the Council's investments, which will be calculated at the financial year end.

9.5.2 Where there is agreement by the S151 Officer, individual investments can be ring-fenced for the HRA, with the allocations made within the Council's overall treasury strategy requirements. For further details please refer to the HRA Business Plan.

10. The Capital Expenditure Plans 2021-22 – 2023-24

- 10.1 The Council's Housing (HRA) and General Fund (GF) capital expenditure plans, together with Balances and Reserves, are the key drivers of treasury management activity. The estimates for Capital expenditure, and its funding based on current proposed Revenue Budget and Capital Programmes, are reflected in prudential indicators, which are designed to assist Members overview and confirm capital expenditure plans. The Prudential Indicators are included in Appendix 3.
- 10.2 Table 6 below shows the proposed Capital Financing Requirement over the coming four financial years. It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and to consider the impact on Council Tax and, in the case of the HRA, housing rent levels.

Table 6: Proposed Capital Expenditure 2020-21 to 2023-24

Capital Expenditure	2020-21 Estimate £000s	2021-22 Estimate £000s	2022-23 Estimate £000s	2023-24 Estimate £000s
Capital Financing Requirement				
Opening CFR - General Fund	553,199	832,362	1,392,919	1,889,953
Net financing need for the year	289,765	572,428	509,202	325,742
MRP & Financing	-10,602	-11,871	-12,168	-10,863
Total General Fund CFR	832,362	1,392,919	1,889,953	2,204,832
CFR - Housing	314,734	314,734	314,734	314,734
Net financing need for the year	-	-	-	-
Total HRA CFR	314,734	314,734	314,734	314,734
Total CFR	1,147,096	1,707,653	2,204,687	2,519,566
Movement in CFR	279,163	560,557	497,034	314,879

- 10.3 A portion of the net financing need has already been borrowed as this relates to properties held by Reside, which was borrowed from the European Investment Bank. The increase financing need reflects the Investment and Acquisitions strategy borrowing requirement.
- 10.4 Sufficient headroom has been provided within the Authorised Limit on external borrowing to ensure that any major capital investment projects resulting from the IAS are not restricted by this statutory limit. The limit also covers any short-term borrowing for cash flow purposes as well as long term borrowing for capital projects, finance leases PFI initiatives as well as any unforeseen incidences where expected capital receipts are not forthcoming due to unexpected economic factors.

11. Treasury Management Advisors

- 11.1 The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.
- 11.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

- 11.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review..

12. Minimum Revenue Provision Policy Statement

- 12.1 In accordance with Statutory Instrument 2008 number 414 and new guidance issued by the Government under section 21 (1A) of the Local Government Act 2003 a statement on the Council's policy for its annual Minimum Revenue Provision (MRP) needs to be approved before the start of the financial year.
- 12.2 The Council are asked to approve the Minimum Revenue Provision Statement set out in Appendix 4.

13. Financial Implications

Implications completed by: Philip Gregory, Finance Director

- 13.1 The financial implications are discussed in detail in this report.

14. Legal Implications

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

- 14.1 It is a statutory requirement under the Local Government Finance Act 1992 for the Council to set out what the Council has to base its budget calculations upon. Furthermore, it is a legal requirement for the Council to set a balanced budget with regard to the advice of its Chief Finance Officer. However, what is meant by 'balanced' is not defined in law and this has means that the Council must rely upon the professional judgement of its finance team to ensure that the local authority's budget is robust and sustainable.
- 14.2 The Local Government Act 2003 requires the Council to set out its treasury strategy for borrowing and to prepare 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. The Council must '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.
- 14.3 Part 1 of the Local Government Act 2003 (the "Act") requires ELWA as a joint local authority body to each year set out its Treasury Management Strategy for borrowing and to prepare 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.

15. Other Implications

- 15.1 **Risk Management:** This report has risk management issues for the Council, primarily that a counterparty could cease trading or risk that interest rates would rise adversely. The mitigation of these is contained in this report.

15.2 **Corporate Policy and Equality Impact** - The TMSS seeks to support the Council's investment aims to unlock regeneration and economic growth opportunities within the borough. There are no equality or diversity implications arising from this report.

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

List of appendices:

- Appendix 1 – Annual Investment Strategy 2021/22
- Appendix 2 - Borrowing Strategy 2021/22 to 2023/24
- Appendix 3 – The Capital Prudential and Treasury Indicators 2021/22 – 2023/24
- Appendix 4 – Minimum Revenue Provision Policy Statement 2021/22
- Appendix 5 – Scheme of Delegation and Section 151 Officer Responsibilities

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Annual Investment Strategy 2021/22

1. Investment Policy

1.1 The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
3. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on potential counterparties.

1.2 This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists under the categories of 'specified' and 'non-specified' investments.

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration before being authorised for use.

- 1.3 Over the coming years the Council will significantly increase its investments in property as part of its Investments and Acquisition strategy (IAS). Financial risks, including the loss of capital, the loss of forecast income and the revenue effect of changing interest rates will be significant. The successful identification, monitoring and control of investment risk are therefore central to the Council's Treasury Management Strategy Statement (TMSS).

Borrowing risks also forms a key part of the TMSS, where a holistic approach to borrowing is outlined, taking into account opportunities from low interest rates, cash flow needs and a range of borrowing options available. The strategy also outlines the need to avoid more complex forms, especially where derivatives are involved or where there is significant backloading of capital repayment

- 1.4 In accordance with the MHCLG Guidance, the Council will be asked to approve a revised TMSS should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large, unexpected change in interest rates or in the Council's capital programme.

1.5 Accounting Changes

International Financial Reporting Standard (IFRS) 9 was effective for the 2018/19 accounting period. IFRS9 requires authorities to hold financial instruments at fair value, with gains and losses charged to revenue as they arise. For certain categories of investments, authorities will need to recognise these gains and losses in their revenue accounts. As a result, the changes in the value of these investments will impact the authority's General Fund. Currently the Council has very limited exposure to these investments.

Similarly, the standard introduces a forward-looking 'expected loss' model for the impairment of financial assets. This approach is likely to result in an increase in the impairment allowance and will require authorities to recognise impairment losses earlier. The MHCLG enacted a statutory over-ride from 1 April 2018 for a five-year period until 31 March 2023 following the introduction of IFRS 9 over the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31 March 2023: this will enable councils to initiate an orderly withdrawal of funds if required.

IFRS 16, a new lease accounting standard has been further delayed and is being adopted for 2022/23. This will result in more lease liabilities on the balance sheet (previously classed as operating leases), and in turn an impact on some of the prudential indicators such as CFR, Authorised Limit and Operational Boundary.

2. Annual Investment Strategy

- 2.1 The key requirements of the Code and investment guidance are to set an annual investment strategy covering the identification and approval of the following:
- i. The strategy guidelines for choosing and placing investments, particularly non-specified investments.
 - ii. The principles to be used to determine the maximum duration for investments.

- iii. Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- iv. Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall number of various categories that can be held at any time.
- v. An additional consideration is the variable cash position the Council will have because of Council's investment strategy. The investment strategy will mean that the Council will be making significant borrowing and investment decisions, and these may result in period where the Council has a significant allocation to a counterparty or duration.

2.2 The Council's AIS continues to consider credit rating of financial institutions it invests with, but ratings are not the sole determinant of the quality of an institution. The strategy looks to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment takes account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps".

2.3 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector to establish the most robust scrutiny process on the suitability of potential investment counterparties. Investment instruments identified for use in the financial year are listed in this appendix under the 'specified' and 'non-specified' investments categories.

2.4 In addition to the Council's cash investments, which have historically been the main focus of the AIS, this year an additional section on property investments has been included. Although property investments will be agreed individually by Cabinet and the Investment Panel, the way these investments will be reported, how interest and profit will be recorded and how these investments will be held is outlined in section 3 of the AIS.

3. Creditworthiness policy

3.1 This Council uses an adapted version of the creditworthiness approach used by the Council's advisors, Link Asset Services (LAS). This service employs a modelling approach utilising credit rating from the three main credit rating agencies (Fitch, Moody's & Standard and Poor's). This approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. The Council uses the following colour codes to determine the suggested duration for investments:

Yellow	5 years
Dark pink	5 years for Ultra-Short Dated Bond Funds, credit score of 1.25
Light pink	5 years for Ultra-Short Dated Bond Funds, credit score of 1.5
Purple	2 years
Blue	2 year (only applies to semi / nationalised UK Banks)
Orange/Red	1 year
Green	100 days
No colour	not to be used

- 3.2 The Council uses a one year limit for red colour ratings, which differs from the model used by LAS, which sets a limit of 6 months. This difference reflects a different risk appetite to the standard limits recommended by LAS.
- 3.3 Typically, the minimum credit ratings criteria the Council use will be a Short-Term rating (Fitch or equivalents) of **F1** and a Long-Term rating of **A-**. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 3.4 The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 3.5 In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 3.6 Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

4. Investment Advisers and Monitoring of Investment Counterparties

- 4.1 The Council uses Link Asset Services (LAS) for external treasury advice. However the Council acknowledges that it is ultimately responsible for all treasury management decisions and will ensure that undue reliance is not placed on the external advisors.

The Council recognises that there is value in receiving advice from external treasury advisors to acquire access to specialist skills and resources and will ensure that the terms of their appointment and the methods by which their value will be assessed are documented, and subjected to regular review.

The Council receives credit rating information from LAS as and when ratings change, and counterparties are checked promptly. Any counterparty failing to meet the criteria will be removed from the list immediately by the S151 officer, and if required new counterparties which meet the criteria will be added to the list.

5. Use of External Cash Manager(s)

- 5.1 The Council no longer uses an external cash manager (ECM), with all investments and borrowing managed in-house. Were the Council to use an ECM in the future there would be a requirement for the ECM to comply with the AIS. Any agreement between the Council and the ECM will stipulate guidelines, durations and other limits to contain and control risk.
- 5.2 Prior to appointing an ECM, an OJEU compliant tender process is required. An extensive background in cash management will be a prerequisite, alongside Financial Conduct Authority accreditation. The requirement to tender includes both for lending to a third party to invest and appointing an ECM.

6. Use of additional information other than credit ratings

6.1 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision. This additional market information (e.g. CDSs, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

7. Credit Quality Criteria and Allowable Financial Instruments

7.1 The table on the following page sets out the credit quality criteria for counterparties and allowable financial instruments for Council investments. These are split into Specified and Non-specified investments.

7.2 Specified Investments

Sterling investments of less than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months. These are considered minimal risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Govt. (UK Treasury Bills, Gilts with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles. (AAA Money Market Funds).
5. A body (i.e. bank of building society), of sufficiently high credit quality.

7.3 Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

Non Specified Investment Category (maturity greater than one year)	
a.	Supranational Bonds (a) Multilateral development bank bonds These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.). (b) A financial institution that is guaranteed by the UK Government The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.

b.	Gilt edged securities. Government bonds which provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.
c.	The Council's own bank if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible. The Council's current bankers are Lloyds Banking Group.
d.	Any bank or building society that has a minimum long-term credit rating of A or equivalent, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).
e.	Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. There is a higher risk of loss with these types of instruments.
f.	Pooled property or bond funds – normally deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.

Within categories c and d, and in accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. These criteria is set out in section 11.3 in the body of the report. In respect of categories e and f, these will only be considered after obtaining external advice and subsequent Member approval.

Specified Investments and Non-Specified Investments Limits and Criteria

Counterparty / Financial Instrument	Minimum Credit Rating Criteria / Colour Band	Specified Investments		Non-Specified Investments	
		Maximum Duration	Counterparty Limit £m	Maximum Duration	Counterparty Limit £m
Council's Bank (currently Lloyds Baking Group) – Deposit Account	A	T+1	£50m	N/A	N/A
Lloyds Banking Group SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bonds	A	Up to 1 year	£50m	1 to 3 years	£50m
Government Supported UK Bank – Royal Bank of Scotland SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bonds	Blue	Up to 1 year	£30m	1 to 2 years	£30m
Other UK Banks & Building Societies SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bond	Yellow Purple Orange/Red Green No Colour	N/A N/A Up to 1 year Up to 3 mths Not for use	£30m per counterparty	1 to 5 years 1 to 2 years N/A N/A N/A	£30m per counterparty
Bond Funds - Corporate Bonds	Short-term F2, Long Term A	Up to 1 year	£20m	1 to 2 years	£20m
Local Authorities: Term Deposits	Not credit rated	Up to 1 year	£40m per authority	1 to 4 years	£40m per authority
UK Government - Treasury Bills, Gilts DMADF	UK Sovereign Rating	Up to 1 year	£50m	1 to 5 years	£20m
Money Market Funds CNAV	AAA	T+1	£30m per Manager	N/A	N/A
Money Market Funds LVNAV	AAA	T+1	£30m per Manager	N/A	N/A
Money Market Funds VNAV	AAA	T+1	£30m per Manager	N/A	N/A
Property Funds	N/A	N/A		N/A	£50m

7.4 Non-Treasury Investments

Although not classed as treasury management activities and so not covered by the CIPFA Code or the CLG Guidance, the Council may also purchase property for investment and regeneration purposes and may also make loans and investments for service purposes, for example loans to partner organisations or the Council subsidiaries.

Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with the TMSS. However, it is important to note that there are varying degrees of risks associated with such asset classes and this need comprehensive appreciation. It is not just credit risk that needs to be understood, but liquidity and interest rate / market risk as well, although these can often be intertwined. Any option in which an investor hopes to generate an elevated rate of return will almost always introduce a greater level of risk. By carefully considering and understanding the nature of these risks, an informed decision can be taken.

8. Investing with Local Authorities

All loans made to other Local Authorities are based on the Local Government Act (LGA) 2003 s13, which outlines that the credit risk attached to English, Welsh and Scottish local authorities is an acceptable one. LGA 2003 s13 Security for money borrowed is provided below:

- 1) Except as provided by subsection (3), a local authority may not mortgage or charge any of its property as security for money which it has borrowed or which it otherwise owes.
- 2) Security given in breach of subsection (1) shall be unenforceable.
- 3) All money borrowed by a local authority (whether before or after the coming into force of this section), together with any interest on the money borrowed, shall be charged indifferently on all the revenues of the authority.
- 4) All securities created by a local authority shall rank equally without any priority.
- 5) The High Court may appoint a receiver on application by a person entitled to principal or interest due in respect of any borrowing by a local authority if the amount due remains unpaid for a period of two months after demand in writing.
- 6) The High Court may appoint a receiver under subsection (5) on such terms, and confer on him such powers, as it thinks fit.
- 7) The High Court may confer on a receiver appointed under subsection (5) any powers which the local authority has in relation to:
 - (a) collecting, receiving or recovering the revenues of the LA,
 - (b) issuing levies or precepts, or
 - (c) setting, collecting or recovering council tax.

- (8) No application under subsection (5) may be made unless the sum due in respect of the borrowing concerned amounts to not less than £10,000.
- (9) The Secretary of State may by order substitute a different sum for the one for the time being specified in subsection (8).

9. Use of Multilateral Development Banks

S15 of the LGA Act 2003 SI 2004 no. 534 amended provides regulations to clarify that investments in multilateral development banks were not to be treated as being capital expenditure. Should the Council invest in such institutions then only such institutions with AA credit rating and government backing would be invested in consultation with the Council's treasury adviser and the S151 Officer.

10. Use of Brokers

The Council deals with most of its counterparties directly but from time to time the Council will use the services of brokers to act as agents between the Council and its counterparties when lending or borrowing. However, no one broker will be favoured by the Council. The Council will ensure that sufficient quotes are obtained before investment or borrowing decisions are made via brokers.

11. Country limits and Use of Foreign Banks

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- (excluding the United Kingdom) from Fitch. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy. This will ensure that the Council's investments are not concentrated in too few counterparties or countries.

Given the strength of some foreign banks the Council will invest in strong non UK foreign banks whose sovereign and individual ratings meet its AA- minimum criteria.

Approved countries for investments (Credit Rating as at 31 December 2019)

The list below is based on those countries which have sovereign ratings of AA or higher (below is the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above.

AAA	AAA	AA+	AA	AA-
Australia	Norway	Canada	Abu Dhabi, UAE	Belgium
Denmark	Singapore	Finland	France	Hong Kong
Germany	Sweden	United States		Qatar
Luxembourg	Switzerland			U.K.
Netherlands				

12. Provisions for Credit-related losses

- 12.1 If any of the Council's investments appeared at risk of loss due to default, (i.e. a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount. Where there is a loss of the principal amount borrowed due to the collapse of the institution, the Council will seek legal and investment advice.
- 12.2 Where the Council holds a non-financial investment, such as property, it will have a physical asset that can be realised to recoup the capital invested. The Council will consider whether the asset retains sufficient value to provide security of investment using the fair value model in IAS 40: Investment Property. Where the fair value of non-financial investments is sufficient to provide security against loss, a fair value assessment will be made stating that a valuation has been made within the past twelve months, and that the underlying assets provide security for capital investment.
- 12.3 Where the fair value of non-financial investments is no longer sufficient to provide security against loss, the AIS will provide detail of the mitigating actions that the Council is taking or proposes to take to protect the capital invested.
- 12.4 Where the Council must impair a non-financial asset held for investment purposes as part of the year end accounts preparation and audit process, an updated AIS should be presented to full council detailing the impact of the impairment on the security of investments and any revenue consequences arising therefrom.
- 12.5 This above approach is reasonable and a prudent approach to investing should help to negate this impact. However, a significant market correction, more complicated investment structures (including via equity rather than debt) and a default on any of the Council's loans would leave the Council exposed to an impairment on assets. The impact of the impairment will have a greater impact as the council increases its investment portfolio and third-party loans.

13. End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

14. Policy on Use of Derivatives

- 14.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 14.2 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be

taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 14.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

15. Investment Training

The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by LAS and other relevant providers.

16. Investment of Money Borrowed in Advance of Need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

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Borrowing Strategy 2021/22 to 2023/24

1. Background

- 1.1 Historically the Council has either been debt free or has had a very low-level of debt. This changed significantly in 2012 when, as part of the HRA reform, £265.9m of debt was transferred to the Council's HRA.
- 1.2 In January 2015, £89m was borrowed for the Council's General Fund (GF) from the European Investment Bank (EIB) to fund the regeneration of Abbey Road 2 and Gascoigne East (Weavers). Both schemes are now operational, bringing in sufficient income to cover the management and maintenance, lifecycle, capital, and interest costs, as well as generating income for the Council.
- 1.3 In November 2016, Cabinet approved the establishment of an Investment and Acquisition Strategy (IAS), with an initial £350m budget to support delivery of the IAS. The purpose of the IAS is to support the Borough's growth opportunities and to ensure that the Council, and future generations, benefit by increasing the Council's ownership of long-term income producing assets. The IAS is reviewed annually by Cabinet, with the next review to be taken to the March 2021 Cabinet.
- 1.4 The IAS has an income objective and a target of delivering £5.72m by 2020/21. The IAS will be delivered primarily by the Council's development vehicle, Be First, and it is expected that Be First will accelerate the regeneration of the borough.
- 1.5 The Council will ensure that all its investments are covered in the IAS and will set out, where relevant, its risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.
- 1.6 The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the Council's risk exposure.
- 1.7 Capitalisation of Development Interest
 - 1.7.1 The Council's IAS will increase the Council's interest payment costs. Were the Council to borrow a billion pounds at 2.0% (the current target average long-term debt rate) then the interest costs would be £20m per year, although this would decrease as debt is repaid. This will be funded by rental income from the various schemes but will result in a long-term obligation for future generations as some of the loans that will be taken out have maturity dates of up to 50 years.
 - 1.7.2 The Council's borrowing is largely to fund its IAS, which includes a number of large-scale developments. During the construction stage there is a cost of carry as there is no income from the scheme. To reduce this cost, from 1 April 2019, interest incurred during the construction phase will be capitalised against developments that cost over £10m and that take in excess of two years to build.

- 1.7.3 Capitalisation of interest will start from when the development has been agreed at Gateway 2. Where land has been purchased as part of land assembly the capitalisation of interest will be from the later date of either the completion date of the purchase or the date of this accounting policy.
- 1.7.4 Interest will be capitalised on a quarterly basis and will be based on the weighted average of the borrowing costs that are outstanding during the period. Cessation of capitalisation will occur when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.
- 1.7.5 As part of the Treasury outturn report, an outturn figure for the amount of interest that was capitalised for the year, will be provided to Members.

2. The Council's Borrowing Strategy

- 2.1 The decision to borrow is a treasury management decision and is taken by the S151 Officer under delegated powers of the Council's constitution and after consultation with the Investment Fund Manager (IFM). The key objective of the Council's borrowing strategy is to secure long term funding for capital projects and IAS at borrowing rates that are as low as possible.
- 2.2 Currently the Council has a holistic approach to borrowing, taking into account cashflow, borrowing costs and investment and loan returns to drive the net cost of borrowing down, while keeping the borrowing transparent and simple. This holistic approach has resulted in very low net borrowing costs, with the 2019/20 net interest budget of £5.1m supporting £608.65m of GF long term borrowing. This equates to a net cost (interest payments less interest income) of 0.84% for an average duration of approximately 31 years.
- 2.3 The Council can borrow funds from the PWLB, from capital markets, from bond issuance and from other local authorities. The Council would look to borrow for several purposes, including:
- (i) *Short term temporary* borrowing for day to day cash flow purposes.
 - (ii) *Medium term borrowing* to cover construction and development costs.
 - (iii) *Long term borrowing* to finance the capital and IAS programme.
- 2.4 The IFM will monitor interest rates and will recommend borrowing decisions when rates are low, while taking into account the Council's debt repayment profile and cashflow requirements. The Council's borrowing strategy will give consideration to the following when deciding to take-up new loans:
- Use internal cash balances;
 - Short-term borrowing from other Local Authorities;
 - Using PWLB, the EIB or financial Institutions;
 - Ensure new borrowings are drawn at suitable rates and periods; and
 - Consider the issue of stocks and bonds if appropriate.
- 2.5 In 2021/22 to 2023/24 a significant amount of borrowing is required, with the main borrowing required to fund the IAS. The borrowing requirements include for schemes that have been agreed and are in various stages of development and also pipeline schemes that have not been agreed but are included in the Be First

Business Plan. A summary of the borrowing requirement for the IAS to 2023/24 and then the total forecast borrowing forecast for the Council is below:

Investment and Acquisition Strategy (net costs)	2020/21	2021/22	2022/23	2023/24
	£000s	£000s	£000s	£000s
Committed Funding Requirement	271,845	388,813	351,152	140,106
Potential Funding Requirements	6,455	174,434	151,548	180,296
Total Net Borrowing Requirement	278,300	563,247	502,700	320,402
Total Accumulative Borrowing	1,140,465	1,616,825	2,090,630	2,461,717

2.6 An increase from a debt rate of approximately £1bn by the end of 2019/20 to nearly £2.5bn potentially by £2023/24 is a significant increase in borrowing. With borrowing rate currently at historic lows, it will be essential to lock in these low rates. This level of borrowing will also have an impact on managing the increase in cash held resulting from the borrowing.

3. Council's Current Debt

3.1 The Council currently (as at 31/12/2020) has £996.57m of debt at an average rate of 2.37% and average duration of 26.6 years. This is broken down as follows:

	Principal £000s	Return %	Average Life (yrs.)
General Fund Fixed Rate Long Term Borrowing			
PWLB	512,490	2.06	25.83
European Investment Bank	79,363	2.21	23.30
DEXIA BANK LOBO	10,000	3.98	56.50
L1 RENEWABLES	6,803	3.44	25.76
Total General Fund Debt	608,656	2.13	26.00
General Fund Fixed Rate Short Term Borrowing			
Local Authority Short Term	92,000	0.20	0.11
Total GF Debt	700,656	1.87	22.60
HRA Fixed Rate Borrowing			
PWLB	265,912	3.50	35.10
Market Loans	30,000	4.03	44.96
Total HRA Debt	295,912	3.55	36.06
Total Council Borrowing	996,568	2.37	26.60

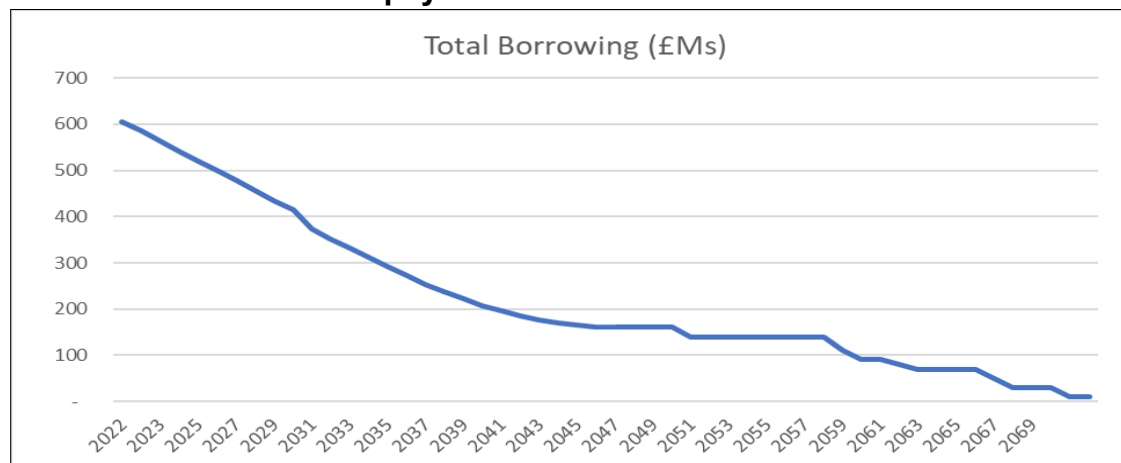
3.2 General Fund Debt

The GF debt can be split into Short and Long-Term borrowing. Short-term borrowing is used to manage the Council daily cash requirements and allows treasury to make strategic, longer term borrowing decisions without a significant impact from the cost of carry. Annual long-term borrowing amounts are summarised below:

Year	Amount	Reason for Borrowing
Pre-2015	30.0	Capital Expenditure
2015	89.0	Abbey Road 2 and Gascoigne East Regen (Weavers)
2016	60.0	Film Studio Land and IAS
2017	120.0	Street Purchases and IAS
2018	150.0	IAS
2019	140.0	IAS
2020	60.0	IAS
Various	(40.3)	Borrowing Repaid
Total	608.7	

Although the borrowing is long-term, a part of the Council's debt is repaid each year through either an annuity repayment or equal instalment repayment. As a result, the Council's debt repayment profile is relatively smooth, as outlined in the chart below. Future borrowing will be mapped against this repayment profile and the forecast cashflows to help refinancing risk but also allow for a steady reduction in the Council's debt exposure.

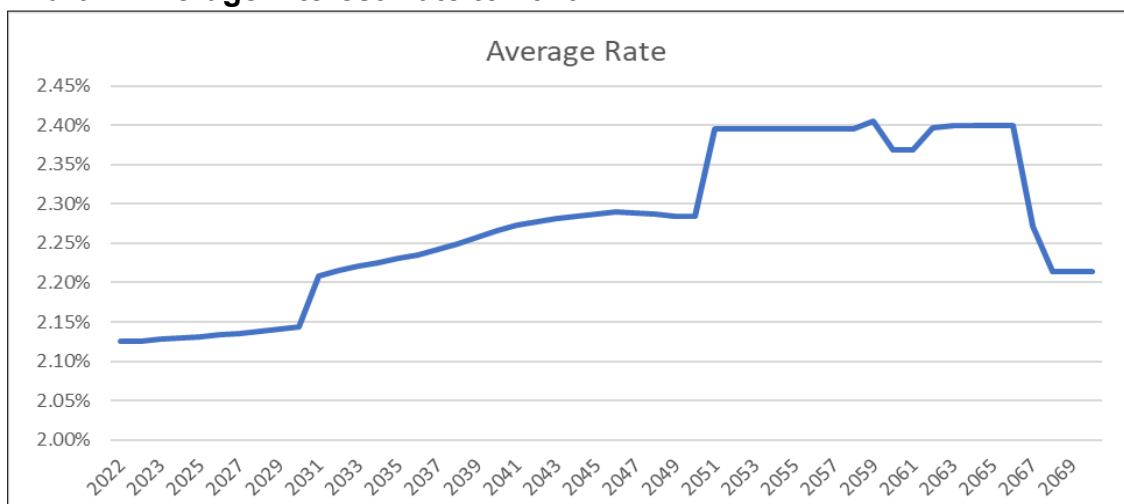
Chart 1: Council Debt Repayment Profile as at 31 December 2020



3.3 General Fund Interest Costs

Currently the average long-term interest rate on borrowing is 2.13% for £608.7m borrowed. However, this rate increases to 2.4% by 2051 but on a reduced balance of £140m, as cheaper borrowing is repaid and older (borrowed when rates were higher), more expensive borrowing remains. The rate drops to 2.21% in 2068 but this is on a remaining balance of £30m. The average interest rate to 2070 is provided in chart 2 below:

Chart 2: Average Interest Rate to 2070



Utilising short-term borrowing does reduce the average rate to 1.87% but this is just for the current year, with the short-term borrowing being used for strategic purposes. The interest rate forecast is for rates to stay low for the next few years and there is a target to reduce the long-term average borrowing to below 2%.

3.3 Borrowing from Financial Institutions

The treasury section will generally borrow from the PWLB when rates are low. However, where cheaper or more appropriate borrowing is available from other financial institutions then this is used as an additional source of financing. With the PWLB margin back to 0.8% above Gilts, this provides an excellent source of finance to support the Council regeneration strategy.

Currently the following loans have been borrowed from financial institutions:

- i. European Investment Bank (EIB) Borrowing: In 2014/15 Cabinet agreed to borrow £89m from the European Investment Bank (EIB) as outlined below:
 - £66m from the EIB to finance the Gascoigne Estate (East) Phase 1;
 - £23m from the EIB to finance Abbey Road Phase 2.

The drawdown of the full £89m was completed on 30 January 2015 at a rate of 2.207% and currently the balance owed is £79.4m. The EIB loan does contain financial covenants that may be restrictive to the Council's overall investment strategy. Discussions are being held with the EIB to seek to review the financial covenants or potentially to refinance the borrowing through an early repayment and refinancing through the PWLB.

- ii. Green Investment Bank (GIB) Borrowing (now L1 Renewables)

At its meeting on 2 December 2015 the Council agreed to borrow £7.5m from the GIB to finance the Low Energy Street Light Replacement Programme via the UK GIB Green Loan. On 15 December 2016, a loan of £7.0m was borrowed from the GIB at a rate of 3.44% for a duration of 30 years. The borrowing drawdown period will be over a two-and-a-half-year period and will match the forecast

expenditure. The repayment of the loan has been structured to best match the cashflows expected to be generated from the energy savings.

3.4 HRA Self Financing

The Council uses a two loans pool approach for long-term debt. The £265.9m of PWLB is from the HRA reform in 2012, with an additional £30m of borrowing transferred to the HRA in 2016 and 2020 to finance HRA new builds. The HRA previously had a debt cap of £291.60 but this was removed in 2018. A breakdown of the HRA borrowing is provided in table 5 below:

Loan Type	Loan Amount	Maturity profile	Interest Rate
	£'000s	Yrs.	%
PWLB	50,000	24	3.51
PWLB	50,000	34	3.52
PWLB	50,000	42	3.49
PWLB	50,000	43	3.48
PWLB	65,912	44	3.48
Barclays	10,000	60	3.98
Lancashire CC	20,000	40	4.05
Total	295,912		

4. Repayment of Borrowing

As short term borrowing rates are usually cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, any savings will need to be based on the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy; and
- enhance the balance of the portfolio (amend the maturity profile).

Internal borrowing can also be reduced by generating capital receipts, which will replenish cash balances and in accounting terms be used for financing historic spend rather than for new capital projects.

5. Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

The Capital Prudential and Treasury Indicators 2021/22 – 2023/24

The Local Government Act 2003 requires a Council to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the Council's capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. It is also essential that, within the Council, there is an understanding of the risks involved and there is sufficient risk management undertaken for each investment undertaken.

The Prudential Code was revised in 2017 with the main changes being the inclusion of the Capital Strategy requirements and the removal of some indicators. To demonstrate the Council has met these objectives, the Prudential Code sets out a number of indicators that are monitored each year. These indicators are outlined in this report.

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the Prudential Indicators, which are designed to assist members overview and confirm capital expenditure plans. Capital expenditure is a summary of the Council's capital expenditure plans, both agreed previously and those forming part of this budget cycle. The capital expenditure forecasts are included in the first part of Table 1.

1. The Council's borrowing requirement (CFR)

- 1.1 The Council's Capital Financing Requirement (CFR) is the historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR.
- 1.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP), a statutory annual revenue charge, reduces the borrowing need in line with each asset's life. The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. Table 1 sets out the CFR until 2023/24 and are cumulative.
- 1.3 The Investment and Acquisitions costs are self-financing, with rental income expected to pay for the borrowing costs and provide an income stream to the Council. MRP for IAS properties is charged after a two-year stabilisation period and then for 50 years based on an annuity repayment schedule for residential properties and 40 years for Temporary Accommodation. Members are asked to be aware that in-year movements to the IAS budgets will occur as development costs are confirmed and, in some cases, investment opportunities are identified. Budgets included in 2020/21 and onwards are best estimates and may change as financing and expenditure are confirmed. Members are asked to approve the capital expenditure forecasts and the CFR projections included in table 1.

Table 1: Capital Expenditure Forecast and Council's CFR 2020/21 – 2023/24

Capital Expenditure	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
General Fund				
Adults Care & Support	996	2,026	1,841	-
Community Solutions	187	-	-	-
CIL / S106	743	1,198	-	-
Core	1,339	-	-	-
Culture, Heritage & Recreation	1,426	7,088	466	150
Enforcement	937	1,766	1,000	-
Transport for London schemes	1,538	-	-	-
My Place	4,678	6,101	4,850	4,850
Public Realm	3,391	50	-	-
Education, Youth and Childcare	20,205	12,200	4,422	6,400
Other	1,999	416	340	340
Transformation	2,777	-	-	-
TOTAL EXPENDITURE	40,216	30,845	12,919	11,740
Financed by:				
Capital Grants	- 23,812	- 18,832	- 6,262	- 6,400
CIL/S106	- 2,162	- 2,420	- 155	-
Revenue Contributions	-	- 88	-	-
Capital Receipts	- 2,777	-	-	-
Total Net Borrowing Requirement	11,465	9,505	6,502	5,340
Housing Revenue Account (HRA)				
HRA	31,294	44,556	38,000	38,000
Financed by:				
HRA Contributions	- 31,294	- 44,556	- 38,000	- 38,000
Total Net Borrowing Requirement	-	-	-	-
Investment and Acquisition Strategy (net costs)				
Committed Funding Requirement	271,845	368,260	351,152	140,106
Potential Funding Requirements	6,455	194,663	151,548	180,296
Total Net Borrowing Requirement	278,300	562,923	502,700	320,402
Net financing need for the year				
	289,765	572,428	509,202	325,742
Capital Expenditure				
	2020/21	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate	Estimate
	£000s	£000s	£000s	£000s
Capital Financing Requirement				
Opening CFR - General Fund	553,199	832,362	1,392,919	1,889,953
Net financing need for the year	289,765	572,428	509,202	325,742
MRP & Financing	- 10,602	- 11,871	- 12,168	- 10,863
Total General Fund CFR	832,362	1,392,919	1,889,953	2,204,832
CFR - Housing	314,734	314,734	314,734	314,734
Net financing need for the year	-	-	-	-
Total HRA CFR	314,734	314,734	314,734	314,734
Total CFR	1,147,096	1,707,653	2,204,687	2,519,566
Movement in CFR	279,163	560,557	497,034	314,879

2. Affordability prudential indicators

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. The Council is asked to approve the following indicators:

2.1 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of General Fund Capital expenditure against the net revenue stream.

General Fund Cost of Capital	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate
	£000s	£000s	£000s
Net General Fund Base Budget	173,982	171,258	177,330
Cost of Capital			
MRP	8,352	8,502	8,652
GF Net Interest Budget	7,041	8,491	8,391
Investment Income	-5,725	-5,725	-5,725
Net Cost of Capital	9,668	11,268	11,318
Financing Cost to Net Revenue	5.56%	6.58%	6.38%

The estimates of financing costs include current commitments and the proposals in this budget report.

2.2 HRA ratios

This indicator identifies the trend in the cost of General Fund Capital expenditure against the net revenue stream:

	2021/22	2022/23	2023/24
	Estimate	Estimate	Estimate
	£000s	£000s	£000s
HRA debt £m	310,628	310,628	310,628
Number of HRA dwellings	16,447	16,112	15,763
Debt per dwelling £	18.9	19.3	19.7

3. Treasury indicator and limit for investments greater than 365 days.

The limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment. They are based on the availability of funds at yearend. The maximum principal sums invested greater than 364 days is high to allow the treasury section to manage the significant cashflows expected as a result of the Council's IAS. The Council is asked to approve the treasury indicator and limit:

£'000s	2021/22	2022/23	2023/24
Maximum principal sums invested > 364 days	350,000	300,000	250,000

4. Treasury Indicators: Limits to Borrowing Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure: identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure: is similar to the previous indicator and covers a maximum limit on fixed interest rates; and
- Maturity structure of borrowing: gross limits to reduce the Council's exposure to large, fixed rate sums requiring refinancing.

The Council is asked to approve the following treasury indicators and limits:

Interest rate exposures	2020/21	2021/22	2022/23
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	70%	70%	70%
Limits on fixed interest rates:			
• Debt only	100%	100%	100%
• Investments only	90%	90%	90%
Limits on variable interest rates			
• Debt only	70%	70%	70%
• Investments only	80%	80%	80%

Maturity structure of fixed interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	50%
12 months to 2 years	0%	60%
2 years to 5 years	0%	70%
5 years to 10 years	0%	70%
10 years and above	0%	100%

Maturity structure of variable interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	50%
12 months to 2 years	0%	50%
2 years to 5 years	0%	70%
5 years to 10 years	0%	70%
10 years and above	0%	80%

5. Treasury Indicators: Limits to Borrowing Activity

5.1 The Operational Boundary - this is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing. Given the uncertainty around the borrowing requirement resulting from the Council's IAS Programme, a margin of approximately £100m has been included in these figures to reflect potential additional borrowing above the current CFR for the IAS.

5.2 The Authorised Limit for external borrowing – this represents a control on the maximum level of borrowing, with a limit set, beyond which external borrowing is prohibited. This limit must be set or revised by the full Council. The limit set includes an additional margin for borrowing to fund the Council's IAS.

It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is also a statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following Operational Boundary and Authorised Limit:

Limits to Borrowing Activity	2020/21	2021/22	2022/23	2023/24
£'000s	Approved	Estimate	Estimate	Estimate
Operational Boundary	1,250,000	1,700,000	2,100,000	2,500,000
Authorised Limit	1,350,000	1,800,000	2,200,000	2,600,000

5.3 HRA CFR – with the proposed removal of the HRA debt limit the HRA CFR will be reviewed. The figures below are based on the previous debt limit and increased to take into account the transfer of Street Purchases to the HRA from the General Fund.

HRA Debt	2020/21	2021/22	2022/23	2023/24
£'000s	Approved	Estimate	Estimate	Estimate
Total	302,763	310,628	310,628	310,628

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Minimum Revenue Provision Policy Statement 2021/22

Background

1. Minimum Revenue Provision (MRP) is statutory requirement for a Council to make a charge to its General Fund to make provision for the repayment of the Council's past capital debt and other credit liabilities. The Council is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). MRP does not need to be set aside for the Housing Revenue Account (HRA).
2. The scheme of MRP was set out in former regulations 27, 28 and 29 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. This system was radically revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. The revised regulation 28 replaced a requirement that local authorities calculate the MRP pursuant to detailed calculations with a duty to make prudent MRP.
3. The Council is under a statutory duty "to determine for the current financial year an amount of MRP which it considers to be prudent". Local authorities are asked by the Secretary of State "to prepare an annual statement of their policy on making MRP for submission to their full Council". This forms part of the Treasury Management Strategy (TMSS) approved by full council at least annually.
4. In determining a prudent level of MRP the Council is under a statutory duty to have regard to statutory guidance on MRP issued by the Secretary of State. The Guidance provides four options which can be used by the Council when determining its MRP policy and a prudent amount of MRP. The Council however can depart from the Guidance if it has good reason to do so. This policy is consistent with the Guidance. The options do not change the total MRP the council must pay over the remaining life of the capital expenditure; however, they do vary the timing of the MRP payment.
5. MRP adjustments and policies are subject to annual review by external audit.
6. The S151 Officer has delegated responsibility for implementing the Annual MRP Statement. The S151 Officer also has executive, managerial, operational and financial discretion to determine MRP and any practical interpretation issues.
7. A prudent level of MRP on any significant asset or expenditure may be assessed on its own merits or in relation to its financing characteristics in the interest of affordability or financial flexibility.
8. The S151 Officer may make additional revenue provisions, over and above those set out, and set aside capital receipts, balances or reserves to discharge financing liabilities for the proper management of the financial affairs of the HRA or the general fund. The S151 Officer may make a capital provision in place of any revenue MRP provision.
9. This MRP Policy Statement has been revised to consider the Council's recently agreed investment strategy, which requires the use of MRP to be outlined in more

detail, as well as to agree additional MRP options that are available for long-term property investments.

General Fund Supported Capital Expenditure or Capital Expenditure incurred before 1 April 2008

10. In relation to capital expenditure for which support forms part of the calculation of revenue grant by the government or any capital expenditure incurred before 1 April 2008, the MRP shall be calculated in accordance with the Local Authorities CFR Regulations 2003 as if it had not been revoked. In arriving at that calculation, the CFR shall be adjusted as described in the guidance.
11. In addition, the calculation method and the rate or the period of amortisation referred to in the guidance may be varied by the S151 Officer in the interest of affordability.
12. The methodology applied to pre-2008 debt remains the same and is an approximate 4% reduction in the borrowing need (CFR) each year.

General Fund Self- Financed Capital Expenditure from 1 April 2008.

13. Where capital expenditure incurred from 1 April 2008 is on an asset financed wholly or partly by self-funded borrowing, the MRP has previously been made in instalments over the life of the asset, with the calculation method and the rate or the period of amortisation determined by the S151 Officer.
14. From 1 April 2019 MRP for capital expenditure incurred from 1 April 2008 will be calculated using the annuity method. All balances as at 31 March 2019 will be carried at the same value and the same remaining life of the asset but a revised MRP calculation will be completed using the annuity method of MRP for 2019/20 and onwards. Currently the annuity method is used for the Investment and Acquisitions assets and it not proposed to amend this method, which is outlined in section 19 to 23 of this MRP statement.
15. The S151 Officer shall determine how much and which capital expenditure is funded from borrowing and which from other sources. Where expenditure is only temporarily funded from borrowing in any one financial year and it is intended that its funding be replaced with other sources by the following year, no MRP shall apply. Nor shall any annual MRP apply where spend is anticipated to be funded from capital receipts or grants due in the future but is in the meantime funded from borrowing, subject to a maximum of three years or the year the receipt or grant is received, if sooner.
16. The asset life method shall be applied to borrowing to meet expenditure from 1 April 2008 which is treated as capital expenditure by either a direction under section 16(2) of the 2003 Act or regulation 25(1) of the 2003 Regulations. The S151 Officer shall determine the asset life. When borrowing to construct an asset, the asset life may be treated as commencing in the year the asset first becomes operational and postpone MRP until that year.
17. Where capital expenditure involves repayable loans or grants to third parties no MRP is required where the loan or grant is repayable. By exception, based on a business

case and risk assessment, this approach may be amended at the discretion of the S151 Officer.

18. Where capital expenditure involves a variety of works and assets, the period over which the overall expenditure is judged to have benefit over shall be considered as the life for MRP purposes. Expenditure arising from or incidental to major elements of a capital project may be treated as having the same asset life for MRP purposes as the major element itself. An estimate of the life of capital expenditure may also be made by reference to a collection or grouping of expenditure type or types.

Loans to Special Purpose Vehicles

19. As part of its Investment and regeneration programme, the Council will use several Special Purpose Vehicles (SPV) held through Reside to manage its property regeneration schemes. This will require the Council borrowing to provide funding for the SPV and for the SPV to repay the loan based on the cashflow forecast to be generated from the properties.
20. MRP using the annuity method will be charged over a period of 50 years for each scheme. An MRP period of 40 years will be used for modular / prefabricated properties. The MRP will therefore reflect the repayment profile of the SPV to the Council and any borrowing made by the Council will be made to match the cashflow requirements of the SPV.
21. For each IAS scheme a set two-year stabilisation period will be used, although this can be extended, with the agreement of the S151 Officer, to three years in cases where there are significant pressures on a scheme's cashflow. A stabilisation period for each scheme is required to:
 - allow sufficient funds to cover any additional costs;
 - allow the property to be fully let; and
 - cover any initial letting and management costs.
22. The MRP annuity method makes provision for an annual charge to the General Fund which takes account of the time value of money (whereby paying £100 in 10 years' time is less of a burden than paying £100 now). The annuity method also matches the repayment profile to how the benefits of the asset financed by borrowing are consumed over its useful life (i.e. the method reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years). This re-profiling of MRP therefore conforms to the DCLG "Meaning of Prudent Provision" which provides that "*debt [should be] repaid over a period that is reasonably commensurate with that which the capital expenditure provides benefits*".
23. Subsequently, where an investment property is operational and has been valued at sufficiently more than its net cost, as at each financial year end, at the discretion of the S151 OFFICER, no MRP will need to be set aside during that year. A key consideration of the S151 Officer will be if the property can be sold in an open market and that sale will potentially take place within a five-year period. Any MRP that has already been set aside for the investment property will be retained as a reserve against the property. For subsequent years, a revaluation of the property will need to be completed. Where the asset is valued at less than its net cost, then MRP, net of

any MRP already charged and based on the remaining life of the asset, will need to be set aside.

MRP on Commercial Purchases and Land Assembly

24. As part of the Council's Investment and Acquisition Strategy, commercial property may be purchased as part of land assembly for future regeneration. In these cases, MRP will not be set aside but a review of the progress will be made every three years.
25. Where commercial property is purchased, and it is not for regeneration purposes then MRP will be charged at the rate based on the commercial properties useful asset life.

PFI, leases and lease and lease back (income strips)

26. In the case of finance leases, on balance sheet private finance initiative contracts or other credit arrangements, MRP shall be the sum that writes down the balance sheet liability. These are being written down over the PFI and lease contract terms.

Scheme of Delegation and Section 151 Officer Responsibilities

Treasury management scheme of delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit; and
- recommending the appointment of external service providers.

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CABINET

15 February 2021

Title: Procurement of All-Age Care Technology Service	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Lewis Sheldrake: Lead Commissioner: Innovation and Personalisation, Care and Support Commissioning	Contact Details: E-mail: lewis.sheldrake@lbbd.gov.uk
Accountable Director: Chris Bush, Commissioning Director, Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti, Director of People and Resilience	
<p>Summary:</p> <p>Care Technology is revolutionising the way care and support for vulnerable people can be provided. The Council's ambition is to adopt a new approach to the way Care Technology is delivered to eligible service users to support our objective of being a national leader in this area. Given the significant opportunities this presents for the Council, there is considerable corporate and political backing to successfully transform and mainstream the Care Technology service in order that it forms an integral part of our care and support offer.</p> <p>The Council's Care and Support services, like most other areas, are facing significant demand pressures. Given the composition of users within the existing service, the initial emphasis will be upon people who are eligible, under the Care Act, for social care with later steps then seeking to apply a broader application, including people with special educational needs and disabilities (SEND) and other groups for whom timely intervention may avoid or delay the need for social care support and improve their independence and wellbeing.</p> <p>Once achieved, a transformed Care Technology service has the potential to be:</p> <ul style="list-style-type: none"> • Truly life changing for our service users and their families, improving access for groups who traditionally have had limited access to Care Technology. • Delivering better outcomes for service users who will value the service and identify the positive impact upon wellbeing and independence. • A smooth and responsive experience for our Social Workers, Occupational Therapists, and other referrers. • A more cost-effective service than our current service, with an ability to clearly evidence the financial impact of the service, down to an individual level, as alternative solutions reduce our reliance upon traditionally costed solutions. Financial benefits will be from both existing service users for whom new solutions 	

are introduced at review and new entrants to social care support for whom costs will be mitigated and avoided.

- A more flexible service that will be able to develop as new innovative opportunities emerge and our health partners progress further with their offer.

The Council is working hard to deliver services, achieve efficiencies and improve provision, whilst under significant budgetary challenges. Currently, there is no systematic tracking of the benefits of Care Technology within the existing Careline provision, either at an individual level or across the service. This applies to both financial benefits and outcomes for service users. As a result of this, there is no visibility for senior leadership or elected Members of the contribution Care Technology makes to service targets or the Medium-Term Financial Strategy.

This also limits the ability to win support for Care Technology and raise its profile across LBB and partner organisations more broadly; or promote a compelling self-pay offer for residents that do not yet have eligible needs. The new service will need to address these issues, ensuring that benefits monitoring is integral, capturing both cashable and non-cashable benefits and developing this approach as the service evolves.

Having conducted a detailed review of the current service earlier in the year Care and Support Commissioning have concluded that for the Council to achieve its ambition change is required.

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve the procurement of an Innovation Partner for the management and delivery of an all-age Care Technology solution to the residents of Barking and Dagenham, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration and the Director of Law and Governance, to award and enter into the contract and any extension periods with the successful tenderer, in accordance with the strategy set out in the report.

Reason(s)

To accord with the Council's Contract Rules and assist the Council in achieving its priority of 'Prevention, Independence and Resilience'.

1. Background

- 1.1 '*Care Technology*' is defined as the use of convenient, accessible, and cost-effective technological and/or digital products or services that allow people to monitor their own (or someone else's) health and wellbeing, better self-manage their own health including long-term conditions, perform tasks they would otherwise be unable to do and/or increase the ease or safety with which tasks can be performed.

- 1.2 The Council has a clear ambition to increase digital enablement of residents and to look at Care Technology becoming central to the delivery of services in the future to help meet improved service user outcomes and the Council's strategic priorities.
- 1.3 The enhanced implementation of Care Technology can support the Council to meet its duties under the Care Act 2014 and it can play an increasingly important role in delivering against the vision and priority themes of the Joint Health and Wellbeing Strategy and our wider Corporate approach to digital transformation. It also aligns with the strength and asset-based service delivery model and practice framework for Adults' Care and Support.
- 1.4 A transformed Care Technology service is central to driving this work and has the potential to underpin and facilitate a range of wider service transformation initiatives, including the Improvement Programmes which cut across Care and Support.
- 1.5 There is a clear need to increase the pace and reach of Care Technology and digital solution in the Borough to deliver:
- Improved outcomes for a greater number of service-users.
 - A better experience for care and health practitioners.
 - Financial benefits for the Council and the local care and health economy.
- 1.6 Since 2010, LBBB commissioned Careline (Elevate) to deliver its Care Technology service to residents. The service has approximately 2,500 users, around 80% of whom just have a basic 'button and a box' pendant alarm. Around a third of current users reside in Sheltered Accommodation. Careline transferred back to LBBB on 1 February 2020, under the Customer Contact service area as part of the first phase of the Elevate repatriation.
- 1.7 The current Careline service is unable to support the Council's ambitions for Care Technology. This has been illustrated through a comprehensive external service review, in addition to benchmarking activities drawing insight from the PA Argenti Pathfinder project, national best practice reviewed by Care City and engagement activities undertaken with operational colleagues.
- 1.8 We are clear that what is needed to achieve our ambition, whilst providing an excellent service and outcomes to service users, referrers and to the Council, is an approach that delivers:
- **Transformation:** To transform the Care Technology service so that care practitioners can quickly, easily, and simply refer for Care Technology. This will include designing a pathway that integrates seamlessly into care and health practitioner ways of working so referring for Care Technology does not unduly impact practitioner time and capacity.
 - **Culture change and engagement:** Lead a programme of culture change and engagement to embed Care Technology as part of the 'first offer' in Care and Support, aligning it with the Council's strengths-based approach to social care.
 - **A benefits framework:** Co-design and embed a robust approach to measure the financial and non-financial benefits of the service. Benefits will specifically deliver against enhanced prevention and earlier intervention, impacting upon social care demand and improved wellbeing, independence, and choice for local people.

- **Governance:** Establish strong governance arrangements for the service that draw in necessary strategic input, including the development of a strategic relationship management plan and overseeing spend and benefits delivered.
- **Service development:** Build strong strategic relationships across the system, identifying opportunities for Care Technology to play a greater role in supporting better outcomes for service users, the Council and system partners.
- **Innovation:** Constantly striving to develop the Care Technology proposition so that new emerging technologies are rapidly deployed where there is an identifiable benefit for the service user and the Council.

1.9 The Council wants technology to drive a transformation that results in sustainably lower costs of care and support whilst enhancing quality.

1.10 It is therefore the case that we are not merely seeking a 'supplier' but an Innovation Partner to work with us collaboratively and in a joint enterprise that can provide support and advice to deliver across a range of Care Technology areas to achieve and sustain the level of change necessary and at the pace required.

1.11 This is considered the most appropriate way to deliver the step change required and capitalise on opportunities available to bring the best and innovative solutions the market can offer, through transforming culture and practice to grow the service and realise the potential savings available.

1.12 The response to Covid-19 has shone a light on the role that Care Technology can play for the wider health and care system. The global pandemic has been the catalyst to the step-change needed for the system to think differently about the role that technology must play in delivering safe, effective, and sustainable services.

1.13 In Barking and Dagenham, several digital initiatives were successfully mobilised during the response to Covid-19 to mitigate some of the key challenges including infection control, and the associated social isolation caused by visiting limitations in Care Homes. These projects were facilitated in isolation of the current service which proved insufficient in responding to the inherent challenges of the situation, inhibiting the Council's ability to deploy appropriate Care Technology and capitalise on the opportunities it presents.

2. Proposed Procurement Strategy

Outline specification of the works, goods or services being procured

Overview and context

2.1 The Council wants to work with an Innovation Partner to deliver the following three service elements, which will be described more fully in the final Service Specification, that make up the Care Technology service:

2.2 **Service Element 1** – Innovation and development of technology and/or digital services for Barking and Dagenham residents that complement their own support and networks. The Innovation Partner will include flexibility for new projects and technology which may arise throughout the life of the Contract.

- 2.3 **Service Element 2** – Establish and embed a ‘Technology First’ cultural change including a Care Technology Learning and Development programme.
- 2.4 **Service Element 3** – Manage and deliver the Core Service, including the supply, set up, monitoring and response of Care Technology, continuously improving and extending the range and use of technological and digital services and products to meet individually identified health and social care outcomes.

Care Technology Strategic Service Outcomes

- 2.5 The expected outcomes for the local health and social care system from providing the Services are as follows:
- Customers will be supported by a confident, knowledgeable, and skilled health and social care workforce, working creatively with Care Technology, to support wellbeing, choice, and independence.
 - The development of a ‘Technology First’ approach using Care Technology as the primary and default solution to meet health and social care needs.
 - To maximise the uptake of Care Technology across Barking and Dagenham through increasing the supply and application of Care Technology.
 - To continuously improve the Care Technology supplied to Customers and to work with the Council and to innovate and develop new Care Technology solutions.
 - Supporting the health and social care system to be able to better predict need and demand through improved intelligence derived from Care Technology.
 - To support the health and social care system to meet targets to improve health outcomes, reduce non-elective admissions, reduce delayed transfers, reduce the volume of home care delivered and reduce or delay admissions to care homes.

Service Element 1 - Innovation and Development

- 2.6 The Innovation Partner will identify opportunities to deliver financial and non-financial benefits through mainstreaming the provision of Care Technology in social care in community, residential and supported living settings. The Innovation Partner will ensure;
- 2.7 The Care Technology services provided are driven by the needs of the individual as part of a person-centered, seamless care approach to meeting health and care outcomes.
- 2.8 The Care Technology provided is up to date and includes emerging devices and equipment, which will mean being flexible, agile, and working with any number and range of Care Technology providers to innovate and develop services and projects over the Contract Period.
- 2.9 The Innovation Partner will build and maintain relationships and potential partnerships with technology suppliers/innovators in order that the resident is supplied with the most appropriate technology for their needs in the most cost-effective way.
- 2.10 The Innovation Partner will make use of the broadest range of technologies and digital solutions and will evolve to include lifestyle, environmental and health monitoring through a shift to digital technologies.

- 2.11 The Innovation Partner will negotiate the most competitive prices with suppliers of Care Technology products and services to ensure best value to the Council and will evidence this process as part of the contract monitoring process. The Council reserves the right to access Care Technology products and services independent of this contract.
- 2.12 The Innovation Partner will work with the Council and any third-party Care Technology providers to embed any associated products and services within the associated functions of this contract, including technical compatibility.
- 2.13 Care Technology will become data-oriented to proactively identify changes in a Customer's situation to enable proactive care and support to be delivered, including calls to remind service users to take their medication or to do other essential tasks including eating meals, drinking sufficient fluids, and keeping warm in cold weather in addition to calls to check the service user's well-being.

Digital switchover

- 2.14 The Innovation Partner will be expected to invest in digital/IP telephony in line with the telecommunications network that is undergoing a major shift from analogue and circuit-switched technology to packet-switched IP based next generation networks.
- 2.15 The Innovation Partner will be expected to ensure that Customers who rely on Care Technology will remain safe and that there is no discontinuity in the meeting of their assessed needs, and that calls to the monitoring centre and other forms of monitoring will not be at risk during the switchover period. That includes preparing Customers for the switchover and protocols and procedures to handle the transition process.

Service Element 2 – 'Technology First' cultural change

- 2.16 The Innovation Partner will work with the Council to deliver a 'Technology First' cultural change in the health and social care workforce, which will include, but is not limited to:
- 2.17 The development and delivery of a clear action plan for embedding and sustaining a 'Technology First' cultural change, for Health or Social Care Professionals and managers and other partners such as Home Care Providers.
- 2.18 The provision of on-site and remote Care Technology support for Health or Social Care Professionals who will be the main source of referrals including co-location of the Innovation Partner's team with Council and other stakeholders where appropriate.
- 2.19 Ongoing proactive communication, engagement and skills development with stakeholders including, but not limited, to local health and social care organisations, wider Council staff, local health and social care providers and voluntary and community groups.
- 2.20 The Innovation Partner will work with the Council to develop different mechanisms for promoting and providing information about Care Technology to residents of Barking and Dagenham. Approaches to be considered will be agreed with the Council, and might include, but are not limited to:

- Care Technology ‘mock-up’ demonstrations
- Local forum events (for example for end users, providers, carers)
- Social and other media promotion
- A public facing Care Technology website
- Awareness raising to specific groups of users, e.g. Carers

Care Technology Learning and Development programme

- 2.21 The Innovation Partner will deliver the Care Technology Learning and Development Programme throughout the whole Contract Period. This could be through formal / virtual training sessions, specific training sessions for teams and Team Manager briefings.
- 2.22 The objective of this ‘Technology First’ learning and development programme will be to reach and educate all health and social care practitioners who are potential Care Technology referrers, to ensure that there is a shift in operational practice and that the anticipated benefits of a ‘Technology First’ approach can be realised.
- 2.23 The Care Technology Learning and Development Approach will develop during the Contract Period and therefore the specific delivery requirements of the Programme in future years of the Contract Period will be reviewed at least annually, with any new Care Technology Learning and Development Approach being agreed between the parties.
- 2.24 The Innovation Partner will build and maintain relationships and potential partnerships with Care Technology suppliers/innovators in order that the training and development is up-to-date and includes new and emerging innovations that may be utilised within this Contract.
- 2.25 The Innovation Partner will build and maintain a working relationship with the Council’s Learning and Development Team to ensure that details about the courses promoted through the Council’s Learning and Development programme are correct and up to date in a timely manner.
- 2.26 The Innovation Partner will ensure that it has the processes and systems in place to enable the Council to monitor the quality of the on-going delivery of the Care Technology Learning and Development Programme through a variety of ways, including, but not limited to, feedback from delegates, by the investigation of complaints and by inspection of training resources and records for people receiving services as part of the Programme.

Service element 3 – Core Service; supply, set up, monitoring and response Care Technology service

- 2.27 The Innovation Partner will provide a fully funded Managed Care Technology Service to all eligible residents in the Borough. The Innovation Partner will transfer a minimum of c.2500 existing Care Technology users to the new service including both dispersed alarms (including c.300 existing private-pay clients) and those in Sheltered Schemes.

- 2.28 The Innovation Partner will undertake a review of each individual client and /or residential setting in conjunction with operational Social Care colleagues to determine suitability of existing solutions to inform ongoing maintenance, upgrade or decommissioning as appropriate, informed by current and predicted social care needs, cost, risk, and service equity.
- 2.29 The Innovation Partner will work with the Referrer to assess the type of Care Technology that would be suitable to enable the Customer to meet their assessed Individual Outcomes, taking into consideration any other health or social care services that the Customer is receiving.
- 2.30 Wherever possible, innovative technology and/or digital solutions should be identified as appropriate to the individual needs and Individual Outcomes for the service user. The Innovation Partner will have a trained workforce to achieve this with appropriate Social Care expertise.
- 2.31 The Innovation Partner may administer or support peripheral stores or stock supplies of specific Care Technology held in particular settings e.g., with hospital terms to support timely discharge.
- 2.32 The Innovation Partner will discuss the Care Technology options with the Customer and the Referrer to agree the actual Care Technology to be set up prior to the delivery and set up of any Care Technology.
- 2.33 The Innovation Partner will explain information sharing requirements as set out in the Data Protection Legislation and the benefits and risks of sharing information received by the Innovation Partner with the Council and/or health services and ensure any required consents for information sharing are agreed and signed by the Customer.
- 2.34 The Innovation Partner shall establish suitable protocols and plans for promptly alerting the service user's family and friends as well as certain bodies such as adult services of specified incidents. These plans shall be tailored to reflect the individual service user's needs and the wishes of the service user's family and friends.
- 2.35 Care Technology provided can be used by a diverse range of individuals in terms of technical understanding, disabilities, and where English is not the first language.
- 2.36 For those that do not meet the eligibility criteria for the Care Technology service, it is expected that the Innovation Partner will develop a private pay option to meet this need alongside other providers in the marketplace.
- 2.37 The Innovation Partner shall ensure that the Care Technology set up:
- Is fit for purpose, working properly and ready for installation.
 - Is appropriate and suitable for the Customer's needs and the environment where it will be used.
 - Conforms with the manufacturers' instructions and guidance in a way which ensures that it will function effectively and that it is adjusted or calibrated appropriately with a view to the sensitivity required by the Customer.
 - Complies with all relevant legislation, standards, and guidance.
 - Is installed to meet all relevant legislation, standards, and guidance.

Monitoring and response service

- 2.38 The Innovation Partner shall plan, manage, and operate a twenty-four-hour remote monitoring and response service, seven days per week, three hundred and sixty-five days a year, including bank holidays.
- 2.39 The Innovation Partner will use a combination of devices and data services to provide monitoring of Customers, as agreed with each Customer, to enable appropriate levels of response based on events, behaviour, patterns and anomalies.
- 2.40 The monitoring centre will respond proactively, but also reactively, to events, behaviour, patterns and anomalies that are monitored, through a combination of automated and human contact (as appropriate) and this may include:
- An initial technology-based response.
 - Contact with the Customer or a named contact.
 - A visit by a mobile responder.
 - An emergency response.
- 2.41 The proactive or reactive response by the Innovation Partner to events, behaviour, patterns and anomalies will be timely (to be agreed with the Council), appropriate and proportionate to the alert received. Responses to alerts will be recorded and will be reported to the Council in the way which is agreed by the parties. The Innovation Partner will respond fully to requests for information on responses as part of any safeguarding or other formal enquiry.
- 2.42 The monitoring centre handlers must be trained and knowledgeable to be able to monitor and respond to all alerts from Customers and to alerts raised by Care Technology supplied to Customers. This will include the process for responding to alerts from smoke/fire/heat alarms. They will also be able to offer proactive outbound calls where required to support Customer's independence and wellbeing.
- 2.43 To meet the needs of the Customer following an alarm call/alert, the Innovation Partner may need to utilise services or support that it does not provide itself, including technical support. To ensure that it can effectively do this, the Innovation Partner must ensure that it has good local contacts with other relevant local organisations across Barking and Dagenham as required or be able to contact other organisations within an appropriate timescale.
- 2.44 The Innovation Partner will provide a mobile response service suitable for all Customer requirements ensuring it is able to adequately deal with calls from residents from all disability groups, for example Customers with dementia, carers, sensory impairments and Customers whose first language is not English.
- 2.45 At all times when the Innovation Partner is in contact with Customers under this Contract, the Innovation Partner should be reviewing whether the individual is safe, as set out in the Pan-London Multi-Agency Safeguarding Policy & Procedures.
- 2.46 If the Innovation Partner believes there is a safeguarding issue or that there is a need for a change in the care or support needs of the Customer, the Innovation Partner must notify and work with the Referrer or through health and/or social care contact points to be agreed with the Innovation Partner.

- 2.47 The Innovation Partner will work with teams from the Council and NHS to develop a system to integrate the data held by the Innovation Partner within the Council's and NHS Case Management Systems or local, regional, or national records that the Council and/or NHS develop over the Contract Period, subject to the requirements of the Data Protection Legislation, Customer consent and a legal basis to do so.
- 2.48 Within the first Contract Year, the Innovation Partner will be using predictive analytics technologies to proactively identify changes in events, behaviour, patterns and anomalies that might identify a change in an individual Customer's situation. To support this, the Innovation Partner is also expected to explore how existing data from personal data stores can be analysed to support prediction and be used to improve the care provided. The Innovation Partner will work with teams from the Council and NHS to develop a process to proactively review and respond to any such predictive Customer situation changes.
- 2.49 When the Innovation Partner response involves referring a Customer to emergency services, the Innovation Partner will ensure appropriate data about the Customer can flow from the Innovation Partner to the relevant emergency service, subject to agreed processes, the Data Protection Legislation, appropriate consent, and a legal basis to do so.

Benefits tracking and realisation

- 2.50 The Innovation Partner will work with the Council to develop a Benefits Tracking and Return on Investment Monitoring Model for the Care Technology Service. The exact process and responsibilities will be finalised between the Innovation Partner and the Council within a maximum of six months of the Service Commencement Date.
- 2.51 Benefits tracked will be both financial and non-financial impacts of this Care Technology Service. Financial impacts will include:
- Cost savings: e.g. reduction in domiciliary care packages, reduction in residential care packages, step down from residential care, reduction in residential care fees; and
 - Cost avoidance: e.g. avoidance of higher cost care packages both in the community and in residential care, delayed entry to residential care and reduced non-elective admissions and timely discharge from hospital.
- 2.52 Cost savings and avoidance should apply to all age social care costs and wider health costs, and any assumptions used must be able to be validated by the Innovation Partner as cost savings and avoidance as a direct result of the Service.
- 2.53 Any financial benefits should be net of the Contract costs, which will be defined and agreed as part of the development of the Benefits tracking and Return on Investment Monitoring Model.
- 2.54 During the development of the Benefits Tracking and Return on Investment Monitoring Model, a series of cost savings and avoidance measures, Management Information and Performance Indicators will be agreed by the Innovation Partner and the Council and they will form part of this Contract.

Care Technology technical compliance

- 2.55 The Innovation Partner is expected to demonstrate continuous compliance of relevant UK and international standards in the provision of the Care Technology Services, for example Telecare Services Association (TSA) accreditation, CESOPS, ISO or equivalent throughout the Contract Period. This requirement will be reviewed during the Contract Period and may be amended by agreement of the Innovation Partner and Council.
- 2.56 The Innovation Partner will support industry best practice for interoperability including appropriate use of open standards and APIs and health Data, Information and Analytics standards.

Information Governance

- 2.57 In accordance with the relevant Information Governance clauses of this Contract, the Data Protection Legislation and the principles of information governance contained in the Health and Social Care Act 2012, the Innovation Partner will be responsible for managing its own information governance arrangements, including obtaining consent to sharing each Customer's personal information with the appropriate health commissioners and/or services and any other appropriate organisations and for publicising its privacy policy, information sharing policy and procedures.
- 2.58 The Innovation Partner is expected to comply with the right to data portability principle in the Data Protection Legislation that allows Customers to obtain and reuse their personal data for their own purposes across different services. They must be able to move, copy or transfer personal data easily from one IT environment to another in a safe and secure way, without hindrance to usability.

Data, Information and Analytics

- 2.59 The Innovation Partner shall maintain all the data required (including raw customer-level data) to enable it, as a minimum, to produce the Management Information. Subject to the requirements of the Data Protection Legislation, such data and the Management Information produced from it will be always kept up to date and held for the Contract Period and for a period of six (6) years thereafter.
- 2.60 The Council also reserves the right to access and use any raw data or information collected by the Innovation Partner from any Care Technology installed and monitored by the Innovation Partner, subject to the requirements of the Data Protection Legislation, Customer consent and legal basis to do so.

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

- 2.61 The Estimated cost of the service to be Tendered is £4.2m over the proposed length of the contract of 7 years (5 + 1 + 1).
- 2.62 Along with the above cost, the service will be supported by capital funding for equipment and services which will be attributable to the care and support of individual service users.

Duration of the contract, including any options for extension

2.63 5 years for the period from the 01 October 2021 to 30 September 2026 with a two-year extension option to 30 September 2028 (one plus one, each to be activated with 12 months' notice).

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?

2.64 Yes

Recommended procurement procedure and reasons for the recommendation

2.65 Competitive Procedure with Negotiation (CPN)

2.66 This is considered the most appropriate procurement route given the nature of this service. Whilst the Open Procedure may be the fastest and simplest route to award a contract, it allows no opportunity for negotiation. By contrast, the Competitive Dialogue is not considered to be appropriate in view of the extended time implications and increased ambiguity in structure. In view of this, Competitive Procedure with Negotiation (CPN) is considered to provide the right balance which enables the Council to set minimum requirements at the outset but maintain flexibility to undertake negotiations on all other aspects of the tenders, such as quality, quantities, commercial clauses, social, environmental, and innovative aspects.

Under the regulations CPN can be used in the following circumstances:

- The needs of the Council cannot be met without adaptation of readily available solutions.
- The goods, works or services include design or innovation solutions.
- The contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity, or the legal and financial make-up or because of risks attaching to them.

Projected Tender Timeline

- ITT Published - April 2021
- ITT Bidders' Clarifications/Enquiries deadline - May 2021
- Tender Returns - June 2021
- Tender Evaluations - July 2021
- Contract Award - August 2021
- Mobilisation – September 2021
- Service 'go-live' - October 2021.

2.67 The contract delivery methodology and documentation to be adopted

The Council's standard contract terms with a clear specification for service delivery expectations against performance/ outcome indicators. The contract would include a no-fault clause termination with a 3-month notice period.

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

Benefits tracked will be both financial and non-financial impacts of this Care Technology Service and may include the following cost saving and cost avoidance measures:

- Reduction in domiciliary care packages
- Reduction in care home packages
- Step down from care homes
- Reduction in care home fees
- Reduction in supported living packages
- Avoidance of higher cost care packages both in the community and in care homes
- Delayed admission to care homes
- Avoiding short term admissions to care home delaying the need for the introduction of long-term care services
- Supporting family/informal carers
- Reducing the use of primary and community care resources
- Reducing the number of delayed transfers of care and their length
- Reducing the number of unplanned hospital admissions/readmissions
- Reducing the number of emergency ambulance call-outs and unnecessary A&E presentations

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

The price/quality ratio upon which the contract will be awarded will be 40% price, 50% quality and 10% social value.

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

Improving and enhancing the independence and resilience of residents is at the core of this service.

The social value scoring will be allocated 10% percent of the overall score available. We will ask potential providers to submit details of how they will employ staff locally and if the London Living wage will be paid to staff members. Additionally, the service will be required to work with local partners relating to this field including Barking and Dagenham College and Care City CIC as an innovation centre for healthy ageing and regeneration.

2.71 Contract Management methodology to be adopted

The contract will contain specific service requirements and expected outcomes. Key performance indicators will be outlined in the service specification and agreed with the provider. Commissioners will undertake performance management of the service.

Robust governance arrangements for the service will be implemented that draw in necessary strategic input, including the development of a strategic relationship management plan and overseeing spend and benefits delivered.

Contract monitoring meetings will take place fortnightly for the first 3 months and then monthly for the remainder of the first year of the contract to review performance reports and contribute to the continuous development of the service. In addition, quarterly reviews will be required to be completed by the provider, to include feedback on contract outcomes.

3. Options Appraisal

- 3.1 LBBD engaged the Society for Innovation, Technology and Modernisation (SOCITM) to conduct two packages of work: a joint strategic review of the existing service provided by Careline, and an assessment of potential alternative service models for future deployment in LBBD. This review enabled the current service to be assessed against the ambitions of the Council and has provided valuable insight from an independent and objective outside body with significant expertise in the field.
- 3.2 The evidence and insight produced through this review has been considered in conjunction with the operational learning from the PA Argenti Care Technology Pathfinder which ran in 2019, in addition to national best practice reviewed by Care City and engagement activities undertaken with operational colleagues. The key principles through these activities were consolidated into an assessment criterion as follows.
- Supports Barking and Dagenham's strategic and operational direction (i.e., Joint Health and Wellbeing Strategy, Care and Support Improvement Plans)
 - Enables residents to determine the support they need to meet their individual needs from a VFM service
 - Prioritises ongoing social care funding based on vulnerable populations
 - Complies with Barking and Dagenham's safeguarding policies with a clear understanding of the council's responsibilities and liabilities
 - Enables Barking and Dagenham social workers to directly recommend solutions they believe will improve the overall wellbeing of residents
 - Provides access to fit-for-purpose technology and best practice, innovative Care Technology services

Option 1: Develop and improve current service model

Whilst this is a viable option and has the benefit of keeping full control of the operational and strategic parts of the service within LBBD, there is significant work to be done to fill the significant competency gaps relating to data analysis, social care and technical expertise. Consequently, this option is highly likely to turn out more costly than other options, whilst limiting the flexibility to adopt new innovations.

Option 2: Outsource monitoring element only

This is a less viable option. Any potential costs savings would be outweighed by the complexities of a mixed in-house / outsourced model. This option has the potential to undermine accountability and be confusing for professionals and residents with multiple service providers end-to-end. This could also contribute to an increase in confusion when managing high risk responses.

4. Waiver

- 4.1 Not applicable.

5. Consultation

- 5.1 Engagement activities with residents have been undertaken directly through the reviews conducted by Healthwatch, SOCITM, Care City, and 'Breezie' which support the procurement for an Innovation Partner. We have also looked toward other councils through case studies to support engagement with groups outside our usual Care Technology remit, such as those with learning disabilities.
- 5.2 We will also continue to consult with stakeholders, service users and the Council to help develop the service, to ensure that the nuances of individual user's experiences are heard. We wish to use future service user and stakeholder feedback to inform operational decisions undertaken on behalf of service users by the Innovation Partner. Throughout the procurement we will ensure that the Partner will engage with stakeholders through demonstrations within the community, local forum events and promotional exercises to raise awareness to stakeholders and future service users.
- 5.3 The proposals in this report were considered and endorsed by the Procurement Board at its meeting on 14 December 2020 and Corporate Strategy Group on 21 January 2021.

6. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 6.1 The Councils Contract Rules require all spend over £50,000 to be formally tendered and spend over £500,000 to be ratified by Cabinet.
- 6.2 The service requirements detailed in the paper are fairly complex and as such the routes to market being appraised are Open tender where the Council is confident it can outline the requirements in enough detail to warrant a cost effective procedure whilst delivering the required outputs. All bidding tenders must be evaluated with a successful bidder being awarded after being evaluated on cost, quality, and social value.
- 6.3 In the event that this process could not, or did not provide a successful response, then the Competitive Process with Negotiation (CPN) may be used to outline a core set of requirements with the option to refine and negotiate based on the revisions, but with all bidders being treated the same and fairly in terms of the negotiation.
- 6.4 Based on the detail in the report, the routes to market are acceptable and would be compliant with the current legislation, but it is accepted that the final route still needs to be decided through delegation. The recommendations in my view should be approved on this basis.

7. Financial Implications

Implications completed by: Murad Khan, Group Accountant

- 7.1 This paper is requesting to undertake a procurement exercise for the appointment of an Innovation Partner for the management and delivery of an all-age Care Technology solutions to the residents of Barking and Dagenham.
- 7.2 The contract would be for a period of 7 years costing approx. £4.2m in total at around £600k per annum.
- 7.3 There is budget available to fund this in the form of £160k of available revenue budget within the Disabilities services and £440k to be received from Customer Contact which is the anticipated budget contribution after savings have been made to the current Careline service, that will be replaced by this new contract from October 2021.
- 7.4 There remains a small risk of staff redundancies which in a worst-case scenario could cost up to £150k, however this is potentially a cost to corporate reserves rather than the service.
- 7.5 All or some of this redundancy cost maybe mitigated if TUPE can be agreed with the new provider, but it is unlikely all staff will TUPE across as the new provider may not require all the current staff and/or there may be a skills gap which would require specialists or re-training.
- 7.6 The successful application of the new Care Tech service would need to be supported by a sizeable capital budget in the region of circa £0.5 to £1.5m to fund the actual equipment costs once clients are assessed to be in need of them, however it should be noted that this figure is controllable on our side by how much we provide, how we stagger the demand and how we prioritise our upgrades.
- 7.7 There is significant evidence, benchmarking data and financial modelling that shows the use of Care Technology does bring with it cost savings and avoidance, which should benefit a significantly under pressure care and support budget. The savings would be in the form of care package step downs which would be clear bankable cost savings, and the prolonging of someone's independence or need for care which would be cost avoidance.

8. Legal Implications

Implications completed by: Ian Chisnell, Major Projects Solicitor

- 8.1 The Council has power to enter into these arrangements under S1 of the Localism Act 2011 and an obligation to provide some of the services under s1 of the Care Act 2014 in promoting an individual's wellbeing.
- 8.2 The value of the contract is currently above the threshold for services under the Public Contract Regulations 2015 and will require tendering under those regulations and the Council's Contract Rules in its Constitution. As it is likely that the procurement will commence after 31 December the procedure set out in The Public

Procurement (Amendment etc.) (EU Exit) Regulations 2020 SI 1319 will need to be followed.

- 8.3 The report refers to the use of personal data and any contract will need to make provision for the processing of personal data in accordance with the Data Protection Act 2018 and the Health and Social Care Act 2012.
- 8.4 It appears that some of the staff currently engaged on the current contract for these services work exclusively on this contract and it is likely that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended). That means that current staff may transfer to the new contractor and there will need to be negotiations with the staff concerned prior to such Transfer. Although the staff are not employed by the Council, the Council will need to have regard to this in considering the pricing for the contract and ensure that there are provisions for disclosure of information on the cessation of the contract to enable retendering.
- 8.5 It is not clear whether or not the current staff are in the Local Government Superannuation scheme and if so what arrangements are in place concerning the closure of that scheme on the ending of the current contract, for example a valuation of the scheme contributions and whether or not the employer or the Council is obliged to fund any deficit or participate in any surplus.

9. Other Implications

9.1 Financial risk - Financial risk is considered to be low because:

- The Council will only pay for Care Technology services or products that are installed and is therefore able to control the supply of installations, albeit if the Council reduced or stopped installations due to budgetary constraints it may face reputational and legal risk.
- There is growing evidence of the savings to social care and the NHS that Care Technology services and products can provide, however limited cultural and behavioural change in both customers and professionals may mean these benefits are not achieved. A key part of the Care Technology proposals outlined above are to develop and provide increased training and change management to staff and increased communications to customers and it is hoped this will mitigate this risk.
- The development of new Care Technology services or products will only commence following agreement to a business plan showing the cost and benefits of any new Care Technology service or product.
- A break clause will be included in the contract. In the event that any of the funding sources are lost, these will ensure that there is a mechanism to manage spending within the limits of available resources, should the Council decide it is appropriate to exercise that right.

9.2 Technical risk - Technical risk is considered to be medium because:

- Speed of change in technology may mean that Care Technology services or products become quickly outdated and/or may impact on cost and investment/benefit realisation calculations. This will be mitigated in part through building the strategic partnerships with the Care Technology provider and other

partners to support the Council to innovate and introduce and/or develop new services or products.

- Interfaces between different systems and innovations may create a barrier to data sharing and platform compatibility. This will be managed through contract monitoring and governance processes. The requirement for the supplier to be 'tech-agnostic' and mitigate compatibility challenges will be outlined within the service specification.
- New technologies may be difficult to introduce to people who prefer more traditional services or products that may not provide the same level of benefits. This will require extensive communication and engagement to change the behaviour of people as part of the infrastructure and cultural change programme.

This Procurement will be discussed at a future Technical Design Authority meeting, to ensure appropriate oversight is provided from IT to ensure the new service meets the necessary criteria in this field and facilitate interoperability with existing council systems, e.g. Liquid Logic.

Additionally, support will be provided by the Information Governance Manager to ensure a robust approach is taken to Data Protection and information sharing. A Data Protection Impact Assessment will be undertaken to enable the council to identify and minimise the data protection risks of this service.

9.3 TUPE, other staffing and trade union implications - Depending upon the ultimate outcome of the competitive tender exercise TUPE may apply (should the criteria for application be met); equally, should this not be the case then this could place 13 members of staff at risk of redundancy. This will not be able to be confirmed until the appropriate point in the tender process and will be further explored throughout the Procurement process in line with Corporate Policy and employment law.

9.4 Corporate Policy and Equality Impact - This contract will allow us to expand the Council's current service offer enabling more people to participate in and benefit from Care Technology and Digital solutions. This will build resilience, choice and improved well-being in people that receive care and support services from the Council. This approach in building solutions aims to address current shortfalls for key groups in accessing such services.

The Service should meet the needs of diverse user groups, for example by providing language support according to LBBB policies, or arranging visits compatible with religious preferences (e.g. avoiding certain days). Groups include (but are not limited to):

- Black and ethnic minority communities
- Religious communities
- Adults with visual and/or auditory impairments, including deaf blind adults
- End of life/palliative care
- Adults with communication difficulties
- Non-English speakers
- Adults with British Sign Language (BSL) as their first language
- Adults with learning and/or physical disabilities and/or mental health issues, including dementia

A Community and Equality Impact Assessment is attached at Appendix B.

- 9.5 **Safeguarding Adults and Children** - At all times when the Innovation Partner is in contact with Customers under this Contract, the Innovation Partner should be reviewing whether the individual is safe, as set out in the Pan-London Multi-Agency Safeguarding Policy & Procedures. Compliance with Barking and Dagenham's safeguarding policies with a clear understanding of the council's responsibilities and liabilities will be integral to the contract monitoring process.
- 9.6 **Health Issues** – The services provided through this Procurement will have a positive impact on the health and wellbeing of the local community, supporting residents to better self-manage their own health including long-term conditions, perform tasks they would otherwise be unable to do and/or increase the ease or safety with which tasks can be performed.

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

List of appendices:

- Appendix A: Care Technology Case Studies
- Appendix B: Community and Equality Impact Assessment

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Title: Case Studies to Demonstrate the Use of Care Technology:

Report Author: Lydia Freeman: National Management Trainee - Care and Support Commissioning

Case Study 1: Behavioural Insight Led Care in those with Learning Difficulties – Alcove comprehensive monitoring.

Background:

Recently the CQC has highlighted the need for increased support for community care to improve care for those with autism spectrum disorders and learning disability to provide outcomes and independence. It is predicted that by 2030 that the number of individuals living with a learning disability is predicted to increase to 3,774, highlighting the need for improved complex community care. In Barking and Dagenham 832 service users are known to have a learning disability with 127 under the age of 18. The cost of each service user in LBBDD is projected by London Councils to increase from £38,902 to £49,279 between 2017 and 2025.

Solution:

The London Borough of Newham implemented Alcove in a Supported Living context to help reduce staffing and promoting independence. Alcove is a comprehensive technology package which strives for independent living for older and disabled adults. Alcove utilises several technologies to provide a comprehensive approach to social care. Alcove uses motion sensors which collect heat and light which provides feedback to the machine learning-based Alcove system to provide behavioural monitoring which is used to provide a personalised alerting service. Other technologies such as Alexa dot are used to monitor carer shifts and the Alcove warden call system includes a screen device where the manager and residents have access. Halley Road implemented an Alcove controller alongside 50 sensors and altering systems to reduce care packages hours for its residents in an insight-led manner.

Outcomes:

The insights provided by the Alcove Technology System provided a saving of 3 hours per week of 1:1 daytime support and savings in terms of sleep-in and waking night costs. Using the 15,000 data points collected by the system and machine learning to provide baseline behaviour, noticeable changes in residents' behaviours were then reported to site managers for investigation. Upon investigation there was a correlation between daytime anxiety and restless nights indicated by night-time alerts, this information has resulted in behavioural interventions being implemented to curb anxiety.

Case Study 2: Prevention is better than cure – The digital shift from fall response technology to preventative technology.

Background:

The current Careline service currently has 2,500 users in which 80% have just a pendent alarm which involves manual activation by the service user to alert an external monitoring and review team. A comprehensive external review undertaken by Socitm Advisory found that the current service is unable to support the future ambition the Council has for Care Technology due to weaknesses in areas such as lack of innovation and flexibility. In recent years there has been a shift to using technology which aids in predicting healthcare events and preventing them. This has a beneficial impact on service user's physical health but also on their confidence in being independent which prevents expenditure for care services and reduces hospital admissions. Bangor University identified that the associated cost of a fractured hip was approximately £32,000 highlighting the direct cost of falls to the care sector.

Solution:

HAS Technology Group has developed ARMED technology, a wearable device which combines both predictive analytics modelling with health and social care data to identify risks earlier in the care cycle. The data obtained helps individuals to remain confidently independent and in their own homes for longer.

The East Dunbartonshire Health and Social Care Partnership started recording data which can be used to proactively indicate risks. When the data following a fall and fractured hip was analysed retrospectively the service user has been sedentary for up to 16 hours per day with a restless sleeping pattern. Consequently, East Dunbartonshire Health and Social Care Partnership implemented ARMED in 28 service users within a sheltered scheme over 6 months. Over the period, - zero falls were recorded in this group, however in a control group where ARMED has not been deployed 22 individuals had an incidence of 59 falls.

Outcomes:

The cost associated with the installation of ARMED was £8,000, this compared to the approximated £200,000 cost implication associated with the service users which fell represent a 25:1 spend-to-save ratio. The implementation of ARMED also helps reduce the strain on other services within the health care partnership through reducing response calls, ambulance callouts and reduced hospital and care home admissions freeing up beds. There were also improved outcomes for service user wellbeing through promoting better sleep, independence, and activity.

Case Study 3: Personal assistant to digital assistant – the potential of providing prompts and support to service users using digital assistance devices.

Background:

Since the launch of voice-activated digital assistants such as Alexa and Google Home, there has been a drive to incorporate these devices into healthcare landmarked by the recent partnership by Alexa and NHSX. The focus of the devices is to provide medical information to individuals from NHS websites however the existing functions can be implemented to provide practical support to chronic health problems. Domiciliary care services comprise a large portion of the health and social care budget at London Barking and Dagenham. The support given by domiciliary staff can be varied from providing all care and personal care to simply prompting medication for those with a tendency to forget.

Solution:

Stoke-on-Trent saw the opportunity to utilise digital assistants to improve independence and provide support to those with chronic health conditions such as dementia, multiple sclerosis, Bechet's disease, and mental health illnesses. Stoke-on-Trent recently ran a pilot study on the implementation of 50 digital assistant kits comprising of Alexa Echo Show and Wi-Fi if needed to service users with health or dependency needs.

The digital care assistant by Oxehealth uses an optical sensor and infrared illumination to monitor service users to detect movement and vital signs, pulse and breathing rate. The care assistant is currently being trialled in several locations with the findings being released later in 2021.

Outcomes:

Nearly all recipients in the follow-up phone survey have reported increased independence since when using the Alexa Echo Show device for two months or more. One service user previously required daily visits from their primary carer to enable them to live independently with their son. The use of the reminder function of the Alexa aided prompting activities such as medication, appointments, and meals, resulting in less frequent visits from their primary carer improving the quality of life for the individuals involved. Another unintentional reported benefit of the study was reduced loneliness therefore reducing mental health decline in some cases.

The Oxehealth digital assistant has been shown to reduce falls by 48% at night in two recent reports. The use of the digital assistants has also helped service users to feel safer, sleep better and have more independence and privacy knowing their health is monitored.

Case Study 4: Digital Innovation within the Children's Social Care Space.

Background:

Currently, there is limited evidence of digital use within the Children's social care space however there are plenty of opportunities for use for care leavers and individuals feeling as though their voices are heard. Transitional periods for children in care can often be a difficult time where increased support and reassurance to aid progression into independence. It has been highlighted by the Social Care Institute of Excellence that early planning and access to information help young people in care feel involved in their journey from Children's services.

Solution:

Sunderland council has recently implemented the use of an application called Mind of My Own to help address the issues reported within the Care Leavers space to build confidence, trust, and relationships. Mind of My Own is an application accessed by a mobile phone or computer which gives young people the chance to write statements relating to their care for sharing with support teams. The application aims to provide a digital solution to advancing universal children's rights and involving looked after children in their care plan. The increased involvement hopes to reduce the occurrence of missing children and promote self-confidence by making their own choices.

Outcomes:

One individual reported that by using this application they felt more in control, that their needs were better understood and heard ahead of Social Worker reviews and an anxiety reduction. The use of personal reporting improved trust and communication between looked after children and Social Workers allowing them to work better together. The developers of Mind of My Own state that the use of the application in over 70 councils saves Social Workers around 8 days per year in time spent typing Children's views allowing their resource to be better used in the future.

Case Study 5: Lessons from lockdown: Care technology, COVID-19, and crisis management – proactive wellbeing calls to individuals requiring shielding.

Background:

2020 has been an unprecedented time for everyone with every aspect of Care and Support being profoundly impacted. The Office of National Statistics analysed clinically extremely vulnerable people in England during the pandemic, leading to approximately 2.2 million people being advised to shield. It is the council's statutory duty to provide shielding support to those who were classified as clinically extremely vulnerable, this is currently approximately 9052 individuals within LBBD.

Solution:

Carmarthenshire County Council commission Delta Wellbeing, a telecare service who proactively contacted its 3,500 alarm users. This proactive service was designed to reach service users before they reach a crisis or an incident occurs, reducing demand on other emergency healthcare services. This proactive response system was then deemed suitable to contact the initial 8,500 individuals instructed to shield within the county because of COVID-19.

Outcome:

Delta Wellbeing were able to contact all 8,500 shielding individuals to assist with food, medication, isolation before negative outcomes allowing for personalised support plans when needed. The success of this increased outreach to 18,500 individuals. This prevented any surges in demand on statutory and local authority services and resulting in a positive increase on referrals to information and advice away from statutory services improving the capacity of the Local Authority. There were also consequent softer positive impacts with the service empowering users to feel in control and at the centre of their health and wellbeing decisions.

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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	All-Age Care Technology Service
Lead Officer	Lewis Sheldrake, lewis.sheldrake@lbbd.gov.uk
Contact Details	Lead Commissioner – Innovation and Personalisation, Care and Support Commissioning
Supporting Officer	Lydia Freeman, lydia.freeman@lbbd.gov.uk
Contact Details	National Management Trainee – Care and Support Commissioning

Why is this service or policy development/review needed?

Placing equality central to our discussions and considerations.

The importance of equality and diversity consideration is central to all aspects of the Council's work. The Equalities Impact Assessment (EIA) aims to ensure the council is meeting its duties outlined by the Equality Act (2010) to assess the impact of service and policy regarding the nine protected characteristics outlined within the act:

- Age
- Disability
- Gender
- Gender Reassignment
- Pregnancy and maternity status
- Marriage and civil partnership
- Ethnicity
- Religion or belief
- Sexual orientation

Under the Equality Act, we must ensure that steps to eliminate unlawful discrimination, harassment, victimisation, and other conducts prohibited by the act are taken. The Council has a duty to advance equality of opportunity and foster good relations across those who share protected characteristics and those who do not.

The duty to consider and protect the impact of policy and service changes on socio-economically disadvantaged groups is out with the Equality Act. We consider it in line with the councils' strategic Diversity and Equality agenda and good practice to address the socio-economic impact of changes to improve outcomes for all, ensure no one is left behind and to ensure fair and open service delivery.

The EIA helps to ensure that change is always considered from the residents' perspective in-line with the councils' DRIVE values and mitigate negative impacts. The development of an all-age Care Technology service must mitigate the impact on the groups discussed due to the nature of the service and working with vulnerable groups. The Council throughout this project must advocate effectively on behalf of vulnerable groups and residents to ensure equal opportunity and improve access to services of this nature.

Why is this service or policy development/review needed?

Background and future equity.

The Equality Impact Assessment engages us to understand the consequences of the change of service and how this may impact the most vulnerable groups of our community. The assessment will provide an in-depth understanding of the current service factoring in the current context, need and how this will change in the future. This document is to provide an initial basis in which equality concerns are discussed and considered, this will be reviewed subsequently and consistently throughout the progress of this project.

Since 2010 the Council commissioned Careline via Elevate to implement care technology for residents, the enhanced implementation of Care Technology contributes to meeting the duties outlined by the Care Act 2014. There are approximately 2,500 users of the current service with 80% only having access to a basic pendant alarm. Approximately one-third of all current service users reside in Sheltered Accommodation. This service was re-absorbed into the Council's Customer Contact Service area during the Elevate repatriation in February 2020.

The priorities for Care and Support Commissioning are to work with the market to create conditions for innovation and improvement resulting in the development in a range of services which will transform Care and Support. The main caveat of the current Careline service is that it cannot align with the Council's ambitions for care technology. It has been outlined through an in-depth external service review that the current service lacks equity. The current Careline provision has no related expertise within the service resulting in insufficient knowledge within the social care space. This limited social care understanding results in limited assessment capacity to implement the appropriate technologies and insufficient oversight of the associated risks compromising service safety.

The current service is predominantly limited to older people, with only 25% of the current 2,500 Careline users known to social care. The current clientele indicate that the service is not implemented within the areas which would benefit most and reduce demand on social care services such as those within Disability services and those known to social care who could benefit from increased independence and a de-escalation of care. The Care Act 2014 and The Social Value Act (2012) outline the duty the Council has within the public sector to pay particular attention to protected characteristics where improvements in health and life expectancy are not keeping pace with the rest of the population. This duty to equity is unlikely to be met through the current service due to the deficits outlined above.

The current service has been deemed insufficient from the perspectives of service users, such as those with sensory need. Following a series of engagement and consultation activities, the Sensory Team provided feedback on behalf of service users. The feedback stated that the current service has not progressed in line with the advances in sensory technology and the lack of innovation had inadvertently excluded those with sensory needs. Innovative technology has been piloted within the borough outside of the scope of the current Careline service to great success and benefit of service users, indicating the potential success of an innovation partner and the need for growing the application of innovative technology in the borough.

Why is this service or policy development/review needed?

The procurement of an Innovation Partner to provide an all-age care technology service will improve the equality of the service through improving access and broadening the scope of the service. The external service review highlighted the dangers of a stagnant service, drawing attention to safeguarding risks. Culturally throughout health and social care, there has been a shift from reactive approaches toward proactive approaches - which will be reflected within the transformation of our current Careline service. An Innovation Partner will enable the Council to benefit from advancements in care technology as they arise, aiding the shift towards a preventative approach; this will align with the priorities outlined in Joint Health and Well Being Strategy 2019-2021 that underpin commissioning plans.

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.

Demographic and data-led equity:

Barking and Dagenham is a highly diverse Borough in every aspect, particularly within the protected characteristics outlined by the Equalities Act. The Borough also has a deprived socio-economic background with the highest Index of Multiple Deprivations (IMD) in London. The IMD takes into consideration income, employment, health, housing, criminal, educational and environmental-related variables. As a local authority we must ensure that both the strengths and nuances of diversity are understood and taken into consideration as best practice and to fulfil our duties outlined by both the Social Value Act 2012 and the Equality Act 2010. We must continue to value diversity in line with the Fairness theme stated in the Borough Manifesto and evolve how we plan and deliver the service in the future in the most equitable and accessible manner.

The data included outlines the demographics with the Borough to be considered, we are continuing to gather data to reflect the current caseload to inform the procurement. We are committed to continual monitoring of these demographics to inform the service provided is truly equitable and reflective of the demographic across Care and Support.

Age

Barking and Dagenham has the largest birth rate within London alongside the highest proportion of under 16-year olds in the UK and a large ageing population, those over 65, which is projected to have a 15% increase by 2025. The growth rate of the over 65 population is much faster than that of over 18s which is projected to increase by 12% further indicating an ageing population. The Borough's life expectancy at birth is 77.5 and 81.8 for males and females, respectively (Borough Data Explorer). 9.3% of the population in LBBDD are over the age of 65 according to the mid-2019 population estimates from the Office for National Statistics. 86% of users of the Disability Service are between 18-64 demonstrating a highly different landscape to that of Adult's Care and Support which is 51% 18-64, 49% 65+. The new service will need to be responsive to both the current and projected age demographics to ensure it is adequately future-proofed, particularly within the context of Care and Support provision.

Disability

Barking and Dagenham performs poorly in a range of health determinants which provide an insight into the landscape of demand on Care and Support. The data presented at the State of the Borough Conference stated that the healthy life expectancy of residents is 60.1 and 62.5 for males and females, respectively. LBBDD has the lowest life expectancy in London for both men and women, this means that our residents are living shorter lives and spending a greater proportion of their lives in poor health compared to the London averages of 64.2 and 64.4 for males and females, respectively. To further support this 86% of Disability Service users are comprised of 18-64-year-old individuals highlighting a much younger cohort than the rest of Care and Support (51% 18-64, 49% 65+). Low healthy life expectancy coinciding with the highest rate of avoidable mortality in London, paints a picture of disease which could be prevented through increased monitoring methods. However, we must look outside mortality related figures to identify further the individual and societal costs highlighted by the Director of Public Health's Annual Report.

The insight work led by the Council has highlighted that demand for Care and Support occurs across all areas of the life course with focuses on mental health/disability and frailty. According to the Joint Strategic Needs Assessment around 1 in 21 people have a recorded dementia diagnosis in the Borough and it is predicted that 3 in 10 individuals with dementia currently remain undiagnosed. As part of improving resilience within the borough and minimising dependency on social care, outcomes must support independent and semi-independent environments through support services such as Care Technology. The new service will help support residents struggling to manage at home with the least restrictive and most enabling support.

Approximately 9,030 people of working age 16-64 are claiming disability allowance according to the Department for Work And Pensions. The Borough has one of the highest incidences of health deprivation and disability, shown through high indices of multiple deprivations. 19.7% of the 16-64 population have a long-term disability which substantially limits their day-to-day activities or a work-limiting disability which is greater than the London average of 17.4% (Annual Population Survey 2020).

Gender

50.3% of residents are female and 49.7% are male according to the office for National Statistics (2019). The demographic distribution in Adults Care and Support is 59% and 41% for female and male respectively, this is the same across Mental Health services. In Disability Services the distribution is 55% and 45% male and female respectively. The current Careline service supports 68% female clients compared to 32% male.

Ethnicity

According to the Barking and Dagenham Residents Matrix 2020 48% of individuals within the Borough identify as black, Asian and minority ethnic. Within the Borough 33% of individuals identify as white British and 18.8% identify as 'white other'. The mid-2019 population estimates from the Office of National Statistics (ONS) states the current population of Barking and Dagenham to be 212,906. The last census showed that not only the population was growing rapidly, but it was also diversifying rapidly. The white British ethnic group had declined from 80.9% to 49.5% by 2011. Since 2011 the white British ethnic population has continued to decrease with an increase in 'white other' ethnic groups. It is projected that 46% of people aged 18 and over identify as a black, Asian, or other minority ethnic background¹. The 2011 census also indicated that 18.7% of the population aged 3 and over did not have English as their first language, since then the Schools Census in 2020 showed that for 51.4% of pupils in LBBDD English is not their first language. This diversity in nationalities and language must be considered throughout the process to ensure the service is truly accessible for those eligible.

The Adult Social Care ethnic landscape constitutes of; 72% identifying as White ethnic background, 15% Black ethnic background, 10% Asian ethnic background, 1% mixed ethnic background, 1% other ethnic background. This was similar to the landscape of the Disability Service and Mental Health service however this is different to the landscape of the total adult population of the Borough.

Religion or belief

As per the 2011 Census Barking and Dagenham is a multifaith Borough; 56% Christian, 18.9% areligious or no faith, 13.7% Muslim, 6.4% religion not stated, 2.4% Hindu, 1.6% Sikh, 0.5% Buddhist, 0.3% other faith and 0.2% Jewish.

Sexual Orientation

According to the 2011 Census, 0.2% of the population of LBBDD are in a same-sex civil partnership, 41.9% of the population over 16 are married with 38.8 of the population being single and never married.

¹ The use of this language is a point of contention, in this instance the use of this language is to ensure accurate description to delineate population groups in collective terms. We will use this terminology in relation to data until an appropriate replacement can be made. In line with the advice from the Cabinet Office and Office for National statistics we will not use acronyms. Aspinall PJ. BAME (black, Asian and minority ethnic): the 'new normal' in collective terminology *J Epidemiol Community Health* 2021;**75**:10

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Socio-economic factors.

The indices of deprivation 2019 are the governments' primary measure of deprivation for small areas (LSOAs). Barking and Dagenham has the highest proportion of LSOAs in the most deprived quintile with no LSOAs in the least deprived quintile. The main index is the IMD which considers income, employment, education, health, crime, barriers to housing and services and living environment.

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		X	<p>Positives: The service will help to improve resilience within our community and aid independence of individuals in line with the ambitions and themes of the Borough Manifesto and Joint Strategic Needs Assessment of the Borough.</p> <p>Establishing a pioneering service to improve reputation of the Borough increasing public interest. This will provide specialist knowledge and skills regarding care technology for stakeholders within the Borough through the care technology learning and development programme.</p> <p>Negatives: Moving the current service from within the Council to an external outside service may carry Procurement and Workforce implications. Some staff currently engaged on the current services work exclusively on this contract. It is currently unclear at present whether Transfer of Undertakings (Protection of Employment) (TUPE)</p>	<p>Better data-insight lead care which helps to provide only necessary resource, freeing capacity to reach other members of the community. The collection of behavioural data as a consequence of implemented technology and the shift to preventative digital measures will improve resilience, independence and prevent escalation of social care measures, reducing strain on resources. This will help improve access to care resource for those who need it whilst also improving quality.</p> <p>Further enhance community resilience by creating a self-pay offer for residents who do not currently qualify under the Care Act 2014 but wish to have additional support.</p> <p>Ongoing proactive communication, engagement, and skills development of stakeholders, including local health and social care organisations, wider Council staff, local health and social care providers, and voluntary and community groups.</p> <p>We will require the innovation partner to work with local partners such as Barking and</p>

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			<p>Regulations 2006 will apply. This will become clear once bids are received. If TUPE does not apply there will be risks of redundancy or redeployment.</p>	<p>Dagenham College and Care City CIC as an innovation centre for healthy ageing and regeneration.</p> <p>Negatives: In order to mitigate the negatives, we will continue to receive advice regarding the TUPE. These issues are continually being addressed through consultation activities with staff and redeployment where appropriate.</p> <p>We will reflect the Council's social value policy throughout the procurement process. We will award the contract in respect to the price/quality ratio of: 40% price; 50% quality; and 10% social value.</p>
<p>Age</p>	<p>X</p>		<p>Increasing accessibility to all age groups to include those outside the traditional adult social care remit.</p>	<p>Initial emphasis will aim to benefit the current users within the service who are eligible under the Care Act 2014. As the service has traditionally only been accessible to older people, we aim to broaden the scope to all ages. The service will be implemented across all areas of Care and Support in which timely intervention can improve independence and delay or avoid the need of more intensive social care provision.</p> <p>We ensure that the procurement process interrogates the partner's knowledge in all spaces in which Care and Support is delivered. We will also establish how they plan to bring innovation and engagement with care technology across all ages through the Method Statement Questions and subsequent negotiation.</p>

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Disability	X			<p>Increasing accessibility outside the current remit to include people with disability as well as those with dementia. Through improved early intervention, the service will aid people with a disability to maintain independence.</p> <p>Increase the scope and access of the service outside the traditional adult social care remit. We will ask the partner during the procurement process their specialist knowledge regarding care technology within the disabilities social care space.</p>
Gender reassignment		X		No perceived impact.
Marriage and civil partnership		X		No perceived impact.
Pregnancy and maternity		X		No perceived impact.
Race (including Gypsies, Roma and Travellers)		X		<p>No perceived impact.</p> <p>The Innovation Partner will have to provide language support reflective of LBBD's diverse population to ensure service is accessible to those who do not have English as a first language.</p>
Religion or belief		X		<p>No perceived impact.</p> <p>The Innovation Partner will have to accommodate all religions and beliefs and organise visits compatible with preferences and religious observances, reflective of LBBD's diverse population.</p>
Sex		X		No perceived impact.
Sexual orientation		X		No perceived impact.
Socio-economic Disadvantage	X			<p>The procurement through establishing innovation in care technology can raise the profile of the Borough.</p> <p>The raised profile of the Borough from establishing an innovative approach to Care Technology may increase external interest and investment.</p> <p>As outlined in the Care and Support Charging Policy, if as part of an assessment for eligible care needs a resident has been assessed as benefiting from Care Technology they will not charge for this component.</p> <p>We ensure to first serve those who will benefit from the service in a 'technology first' approach when an individual first encounters Social Care services. Those who are not eligible under our Care and</p>

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					<p>Support Charging Policy who wish to purchase the service will benefit by purchasing the service through the Council's economy of scale. This will improve affordability for those at socio-economic disadvantage, and without eligible care needs compared with an alternative external supplier.</p>
<p>Any community issues identified for this location?</p>		X		<p>No other perceived impacts.</p>	

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?

Over the last few years, the Council has engaged in several exercises which evaluate the current service provided by Careline. A joint strategic review was conducted by the Society for Innovation, Technology and Modernisation (SOCITM) which provided insight from an independent and objective external body. This involved a review of the current operating model of Careline and consulting service users for their perspective on their experience. This provided the foundation for further operational learning exercises using external bodies such as PA Argenti. The PA Argenti pathfinder consulted with service users and staff and found that the engagement with Care Technology was inconsistent and its role misunderstood. PA Argenti recommended transformation of the current service to provide benefit to the Council, staff, and service users. Internally the Sensory Team provided feedback of the current Careline Service who said that the current service is ineffective and leaves service users vulnerable. The Sensory Team also highlighted the need for further training and innovation for the current service to provide benefit to those with sensory needs improving equity and accessibility.

A pilot study was also done implementing 'Breezie' tablets to service users within the borough to help isolated residents to get online. The pilot study highlighted the positive impact technology, outside our existing Carline provision, can have. After using the device for three months 72% of users reported they received a desired level of social interaction compared to 22% of users prior. It was also reported that 83% said they had an improved overall sense of well-being. This was further supported throughout the COVID-19 pandemic when the Healthwatch consulted Care Home residents, who were found to have benefited from video calling relatives. The Healthwatch Barking and Dagenham also recommended that there should be a trained individual within Care Homes to enable residents to video call, highlighting the desire for a change in our current Care Technology provision.

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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 engagement with residents directly through the reviews conducted by Healthwatch, SOCITM, Care City, and 'Breezie' support the procurement for an Innovation Partner. We have also looked toward other councils through case studies to support engagement with groups outside our usual Care Technology remit, such as those with learning disabilities. As part of the discussion and design of an all-age Care Technology service we have consulted with or with members of;

- Commissioning Director
- Children's Commissioning
- Adult's Commissioning
- Disability Commissioning
- The Procurement and Commercial Team
- The Data Insights Team

We will also continue to consult with stakeholders, service users and the Council to help develop the service, to ensure that the nuances of individual user's experiences are heard. We wish to use future service user and stakeholder opinions to inform operational decisions undertake on behalf of the service users by the innovation partner. Throughout the procurement we will ensure that the partner will engage with stakeholders through demonstrations within the community, local forum events, promotional exercises to raise awareness to stakeholders and future service users.

3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented?

*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.*

Action	By when?	By who?
Ensure that some method statement questions during the procurement pertain to the development of the service to include other demographics such as those within disability services. This will ensure demonstratable evidence of specialist knowledge and enable us to hold the new partner to account.	Procurement and on-going	Innovation Partner and Lead Comissioner
Transfer all 2,500 current Careline service users to the new service, reviewing current clients to upgrade or decommission where appropriate. Ensuring continuity of service for existing users not leaving a vulnerable demographic at risk.	First 6 months	Innovation Partner, overseen by Lead Commissioner

COMMUNITY AND EQUALITY IMPACT ASSESSMENT	
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How will you review community and equality impact once the service or policy has been implemented?
*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.*

Using regularly monitored KPIs ensure that those who access Care Technology reflect the demographic of Social Care. Monitor referrals and successful installation to allow investigation and analysis to spot and seek to understand why some demographics may be under accessing the service.	On-going	Innovation Partner, overseen by Lead Commissioner
Ensure that the service provided is truly accessible for all ethnicities and beliefs using demographic data to inform these actions. For example, ensure the appropriate languages are available and appropriate timings for installations and appointments are available.	On-going	Innovation Partner, overseen by Lead Commissioner
Ensure engagement with local stakeholders to ensure knowledge and innovation is taught to those within our community. Regular engagement events and use of innovation KPIs.	On-going	Innovation Partner, Stakeholders, the council.

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>The procurement of an Innovation Partner will allow the Council to expand its current service offer to increase the scope of people who can participate and benefit from Care Technology and digital solution as and when they become available. The new service design will first focus on transferring existing users to the new service seamlessly with limited disruption for the service user. After a comprehensive review of current service users to upgrade or decommission their technology, we will improve access to those already eligible under the Care Act 2014. The scope of the service will broaden to incorporate groups, such as those with a disability, who would benefit from intervention reducing the demand on Care and Support services. The service will improve on the current Careline provision to increase accessibility and equity. The service will better align both the themes of the Borough</p>

Manifesto and the Joint Strategic Needs Assessment.

The new service will meet the needs of diverse user groups by providing language support reflective of the cultural diversity within the Borough and arranging visits compatible with religious preferences. The new service will also adhere to the Council's Social Value policy to ensure continued engagement with stakeholders in the local community providing benefits to residents.

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.

Name	Role (e.g. project sponsor, head of service)	Date
Lydia Freeman	National Management Trainee – Care and Support Commissioning	Jan 2021
Lewis Sheldrake	Lead Commissioner for Innovation and Personalisation	Jan 2021
Louise Hider-Davies	Head of Commissioning - Adults	Jan 2021
Chris Bush	Commissioning Director, Care and Support (Project Sponsor)	Jan 2021

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CABINET**15 February 2021**

Title: Pay Policy Statement 2021/22	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Gail Clark, Director of Workforce Change	Contact Details: Tel: 0208 724 3543 E-mail: gail.clark@lbbd.gov.uk
Accountable Strategic Leadership Director: Fiona Taylor, Director of Law and Governance (and Monitoring Officer)	
<p>Summary</p> <p>Under the terms of the Localism Act 2011 the Council must agree, before the start of the new financial year, a pay policy statement covering chief officer posts. The Act also sets out the matters which must be covered in the statement.</p> <p>The Council's draft Pay Policy Statement for 2021/22, attached at Appendix A, sets out the expected position at 1 April 2021.</p> <p>The report also seeks Cabinet's approval to apply the uplift in the London Living Wage with effect from 9 November 2020, which increased the minimum hourly rate of pay from £10.75 to £10.85 per hour.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree the implementation of the London Living Wage increase from £10.75 to £10.85 per hour for employees and apprentices operating in service areas covered by Green Book terms and conditions, with effect from 9 November 2020; and (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2021/22 as set out at Appendix A to the Report, for publication on the Council's website with effect from April 2021. 	
<p>Reason(s)</p> <p>Under the terms of the Localism Act 2011 the Council must agree a pay policy statement in advance of the start of each financial year</p>	

1. Introduction and Background

- 1.1 Section 38(1) of The Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for senior officers (Chief Officers) to be agreed by all councillors at an Assembly meeting before the beginning of each financial year. This policy is timetabled to go to the Assembly on 3 March 2021.
- 1.2 The Council produced its first Pay Policy Statement for the 2012/13 financial year in accordance with the Localism Act 2011. The definition of Chief Officer covers the Chief Executive, the Chief Operating Officer and other Strategic Leadership Directors, Commissioning Directors and Operational Directors. The matters that must be included in the Pay Policy Statement are as follows:
- The level and elements of remuneration for each Chief Officer.
 - The remuneration of its lowest paid employees (together with its definition of 'lowest paid employee' and the reasons for adopting that definition).
 - The relationship between the remuneration of its Chief Officers and other officers.
 - Other specific aspects of chief officer's remuneration: remuneration on recruitment, increase and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.
 - The Localism Act defines remuneration widely to include not just pay but also charges, fees, allowances, benefits in kind.
 - Enhancements of pension entitlement and termination payments.
- 1.3 The Pay Policy statement:
- Must be approved by the full Council (Assembly).
 - Must be approved by the end of March each year.
 - Can be amended in-year, with changes published on the Council's website.
 - Must be published on the Council's website (and in any other way the Council chooses).
 - Must be complied with when the Council sets the terms and conditions for a chief officer.

2. Proposal and Issues

- 2.1 Attached at Appendix A is the draft Pay Policy Statement which reflects the expected position as at 1 April 2021.
- 2.2 It is also proposed to increase the rate of pay for Council employees and 'Green Book' apprentices to ensure that they are paid the London Living Wage as a minimum. The increase, from £10.75 to £10.85 per hour, would be backdated to 9 November 2020.

3. Options Appraisal

- 3.1 The Council is required to publish its pay policy and there is no alternative option to be appraised.

3.2 The Council has previously given a commitment to ensure that it pays, as a minimum, the London Living Wage.

4. Consultation

4.1 The proposals in this report were considered by the Workforce Board at its meeting on 17 December 2020 and final approval was granted on 20 January 2021.

5. Financial Implications

Implications completed by: Philip Gregory, Finance Director

5.1 The Pay Policy Statement at Appendix A updates the existing policy. The Medium Term Financial Strategy includes a provision to part-fund any pay award that may be agreed during 2021-22.

6. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

6.1 There is a requirement under the Localism Act 2011 to publish a statement of the Council's Pay Policy. It sets out clearly and concisely the Authority's approach to Pay. However, there are no direct legal implications in publishing this Policy and the approach which it outlines are consistent with employment law and best practice.

7. Other Implications

7.1 **Contractual Issues** – This makes no changes to employee's contractual position.

7.2 **Staffing Issues** - The staffing issues are fully explored within the main body of the report. There is no requirement to consult with the trade unions on this policy.

7.3 **Corporate Policy and Equality Impact** – The Council's approach to pay is based on the use of established job evaluation processes to determine the salary for individual roles, eliminating the potential for bias in the process.

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

List of appendices:

- Appendix A – Pay Policy Statement 2021/22

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LONDON BOROUGH OF BARKING AND DAGENHAM**PAY POLICY STATEMENT 2021/22****1. Introduction – Requirement for Council Pay Policy Statement**

- 1.1 Section 38 (1) of the Localism Act 2011 (the Act) requires English and Welsh local authorities to produce a pay policy statement to be agreed by Members before the beginning of each financial year. The Act does not apply to local authority schools. This document meets the requirements of the Act for the London Borough of Barking and Dagenham. This Pay Policy Statement presents the expected position at the 1 April 2021.
- 1.2 The provisions of the Act require that councils are more open about their own local policies and how their local decisions are made. The Code of Recommended Practice for Local Authorities on Data Transparency enshrines the principles of transparency and asks councils to follow three principles when publishing data they hold: responding to public demand, releasing data in open formats available for re-use, and, releasing data in a timely way. This includes data on senior salaries and the structure of the workforce.

2. Organisational Context

- 2.1 The Council continues to recognise that if it is to serve its communities well and deliver the agreed vision and objectives, it needs to attract and retain talented people at all levels of the organisation.
- 2.2 The Council continues to ensure that its Leadership Team is structured in a manner that enables it to deliver the Borough Manifesto. This is reflected in this Pay Policy Statement which shows that the number of chief officer posts remains unchanged from the previous year.

3. Pay and Reward Principles

- 3.1 The approach to pay and reward continues to be based on the following principles:
- Pay levels are affordable for the Council, at a time when it is making some very difficult decisions about spending on services to the community;
 - The Council can demonstrate fairness and equity in what it pays people at different levels and in different parts of the Council; and
 - Pay is set at levels which enable the Council to recruit and retain the quality of staff needed to help achieve its objectives at a time of financial hardship and a global pandemic.
- 3.2 Pay levels are determined through “job evaluation”. For staff at PO6 and below, the Council generally uses the Greater London Provincial Council job evaluation system. For posts at PO7 and above, the HAY job evaluation system is used. Each system assesses the relative “size” of the role against a range of criteria,

relating to its complexity, the number of resources managed, and the knowledge required to undertake the role.

- 3.3 Pay rates are generally set against the national pay spine agreed by the National Joint Council, although there are local pay points at the top of the LBBB pay scale. The Council has committed to pay no less than the “London Living Wage” to its own staff or agency workers working with the Council. The “London Living Wage” hourly rate increase to £10.85 from £10.75 was announced on 9 November 2020. The Council continues to ensure that it pays its employees and apprentices at or above the London Living Wage.

4. Defining “Chief Officers”

- 4.1 At the start of the 2021/22 financial year, the Council expects to have within its structure the following Chief Officer posts:

- Chief Executive (and Head of Paid Service)
- Chief Operating Officer & Deputy Chief Executive (and Section 151 Officer)
- Director, Law and Governance (and Monitoring Officer)
- Director, Policy and Participation
- Director, Inclusive Growth
- Director, People and Resilience
- Finance Director
- Director of Public Health
- Commercial Director
- Commissioning Director, Adults and Children’s Care and Support
- Commissioning Director, Education
- Director of Workforce Change
- Operational Director, Community Solutions
- Operational Director, My Place
- Operational Director, Enforcement
- Operational Director, Adults’ Care and Support
- Operational Director, Children’s Care and Support

5. Accountability for Chief Officers Pay

- 5.1 The pay arrangements for chief officers are overseen by the JNC Appointments, Salaries and Structures Panel, appointed by the Council’s Assembly.

6. Current Pay Policy and Base Pay Rates

6.1 Setting Salary Levels

- 6.1.1 Chief Officer roles are evaluated using the HAY job evaluation system. There is a commitment to review salary levels approximately every three years; this has not been undertaken since the changes to the senior management structure was put in place in 2017. In undertaking reviews, account is taken of the market, particularly the market in London, to ensure the Council can compete successfully for the talent it needs to lead and manage in the current challenging environment.

6.1.2 The salary benchmarking information comes from the London Councils' Chief Officers Salary Survey. The latest information held is from 2020. There were 22 responses to this survey among London Boroughs. The median rates of pay for roles in London, based on the information from the survey, were as follows:

	Median
Head of Paid Service / Chief Executive	£193,737
Tier 1 Managers	£139,837
Tier 2 Managers	£104,927

(Note: This benchmark data is based upon basic pay plus additional payments such as performance related pay or bonus payments which LBBD do not pay.)

6.1.3 The Council is contractually obliged to apply nationally agreed pay awards for Chief Officer grades.

6.2 Chief Executive

6.2.1 The salary for the Chief Executive, agreed at appointment in November 2014, was £165,000. This has increased each year only in line with nationally negotiated pay awards. The Council's Chief Executive is currently on secondment and the Interim Chief Executive's salary is £156,558 plus honoraria.

6.3 Chief Officer Pay Range

6.3.1 The Chief Officer pay structure was last reviewed in 2013. The pay levels have increased in line with nationally negotiated pay awards in April each year. The pay range from April 2021 is as follows:

CO1	£87,586
CO2	£99,846
CO3	£110,356
CO4	£118,497
CO5	£130,862
CO6	£143,683
CO7	£156,558

6.3.2 It is appropriate for there to be some differentiation in pay levels at Chief Officer level because of the differing risk and responsibility being carried at that level.

6.3.3 The table below sets out the salaries of the chief officer posts referred to in paragraph 4.1 above:

Position	Grade of Post	Salary cost to LBBD
Chief Executive (and Head of Paid Service)	Individual spot salary	£179,933
Interim Chief Executive	Individual spot salary	£156,558
Chief Operating Officer	CO7	£156,558
Director of Public Health	Individual spot salary	£99,846
All other Directors & Operational and Commissioning Directors	CO2 – CO6	£99,846 - £143,683

7. Contingent Pay

- 7.1 The Council pays its Chief Officers a spot salary. There is no element of performance pay nor are any bonuses paid. No overtime is paid to Chief Officers. There are no lease car arrangements.
- 7.2 The Chief Operating Officer receives a temporary honoraria payment of £22,750 in recognition of undertaking the interim Chief Executive role.
- 7.3 The Finance Director receives a temporary honoraria payment of £10,700 in recognition of taking on the Chief Financial Officer (Section 151) role.
- 7.4 The Director, Law and Governance (Monitoring Officer) receives a temporary honoraria payment of £25,008 for undertaking the role of Deputy Chief Executive.
- 7.5 No other additional payments are made.

8. Pensions

- 8.1 All Council employees are eligible to join the Local Government Pension Scheme. The Council does not enhance pensionable service for its employees either at the recruitment stage or on leaving the service, except in certain cases of retirement on grounds of permanent ill-health where the strict guidelines specified within the pension regulations are followed.

9. Other Terms and Conditions

- 9.1 Employment conditions and any subsequent amendments are incorporated into employees' contracts of employment. Chief Officer contracts state:

“Your terms and conditions of employment are as set out in the Joint Negotiating Committee for Chief Officers of Local Authorities handbook, as adopted by the Authority, unless otherwise indicated in this statement.

- 9.2 From time to time, variations in terms and conditions of employment will be negotiated and agreed at national or local level with the union or unions recognised by the Authority as representing that employment group. Where these are adopted by the Authority, they will, within a period of 28 days from the date of the change, be separately notified to you or otherwise incorporated in the documents to which you have reference.”
- 9.3 The Council’s employment policies and procedures and terms and conditions are reviewed on a regular basis in the light of service delivery needs and any changes in legislation.

10. Election Expenses

- 10.1 The fees paid to Council employees for undertaking election duties vary according to the type of election they participate in and the nature of the duties and responsibilities they undertake. All election fees paid are additional to Council salary and are subject to normal deductions of tax.
- 10.2 Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements but fees paid to them for national elections / referendums are paid in accordance with the appropriate Statutory Fees and Charges Order.

11. Termination / Severance Payments

- 11.1 Employees who leave the Council, including the Chief Executive and Chief Officers, are not entitled to receive any payments from the Council, except in the case of redundancy or retirement as indicated below.
- 11.2 On 4 November 2020, the Government’s legislation on the £95,000 cap on exit payments for public sector workers came into force; redundancy and pension lump sum payments are counted towards the cap, as is the strain to the pension fund. The Legislation as enacted affects all staff at age 55 and over who are in the Local Government Pension Scheme and made redundant. The full impact will not be known though until the pension regulations are amended to be able to enforce the Legislation, and which at the time of writing is subject to a judicial review legal challenge.

12. Retirement

- 12.1 Employees who contribute to the Local Government Pension Scheme who elect to retire at age 60 or over or who are retired on redundancy or efficiency grounds over age 55 are entitled to receive immediate payment of their pension benefits in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme with the permission of the Council in specified circumstances from age 55 onwards and on grounds of permanent ill-health at any age.
- 12.2 The Council will consider applications for flexible retirement from employees aged 55 or over on their individual merits and in the light of service delivery needs.

13. Redundancy

- 13.1 Employees who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on their actual salary. The standard London Borough of Barking and Dagenham redundancy scheme applies to all officers. The scheme has redundancy multipliers which provide for a maximum of 30 week's pay for staff whose continuous service date is after 1 January 2007 and a maximum of 45 week's pay for staff with a continuous service date of prior to 1 January 2007. Both multipliers are based upon length of service.

14. Settlement Agreements

- 14.1 Where an employee leaves the Council's service in circumstances which are, or would be likely to, give rise to an action seeking redress through the Courts from the Council about the nature of the employee's departure from the Council's employment, or where an existing employee has an employment dispute with the Council which may give rise to litigation, the Council may settle such claims by way of a settlement agreement where it is in the Council's best interests to do so. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Legal advice will be sought in all cases.

15. Fairness and Equality

Pay Ratios

- 15.1 It was agreed as of 1 January 2013 that no permanent employee should be paid less than the London Living Wage. This supports the Council's ambition to raise average local household incomes and reflects its commitment to pay fairness. The Council has also agreed that this should apply to all agency staff working on Council assignments. This minimum rate increased to £10.85 per hour (equivalent to an annual salary of £19,800) with effect from 9 November 2020.
- 15.2 Based on this figure, the Council's pay multiple - the ratio between the highest paid employee (the Chief Executive) and lowest paid employee - is 1.8:40. This means that the Chief Executive is paid 8.4 times more than the lowest salary.
- 15.3 The ratio between the Chief Executive's salary level and the median salary figure for all employees in the Council is currently 1 - 5.70. The median annual salary for all employees at 1 April 2020 was £30,708 per annum, with the average salary being £34,451. Both median and average salaries referenced are full time equivalent and are adjusted according to individual contractual arrangements.
- 15.4 Across London the average ratio between the highest and median salaries is 1 to 7, based on a Chief Executive's average pay of £194,969 (taken from London Councils' 2020 Senior Staff Pay Data).

16. Any Additional Reward Arrangements

- 16.1 No additional reward arrangements are in place.

CABINET

15 February 2021

Title: Short-Term Contract for SIA Security and Ancillary Services - Direct Award	
Report of the Cabinet Member for Enforcement and Community Safety	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Jonathan Woodhams, Community Safety Operations Manager	Contact Details: Tel: 020 8227 5597 E-mail: jonathan.woodhams@lbbd.gov.uk
Accountable Director: Andy Opie, Operational Director, Enforcement Enforcement and Community Safety	
Accountable Strategic Leadership Director: Fiona Taylor, Director of Law and Governance	
<p>Summary:</p> <p>This report presents proposals to directly award the Council's SIA Security and Ancillary Services to the current contractor, MPD FM Limited, for the seven-month period 1 February 2021 to 31 August 2021 while work continues on the full retendering of the service via a long-term contract.</p> <p>The main security requirements include the following:</p> <ul style="list-style-type: none"> • Concierge officer guarding at corporate sites, • Door supervisor security at hostels and any other adhoc assignments such as Events including democratic services. • Customer service attendant security at public sites such as libraries, security at Council offices including Roycraft and Town Hall for YOS and children's services, • Locking and unlocking of public sites including parks and cemeteries • Dog handling where required including areas of regeneration where building are decommissioned and awaiting demolition, key holding for Council assets, schools and the Events team. • Allowing access to electrical intake and lift access at Council owned housing blocks and other vacant sites. • Mobile response officers to assist in the security of the borough 24 hours including lone worker back up to careline staff when they are responding to service user requests, and responding to intruder, fire and panic alarms at all Council buildings and schools. Where requested response officers will be tasked to attend Council sites and undertake CCTV downloads as directed by the CCTV Control room. • Provision of CCTV public space and surveillance and monitoring service operators to add resilience to the Councils 24-hour CCTV control room. • Provision of security at COVID-19 testing sites. 	

The current contract extension expired on the 31 January 2021 and there are no options to extend further. Therefore, it is proposed to Directly Award this contract to MPD FM Limited for the sum of £1,436,564.89.

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree to the waiver of tendering requirements under the provisions of paragraphs 6.3 and 6.6 of the Council's Contract Rules and approve the direct award of the Council's SIA Security and Ancillary Services contract to MPD FM Limited (04632279) for the seven-month period 1 February 2021 to 31 August 2021 in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Operational Director for Enforcement and Community Safety to negotiate and enter into the contract on behalf of the Council.

Reason(s)

The Council requires a contractor to deliver SIA security services across Barking and Dagenham to assist in the Council priority of a Well-Run Organisation and its Corporate Objective of reducing crime and fear and to reduce the risk of financial outlay due to prevention of damage to Council owned property either inhabited or void.

1. Introduction and Background

- 1.1 In June 2020 a varied extension was agreed to extend MPD FM Limited security services until 31 January 2021, this was to allow us to carry out the full procurement tender. Due to unforeseen circumstances and the added pressures of COVID-19 the procurement has been delayed. The window for submission has closed and we are currently evaluating the tenders, to comply with all due processes we anticipate a maximum timeline of a further 7 months this would incorporate a period of 3 months to allow for TUPE of staff if a new contractor is successful.
- 1.2 The current security contract is managed and monitored by Enforcement Services. The processes in place to monitor and manage the current contract include monthly requests for service user feedback, random site checks, daily checks of officers' paperwork, complaint tracking and monthly operational meetings to which service users are invited to discuss issues directly with the contractor. Furthermore, the service monitors the contractors' compliance with Security Industry Authority licensing requirements, staff training and development, equalities and diversity, insurances and health and safety. It is proposed that although the contract may vary the way in which security is delivered that these monitoring processing will remain in place for the new Direct Award.
- 1.3 All provisions to extend this contract have been exhausted.
- 1.4 There is a requirement to deliver a range of security services across Barking and Dagenham.

1.5 These requirements include but are not exhaustive:

- Reduce the opportunity for theft and damage to Council Assets
- To provide reassurance to residents, staff and visitors to Barking and Dagenham
- Reduce the risk of financial outlay to the Council due to theft and damage.
- Reduce the risk of reputational damage to the Council due to theft, damage and violent behaviour at Council Offices and damage to assets.
- To provide security including locking and unlocking at Council sites such as parks and cemeteries.
- To provide key holding and allowing access to key areas at Council properties for the benefit of Council tenants
- To provide security for vulnerable Council residents at hostels and sheltered sites.
- To provide security of Council staff while dealing with complex cases at corporate sites such as YOS and Children's services.
- Events Security
- The current contract expired on 31 January 2020.

2. Proposed Procurement Strategy

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

2.1.1 The new contract will require SIA licensed personnel to be supplied at multiple sites which include:

- Concierge Offices
- Hostels
- Barking Learning Centre
- Dagenham Library
- Housing Advice Centre
- Schools
- Roycraft House joint YOS and children's services reception
- Roycraft House main staff reception
- London Road multi story Car park
- COVID-19 testing sites.
- Various short-term security requirements such as event security, at building sites and vacant properties.

2.1.2 The contractor will also supply a 24 hour a day, 365 days a year mobile security response service which will provide varied security duties as required by the Council. These duties will include:

- Response to intruder and fire alarms at over 150 sites across the borough including schools, libraries, children's centers and pavilions;
- Park and Cemetery locking and unlocking;
- Health and safety checks on vacant Council buildings and land;
- Out of hours emergency lift and plant access for engineers;
- Incident response support for security personnel at regular sites;
- Assist in dealing with Anti-Social Behaviour across the borough.

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

2.2.1 The Direct Award contract value is estimated at **£1,436,564.89** for the period of seven months.

2.3 Duration of the contract, including any options for extension

2.3.1 The proposed duration of the Direct Award contract is 7 months 1 February 2021 to 31 August 2021. We are currently in the in the process of a full procurement tender for the new security contract which will commence on or prior to the 1 September 2021.

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

2.4.1 Yes, the contract is subject to (EU) Public Contracts Regulations 2015

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 Direct Award MPD FM Limited Security contractor for the Council's SIA Security and Ancillary Services from 1 February 2021 to 31 August 2021. The Council requires a contractor to deliver SIA security services across Barking and Dagenham to assist in the Council priority of a Well-run organisation and its corporate objective of reducing crime and fear and to reduce the risk of financial outlay due to prevention of damage to Council owned property either inhabited or void. Health & Safety risk for staff and the public.

2.5.2 In June 2020 a varied extension was agreed to extend MPD FM Limited security services until 31 January 2021, this was to allow us to carry out the full procurement tender. Due to unforeseen circumstances, and the added pressures of COVID-19 the procurement has been delayed. The window for submission has closed and we are currently evaluating the tenders, to comply with all due processes we anticipate a maximum timeline of a further 7 months this would incorporate a period of 3 months to allow for TUPE of staff if a new contractor is successful.

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 The terms and conditions of the current contract will remain unchanged, the contract will be contract managed by Enforcement Services.

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

2.7.1 The main outcomes are as follows:

- Fixed costs/ fixed hourly rates for the duration of the Direct Award contract to enable effective budgeting.

- This will allow LBBB to keep all services going during this COVID-19 epidemic crisis.
- We commission this service via the contract which is supported by our partners such as My Place and Community Solutions.
- Existing agreements in place are to supply security to hostels, libraries, corporate sites and YOS with agreed SLAs.
- Security service is recharged to recoup all costs and we charge a further £1.50 per hour to cover administration costs. Therefore, there is no extra finance needed from Council budgets.
- Work that is over and above the commissioned value is charged for at a pre agreed rate.
- The mobile response officers are also charged out in the same fashion at an agreed rate to cover the locking and unlocking of gates at parks and cemeteries and patrolling the sites that we manage alarms. This includes a call out for intruder, fire, and panic alarm notifications.
- To ensure suitably qualified staff are deployed at all times in varying locations and capacities.
- To operate on a draw down process which allows flexibility in numbers of staff required without committing the Council to any block fees.

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

2.8.1 Not Applicable

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

2.9.1 This will contribute to the Council's Public Services (Social Value) Act 2012 by improving and maintaining the safety of residents, visitors and staff through the protection of and detection of crime; working closely with our surveillance team and control room to be a rapid response to intruder, fire and criminal damage reports and alarms. Following reports of anti-social behaviour the contracted service would assist the Council in assessing any public spaces/ Council asset where anti-social behaviour is occurring and act as professional witnesses where anti-social behaviour/ crime is reported. This partnership working will enable the Council to take the correct stringent legal action against any perpetrators of anti-social behaviour.

2.10 **Contract Management methodology to be adopted**

2.10.1 The terms and conditions of the current contract will remain unchanged; the contract will be contract managed by Enforcement Services.

3. **Options Appraisal**

3.1 The following options have been considered and rejected:

3.2 Do Nothing: this option has been rejected as to do nothing would put staff and public safety at risk, and this option has been rejected.

- 3.3 To use an alternative security company, this option was rejected as MPD FM Limited were in contract with LBBB and have excellent knowledge of the Borough's schedules assignments and requirements. In addition, this is only for a short period it would not be operational viable to bring in any other company as TUPE would apply to the service and administratively it would be very difficult to deal with particularly as there will be a new contract starting later this year so the cost would be prohibitive.
- 3.4 To invite different security providers in, this was felt it would be too timely, effective security is required immediately, this was not an option due to values, the contract in place and the sensitive services such as vulnerable adults and Children. In addition, the time restraints we felt would put the Council at risk especially during these unprecedented times and the current COVID-19 epidemic.

4. Waiver

- 4.1 This report is seeking a waiver of the Contract Rules on the grounds of paragraph 6.6 (c), in that there is only one supplier in the market capable of providing the service, goods or works. This is because the staff are directly employed by the company and TUPE applies, therefore if any other supplier carried out the service TUPE would apply to those affected staff.

5. Consultation

- 5.1 The proposals in this report were considered and endorsed by the Procurement Board on 5 February 2021.

6. Corporate Procurement

Implications completed by Euan Beales – Strategic Procurement Manager

- 6.1 Should any of the Council's requirements for Security reduce during the contract period they will be removed from the contract, and any possible increase in requirements has been incorporated in the stated contract value by including a contingency. Therefore, the value of this contract may reduce over the 7 months but should not increase.
- 6.2 MPD FM Limited have been contacted and are in principal agreement to enter into a contract with LBBB utilising the same cost matrix with no uplift for the proposed 7month term, this may be subject to change in the event that LLW or Minimum Wage increase as directed by government.
- 6.3 The time frame detailed in the report would allow completion of the current procurement exercise and would allow for a TUPE process if required. The 7month period could not be procured through any other route due to the potential TUPE consultation and would not represent value for money. There is an element of risk associated with this route to market but is deemed to be low in likelihood.

7. Financial Implications

Implications completed by: Sandra Pillinger Group Accountant

- 7.1 This report recommends a direct award to MPD FM Limited for the 7- month period 1st February 2021 to 31 August 2021 for an estimated contract value of £1,436,564. Prices under the contract are unchanged to that charged under the previous contract which expired on 31st January 2021.
- 7.2 The contract will be managed by Enforcement and Community Safety and will be funded from the budgets of those services who are commissioning the service. If required internal recharges will be made and invoices will be raised to schools for services provided. A management admin fee of £1.50 per hour is applied on top of costs charged by MPD FM Limited. The budget for this service is devolved across the Council and the cost of the contract is funded from those services who commission security services.

8. Legal Implications

Implications completed by: Ian Chisnell – Major Projects solicitor

- 8.1 The Council has power to enter into this contract under s1 of the Localism Act 2011.
- 8.2 It is intended that this contract is put in place with the previous contractor to cover the period between now and the eventual award of the new security contract later this year. The previous contract was extended but all possible extensions have been exhausted and it is necessary to enter a new contract.
- 8.3 This contract is for services and will be over the threshold required for tendering under the Public Contracts Regulations 2015 (PCR) There is a provision in the PCR under Regulation 32 (2) (c) that permits the award of a contract using the negotiated procedure with out competition in cases of extreme urgency. Government guidance on the use of this provision has been given in PPN 01/20. Procurement and Legal Services are of the view that this may provide a defence to any challenge to a breach of the PCR which are still in force post Brexit and in addition any challenge would be pointless in that a new contract will in any event be awarded in a few months. Nonetheless there remains a small risk of challenge.
- 8.4 The Council must also comply with its own Contract Rules in the Constitution (as detailed in the report) and a waiver needs to be granted by Cabinet of those rules in order to proceed.
- 8.5 It is intended to use the previous terms and conditions of contract as they have been previously agreed between the Parties.

9. Other Implications

- 9.1 **Risk and Risk Management** - If the contract tender is not approved, it will be necessary to make alternative arrangements for sites with identified security needs by the completion of the current contract in February 2021. If the alternative arrangements involve the direct employment of staff the cost of the provision is likely to be substantially higher due to the Council's employment terms and

conditions and the need to provide specific equipment such as vehicles to undertake duties and Personal Protective Equipment for staff, which is all currently provided by the contractor.

The service that is most likely to require continuous provision due to the varied duties undertaken, including locking and unlocking parks and Council offices and depot and responding to intruder and panic alarms, is the Mobile Security Response Service. To provide this service by directly employed staff and ensure resilience to incorporate annual leave and possible sickness, including onboard costs and all associated equipment would be approximately double the cost of a contracted service.

Without security services we would not be able to mitigate the risk of theft and criminal damage and ensure vulnerable adults and children safe access to our services.

The risk of being challenged by any other security contractor for loss of earnings has been considered and deemed to be at low risk; the period in question is only 7 months, all interested parties are currently involved in the process for the new contract and the contract award period will remain unchanged once awarded to the successful contractor.

9.2 **TUPE, other staffing and trade union implications** - There are no LBBT TUPE staffing or trade union implications.

9.3 **Corporate Policy and Equality Impact** – The provision of services via this contract would support many visions and priorities detailed in our corporate plan:

- **A new kind of council:** Will assist to build a well-run organization ensuring relentless reliability in the provision of security across all services.
- **Empowering People:** Security staff are provided to assist our most vulnerable residents in building such as hostels and the Youth Offending Service to help them feel safe, in addition they are there to provide protection to all staff, residents and other service users.
- **Inclusive Growth:** Providing a robust security provision for new and existing developments within LBBT, helping to address and eradicating where possible antisocial behaviour and crime to encourage inclusive growth. In addition, we are inviting as many local companies as possible to tender and are keen to put an emphasis for local companies within the tender process. By using local companies, we will further increase inclusive growth within LBBT helping to improve revenue to the local area and increase on the amount of local jobs available for local people.
- **Equality Impact:** The service specification, once detailed, will be subject to a full Equalities Impact Assessment (EIA). It is believed that no specific equalities group will be adversely affected by the delivery of the security contract. The service currently delivers security to a range of Council-run and public buildings and open spaces. Residents and service users feel more vulnerable and value the services of a security officer. Low level crime and disorder, which are often issues a contractor would deal with, are often perceived to be perpetrated by

young people and it may be that, in delivering such a service, targeted enforcement action is directed at that group. Security is in place so that all our residents can access our services.

- 9.4 **Safeguarding Adults and Children** – This Direct Award contract would assist the Council in ensuring the safety and wellbeing of children and vulnerable adults engaging with our services such as YOS and Children’s Services by acting as security at Council offices and meetings engaging children and vulnerable adults. Further to this it will enable the Council to ensure security of children and vulnerable adults residing in Council provided accommodation such as hostels and sheltered sites.
- 9.5 **Health Issues** – Feeling safe brings a sense of wellbeing and ensures that residents, staff and service users use public space, enjoy their homes and feel supported in their place of work. Provision of security ensures that vandalism and the lack of physical guardianship does not adversely impact on that sense of wellbeing.
- 9.6 **Crime and Disorder Issues** – The providers of this Direct Award contract will work with Enforcement, Community Safety and police to assist in delivering community cohesion, community safety and the detection and prevention of crime. This will be done by providing security at events, corporate sites and assisting in assessing public spaces following reports of anti-social behaviour. Further to this acting as professional witnesses to help the Council gather relevant evidence to be used at court to obtain legal orders such as injunctions and Community Protection Notices. This also helps us to deliver our community safety strategy.
- 9.7 **Property / Asset Issues** - The contractor will work with the Council to patrol and provide security and access at corporate sites and Council properties to deter and prevent criminal damage, fire, intruder and theft.

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

List of appendices: None

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CABINET**15 February 2021**

Title: Barking and Dagenham Trading Partnership – Request to Change Auditors	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Hilary Morris, Commercial Director	Contact Details: Tel: 020 8227 3017 E-mail: hilary.morris@lbbd.gov.uk
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary This report seeks Cabinet approval of the request from the Barking and Dagenham Trading Partnership (BDTP) to change its auditors in line with decisions reserved for Cabinet to approve as set out within their Shareholder Agreement.	
Recommendation(s) The Cabinet is recommended to: (i) Approve the Barking and Dagenham Trading Partnership's request to change its auditors; and (ii) Delegate authority to the Chief Operating Officer, or nominated deputy, the power to agree on behalf of the Cabinet the appointment of an alternative Auditor on such terms as considered to be reasonable and effective to the Council as a Shareholder.	
Reason(s) To assist the Council with delivering value for money for taxpayers and delivering a well-run organisation. This proposal is in line with Recommendation 8 of the independent Growth Commission's report published in February 2016 and is therefore aligned to both the 'Growing the Borough' and 'Well run organisation' objectives.	

1. Introduction and Background

- 1.1 As part of the creation of the Company a number of restrictions were placed on BDTP's ability to operate independently. These matters are referred to as 'reserved matters' and they form the foundation of the decision-making framework through which the company operates. Reserved matters are currently only able to be exercised by Cabinet meaning they have to be approved by Cabinet before they can be valid.

- 1.2 Since the creation of Barking & Dagenham Trading Partnership in April 2018, the Group has used BDO to perform the annual audit of its financial statements. The original rationale for having BDO conduct the audit was that the company shared systems and bank accounts with the Council as well as having all of its transactional accounting functions performed by the Council. It was, therefore, sensible to utilise the same auditors as the Council. Now that the Group has totally separate accounting systems, bank accounts and transactional accounting operations this is no longer the case.

2. Proposal

- 2.1 BDO's performance over the last two years has not met expectations. The 2018/19 accounts were not able to be signed off until November 2019, and the 2019/20 accounts are not currently projected to be available until January 2021. Whilst the complexity of the Company being part of the Council's accounting structure until July 2020 may have contributed to these delays, particularly in the first year, there has also been significant evidence of poor planning and execution on the part of BDO.
- 2.2 The Council has now set the target for the completion of the audit of BDTP's accounts as the end of June 2021. This is an extremely tight timescale and the experience to date indicates that BDO would be unlikely to achieve this.
- 2.3 The BDTP Board is therefore considering the way ahead and wishes to explore the benefits of changing auditors if the timescale is to be met. As the appointment or change of auditors is a matter reserved for the Shareholder, the Company is therefore seeking approval from Cabinet to changing auditors if a company that better meets its needs is identified.
- 2.4 This proposal has been discussed with LBBF Finance and the Shareholder Panel who endorse this request.

3. Consultation

- 3.1 The change of auditors has undergone the following consultations:
- Endorsed by LBBF Finance during December 2020
 - Considered by the Shareholder Panel via email on 25 January 2021

4. Financial Implications

Implications completed by: Sandra Pillinger Group Accountant

- 4.1 There are no direct financial implications for this report as it concerns a request by BDTP to change their auditors. In order to facilitate the Council's statutory reporting duty, BDTP will need to ensure their accounts are drafted as early as possible. This will then feed into the Council's Group Accounts.

5. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 5.1 Barking and Dagenham Trading Partnership is a company. In the company's governance is a requirement that certain matters are reserved for shareholder determination. That is to say the Directors cannot make certain decisions without the shareholder's consent. These provisions are set out in a Shareholder's Agreement. It is not a mandatory requirement to have such agreements, but in a publicly owned company it ensures that the board of directors are accountable and decisions which have a major effect on the company are reserved for shareholder agreement.
- 5.2 The Shareholder Panel is advisory in nature. Its role is set out in the Councils Constitution at Part 2 Chapter 6 to advise the Cabinet and the shareholder in the company is the Council acting through the Cabinet (see Council Constitution Part 2 Chapter 1 and Chapter 6 Cabinet terms of reference (xx)).
- 5.3 In the present circumstances there has been a concern from the company about to timeliness of completion of audits and as a public body, the Council has an expectation that it's accounts and financial affairs are of an exemplar quality, that being so it is a reasonable expectation that external audit of its companies are completed on time as is expected across the Council as a whole. The advice from the Shareholder Panel is that the Cabinet should consent to the request for change.

6. Other Implications

- 6.1 **Contractual Issues** – BDTP has a legal requirement to have an independent auditor appointed. By approving this request Cabinet is exercising it's contractual right to be the ultimate decision making body for certain matters which have been reserved for their approval in the BDTP Shareholder Agreement.

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

List of appendices: None

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