

Notice of Meeting

CABINET

Tuesday, 19 January 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

Date of publication: 11 January 2021

Claire Symonds
Acting Chief Executive

Contact Officer: Alan Dawson
Tel. 020 8227 2348
E-mail: alan.dawson@lbbd.gov.uk

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.
- 3. Minutes - To confirm as correct the minutes of the meeting held on 15 December 2020 (Pages 3 - 10)**
- 4. Update on COVID-19 Issues (Page 11)**
- 5. Revenue Budget Monitoring 2020/21 (Period 8, November 2020) (Pages 13 - 31)**
- 6. Procurement of New Credit Union to Deliver a Local Community Banking Service (Pages 33 - 130)**

- 7. Article 4 Direction - Permitted Development Rights Allowing Upwards Extensions to Certain Buildings (Pages 131 - 160)**
- 8. Independent Review of the Fire at Samuel Garside House, Barking (Pages 161 - 228)**
- 9. Modern Slavery Charter Update (Pages 229 - 245)**
- 10. Council Tax Support Scheme 2021/22 (Pages 247 - 263)**
- 11. Calculation and Setting of the Council Tax Base 2021/22 (Pages 265 - 269)**
- 12. Corporate Plan 2020-22 - Q1 and Q2 2020/21 Performance Reporting (Pages 271 - 349)**
- 13. Any other public items which the Chair decides are urgent**
- 14. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

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

- 15. Regeneration Strategy for Dagenham Dock: Dagenham Freeport (Pages 351 - 358)**
- 16. 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, 15 December 2020
(6:03 - 8:29 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

52. Declaration of Members' Interests

There were no declarations of interest.

53. Minutes (17 November 2020)

The minutes of the meeting held on 17 November 2020 were confirmed as correct.

54. Update on COVID-19 Issues

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

- Since the start of the pandemic there had been 3,430 positive cases of COVID-19 in the Borough. The rate was now above London average, at 244 cases per 100,000. In the last week there had been 520 new cases.
- Testing was increasing at the five sites in the Borough; however, more was needed. The capacity at the testing centres was currently at 40% utilisation. Rapid testing was to be undertaken in the Borough in the next few weeks, which would enable a greater percentage of residents to come forward to be tested;
- The increasing rate that the virus was spreading was worrying and outbreaks were taking place all over the Borough. Hot spots were moving from week to week, possibly due to a lack of self-isolation for those who had tested positive;
- The highest case rate by age was for the 45-64 years old group, although it was noted that there were high levels across all ages. With regard to ethnicity, there was no over-representation of any one group and Covid-19 statistics were generally reflective of local population breakdown;
- Sadly, there had now been 190 deaths in the Borough, which was 11.8% more deaths than would have been expected;
- The Council was undertaking local contact tracing where the national test and trace system had failed; and
- It was extremely important for residents to abide by the rules and self-isolate when required.

55. Revenue Budget Monitoring 2020/21 (Period 7, October 2020) and Q2 Capital Programme Monitoring

The Cabinet Member for Finance, Performance and Core Services presented a report on the Councils revenue budget monitoring position for the 2020/21 financial year at 31 October 2020 (period 7).

The Cabinet Member advised that there were historical pressures on the Council's budget due to the legacy of an austerity agenda for over a decade. There were further financial pressures which included increased costs, demographic and other demand growth, savings not yet delivered and other risks, which had meant there was an underlying budget variance of £5.743m, 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 had experienced a high level of additional costs and pressures including loss of service income from fees and charges. This would mean an overall expenditure variance of £27.913m which was an increased estimate since last month as it incorporated some of the COVID-19 associated losses incurred by one of the Council's subsidiary companies, BDPT.

The Cabinet Member highlighted that financial planning was becoming incredibly difficult due to the COVID-19 pandemic and, in response to a question, advised that by using reserves prudently the Council was in a better position than many others.

The Cabinet Member thanked colleagues and staff for their hard work in helping the Council to balance the budget as much as possible.

The 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 of the report;
- (iv) Note the update on the Capital Programme, as set out in section 9 and Appendix B of the report;
- (v) Agree the following Section 106 allocations, as detailed in section 10 of the report;
 - a) £1.8m towards the affordable housing development at Padnall Lake
 - b) £0.373m towards facilities for accommodating additional pupils at Robert Clack school (Lymington Fields)
- (vi) Approve funding of £420,000 for phase one of the Dispersed Working Programme in the current financial year, as detailed in section 11 of the report; and
- (vii) Approve the minor amendments, corrections and addenda to the Fees and Charges as set out in section 12 and Appendix C of the report.

56. Dedicated Schools Budget and Schools Funding Formula 2021/22

The Cabinet Member for Educational Attainment and School Improvement presented a report on the dedicated schools budget and schools funding formula 2021/22.

The Cabinet Member referred to the provisional allocations for 2021/22 across the four funding areas covering the main allocation to schools (Schools block), central costs for core Local Authority education services (Central block), additional costs for Special Educational Needs pupils (High Needs block) and childcare and pre-school services (Early Years block).

Cabinet were advised that in general, the operation of the National Funding Formula for the Schools Block had tended to move funding away from London authorities towards other areas, although this effect has been dampened by the use of a funding floor. Moreover, Education funding at the national level had been subject to below inflationary increases for the past few years. This had created some financial pressures for some LBBD schools – especially Primary Schools which had seen a temporary dip in pupil numbers, due to the drop in birth rates. The move to a formula based allocation however, had improved funding for the High Needs Block which had previously been severely underfunded. This still remained an area of financial pressure at the local and national level.

The Schools Forum and local schools had been consulted upon the principles that the Council planned to use for the Local Funding Formula for Schools.

The Cabinet **resolved** to:

- (i) Note the indicative allocation of Dedicated Schools Grant for 2021/22 as set out in section 2 of the report;
- (ii) Approve the 2021/22 strategy for the Schools Block as set out in section 3 of the report;
- (iii) Approve the proposed principles for the design of the Local Schools Funding Formula as set out in section 4 of the report, subject to consultation with schools and (vi) below;
- (iv) Note the allocated funding and strategy for the High Needs Block as set out in section 5 of the report;
- (v) Note the allocated funding and strategy for the Central Services Block as set out in section 6 of the report; and
- (vi) Delegate authority to the Director of People and Resilience, in consultation with the Chief Financial Officer, the Schools Forum and the Cabinet Member for Educational Attainment and School Improvement, to approve the final 2021/22 school funding formula for submission to the Education and Schools Funding Agency.

57. An Endowment for the Social Sector in Barking & Dagenham

The Cabinet Member for Community Leadership and Engagement presented a report on an endowment for the social sector in Barking and Dagenham.

The report provided details on the Council's transformation journey over the last few years, which had seen it develop a new approach to public service leadership, design and delivery.

The Cabinet Member highlighted the creation of Barking and Dagenham Giving (BD Giving) - the Borough's new place-based giving scheme, a multi-stakeholder initiative aimed at bringing new resources and approaches together in Barking and Dagenham and creating fairer solutions through addressing structural inequalities and imbalance.

The Cabinet were advised that in July 2020, following a one-year development period hosted by the Council, Barking and Dagenham Giving merged with Barking and Dagenham Renew to form an independent charity with the ambition of making the Borough's growing economy work for everyone. This followed a decision by Barking and Dagenham Renew's Board of Trustees, in agreement with Barking and Dagenham Giving's Steering Group and the Council to formally integrate the Borough's giving scheme within Renew's charitable vehicle and appoint a new Board of Trustees whilst keeping the Council involved in an advising capacity.

The Cabinet Member then moved onto the endowment, which was part of a series of innovations initiated by the Council to strengthen the Borough's voluntary, community and social enterprise sector, and one that had the potential to increase its sustainability in the long term. Its main source of funding was the levy collected from new regeneration developments in the Borough, specifically the neighbourhood portion of the Community Infrastructure Levy.

As part of the establishment of the fund, the proposal suggested that provision should also be made to ensure that the process of making spending decisions - and the projects which were actually funded - empower communities as much as possible, arguing that how funds were allocated, can matter as much as what was funded.

The Cabinet were asked to consider the preferred vehicle for the endowment and were presented with four models for consideration which included keeping the endowment as a restricted fund managed by the Council, establishing the endowment as a separate charity, transferring the fund to Barking and Dagenham Giving, or transferring the fund to an existing community foundation.

The Cabinet **resolved** to:

- (i) Note the decision by Barking and Dagenham Renew's Board of Trustees, in agreement with Barking and Dagenham Giving's Steering Group, to formally integrate the Borough's giving scheme within Renew's charitable vehicle from July 2020 and appoint a new Board of Trustees;
- (ii) Note the official change of name of Barking and Dagenham Renew charity to Barking and Dagenham Giving;

- (iii) Agree to support Option C to link the endowment to the local giving model by establishing the fund under Barking and Dagenham Giving's new charitable vehicle, with a specially appointed Board responsible for the strategic oversight of the fund, as well as the implementation of its investment, withdrawal and usage policies; and
- (iv) Delegate authority to the Director of Strategy and Participation, in consultation with the Director of Law and Governance, the Cabinet Member for Community Leadership and Engagement and in collaboration with the social sector, to agree the governance arrangements and Memorandum of Understanding for the Endowment Fund on behalf of the Council.

58. Contract for "reMOVE abuse" Perpetrator Intervention Pilot Project

The Cabinet Member for Social Care and Health Integration introduced a report on the contract for the "remove abuse" perpetrator intervention pilot project.

To keep survivors, children, and families safe, the Council had been developing a whole system response to domestic abuse that supplements the existing offer to survivors with work focused on changing the behaviour of perpetrators.

During the COVID-19 response it had become apparent that in order to give survivors and their families greater choice and control, this system must include the option for them to remain safe in their own homes should they choose to do so. In practice, this ambition can only be achieved if the Council was able to provide short-term accommodation to the perpetrator that would sit alongside an evidence-informed programme of behaviour change work.

The Cabinet Member advised that the work had attracted significant interest and the Council had been awarded £209,052 to deliver the work for six months with match funding sourced locally for an additional six months. This allowed the Council to deliver a year's pilot which would be evaluated and inform future decision making.

Cabinet Members spoke in support of the proposal and were keen to spread the message "we believe you" during the current difficult climate.

The Cabinet **resolved** to:

- (i) Agree to waive tendering requirements in accordance with the Council's Contract Rules and award a 12-month contract to Cranstoun for the provision of the "reMOVE abuse" perpetrator intervention pilot project 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, to enter into the contract and all other necessary or ancillary agreements with the successful partner.

59. Intensifying Barking's Industry Project

The Cabinet Member for Regeneration and Social Housing presented a report on intensifying Barking's Industry Project.

The Council and Be First were looking at ways to unlock the growth potential of industrial sites and to support business and job growth. The Borough still had the largest percentage of its economy in manufacturing than any London borough and had the second most industrial land.

Intensifying Barking's Industry project, also known as the 'Industria' development, aimed to showcase how a 1.8-acre under-utilized site (Unit A, Creek Road, Barking, IG11 0JW) in a Strategic Industrial Location (SIL) could be transformed into a model of how industrial land could be used in much more intensive ways - critical to a borough with London's lowest employment density and a desire to modernise its workspace. The project would be at the forefront of a new typology of intensive industrial space and would seek to showcase the learning with the industry.

The Cabinet Member advised that the project complemented the Council's emerging Local Plan, Inclusive Growth Strategy, Industrial Strategy and River Road Employment Area SPD. Following substantial design work and appraisals, the project had a viable scheme, meeting the Council's investment requirements and a preferred delivery route. The scheme also attracted the Greater London Authority's (GLA) investment in the form of a proposed head lease for part of the space.

The Cabinet **resolved** to:

- (i) Approve the Intensifying Barking's Industry project at Unit A, Creek Road, Barking, in the total sum of £34.65m as detailed in the report, subject to the agreement of terms with GLA, planning approval and receipt of satisfactory construction tender prices;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to negotiate terms and execute all the property and legal agreements including the agreement for lease and head lease with the GLA; and
- (iii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Law and Governance, to negotiate terms and execute all the legal agreements, including the contract with the main contractor, and the procurement strategy and contract for the asset management services and any terms of extension, and any other documents on behalf of the Council to fully implement and execute the project.

60. Debt Management Performance 2020/21 (Quarter 2)

The Cabinet Member for Finance, Performance and Core Services introduced the performance report for the second quarter of the financial year 2020/21 in respect of the debt management functions. The Council's Revenues, Benefits, General

Income and Rents Service was operated by the Council's joint venture company, Elevate East London LLP (Elevate) and it was noted that this service returned to the Council on the 1 September 2020.

The Cabinet Member stated that performance was stable and continuing to improve year on year in terms of overall cash collection, though continuing to be impacted by welfare reform measures.

Many of the standard debt recovery practices utilised by the Revenues Service were now unavailable due to the Covid-19 pandemic. Since it had not been possible or appropriate to take enforcement action, a "softer" approach to collection has been taken. All reminder letters had been redesigned and the team had taken a firm but fair approach to discussions with residents, advising those experiencing financial difficulty to pay as much as possible. They had also recalculated instalments to be lower or to be paid later in the year.

Cabinet discussed the crucial importance of Reside in the current climate and the need to continue to expand the portfolio of properties to assist residents.

The Cabinet Member for Employment, Skills and Aspiration advised that the business rates grants scheme had now closed and the team had worked hard to ensure there had been no fraudulent applications approved.

The Cabinet **resolved** to:

- (i) Note the performance of the debt management function carried out by the Council's Revenues service;
- (ii) Note the impact of the Covid-19 pandemic on collection levels across all revenue streams; and
- (iii) Agree the revisions to the Council's Debt Management Policy in respect of write-off thresholds and authorised officers, as detailed in paragraph 9 and Appendix 1 of the report.

Standing Order 7.1 (Part 2, Chapter 3, of the Council Constitution) was suspended at this juncture to enable the meeting to continue beyond the 8pm threshold.

61. Purchase of Barking Business Centre, 25 Thames Road, Barking IG11 0JP

The Cabinet Member for Finance, Performance and Core Services presented a report on the purchase of Barking Business Centre, 25 Thames Road, Barking, IG11 0JP.

There was an opportunity for the Council to purchase a 4.75-acre industrial site known as the Barking Business Centre, 25 Thames Road. The Site was immediately adjacent to other landholdings owned by the Council that were intended to be redeveloped for industrial intensification in conjunction with residential accommodation. The Site therefore forms part of a strategic land assembly exercise that is in part funded by the GLA who have provided £30 million of grant for land assembly.

The acquisition of the Site would provide the Council with a significant controlling interest within the Thames Road regeneration area, increasing LBBD's ownership to just under 50% of the likely medium-term development area on Thames Road. More specifically, the Site was located next to other land already held by the Council, namely 23 Thames Road. Therefore, with the proposed acquisition of the Site, there was an opportunity now to secure a comprehensive redevelopment plot with capacity for 525 new residential units. Securing this development plot would help LBBD to deliver its vision for the area, as set out in the River Road / Thames Road masterplan, which was approved at Cabinet in November 2020.

The Cabinet **resolved** to

- (i) Agree to the purchase of the Barking Business Centre, 25 Thames Road, Barking, as shown edged red in Plan 2 at paragraph 2.2 of the report, on the terms set out in Appendix 1 to the report;
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Members for Finance, Performance and Core Services and for Regeneration and Social Housing and the Director of Law and Governance, to conclude purchase agreements and any other related documents; and
- (iii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Members for Finance, Performance and Core Services and for Regeneration and Social Housing and the Director of Inclusive Growth, to approve a site asset management strategy that shall address the related budget plan for planned refurbishment, future planning promotion, site preparation and potential later disposal.

CABINET**19 January 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

19 January 2021

Title: Revenue Budget Monitoring 2020/21 (Period 8, November 2020)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision Yes
Wards Affected: All	Key Decision: Yes
Report Author: Katherine Heffernan, Head of Service Finance	Contact Details: E-mail: katherine.heffernan@lbbd.gov.uk
Accountable Director: Philip Gregory, Chief Financial Officer	
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 £5.743m 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 £27.665 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 £189.204m. This would be an overall expenditure variance of £29.271m. This is an increased estimate since last month as it incorporates some of the Covid associated losses incurred by one of the Council's subsidiary companies.</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. Taking into account this funding the expected outturn for the Council is an overspend of £3.568m. However, this is the position as at the end of November before the impact of increased infection rates and restrictions over Christmas. The report is written mid-December and so it is too early to assess properly the impact of the second lock down and the subsequent restrictions over the rest of the Winter period. This means that the position for the Council is more risky than usual. The estimated pessimistic case for the Council is a net further risk of £12.7m.</p> <p>The potential range of outturn variance therefore is between £3.568m at the more optimistic end to £16.281m at the more pessimistic (although still entirely possible) end. This is a widening of the range since last month reflecting the increased uncertainty of the position. In practice it is likely to fall between those extremes with a likely overall variance of £9.926m. This is the 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</p>	

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 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 and, subject to the condition that any third party funding secured reduces the loan amount required by the full funding amount.

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 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 £5.743m which includes £4.1m of savings not delivered or delayed as a result of COVID-19. In addition, there are £27.665m net of COVID-19 costs or income losses that have already been incurred or seem unavoidable at this stage. This has been increased this month to include 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 £3.568m. This is a slight improvement since last month reflecting the new income compensation claim and some minor improvements in My Place and Care and Support. 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.

DEPARTMENT	ADJUSTED BUDGET	OUTTURN	VARIANCE	CoVid Costs	FINAL VARIANCE
SDI COMMISSIONING	8,903	8,750	(153)	1,900	1,747
CORE	5,962	7,895	1,933	601	2,534
CENTRAL MINUS F30080	34,655	32,088	(2,566)	2,618	51
EDUCATION, YOUTH & CHILDCARE	4,057	4,447	390	742	1,132
LAW, GOVERNANCE & HR	(1,404)	(2,088)	(684)	1,514	830
POLICY & PARTICIPATION	1,758	2,555	797	3,355	4,152
CARE & SUPPORT	83,260	86,808	3,548	5,150	8,698
INCLUSIVE GROWTH	1,001	1,001	0	0	0
COMMUNITY SOLUTIONS	12,471	13,355	884	1,801	2,685
MY PLACE	6,230	7,860	1,630	987	2,617
REVENUES AND BENEFITS	(1,094)	(1,130)	(36)	1,000	964
COMMERCIAL INCOME RISK	0	0	0	2,275	2,275
SAVINGS DELAYED	0	0	(4,137)	5,723	1,586
TOTAL GENERAL FUND BUDGET	155,796	161,539	1,606	27,665	29,271
CORPORATE FUNDING	(155,796)	(155,796)	0	(25,703)	(25,703)
NET GENERAL FUND POSITION	0	5,743	1,606	1,962	3,568

3. Budget Monitoring

- 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 £102m which would result in an overall budget pressure of £8.55m – 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	22,511	20,823	-1,689	0	912
Adults Commissioning	5,580	5,448	-132	0	1,335
Disabilities Service	24,248	29,119	4,872	0	4,468
Children's Care & Support	37,762	43,278	5,515	-213	4,036
Children's Commissioning	3,864	3,764	-100	-100	-393
Public Health	(537)	(458)	79	0	79
Group Total	93,428	101,973	8,545	-313	10,437

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	5,053	-2,991	0
Adult teams	3,557	3,557	0	0
Adult homes and centres	2,119	2,219	100	0
Mental Health	7,431	8,634	1,202	0
Adults Other (Support Service)	1,360	1,360	0	0
Directorate Total	22,511	20,823	-1,689	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 £2.991m this is attributable to the following:

- £1.031 overspend on Homecare this has been caused by COVID and the greater need to provide care at home with outbreaks in care homes.
- £1.331m 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.
- Direct Payment is forecasted to achieve a break-even position

- £274k overspend on Supported Living attributable to demand led for spot placements
- The above is offset by the winter pressures money, which is now part of the iBCF, and 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 £1.202m, this is broken down below.

- £1.051m overspend on Home Care attributable to increases in Dementia cases
- £196k 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.
- £215k overspend on Direct Payments due to in increases in Dementia cases
- £326k underspend on Residential and Nursing due to COVID impact on death rate
- £15k underspend on Day Care and transport
- £105k overspend on Additional staffing costs as per Mental Health PID

3.3.6 Finally there is an estimated £100k pressure in the Adults Homes and Centres service, this is predominantly due to Relish café which has been closed the entire year due to COVID.

3.3.7 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.

3.3.8 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	15,690	1,957	(60)
Children's Care Costs	1,946	2,582	636	70
SEND transport	2,892	4,196	1,304	0
Centres and Care Provision	1,960	2,360	400	(14)
Staffing/Management	3,717	4,291	574	3
Directorate Total	24,248	29,119	4,871	(0)

3.4.2 The forecast for Disability Services is an overspend of £4.871m. The bottom line variance has not changed this period, although there has been some shifts within the service areas explained below.

3.4.3 Packages and Placements total overspend of £3.897m, the breakdown of this is reported below:

- **£1.957m** overspend on Learning Disabilities Adults – There has been a favourable movement of £60k from P7. £50k of this reduction is due to a change in the forecast of clients placed in residential settings and an additional £10k reduction on equipment and adaptations due to orders being reassigned to capital projects. The current forecast is based on clients recorded on Controcc as at end of November, but the direct payment costs is 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.
- **£636k** budget pressure on the Children with disabilities social care provision. There continues to be an increase in the cost of support packages put in place for the children. The increase of 70k from the previous month is due to increases in direct payments, respite packages, legal and transport costs.

3.4.4 Teams and Centres total overspend is forecast at £974k which is a decrease of £10k from the previous month. The reduction is due to savings on Heathway centre expenditure forecasts because of it being relocated at Becontree Children's centre. The areas of significant variances are highlighted below:

- **£400k** overspend across the centres is mainly 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.
- **£229k** 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	27,560	5,491	76
Family Support & Safeguarding	5,640	5,693	53	-129
Assessment & Intervention Team	4,004	3,984	-21	-121
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	-39
Directorate Total	37,762	43,278	5,515	-213

3.5.2 Children's Care and Support is forecast to spend £43.278m and would result in a budget overspend of £5.5m. There has been an improvement in the position of £213k from period 7.

3.5.3 The most significant variance is in Corporate Parenting & Permanence, which is due to the placement costs for Looked After Children service. There has been an increase in the forecast of £76k from the previous month. The projected overspend is £5.491m is due to packages and the breakdown is as follows:

- £2.876m overspend on Residential Homes, decrease of £61k from P7
- £1.678m overspend on Leaving care services, an increase of £65k
- £547k overspend Family Assessment Units, an increase of £61k from last month.
- £443k overspend on Specialist Agency Fostering, an increase of £40k from P7.
- £343k overspend on Adoption Placements, no change from P7.
- £300k overspend in Asylum Seekers.
- This is being mitigated by underspending across the teams' budget, secure placements & In-house fostering of £696k

3.5.4 The Adolescence and Youth Offending Service is forecast to underspend by £259k this is because of vacant posts within the establishment. There has been a further reduction in the staff cost projection of £39k at P8.

3.5.5 Family Support & Safeguarding Team is reporting an overspend of £53k, but a reduction of £129k from the previous period. This improvement is due to the review of the use of agency staff to cover the additional caseloads and relying more on permanent social workers and newly qualified social workers.

3.5.6 Assessment and Intervention team including the MASH service is projecting an underspend of £21k, an improvement of £121k. 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 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.

3.5.8 There has also been an increase in the forecast spend on agency foster care placements of £40k. 4 new clients were placed with agency foster carers in November.

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.

PERIOD 7		2020/21	PERIOD 8			
FORECAST	VARIANCE	REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
£000	£000		£000	£000	£000	£000
9,694	1,336	MY PLACE	8,359	9,441	1,082	(254)
10,837	1,535	PUBLIC REALM	9,302	10,837	1,535	0
20,531	2,871	TOTAL MY PLACE	17,661	20,278	2,617	(254)

3.6.2 The Directorate is reporting a forecast outturn of £20.278m at Period 8, representing a projected overspend of £2.617m. This represents an improvement of £254,000 on P7. It is estimated that COVID-19 related costs and income loss account for £987k of the overspend.

3.6.3 My Place (excluding Public Realm) is reporting a £1.082m overspend on the 2020/21 Budget of £8.359m. This is an improvement of £254k on the position reported in P7.

PERIOD 7			PERIOD 8			
FORECAST	VARIANCE	REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
£000	£000		£000	£000	£000	£000
2,733	(64)	BUSINESS DEVELOPMENT	2,798	2,811	14	78
13,149	(8)	CONTRACTS MGMT	13,158	12,971	(187)	(179)
3,743	(292)	LANDLORD SERVICES	4,034	3,992	(42)	250
(4,658)	(46)	LEASEHOLD & COMMERCIAL	(4,612)	(4,470)	142	188
(20,023)	1,530	MNGMT CENTRAL	(21,553)	(20,023)	1,530	0
14,750	216	PROPERTY ASSETS	14,534	14,160	(375)	(591)
9,694	1,336	TOTAL	8,359	9,441	1,082	(254)

3.6.4 The adverse movement of £78k in Business Development is caused by a £155k increase in consultancy and agency fees in relation to positions within Leasehold and Landlord Services offset by a £77k reduction in the salary forecast.

3.6.5 The reduction of £179k in Contracts Management is due to a reduction of £145k in salaries costs plus additional schools buy backs income.

3.6.6 The £250k increase in Landlord Services costs is related to an increase in salaries and consultancy of £107k plus £170k of premises security costs (Gascoigne decanted properties) offset by reduced legal and compensation costs.

3.6.7 The forecast for Leasehold and Commercial has increased by £188k which is made up of an increase in the forecast cost across a range of Private Contractors. The income forecast for Right to Buy fees is to be reviewed and will be updated next month.

3.6.8 The forecast for Property Assets is forecast to reduce by £591k largely due to a reduction of £260k in the salaries forecast and a reduction of £189k in business rates now that it has been confirmed that Coventry University will be paying business rates on their Dagenham campus. There has also been an increase in forecast income on the Acquisitions portfolio.

3.6.9 The forecast for Public Realm is unchanged at £1,535k forecast overspend.

2020/21	PERIOD 8			
REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
	£000	£000	£000	£000
OPERATIONS	7,856	9,391	1,534	0
PARKS & ENVIRONMENT	2,240	2,413	173	0
FLEET MANAGEMENT	(76)	(95)	(18)	0
COMPLIANCE	(718)	(871)	(154)	0
ELWA	(30)	(30)	0	0
TOTAL	9,302	10,837	1,535	0

3.6.10 The overspend is due to agency and transport costs, in particular repayment of the capital investment in new fleet. Expenditure on vehicle hire costs and other transport-related costs has not reduced sufficiently to meet the budget reductions necessary to make the repayments.

3.7 Policy and Participation

3.7.1 The Policy and Participation summary table is below:

	Budget	Forecast	Variance M8	Change
	£'000	£'000	£'000	£'000
Director	118	142	24	0
Culture	1,328	1,373	45	-3
Leisure, Parks and Heritage	-889	2,995	3,884	0
Communications and Policy	112	106	-6	2
Participation and Engagement	1,329	1,380	51	2
Insight and Innovation	460	497	37	5
Advertising	-158	-42	116	0
Transformation	508	508	0	0
PMO	140	140	0	0
Total Policy & Participation	2,947	7,098	4,152	6

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. There has been an increase of £6k in the overspend forecast.

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 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.
- 3.7.5 Heritage services are forecast to overspend by £240k which is partly due to income loss whilst Valence and Eastbury are closed.
- 3.7.6 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 £'000	Forecast £'000	Variance £'000
Finance	2,314	2,202	(112)
IT	1,266	1,838	572
Commercial	(36)	546	581
Investment Strategy	(4,673)	(4,674)	(1)
Customer Services	7,129	8,455	1,326
Strategic Leadership	63	231	167
Total Core	6,064	8,597	2,533

- 3.8.2 Core Services are forecast to overspend by £2.5m, of which £600k is attributable to COVID-19. This is unchanged from P7.
- 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 £581k, 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 £1.3m 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 £167k which is the balance 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	Forecast	Variance	Reserves	Net Variance
	£'000	£'000	£'000	£'000	£'000
Enforcement	(2,797)	(1,924)	873	0	873
Democratic Services	1,010	868	(142)	0	(142)
HR	38	107	69	0	69
Leader and Cabinet Office	(7)	22	29	0	29
Legal	619	674	55	(55)	0
	(1,137)	(252)	885	(55)	830

- 3.9.2 Law Governance and HR are forecast to overspend by £830k after drawing down £55k from the legal reserve. The forecast is unchanged from P7.
- 3.9.3 Enforcement are forecast to overspend by £873k. The main areas of overspend are Parking and East Street Market. This is due to an income shortfall over the lockdown period. Both services were making a good recovery and income levels had improved improvement prior to the current lockdown. Given the current uncertainties it is difficult to forecast future income streams.
- 3.9.4 If it were not for the impact of COVID on income levels, Enforcement would be forecasting an underlying underspend of approx. £500k largely due to underspends on salaries budgets as vacancies remain unfilled.
- 3.9.5 Within Enforcement, the Parking service is forecast to overspend by £935k. Parking income to the end of October is £4.9m and the annual income target is approx. £10m. Income in October was £844k compared to £923k for September and £935k for November. An additional 10 CEOs have been recruited which will boost income levels between now and year-end. Further traffic enforcement cameras are due to come on-stream and this will generate further income.
- 3.9.6 Parking fees and charges are being amended from January 2021. This will impact upon income levels but not to a significant level for 2020/21, as the bulk of the income is from residents' permits and these fees are unchanged.
- 3.9.7 Also within Enforcement, East Street Market is forecast to overspend by £515k. This is due to reduced income from the impact of COVID. Income to the end of November is £255k against an annual target of £900k.

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	1,032	645	(1,190)
Triage Lifecycle	2,192	1,739	(453)	2,861
Support Lifecycle	4,110	3,459	(651)	(1,836)
Universal Lifecycle	4,558	4,271	(287)	0
Service Dev. & Dir of Comsol	1,194	2,293	1,099	768
Works & Skills Lifecycle	523	805	282	493
Revs & Bens Lifecycle	3,331	3,581	250	0
Directorate Total	16,295	17,180	885	1,096

3.10.2 Community Solutions is forecast to overspend by £885k, a reduction of £211k 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 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 £250,000 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.

4. Housing Revenue Account

4.1 The HRA is forecast to overspend by £3.1m on Revenue. This is an improvement of £129k from P7.

REPORT LEVEL	PERIOD 8			
	BUDGET £000	FORECAST £000	VARIANCE £000	CHANGE £000
SUPERVISION & MANAGEMENT	45,054	44,722	-332	-1,917
REPAIRS & MAINTENANCE	14,219	18,745	4,526	2,153
RENTS, RATES ETC	357	139	-218	-237
INTEREST PAYABLE	10,742	10,742	0	0
DEPRECIATION	15,860	15,860	0	0
BAD DEBT PROVISION	3,309	3,309	0	0
CDC RECHARGE	685	685	0	0
TOTAL EXPENDITURE	90,226	94,202	3,976	-1
CHARGES FOR SERVICES & FACILITIES	-20,497	-19,846	651	-51
DWELLING RENTS	-85,755	-85,318	437	237
INTEREST & INVESTMENT INCOME	-350	-50	300	300
TOTAL INCOME	-106,602	-105,214	1,388	486
TRANSFER TO MRR	16,376	14,118	-2,258	-614
	0	3,106	3,106	-129

4.2 The expenditure forecast is unchanged at £3.976m overspent and is attributable to an overspend on Repairs and Maintenance.

4.3 There is a forecast shortfall of £1.388m on income which is an increase of £486k on P7. This is offset by a £614k reduction in the financing of the HRA capital programme.

4.4 There has been an impact of Covid on rent collection with a forecast shortfall in income collection of up to £4m. Currently this can be covered from within the budget for the bad debt provision but there is a risk if arrears increase further.

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 MTF5.

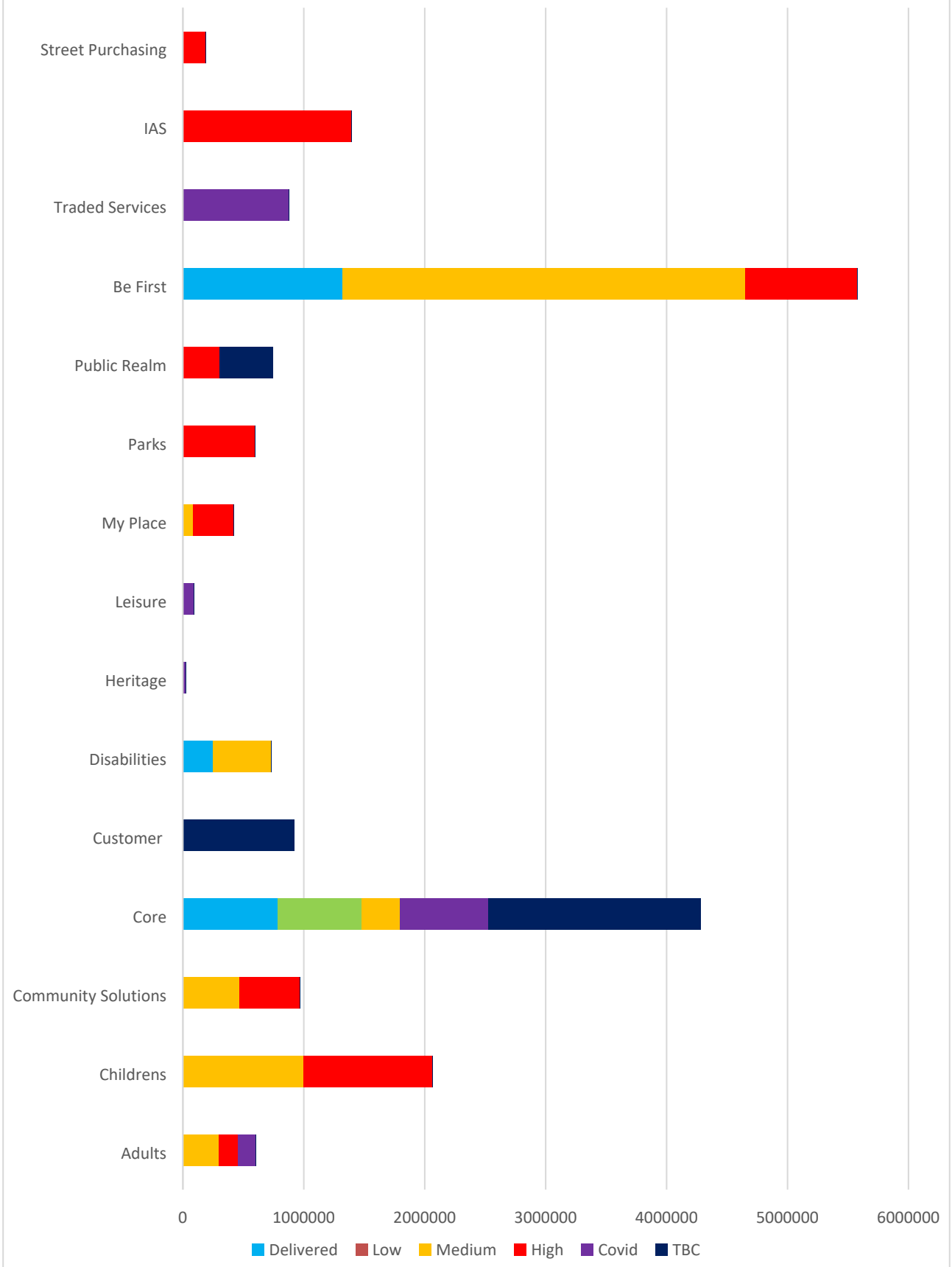
5.2 The total savings yet to be delivered in 2020/21 were already high risk even before the COVID-19 situation arose and the pandemic and the response has considerably worsened the situation. A small number of savings have been assessed as impossible to deliver in the current year but may be possible 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 MTF5, 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.)

2020-21 Savings Risk Profile



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 experienced already or that appear to be unavoidable at this stage is £27.6m. However, this is based on the assumption that there is no increase in costs from increased infection or the introduction of further restrictions. Given the increase infection rates and new restrictions over the Christmas period this may not be likely.
- 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 £8.7m 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 of £40.378 – a further £12.7m of further costs.
- 6.8 The further risks are chiefly a further £5m potential commercial income risk and up to £7m risks in Care and Support and Community Solutions (especially Homelessness) if activity increases sharply. There are also risks around loss of Parking income and income from Culture, Heritage and Leisure.

7. Impact on Reserves

- 7.1 The potential range of outturn variance therefore is between £3.568m at the most optimistic end to £16.281m 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 £9.925m (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 was £6.349m in the budget support reserve and £0.735 in the restructuring reserve. This is sufficient to cover the lower range of scenarios.
- 7.3 The worst case scenario of £16.281m would fully deplete both these reserves and reduce the General Fund reserve from £17.031m to £7.834m which is below the minimum level set in our reserves policy. The midcase estimate of £9.925m would leave £14.190m 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. Loan Facility to B&D Energy

- 9.1 In March 2019 Cabinet approved B&D Energy's business plan for developing the Barking Town Centre (BTC) District Energy Network (DEN). Currently, the funding is made up of a £5m grant from BEIS through their HNIP fund and £27.2m from LBBD, as a capital loan to the business.
- 9.2 The construction of the BTC infrastructure was tendered in two lots. Lot 1 covers the underground pipework and substations, whilst Lot 2 covers the building of a large energy centre, near the Town Centre. The cheapest Lot 1 tender was £3.036m higher than the original budget. B&D Energy can contribute £267k from its operational budget, but it still leaves a funding gap of £2.769m to be found in order for the project to continue.

- 9.3 B&D Energy is exploring further options for potential Government funding to help bridge the gap, but our experience is that this can take months to secure. If any applications for such further funding was successful, B&D Energy shall seek to borrow only the balance.
- 9.4 The reason for the high tenders is mainly due to the small number of suppliers in the market that can do the work of this type and at this scale, compounded by the “risk pricing” as contractors could not gain physical access to the existing sites during the first Covid-19 lockdowns. The risk of the Lot 2 tenders also being significantly over budget are believed to be relatively low. This is due to the following:
- a more competitive market of contractors, able to build energy centres of this size
 - Lot 2 has inherently less unknowns than Lot 1 which makes risk pricing by contractors less relevant
 - Lot 2 is not logistically as complex as Lot 1 which means the tenders are less likely to vary as much from budget
- 9.5 If the Scheme is not progressed each of the new build developments that B&D Energy is proposing to connect will, as a result of planning obligations, have to install their own on-site low carbon heat generation plant feeding their individual on site heat network. This would be a huge, missed opportunity to decarbonise the heat source over time, to provide a high-quality energy services offer to residents, and to generate a long-term return to the Council.
- 9.6 There are multiple schemes that omitted on-site generation infrastructure as their developers expect and have committed to connect onto the BTC network. If the project were to be cancelled, there would be significant losses to developers, including Be First, as they would need to make alternative heating arrangements. B&D Energy would lose credibility in the market which would make developing further District Energy Networks more difficult in the future as developers would be hesitant to connect.
- 9.7 The project therefore requires an additional £2.769m loan facility from LBBD in order to continue. A detailed analysis of the investment opportunity for BTC demonstrates that it can deliver a target IRR (Internal Rate of Return which is a measure of the return on the investment made by the Council in the project) of 7.81% despite having to loan the additional capital. This is 1.97% higher than the original 5.84% IRR as per the business plan approved in 2019. This is largely due to additional schemes with a total of 1,345 units being added to B&D Energy’s forecast since the approval of the 2019 business plan.

10. **Financial Implications**

Implications completed by Katherine Heffernan, Head of Service Finance

- 10.1 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.

11. Legal Implications

Implications completed by Dr Paul Feild, Senior Governance Lawyer

- 11.1 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.
- 11.2 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.
- 11.3 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 costs will facilitate grounds for seeking Covid 19 support funds.
- 11.4 Loan to B&D Energy – 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. This includes loans as if B&D Energy were any other arm's length private undertaking to ensure compliance with state aid rules. The Council cannot subsidise the Company, which must operate on a level playing field.

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

List of Appendices

Appendix A – General Fund Revenue budgets (period 8)

Appendix A

DEPARTMENT	ADJUSTED BUDGET	NOV-20	FORECAST	RESERVE TRANSFERS		OUTTURN	VARIANCE	COVID ISSUES		PESSIMISTIC COVID SCENARIO
		ACTUAL		TO	FROM			CoVid Costs	FINAL VARIANCE	
SDI COMMISSIONING	8,902,640	3,486,123	8,749,640			8,749,640	(153,000)	1,900,000	1,747,000	
CORE	5,962,024	7,613,904	7,895,024			7,895,024	1,933,000	601,000	2,534,000	
CENTRAL MINUS F30080	34,654,721	35,824,177	32,088,272			32,088,272	(2,566,449)	2,617,546	51,097	
EDUCATION, YOUTH & CHILDCARE	4,056,906	5,910,180	4,446,906			4,446,906	390,000	741,500	1,131,500	
LAW, GOVERNANCE & HR	(1,404,166)	(5,483,229)	(2,033,166)		(55,000)	(2,088,166)	(684,000)	1,514,000	830,000	227,000
POLICY & PARTICIPATION	1,757,904	4,195,613	2,554,904			2,554,904	797,000	3,355,000	4,152,000	
CARE & SUPPORT	83,259,634	54,645,812	86,807,634			86,807,634	3,548,000	5,150,000	8,698,000	6,755,000
INCLUSIVE GROWTH	1,000,743	554,600	1,000,743			1,000,743	0		0	
COMMUNITY SOLUTIONS	12,470,774	7,257,098	13,354,974			13,354,974	884,200	1,801,000	2,685,200	870,000
MY PLACE	6,229,542	(12,497,874)	7,859,542			7,859,542	1,630,000	987,000	2,617,000	
REVENUES AND BENEFITS	(1,094,242)	(172,200)	(1,130,242)			(1,130,242)	(36,000)	1,000,000	964,000	
COMMERCIAL INCOME RISK								2,275,000	2,275,000	4,861,000
SAVINGS DELAYED							(4,137,000)	5,723,000	1,586,000	
	0	205,039	0			0	0			
TOTAL GENERAL FUND BUDGET	155,796,480	101,539,243	162,844,231	0	(55,000)	161,539,231	1,605,751	27,665,046	29,270,797	12,713,000
CORPORATE FUNDING										
COUNCIL TAX	(65,787,000)	(65,786,989)	(65,787,000)			(65,787,000)	0			
BUSINESS RATES	(80,608,000)	(19,392,654)	(80,608,000)			(80,608,000)	0	(22,575,000)	(22,575,000)	
NON-RINGFENCED GRANTS	(7,656,480)	(134,647,369)	(7,656,480)			(7,656,480)	0	(3,127,624)	(3,127,624)	
C/F SURPLUS	(1,745,000)	(1,745,150)	(1,745,000)			(1,745,000)	0			
CORPORATE FUNDING	(155,796,480)	(221,572,162)	(155,796,480)	0	0	(155,796,480)	0	(25,702,624)	(25,702,624)	0
NET GENERAL FUND POSITION	0	(120,032,920)	7,047,751	0	(55,000)	5,742,751	1,605,751	1,962,422	3,568,173	16,281,173

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CABINET

19 January 2021

Title: Procurement of a New Credit Union to Deliver a Local Community Banking Service	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Katy Brown, Programmes and Strategy Officer, Community Solutions	Contact Details: Tel: 07825001975 E-mail: Katy.Brown@lbbd.gov.uk
Accountable Director: Mark Fowler – Director of Community Solutions	
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive	
Summary:	
<p>The Borough Manifesto sets out the Council’s commitment to empowering people and growing the Borough inclusively, so everyone has the opportunity to live a healthy, safe and independent life. It identifies debt and financial insecurity as one of several complex challenges continuing to impact too many in Barking & Dagenham. A key strand of our Inclusive Growth Strategy relates to a cross-cutting theme around money, debt and poverty reduction. Increasing access to affordable credit and financial services aligns with and builds on a range of activity already underway relating to debt, prevention and strengthening financial resilience, contributing both to this wider agenda as well as to other linked initiatives.</p> <p>Since June 2020, the Council has worked with the Financial Inclusion Centre on an options appraisal on access to affordable credit and finance for the Borough, enabled by Local Government Association funding. The purpose of this appraisal was to set out evidence of the need and demand for affordable credit and financial services in Barking & Dagenham, looking in particular at subprime credit use, and use this insight to provide a suite of recommendations for what affordable finance provision could look like in the Borough.</p> <p>The options appraisal recommended that Barking & Dagenham partner with a dynamic, forward-thinking Credit Union to extend their delivery into the Borough to provide a holistic community banking offer. This offers the simplest, quickest and most cost-effective route to offering a range of affordable financial products and services to the Borough, for residents and staff.</p> <p>It is envisioned that a minimum amount of investment necessary to do this is £300,000. This investment would go towards capacity building for getting the Credit Union up and running, building membership via a comprehensive communications and advertising campaign and towards innovating what products and services are available through the Credit Union. It is estimated this level of investment could:</p>	

- Reach 4,500 new members
- Generate £2.7 million cost savings for local households
- Generate £11.4 million wider social, health and wellbeing impact
- Generate £1.7 million financial benefit for the local economy

The contract is for an initial 3 years, with the option to extend the contract for up to 2 years.

This paper seeks Cabinet's agreement to procure a credit union to extend their operations into the Borough to help make the aspirations of a Community Banking offer a reality.

Recommendation(s)

Cabinet is recommended 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.

Reason(s)

1. The scale of need – only to be exacerbated by the economic consequences of Covid – means doing nothing is not an option. It is estimated every year 6,000 households take out 20,000 high cost loans to the value of £9.4m, paying back £16.7m due to high interest. If nothing is done, worst case estimates suggest total value of high cost lending could increase to £21.4m with £37.8m repaid. Partnering with a credit union can divert households through more responsible and affordable channels and reduce further financial hardship for residents. Therefore, doing nothing is not an option as we must act to provide residents an alternative.
2. Maintaining and enhancing existing credit union provision – in the form of Liberty Credit Union (LCU) – is not a viable option to meet the depth of demand seen in the Borough. The scale of modernisation required means enhancing LCU does not represent the best value for money for the Council.
3. This option will help the Borough meet its key priorities. Money and debt is a key cross-cutting theme across all strategies, where our goal is to reduce levels of debt and associated money issues in our community through the adoption of an ethical and data driven approach to the collection, management and prevention of debt that ultimately builds greater financial resilience. Saving residents money through a Credit Union has the potential to improve collection rates and maximise our opportunities for prevention through a holistic suite of support and connections into the Community Solutions offer and into the wider community. This aligns with the Borough's Prevention, Independence and Resilience priorities.

4. This work also aligns to the Borough's Inclusive Growth priorities. This includes building institutions and alliances with organisations and individuals committed to the pursuit of inclusive growth. If a bold approach is taken and thousands of in-need residents are reached, a new Credit Union has the potential to be another 'anchor' institution that unleashes the potential of the Borough. Another pillar of our inclusive growth approach is to actively intervene in markets. This work represents an attempt to intervene in the subprime credit market to reduce its dominance and the adverse outcomes this market generates.

1. Introduction and Background

- 1.1 The Borough Manifesto sets out the Council's commitment to empowering people and growing the Borough inclusively, so everyone has the opportunity to live a healthy, safe and independent life. It identifies debt and financial insecurity as one of several complex challenges continuing to impact too many in Barking & Dagenham. A key strand of our Inclusive Growth Strategy relates to a cross-cutting theme around money, debt and poverty reduction. Increasing access to affordable credit and financial services aligns with and builds on a range of activity already underway relating to debt, prevention and strengthening financial resilience, contributing both to this wider agenda as well as to other linked initiatives.
- 1.2 In October 2019, LBBD was successful in partnering with the Local Government Association (LGA) on their Reshaping Financial Support Programme, aimed at sharing good practice and accelerating support to low-income households in financial difficulty. The programme also provides a range of consultancy support and £20,000 of dedicated funding to implement a preventative financial support scheme in each local area.
- 1.3 LBBD has used the grant funds to work with the Financial Inclusion Centre (delivery partner of the programme) to undertake an options appraisal exercise to help determine the most appropriate delivery of fair, affordable and appropriate financial products and services within the Borough.
- 1.4 This was identified as a priority area following a scoping session with a small group of Council officers, which explored local demands and gaps in provision. It built on the experience and learning taken from the Borough's participation in *BBC's 'The Fix'* that looked to address the issue of financial hardship and debt, especially linked to use of high interest loans and credit. *The Fix* identified the need for a fairer and more affordable alternative, and the scoping session confirmed the ambition to take this forward through the Reshaping Financial Support Programme.
- 1.5 The Options Appraisal was completed in September 2020, with the key headlines shared with a Community Solutions and Inclusive Growth stakeholder group. Key data was shared highlighting the depth of financial hardship in the Borough and landscape of subprime credit use:
 - 25% of residents are over-indebted
 - Residents have a low level of savings and little safety net compared to other areas

- 738 is the average credit score, placing the Borough 26th lowest out of 387 local authorities and categorising us as a credit desert
- 6000 households take out 20,000 high cost loans per year, totalling £21.4m with £16.7m repaid through high interest rates

1.6 This position is only likely to get worse due to Covid. This tells us Barking & Dagenham is a perfect storm of high need for credit, low credit scores excluding people from mainstream credit and an over-representation of unaffordable lending options. In short, the Borough's need for affordable credit massively outstrips its supply. Based on this evidence of need, the options appraisal sought to outline 4 options for action:

1.7 **Option 1: do nothing.** Barking & Dagenham could simply do nothing and increase promotion to existing channels. However, the scale of need evidence in the Borough (1.5) means this is not an option. Therefore, the Council must proactively intervene to stimulate more provision, shape the borrowing market and increase uptake of affordable options especially amongst the lowest income households.

1.8 **Option 2: continue using the existing Credit Union provision (Liberty Credit Union) and do not conduct a procurement exercise.** Research conducted during the original options appraisal exercise suggests that Liberty offers a traditional product range of basic savings and loan products with no other financial services or support attached. In addition, loans can only be provided to existing members who have saved with the credit union for an existing qualifying period of 3 months, which excluded those at the point of need. Liberty is also very reliant of face-to-face services in branch with limited digital infrastructure, meaning the offer is only available during working hours and not 24/7 digital delivery. Based on web-research there is limited options for accessing products such as loans online, applicants are advised to print off their application form and take it into the Barking branch. This process does not make it easy for the client to access the support that they need, when they need it. Therefore, enhancing existing provision has been rejected as it does not represent value for money in comparison to the preferred option.

1.9 **Option 3: B&D Money Portal.** The creation of an innovative credit brokering and integrated advice / support site that matches residents to appropriate products via multiple lenders and support services. It has been recommended that the Council's primary focus should be on option 4, however this option 3 should remain on the table for future consideration.

1.10 **Option 4: Bring a new credit union to the Borough as part of the development of a Community Banking offer (preferred option).** The preferred option is to bring an existing, strong, dynamic and forward-thinking Credit Union into the Borough. This best meets the vision of this programme, which is to ensure fair, affordable and appropriate financial products and services and available to every household, aiming to:

- Ensure nobody is held back because of their financial situation
- Keep more money within residents' pockets and our local economy
- Build financial resilience and confidence in the Borough
- Ensure everyone can access support to meet their financial needs and aspirations
- End the influence of high cost credit giants in the Borough

1.11 This would be achieved by identifying, selecting and working in direct partnership with a leading credit union to extend their geographical operations to cover Barking and Dagenham and implementing a comprehensive and holistic community banking services that reflects the needs of the local area. A Community Banking offer would mean residents and staff able to increase access to more affordable credit, fairer financial services/products and supportive money and debt information, advice and guidance.

2. Proposed Procurement Strategy

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

2.1.1 The Council would be procuring a service by partnering with an existing, strong, dynamic and forward-thinking Credit Union who is already operating in other local authorities, in order to extend their geographical footprint to Barking & Dagenham. They would contribute to and underpin the foundations of a holistic and far-reaching community banking service that reflects and meets the needs of the local area. The incoming credit union would be one part of the provision necessary to deliver a Community Banking service. The credit union provision must be built on the ability to deliver digitally but have the ability to deliver from a physical location in the Borough if required - enabling full remote service delivery across the Borough but also opportunities for those who are digitally excluded. Therefore, selecting a suitable credit union that already has this infrastructure allows the Council and Credit Union to focus any resource investment and organisational effort on maximising awareness and uptake and establishing innovative partnership working and delivery.

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

2.2.1 In order to give sufficient time for the credit union to begin delivering and gain traction in the Borough, it is proposed £300,000 is invested. This is for a mixture of money for both internal LBBB use (for advertising, marketing and project management resource) and money directly awarded to the contracted credit union (for capacity building, advertising, marketing and product innovation).

2.2.2 Of the £300,000, current best estimates suggest that £190,000 will be awarded directly to the credit union for capacity building, to get the credit union up and running in the Borough and for advertising and promotion. That leaves £110,000 to be used internally by LBBB, for a dedicated project manager resource as well as dedicated internal advertising and communications.

2.2.3 The spending of this resource and any decisions attached to it will be the responsibility of the Community Banking Project Group which has recently been set up.

2.3 Duration of the contract, including any options for extension

2.3.1 The contract is for 3 years with the option of extending for up to 2 years.

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– because of the value of the contract being £190,000 the contract is subject to EU Procurement Procedures and as a result a competitive tendering process shall be undertaken under these guidelines.

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1. The Council will run a procurement procedure according to Rule 32 in the Council's constitution, where a competitive tendering process will be undertaken.

2.5.2 The Council will issue a Prior Information Notice (PIN) to engage the market and to ask interested providers to get in contact for follow up market engagement sessions to be run, as outlined in 22.2 (a) in the Council's Constitution.

2.5.3 The procurement exercise will be an open EU tender, therefore any supplier may submit a tender in response to the notice. The tender will be advertised on the Council website as well as on OJEU, Bravo and Contracts Finder

2.5.4 The Council will issue a formal invitation to tender having received approval from Procurement Board and Cabinet given the total contract value is above £200,000 and this will be a Key Decision.

2.5.5 The procurement strategy report is on the forward plan for January Cabinet where approval will be sought to conduct this procurement exercise and delegate authority to the Director of Community Solutions in consultation with the Acting Chief Executive and Director of Law and Governance to take the final decision on new Credit Union partnership

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 The delivery methodology adopted is through a third-party provider.

2.6.2 Delivery of the service being procured will be predominantly virtual through already established digital infrastructure, unless an agreement is arranged whereby the credit union would be asked to deliver from a specific location in the Borough.

2.6.3 Bespoke Terms and Conditions will need to be adopted.

2.6.4 The contract is for 3 years with the option to extend for up to 2 years.

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

- 2.7.1 Based on typical take-up and growth levels experienced with similar new credit union schemes, the research has forecast the key project outputs based upon the minimum investment level of £300,000. This identifies that over the 3 years (with the option to extend by 2 years), the new credit union service would attract 4,500 new members from across LBBD, with 3,300 of these opening and maintaining a savings account with £950,000 accumulated savings.
- 2.7.2 The total value of lending could equal £4,160,000 with an estimated £1,385,000 of this being delivered to low-income households diverted from subprime channels. This however is a conservative estimate and with a bolder and more proactive promotional and outreach strategy and collaborative partnership working numbers could be higher.
- 2.7.3 The socio-economic benefits for an individual of improving their financial resilience through increased access to affordable financial services are diverse and differ based on every individual's circumstances. This could be everything from reduced financial stress and improved health through to money saved from more affordable borrowing and having a bank account that works better for them, should they choose to take up that offer. This section therefore sets out the anticipated scale of household financial gains generated by the new credit union service and the estimated knock-on impact this could have on resident health and well-being as well as the local economy.
- 2.7.4 The overall financial gain for households is estimated to be £2.4 million, with each pound spent on the credit union generating a social return for the Borough of approximately £8.01. Over a 3 year period, this translates to an estimated average cost saving of £533 across all households - which rises to £1,601 cost savings for the most financially vulnerable households accessing the credit union services. This is calculated from social return on investment research undertaken by Circle Housing (2017) and Save the Children poverty premium report (2010) and then tailored to Barking & Dagenham based on the amount we are investing.
- 2.7.5 There is also a projected large uplift in well-being for these residents due to relief from being heavily burdened with debt, feeling more in control of their life and improved financial comfort. Using Wellbeing Valuation as the accepted and robust way of measuring social impact, estimates suggest a wellbeing impact of £11.4 million, meaning for every £1 spent on the credit union, an estimated £38.02 of social impact would be created.
- 2.7.6 There is limited available research estimating the local economic impact of improving access to affordable finance. The most applicable return on investment research is taken from work undertaken by Circle Housing that estimated the 'economic multiplier' of its Circle Housing Money work with Leeds Credit Union. Research from this work estimated that for every £1 investment, there was an additional £5.60 benefit to the economy. This translated into an economic multiplier of £1.7 million, as more money will be available to be spent in the local economy.

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

2.8.1 10% social value, 0% Price (we are not inviting providers to submit pricing) and 90% quality.

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

2.9.1 Securing alternative credit union delivery in the Borough is intended to improve the lives of all the Borough's residents towards the organisation's vision of '*no one left behind*' in line with the aims and aspirations set out in the Borough Manifesto. Money and debt is a key cross-cutting theme across all strategies, where our goal is to reduce levels of debt and associated money issues in our community through the adoption of an ethical and data driven approach to the collection, management and prevention of debt that ultimately builds greater financial resilience. This helps achieve our health & wellbeing and employment & enterprise goals.

2.9.2 Barking & Dagenham should be a place where everyone is valued and has the opportunity to succeed, and a place where businesses and communities grow and thrive. This is part of the challenge that the Community Banking offer seeks to address. Exclusion from mainstream credit and use of high interest alternatives can too easily undermine financial independence and drive further poor outcomes, from fueling stress and anxiety, to diverting money from the local economy.

2.9.3 Having choice and presenting residents with the opportunity to reclaim control of their lives is the benchmark of how we aim to grow the Borough. The core community banking offer required of the prospective provider, will deliver benefit to the community in line with our Borough Manifesto goals:

- Keeping more pounds in people's pockets (employment and enterprise theme)
- Keeping more money in the local economy (employment and enterprise theme)
- Strengthening money management, creating financial resilience, and enabling independence (employment and enterprise theme)
- Enabling people to live less stressful lives from being less heavily burdened by debt and financial worry (health and wellbeing theme)

2.9.4 Bidders on all LBB contracts over £100,000 for goods, services and works are required to provide convincing Social Value offers in line with LBB's stated goals and priorities, as set out in the Social Value Framework above. We will encourage and ensure the selected partner helps the Borough achieve Manifesto goals beyond the outcomes to be delivered in the core Credit Union offer.

2.9.5 Opportunities will be leveraged for the new credit union partner to give back to the community in the form of social value, either in line with Social Value Toolkit suggestions, or other creative suggestions put forward. The Council will particularly welcome suggestions under key strands of the Social Value Framework:

1. **Investing in local people** i.e. helping us to tackle unemployment and low pay, creating good jobs and providing training, education, skill building and work experience opportunities for Borough residents and within key institutions such as schools

2. **Improving local participation and engagement:** involving citizens in service design and decisions, procuring from organizations with a social purpose and building the capacity of local civil society organisations i.e. mentoring or providing space or facilities.
3. **Improve local health and wellbeing:** help us tackle key local issues such as high levels of antisocial behaviour, domestic abuse and other issues that impact the resilience of our residents.

2.10 **Contract Management methodology to be adopted**

2.10.1 The contract will be managed within Community Solutions.

2.10.2 Sufficient contract monitoring methodology will be adopted, with performance targets worked up during co-productive conversation with the selected provider. These will be monitored on a regular basis, as decided between LBBB and the provider.

3. **Options Appraisal**

3.1 **Option 1: do nothing.**

3.1.1 This option has been rejected because of the scale of financial hardship and need for ethical alternatives to high cost credit. 738 is the average credit score of the Borough, placing Barking & Dagenham 26th lowest out of 387 local authorities and categorising us as a credit desert. In addition, 6000 households take out 20,000 high cost loans per year, totalling £21.4m with £16.7m repaid through high interest rates. This a high demand for credit but an overrepresentation of unaffordable lending options which exacerbate resident's financial vulnerability. Initial studies indicate that borrowing is only to be exacerbated by the economic consequences of Covid. Doing nothing is not an option, as we need to act to provide more affordable alternatives.

3.2 **Option 2: continue using the existing Credit Union provision (Liberty Credit Union) and do not conduct a procurement exercise**

3.2.1 Research conducted during the original options appraisal exercise suggests that Liberty offers a traditional product range of basic savings and loan products with no other financial services or support attached. In addition, loans can only be provided to existing members who have saved with the credit union for an existing qualifying period of 3 months, which excluded those at the point of need. Liberty is also very reliant of face-to-face services in branch with limited digital infrastructure, meaning the offer is only available during working hours and not 24/7 digital delivery. Based on web-research there is limited options for accessing products such as loans online, applicants are advised to print off their application form and take it into the Barking branch. This process does not make it easy for the client to access the support that they need, when they need it. Therefore, enhancing existing provision has been rejected as it does not represent value for money in comparison to the preferred option.

3.3 Option 3: B&D Money Portal

3.3.1 This would involve the creation of an innovative credit brokering and integrated advice / support site that matches residents to appropriate products via multiple lenders and support services. It has been recommended that the Council's primary focus should be on option 4, however this option 3 should remain on the table for future consideration.

3.4 Option 4: Bring a new credit union to the Borough as part of the development of a Community Banking offer (preferred option)

3.4.1 Bring a new credit union to the Borough as part of the development of a Community Banking offer. This was the preferred option emerging from the Affordable Credit Options Appraisal, as the most cost-effective and impactful way that the local authority could increase access to more affordable credit and fairer financial services and increase the reach of affordable credit provision quickly. This has been agreed at Corporate Strategy Group on 15th October 2020.

3.5 For a full appraisal and overview of the options considered and discarded, please see Appendix 1.

4. Waiver

4.1 Not applicable for this report.

5. Consultation

5.1 The proposal outlined in this report – to procure a credit union to inform the development of a Community Banking offer has been considered and shaped in the following forums:

- Corporate Strategy Group – 15th October 2020
- Inclusive Growth CPG Working Group – 12th November 2020
- Inclusive Growth Member Group – 18th November 2020
- Portfolio of Cabinet Member for Finance, Performance and Core Services – 27th October 2020
- Portfolio of Cabinet Member for Community Engagement and Leadership – 3rd November 2020
- Portfolio of Cabinet Member for Employment, Skills and Aspiration – 27th October 2020
- Community Solutions Strategy Board – 21st September 2020 and 2nd December 2020
- Procurement Board – 14th December 2020

6. Corporate Procurement

Implications completed by Sam Woolvett, Corporate Procurement

6.1 This strategy adheres to the Council's Contracts Rules, in that a full open procurement will take place.

- 6.2 Corporate Procurement will work with and support the Department in carrying out the end to end procurement exercise.

7. Financial Implications

Implications completed by: Bernard Ofori-Atta, Finance Business Partner.

- 7.1 The benefits of a robust credit union within a community has been demonstrated. The £300,000 proposed investment is because existing service is not a future viable option. The procurement will enable LBBB to shape service provision and improve outcomes for residents and staff. Subject to robust procurement, governance and contract management arrangements, the potential outcomes can be realised, and any risk to investment mitigated against. As this investment relates to a key part of the financial inclusion landscape, there may also be a positive impact on demand as well as an enhanced integrated approach. The £190,000 contribution would enable LBBB to leverage the partnership to achieve the Council's social objectives. The £110,000 will enable implementation and maintenance of a robust contract management and governance framework to ensure the investment generates significant social and corporate benefits. From an Internal Control, Value for Money, and Finance point of view the investment is justified.

8. Legal Implications

Implications completed by: Ian Chisnell, Major Projects Solicitor, Law & Governance

- 8.1 The Council has power to tender for a Credit Union provider under s1 of the Localism Act 2011 although it does not have power under that Act to provide banking services and that is not being proposed in this report.
- 8.2 The tender is to be under the Open procedure set out in the Public Contracts Regulations 2015 (as amended) and will thus comply with those regulations and the Council's Contract Rules under the Constitution.
- 8.3 Credit unions are member-run organizations where members pool their savings so they can lend to one another. They are essentially financial cooperatives where the members own the organisation. The Council would not be able to become a member as it is not an individual.
- 8.4 The members of a credit union have something in common, such as working for the same company, living in the same area or belonging to a certain church or trade union. This is called having a 'common bond'. Credit Unions often have multiple common bonds.
- 8.5 They are Regulated by the Financial Conduct Authority and the Prudential Regulation Authority and have to register with those organisations.
- 8.6 Any money invested is protected by the Financial Services Compensation Scheme
- ## **9. Other Implications**
- 9.1 **Risk and Risk Management** – The project group have engaged early with LBBB's insurance manager to introduce the work and identify any corporate risk or

insurance implications. Initial insight suggests this will be minimal. Information has been provided to address early questions and conversation will be ongoing.

There are few risks involved with this procurement process. The risks that have been identified have mitigating actions attached.

There is the risk that no credit unions engage in the procurement exercise and no contract is awarded as a result. However, it has already been established that leading credit unions would be interested in expanding their operations to Barking & Dagenham and in addition, the publishing of a PIN will identify early whether there is interest within the market.

A credit union's expansion to Barking and Dagenham must also be formally ratified at their side and in line with their procedures. This is normally at an Annual General Meeting, which occurs around March time. Therefore there is a risk that project timetable slips and their AGM window for formal ratification has been missed. However, this can be mitigated by calling a Special General Meeting to perform the same function.

9.2 **TUPE, other staffing and trade union implications** - a Community Banking offer also includes an effective payroll deduction facility to encourage staff saving. Although the Borough already has a payroll deduction option with the existing credit union, the new credit union would also have such an offer which would sit alongside the existing one. Credit unions with leading payroll deduction facilities (i.e. Leeds Credit Union) have over 30% of their workforce regularly saving. There are numerous studies from the Money and Pension Service that shows the financial, health and organizational benefits of payroll deduction. Paper will be going to Workforce Board and all other relevant governance forums to ensure this is implemented effectively.

9.3 **Corporate Policy and Equality Impact** – An equality impact assessment (appendix 2) has been completed. The purpose of this procurement is to address a depth of financial hardship felt by too many in Barking and Dagenham. We aim to increase access to affordable credit and finance while ending the influence of high cost giants (such as Bright House), who trap low-income households in a poverty premium with no choice but to access high-interest credit and the bite sized weekly installments offered in order to stay financially afloat.

The use and extensive influence of subprime credit galvanizes and scars the Borough with inequality, as many struggling financially in the first instance are further undermined by high interest rate, while those able to access mainstream credit continue to do so with little financial penalty.

The Borough is expected to grow considerably over the coming years, with significant change in terms of jobs and homes anticipated. With this growth comes a significant yet achievable challenge. The Borough Manifesto pledges to ensure *“our growth and regeneration is truly inclusive; that no one is left behind. Only if our whole mixed and diverse community feels the real benefits of regeneration will we have succeeded”*. This means that inequality should be reduced. Instead *“we want our residents to have aspirations, to flourish as individuals and families, to choose to stay in the Borough and be able to afford to do that”*.

The establishment of a new credit union in the Borough is a response to this vision and an attempt to grow the Borough more inclusively, by putting stronger credit and financial services infrastructure in place for all who may need it.

This work is intended to have an amplified impact on those worst off. For example, this work aims to put more pounds in people's pockets. This is predicted to be an average cost saving of £533 across all households - which rises to £1,601 cost savings for the most financially vulnerable households accessing the credit union services.

The credit union should not adversely impact any particular cohort of the Borough's population or discriminate unfairly against anyone according to the protected characteristics of the Equality Act (2010). Instead, the suite of products and services will be locally tailored and bespoke, particularly point at the most vulnerable households and those who need support the most. Despite this, the credit union will be universally accessible with anyone in theory able to engage its services.

There will, however, be eligibility criteria for certain loans and products – in line with standard borrowing procedure. The credit union will be well aligned with Community Solutions and wider community support, with a clear and coherent pathway for declined applicants who for whatever reason are able to use the desired credit union services but still require some level of support. This will ensure no one falls through the cracks.

9.4 Safeguarding Adults and Children – The benefits of a Community Banking offer are far reaching. There are many financial products and services that seek to target certain vulnerable groups, to improve their wellbeing and quality of life.

For example, it is possible to create a system where a bank account is automatically opened with the credit union for certain vulnerable cohorts and an initial small deposit made in-kind, from which savings can grow. This has been done elsewhere for children entering certain Key Stages and delivered alongside wraparound financial education for those of school age and seeks the involvement of parents to bring them into the fold of the credit union. This recognises early financial education and literacy is pivotal to building financial resilience towards adulthood.

A further related example is the option to automatically open bank accounts for Care Leavers at a specified point on their journey to independence with an initial in-kind deposit made and from which savings can grow. This could be integrated with the package of support provided to Care Leavers as they transition to independence, building their financial resilience and putting the foundations in place for being able to manage their money effectively.

There will be widespread engagement across the Council to determine the most appropriate and impactful financial products and services to be utilised in a Community Banking offer for Barking and Dagenham, to improve the wellbeing of our children and adults and towards boosting their financial resilience and independence.

9.5 **Health Issues** - Wellbeing Valuation has been accepted as a robust and rigorous method of measuring social impact. This approach allows organisations to measure the success of social interventions by analysing how much they increase people's wellbeing. To do this, the results of large national surveys are analysed to isolate the impact of a particular factor on a person's wellbeing.

Using this methodology alongside other examples from across the Credit Union sectors estimates that over the initial three-year period the new credit union service would deliver an overall social impact of £11,406,787 for those residents who are on the lowest-incomes and financially excluded.

This value represents the uplift in well-being for these residents due to their relief from being heavily burdened with debt, feeling in control of their life and improved financial comfort. Essentially, if the credit union service was not implemented each resident would need to receive £7,605 to generate a similar increase in their wellbeing. Taking the minimum proposed project budget of £300,000 into account, for every £1 spent on the credit union service, an estimated £38.02 of social impact would therefore be created.

This highlights the critical link between money and wellbeing. Through the financial gains felt by households generated through a Community Banking offer – saving more and using less high-cost credit, amongst other benefits – there would be an associated uplift in wellbeing through reduced stress from being less heavily burdened with debt or financial insecurity.

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

List of appendices:

- Appendix 1 – LBBB Affordable Credit Options Research
- Appendix 2 – Equality Impact Assessment

LBBB Affordable Credit Options Research

Final Report

September 2020

Produced by
Gareth Evans and Matt Earnshaw – Financial Inclusion Centre

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Background

1.1 Overview of current context

LBBB is one of four Councils selected to take part on the Local Government Association's [Reshaping Financial Support Programme](#) providing a range of consultancy support and £20,000 of dedicated funding to implement a preventative financial support scheme for low-income households.

As part of the programme, the Financial Inclusion Centre (FIC), an independent not-for-profit research and consultancy firm undertook a scoping session with a small group of Council Officers. This specifically explored the potential need and existing delivery of affordable credit and financial service provision in the borough. It built on the experience and learning taken from the borough's participation on BBC's The Fix that looked to address the issue of financial problems and debt.

Following on from this initial session, LBBB decided to utilise its allocated LGA funds to commission FIC to firstly undertake this options appraisal exercise to help determine the most appropriate delivery of fair, affordable and appropriate financial products and services within the borough.

In addition, subsequent funding has been set aside for FIC to continue to support the Council to further refine and develop the chosen option(s) and help take forward its identified approach.

1.2 Research approach and management

The research was undertaken by Gareth Evans (Director) and Matt Earnshaw (Associate Research Consultant) between June and September 2020. The work consisted primarily of desk-based analysis combined with internal¹ and external² consultation.

Weekly management meetings have been maintained throughout the project with Katy Brown (Programmes & Strategy Officer, Community Solutions) and Promise Williams (National Management Trainee, Community Solutions). Furthermore, a project steering group consisting of: Katherine Gilcreest (Head of Support, Community Solutions), Gill Wilson (Service Manager, Community Solutions) and Mohammed Hossain (Strategy & Commissioning Officer, Inclusive Growth) have provided guidance and input every three weeks.

Initial feedback presentations were also delivered to the Community Solutions OMT meeting on Wednesday 15 July and then the Community Solutions Strategy Board on Monday 20 July.

1.3 Report structure and purpose

The report firstly focuses on setting out the evidence of the need and demand for affordable credit and responsible financial services within the borough that will provide greater understanding of the

¹ Monica Needs (Head of Participation and Engagement, Policy and Participation), Julia Kanji (Service Manager- Financial Investigations, Planning Enforcement and Trading Standards), Linda Humphrey (HR & Payroll Core Manager, Core Human Resources and Payroll Services) and Rachel Laurence (Head of Enterprise and Employment Strategy, Inclusive Growth)

² London Mutual Credit Union, North London Credit Union, London Community Credit Union and London Plus Credit Union.

financial issues facing residents and the detrimental impact, thus providing the rationale for intervention.

The second section will then outline the existing scale of high-cost subprime credit use locally, including estimates of the financial cost to the borough and the demographic profile of users, alongside a review of the two identified providers of more affordable credit operating in the borough, Liberty Credit Union and Fair Finance.

The research then attempts to paint a picture of what affordable finance provision could deliver in Barking and Dagenham. Firstly, it offers an overarching vision and set of objectives for this work and sets it in the context of current Council strategies. Then it uses visual examples from leading credit unions to highlight the portfolio of financial products and services, as well as delivery channels, that should be expected from a dynamic forward-thinking provider.

Finally, the report brings together the various insights and findings throughout the research to draw together four potential options for delivering affordable finance provision with recommendations for the Council to consider.

It is intended that these findings and recommendations will be presented to key Council representatives for consideration and an agreed approach determined. This will enable further development and implementation work to be taken forward.

Evidence of need

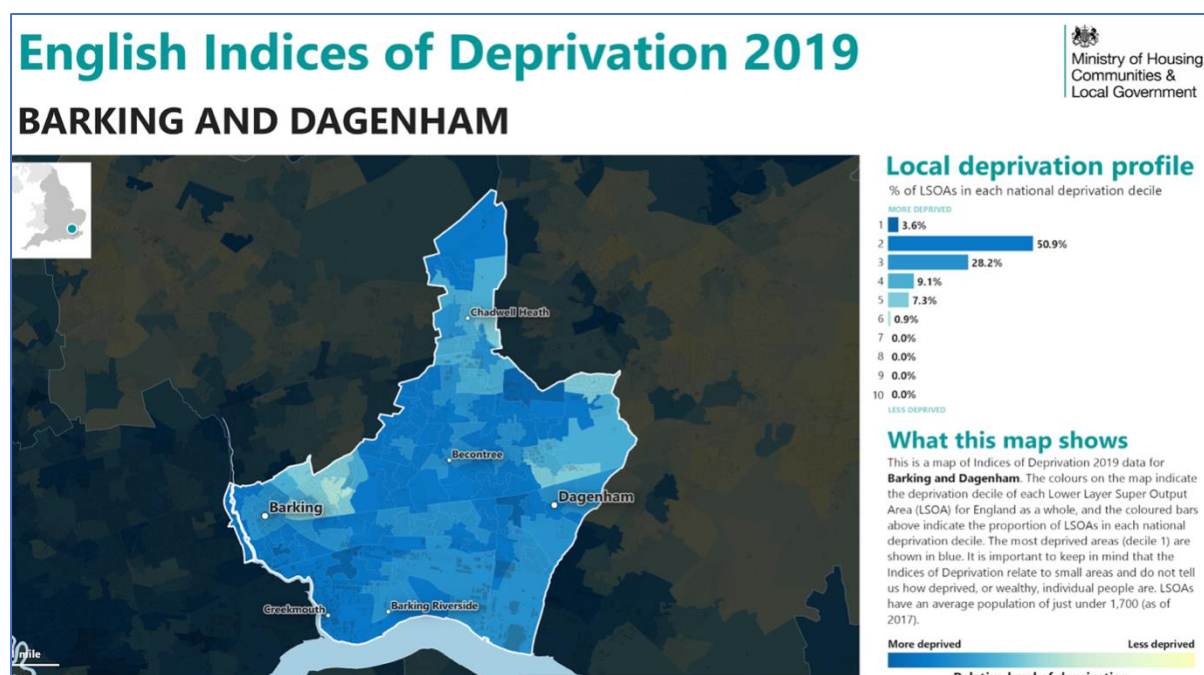
This section sets out the evidence related to the need and demand for affordable credit and responsible financial services within Barking and Dagenham. Utilising a wide range of research from external sources and the council's own data, it provides a detailed picture of the financial issues facing the Borough's households and the potential impact of Covid-19.

2.1 Poverty and deprivation

2.1.1 Indices of Multiple Deprivation

The latest IMD data set (2019) evidences the scale of deprivation across Barking and Dagenham, with headlines including:

- Barking and Dagenham is the **5th most deprived** out of 151 upper-tier authorities – based on the IMD average rank. This measure is based on population weighted ranks of all neighbourhoods within an area, so an area that is more uniformly deprived will tend to rank higher on this measure.
- Barking and Dagenham is the **17th most deprived** out of 151 upper-tier authorities – based on the IMD average score. This measure is based on population weighted scores of all neighbourhoods within an area.
- 3.6% of Barking and Dagenham's neighbourhoods (Lower Super Output Areas) are in the 10% most deprived nationally, whilst just under 60% are in the 20% most deprived. Barking and Dagenham has no neighbourhoods in the 40% least deprived nationally. See map below for further details.
- Specifically, with regards to income deprivation, Barking and Dagenham is the **4th most deprived** out of 151 upper-tier authorities – based on the IMD average rank.



2.1.2 Poverty Tracker

In addition to the IMD, Barking and Dagenham's Poverty Tracker provides further evidence of the scale of poverty that exists across the borough, through the measurement of 10 national indicators ranked against 312 English local authority districts, including:

- Unemployment,
- Incapacity benefit claimants,
- Careers allowance claimants,
- Universal Credit claimants in employment,
- Pension credit claimants,
- Income support claimants,
- Housing benefit households,
- Fuel poverty households,
- Children living in relative low-income families, and
- Households assessed as threatened with homelessness.

Summary headlines include:

- Barking and Dagenham is the 13th most deprived Borough in the country – based on the average rank of the 10 indicators,
- Barking and Dagenham has the worst average rank out of the 32 London boroughs,
- Within London, Barking and Dagenham has the highest rates of unemployment, carers allowance claimants and income support claimants, and
- Within London, Barking and Dagenham has the second highest proportion of children under 16 living in low-income households.

In summary, the scale of poverty and deprivation across Barking and Dagenham is clear. This data provides important contextual information as regards the potential need and demand for affordable and responsible financial services, as the underpinning levels of unemployment, benefits claimants and low-incomes, would suggest that a significant number of households across the Borough will be under financial pressure or at risk of financial hardship, which has direct implications in relation to borrowing and debt.

2.1.3 The impact of Covid-19 on financial hardship

Through its involvement in the Local Government Association's Reshaping Financial Support programme, LBBD is currently supporting the development of a Financial Hardship Demand Dashboard, the aim of which is to track the impact of Covid-19 on economic vulnerability and financial hardship.

In the first instance, a simple data set of existing indicators has been collated for participating authorities, which it is anticipated will provide some initial indication of how

incomes have changed, or are likely to change in the near future, due to Covid-19 and therefore how and where the scale of financial hardship is increasing.

Table 1: Barking and Dagenham: Financial Hardship Dashboard Data

Measure	Data	Details / Source
Scale of furloughed employment	33,300 furloughed employments by 31 July 2020	Estimates of the number of claims made to HMRC for the Coronavirus Job Retention Scheme - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/891607/Coronavirus_Job_Retention_Scheme_Statistics_Tables_June_2020.xlsx
Scale of self-employment support provision	81% take-up rate - of those eligible for support	Number of claims made to the Self-Employed Income Support Scheme administered by HMRC - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/891166/SEISS_Official_Statistics_Tables_June_2020.xlsx
Total Claimant count / rate – May 2020	10.3% in July 2020 - up from 4.4% in March 2020	Administrative measure of the number of people claiming benefit principally for the reason of being unemployed, using individual records from the benefit system – https://www.nomisweb.co.uk/home/release_group.asp?g=1
Annual change in claimant count	173% - between July 2019 and July 2020	As above
Benefits calculator applications	257% increase in the number of applications to check benefits entitlements – between March/April 2019 and 2020	https://public.tableau.com/profile/npc8488#!/vizhome/NPCDashboard/UserGuide
Council tax support applications	100% increase between July 2019 and 2020	LBBB
Council tax collection rate	6.4% decrease in % collection rate between June 2019 and 2020	LBBB

The data from the demand dashboard indicates that residents across Barking and Dagenham are already likely to be experiencing increasing levels of financial hardship as a result of the Covid-19 crisis. Whilst the claimant rate had risen to 10.3% in July 2020, increases in benefits entitlement checks, alongside a decrease in the council tax collection rate, suggest increasing numbers of people trying to manage lost or reduced income and struggling to pay their bills. Additionally, the numbers of furloughed employments and those accessing self-employment support, highlight the scale of households still at potential risk of increasing financial hardship, pending the resolution of these schemes later this year.

2.2 Financial Vulnerability and Resilience

2.2.1 The National Context

At a national level, MaPS have undertaken a consumer segmentation focused on financial resilience and how people manage their money. They undertook this work to help identify and profile the different groups of people that exist and to understand their specific financial and advice needs. MaPS identified three distinct groups across the UK population:

- those who are **Struggling** (the least financially resilient group), who make up 19.6% of the population;
- those who are **Squeezed** (working-age families on average incomes with significant financial commitments), who account for 25.2%; and
- those who are **Cushioned** (the most financially resilient group, with the highest levels of income and savings), accounting for 55.2%

Whilst the segmentation provides a useful overview of the different financial issues and behaviours associated with the three groups, the data highlighted in section 2.1 would suggest that caution should be taken in terms of applying these proportional splits to Barking and Dagenham's population. Given the profiles associated with these segments, it is likely that the Struggling and Squeezed groups are over-represented within the borough.

Further detail on the segment profiles is highlighted in Appendix 1, whilst a number of relevant documents can also be accessed at:

www.moneyadvice.service.org.uk/en/corporate/research:

May 2016:

- Market Segmentation – An Overview
- Market Segmentation – Technical Report
- Financial Resilience Segmentation Conference Slides
- The Squeezed Segment

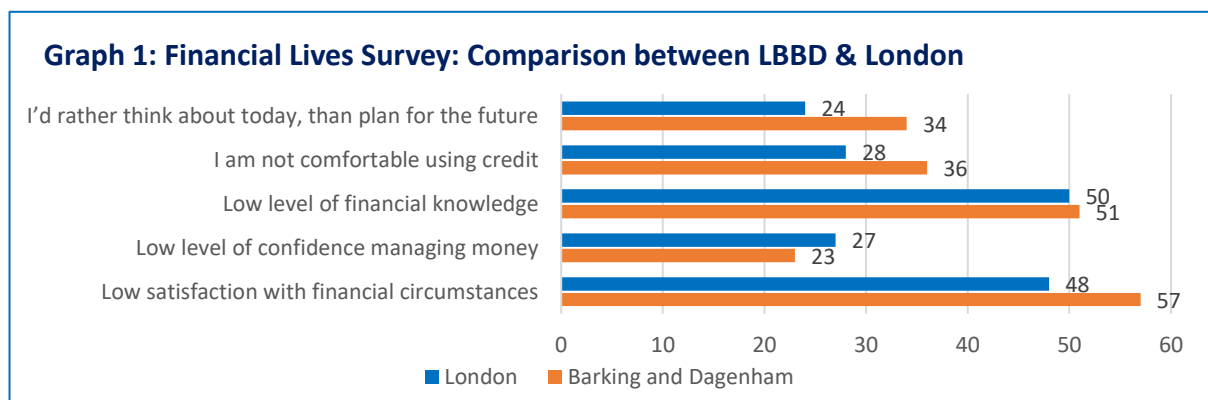
January 2019:

- Market Segmentation – Segment Infographics

2.2.2 Financial Lives Survey

The Financial Lives Survey is a large-scale survey of UK adults, undertaken by the FCA to aid their understanding of consumers in the retail financial markets they regulate, including in relation to their financial situations and their attitudes towards managing their money. It therefore provides some useful insight into levels of financial vulnerability and resilience.

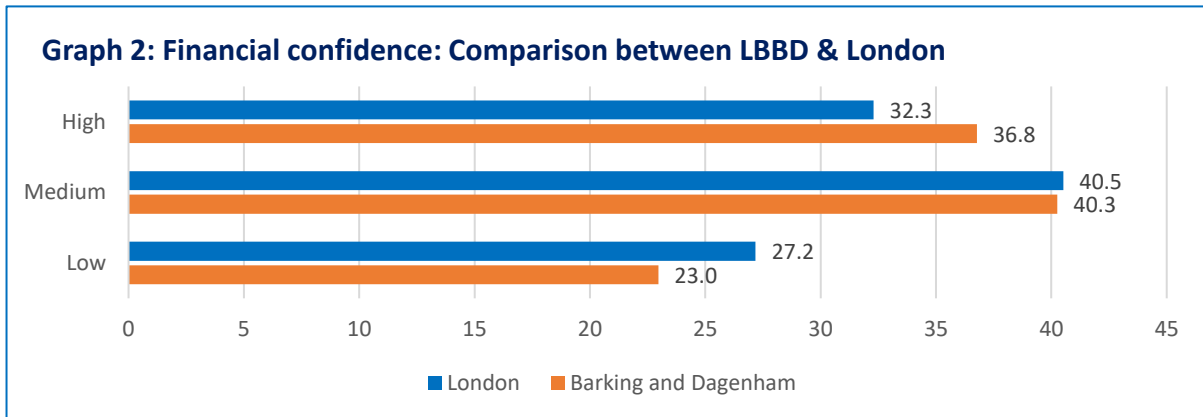
The 2017 study provides a number of findings for the UK as a whole and by a range of other geographic areas, including NUTS 3 areas (comprising counties or groups of unitary authorities). For the purposes of this report, statistics for the NUTS 3 area of Barking & Dagenham and Havering have been used, as highlighted in the graphs below:



The results highlighted in Graph 1 (above), suggest a fairly broad level of financial vulnerability exists across the borough, particularly given half of the population (51%) say they have a low level of financial knowledge, whilst 57% are not satisfied with their current financial circumstances.

It is interesting to note that whilst a quarter (23%) of residents highlight a low level of financial confidence, this is lower than the London-wide figure of 27%. In fact, when this is explored in further detail (graph 2 below), it corresponds to the fact that 37% of local residents indicate a high level of financial confidence, compared to 32% across London. This is despite similarly low levels of financial knowledge between the two and the fact that more residents in the borough highlight that they are not comfortable using credit and are more likely to take a short-term approach to managing their situation. This may therefore be the result of over-confidence bias and suggest that some residents highlight being more financially confident than they actually are.

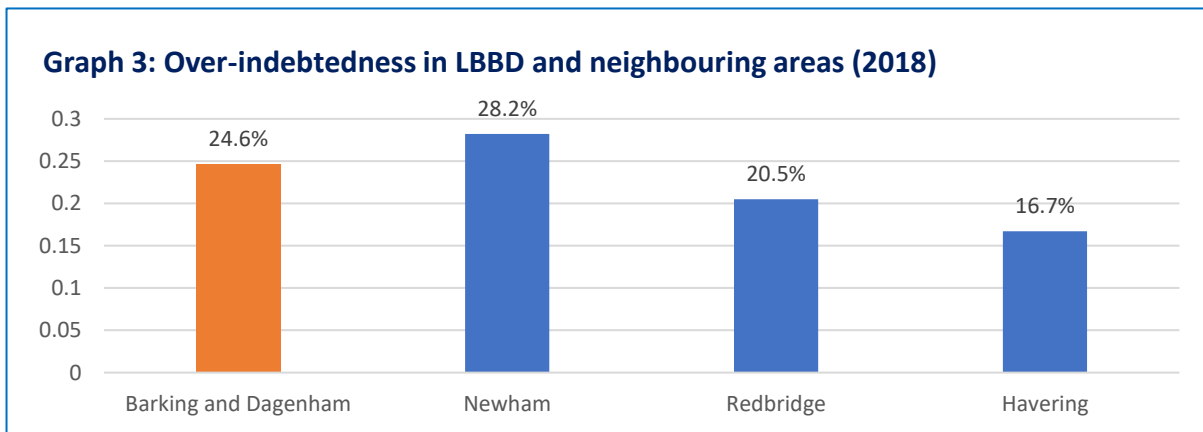
Additionally, the Financial Lives Survey report identified Barking and Dagenham as an area of the UK where higher proportions of adults than average have no savings or investments and are identified as being 'in difficulty' - those least financially resilient who in at least three of the last six months have missed paying domestic bills or meeting credit commitments – which would indicate low levels of financial resilience across the borough.



2.2.3 Over-indebtedness

Following on from the reference to people being ‘in difficulty’, as highlighted in the previous section, the Money and Pensions Service have also previously undertaken research (2018) to measure the levels of individual over-indebtedness across the country.

Over-indebted individuals are defined as those that either: find meeting their monthly bills / commitments a heavy burden; or have missed bill payments in three or more months out of the last six months.

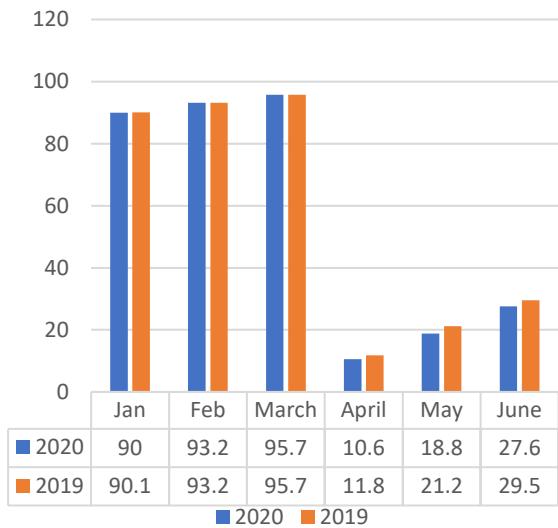


As Graph 3 highlights, a quarter of adults in Barking and Dagenham are identified as being over-indebted, that is they are finding their monthly bills a heavy burden and/or have missed payments in the last few months.

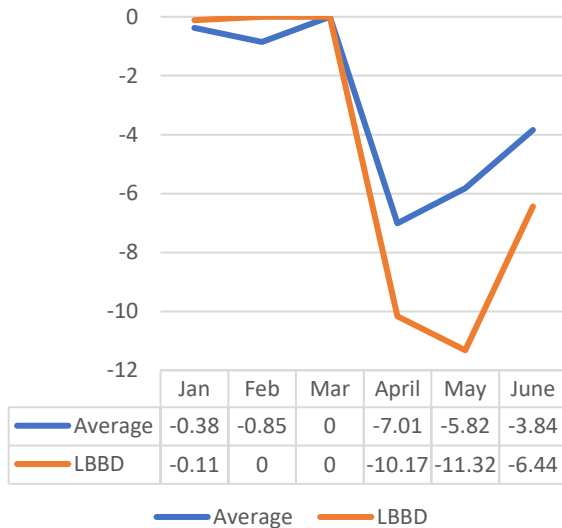
Council data highlights that last year (May 2019) over 10,000 households (with 30,000 inhabitants) across the borough owed debt to the council, in terms of council tax and/or rent arrears. The council identified that the average person in council tax arrears owed £1,700, and those in rent arrears, £583. It was also noted that individuals living in households with council tax debt are 300% more likely to experience homelessness than those who do not.

Additionally, the latest figures for Council Tax and Housing Rent collection rates (as detailed in graphs 4, 5 and 6 below), taken from LBBB’s submission to the Financial Hardship Demand Dashboard, suggest that increasing numbers of local residents have begun to find their monthly bills a heavy burden over the last few months.

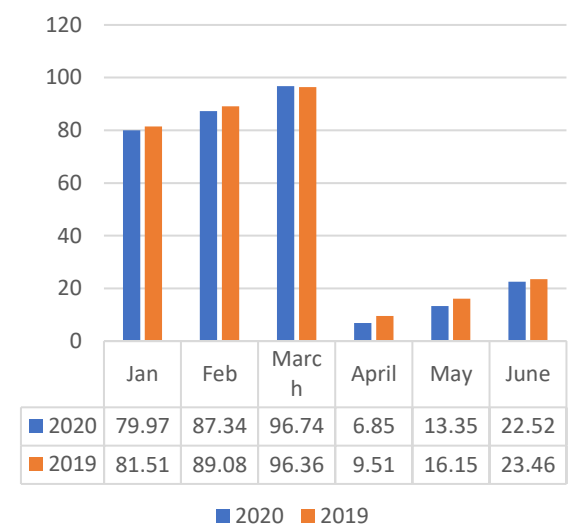
Graph 4: Council Tax Collection Rate (%)



Graph 5: % change in Council Tax Collection Rate (2020)



Graph 6: Housing Rent Collection Rate (%)



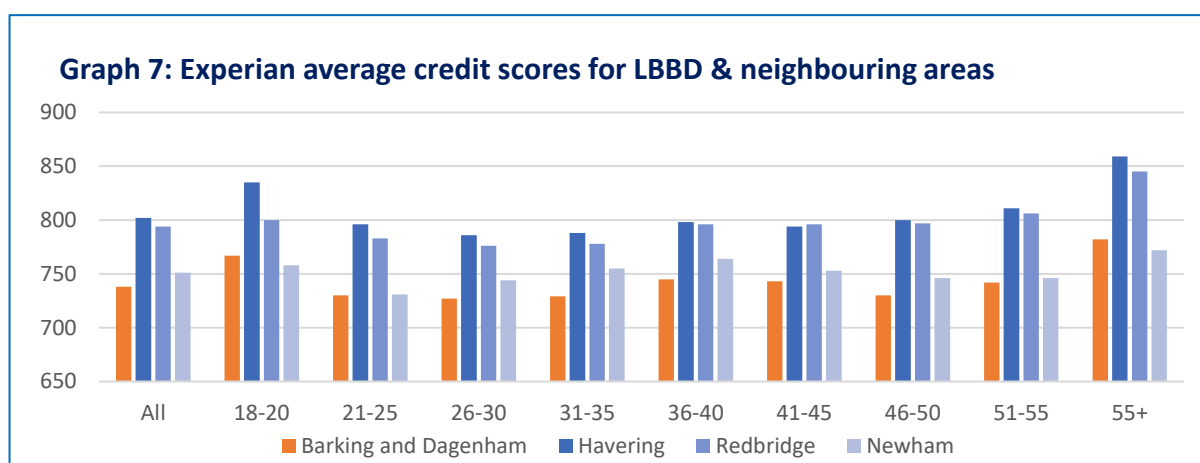
2.3 Credit Scores

Another indicator of potential financial vulnerability is an individual’s credit score, which highlights how likely you are to be accepted for credit, based on your credit report, which is a record of how you have handled credit in the past. Credit scores are determined by a large number of different factors, including debts, county court judgements and insolvencies which all drag down credit scores.

Experian, the credit reference agency, have mapped out the average credit score for 391 areas across the country. The average scores for Barking and Dagenham and neighbouring authorities are highlighted in table 2 and graph 7 below.

Table 2: Experian average credit scores for LBBD and neighbouring authorities

	All	18-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	55+
LBBD	738	767	730	727	729	745	743	730	742	782
Havering	802	835	796	786	788	798	794	800	811	859
Redbridge	794	800	783	776	778	796	796	797	806	845
Newham	751	758	731	744	755	764	753	746	746	772
UK	767	785	753	739	744	758	769	779	795	841



Credit Score

961-999	Excellent	881-660	Good	721-880	Fair	561-720	Poor	0-560	Very Poor
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Table 2 above highlights that as well as having the lowest average credit score for all adults compared to neighbouring authorities, Barking and Dagenham also has the lowest score across seven of the nine age ranges, from 21 to 55 years old. The lowest credit scores are 727 and 729 for those aged 26-30 and 31-35 respectively.

All of the average credit scores for Barking and Dagenham are classified as 'fair'. However, the average score for the borough of 738 is within the lowest 20% of the scoring range in the 'fair' classification, whilst of the nine different age ranges, four are within the lowest 10% and three, the lowest 20%. Essentially therefore, these scores are at the bottom end of the 'fair' classification, just above a poor credit score, which can have implications in terms of access to affordable and responsible financial services, including borrowing.

A fair credit score means that the credit reference agencies essentially think an individual is doing an okay job of managing their credit history, but some lenders will still see them as a risk. This means lenders could reject them for some of the best credit cards or loans, or even if accepted, it might be at a higher interest rate or for a lower credit limit, whilst even lower credit scores will present even further restrictions and barriers to affordable borrowing options.

The Experian Credit Score Map can be accessed at:

<https://www.experian.co.uk/consumer/credit-score-map-uk/>

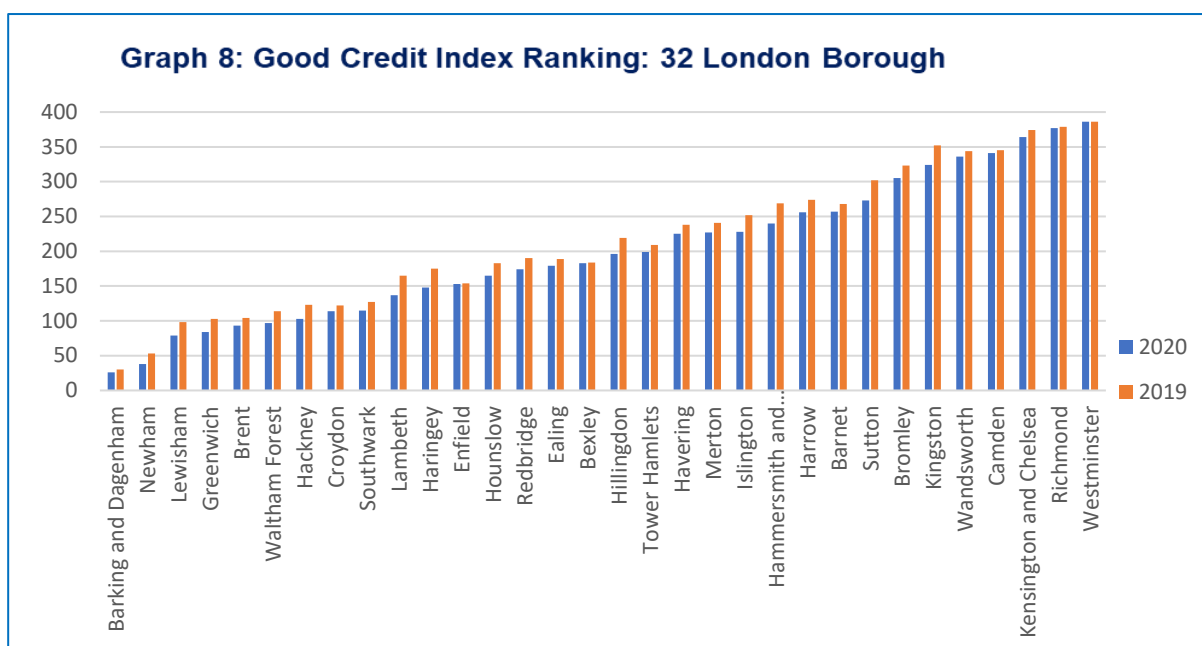
2.3.1 The Good Credit Index

The annual Good Credit Index, produced by Demos, maps access to good credit across the UK. Combining a number of public and private data sets measured at the local authority level, the Index is more granular and comprehensive than previously possible. It is divided into three strands:

- credit need (including variables such as income, the percentage of people struggling to keep up with bills and the volume of credit searches);
- credit scores (including; rates of CCJs and insolvencies as well as average credit scores); and the
- credit environment (the number of payday lenders and pawnbrokers but also bank branches and credit unions on the high street).

The Index ranks 387 local authorities in relation to their scores for these three strands. Higher Index scores relate to areas where the need for credit is lower and credit scores are high, whilst the authorities with the lowest Index scores are highlighted as 'credit deserts' – places where high need for credit coincides with low credit scores and an over-representation of unaffordable lenders.

As Graph 8 highlights below, Barking and Dagenham, with a rank of 26 out of 387, has the lowest ranking in the 2020 Good Credit Index out of the 32 London boroughs, whilst Westminster has the highest. This ranking for Barking and Dagenham reflects a high need for credit within the borough, but low resident credit scores and an over-representation of unaffordable lending options. Barking and Dagenham's ranking for 2020, is worse than the previous year, when it ranked 35. This deteriorating picture relates primarily to an increase in credit need, which is mirrored across London and has been principally driven by increasing levels of over-indebtedness.



The Good Credit Index and accompanying report can be accessed at:
<https://demos.co.uk/project/the-good-credit-index-2020/>

In summary, the data clearly evidences the scale of financial vulnerability and lack of resilience that exists across the borough, as characterised by low levels of financial knowledge, skills and confidence; high levels of over-indebtedness; lack of safety-net savings and low credit scores. This financial vulnerability will therefore have obvious impacts in terms of the financial issues and pressures faced by local households and the options that are available to them in terms of being able to access affordable and responsible financial services. Additionally, whilst this level of vulnerability existed pre Covid-19, the economic impacts of this crisis and increasing financial hardship will only exacerbate the scale and impact of this vulnerability across the borough.

Existing credit provision in LBBB

This section attempts to estimate the existing scale of high-cost subprime credit use in the borough and set that in the context of the two identified providers of more affordable credit in the borough, Liberty Credit Union and Fair Finance.

3.1 Subprime credit use in LBBB

The Financial Conduct Authority (FCA) identifies nine different types of non-mainstream credit. However, for the purposes of this analysis, the following main types of commercial non-mainstream credit have been specifically used to provide an estimate of subprime credit use within Barking and Dagenham:

Table 3 Subprime credit type	Typical APR	Examples
High-Cost Short-Term Credit ³ (HCSTC) • also referred to as payday / instalment loans.	1,200% APR	Lending Stream My Jar Satsuma
Home Collected Credit • also referred to as doorstep lending.	535% APR	Provident Morse Club
Rent to Own	119.9% APR	Brighthouse Perfect Home
Pawnbroking	69% APR	H&T Pawnbrokers Cash Converters

These are the types of credit where typical borrowers have low incomes and low credit scores, thus indicating restricted choice, and where APR's are high and payment periods short.

Table 4: Data on UK High Cost Credit Market (FCA):

	Annual number of customers	Annual loans	Annual value of loans
HCSTC	800,000	3,600,000	1.1 billion
Home Credit	700,000	1,700,000	1.3 billion

³ The FCA highlight that one of the main types of loan that falls within their definition of a HCSTC loan is a payday loan - traditionally repayable within 1 month, in a single instalment and attracting a very high APR. The HCSTC market also increasingly features loans which are of a longer duration than a month and repayable over several instalments (short-term instalment loans).

Rent to Own	200,000	600,000	0.6 billion
Pawnbroking	350,000	1,000,000	0.3 billion

<https://www.fca.org.uk/publication/feedback/fs17-02-technical-annex.pdf>

3.1.1 Estimating subprime credit use in LBBB

Whilst detailed statistics are not available for local geographies (with the exception of high-cost short-term credit, highlighted below), utilising the national usage statistics via the FCA enables some reasonable estimates of local subprime credit use.

In addition, one area where the FCA has undertaken more detailed analysis of real-life data, is in relation to high-cost short-term credit (HCSTC), where they have mapped out the number and volume of HCSTC loans by postcode district for the period of Quarter 3 2016 to Quarter 4 2018. This data has been mapped against LBBB postcode districts in table 4.

Table 5: Number and value of HCSTC loans in LBBB between Q3 2016 and Q4 2018

Postcode District	Wards	Number of Loans	Total Loan Value	Loan Average
RM10	River; Parsloes; Eastbrook; Heath; Eastbury; Village	4713	1,284,154	272.5
RM9	Mayesbrook; Thames; Eastbury; Goresbrook; Heath; Albion; Parsloes; River	4116	1,089,538	264.7
RM8	Whalebone; Valence; Heath; Parsloes; Becontree; Mayesbrook	4659	1,264,176	271.3
RM7	Eastbrook	3304	890,484	269.5
RM6	Whalebone; Chadwell Heath	3285	922,822	280.9
IG11	Thames; Gascogne; Eastbury; Abbey; Longbridge; Becontree; Mayesbrook	5252	1,557,392	296.5
Total		25,329	7,008,566	276.7

<https://www.fca.org.uk/publication/foi/foi6305-information-provided.pdf>

This data highlights a total of just over 25,000 loans at a value of just over £7 million for the two- and half-year period. At an annual level therefore, approximately 10,132 loans at a total value of £2,803,426 were provided each year during this period. Using the data in tables 3 and 4 above, an estimate of annual high-cost credit use in Barking and Dagenham has therefore been produced, as detailed in table 5.

Table 6: Estimated High-Cost Credit Usage in Barking and Dagenham

Subprime lending type	Annual number of customers	Annual loans	Annual value of loans
HCSTC	2,240 (1.5% of LBBB adults)	10,080 - 10,132 (Av 4.5 loans per person)	£2.80 - £3.08 million (Av £306 & £277 per loan)
Home Credit	2,091 (1.4% of LBBB adults)	5,018 (Av 2.4 loans per person)	£3.84 million (Av £765 per loan)
Rent to Own	597 (0.4% of LBBB adults)	1,791 (Av 3 loans per person)	£1.79 million (Av £1,000 per loan)
Pawnbroking	1,046 (0.7% of LBBB adults)	3,033 (Av 2.9 loans per person)	£0.91 million (Av £300 per loan)
Total	5,974	19,922 – 19,974	£9.34 - £9.62 million

Source: <https://www.fca.org.uk/publication/feedback/fs17-02-technical-annex.pdf>

The analysis summarised in table 6, provides an estimate of approximately 6,000 annual users of high-cost credit across Barking and Dagenham, accessing approximately 20,000 loans at a total value of over £9.6 million. Whilst these figures are estimates, they are considered conservative estimates of high-cost credit use across the borough, given the exclusion of other non-mainstream credit sources, including illegal money lenders (detail below), where useable data is less readily available for analysis. Additionally, as the data relates to a pre-Covid19 period, it doesn't account for the increasing levels of financial pressure and hardship as a result of this crisis, which it is expected will significantly increase the need and demand for credit across the borough.

3.1.2 Illegal Money Lending

Money lenders have to be authorised by the Financial Conduct Authority (FCA) to lend money legally. Illegal money lenders (or loan sharks) are lenders who aren't authorised by the FCA and are therefore breaking the law. They often charge very high interest rates, provide very little paperwork and often take other illegal action to collect the money they have lent, such as threatening violence or taking away credit cards or valuables.

Understanding the true scale of loan shark activity, both nationally and at a more local level, is extremely difficult. Due to the criminal nature of this activity, the extent to which people use such services is difficult to quantify, as it generally remains unreported. However, the national Illegal Money Lending team estimate that 310,000 people are in debt to illegal money lenders in the UK. Additionally, they also warn of potentially increased loan shark

activity in response to increasing levels of financial pressure and hardship as a result of the Covid-19 crisis.

In relation to Barking and Dagenham, the profile of loan shark victims provided by the Illegal Money Lending team (detailed in Appendix 4), which is characterised by low incomes and high levels of vulnerability, would suggest that the borough provides a typical environment in which loan sharks operate in, taking advantage of the high levels of financial hardship and restricted choice available to local residents.

3.1.3 The financial cost of sub-prime lending in LBBD

Using the above average costs together with the estimated scale of lending figures highlighted in section 3.1.1, the annual total costs for the four credit types have been estimated within Barking and Dagenham, as detailed in table 7 below. These estimates have been produced using relevant online lending examples, identified via desktop research.

Subprime lending			Alternative lending via a Credit Union			
Average loan size	Interest charged	Total amount paid back	Typical APR	Equivalent interest	Potential amount saved	
HCSTC ⁴	£277	£274	£551	42.6 %	£25	£249
Home Credit ⁵	£765	£667	£1,432	42.6 %	£54	£613
Rent to Own ⁶	£1,000	£536	£1,536	42.6 %	£140	£396
Pawnbroking ⁷	£300	£105	£405	42.6 %	£13	£92

⁴ Based on a £277 loan paid back over 1 year (52 weeks), from Satsuma Loans - <https://www.satsumaloans.co.uk>

⁵ Based on a £765 loan paid back over 1 year (52 weeks) weeks, from Provident - <https://www.providentpersonalcredit.com>

⁶ Based on £1,000 of goods paid back over 2 years (104 weeks) from Rent2Buy - <https://www.rent2buytv.co.uk>

⁷ Based on a £300 loan paid back over 7 months from – www.pawnbrokeronline.co.uk

Table 8: Estimated total cost of subprime lending in LBBB compared to a credit union

	Subprime lending				Alternative lending via a Credit Union		
	Number of annual loans	Annual value of loans	Estimated total interest	Estimated total amount paid back	Estimated total interest	Estimated total amount paid back	Potential amount SAVED
HCSTC	10,080	£2,792,160	£2,761,920	£5,554,080	£252,000⁸	£3,044,160	£2,509,920
Home Credit	5,018	£3,838,770	£3,347,006	£7,185,776	£270,972⁹	£4,109,742	£3,076,034
Rent to Own	1,791	£1,791,000	£959,976	£2,750,976	£250,740¹⁰	£2,041,740	£709,236
Pawnbroking	3,033	£909,900	£318,465	£1,228,365	£39,429¹¹	£949,329	£279,036
Total	19,922	£9,331,830	£7,387,367	£16,719,197	£813,141	£10,144,971	£6,574,226

These figures highlight the scale of interest payments that are likely to be made in relation to high-cost lending activity across the borough, with an annual loan value of at least £9.3 million generating a total amount paid back of £16.7 million. It is therefore estimated that a minimum of £7.4 million (80% of the amount borrowed) is being spent by local residents each year to meet the interest payments on their loans.

To provide a comparison, the research team has estimated the equivalent lending costs for the borough, had all this lending been affordably and responsibly sourced via a credit union instead (at 42.6% APR). In this instance, the same number and value of loans would generate a total amount of £10.1 million to be paid back, with the level of interest equalling approximately £0.8 million, 9% of the amount borrowed with a total potential saving calculated at £6.6 million each year.

⁸ Based on a £277 loan paid back over 1 year (52 weeks) from Credit Union at 42.6% APR

⁹ Based on a £765 loan paid back over 1 year (52 weeks) from a Credit Union at 42.6% APR

¹⁰ Based on a £1,000 loan paid back over 2 years (104 weeks) from a Credit Union at 42.6% APR

¹¹ Based on a £300 loan paid back over 7 months from a Credit Union at 42.6% APR

The loan analysis provides an estimate of the total amount of interest that is being paid by residents in Barking and Dagenham each year when they access high-cost credit - approximately 80% of the total loan value of £9.3 million is paid back in interest payments. By comparison, supporting local residents to access more affordable and responsible sources of local credit, could potentially reduce these interest payments by approximately 90%, providing borrowers in the borough with an additional annual total of £6.6 million in disposable income.

3.1.4 Subprime borrower profiles

Typical customer profiles for the four subprime credit types together with illegal money lending) are detailed in Appendix 4.

Table 9: Typical customer profiles for the four subprime credit types

	HCSTC	Home Collected Credit	Rent to Own	Pawnbroker	Illegal Money Lending
Gender (typical)	Male	Female	Female	Female	Male
Median Average Age	32	42	36	39	35-54
Employment status	Working (F/P time)	Unemployed	Unemployed	Unemployed	Unemployed
Median Income (Net)	£20,000	£15,500	£16,100	£15,000	Under £15,000
Housing tenure	Rented	Socially rented	Rented	Socially rented	Socially rented
Credit score	Fair/poor	Poor / Very Poor	Very Poor	Very Poor	Poor / Very Poor

3.2 Affordable credit provision - Liberty Credit Union

3.2.1 Credit Union sector summary

Over the last decade, credit union use has grown significantly across the UK. Between 2007 and 2017, membership grew by 167%, lending by 198% and deposits by 232%, resulting in credit unions becoming an increasingly important and valued part of the financial landscape.

At the end of 2019, there were 280 credit unions across England, Scotland and Wales, with 1.4 million members, total assets of £1.8 billion and total loans of £1.1 billion. During the preceding 12 months, membership increased by 2.8% and loans by 9%.¹²

Within the sector, credit unions themselves are incredibly diverse and varied, ranging from the smallest with just a few hundred members through to the largest providing services to over 40,000 members. Broadly, they can be split into three groups: those providing a basic offer, characterised by a traditional outlook and limited service provision; those providing a standard offer, characterised by a good range of services, but with some gaps in terms of products and full digital access, and those providing an advanced offer, characterised by financial strength, strong leadership, a dynamic and forward-thinking approach and a comprehensive suite of affordable financial products and services.

At this end of the scale, significant digitalisation and professionalisation has been taking place within credit unions over the last few years. A range of technological developments has underpinned this change, which means that online membership applications, remote ID verification, online, telephone and mobile transactional banking, automated loan application and decisions, current account facilities and issuing payment cards allowing cash deposits and withdrawals locally are all being applied by the more modern credit unions to service their growing membership. Increasingly therefore, credit unions are becoming more competitive and providing services to a more diverse customer base. A number of the larger credit unions are also open to the 'white labelling' of services, by establishing a different trading name for services delivered to members in different geographies for example. This is common practice within the financial services industry and it could provide LBBD with an opportunity to develop a brand and trading name that resonates with the borough's residents.

3.2.2 Overview of Liberty Credit Union

Liberty Credit Union (LCU) is the only credit union provider that currently delivers in the borough. It also operates across the neighbouring boroughs of Havering and Redbridge. It provides savings and loans to its self-stated 3,750 members.

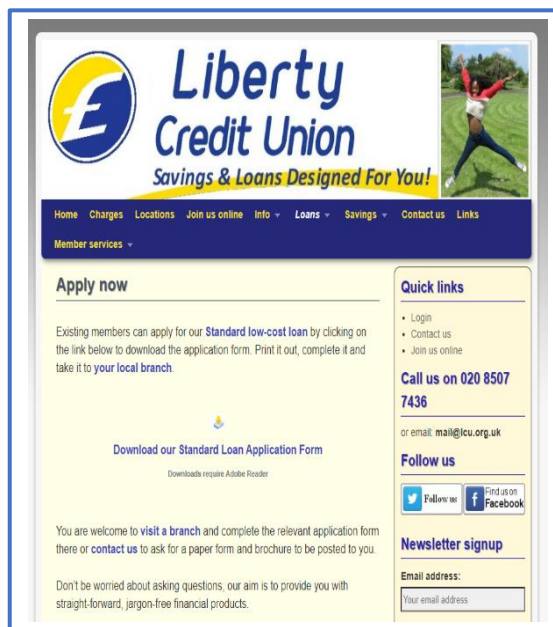
Launched in 2003, LCU only began delivering in Barking and Dagenham in 2011 as a result of investment from the Council over several years to amend its operations to cover the borough.

¹² Association of British Credit Unions - <https://www.abcul.coop/credit-unions/credit-unions-facts-and-statistics>

3.2.3 Products and service delivery

Product offer:

The credit union offers the most traditional product range of basic savings and loan products with no other financial services or support.



www.lcu.org.uk/loans/apply-now/

Savings – the credit union offers a single savings account for all members and doesn't appear to offer different saving accounts for different saving purposes or goals (such as Christmas or holidays). Depositing can be made by cash or cheques at the branch office or setting up a regular standing order.

Loans – there is very limited information about LCU loan products. It operates a very traditional model of lending¹³ where loans can only be made to existing members who have saved with the credit union for an initial qualifying period of three months. Loans are charged between 12.7% APR and 26.8% APR but there doesn't appear to be any information on when the different interest rate is charged and there is also an unusual loan administration charge.¹⁴

Service delivery channels:

Liberty Credit Union appears to operate a very basic delivery that relies heavy on face-to-face services with limited online delivery.

Branch office - LCU has its main offices in Barking¹⁵, which provides customer facing branch services for local households. Prior to



¹³ This contrasts with the risk-based lending approach taken by most credit unions – where a lending assessment is made based on the applicant's ability to repay– so that loans can be made to both new and existing members based on creditworthiness and affordability assessment without the requirement to save in advance.

¹⁴ Administration loan charge of £5 for loans up to £2,000 and £10 on loans over £2,000.

¹⁵ Barking branch address: Unit 38, Vicarage Field, Ripple Road, Barking IG11 8DQ

Covid-19, it was open six days a week but has continued to remain closed to the public.¹⁶

Digital delivery – from a desk-based review of the LCU website, compared to other credit unions, LCU has extremely limited online service delivery with a poor quality non-responsive website (www.lcu.org.uk) with no mobile app facility.



It also has very little use of digital technology beyond being able to have basic online account checking¹⁷ and apply for membership online - but it appears that applicants still have to take identification to branches for verification. There is no ability for loan applications to be made online with the only method to print off their application form and take it in person to the Barking branch.

The credit union does have a limited social media presence on Twitter with 665 followers and Facebook with 65 followers – but it has not posted since January 2020 and October 2015 respectively.

www.lcu.org.uk/loans/

Payroll deduction - LCU has payroll partnerships with the three local authorities including LBBB that allows Council staff to save and make loan repayments via salary deductions. Nevertheless, take-up within LBBB has been consistently very low with less than 1% of the workforce taking advantage of this service.

Table 10: LBBB Payroll Deduction Figures	May 2020	May 2019
Number of participating LBBB staff	48	48
Total deductions value (savings deposits & loan repayments)	£4,497.00	£4,556.00
Average deduction per LBBB staff	£94	£95

3.2.4 Overall appraisal/assessment

Advantages:	Disadvantages:
Already established and delivering savings and loan services to LBBB residents.	Very traditional operating model with narrow range of financial products and services.

¹⁶ As at 03 September 2020.

¹⁷ Allowing registered users to check account balances, print off statements and to send online enquiries.

Branch office located in the borough.	Limited adoption of technology and digital delivery – with basic/poor website that still relies heavily on manual / face-to-face operations.
	Limited ability to provide credit to the low-income / financially vulnerable household at the point of need. Applicants must become a member first and save for a number of months before being able to apply for a loan.
	Manual process to apply for membership and loans – with need to print forms and take into branch with no external credit/affordability checks for remote servicing.
	Poor brand and limited internal or external promotion / communication.

3.3 Affordable credit provision – Fair Finance CDFI

3.3.1 CDFI sector summary

There are approximately 50 not-for-profit Community Development Finance Institutions (CDFI) operating across the UK. The majority focus on delivering lending to small businesses and social enterprises, particularly those in deprived areas that are unable to access mainstream finance to start-up, innovate and grow.

Fair Finance is one of just ten CDFIs offering personal lending to the most financially excluded. Collectively, these CDFIs delivered approximately 45,000 personal loans totalling £26 million to individuals in 2018, that Responsible Finance, the CDFI trade body, calculates saved low-income households over £7.5 million in interest payments¹⁸.

Over the last five years, personal lending levels have stagnated with the number of annual loans tending to remain between 40,000 and 50,000 personal loans and total personal lending between £20 and £25 million.¹⁹

These CDFIs provide short-term unsecured loans with interest rates ranging between 75% to 250% APR. In addition to lending, some CDFIs also deliver savings accounts provided by a partner bank or credit union and money/debt advice services.

¹⁸ Responsible Finance (2020) – The Industry in 2019.

¹⁹ Community Finance Solutions at University of Salford (2020) - Scaling up the UK personal lending CDFI sector.

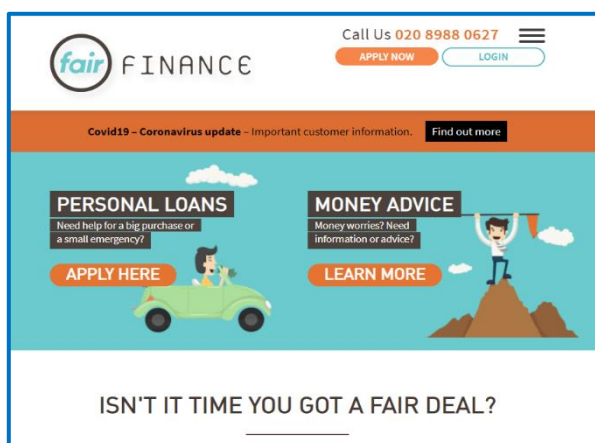
3.3.2 Overview of Fair Finance

Established in 2005, Fair Finance is one of the longest established and well respected CDFIs in the country, operating primarily in London (but also nationally via online delivery channels) offering personal loans and debt advice from its two branches in Dalston and Brixton²⁰.

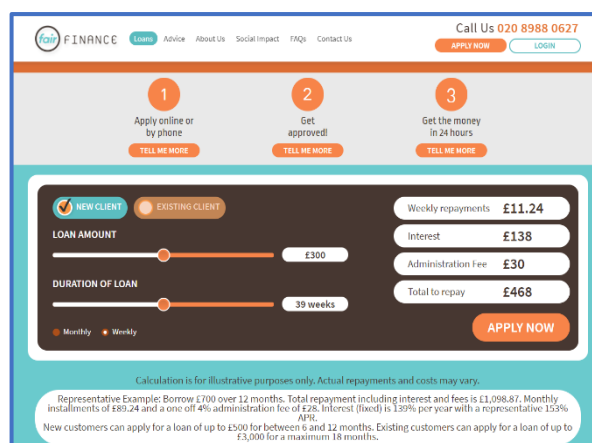
According to its most recent annual accounts²¹, in 2017/18, it lent 4,550 loans with a total value of £3.9 million that saved over £2.3 million in interest for its clients who have a mean income of £16,000 and 45% are in receipt of benefits.

3.3.3 Products and service delivery

Fair Finance only provides personal loans and does not offer any other savings or banking products. Its loans range between £100 - £3,000 with repayment terms over 6 - 18 months²² with a representative 153% APR.



www.fairfinance.org.uk/



www.fairfinance.org.uk/personal-loans/

Lending is delivered either in one of their two branches (which remain close to customers due to Covid-19) or via telephone or online application at www.fairfinance.org.uk/personal-loans

3.3.4 Local provision

Fair Finance publishes details of its lending in each postcode area that shows that since 2007, it has provided 1,373 small value loans worth over £1.11 million to households in LBB D localities.

Over the latest three years, up to and including 2018, it delivered an annual average of 222 loans totalling £205,000 (with a typical loan value of £910) to LBB D residents.

²⁰ It appears to have recently closed its third branch in East Ham.

²¹ <https://www.fairfinance.org.uk/wp-content/uploads/2018/07/Fair-Finance-annual-report-2018.pdf>

²² New customers can apply for a first loan of up to £500 and repay between 6-12 months

Table 12: Fair Finance annual lending in LBBD postcodes (2018)

Postcode District	Wards	Number of Loans	Total Loan Value
RM10	River; Parsloes; Eastbrook; Heath; Eastbury; Village	46	£53,860
RM9	Mayesbrook; Thames; Eastbury; Goresbrook; Heath; Albion; Parsloes; River	36	£38,950
RM8	Whalebone; Valence; Heath; Parsloes; Becontree; Mayesbrook	32	£26,435
RM7	Eastbrook	8	£6,775
RM6	Whalebone; Chadwell Heath	23	£19,060
IG11	Thames; Gascogne; Eastbury; Abbey; Longbridge; Becontree; Mayesbrook	101	£94,614
Total		246	£239,694 (av loan £974)

<https://www.fairfinance.org.uk/map/interactive-map/>

3.3.5 Overall appraisal/assessment

Fair Finance has been providing borrowing across Barking and Dagenham for over a decade. It is a well-run and well-respected not-for-profit lender that could form a part of the affordable finance offer within the borough, particularly for the most financially vulnerable households that are unable to access borrowing via a credit union.

Advantages:	Disadvantages:
Track record of delivering loans to LBBD residents over the last 10 years (without partnership working).	Does not offer holistic financial service – only delivering loans (without any savings or other financial products).
Ability to lend remotely online or via telephone.	CDFIs have to raise their own lending capital (not regulated to accept saving deposits).
CFDI can set interest at whatever rate thus enabling it to lend to lower income / more financially vulnerable households.	Reputationally more challenging to justify support for interest rates of 153% APR (even though demonstrably much cheaper than subprime).
Fair Finance offers debt advice service.	
Strong reputation nationally.	

Affordable Finance Requirements

This section outlines the aspiration for what affordable finance provision in Barking and Dagenham could look like. It offers an overarching vision and set of objectives for this work within the context of the Councils existing strategies before highlighting the portfolio of financial products and services as well as delivery mechanisms that should be expected to be delivered to help meet short-term crisis response and longer-term rebuilding of household finances.

4.1 Vision and objectives

An overarching vision for affordable finance in the borough has been formulated with four related objectives as a starting point for further refinement and future confirmation.

Vision: Fair, affordable and appropriate financial products and services are available to every LBBB household.

Objective 1:
Nobody is held back because of their financial situation.

Objective 2:
We keep more money within residents' pockets and our local economy.

Objective 3:
Build the financial resilience & confidence of the borough.

Objective 4:
Everyone can access support to meet their financial needs and aspirations.

Addressing the identified lack of affordable finance in the borough aligns well with LBBB's overall strategy of:

- **Prioritising early intervention** that proactively engages residents with holistic support.
- **Inclusive growth** that addresses poverty and debt so that no one is held back by their financial situation.
- **Building long-term resilience** that reduces the risk of financial issues becoming more complex and costly.

4.2 Product and service portfolio

4.2.1 Saving products

Basic: Very limited savings offer, often just membership savings account available.

Standard: Range of saving accounts available, to cater for different customer groups, including young savers.

Advanced: Diverse range of savings accounts available, including specifically branded accounts to encourage saving for particular reasons (such as Christmas, holiday or wedding), prize-linked savings schemes and in some instances cash ISA's. Provides even greater customer choice and incentive to save.

Range of Saving Products

Main saving account
Core saving account that every member is required to have.

Specific saving accounts
Christmas.
Holiday.
Education.

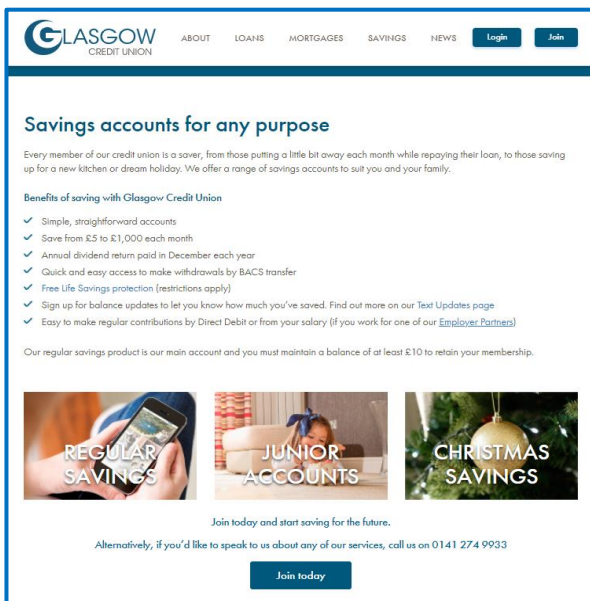
Junior accounts
Saving accounts specifically for children and young people.

Prize Saver
Collaborative scheme across 20+ CUs – monthly prize draw for each £1 saved.

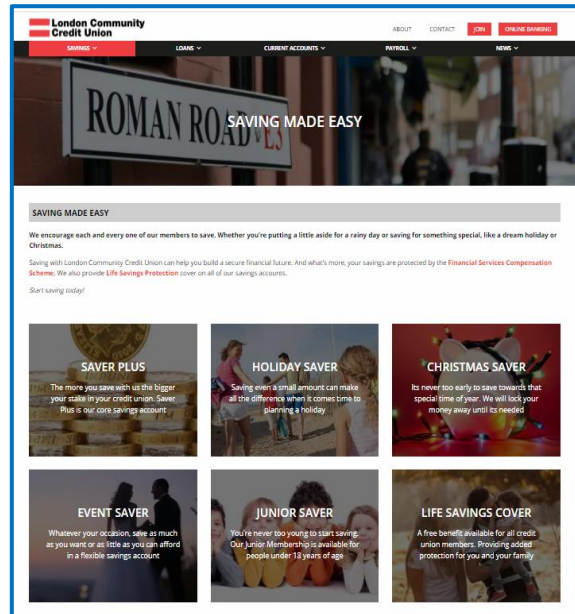
Individual Saving Accounts (ISAs)
Tax free saving accounts with fixed interest.



www.prizesaver.co.uk/



www.glasgowcu.com/savings/



www.londoncu.com/savings/



www.bristolcreditunion.org/cash-isa

4.2.2 Affordable credit

Basic: Limited and traditional loan offer, often requiring a saving history before a loan can be made, thus reducing access to affordable credit at a time of crisis.

Standard: Good range of affordable loan products at different rates of interest, to cater for different customer groups. Low level and instant access loans available, alongside specifically branded loans, such as home improvement loans.

Advanced: Extensive range of affordable loan products, catering for a wide range of customers, as well as the opportunity for mortgage provision and the development of tailored new loan products to meet partner requirements (for example Eviction Prevention interest-free loans with Councils/HAs).

Range of Loan Products

Instant access loans
Loans between 4% and 42.6% APR.
Secured/unsecured.
Based on capacity to repay (affordability / credit checks).
Borrow from £100 - £25,000.
Weekly/monthly payments.
No early repayment charges.

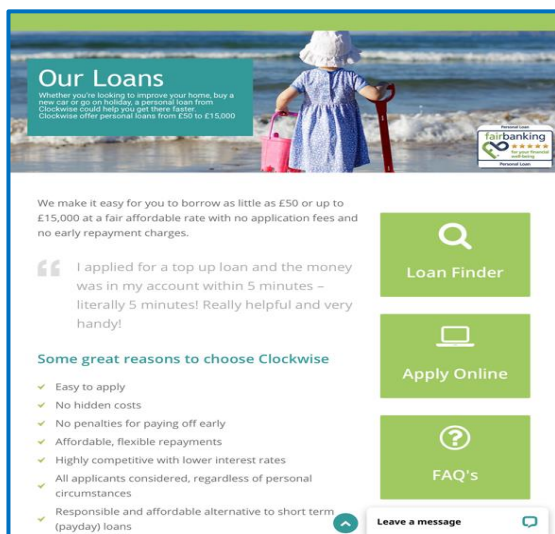
Child Benefit loans
Typically, small value loans £100-£1,000 to lowest-income.
Borrower repays via DWP CB payment.

Revolving credit
Continuous credit limit like an overdraft/credit card with funds when required.

Payday loans
Provision of automated short-term credit over 1-9 months.

Save as You Borrow loans
Special loans that require saving as part of the repayment that builds saving assets.

Homeless Prevention loans
Council backed interest-free loans for those facing eviction.



Our Loans
Whether you're looking to improve your home, buy a new car or go on holiday, a personal loan from Clockwise could help you get there faster. Clockwise offer personal loans from £50 to £15,000.

We make it easy for you to borrow as little as £50 or up to £15,000 at a fair affordable rate with no application fees and no early repayment charges.

I applied for a top up loan and the money was in my account within 5 minutes – literally 5 minutes! Really helpful and very handy!

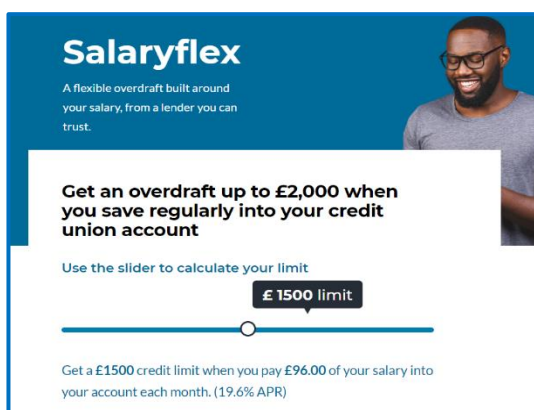
Some great reasons to choose Clockwise

- ✓ Easy to apply
- ✓ No hidden costs
- ✓ No penalties for paying off early
- ✓ Affordable, flexible repayments
- ✓ Highly competitive with lower interest rates
- ✓ All applicants considered, regardless of personal circumstances
- ✓ Responsible and affordable alternative to short term (payday) loans

[Loan Finder](#)
[Apply Online](#)
[FAQ's](#)

[Leave a message](#)

www.clockwise.coop/loans



Salaryflex
A flexible overdraft built around your salary, from a lender you can trust.

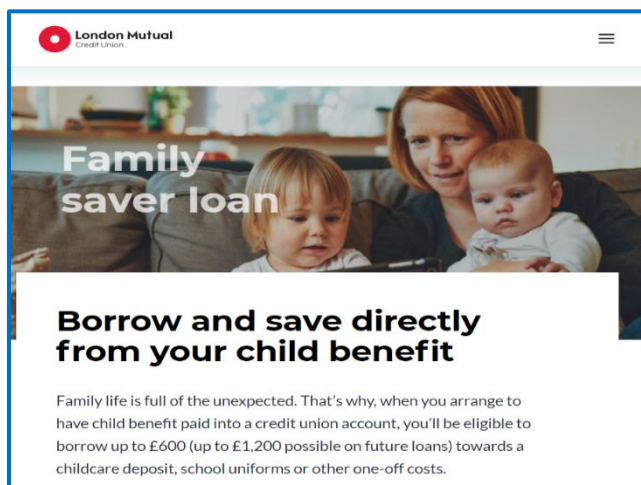
Get an overdraft up to £2,000 when you save regularly into your credit union account

Use the slider to calculate your limit

£1500 limit

Get a £1500 credit limit when you pay £96.00 of your salary into your account each month. (19.6% APR)

www.creditunion.co.uk/loans/salaryflex/



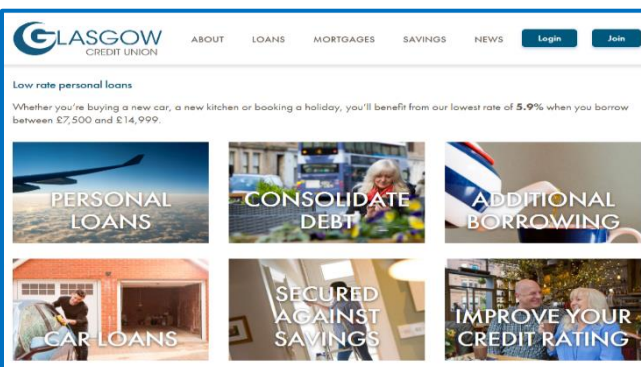
London Mutual Credit Union

Family saver loan

Borrow and save directly from your child benefit

Family life is full of the unexpected. That's why, when you arrange to have child benefit paid into a credit union account, you'll be eligible to borrow up to £600 (up to £1,200 possible on future loans) towards a childcare deposit, school uniforms or other one-off costs.

www.creditunion.co.uk/loans/child-benefit-savings-loans



GLASGOW CREDIT UNION

ABOUT | LOANS | MORTGAGES | SAVINGS | NEWS | [Login](#) | [Join](#)

Low rate personal loans
Whether you're buying a new car, a new kitchen or booking a holiday, you'll benefit from our lowest rate of 5.9% when you borrow between £7,500 and £14,999.

PERSONAL LOANS | CONSOLIDATE DEBT | ADDITIONAL BORROWING | SECURED AGAINST SAVINGS | IMPROVE YOUR CREDIT RATING | CAR LOANS

www.glasgowcu.com/loans

4.2.3 Banking and budgeting accounts

- Basic:** No budgeting or current account services.
- Standard:** Some budgeting accounts available with pre-paid cards, designed to help with money management and bill payment.
- Advanced:** Full range of banking products available, including fully functional current accounts providing a debit card and flexible access to cash machines.


Banking Products

CU Current Account

Functionality of any CA with own sort/act number
 Receives all benefit / salary / pensions
 Cash via LINK ATM
 Debit card payments
 Pay bills via DD/SO
 No hidden charges /overdraft fees
 Free/monthly fee £1-£10.

Pre-Paid/Budget Account

Account receives all benefit / salary / pensions
 Member agrees rent and bill and prioritises payments.
 Residue allocated to a pre-paid card
 Cash at ATM or debit card payments
 Can be released weekly/ fortnightly/monthly.
 Usage charges.



Take control of your finances with a London Mutual current account.


Our credit union current accounts provide everything you'd expect from a bank account, with a convenient debit card, the ability to set up direct debits, and access to cash machines both here and while on holiday.

www.creditunion.co.uk/accounts



Your fully integrated MasterCard Debit Card

www.londonpluscu.co.uk/debitcard



APPLY FOR A CURRENT ACCOUNT

If you are already a credit union member and you wish to open or upgrade your current account, please confirm your preferred option below.

If you are not a member yet [join us here](#).

You will need to upload proof of ID and proof of address. See our [examples of acceptable documentation](#).

BRONZE	SILVER	GOLD <small>our top choice</small>	PLATINUM
a basic account that can accept payments like wages or benefits	manage regular payments with standing orders or Direct Debit	with contactless Debit Mastercard to make banking easy	our premium account offer for those looking for limitless banking
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> branch cash withdrawals <input checked="" type="checkbox"/> online and phone banking <input checked="" type="checkbox"/> regular statements online <input type="checkbox"/> no Direct Debit / standing orders <input type="checkbox"/> no debit card <input type="checkbox"/> no ATM use <p style="text-align: center;">FREE</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Direct Debit / standing orders <input checked="" type="checkbox"/> branch, online, phone access <input checked="" type="checkbox"/> regular statements online <input type="checkbox"/> no debit card <input type="checkbox"/> no ATM use <p style="text-align: center;">£3 per month</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> contactless Debit Mastercard <input checked="" type="checkbox"/> Direct Debit / standing orders <input checked="" type="checkbox"/> branch, online, phone access <input checked="" type="checkbox"/> regular statements online <input type="checkbox"/> 5 ATM withdrawals, 5 ATM balance inquiries per month <p style="text-align: center;">£5 per month</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> unlimited ATM use <input checked="" type="checkbox"/> contactless Debit Mastercard <input checked="" type="checkbox"/> Direct Debit / standing orders <input checked="" type="checkbox"/> branch, online, phone access <input checked="" type="checkbox"/> regular statements online <p style="text-align: center;">£10 per month</p>

www.londoncu.com/current-account

4.2.4 Other financial products and services

Other financial products and services

Free life insurance

Some CU provide free life insurance that cover savings and loans

Range of insurances

CU offering other insurances including: funeral plans, home contents, motor & travel.

White goods / furniture

Specific scheme offering loans for goods delivered direct to member.

Mortgages

Largest CU are able to provide mortgage lending. Fixed or variable rates


Lottery

A number of CU run their own lottery with charitable giving to local causes.

Business Accounts and Loans

CU can deliver deposit accounts and lending for businesses


FANTASTIC DEALS ON ELECTRICAL GOODS



With the Credit Union you can avoid paying the high interest rates charged by the weekly repayment stores. We have teamed up with Co-operative Electrical to bring you an affordable alternative.

Follow these easy steps:

- Go to www.coopelectricalshop.co.uk and choose your products
- Fill in the products and codes you want on the reverse of this form. Alternatively, if you would like the special offer bundle, please tick the appropriate box on the reverse
- Complete a Credit Union Loan & Membership Application Form (if you want to purchase a product from your savings please email the address below)
- Post or hand in your completed loan application and your completed product form to the staff at any Credit Union branch
- Once your loan is approved, we will call you to organise payment and fast delivery
- Pay us back with affordable weekly or monthly repayments at a low interest rate



Join online for free today at:
www.leedscitycreditunion.co.uk

www.leedscitycreditunion.co.uk/loans



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FIRST TIME BUYER MORTGAGES

Helping you onto the property ladder


First Time Buyer Mortgages

We have a range of mortgages to suit first time buyers, available with as little as 5% deposit.

Our mortgage team has helped hundreds of first time buyers in Glasgow get on to the property ladder. Your named mortgage adviser is here for you from your first enquiry through to getting your keys, and beyond.

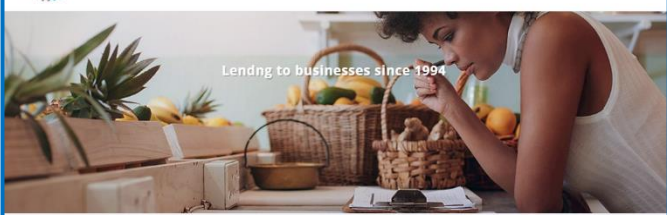


www.glasgowcu.com/mortgages



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[MEMBER LOGIN](#) [JOIN TODAY](#)



Lending to businesses since 1994


Borrowing For Business
Loan Calculator
Terms And Conditions
How To Apply

Transparent And Fair Business Loans

North London Credit Union unsecured loans provide a straightforward way to finance improvements to your business, if you have been trading for two years or more. Affordable, fixed monthly repayments can help to minimise the impact of a large purchase on your day to day cash flow. With fixed interest rates for the life of the loan, you don't need to worry about sudden changes in

- ✓ Borrow between £2,500 to £15,000
- ✓ Interest 1.5% monthly (19.6% APR)

www.northlondoncreditunion.co.uk/for-business/business-loans/



CAMBRIAN

SAVINGS & LOANS

Supporting Communities

SELECT LANGUAGE [WELSH](#) / [ENG](#)
0333 2000 601

≡ MENU

Home » [Free Insurance on Savings and Loans](#)

Free Insurance on Savings and Loans

One of the unique benefits of credit union membership is the fact that your Savings and Loans are covered by free life cover (Subject to terms and conditions – see below). All members who qualify for insurance are included for coverage automatically, you do not need to sign up for insurance to start.

Free Life Savings Cover

What is Covered?

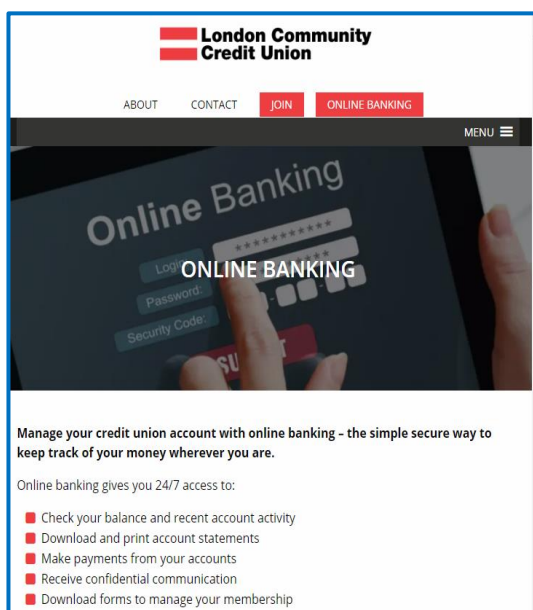
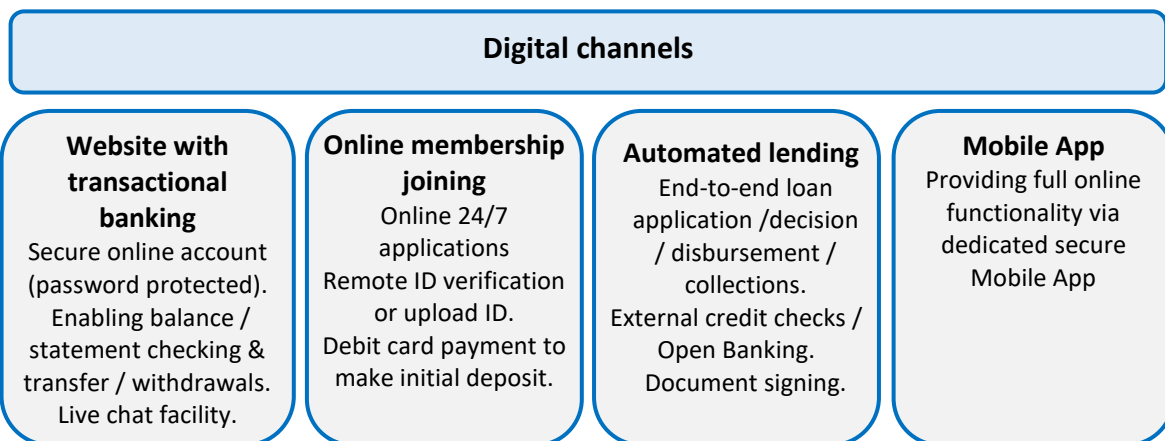
The level of that protection is subject to your age when you deposited your shares and is proportionate to the amount saved. It does not decrease as you grow older provided that the deposit remains in the your's savings account.

www.cambriancu.com/en/free-insurance-savings-loans/

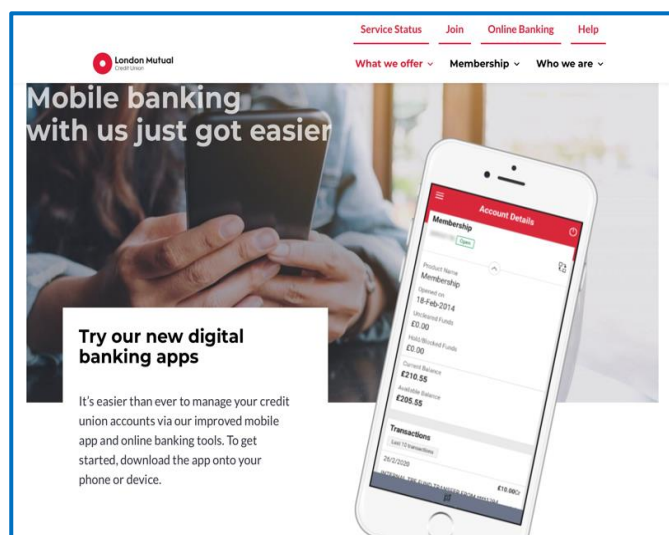
4.3 Potential service delivery mechanisms

4.3.1 Digital banking access and tools

- Basic:** Basic informational website with limited functionality and no transactional banking facilities, except maybe online membership application forms.
- Standard:** Good, attractive website with range of digital banking tools, providing online account management, including: check account balances; view statements; transfer money; apply for loans and other products; update details and send and receive messages.
- Advanced:** Excellent, professional website, comparable to commercial competition. Full range of digital banking tools including mobile app, providing comprehensive online access and account management.



www.londoncu.com/online-banking/



www.creditunion.co.uk/digital-banking/

CAMBRIAN
SAVINGS & LOANS
Supporting Communities

MEMBERSHIP | SAVINGS | **LOANS** | PAYROLL SAVINGS | OTHER SERVICES | ABOUT US | CONTACT US

Home > Loans > Loans under £2000

Loans under £2000

See how much you can borrow (and what it'll cost) with our online loan calculator – for loans under £2000 use the calculator below:

How much do you want to borrow?
 £1,000.00

How much can you repay each month?
 £105.00

12 monthly repayments of **£100.22**

Total repayment: £1,202.59
 Total interest: £202.59
 (APR: 42.60%)

APPLY NOW

www.cambriancu.com/en/loans/loans-under-2000/

NORTH LONDON CREDIT UNION

New Membership

Apply for a North London Credit Union membership

Complete the form below then we will contact you with your membership details.

www.northlondon.cuaccount.com/join/

COMMUNITY FIRST
SAVINGS AND LOANS CREDIT UNION

MOBILE BANKING > MOBILE BANKING

On the Move? Manage your money anywhere, anytime.

Your Credit Union has now made it easier for you to manage your money 'on the go' and in a way that is convenient to you. All you need to do is download the Mobile App to securely check your balances, pay bills and internally and externally transfer funds.

Available on the **App Store**

GET IT ON **Google Play**

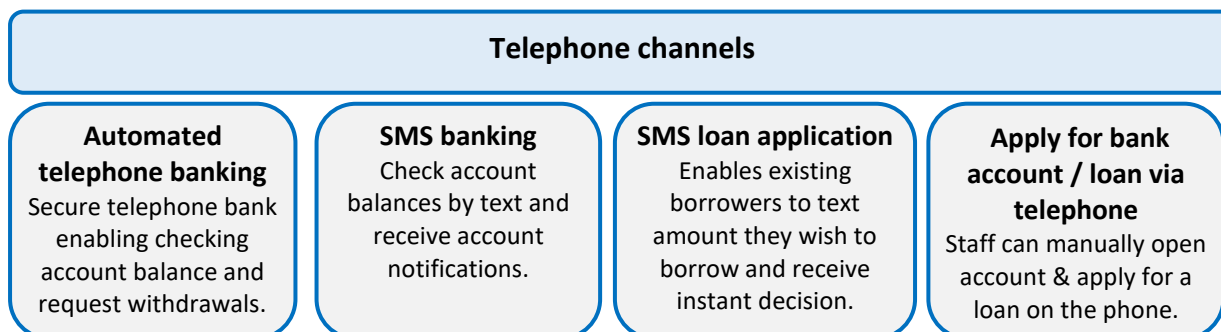
To download the app today please select either link above or go directly to the App Store or Google Play Store.

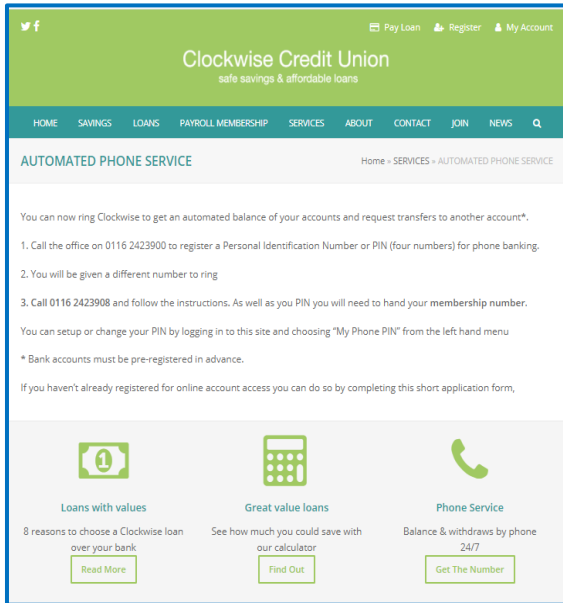
This facility is open to all members who have registered for Online Access. To register for Online Access click here.

www.communityfirstcu.co.uk/mobile-app

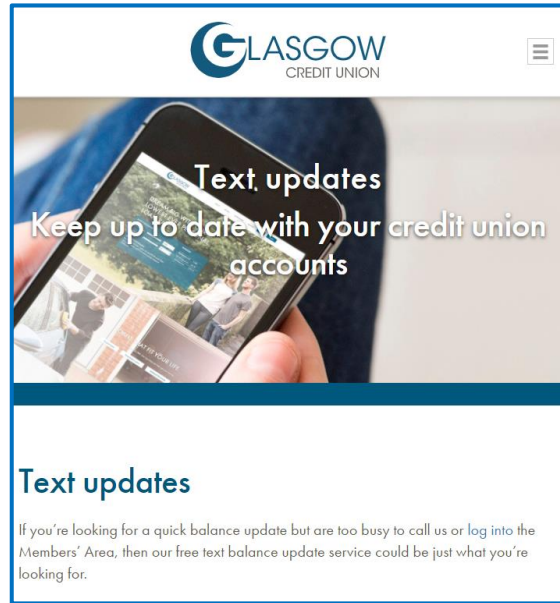
4.3.2 Telephone banking

- Basic:** Office hours telephone service only.
- Standard:** Ability to contact office by telephone and speak to a staff member during office hours combined with simple SMS text balance service.
- Advanced:** Range of fully automated telephone and SMS text banking and notifications enabling members to both speak to staff during office hours and 24/7 self-service.





www.clockwise.coop/card-account/automated-phone-service/



www.glasgowcu.com/text-updates/

4.3.3 Physical branch

- Basic:** Services often provided from community buildings, or via pop-up stalls in partnership organisations, with restricted opening hours (e.g. every Tuesday and Thursday, 10am-2pm). Provides very limited physical presence and poor accessibility, whilst the image portrayed is often unappealing to potential customers.
- Standard:** Visible, accessible premises generally providing good customer access to a range of services. Opening hours may be limited though (e.g. no access outside of standard working hours), whilst the image presented could be refined.
- Advanced:** Very visible high-street presence, with a broad range of opening times, and an image that conveys good quality, professional financial services. Also, opportunity to 'white-label' the premises to make the credit union's brand relevant to all local residents (for example B&D Money).

Face-to-face channels

Branch office in LBB

Fully functioning branch office located in high street location.

Pop-up points

Permanent or temporary community access point offering partial or full service that are located in LBB sites.



London Mutual CU - Walworth Road branch



London Mutual CU - Peckham branch



Leeds Credit Union - Your Loan Shop



London Community CU - Roman Road branch

4.3.4 Other possible channels

Other delivery channels

Payroll deduction

Regular saving and loan repayments via deductions from salary with LBBB and other local businesses.

LBBB staff delivery

Council staff trained to act as 'trusted intermediaries' advising residents about CU at LBBB outlets or during key interactions (e.g. new tenancy visit)

MONEY4U
PROVIDED BY LEEDS CREDIT UNION

HOME LOANS SAVINGS PAYROLL PLUS BIBET CARDS ABOUT US CONTACT US

SUPPORTING YOUR EMPLOYEES' FINANCIAL WELLBEING AT EVERY LIFE STAGE

MONEY4U payroll services offer a free and simple way of building financial resilience in the workplace. Provided by Leeds Credit Union (LCU), MONEY4U offers your employees affordable loans and savings directly from their salary to help at every life stage. Our team are also on hand via the phone, email or via webchat to support employees with any budgeting and money queries, and can guide to appropriate support if needed.

We know from our recent work with the Money and Pensions Service that financial worries can have negative impact on our wellbeing – and work life. Productivity, performance, decision making and attendance can all be affected. MONEY4U is a free service to businesses which can help improve the financial health of your employees whether they're just starting out on their life journey or approaching retirement.

When over half of workers report that their current financial situation is a real worry, payroll scheme like Money4U can make a big difference.

[FIND OUT MORE](#)

Some of our existing employer partners

Leeds Harrogate JRF NHS
Videofield.co.uk

www.money4upayroll.co.uk (via Leeds CU)

London Plus

HOME LOANS SAVINGS PAYROLL PLUS BIBET CARDS ABOUT US CONTACT US

PAYROLL PLUS PAYROLL PLUS PARTNERS

PAYROLL PLUS

- About Payroll Plus
- Payroll Plus Partners
- Payroll Plus Loans
- More Information
- Frequently Asked Questions

QUICK LINKS

- Loan Calculator
- News Headlines
- Make a Payment

NEWS HEADLINES

Our Partners

unite Metropolitan Thames Valley Hexagon
LLOYDS BANK h&f
htb Notting Hill Genesis
L&Q SHEPHERDS BUSH HOUSING GROUP
Wandsworth EKAYA HOUSING ASSOCIATION

www.londonpluscu.co.uk/payrollplus

London Mutual

Service Status Join Online Banking Help

What we offer Membership Who we are

Salary-deducted savings and loans

Our salary deduction service is available to staff at 25+ major local employers, including those listed below.

Southwark Council NHS Guy's and St Thomas NHS Foundation Trust Lambeth Royal Free London NHS Foundation Trust
Camden GREATER LONDON AUTHORITY anchor Anchor Housing Group King's College Hospital NHS Foundation Trust

www.creditunion.co.uk/salary-deduction/

4.3.5 Promotion and marketing

- Basic:** Basic promotional offer, focusing on the distribution of traditional format materials such as leaflets and posters. Marketing material is often poor quality and, as such, doesn't present a particularly appealing image.
- Standard:** Range of promotional and marketing activity is undertaken, including digital (social media, email and text message). The content and image presented may still be quite basic.
- Advanced:** Broad range of marketing activity undertaken and material/content produced conveys a good quality, professional image, and uses behavioural insights guidance to create salience with customers. Comparable to commercial competition. Utilising user profile data to target advertising to customer segments.

Looking for an affordable loan this Christmas?

Snow problem!

Borrow from £250 to £20,000

Affordable Flexible Fair

Apply now at www.leedscreditunion.co.uk/christmas

Leeds Credit Union

Find the full range of products and services on our website. All products and services are subject to credit checks and are available to members only. All products and services are subject to credit checks and are available to members only.

<p>Lending a Hand. (Loans from 4.9% APR)</p> <p>Plane Saver helps and helps find the loan that's best for you.</p>	<p>Saving for your little worries (Straight from your pay)</p> <p>Save with Plane Saver's 5.5% and 5.9% plans and help you save for your future.</p>	<p>Fast track your mortgage deposit. (Help-to-Buy Loans)</p> <p>Helping you to get on the property ladder.</p>
<p>Stay in control. Own your Taxi. (Taxi loans from 6.9% APR)</p> <p>Affordable loans to help Taxi drivers own their vehicle.</p>	<p>When things get tough financially. (Loans of up to £500)</p> <p>Spends loans to lend a hand when you need cash quickly.</p>	<p>We look at finance differently (Looking (and juggling) to free)</p> <p>Plane Saver improves the financial wellbeing of the people we serve through a range of flexible, low cost and affordable loans.</p>

Staff Benefits and Wellbeing

“ I’m saving for... A special birthday next year, so that I can do something great to celebrate ”

Lydia Morrison, Red Manager

Take saving off your to-do list...
...Put it onto ours

London Mutual Credit Union

Transform financial wellbeing in your workplace

local banking for local people

London Community Credit Union

Options Appraisal for Affordable Finance Provision in LBBD

Using the finding of the research and the various consultations, this section draws together four potential options for delivering affordable finance provision that could meet the requirements within the borough.

Option 1: Do (Next to) Nothing

Summary: As identified in sections 3.2 and 3.3, the borough already has both Liberty Credit Union and Fair Finance delivering credit and other financial services to a limited number of residents in the borough. Therefore, one option could be to allow this to simply continue without any major intervention by the Council or potentially focus a degree of effort on signposting and awareness raising to divert more households to this current provision.

However, current provision in the borough is not sufficient to meet the scale of the challenge we face.

The enormity of the problem requires a more substantive intervention. One that aligns with the Council's strategy of preventative solutions to realise long-term benefits and opportunities from greater access to affordable finance that avoids potential costly financial crisis.

This position has also been raised during initial presentations and feedback from LBBD Community Solution management team and Board.

Recommendation:

With significant need for affordable finance and with demand already high and likely to be significantly exacerbated by Covid-19, doing nothing is not seen as an option.

Instead, the Council must consider proactively intervening to strengthen the availability of fair, affordable and appropriate financial products and services for every resident and ensure a minimum standard of service that addresses their key financial needs.

Option 2: Enhance existing provision (Liberty Credit Union)

Summary: The second option would be to strengthen the incumbent provision with Liberty Credit Union. The research has shown that it currently operates a traditional delivery model with a narrow range of products and basic service delivery approach with limited digital capability. In its current form, it is unlikely to meet the scale of need evidenced in the borough.

Enhancing existing provision could be accomplished in one of two ways. Firstly, by investing heavily in the current Liberty Credit Union to build its infrastructure and capacity to deliver digitally. Such an overhaul would almost certainly require the greatest investment of time, effort and financial resources by the Council. Alternatively, it could be achieved by working to proactively engineer a transfer of engagements into a stronger more modern credit union. Such mergers are often fraught with difficulties and can take both time and resource investment.

Therefore, it is highly unlikely their either of these solutions would be ultimately successful or represent value for money as both would bear significant costs

Recommendation:

The degree of change required to meet the potential demand evidenced in the borough would be significant and would not provide the borough with any value for money.

As a result, it is proposed that the option of enhancing Liberty Credit Union is not viable and therefore discounted.

Option 3: Alternative credit union delivery

Summary:

The third option would be to identify, select and work in direct partnership with a leading credit union to extend their geographical operations to cover Barking and Dagenham. This would enable the Council to clearly set out its expectations for delivering a comprehensive service in the borough including the range of products and the delivery channels it would offer that could meet the identified requirements of the borough.

Either a formal open procurement and selection process or a more proactive commissioned exercise would need to be implemented to identify interested credit unions (or other community lenders) that could deliver against the requirements and make an assessment of their capability, capacity and financial stability.

A number of credit unions have expanded over recent years and continue to show an appetite for further growth, so levels of interest to establish a service in LBBB should not be a problem. Nevertheless, there are some potential issues that could influence interest. One of the main barriers to a credit union from putting themselves forward would be the maximum cap on the number of potential members - the number of eligible members within a credit union's common bond is now 3 million. For some credit unions this could be a potential issue as they have already reached the upper limits following recent expansion. However, even in these instances feedback from the credit unions highlights that they believe additional eligible membership could be accommodated by redefining the calculation of their eligibility criteria of their common bond.

In order to begin delivering services in Barking and Dagenham, the selected credit union will need to change their formal rules, which can only be achieved through the agreement of its membership at either an Annual General Meeting (AGM) or Special General Meeting (SGM). Once achieved, it is a relatively straightforward notification to the regulator, the Financial Conduct Authority (FCA) of the extension of their common bond. As part of any application to the FCA, the selected credit union would need to demonstrate its ability to deliver their services to all its eligible membership and enable active participation within its democracy.

Finally, and most critically, the Council will need to demonstrate its commitment, determination and ambition to a productive and lasting partnership in order to attract the leading credit unions to put themselves forward in the first instance. However, constant senior-level support and partnership coordination as well as sufficient financial and in-kind resources will also be essential to ensuring the selected credit union has the additional capacity to successfully operate locally and maximise the awareness, uptake and ultimately the impact across the new borough.

Advantages:

- Short set-up period enabling services to be delivered in LBBB relatively quickly.

Disadvantages:

- Potential risk that leading CUs do not engage in the process – as they have reached their limit for potential eligible

- Cost-effective method of development, with resources invested directly within CU and its operational delivery in the borough.
- Councils can determine its requirements and implement a process to identify and select strongest proposition.
- Bring together a package of partnership support, engagement and promotional opportunities and funding/resources to reflect requirements and attract potential CUs.
- Established credit union brings existing capability/experience and infrastructure, product range, technology and delivery channels.
- Greater prospect of long-term sustainability and impact.
- Mirrors current trends in the credit union movement towards greater economies of scale.

- membership, or not interested in expansion to this part of London, or incentive package is not sufficiently generous.
- Selected CU's membership needs to agree to the change of its 'common bond' coverage at a Special General Meeting – so there is a slight risk of non-agreement.

Case studies / inspiration:

London Borough of Wandsworth (2013):

Wandsworth was one of the last remaining London boroughs without a borough-wide credit union. The Council determined through a feasibility process that instead of setting up a new credit union or enhancing one of the existing smaller credit unions covering only part of the borough, it would procure a London-based Credit Union to deliver within Wandsworth.



A formal procurement process was undertaken, which in the first instance did not secure involvement from sufficiently suitable credit unions as it was overly formal and prescriptive. This was followed by a more proactive approach that engaged suitable credit unions and resulted in the Council selecting the neighbouring Hammersmith and Fulham CU (now known as London Plus) to deliver its services in Wandsworth. Initially, the Council wanted a face-to-face delivery package but it was not viable after it was fully costed. Instead the two parties agreed a three-year contracted delivery plan with an agreed development grant of £91,000 and then £105,000 (£35,000 per year for three years), together with an intensive programme of marketing and development of the service with dedicated staff employed to promote services.

Much of the development costs went on improving the digital delivery and running the local brand of Wandsworth Plus Credit Union with a skinned website and marketing materials www.wandsworthpluscu.co.uk.

Affinity Sutton Group and Circle Housing (2013/2014):

The two housing associations went through very similar feasibility exercises to determine the selection of a single provider to deliver a universal credit union service nationally across their entire housing stocks.

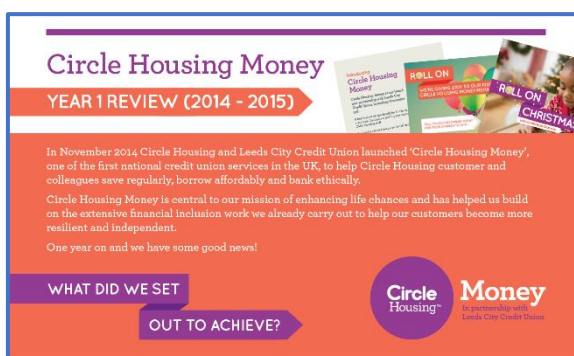
Both identified specific funding available to the credit union with ASG committing £200,000 and Circle £175,000 over a 5-year period. Yet, both established a broader package of internal partnership support and promotional opportunities (which for example with Circle took the total project costs to £350,000 - which covered internal staff costs, marketing, staff incentives etc).

Embarking on separate competitive procurement processes both yielded the same outcome – the selection of Leeds Credit Union as the preferred provider.

However, each adopted very different approaches to customer facing delivery with ASG choosing to universally promote LCU's existing brand to its residents. In contrast, Circle chose to rebrand LCU's services to its residents as Circle Housing Money – with a separately branded website and promotional activity.

Moreover, Circle made a strategic decision to establish a project group with senior representation and adopted a strategy focused on maximising staff engagement via payroll saving levels, that both raised understanding and importantly levered investment into the CU, as well as improving its workforces' financial wellbeing. This led to over 530 Circle staff (23% of total workforce) joining the credit union and depositing £105,000 in the first 6 months.

When the two subsequently merged to become Clarion Housing in 2016, it was determined to drop the 'white-labelling' with the partnership continuing to date.



Development options:

In theory, any credit union could be engaged to extend services into Barking and Dagenham, which means it could select a leading credit union from outside London to operate remotely in the borough.

However, given the need for close partnership working and 'on-the-ground' operational delivery within the borough, it seems sensible to initially concentrate on the opportunity to extend a London-based credit union. This also means that depending on the credit union – the existing branding would likely be appropriate and remove the necessity to rebrand and the additional costs and effort this would incur.

There are at least 13 community-based credit unions operating within London:

- [Croydon Plus Credit Union](#)
- [CUBE Credit Union](#)
- [Greenwich and Bexley Credit Union](#)
- [Hillingdon Credit Union](#)
- [Lewisham Plus Credit Union](#)
- [Liberty Credit Union](#)
- [London Capital Credit Union](#)
- [London Community Credit Union](#)
- [London Mutual Credit Union](#)
- [London Plus Credit Union](#)
- [M4Money Credit Union](#)
- [North London Credit Union](#)
- [Thamesbank Credit Union](#)

In terms of these existing credit unions – there are probably only a handful that combine sufficient size, financial stability and overall capability together with the full range of financial products required and have the comprehensive digital technology and delivery channels already in place:



www.londoncu.com/

- Established in 2000
- Neighboring CU geographically covering; Hackney, Haringey, Islington, Newham, Tower Hamlets, Waltham Forest or the City of London,
- Membership – 13,500 (adults)
- Assets -£17.6 million
- Loans - £9.9 million
- Comprehensive range of products and online, telephone and 4x branch service delivery.



London Mutual
Credit Union

www.creditunion.co.uk/

- Established in 1982
- Operates geographically across Southwark, Lambeth, Westminster and Camden
- Membership - 32,000 (adults)
- Assets -£29 million
- Loans - £16 million
- Comprehensive range of products and online, telephone and 3x branch service delivery.



www.londonpluscu.co.uk/

- Established in 2008
- Operates geographically across Hammersmith & Fulham, Kensington and Chelsea, Wandsworth, Hounslow and Richmond
- Membership – 5,948 (adults)
- Assets -£2.6 million
- Loans - £1.4 million
- Good range of products and online, telephone and 1x branch service delivery.

The research team have informally spoken to a number of London-based CUs to gauge feedback and possible interest. Everyone consulted expressed initial interest – especially given the ambitions of the Council to address the lack of provision. Yet, a number highlighted possible issues over the ceiling for potential membership and the need for commitments to long-term joint partnership working.

In light of these considerations, the Council should look to adopt a more commission-based selection approach that proactively engages with strong candidates that can deliver against clearly defined portfolio of essential products and service delivery mechanisms and acceptable minimum levels in relation to existing scale, financial indicators and standards expected of the successful credit union.

Comprehensive digital delivery (Minimum Viable Approach) – the credit union provision must be built on excellent digital technology - enabling full remote service delivery across the borough. Therefore, selecting a suitable credit union that already has this infrastructure allows the Council to focus any resource investment and organisational effort on maximising awareness and uptake and establishing innovative partnership working and delivery.

LBBB branded delivery – given the calibre of London-based CUs with likely suitable existing branding, it unlikely to be a necessity to white-label the service specifically for LBBB. In fact, the additional costs and ongoing effort could dilute impact and be better served in promotional activity that emphasises that the two organisations are working in partnership to deliver services specifically for Barking and Dagenham residents (and workers).

Permanent LBBB branch delivery – given the likely upfront capital and initial revenue costs involved in refurbishing and supporting the credit union to operate a dedicated high street branch, requiring such delivery at the outset and the necessary investment would not represent a good value for money. This does not prevent the Council from revisiting this option at a later date with the credit union or if a unique opportunity presents itself.

Resources implications:

An extensive and innovative package of funding and resource commitments, support opportunities and ambitious joint KPI targets will need to be assembled that reflects both the requirements being asked of the credit union and the ambitions of the borough.

As a minimum, this is likely to include;

- Of critical importance will be the establishment and resourcing of a senior level project group with ownership across the Council to manage and oversee delivery.
- To maximise effectiveness, we have also suggested resourcing a temporary internal position of a general project manager / coordinator to drive the development and implementation of the delivery plan (as well as additional commitments from key departments).
- Exclusive payroll deduction arrangement for LBBB staff and pledges to extensive internal promotions to maximise uptake amongst the workforce
- Leverage Councils position to proactively encourage other local businesses/suppliers to offer payroll deduction and collective workplace campaigns to attract workers to join.
- Annual revenue funding commitment for the credit union over a minimum of three years. The budget should depend on the exact delivery requirements, partnership work and output reporting specified by the Council covering, initial development/set-up cost and annual implementation / partnership budget.
- Extensive marketing and promotional commitments with dedicated internal communication staff capacity and healthy marketing and advertising budget to implement a comprehensive and targeted strategic plan.
- Facilitate partnership work with key local stakeholders – including potential volunteering and work placement programme within the credit union.
- Identifying a range of opportunities for embedding the credit union within the various functions, service delivery and customer interaction points across the entire Council – including potential co-locations for temporary (or permanent) pop-up sites in Council locations.
- Set out the potential contractual arrangements for the credit union to deliver services for the Council such administering specific grant or loan schemes such as Local Welfare Assistance or Homeless Prevention Loan schemes or operating specific financial products to furnish new Council properties. This will need to include an underwriting fund to share the default risks of lending specifically to the most financially vulnerable households.

LBBB Project Group Co-ordinator (temporary 2-3 year internal Council role)	£35,000 - £45,000
CU capacity building/partnership working to deliver in borough	£35,000 - £50,000
Dedicated marketing, campaigns and advertising budget	£25,000 - £50,000

Underwriting fund / saving incentive scheme / product innovation budget	£10,000 - £30,000
Total (annual budget)	£100,000 - £175,000

The final budget will require more detailed and collaborative consideration once the approach has been determined by the Council. Some of the above indicative costs may well be lower over the full contracted period. For example, the temporary project coordinator role within the Council might not be required for the entire period, while some of the funding allocated for the credit union, might be agreed either on a performance-related basis or on a reducing scale (to reflect the credit union's growing income generation from activities in the borough).

Potential additional options that could be taken forward by the Council -

- Depending on the nature of the selected CU's existing branding and/or whether the Council decides that a specific local brand is an essential prerequisite for an LBBB service.
- Should high street branch premises be determined a necessity – significant one-off resources will be required to identify, secure, obtain planning consent (if necessary) and refurbish the property as well as ongoing discretionary business rate relief and initial contribution to rent, staffing and operational costs incurred by the credit union.

Branding and white-labelling costs	£15,000 - £20,000
Branch premises refurbishment	£75,000 - £100,000
Total (capital budget)	£90,000 - £115,000

Annual contribution to premises costs (rent / staffing / operations)	£75,000 - £150,000
Total (annual budget)	£75,000 - £150,000

Social Return:

There is limited available research estimating the economic impact of improving access to affordable finance. The most applicable return on investment research is taking from work undertaken by Circle Housing that estimated that the 'economic multiplier' of its CH Money work with Leeds Credit Union. This calculated the benefit of savings, affordable loans, banking products, incentives and dividends into its local economies by considering how this money is spent or saved within the following year. Its research estimated that for every £1 invested by CH Money, there was a £5.60 benefit to the economy.

This would equate to an economic multiplier of between £1.68 million and £2.94 million for the local economy from the proposed 3-year Council investment of between £300,000 and £525,000 to deliver the Minimum Viable Approach.

Timeframes and milestones:

- | | |
|----------------------|---|
| Within
3 months | <ul style="list-style-type: none">• Agree options to pursue.• Council established project group.• Selection/procurement approach agreed and service requirements.• Identify funding and support package.• Completes selection/commissioning process. |
| Within
6 months | <ul style="list-style-type: none">• Selected CU completes common bond amendments and FCA approval to cover Barking and Dagenham.• Finalising of joint strategic implementation & marketing/promotion plan.• CU launches operational delivery in borough. |
| Within
12 months: | <ul style="list-style-type: none">• Establish payroll saving scheme with council and launch comprehensive workforce engagement campaign.• Implementation of comprehensive marketing / promotional plan across borough.• Key KPI targets:<ul style="list-style-type: none">- 750 LBBB residents become members.- £375,000 new lending to LBBB households.- £175,000 saved by LBBB households.- 250 current accounts opened. |
| Within
3 years | <ul style="list-style-type: none">• Key KPI targets:<ul style="list-style-type: none">- 4,500 LBBB residents become members.- £2,250,000 new lending to LBBB households.- £1,000,000 saved by LBBB households.- 1,250 current accounts opened.- 8 payroll schemes with LBBB employers. |

Recommendation:

The Council should overhaul the lack of current provision of affordable financial services by selecting a strong, dynamic and forward-looking credit union partner to amend its operation. This offers the simplest, quickest and by-far the most cost-effective route to achieving a comprehensive suite of affordable financial products and services across the borough from a provider that brings financial strength and assurances on capability and capacity.

In light of the various considerations, it is recommended that in taking forward the alternative credit union delivery model, the Council should:

- Adopt a straightforward commission-based selection approach to identify and engage with the strongest most suitable London-based CU - against clearly defined set of standards/requirements.

- Focus on digital delivery – ensuring that the selected CU already has the existing technology infrastructure to remotely deliver its services.
- Not require the selected credit union to white-label to deliver a separate B&D brand – it is both costly and likely to be unnecessary.
- Avoid the expense of a permanent branch location and instead invest heavily in marketing and advertising, partnership working and co-location with LBBB services.
- Establish a 3-year partnership agreement with a comprehensive package of funding and support – delivered against joint KPI targets.

Option 4: LBBB Money Portal

Summary:

The fourth option to enhance access to affordable finance within Barking and Dagenham involves the creation of a new standalone holistic financial guidance/money advice website that incorporates an interactive credit brokerage facility particularly focused on low-income and financially vulnerable households in the borough.

In its basic form, it would be an information site that enables those looking for credit and other financial products to be directed towards various affordable finance providers – in particular the newly selected credit union (Option 3) and various CDFIs such as Fair Finance and [Fair For You](#). In addition, it would offer various guidance and tools on financial management and access to local advice/support.

However, at the other end of the spectrum, it could utilise new technology and data sources to provide a centralised facility that matches the borrowing requirements and the financial circumstances of each applicant to the most suitable loan product offered by a number of different lenders.

Innovatively, this approach would also harness the wealth of data being presented by the applicant, obtained via external sources (e.g. Credit Reference Agencies and Open Banking) and potentially held by the Council's One View system. This could be utilised to present both one-off and ongoing tailored financial guidance/advice and individualised outcomes – such as budgeting amendments (where potential savings could be made – for example by switching energy supplier), maximisation of income by checking unclaimed benefits, improvements to their credit scores and links directly to other sources of Council support and services.

Finally, for declined applicants, where financial problems and hardship are identified during the loan assessment stage, the facility could automatically triage for support as well as determining eligibility for Council discretionary funds and other charitable/hardship grants. With express consent, such declined applicants' information could be reformatted

and transferred directly to specialist debt advice providers without the client needing to provide any additional data or complete any forms.

This option has huge potential to not only offer a central point for affordable credit, helping divert residents away from high-cost borrowing sources, but also centrally assess and broker applicants to the most appropriate product and lender. This not only reduces the numbers being turned down, as each applicant would either get an affordable loan or where credit is not appropriate for their current situation, a tailored advice and financial support outcome would be provided.

Advantages:

- Enables households with varying degrees of creditworthiness/risk to access credit with a product/community lender that matches their circumstances.
- Single entry and application point for affordable credit (and other financial products/services) – particularly focused on low-medium income households.
- Helps address the growing numbers being declined as assessments increasingly automated and online thus relying on credit scores.
- Opportunity to utilise holistic data on an individual to integrate budgeting, income maximisation, credit score building and other tailored advice.
- Transfer those identified as overindebted households directly for debt advice.
- Use of Open Banking could identify wider issues (such as gambling) and offer direct support/signposting.
- Provides tailored suggestion about other sources of grants/funds and other internal and external support.
- Significant opportunity to integrate/link Homes and Money Hub services.
- Innovative approach that could attract external funders.
- Development/rollout could be phased.
- Potential to partner with/expand across other local authorities (especially boroughs covered by selected CU).

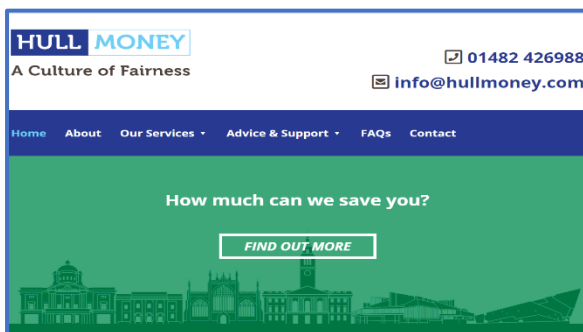
Disadvantages:

- As identified, LBBB does not have a capable CU already delivering locally and therefore this option is reliant on also implementing Option 3 and would be delayed until this process is underway/completed.
- Requires Council or a partner organisation to have FCA permissions as a ‘credit broker’ (and depending on the type of financial advice/support offered ‘provider of credit information services’) – via [FCA’s regulatory sandbox](#). Note - If portal was only promoting financial services offered by the credit union – then this permission would not be required.
- Potentially complex development that would need to work and integrate with multiple partners/support services and lending providers that have different loan criteria and assessment processes and systems.
- Needs constant promotion to avoid becoming an underused resource.

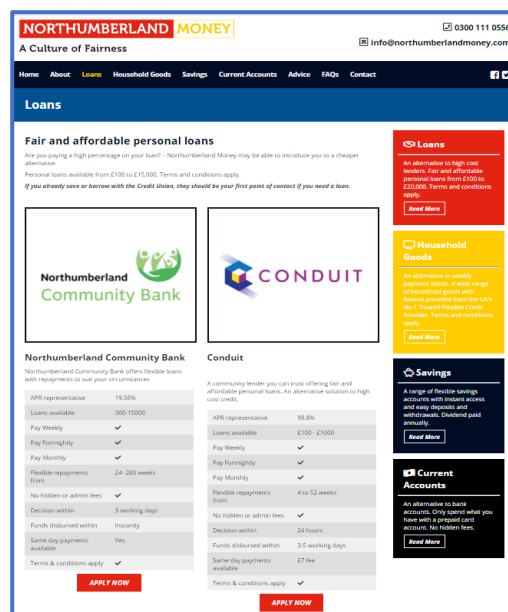
Case studies / inspiration:

Hull Money / Northumberland Money

Both schemes are basic credit brokering websites together with financial information, tips and news and a directory of advice and support.



www.hullmoney.com/



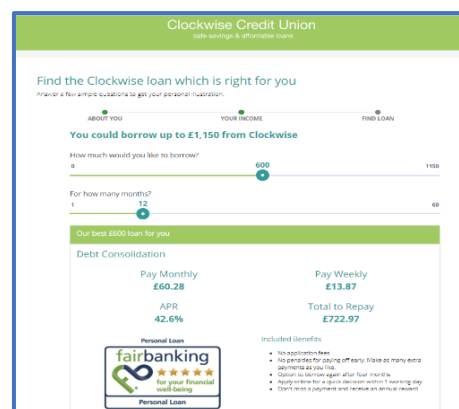
www.northumberlandmoney.com/loans/

Operated by Five Lamps (a charity that runs [Conduit](#) – a national CDFI lender) it has credit brokering permissions. The sites offer information on different loan options that when the individual self-selects, simply redirects to the affordable lending partner (either local CU and Conduit) to make an application without any determination of relevance or likelihood of success. It also offers similar approach to saving accounts; bank accounts and household goods.

Clockwise Credit Union (Loan Finder)

CCU is one of the country's leading CUs in the adoption of new technology and digital delivery.

It's new Loan Finder facility matches interested borrowers to the most relevant of the CU's various loan products based on a series of initial questions (on employment status, debt consolidation, homeownership, age and household income). This approach offers a much more user friendly and effective method of determining which loan product is suitable for an interested borrower based on key information.

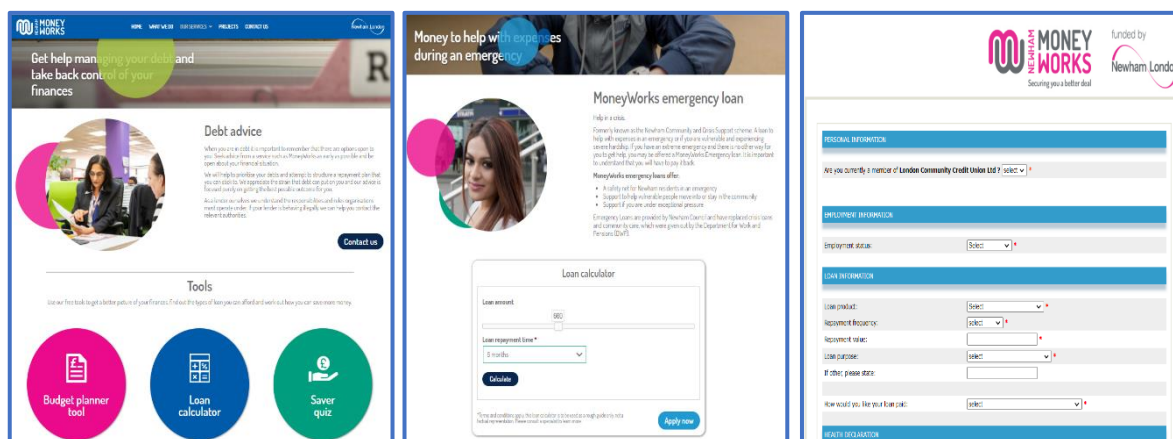


<https://myaccount.clockwise.coop/LoanFinder>

MoneyWorks (Newham) - www.newhammoneyworks.co.uk

MoneyWorks is an online, telephone and face-to-face service that supports Newham residents who may be struggling with debt or financial issues. It has an appealing website that offers financial information, articles, guides and third-party tools (such as MAS's Budget Planner and Entitledto's Benefits Calculator) as well as access to its specialist in-house debt advice service.

The site also promotes a number of loan products branded as MoneyWorks (such as MoneyWorks Helper Loans) but actually delivered via London Community CU (LCCU). Interested borrowers select the loan product and adjust the loan amount/terms to suit their requirement and then apply online. This directs to a 'skinned' loan application form for manual assessment by LCCU loan officers.



Development options

LBBD money portal (Minimum Viable Approach) – this requires the creation of a new B&D branded interactive website (based as a minimum on the approach similar to MoneyWorks). This would replace the current Money and Debt section on the Council website and become a standalone single point of access for financial guidance, interactive tools and links to the advice services offered by the Council and other local partners. In addition, it could promote the range of affordable loans together with saving accounts, current accounts and other financial services available via the newly commissioned CU. By integrating directly with the CU's digital system, interested resident could select from the different financial products, including determining the loan amount, term and weekly/monthly repayment and apply immediately. Such arrangements wouldn't require credit brokerage permissions and therefore could be produced as part of an initial development phase.

LBBD credit brokerage portal with multiple lenders and integrated advice / support.

– unless one of the lenders already has credit brokerage approval²³, either the Council or one of the partners will almost certainly need regulatory permission where anything more substantial than promotion is undertaken. This application process is not unduly difficult and the intervening 3-6 month period could be utilised to undertake development work required to identify and bring together the other affordable finance providers, alongside working through the exact nature of the credit assessment and brokering arrangements/processes and the extent of the integrated support and advice facility.

²³ None of the identified CUs already has this permission but Fair Finance does appear to have Credit Brokering.

Resources implications

As the full extent of this option has not been done before, there is no clear road map and therefore it would require further work to properly design and cost the project based on the final approach and the exact functionality decided upon. If implemented in a staged development, it would involve the following indicative costs (which would be in addition to those resources identified above in Option 3):

Phase LBBB money portal (Minimum Viable Approach)

Project development/management	£5,000 - £10,000
Branding and website design/development	£15,000 - £20,000
Regulatory consultancy	£5,000 - £10,000
Total	£25,000 - £40,000

Phase 2 - LBBB credit brokerage and integrated support portal

Additional project development/management	£15,000 - £25,000
Web design	£5,000 - £10,000
IT development and integration	£25,000 - £40,000
Total (capital budget)	£45,000 - £75,000

Timeframes and milestones:

- | | |
|-------------------|---|
| Within 3 months | <ul style="list-style-type: none">• Further project development work undertaken alongside credit union selection (Option 3). |
| Within 6 months | <ul style="list-style-type: none">• Regulatory permission work commenced.• Branding exercise and website development commenced. |
| Within 12 months: | <ul style="list-style-type: none">• New LBBB Money portal site launched.• FCA permission obtained.• Development work on credit brokerage commenced. |
| Within 2 years | <ul style="list-style-type: none">• Credit brokerage facility launched. |

Recommendation:

This option offers the potential for significant innovation and collaboration that could deliver significant holistic impact in not just increasing the availability of affordable credit but tackling the identified debt problems facing LBBB residents. However, given that this

approach hasn't been done before and more pertinently, the distinct lack of affordable finance infrastructure in the borough, there are significant unknowns and uncertainties to taking forward this approach at this particular moment.

Ultimately, it first requires the progression of Option 3 to secure a suitable credit union provider that would become a critical component of this approach. Realistically, without this, working towards the implementation of the full credit brokering facility feels premature and inherently risky.

However, this would not prevent the early development of the newly branded service and the creation of the standalone website – as the precursor to a decision and implementation of the more comprehensive credit brokerage development. This would also enable further exploration and planning work to be undertaken and the process to obtain regulatory permission commenced as early as possible either by the Council or the selected credit union.

Therefore, at this stage, it is recommended that the Council's primary focus should be on accelerating Option 3 and that Option 4 remains on the table for future consideration when the selection of the credit union has been progressed.

Conclusions and recommendations

Households in Barking and Dagenham are shown to already face disproportionate challenges in relation to poverty and deprivation, their financial capability and resilience as well as levels of over-indebtedness. This situation has been and will continue to be greatly exacerbated by the impacts of Covid-19. Combined with evidence of high subprime credit usage amongst at least 6,000 households that collectively costs over £6.6 million each year in unnecessary interest charges, it makes the need for access to affordable financial services even more acute.

Credit unions, at their best, are shown to offer a professional, modern and holistic community banking solution that facilitates access to fair, affordable and appropriate financial services locally. Widespread availability of such financial services – including savings, affordable credit and transactional bank accounts that meet residents’ financial needs and aspirations, can not only deliver significant savings for these households and in turn the local economy but can also build long-term financial resilience that prevent financial issues from escalating.

Unfortunately, the traditional range of products and service delivery mechanisms in the incumbent credit union, draw value for money into the question as significant cost is likely to be incurred enhancing the existing offer to meet the scale of demand evidenced in the borough.

This means that whilst the argument for tackling the lack of affordable finance in the borough is convincing, the options for doing so are more restricted.

Firstly, the evidence of need highlighted during the research and distinct lack of current provision in the borough means that doing nothing is not seen as an option. Therefore, the Council must proactively intervene to stimulate more provision and greater uptake – especially amongst the lowest income and most financially vulnerable households.

Therefore, alternative credit union provision needs to be brought into the borough. The report strongly recommends that this be achieved firstly through a proactive commissioning exercise to select the strongest and most capable credit union. This would be best served by LBBD identifying the range of essential products and service delivery requirements, minimum standards and joint KPI targets expected. It can then actively engage with suitably capable credit unions who can deliver these. A comprehensive package of funding and partnership opportunities of between £300,000 and £525,000 over at least three years would need to be assembled.

Unless there is specific desire or rationale from within the Council, it should not look to either re-badge the credit union as an LBBD service (unless the selected credit union brand is not locally applicable) nor embark on expensive high street face-to-face delivery. Instead, innovative technology and comprehensive digital delivery capabilities should be married with extensive and targeted promotional activity and local partnership working.

The priority should be on achieving Option 3, which would be a prerequisite to seriously considering Option 4 to create a centralised online portal offering automated and tailored money advice and affordable credit brokering facility.

While initial work could commence to develop the separately branded service and the creation of the standalone website – this option is reliant on securing a suitable credit union partner first. Therefore, at this stage, it is recommended that the Council’s primary focus should be on accelerating Option 3 and that Option 4 remains on the table for future consideration when the further exploration and progress has been made.

Summary of recommendations/next steps:

- LBBB should actively pursue a partnership with the strongest possible London-based credit union to deliver a holistic community banking service to all those living and working in Barking and Dagenham.
- A project implementation group should be established with senior representation from across the Council.
- A range of investment and support options have been outlined with indicative budgets establish for each. LBBB should carefully consider how it wishes to support the credit union partnership and what resources it is willing and able to commit to achieve this over an initial 3-5 years.
- The Council must identify the range of financial products and service delivery mechanisms, the minimum organisational requirements and joint delivery KPI targets.
- Working with procurement colleagues, a proactive engagement process should be used to identify and secure the strongest possible credit union partner.
- The Council should avoid the requirement for ‘white labelling’– unless the selected credit union’s brand is unsuitable or the Council determines an LBBB branded service a necessity. Additional budgets would be needed in this case.
- Similarly, the costs involved in establishing and operating a high street branch service would be significant and far outweigh the potential benefits of such face-to-face delivery. Therefore, should not be seen as a necessity, at least from the outset.
- Option 4, the creation of an innovative credit brokering and integrated advice/support website, should be further developed and a decision taken at a later point, when progress has been made on selecting the new credit union provider.

Appendices

Appendix 1: Barking and Dagenham – Financial Hardship Demand Dashboard Data

		JAN	FEB	MAR	APR	MAY	JUN	JUL
UNEMPLOYMENT	Furloughed Jobs							
	Total potential eligible population						97900	97900
	Total number of claims					25600	30800	33300
	Take-up rate: %						31	34
	Self-Employed Support							
	Total potential eligible population					24000	22400	22400
	Total number of claims					15300	17600	18300
	Take-up rate: %					68	79	81
	Claimant Count - Total							
	Number	5445	5770	5850	8315	13500	13165	13800
	% rate	4.1	4.3	4.4	6.2	10	9.8	10.3
	Number - same month last year (2019/20)	4325	4620	4695	4815	4940	5065	5050
	% rate - same month last year (2019/20)	3.2	3.4	3.5	3.6	3.7	3.8	3.8
	% change - between years	25.9	24.89	24.6	72.69	173.28	165.35	173.27
	% change - latest month and Jan 2020				52.71	147.93	146.83	153.44
	Claimant Count - Male							
	Number	2680	2890	2910	4430	7750	7425	7775
	% rate	4	4.3	4.4	6.7	11.6	11.2	11.7
	Number - same month last year (2019/20)	2195	2370	2380	2445	2530	2575	2575
	% rate - same month last year (2019/20)	3.3	3.6	3.6	3.7	3.8	3.9	3.9
	% change - between years	22.1	21.94	22.27	81.19	206.32	195.34	201.94
	% change - latest month and Jan 2020				65.3	189.18	183.77	190.11
	Claimant Count - Female							
	Number	2765	2880	2940	3885	5750	5740	6025
	% rate	4.1	4.3	4.3	5.7	8.5	8.5	8.9
	Number - same month last year (2019/20)	2130	2250	2315	2320	2410	2490	2480
	% rate - same month last year (2019/20)	3.1	3.3	3.4	3.5	3.6	3.7	3.7
% change - between years	29.81	28	27	67.46	138.59	134.34	142.94	
% change - latest month and Jan 2020				40.51	107.96	111.03	117.9	
		JAN	FEB	MAR	APR	MAY	JUN	JUL
BENEFITS TAKE-UP	Checking Benefits Entitlement							
	Applications on Turn2us Benefits Calculator	550	686	1883	1751	678	524	469

	Applications - same month last year (2019/20)	629	501	515	502	808	711	811
	% change	-12.56	36.93	265.63	248.8	-16.1	-26.3	-42.2
	Council Tax Support							
	Number of applications	576	449	595	928	1019	726	
	Number of applications - same month last year (2019/20)	582	448	534	414	424	498	
	% change	-1.03	0.22	11.42	124.15	140.33	45.78	
	Number of awards	15,209	15,225	15,246	15508	15642	16184	
	Number of awards - same month last year (2019/20)	15835	15798	15809	15733	15515	15458	
	% change	-3.95	-3.63	-3.56	-1.43	0.82	4.7	
	DHP applications							
	Number of applications	171	162	185	332	212	218	
	Number of applications - same month last year (2019/20)	140	162	211	196	172	141	
	% change	22.14	0	-12.32	69.39	23.26	54.61	
	Number of awards	49	85	89	118	172	177	
	Number of awards - same month last year (2019/20)	50	75	55	77	88	82	
	% change	-2	13.33	61.82	53.25	95.45	115.85	
		JAN	FEB	MAR	APR	MAY	JUN	JUL
STRUGGLING WITH BILLS	Council Tax Collection							
	% collection rate	90	93.2	95.7	10.6	18.8	27.6	
	% collection rate - same month last year (2019/20)	90.1	93.2	95.7	11.8	21.2	29.5	
	% change	-0.11	0	0	-10.17	-11.32	-6.44	
	Cancelled Direct Debits for Council Tax							
	% of monthly payments made by direct debit	51.85	51.38	51.2	51.06	51.08	62	
	Housing Rent Collection							
	% collection rate	79.97	87.34	96.74	6.85	13.35	22.52	
	% collection rate - same month last year (2019/20)	81.51	89.08	96.36	9.51	16.15	23.46	
	% change	-1.89	-1.95	0.39	-27.97	-17.34	-4.01	
	Cancelled Direct Debits for Housing Rent							
	% of monthly payments made by direct debit	29.19	29.19	29.16	29.07	29.06	28.92	

	Emergency food support provided per 10,000 population – eg food parcels, food vouchers (but NOT foodbank referrals)				562 (26.4 per 10,000)	242 (11.4 per 10,000)	184 (8.6 per 10,000)	
	Hardship Support provision							
	Number of applications	0	0	0	43	94	295	
	Number of awards – split by category if relevant – eg: food; fuel; household essentials	0	0	0	34	42	179	

Appendix 2: Money and Pensions Service: Consumer Segmentation – Profiles

STRUGGLING	SQUEEZED	CUSHIONED
UK 10.2m (19.6%)	UK 13.1m (25.2%)	UK 28.8m (55.2%)
<p>The least financially resilient segment, typified by:</p> <ul style="list-style-type: none"> • Low household incomes (although half are working) • High levels of over indebtedness • High levels of benefits dependency • Budgets are tight, with little or no buffer • Lower levels of financial confidence • Half live in social rented accommodation • More likely to have a disability or impairment 	<p>Working-age families on average incomes with significant financial commitments, typified by:</p> <ul style="list-style-type: none"> • Working age (most are under 55) • Mostly working (low to middle income) • Likely to be renting privately or mortgaged • More likely to have children • High dependency on credit • High over-indebtedness • Highly Digital & Mobile 	<p>The most financially resilient segment, with the highest levels of income and savings. Comfortable or affluent households, typified by:</p> <ul style="list-style-type: none"> • Higher household incomes (esp those working) • Likely to own their home or have a mortgage • Higher savings buffer • More confident managing money • Lowest level of over indebtedness
Many live on a financial tightrope – with money a constant source of anxiety	They have busy lives – with multiple financial, work and family pressures	More likely to have good financial foundations – through education, family support and higher expectations and aspirations
Many are overwhelmed by debt – a belief they may be trapped in debt for some time	A live for today attitude – resorting to credit to support their ‘I want it now’ lifestyle	Higher financial resilience – through high incomes, a savings buffer, retirement provision and investments / property portfolios
Circumstances often dictate a very short term and reactive approach to money	Focussed on the here and now – many don’t plan, and do not recognise the need for financial help	However, they are not without risk given their high spending and borrowing

	A lack of savings buffer – leaves them vulnerable to income shocks	
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Appendix 3: FCA Financial Lives Survey Data

How knowledgeable would you say you are about financial matters?	B&D	London
Low	51.45	49.62
Medium	32.88	36.7
High	15.67	13.68
How satisfied are you with your overall financial circumstances?		
Low	57.38	48.05
Medium	24.79	35.61
High	17.82	16.34
How confident do you feel managing your money?		
Low	22.97	27.18
Medium	40.26	4.52
High	36.77	32.3
I am comfortable using credit - it feels quite normal to me		
Strongly disagree	9.54	8.99
Slightly disagree	25.83	18.61
Neither agree or disagree	29.41	27.74
Slightly agree	25.77	31.83
Strongly agree	9.45	12.83
I'd rather think about today than plan for the future		
Strongly disagree	23.32	30.52
Slightly disagree	30.97	30.25
Neither agree or disagree	11.13	15.05
Slightly agree	18.24	16.35
Strongly agree	16.35	7.84
MAS Over indebtedness		
MAS Over Indebted	19.57	17.13
Not MAS Over Indebted	80.43	82.87

Appendix 4: High-cost Credit User Profiles

High-Cost Short-Term Credit - average borrower:

- Likely to be younger than other borrowers, with a median age of 32
 - Working full-time
 - Higher income than other borrowers, with a median net income of £20,000
 - Primarily living in rented property
 - Averagely indebted compared to other borrowers
 - Slightly higher credit score than other borrowers
-

The following statistics have been summarised from the FCA report: High-Cost Credit Review Technical Annex 1: Credit Reference Agency Data Analysis of UK Personal Debt - <https://www.fca.org.uk/publication/feedback/fs17-02-technical-annex.pdf>

Age:

- 25-34: 33% of borrowers
- Median age: 32

Gender:

- Payday loans: 60% female; 40% male
- Short-term instalment loans: 45% female; 55% male

Tenure:

- Predominantly renting or living with parents

Employment:

- 83% working full-time

Household income:

- Median estimated annual net income: £20,000

Debt:

- 70% of payday loan borrowers over-indebted
- Median outstanding personal debt: £3,600
- Median number of products with outstanding personal debt: 5

Benefits and Money:

- 87% of those with a payday loan report low levels of satisfaction with their overall financial circumstances

- 61% of those with a payday loan have low confidence managing money (compared with 24% of all UK adults)
- 56% of those with a payday loan have low levels of knowledge about financial matters (compared to 46% of all UK adults)
- Median credit score: 42

Home Collected Credit - average borrower:

- Female
 - Likely to be older than other borrowers, with a median age of 42
 - Less likely to be in employment
 - Lower income than other borrowers, with a median net income of £15,500
 - Primarily living in socially rented property
 - Over-indebted, but not as much as other borrowers
 - Slightly lower credit score than HCSTC borrowers, but higher than rent-to-own
 - Potential health problems, including long-term disability
-

The majority of the following statistics have been summarised from the Citizens Advice report – Doorway to Debt: Protecting consumers in the home credit market – <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/doorway-to-debt/>

Where highlighted, some additional statistics have been taken from the FCA report – High-Cost Credit Review Technical Annex 1: Credit Reference Agency Data Analysis of UK Personal Debt - <https://www.fca.org.uk/publication/feedback/fs17-02-technical-annex.pdf>

Age of borrowers:

- Median age: 42 (FCA report)

Gender:

- Tend to be female

Family:

- 32% are single parents

Tenure:

- 91% live in rented accommodation
- 62% in socially rented property and 27% in private

Employment:

- 32% in employment

Household income:

- Median estimated annual net income: £15,500 (FCA report)

Health:

- 48% have a long-term disability

Debt:

- Severely over-indebted
- Median outstanding personal debt: £2,800 (FCA report)
- Median number of products with outstanding personal debt: 5 (FCA report)
- 50% have council tax arrears
- 43% have water rates arrears
- 35% have rent arrears

Benefits and Money:

- Median credit score: 41 (FCA report)

Rent-To-Own - average borrower:

- Female
 - Average age compared to other borrowers, with a median age of 36
 - Living with family – dependent children
 - Likely to be wholly or partly reliant on benefits
 - Slightly higher income than home credit borrowers, with a median net income of £16,100
 - Primarily living in rented property
 - More over-indebted than other borrowers
 - Lower credit score than other borrowers
-

The majority of the following statistics have been summarised from the Financial Inclusion Centre report: Better and Brighter? Responsible Rent-to-Own Alternatives - <http://inclusioncentre.co.uk/wordpress29/wp-content/uploads/2016/03/Better-and-Brighter-Responsible-RTO-Alternatives-Full-Report-150316.pdf>

Where highlighted, some additional statistics have been taken from the FCA report – High-Cost Credit Review Technical Annex 1: Credit Reference Agency Data Analysis of UK Personal Debt - <https://www.fca.org.uk/publication/feedback/fs17-02-technical-annex.pdf>

Age:

- Median age: 36 (FCA report)

Gender:

- Female: 78%
- Male: 22%

Family:

- Have a family with dependent children: 60%
- Typically single parents

Tenure:

- Rented accommodation: 94%

Household income:

- Median estimated annual net income: £16,100 (FCA report)

Debt:

- Median outstanding personal debt: £4,300
- Median number of products with outstanding personal debt: 8

Money and Benefits:

- 50% of borrowers wholly or partly reliant on benefits
- Median credit score: 35

Pawnbroking - average borrower:

- More likely to be female
 - Average age compared to other borrowers, 39 years
 - Living with family – dependent children
 - Less likely to be in employment
 - Primarily living in social or private rented property
 - Relatively low income, with majority earning less than £15,000
 - Likely to have other debts
-

The following statistics have been summarised from the Personal Finance Research Centre report - <https://www.bristol.ac.uk/geography/research/pfrc/themes/credit-debt/pawnbroking-2010.html>

Age:

- 20-49: 76%
- Average age: 39 years

Gender:

- Female: 64%

- Male: 36%

Family:

- Have a family with dependent children: 46%
- Couple with children: 26%
- Single parents: 20%
- Single person living alone: 20%

Tenure:

- Owner occupiers: 20%
- Socially rented: 48%
- Private rented: 22%
- Live with parents: 6%

Employment:

- No one in work: 53%
- Part-time earnings only: 9%
- One full-time earner only: 28%
- Two full-time earners: 10%

Household income:

- Less than £100 per week: 21%
- £100-£299 per week: 49%
- £300-£499 per week: 19%
- £500+ per week: 11%

Benefits, Debt and Money:

- Generally borrowing elsewhere

Illegal Money Lending - average borrower:

- More likely to be male
 - Likely to be older than other borrowers, between 35-54
 - Likely to be a parent, with dependent children
 - Primarily living in social or private rented property
 - Relatively low income, with majority earning under £20,000
 - Claiming benefits
 - High levels of over-indebtedness
 - Potential health problems
-

The following statistics have been summarised from the 2019 Victim Report produced by the Illegal Money Lending Team (ILMT):

<https://www.stoploansharks.co.uk/wp-content/uploads/2020/02/IMLT-Victim-Report-2019.pdf>

Age of borrowers:

- Under 25: 7%
- 25-34: 19%
- 35-44: 36%
- 45-54: 27%
- 55+: 11%

Gender:

- Male: 55%
- Female: 45%

Family:

- 55% of victims were parents, with an average of two children per family

Tenure:

- Accommodation supplied by employer: 1%
- Living with family/friends: 4%
- Owner occupier: 20%
- Private rented: 35%
- Social Housing (Council & Housing Assoc): 35%
- Supported accommodation or refuge: 3%
- Homeless: 1%
- The owner occupier figure of 20% in 2019, is the highest it's been since the IMLT started recording this statistics in 2011

Employment status:

- Carer for relative: 1%
- Employed full-time: 46%
- Employed part-time: 7%
- Retired: 5%
- Self-employed: 7%
- Student: 2%
- Unemployed: 31%

Household Income:

- Zero: 1%
- Up to £14,999: 43%
- £15,000 - £20,000: 18%
- £20,001 - £30,000: 24%
- £30,001 - £39,000: 7%

- Over £39,000: 7%

Health:

- 46% of borrowers said they had long-term health conditions
- 14% said they had a physical illness
- 21% highlighted they suffered from mental health issues
- 79% of borrowers said that they were in a state of worry, stress, depression or severe anxiety because of their involvement with a loan shark
- 34% said they had considered committing suicide – 17% had attempted suicide

Benefits, Debt and Money:

- 62% of victims were claiming benefits
- 69% of victims owed money to legal creditors as well as the loan shark – the average amount owed was £12,749
- 40% had priority debts including rent, mortgage or council tax arrears
- 73% didn't have home contents insurance
- 44% had pre-payment meters for fuel supply

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	Developing a Community Banking offer for Barking and Dagenham
Lead Officer	Katy Brown
Contact Details	Katy.Brown@lbbd.gov.uk

<p>Why is this service or policy development/review needed?</p> <p>Since June 2020, the council has worked with the Financial Inclusion Centre on an options appraisal on access to affordable credit and finance for the borough, enabled by Local Government Association funding. The purpose of this appraisal was to set out evidence of the need and demand for affordable credit and financial services in Barking & Dagenham, looking in particular at subprime credit use, and use this insight to provide a suite of recommendations for what affordable finance provision could look like in the borough.</p> <p>The options appraisal recommended that Barking & Dagenham partner with a dynamic, forward-thinking Credit Union to extend their delivery into the borough contribute to the development of a holistic community banking offer. This offers the simplest, quickest and most cost-effective route to offering a range of affordable financial products and services to the borough.</p> <p>We are looking for an innovative, progressive and dynamic credit union, that can provide a broad range of financial services and products, catering to different customer needs including savings accounts, instant loans and transactional banking facilities – both in person and online. We are looking for a partner with a willingness to work with ourselves and community partners to ensure the Community Banking offer meets local need.</p> <p>It is intended that a Community Banking offer can be launched in the borough in July 2021, however continual evaluation and evolution of the offer to ensure its impact and value for residents is essential.</p> <p>This first draft Community and Equality Impact Assessment (EQIA) is intended to appraise the impact of a Community Banking offer on the community, based on the position at this point in time (December 2020).</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>Please state which data sources you have used for your research in your answer below</p> <p><i>Consider:</i></p> <ul style="list-style-type: none"> • 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.

Current landscape of financial vulnerability in Barking and Dagenham

We know that Barking & Dagenham is a deprived borough. Most recent data suggests:

- The borough is the 13th most deprived in the country based on the average rank of 10 indicators covering unemployment, benefit claims, income etc.
- The borough is the most deprived in London, ranking highest in terms of unemployment, carers allowance claimants and income support claimants
- Within London, Barking and Dagenham has the second highest proportion of children under 16 living in low-income households

Data from the Financial Lives Survey suggest a fairly broad level of financial vulnerability exists across the borough, as half of the population (51%) say they have a low level of financial knowledge, whilst 57% are not satisfied with their current financial circumstances.

Additionally, the Financial Lives Survey identified Barking and Dagenham as an area of the UK where higher proportions of adults than average have no savings or investments and are identified as being 'in difficulty' - those least financially resilient who have missed paying domestic bills or meeting credit commitments within at least 3 of the last 6 months. This indicates low levels of financial resilience across the borough.

The Money and Pensions Service have also previously undertaken research (2018) to measure the levels of individual over-indebtedness across the country. Over-indebted individuals are defined as those that either: find meeting their monthly bills / commitments a heavy burden; or have missed bill payments in three or more months out of the last six months. Barking & Dagenham's over-indebtedness stands at 24.6% which although lower than Newham (28.2%) is higher than our other near neighbours Redbridge (20.5%) and Havering (16.7%).

Council data highlights that last year (May 2019) over 10,000 households (with 30,000 inhabitants) across the borough owed debt to the council, in terms of council tax and/or rent arrears. The average person in council tax arrears owed £1,700, and those in rent arrears, £583. It was also noted that individuals living in households with council tax debt are 300% more likely to experience homelessness than those who do not.

In summary, this evidence demonstrates a depth of financial challenge not seen in other boroughs. Compared to other London boroughs, residents of Barking and Dagenham are more likely to be in debt, have fewer savings and be less confident managing money.

Although the full economic impact of Covid-19 remains to be seen, Covid has exacerbated the financial challenges already highlighted as well as caused a significant spike in demand for welfare support and related services. Council data suggests:

- 41.6% of the borough's residents are furloughed or on self-employed support
- 100% increase in council tax support applications between July 19 and July 20
- 257% increase in the number of applications to check benefits entitlement between March 2019 and April 2020
- 136% increase in the number of residents claiming unemployment-related benefits between February and May

This data suggests that increasing numbers of people are trying to manage lost or reduced income and are looking to compensate through accessing benefits. Additionally, the numbers of furloughed employments and those accessing self-employment support, highlight the scale of households still at potential risk of increasing financial hardship, pending the resolution of these schemes later this year.

Another indicator of financial vulnerability is an individual's credit score, which highlights how likely you are to be accepted for credit, based on an assessment of how well you have handled credit in the past. Credit scores are determined by several factors, including debts, county court judgements and insolvencies which all drag down credit scores.

Barking and Dagenham, with a rank of 26 out of 387, has the lowest ranking in the 2020 Good Credit Index out of the 32 London boroughs, whilst Westminster has the highest. Barking and Dagenham's ranking for 2020 is worse than the previous year, when we ranked 35th. This slippage down the rankings means Barking and Dagenham is a '*credit desert*' - there is a perfect storm of high need for credit, low credit scores excluding people from accessing mainstream credit and an over-representation of unaffordable lending options. In short, the borough's need for affordable credit massively outstrips its current supply.

Projected use of subprime credit use in Barking and Dagenham is also high. Estimates suggest there are approximately 6,000 annual users of high-cost credit across Barking and Dagenham, accessing approximately 20,000 loans at a total value of over £9.6 million. Whilst these figures are estimates, they are considered conservative estimates, given the exclusion of other non-mainstream credit sources, including illegal money lenders. Due to high interest rates, the value of loans repaid is thought to total approximately £16.7 million. This means an estimated £7.3 million is lost from residents' pockets each year through interest repaid and represents the value of potential savings should residents access loans from more responsible sources through a local credit union. This would be kept in their pockets and be disposable income for the local economy

What the development of a Community Banking offer aims to address

The borough is partnering with a dynamic and forward-thinking credit union to underpin and help facilitate a community banking offer.

The offer of a Credit Union does not always look the same and there is a spectrum of products and services - ranging from the basic to the advanced - that the borough can choose from. An advanced portfolio would demonstrate choice and a bespoke offer, for example savings products for particular reasons (i.e. Christmas), a wide range of affordable loan products (i.e. homeless prevention loans or child benefit loans), current and prepaid accounts, business loans and a white goods / furniture scheme. At a minimum, we are looking for a provider who can offer a broad range of financial services and products, catering to different customer needs, including saving accounts, instant loans and transactional banking facilities – both online and to those who are digitally excluded.

Projections indicate a significant social and economic return on investment for the borough. Based on 3 years and increased levels of uptake seen elsewhere, Barking and Dagenham could see 4,500 new members from across LBBB, with 3,300 of these opening and maintaining a savings account with £950,000 accumulated savings. In addition, access to the main financial services of a Credit Union delivers significant benefits and cost savings to LBBB households, in particular those on the lowest incomes and financially excluded.

Overall, the estimated financial gain for LBBB households over three years would be at least £2.4 million pounds, with each pound spent on the Credit Union implementation generating a social return for the borough of approximately £8.01. Over the three years period, this translates to an estimated average cost saving of £533 across all households - which rises to £1,601 cost savings for the most financially vulnerable households accessing the credit union services.

Wellbeing Valuation has been accepted as a robust and rigorous method of measuring social impact. This approach allows organisations to measure the success of social interventions by analysing how much they increase people's wellbeing. To do this, the results of large national surveys are analysed to isolate the impact of a particular factor on a person's wellbeing.

Using this methodology alongside other examples from across the Credit Union sectors estimates that over the initial three-year period the new credit union service would deliver an overall social impact of £11,406,787 for those residents who are on the lowest-incomes and financially excluded.

This value represents the uplift in well-being for these residents due to their relief from being heavily burdened with debt, feeling in control of their life and improved financial comfort. Essentially, if the credit union service was not implemented each resident would need to receive £7,605 to generate a similar increase in their wellbeing. Taking the minimum proposed project budget of £300,000 into account, for every £1 spent on the credit union service, an estimated £38.02 of social impact would therefore be created.

There is limited available research estimating the local economic impact of improving access to affordable finance. The most applicable return on investment research is taken from work undertaken by Circle Housing that estimated the 'economic multiplier' of its CH Money work

with Leeds Credit Union. Research from this work estimated that for every £1 investment, there was an additional £5.60 benefit to the economy. Within Barking and Dagenham, this translates into an economic multiplier of £1.7 million.

However above all, more affordable and sustainable options for accessing affordable credit and financial services will make a difference to the lives of the borough’s residents. This could be providing immediate access to credit and capital after an unexpected event – such as a boiler or washing machine breaking. As we heard during *The Fix*, these unexpected expenses have the potential to tip people into hardship. Having a Community Banking offer will provide an affordable alternative to high-interest loans that often result from unexpected expenses. A further benefit for residents is having increased access to everyday finance and banking, whether this is a current account or a savings account for a particular occasion, multiple needs can be catered for. Increased savings and keeping pounds in people’s pockets means people are providing with the choice and autonomy to regain control of their lives and spend on what is important to them.

Typical customer profiles for different subprime credit types have been identified as follows (collated from a collection of reports from the Financial Conduct Authority, Citizens Advice and Financial Inclusion Centre).

Table 1:

	HCSTC	Home Collected Credit	Rent to Own	Pawnbroker	Illegal Money Lending
Gender (typical)	Male	Female	Female	Female	Male
Median Average Age	32	42	36	39	35-54
Employment status	Working (F/P time)	Unemployed	Unemployed	Unemployed	Unemployed
Median Income (Net)	£20,000	£15,500	£16,100	£15,000	Under £15,000
Housing tenure	Rented	Socially rented	Rented	Socially rented	Socially rented
Credit score	Fair/poor	Poor / Very Poor	Very Poor	Very Poor	Poor / Very Poor

Although these are average profiles, these demonstrate the circumstances of individuals or households who are more likely to access subprime credit and, therefore, the households that the Community Banking offer aims to support and will especially benefit. A Community Banking offer will most directly benefit those who: are either unemployed, have a low income, are of working age, who rent (either socially or privately) and who have poor or very poor credit scores.

Conclusion

Overall, Barking & Dagenham is a place of significant financial hardship, low average credit scores and, resultantly, significant use of high interest credit. This work represents an attempt to intervene in the subprime credit market to reduce its dominance and adverse outcomes it generates, while providing more ethical and affordable alternatives for residents, as well as wider support around savings and money / debt advice and guidance to boost financial resilience. This work directly and most significantly benefits those who are socio-economically disadvantaged.

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
Local communities in general	X			<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance</p>	<p>Widespread comms and marketing plan run by the credit union, LBBD and partners to maximise uptake of the offer, build membership to the credit union and ensure those who need the service most are aware of it</p>
Age	X			<p>Possibility to targeting cohorts of a certain age with products i.e. automatically opening savings accounts for care leavers or children of a certain key stage – to build financial education from a young age.</p> <p>Potential challenge around access to the offer for elderly and digital excluded residents.</p> <p>As table 1 shows, the average ago of customers who tend to access subprime credit is 32-55 years old, meaning</p>	<p>Will engage early across the organisation and relevant service areas to discern where this possibility will be of greatest impact. Will use service user voice to help determine and shape provision</p> <p>We are asking the credit union to be digital by default, however it is also a requirement that the selected provider is able to deliver to those who are digitally excluded, ensuring elderly residents who are digitally excluded can still access.</p>

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			additional positive benefits anticipated for this cohort.	
Disability	X		<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance</p>	No foreseen specific impacts in terms of disability
Gender reassignment	X		<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance</p>	No foreseen specific impacts in terms of gender reassignment
Marriage and civil partnership	X		<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance. Possibility to implement bespoke savings products such as 'save for a wedding'</p>	Will engage early across relevant service areas to discern whether the possibility of 'save for a wedding' product would be helpful for the borough. Will use service user voice to help determine and shape provision.
Pregnancy and maternity	X		Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance. Possibility to access Child Benefit loans, to save and borrow specifically from your	Will engage early across the Benefits Team and relevant service areas to discern where this possibility will be of greatest impact. Will use service user voice to help determine and shape provision.

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			child benefit for your children	
Race (including Gypsies, Roma and Travellers)	X		<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance</p>	No foreseen specific impacts in terms of gender reassignment
Religion or belief		X	<p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance across religions.</p> <p>However, 'neutral' has been selected as Sharia and Islamic compliant finance prohibits earning or paying interest, having potential implications on the uptake of the offer in Muslim communities.</p>	<p>There is a fully Sharia compliant Credit Union operating across the Greater Manchester region, which we will use to research and model for equivalent provision in Barking & Dagenham.</p> <p>We will engage widely with the community on the design of the Community Banking offer, using existing spaces such as the Faith Forum to consult on this question.</p>
Sex	X		<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and money/debt advice and guidance</p>	No foreseen specific impacts in terms of sex
Sexual orientation	X		<p>Financial gains for households, associated uplift in wellbeing and more money kept in local economy</p> <p>Opportunity to access more affordable credit, fairer financial products/services and</p>	No foreseen specific impacts in terms of sexual orientation

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			money/debt advice and guidance	
Socio-economic Disadvantage	X		<p>Overall, Barking & Dagenham is a place of significant financial hardship, low average credit scores and, as a result, significant use of high interest credit. This work represents an attempt to intervene in the subprime credit market to reduce its dominance and adverse outcomes it generates, while providing more ethical and affordable alternatives for residents, as well as wider support around savings and money / debt advice and guidance to boost financial resilience. This work directly and most significantly benefits those who are socio-economically disadvantaged.</p> <p>As table 1 shows, those who are unemployed and have low household incomes c£15-16k are more likely to access subprime credit, meaning additional positive benefits for this cohort through Community Banking.</p>	<p>The whole essence of this work is to increase the financial security of those who are socio-economically disadvantaged.</p> <p>We are asking the credit union to be digital by default, however it is also a requirement that the selected provider is able to deliver to those who are digitally excluded.</p> <p>Appropriate pathways into Community Solutions and community support will be determined, to support those whose wider challenges need addressed, to ensure we tackle the root cause.</p>
Any community issues identified for this location?		X	N/A - This work relates to the whole borough and not a specific 'location'	

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 only consultation that has already taken place (as at December 2020) is internally within LBBD. This was an ‘Ideas Challenge’ where the purpose was to get initial and early views from staff within the council regarding what the community banking could look like i.e. what products or services could it include, how these could be linked into existing services, how the offer could be promoted, and how staff could be encouraged to save through the provision. This insight is being used to shape the design and implementation of the service, and to identify staff who are engaged and who could act as ‘champions’ within different areas. The outcomes / specific insights shared through this challenge are currently being read.

However, we recognise we need to engage much wider and plan to consult with community groups and residents in early 2021, which is currently being planned. We have 2 community representatives on the Project Board (Citizens Advice and DABD), who have been engaged early and will help guide community and resident consultation. Broadly, we anticipate community consultation will cover – what would encourage people to take up the offer, identifying any barriers to accessing and seeking views on how people think the offer could make a difference to their life. This all points towards shaping what the offer looks like, to ensure it genuinely reflects the needs and aspirations of the borough’s residents.

No potential problems are currently anticipated.

This EQIA will be updated as this consultation occurs, including the mitigating actions taken as a result.

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?
Review the EQIA in light of having carried out community consultation. This document will be updated with an overview of the consultation, its findings, any problems arising and how we aim to minimize the impact	April 2021	Katy Brown, Programmes and Strategy Officer, Community Solutions
Review the EQIA in light of service launch (estimated June/July 2021)	July 2021	Katy Brown, Programmes and Strategy Officer, Community Solutions
It is intended that the Community Bank will continually evolve and develop over time. Therefore the EQIA will be reviewed and monitored on a quarterly basis after the launch	October 2021, January 2021 etc	Katy Brown or relevant officer

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

The Borough Manifesto sets out the council’s commitment to empowering people and growing the borough inclusively, so everyone has the opportunity to live a healthy, safe and independent life. It identifies debt and financial insecurity as one of several complex challenges continuing to impact too many in Barking & Dagenham. A key strand of our Inclusive Growth Strategy relates to a cross-cutting theme around money, debt and poverty reduction. Increasing access to affordable credit and financial services through a Community Banking offer aligns with and builds on a range of activity already underway relating to debt, prevention and strengthening financial resilience, contributing both to this wider agenda as well as to other linked initiatives.

Two particular insights drive the borough’s desire to implement this offer. Firstly, Barking and Dagenham ranks 26th lowest out of 387 local authorities in terms of the credit scores of the local population. This has reduced from 35th place last year and is low enough for the borough to be classified as a ‘credit desert’ – a place where people are significantly excluded from access to mainstream credit. Secondly, conservative estimates suggest that 6,000 households take out approximately 20,000 loans at a total value of over £9.6 million each year. Due to high interest rates, the value of loans repaid is thought to total approximately £16.7 million. This means an estimated £7.3 million is lost from residents’ pockets each year through interest.

This is a significant challenge driving further poor financial outcomes that we must act to address. Working with a credit union to underpin a Community Banking offer, will increase access to more affordable credit and fairer financial services, linked into wider money and debt support and advice from Community Solutions and through the community.

Based on benefits realised elsewhere, it is predicted that this work could have significant return on investment. After 3 years, it is predicted that the borough could:

- Reach 4,500 new members
- Generate £2.7 million cost savings for local households
- Generate £11.4 million wider social, health and wellbeing impact
- Generate £1.7 million financial benefit for the local economy

Above all, the positive impact is really brought into focus when thinking about the benefits to the community. There will be increased access to credit and money to help cope with unexpected expenses and an array of savings and everyday finance products available to help people build savings, resilience and enable them to live healthier and more independent lives.

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
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COMMUNITY AND EQUALITY IMPACT ASSESSMENT	
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Rhodri Rowlands	Head of Programmes, Community Solutions	

CABINET**19 January 2021**

Title: Article 4 Direction – Removal of Permitted Development Rights for Upward Extensions on Certain Buildings	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: All wards	Key Decision: Yes
Report Author: Tim Thomas – Head of Transport, Infrastructure and Policy Planning, Be First	Contact Details: Tim.Thomas@befirst.london 07834 014334
Accountable Director: Caroline Harper – Chief Planning Director, Be First	
Accountable Strategic Leadership Director: Graeme Cooke, Director of Inclusive Growth	
Summary	
<p>New permitted development regulations, adopted from August 2020 onwards, grant the rights to extend various buildings upwards, including blocks of flats, dwellinghouses and commercial units, through the prior approval process.</p> <p>The prior approval process affords the local authority limited criteria set in law against which to examine proposals and only allows limited contributions to mitigate their impact on local infrastructure or ensure the provision of affordable housing through a S106 planning obligation. This will have a significant negative impact on local communities as their local services become strained from major developments which do not contribute to local infrastructure. The Council would also have no control on the design of these types of development, therefore undermining the Council's ambitions for improving the design quality of new developments within the Borough.</p> <p>To safeguard the future regeneration and growth of the Borough, it is proposed that the Cabinet approves the withdrawal of a specific set of permitted development rights within designated non-industrial areas of the Borough - in this case, the rights to build additional storeys on existing buildings - under Article 4 of the General Permitted Development Order (GPDO) 2015.</p> <p>This paper sets out the reasoning for the proposed removal of the permitted development right for additional storeys on certain buildings within specific areas of the London Borough of Barking and Dagenham and also considers how not withdrawing these permitted development rights could impact on the Borough's growth ambitions.</p>	
Recommendation(s)	
The Cabinet is recommended to:	

<p>(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</p> <p>(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.</p>
<p>Reason(s)</p> <p>To assist the Council to achieve its priorities of 'Inclusive Growth' and 'Well Run Organisation'.</p>

1. Introduction and Background

- 1.1 An Article 4 Direction is a direction under Article 4 of the General Permitted Development Order (GPDO), which enables the Secretary of State, or the Local Planning Authority, to withdraw specified permitted development (PD) rights across a defined area.
- 1.2 Provided that there is justification for both its purpose and extent, an Article 4 direction can:
- Cover an area of any geographic size, from a specific site to a local authority-wide area
 - Remove specified permitted development rights related to operational development or change of use
 - Remove permitted development rights with temporary or permanent effect.
- 1.3 The National Planning Policy Framework advises that the use of Article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the well-being of the area. A justification for the removal of the permitted development rights for additional storeys above certain buildings can be found within **Appendix 1** of this report.
- 1.4 The London Borough of Barking and Dagenham's draft Local Plan outlines a target to build 50,000 new homes and create 20,000 new jobs over the next 20 years. This, in itself, creates significant pressures for new and upgraded social infrastructure to support the delivery of new homes, along with the delivery of the types and tenures of new homes that reflect the needs of the local community.
- 1.5 The majority of new infrastructure will be funded through developer contributions, although not all necessary infrastructure can be funded this way and there will be tough choices on how the Borough will prioritise the necessary infrastructure to bring positive benefits to local communities from the delivery of new development. A framework to best manage these needs will be brought forward in the forthcoming Planning Obligations (Section 106) Supplementary Planning Document.

2. Proposal and Issues

2.1 The legal framework for the introduction of the new permitted development rights to add additional storeys on certain buildings is outlined in **Appendix 1**. In the context of the London Borough of Barking and Dagenham, these rights will create significant additional impacts over and above the existing pressures for infrastructure in the Borough, as the Council will only be able to secure limited contributions for new or improved infrastructure or affordable housing through a S106 agreement to mitigate their impact.

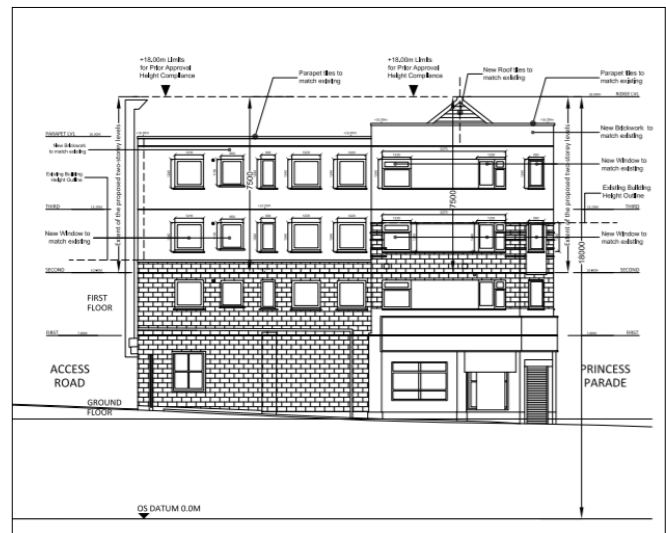
2.2 In addition, on 21 July 2020 the Government published a research paper into the quality of houses delivered through “change of use” permitted development rights that identified a number of concerns, including space standards, adequacy of natural light for occupiers, access to amenity space, the effects of surrounding land uses, and the mix of housing provided.

2.3 We are already seeing the types of development which will be coming forward through the new permitted development right through new prior approval applications, for example:

- An application at Princess Parade, Dagenham (20/02241/PRIADB) for the construction of two additional storeys on top of an existing terraced building to create 44 new units.



Existing side elevation

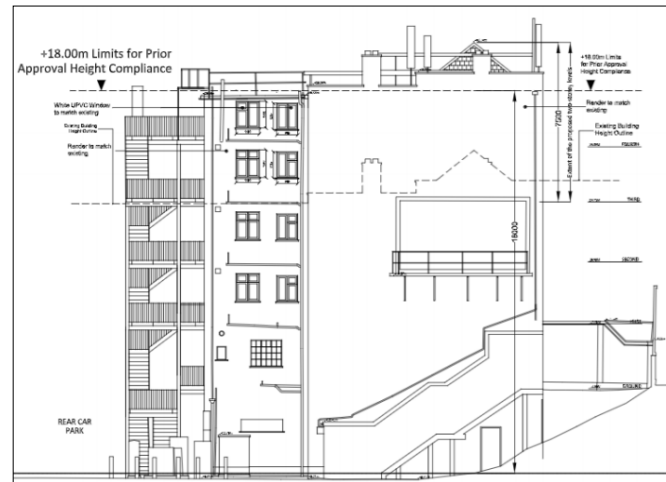


Proposed side elevation

- An application at Gale Street, Dagenham (20/02225/PRIADA) for the construction of two additional storeys on top of a detached dwelling to create 20 additional units.



Existing side elevation



Proposed side elevation

- 2.4 Our evidence suggests that the greatest impact of the permitted development right will be on existing residential areas and not on the industrial areas within the borough, therefore the Council should exempt industrial areas and focus on protecting our existing residential areas.
- 2.5 It is therefore proposed to use the Article 4 direction to remove the permitted development right for additional storeys on certain buildings within the residential areas of the Borough of Barking and Dagenham, excluding industrial areas as set out on a map prepared by Planning Policy. Industrial areas include Strategic Industrial Land and Locally Significant Industrial Sites as defined in the Local Plan. This will mitigate the significant impacts of these schemes on top of the large scale growth already planned for the area and to ensure that any such schemes can be properly supported by the planning system and benefit the wider community.
- 2.6 This will ensure that applications to add additional storeys to buildings within residential areas are considered through a full planning application, where planning officers can consider the local impact of high-density schemes on social infrastructure and secure the necessary financial contributions or new and upgraded infrastructure to mitigate any negative impacts.
- 2.7 Officers will also be able to negotiate the appropriate affordable housing, tenure and type of housing to reflect the needs of local communities and reduce the scope for poor quality residential accommodation which does not meet criteria such as Internal Space Standards. This will also ensure that the development is of a high standard of design and accords with local design standards.

3. Options Appraisal

3.1 The options for consideration here were:

- Do not implement an Article 4 direction in the Borough.
- Implement an immediate Article 4 direction in the Borough.

- Implement a non-immediate Article 4 direction in the Borough.

3.2 The first option is considered unviable for reasons outlined in paragraphs 2.1 – 2.5 above, which spell out the potential impact upon the Local Authority’s ability to deliver appropriate levels of infrastructure due the increased strain which this will place on the Borough’s finances.

3.3 The Council could implement an immediate Article 4 direction, following a statutory consultation of no less than 21 days. However, for a period of one year the Council are liable to compensate landowners affected by the Article 4 direction.

3.4 To avoid compensation payments, non-immediate Article 4 directions can be made which take effect at least one year from the date of issue. We recommend introducing a non-immediate Article 4 direction in this case.

4. Consultation

4.1 Prior to the Article 4 direction coming into effect, the Council must give notice of the proposed direction through local advertisements. It must also have a minimum of 2 site notices within the Borough for no less than 6 weeks. The notices will provide information on when the proposed direction will come into force, where members of the public can view the proposed notice and provide a period of at least 21 days where members of the public can submit any representations.

4.2 We will ensure that we engage with all relevant stakeholders and business groups so that they are aware of our proposals and that they have sufficient notice to submit their representations. We will also need to submit our proposed direction to the Secretary of State.

5. Financial Implications

Implications completed by Katherine Heffernan, Head of Service Finance

5.1 This report seeks authorisation for the withdrawal of a specific set of permitted development rights in the Borough. This could result in additional work and costs from assessing planning applications. However, the costs will be recovered through the charging of a fee for the application and so there should be no net direct impact on the Council or its subsidiaries.

5.2 The expected indirect financial implications for the Council are expected to be broadly beneficial as the new process should ensure that there is a full consideration of the net costs to the Council of developments and financial contributions are levied where required.

6. Legal Implications

Implications completed by Dr Paul Feild, Senior Governance Lawyer

6.1 The decision to make an Article 4 Direction is a Cabinet function as a Local Planning Authority policy decision. The NPPF advises that the use of Article 4 directions to remove national permitted development rights should be limited to

situations where this is necessary to protect local amenity or the well-being of the area.

- 6.2 The Town and Country Planning (General Permitted Development) Order 1995 (1995 Order) and the 22 instruments that have amended the 1995 Order is a general grant of planning permission by the Secretary of State for development in certain specified circumstances. The Town and Country Planning (General Permitted Development) (England) Order 2015 consolidates, for England, however these 'permitted developments' can be removed by a decision of the relevant Local Planning Authority, under Article 4 of the 1995 Order and thus require that such developments will need a formal planning application. The procedure to make the Article 4 Direction is set out in Schedule 3 of the 1995 Order.

7. Other Implications

- 7.1 **Corporate Policy and Equality Impact** – A full equality impact assessment has been conducted and is attached at Appendix 3.

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

List of appendices:

- **Appendix 1:** Article 4 Justification paper
- **Appendix 2:** Draft Article 4 Schedule
- **Appendix 3:** Equality impact assessment

Justification for Article 4 Direction – Additional storeys

19 January 2021

Introduction

1. This paper sets out the reasoning for the proposed removal of the permitted development right for additional storeys on certain buildings within the London Borough of Barking and Dagenham. It considers the wider national, regional and local planning policy context and how the permitted development would impact on the Borough's growth ambitions.
2. We have already seen several high-density schemes come forward through the permitted development right. The Council will not be able to secure any contributions to mitigate their impact on local infrastructure or ensure the provision of affordable housing through a S106 planning obligation. This will have a significant negative impact on local communities as their local services become strained from major developments which do not contribute to local infrastructure.
3. It is therefore deemed appropriate to introduce an article 4 direction to remove the permitted development right for additional storeys on certain buildings within designated non-industrial areas of the Borough in order to mitigate the significant impacts of these schemes on top of the significant growth already planned for the area.

Policy Context

4. The Town and Country Planning (Permitted Development and Miscellaneous Amendments) (England) (Coronavirus) Regulations 2020 came into force on 1 August 2020 and introduced:
 - A new Class A– 'New dwelling houses on detached blocks of flats' – which grants the right to extend purpose-built blocks of flats upwards by two additional storeys. The blocks of flats must consist of three storeys or more before the extension and cannot have a total height of 30 metres or more with the additional two storeys.
5. The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020 amended the GPDO and granted additional permitted development rights which came into force 31 August 2020 and introduced:
 - Classes AA and AB which permit new flats on detached buildings (AA) and terraced buildings (AB) which are in commercial or mixed use as shops, for financial and professional services, restaurants and cafes, offices, betting offices, pay day loan shops, or launderettes or in a mixed use combining one of those commercial uses with use as a dwellinghouse. For Class AA only, the building must already be three storeys in height, above ground level, to rely on the permitted development right.
 - Classes AC and AD which permit new flats on terraces (AC) or detached buildings (AD) which are in use as single dwellinghouses. In both cases the right is not permitted if the house has already been enlarged by the addition of one or more storeys above the original structure.

6. The new rights are subject to prior approval from the local planning authority and so an application must be made in each case. Matters which the local authority will consider include:
 - potential highways impacts
 - impact on neighbour and occupier amenity, including the extent to which the development would overlook others, invade privacy or curb natural light on other property
 - the external appearance of the building
 - the provision of adequate natural light in all habitable rooms of the new homes
 - the impact of noise from existing commercial premises on the intended occupiers of the new homes
 - impacts a taller building may have on air traffic and defence assets
 - the impact on protected vistas in London.

7. Each new permitted development right is subject to very specific conditions and limitations which must be carefully considered in each case. There are some common conditions which apply to all five classes:
 - the new dwellinghouses that are constructed must be flats;
 - the new rights only apply to buildings constructed between 1 July 1948 and 5 March 2018;
 - the rights will not apply to buildings in conservation areas or listed buildings;
 - engineering operations within the existing curtilage of the building to strengthen existing walls and foundations and to install services are permitted, along with replacement or installation of additional plant, construction of safe access and egress and construction of ancillary facilities if needed;
 - before development begins the developer must provide the local planning authority with a report for the management of the construction which sets out proposed construction hours and how adverse impacts of noise, dust, vibration and traffic on occupiers and adjoining owners will be mitigated;
 - the development must be completed within a period of three years starting with the date 'prior approval' is granted, and;
 - every dwellinghouse in the building must remain in use as a dwellinghouse and for no other purpose, although uses which are ancillary to the primary use as a dwellinghouse will be permitted.

8. The Council is required to make a decision on an application for prior approval within eight weeks. If a decision has not been made within eight weeks there is a right of appeal to the Secretary of State for non-determination of the prior approval application.

9. Local planning authorities are required to consult certain persons or bodies where specific impacts are identified. For example, should the local authority consider that there will be increased traffic as a result of the development, it must consult the relevant highway authority. Local authorities cannot take into account issues outside the scope of the prior approval process, such as the provision of local infrastructure or affordable housing. Should a prior approval application be submitted to the Council and meet all of the above requirements, planning permission will be granted and development can be started.

Impact

10. The Council has significant growth ambitions, with the draft Local Plan seeking to deliver 42,737 additional new homes by the year 2037. The Infrastructure Delivery Plan (2020) has identified the infrastructure needs of the borough and will assist the Council in securing the necessary financial contributions from Section 106 planning obligation agreements to ensure that any new development coming forward provides the necessary schools, hospitals and transport to support the increase in new homes. All developments will also

need to ensure that they reflect the housing needs of the local communities through the correct range of housing types and tenures, including the provision of affordable housing.

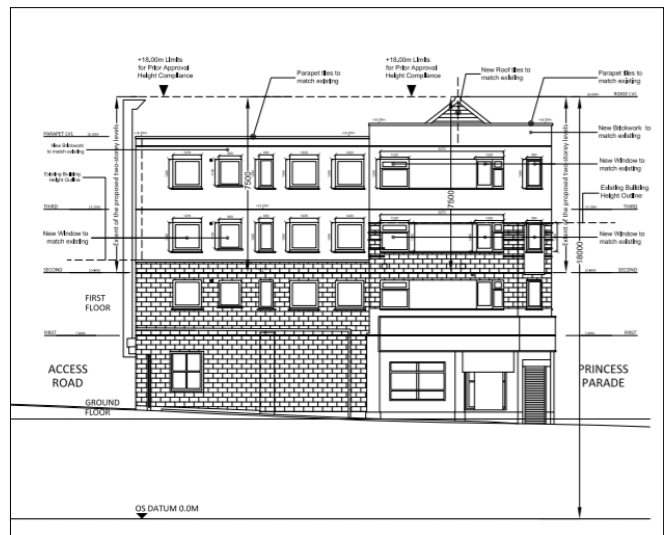
11. As the prior approval application process only considers a limited range of issues, the Council will be limited in its ability to secure contributions to mitigate the impact of the development on local infrastructure or ensure the provision of affordable housing through a S106 planning obligation. This will have a significant negative impact on local communities as their local services become strained from major developments which do not contribute to local infrastructure. It will also lead to poor quality development as the Council will not be able to apply its local design standards.

12. We are already seeing the types of development which will be coming forward through the new permitted development right through new prior approval applications with 9 applications already submitted, for example:

- An application at Princess Parade, Dagenham (20/02241/PRIADB) for the construction of two additional storeys on top of an existing terraced building to create 44 new units.



Existing side elevation



Proposed side elevation

- An application at Gale Street, Dagenham (20/02225/PRIADA) for the construction of two additional storeys on top of a detached dwelling to create 20 additional units.



Existing side elevation



Proposed side elevation

13. As more of these developments come forward, there will be further impacts on local infrastructure and a loss of affordable housing. It would also significantly undermine the Council's strategy for delivering high-quality designed buildings and places. The Council has an opportunity to remove these permitted development rights within designated non-industrial areas of the borough through an Article 4 Direction. This would mean that applications for additional storeys for certain buildings would be considered under a full planning permission to consider issues relating to the development rather than a set criteria. It would also mean that the Council could seek financial contributions to mitigate the impact of the development on local infrastructure and can seek the provision of affordable housing through a Section 106 agreement.

Article 4 Direction

14. An article 4 direction is a direction under article 4 of the General Permitted Development Order which enables the Secretary of State or the local planning authority to withdraw specified permitted development rights across a defined area. The National Planning Policy Framework advises that the use of Article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the well-being of the area.
15. Provided that there is justification for both its purpose and extent, an article 4 direction can:
- cover an area of any geographic size, from a specific site to a local authority-wide area
 - remove specified permitted development rights related to operational development or change of use
 - remove permitted development rights with temporary or permanent effect
16. An article 4 direction only means that a particular development cannot be carried out under permitted development and therefore needs a planning application. This gives a local planning authority the opportunity to consider a proposal in more detail.
17. Article 4 directions may be made and implemented immediately (following a period of statutory consultation of no less than twenty-one days), in which case for a one year period local authorities are liable to compensate landowners affected by the Article 4.
18. To avoid compensation payments, non-immediate Article 4 directions can be made which take effect at least one year from the date of issue. We are intending to introduce a non-immediate Article 4 direction in this case.

Policy background

National

19. The National Planning Policy Framework states that the planning system has a key purpose of delivering sustainable development. Achieving sustainable development means the planning system has three objectives: economic, social and environmental. This means the identification and coordination of infrastructure, ensuring there are a sufficient number and range of homes to meet the needs of present and future generations, and making effective use of land.
- Paragraph 59 sets out that the Government's objective is to significantly increase the supply of new homes and that the needs of groups with specific housing requirements are addressed.

- Paragraph 61 also sets out that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. Paragraph 62 makes clear that affordable housing should be met on-site unless a financial contribution has been agreed or that the agreed approach contributes to mixed and balanced communities.
- Paragraph 92 sets out the need for providing social, recreational and cultural facilities in new developments and ensure that there is an integrated approach in considering the location of housing economic uses and community facilities and services.
- Paragraph 124 states that the creation of high-quality buildings and places is fundamental to what the planning and development process should achieve. Paragraph 130 also states that permission should be refused for development of poor design that fails to take into account any local design standards or style guides in plans or supplementary planning documents.

Regional

20. The Mayor of London has sought a significant increase in the number of homes across London in the current London Plan and the Intend to Publish London Plan. However, the Mayor has also made clear that this must be with the appropriate range of types and tenures of housing, including affordable housing, and the necessary supporting social infrastructure. The Mayor is also seeking a programme of Good Growth, which means new development should benefit everyone who lives in London and should be environmentally sustainable and physically accessible.

London Plan 2016

- Policy 3.5 Quality and design of housing developments states that housing developments should be of the highest quality internally, externally and in relation to their context and to the wider environment.
- Policy 3.8 Housing Choice sets out that Londoners should have a genuine choice of homes that they can afford and meet their requirements for different sizes and types of dwellings in the highest quality environments.
- Policy 3.11 Affordable Housing Targets sets out that boroughs, agencies and partners should seek to maximise affordable housing provision and ensure an average of at least 17,000 more affordable homes per year in London over the term of the Plan.
- Policy 3.16 Protection and Enhancement of Social Infrastructure seeks additional and enhanced social infrastructure provision to meet the needs of its growing and diverse population.

Publication London Plan (2020)

- Policy D6 Housing quality and standards states that housing development should be of high-quality design and provide adequately-sized rooms with comfortable and functional layouts which are fit for purpose and meet the needs of Londoners without differentiating between tenures.
- Policy H4 Delivering affordable housing seeks a strategic target of 50% of all new homes to be genuinely affordable or provide affordable housing off-site or a cash in-lieu contribution.
- Policy H10 Housing size and mix seeks a range of unit sizes from new developments to delivery mixed and inclusive neighbourhoods.
- Policy S1 Developing London's social infrastructure sets out that development proposals which provide high quality, inclusive social infrastructure that addresses local or strategic need and supports service delivery strategies should be supported.

Local

21. The existing and emerging Local Plan has aligned with the London Plan in meeting the increase in new homes whilst delivering the supporting social infrastructure, ensuring the housing mix meets local needs and also addressing specific local issues such as the protection of family sized housing.

Barking and Dagenham Local Plan (2010)

- Policy CP3 High quality built environment seeks that all development proposals will be expected to achieve high quality standards in relation to the design and layout of new buildings and spaces.
- Policy CC1: Family Housing seeks a range of accommodation types and sizes on new developments with 40% of developments above 10 units to provide larger family sized units (3 to 4 bedrooms or larger).
- Policy CC2: Social Infrastructure to Meet Community Needs aims to maintain and improve community wellbeing by protecting, retaining and enhancing existing community facilities. It seeks major developments to contribute towards any additional need for community facilities arising from them.
- Policy CC3: Achieving Community Benefits Through Developer Contributions seeks to achieve sustainable growth and to maximise the quality and contribution of new developments by securing contributions towards community benefits such as affordable housing, education facilities and health care facilities.

Draft Barking and Dagenham Local Plan (2020)

- Policy SP2: Delivering a well-designed, high quality and resilient built environment seeks to promote high-quality design, providing a safe, convenient, accessible and inclusive built environment and interesting public spaces and social infrastructure for all.
- Policy SP3: Delivering the homes that meet people's needs seeks the maximum reasonable amount of affordable housing to be secured from new developments and ensures development does not undermine the supply of self-contained housing, in particular family housing.
- Policy DMH1: Affordable Housing seeks all developments with capacity to provide 10 or more units to meet an overarching 50% of on-site affordable housing target, by applying the threshold and viability approach set out in the Mayor of London's policy guidance. Policy DMH2: Housing Mix seeks a range of unit sizes from new developments, including larger family homes.
- Policy SP4: Delivering social and cultural infrastructure facilities in the right locations seeks a range of high quality social and cultural infrastructure facilities for existing and new residents in appropriate locations by securing planning obligations.

Justification for Article 4 Direction

22. The London Borough of Barking and Dagenham has significant growth ambitions. In order to achieve this, it has created a pioneering urban development company, Be First, which has been provided an overall target of delivering 50,000 new homes and 20,000 new jobs. This will create significant pressures for new and upgraded social infrastructure to support the delivery of new homes, along with the delivery of the types and tenures of new homes that reflect the needs of the local community.
23. The majority of this will be funded through financial contributions from new development, although due to the existing weak land values not all of the necessary infrastructure can be funded through this way and there will be tough choices on how the borough will prioritise

the necessary infrastructure to bring positive benefits to local communities from the delivery of new homes.

24. The Prime Minister's Foreword to the Planning White Paper (2020) stated that they are seeking a planning system that "makes it harder for developers to dodge their obligations to improve infrastructure". However, the introduction of the new permitted development for additional storeys on certain buildings will create significant additional impacts over and above the existing pressures for infrastructure as no financial contributions or affordable housing can be secured to mitigate its impact.
25. The Government's own impact assessment on the new permitted development right concluded that there may be greater costs for the local authority arising from extra pressure on local infrastructure and public services if there is a greater number of residents. It also concluded that a lack of developer contributions may leave funding gaps for the local authority to fill.
26. A Royal Institution of Chartered Surveyors (RICS) study in May 2015 on the extension of permitted development rights for office to residential conversions found that in just five local authorities they may have lost £10.8m in planning obligations and 1,667 affordable housing units from approved conversions, as opposed to the more conventional planning permission route. It also criticised the small homes that were delivered which were below nationally described space standards.
27. This was also the finding of the Government's Building Better, Building Beautiful Commission whose final report, "Living with Beauty" published 30 January 2020, concluded that 'there are no contributions towards local social or physical infrastructure via negotiable Section 106 agreements' and that 'Community Infrastructure Levy is not increased to compensate for this and developments may well create costs for local authorities'.
28. In addition, on 21 July 2020 The Government published a research paper into the quality of houses delivered through "change of use" permitted development rights that identified a number of concerns, including space standards, adequacy of natural light for occupiers, access to amenity space, the effects of surrounding land uses, and the mix of housing provided.
29. Barking and Dagenham is a combination of distinct places comprising of various building typologies and character areas relating to the historic growth of the borough. These include the Becontree Estate which has both historical and architectural significance (nationally and locally), as such it is particularly important that new development is subject to full planning design scrutiny in order to protect and preserve their unique character.
30. Strategic Policy SP2 of the Draft Barking and Dagenham Local Plan (2020) emphasises the importance of high-quality design and the need to recognise local character, adopting a design-led approach to development and site potential by responding positively to local distinctiveness and site context.
31. It is expected that all new development should make a positive contribution to the character of the surrounding area. Development proposals which fail to deliver high-quality design, and/or respond poorly to local context are typically refused planning permission. Unlike applications which are subject to full planning scrutiny the newly extended Permitted Development rights for additional storeys allow only for limited design scrutiny.

32. Given the visibility and prominence of upward extensions which to date have been proposed for the existing highest buildings within local Neighbourhood Centres, it is important that full planning scrutiny is given to their design, external appearance and impact on the wider streetscene and character of the area.
33. Much of Barking and Dagenham comprises of traditional suburban 2 storey terraced and semi-detached housing, the design and uniformity of which is a characteristic feature synonymous with the character and identity of the borough. The upward extension of random individual properties within a typical streetscene extending beyond the established roofline would negatively impact on local character and appearance, i.e. appearing as alien interventions at odds with and unrelated to neighbouring dwellings. Similarly, the upward extension of larger blocks within local Neighbourhood and District Centres would in most cases adversely compromise the character and feel of these places.
34. As referred to in the Government's own report into the quality of houses delivered through change of use permitted development rights, this could create the worse quality residential living environments within the borough, which would fall below the amenity standards safeguarded by full planning assessment. This would thereby negatively impact on the health and well-being of residents. These aspects are often related to the internal configuration and conflicting uses of neighbouring schemes alongside external design and access issues.
35. In accordance with the aims and objectives of the National Design Guide (2019) our ambition is for well-designed new development that is influenced by and responds positively to local context in order to retain a strong sense of local identity and sense of place.
36. Our evidence suggests that the greatest impact of the permitted development right will be on existing residential areas and not on the industrial areas within the borough, therefore the Council should exempt industrial areas and focus on protecting our existing residential areas.
37. It is therefore proposed to use the Article 4 direction to remove the permitted development right for additional storeys on certain buildings within the residential areas of the Borough of Barking and Dagenham, excluding industrial areas as set out on a map prepared by Planning Policy. Industrial areas include Strategic Industrial Land and Locally Significant Industrial Sites as defined in the Local Plan. This will mitigate the significant impacts of these schemes on top of the large scale growth already planned for the area and to ensure that any such schemes can be properly supported by the planning system and benefit the wider community.
38. This will ensure that applications for additional storeys are considered through a full planning application where officials can consider the local impact of high density schemes on social infrastructure and secure the necessary financial contributions for new and upgraded infrastructure to mitigate any negative impacts. Officials will also be able to negotiate the appropriate affordable housing, tenure and type of housing to reflect the needs of local communities and ensure the highest quality of design.

Conclusion

39. National, regional and local planning policies are clear that the purpose of the planning system is not only to significantly increase the delivery of new homes but also to ensure that homes are supported by the necessary social infrastructure and the types and tenures of housing to create sustainable communities.

40. The new permitted development right for additional storeys on certain buildings has the potential to bring forward high density schemes, as seen by the developments already coming forward in the borough. This would create additional pressures for infrastructure and services on top of the growth ambitions that the Council is seeking to bring forward. It would also significantly undermine the Council's strategy for delivering high-quality designed buildings and places.
41. The Council would be unable to mitigate these pressures through a S106 planning obligation and would not be able to finance the necessary infrastructure or affordable housing required to make the scheme acceptable. Removing these permitted development rights within existing residential areas would therefore be appropriate within the local context of Barking and Dagenham to ensure that these schemes can be properly supported by the planning system and benefit the wider community. It would also provide the Council with more control over the type and tenure of housing that is delivered as well as ensuring that they have high-quality design.

Be First Planning Policy Team

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TOWN AND COUNTRY PLANNING ACT 1990

DIRECTION UNDER ARTICLE 4(1) OF THE TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015 (AS AMENDED) IN RELATION TO THE LONDON BOROUGH OF BARKING AND DAGENHAM.

WHEREAS

The Council of the London Borough of Barking and Dagenham being the local planning authority for the said Borough are satisfied that it is expedient that development of the descriptions set out in the Schedule hereto should not be carried out on any land within the area shown in the plan annexed hereto (“the Land”) unless permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

NOW THEREFORE the said Council in pursuance of the powers conferred upon them by Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), HEREBY DIRECT that the permission granted by Article 3 of the said Order shall not apply to development on the said Land of the descriptions set out in the Schedule hereto.

THIS DIRECTION is made under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) and shall remain in force until XXXX (being six months from the date of this direction) and shall then expire unless it has been confirmed by the London Borough of Barking and Dagenham before the end of the six month period.

THE SCHEDULE

- (a) Class A of part 20 of Schedule 2, consisting of the construction of new dwellinghouses on detached blocks of flats;
- (b) Class AA of part 20 of Schedule 2, consisting of the construction of new dwellinghouses on detached buildings in commercial or mixed use;
- (c) Class AB of part 20 of Schedule 2, consisting of the construction of new dwellinghouses on terrace buildings in commercial or mixed use;
- (d) Class AC of part 20 of Schedule 2, consisting of the construction of new dwellinghouses on terrace buildings in use as dwellinghouses;
- (e) Class AD of part 20 of Schedule 2, consisting of the construction of new dwellinghouses on detached buildings in use as dwellinghouses.

This Article 4 Direction pursuant to Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) shall come into force on XX January 2022.

DATED this XX day of January 2021.

The Common Seal of XXXX was
hereunto affixed in the Presence of:

Authorised Officer

**DIRECTION UNDER ARTICLE 4(1) OF THE TOWN AND COUNTRY PLANNING
(GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015 (AS AMENDED) IN
RELATION TO THE LONDON BOROUGH OF BARKING AND DAGENHAM. THE AREA
AFFECTED BY THE DIRECTION IS SHOWN BELOW.**

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	Article 4 Direction – Additional storeys for certain buildings
Lead Officer	Alex Philpott Alex.Philpott@befirst.london
Contact Details	Frances Odikasigbue Frances.Odikasigbue@befirst.london

Why is this service or policy development/review needed?
<p>The Town and Country Planning (Permitted Development and Miscellaneous Amendments) (England) (Coronavirus) Regulations 2020 came into force on 1 August 2020 and introduced:</p> <ul style="list-style-type: none"> • A new Class A– 'New dwelling houses on detached blocks of flats' – which grants the right to extend purpose-built blocks of flats upwards by two additional storeys. The blocks of flats must consist of three storeys or more before the extension and cannot have a total height of 30 metres or more with the additional two storeys. <p>The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020 amended the GPDO and granted additional permitted development rights which came into force 31 August 2020 and introduced:</p> <ul style="list-style-type: none"> • Classes AA and AB which permit new flats on detached buildings (AA) and terraced buildings (AB) which are in commercial or mixed use as shops, for financial and professional services, restaurants and cafes, offices, betting offices, pay day loan shops, or launderettes or in a mixed use combining one of those commercial uses with use as a dwellinghouse. For Class AA only, the building must already be three storeys in height, above ground level, to rely on the permitted development right. • Classes AC and AD which permit new flats on terraces (AC) or detached buildings (AD) which are in use as single dwellinghouses. In both cases the right is not permitted if the house has already been enlarged by the addition of one or more storeys above the original structure. <p>As the prior approval application process only considers a limited range of issues, the Council will not be able to secure any contributions to mitigate the impact of the development on local infrastructure or ensure the provision of affordable housing through a S106 planning obligation. This will have a significant negative impact on local communities as their local services become strained from major developments which do not contribute to local infrastructure.</p> <p>The Council has an opportunity to remove these permitted development rights within specific areas of the borough through an Article 4 Direction. This would mean that applications for additional storeys for certain buildings would be considered under a full planning permission to consider issues relating to the development rather than a set criteria. It would also mean that the Council could seek financial contributions to mitigate the impact of the development on local infrastructure and can seek the</p> <p>Provided that there is justification for both its purpose and extent, an article 4 direction can:</p> <ul style="list-style-type: none"> • cover an area of any geographic size, from a specific site to a local authority-wide area • remove specified permitted development rights related to operational development or change of use • remove permitted development rights with temporary or permanent effect

Why is this service or policy development/review needed?

To avoid compensation payments, non-immediate Article 4 directions can be made which take effect at least one year from the date of issue. We are intending to introduce a non-immediate Article 4 direction in this case.

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.

Introduction

The Council recognises the importance of considering equality and diversity issues in all aspects of its work. The Borough has a duty under the Equalities Act 2010 to undertake an Equality Impact Assessment (EqIA) on the proposed Article 4 Direction. The Equalities Act 2010 protects people from discrimination on the basis of certain protected characteristics, namely: age, disability, ethnicity, gender, gender reassignment, marriage & civil partnership, pregnancy & maternity status, religion & belief and sexual orientation. The Council also aims to interrogate disproportionate impact on people on the basis of Socio-economic status.

The purpose of this document is to ensure that all policies are evaluated in terms of their potential impact, both positive and negative, on the Borough's diverse population. Where negative impacts are anticipated, the EqIA can recommend methods to avoid discriminatory or negative consequences of any proposed policy on any particular group.

1. Demographics

During this century Barking and Dagenham has become one of the fastest-changing communities in Britain:

- Between the 2001 and 2011 censuses the population rose from 164,000 to 186,000 and is projected by the Office for National Statistics (ONS) to rise to 228,000 people by 2043. The most recently available provisional population estimate from ONS is 212,906 as at 30 June 2019.

- The age of the community is changing with the highest birth rate in London, and a large number of young people – Barking and Dagenham has the highest proportion of under 16-year olds in the UK.
- The borough becomes more diverse each year – the proportion of the population identifying as coming from black and minority ethnic backgrounds increased from 19.1% to 50.5% between the 2001 and 2011 censuses, whilst those identifying as White British reduced from 80.9% to 49.5%. Ethnic projections available from the GLA forecast 66% of the borough population identifying as coming from black and minority ethnic backgrounds in 2020 compared to 34% identifying as White British.

People in the borough die earlier, have poorer health and lower levels of education and skills than across London whilst too many residents are in low paid work and struggle to find suitable homes they can afford. Barking and Dagenham had the highest overall deprivation score in London according to the 2019 indices of deprivation published by the Ministry for Housing, Communities and Local Government (MHCLG).

According to the latest ONS data, 16.9% of Barking and Dagenham residents aged 16-64 years were EA core, or work-limiting disabled as at December 2019 (ONS, 2020).

More nationalities, cultures and faiths are represented than ever before. The 2011 Census which showed 18.7% of the population aged 3 and over did not have English as their first language with 3.6% unable to speak English well or at all. More recent data taken from the council's latest School Census as at January 2020 shows that the main household language for 51.4% of pupils in Barking and Dagenham was not English (LBBB School Census January 2020).

Diversity is an asset and a strength but it also brings challenges. As a commissioner and provider of public services we must keep up-to-date with demographic changes and adapt our approach to meet the needs and expectations of our residents. We must value diversity and understand that residents are individuals. As such we must evolve how we plan and deliver services that are inclusive, accessible, outcomes focussed, and personalised.

The Council is committed to putting equalities at the heart of what it does, and it is imperative that we consider the impact of the proposed Article 4 Direction on every member of the Borough's diverse community.

2.1 Age

As of mid-2019, the total population of the Borough is estimated to be 212,906.

Barking and Dagenham has the highest proportion of children of all London boroughs, with 57,981 children (aged between 0 and 15) or 27.2% of the total population. This is higher than both the Greater London average (20.6% of total population) and the UK average (19% of total population).

135,145 people are of working age (between 16 and 64) or 63.5% of the total population. This is lower than the London average (67.4% of total population) but is in line with the UK average (62.5% of total population)

19,780 people are of retirement age (65 and older) or 9.3% of the total population. This is slightly lower than the London average (12.1% of total population) and substantially lower than the national average (18.5% of total population).¹

2.2 Disability

In 2020 approximately 9,030 people (16-64 years) were claiming disability allowance.²

In 2017, Barking and Dagenham had the 3rd highest proportion of working-age residents economically inactive due to long-term illness or disability London, at 5.8% or 1 in 17.³

2.3 Gender

Revised estimates for mid-2019 indicate 49.7% (105,877) of the population identifies as male and 50.3% (107,029) identifies as female.⁴

2.4 Gender reassignment

We estimate that there may be approximately 40 people in the Borough who have or who will undergo gender reassignment.⁵ Data regarding members of the Trans* community in the Borough who have not or do not intend to undergo medical transition is currently unavailable.

2.5 Pregnancy and maternity status

In 2018, there were 20.3 pregnancies per 1,000 women under the age of 18. This is substantially higher than both the London average (17.1 per 1,000) and the national average (18.8 per 1,000). This was the second highest rate in London, although the long-term trend of annual numbers of teen pregnancies has been decreasing steadily in the Borough.⁶

2.6 Marriage and civil partnership

It is estimated that 41.9% of the population aged 16 and above are married, 38.8% are single and never married, and 0.2% are in a same-sex civil partnership. In 2011, Barking and Dagenham ranked in 17th highest proportion of residents in London aged 16 and above who were not married or in a civil partnership.⁷ Formalisations for opposite sex civil partnerships took place in 2019, there are currently no available statistics on this for the Borough.

2.7 Ethnicity

GLA projections suggest that, as of 2019, 47% of Barking and Dagenham's population is White, 23% is Black, 23% is Asian, 5% is Mixed and 2% is Other. However, within these broad groupings, there is a large amount of diversity. The three largest sub-categories are White British (35%), Black African (18%) and Other White (11%). Since the 2011 census, the proportion of White ethnic groups has decreased (58.3% in 2011), and the total numbers of BME has increased (from 41.7% in 2011). These trends are predicted to continue, as Asian

¹ Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2019, ONS

² DWP Nomis 2020

³ Joint Strategic Needs Assessment 2018 London Borough of Barking and Dagenham

⁴ Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2019, ONS

⁵ Gender Identity Research and Education Society advice (2016)

⁶ Joint Strategic Needs Assessment 2018

⁷ 2011 Census

and Black ethnic groups are projected to increase by 2023, whereas White ethnic groups are predicted to decrease.⁸

Ethnic Group	2011 census		
White: British	49.46%	White: Total	58.30%
White: Irish	0.93%		
White: Gypsy or Irish Traveller	0.1%		
White: Other	7.81%		
Asian or Asian British: Indian	4%	Asian or Asian British: Total	15.92%
Asian or Asian British: Pakistani	4.31%		
Asian or Asian British: Bangladeshi	4.14%		
Asian or Asian British: Chinese	0.71%		
Asian or Asian British: Other	2.76%		
Black or Black British: African	15.43%	Black or Black British: Total	19.98%
Black or Black British: Caribbean	2.81%		
Black or Black British: Other	1.74%		
Mixed: White and Black Caribbean	1.44%	Mixed heritage: Total	4.24%
Mixed: White and Black African	1.14%		
Mixed: White and Asian	0.67%		
Mixed: Other	0.99%		
Other: Arab	0.52%	Other: Total	1.57%
Other: Any other ethnic group	1.04%		
		BAME total:	41.70%

2.8 Religion or belief⁹

According to the 2011 census, 56% of the population identify as Christian, 13.7% identify as Muslim, and 18.9% identify with no religion.

	Christia n	Muslim	Hindu	Sikh	Jewis h	Buddhi st	Other Religio n	No Religio n	Religio n not Stated
Barking and Dagenha m	56%	13.73 %	2.4%	1.59 %	0.23 %	0.45%	0.29%	18.88 %	6.44%
Greater London	48.42%	12.39 %	5.03 %	1.54 %	1.82 %	1%	0.59%	20.73 %	8.47%
UK	59.5%	4.4%	1.3%	0.7%	0.4%	0.4%	0.4%	25.7%	7.2%

⁸ GLA 2016-based ethnic group projections (housing-led).

⁹ 2011 Census

2.9 Sexual Orientation

Between 10,000 – 14,000 people in Barking and Dagenham identify as lesbian, gay and bisexual.¹⁰

3 Article 4 Direction

The Council has significant growth ambitions, with the draft Local Plan seeking to deliver 42,737 additional new homes by the year 2037. The Infrastructure Delivery Plan (2020) has identified the infrastructure needs of the borough and will assist the Council in securing the necessary financial contributions from Section 106 planning obligation agreements to ensure that any new development coming forward provides the necessary schools, hospitals and transport to support the increase in new homes. All developments will also need to ensure that they reflect the housing needs of the local communities through the correct range of housing types and tenures, including the provision of affordable housing.

As the prior approval application process only considers a limited range of issues, the Council will not be able to secure any contributions to mitigate the impact of the development on local infrastructure or ensure the provision of affordable housing through a S106 planning obligation. This will have a significant negative impact on local communities as their local services become strained from major developments which do not contribute to local infrastructure. It would also mean that the Council will be unable to have an influence on the type, tenure or size of new dwellings in order for them to reflect the needs of local communities.

We are already seeing the types of development which will be coming forward through the new permitted development right through new prior approval applications, for example:

- An application at Princess Parade, Dagenham (20/02241/PRIADB) for the construction of two additional storeys on top of an existing terraced building to create 44 new units.
- An application at Gale Street, Dagenham (20/02225/PRIADB) for the construction of two additional storeys on top of a detached dwelling to create 20 additional units.

As more of these developments come forward, there will be further impacts on local infrastructure and a loss of affordable housing.

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			By ensuring that these types of development are considered through a full planning application we can ensure that the type, tenure and size of new dwellings reflect the needs of local communities. We would	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.

¹⁰ Stonewall estimates

			also be able to secure contributions to local infrastructure and affordable housing which will provide positive benefits for the local community.	
Age	X		By ensuring that these types of development are considered through a full planning application we can ensure that the type, tenure and size of new dwellings reflect the needs of local communities. We would also be able to secure contributions to local infrastructure and affordable housing which will provide positive benefits for the local community.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Disability	X		By ensuring that these types of development are considered through a full planning application we can ensure that the type, tenure and size of new dwellings reflect the needs of local communities. We would also be able to secure contributions to local infrastructure and affordable housing which will provide positive benefits for the local community.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Gender reassignment		X	No perceived impact.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Marriage and civil partnership		X	No perceived impact.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.

Pregnancy and maternity		X		No perceived impact.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Race (including Gypsies, Roma and Travellers)	X			By ensuring that these types of development are considered through a full planning application we can ensure that the type, tenure and size of new dwellings reflect the needs of local communities. We would also be able to secure contributions to local infrastructure and affordable housing which will provide positive benefits for the local community.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Religion or belief		X		No perceived impact.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Sex	X			By ensuring that these types of development are considered through a full planning application we can ensure that the type, tenure and size of new dwellings reflect the needs of local communities. We would also be able to secure contributions to local infrastructure and affordable housing which will provide positive benefits for the local community.	. The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
Sexual orientation		X		No perceived impact.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.

Socio-economic Disadvantage	X		By ensuring that these types of development are considered through a full planning application we can ensure that the type, tenure and size of new dwellings reflect the needs of local communities. We would also be able to secure contributions to local infrastructure and affordable housing which will provide positive benefits for the local community.	The Council will be able to influence any proposed development to meet the needs of local communities through the determination of a full planning application.
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2. Consultation.

<p>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.</p> <p>If you have already undertaken some consultation, please include:</p> <ul style="list-style-type: none"> • Any potential problems or issues raised by the consultation • What actions will be taken to mitigate these concerns
<p>Prior to the article 4 direction coming into effect, the Council must give notice of the proposed direction through local advertisements. It must also have a minimum of 2 site notices within the borough for no less than 6 weeks. The notices will provide information on when the proposed direction will come into force, where members of the public can view the proposed notice and provide a period of at least 21 days where members of the public can submit any representations.</p> <p>We will ensure that we engage with all relevant stakeholders and business groups so that they are aware of our proposals and that they have sufficient notice to submit their representations. We will also need to submit our proposed direction to the Secretary of State.</p>

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?
It is requirement for a local authority to produce an Authority Monitoring Report (<u>Section 113 of the Localism Act 2011</u>). This amends Section 35 of the 2004 Planning and Compulsory Purchase Act which	Winter 2021	Principal Planning Officer (Alex Philpott)

<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>		
<p>previously required Local Planning Authorities to submit an Annual Monitoring Report to the Secretary of State. The Localism Act removes this requirement but retains the need for local authorities to produce a monitoring report for public consumption. The Authority Monitoring Report will be used to present the Council's delivery of housing including the type and tenure that has been provided. It will also include information on what has been secured through a S106 planning obligation.</p>		

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 proposed Article 4 Direction to remove the permitted development rights for upwards extensions on certain buildings will ensure that each proposal is considered through a full planning application. This will enable the Council to influence the type, size and tenure of housing that will be coming forward so that it reflects the needs of local communities. It will also ensure that the Council is able to secure contributions towards local infrastructure and affordable housing in order to mitigate any harmful impacts that new development might have on local communities.</p> <p>The assessment of the impact of the Article 4 Direction has found that the policies are anticipated to have a positive or neutral impact on groups with protected characteristics as defined by the Equalities Act 2010. Local communities are expected to benefit from the proposed increase in net affordable housing and access to social infrastructure. They are also expected to benefit from a range of types and sizes of housing which the Council will be able to influence, such as family sized housing and housing for groups with specific needs such as those with disabilities.</p> <p>With regard to the protected characteristics of gender reassignment, marriage and civil partnership and sexual orientation, the impact of the Article 4 Direction has been assessed as neutral.</p> <p>There will be an opportunity for members of the public and business to comment on the proposed Article 4 Direction before it comes into force. The comments will be considered in</p>

order to take further mitigating actions which may be required.

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
Will Donovan	Policy and Participation Officer	10/12/2020
Tim Thomas	Head of Transport, Infrastructure and Policy Planning, Be First	10/12/2020

CABINET

19 January 2021

Title: Independent Review of the Fire at Samuel Garside House, Barking	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Ross Graham, Strategy & Commissioning Officer – Inclusive Growth	Contact Details: E-mail: ross.graham@lbbd.gov.uk
Accountable Strategic Leadership Director: Graeme Cooke, Inclusive Growth	
<p>Summary</p> <p>In February 2020, the Council commissioned Sir Steve Bullock to lead an independent review of the events and aftermath of the fire at Samuel Garside House, Barking Riverside, in June 2019. This report has now been completed and is attached at Appendix 1.</p> <p>The recommendations are included in full at paragraph 2.3 of this report and section 3 of Appendix 1. Key recommendations for building safety include:</p> <ul style="list-style-type: none"> • Local Authorities should have the power to declare a ‘Local Housing Emergency’ situation for an initial 30 days during which they can take all necessary actions, including to reclaim costs incurred from the responsible building owners; • Freeholders of residential buildings should lodge a ‘Statement of Ownership’ with the Land Registry setting out the organisations which hold leases and subleases down to, but not including, leases for individual properties and indicating the ultimate ownership of those organisations; • Subject to the final provisions of the Building Safety Bill when enacted, local authorities should have enhanced enforcement powers for buildings below 18 metres which match those of the Building Safety Regulator for buildings over 18 metres; • All residents should receive an annual statement of responsibilities for their home and the building of which it is part. <p>Should Cabinet endorse the findings and recommendations of the report, the Leader and Cabinet Members will work alongside the report authors in lobbying Government to implement these recommendations.</p> <p>At January Assembly, Members will consider a related issue. A motion will be brought from the Cabinet Member for Regeneration and Social Housing proposing that the Council signs up to the End our Cladding Scandal Campaign, a grassroots campaign asking Government to fund remediation works for buildings found to have unsafe cladding and other safety defects.</p>	

Recommendation(s)

Cabinet is recommended 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.

Reason(s)

Endorsing this review report contributes to the Council's ambitions for Inclusive Growth by supporting recommendations to Government and the wider housing sector which could improve building safety, increase transparency and recognise the key role of local government in emergency response.

1. Introduction and Background

- 1.1 In February 2020, the Council commissioned Sir Steve Bullock to lead an independent review of the events and aftermath of the fire at Samuel Garside House, Barking Riverside, in June 2019.
- 1.2 The quick thinking and bravery of residents and emergency services meant that there was no loss of life in the fire, but 8 homes were severely damaged and a further 39 could not be occupied until repairs were completed. Many residents found themselves homeless in the immediate aftermath, and sadly some family pets died.
- 1.3 Barking & Dagenham are keen to learn the lessons of this incident, including the response and how the ownership and management of the building impacted on the response.
- 1.4 Since March 2020, Sir Steve Bullock, supported by Diarmaid Ward have been interviewing residents, Members, LBBB Council Officers, London Fire Brigade, the local VCS and the agencies involved in the ownership and management of the building. They have been supported by Inclusive Growth officers.
- 1.5 Much of this work was conducted virtually, during the national coronavirus lockdown. For the resident engagement, a survey was designed by the review team with the support of LBBB communications. The survey was texted to residents who resided in Samuel Garside House at the time of the fire. Of the 79 residents, the survey received 33 responses. Following this, 15 households agreed to have more detailed, qualitative discussions.
- 1.6 Agencies involved in the ownership and management of the building were invited to have a discussion or submit a written statement. The key parties involved were Bellway (developer), Adriatic land (building owner) Homeground and RMG (management), Southern Housing (owner of 32 homes), and Barking Riverside.
- 1.7 The review team have also engaged with other local authorities who have had similar fires in recent years and have received a written submission from Sutton

Council regarding the lessons they learned following the Worcester Park Fire in September 2019.

- 1.8 A full draft of the report was reviewed at Corporate Strategy Group in October 2020, and the draft recommendations were endorsed.
- 1.9 In December 2020, the authors of the report presented to an expert industry group convened by New London Architecture, to test the conclusions and recommendations.
- 1.10 Earlier this month, residents who contributed to the review were offered the opportunity to take part in a virtual meeting with Diarmaid Ward to hear about the progress of the review and their findings and recommendations.
- 1.11 The full review has now been completed by Sir Steve Bullock. Cabinet are asked to note the report's content and endorse the recommendations for Government and the housing sector.
- 1.12 At Council Assembly in January, Members will consider a related issue. A motion will be brought from the Cabinet Member for Regeneration and Social Housing proposing that the Council signs up to the End our Cladding Scandal Campaign, a grassroots campaign asking Government to fund remediation works for buildings found to have unsafe cladding and other safety defects.

2. Report recommendations

- 2.1 The report outlines the events of the day, and the review team interpretation of the key issues. The report is clear on how the Council stepped up to the plate to deliver for residents in the midst of a confusing mix of responsibilities.
- 2.2 The review finds that much of this confusion was caused by the complex ownership and management arrangement of the building, creating disparate responsibilities and no visible body in charge for the resident.
- 2.3 Assessing these issues, the review team have developed the following recommendations (found at section 3 of the full review report):
 1. Organisations which provide housing for rent or own leases of residential units, together with those that manage residential buildings or provide ancillary services, in the context of the Grenfell Tower fire should **review their plans for dealing with emergencies to take into account the heightened concerns of residents** and the subsequent action in relation to the dangers arising from the use of certain types of cladding and action around fire safety more generally.
 2. Any organisation which has responsibility for the management and safety of a building which includes residential units should **review the way in which it communicates with residents and involves them in the management** and overseeing of issues including, but not limited to, the safety of the building.
 3. Subject to the final provisions of the Building Safety Bill when enacted, local authorities should have **enhanced enforcement powers for buildings below 18 metres** which match those of the Building Safety Regulator for buildings

over 18 metres.

4. Local Authorities should have the power to declare a **‘Local Housing Emergency’** situation for an initial 30 days during which they can take all necessary actions, including to reclaim costs incurred from the responsible building owners. Such powers to be exercised directly by the Local Authority or through another organisation appointed by the Local Authority to work on its behalf.
5. Freeholders should lodge a **‘Statement of Ownership’ with the Land Registry setting out the organisations which hold leases and subleases down to, but not including, leases for individual properties** and indicating the ultimate ownership of those organisations. This should be updated whenever a lease is transferred.
6. All residents should receive an **annual statement of responsibilities for their home and the building** of which it is part. This would include the following:
 - Contacts, day-to-day and emergency, for both internal issues in the case of renters and external issues for all.
 - Information about what will happen in the case of an emergency such as a fire requiring evacuation of the building for a significant period of time and knowing who will provide temporary accommodation and other support to any displaced residents. If this is to be provided by an insurance policy, contacts for the insurer should be included.
 - The responsibility of residents for the maintenance of their own homes and that responsibility in relation to common areas as set out in the relevant leases should be made clear.
 - Residents should be provided with guidance in relation to insurance cover, which makes clear that the building insurance does not cover loss of contents in any circumstances and therefore it is necessary for them to arrange for contents insurance themselves.
7. Planning authorities should include a requirement to carry out the provision of 5 and 6 above as part of the S106 agreement for all new multi-unit developments.

3. Next steps

- 3.1 Should Cabinet endorse the findings and recommendations of the report, the Leader and Cabinet Members will work alongside the report authors in lobbying Government to implement these recommendations.
- 3.2 Should the Assembly motion pledging support to the End Our Cladding Campaign Scandal also be approved, this campaign will also form part of Council lobbying on this issue.

4. Financial Implications

Implications completed by Katherine Heffernan, Head of Service Finance

- 4.1 There are no direct financial implications of this report.

5. Legal Implications

Implications completed by: Adam Rulewski, Barrister, Litigation and Prosecutions

- 5.1 The purpose of this report is to note the contents of the Independent Review, and to endorse the recommendations contained within.
- 5.2 Following the fire at Samuel Garside House, a number of deficiencies were exposed. This included, *inter alia*, the limits of the powers of a Local Authority to respond to a catastrophic fire event. The legal and regulatory context is set out at chapter 7 of the Independent Review.
- 5.3 The report provides that in broader terms, legislation setting out the primary role of local authorities in leading recovery from civil emergencies would be helpful. Legislative changes, as suggested, would empower Local Authorities to have the power and flexibility to respond as they see fit.
- 5.4 It is also proposed that subject to the final provisions of the Building Safety Bill when enacted, local authorities should have enhanced enforcement powers for buildings below 18 metres which match those of the Building Safety Regulator for buildings over 18 metres.
- 5.5 The ability to declare a Local Housing Emergency, as recommended, would need to be founded in legislation. It will propose to empower a Local Authority to take immediate steps as are necessary and ensure that the cost can be recovered in default from those legally responsible for the building.

6. Other Implications

- 6.1 **Risk Management** – Key risks associated with this report:

Risk	Mitigation
Some reputational risk if report recommendations endorsed are not responded to by Government or wider sector.	LBBB Cabinet Members and the report authors will be holding a virtual launch of the report in January 2021, commencing public affairs activity on the recommendations. From there, Members will continue to work to lobby Government and secure media coverage for the recommendations of the report.

- 6.2 **Corporate Policy and Equality Impact** - A full Equalities Impact Assessment is not required for this report, because Cabinet are asked to endorse recommendations, rather than take any direct action. The screener noted that the recommendations

contained in the report, if implemented, would have a positive impact on all residents across protected characteristics.

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

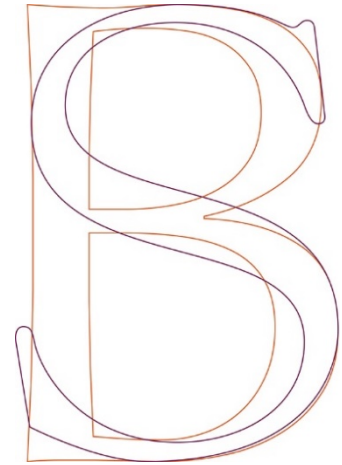
List of appendices:

- Appendix 1: Samuel Garside House Fire Independent Review.
- Appendix 2: Equalities Impact Assessment Screening Tool.

APPENDIX 1

SAMUEL GARSIDE FIRE

AN INDEPENDENT
REVIEW BY
SIR STEVE BULLOCK
AND
DIARMAID WARD



SAMUEL GARSIDE FIRE INDEPENDENT REVIEW

COMMISSIONED BY THE LONDON BOROUGH OF
BARKING AND DAGENHAM

UNDERTAKEN BY SIR STEVE BULLOCK AND
DIARMAID WARD

1 FOREWORD

- 1.1 On a Sunday afternoon in June 2019 a fire broke out at Samuel Garside House, Barking Riverside. The quick thinking and bravery of the residents meant that there was no loss of life but eight homes were severely damaged and 39 could not be occupied until significant internal or external works were completed. In the immediate aftermath many of those residents found themselves homeless with only the clothes they were wearing.

We will never recover from what happened and that our flat was completely destroyed by the fire and the fear that we could have lost our lives will haunt us always.

Samuel Garside House Resident

- 1.2 The shadow of the Grenfell Tower looms large over this city and every Londoner will have thought about the place where they live and wondered about its safety. Many will have asked questions and made enquiries and perhaps found some reassurance. Equally, as the scale of the problems that Grenfell has exposed became clearer, that reassurance has become harder to gain. To then see your own home burn will have impacted on the residents of Samuel Garside House in ways the rest of us can only imagine.
- 1.3 A huge amount of work remains to be done across the country to ensure that all buildings are safe and that it is those who built them that bear the cost not those who bought them in good faith. At Samuel Garside House, as the weeks passed and work began to repair the building, it would have been easy to forget that the trauma suffered by the residents on that day in June was being renewed each day as they had to contemplate a return to the building.
- 1.4 In the days immediately following the fire, individuals and organisations stepped in to help those residents but as the weeks became months many still remained in temporary accommodation and the local authority continued to work on their behalf pressing the building owners, leaseholder and sub leaseholders to resolve matters.
- 1.5 It is the voice of the residents that needs to be heard most clearly. Their expectations and fears can only be properly understood in the context set out above and we therefore needed to give weight to their hopes and their fears as they were expressed to us. Large organisations, both public and private, sometimes struggle to reconcile what they consider to be appropriate responses with the expressed needs of individuals and this is particularly so in dealing with sudden but continuing emergency situations. Our mindset has been on how lessons can be learned which will lead to things being done differently in the future, not to apportion blame.
- 1.6 We were asked to set out an account of the key events associated with the fire, identify lessons learned and propose recommendations for action or change. We were not asked to carry out a technical assessment of issues concerned or changes to building safety but were invited to comment if we felt it to be appropriate in light of the experience at Samuel Garside House.
- 1.7 We heard directly and received written submissions from those who lived in Samuel Garside House and those who in different ways were involved in dealing with the aftermath or had been involved in the building and its management.
- 1.8 We were neither asked nor resourced to carry out an investigation, rather, we were asked simply to review what had taken place and it was inevitable that differences of opinion would come to our attention. It would have been impossible to tell the story of what happened let alone fulfil our brief without taking a view on some of those differences and so, while we have

endeavoured not to assume any sort of judicial role, we fully expect some of those differences to emerge in response to the publication of our report.

- 1.9 It did quickly become clear to us that what people felt and how they reacted to the pressures they faced heavily influenced the course of events and we have sought to understand that rather than look at the rights and wrongs of what was done or not done at any particular point. Particularly for residents how they perceived a situation over which they had little or no control had very real impact.
- 1.10 We want to thank everyone who has assisted us with this review. The conclusions and recommendations we have produced are ours and ours alone and it is now for others to decide to what extent they agree or disagree with our conclusions and consider how they wish to take them forward.

Sir Steve Bullock

Diarmaid Ward

8 January 2021

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2 SUMMARY AND CONCLUSIONS

- 2.1 The brief for this review made clear that it was about what happened from the day of the fire and thereafter. However, the context both locally and nationally at the time of the fire was an important factor and explains to a significant extent the communications difficulties, misunderstandings and resulting tensions which arose involving residents, the local authority and the private sector organisations.
- 2.2 It became clear to us that to make sense of what happened after the fire, and in the weeks and months since June, it is important to recognise that context. Anyone would be terrified to see their homes go up in flames as quickly as Samuel Garside House did but for this to happen in the same city that two years earlier had seen Grenfell Tower burn and kill so many of its residents increased the impact many times over. The lived experience of those Londoners prior to the fire was one where the safety of residential buildings was something, they heard about daily in broadcast news, social media and newspapers.
- 2.3 That context included not only the Grenfell fire itself but the subsequent inquiry and the ongoing changes to legislation on both fire and building safety. The fact that Samuel Garside House is less than 18 metres in height is of no relevance to those whose homes were there. This was a building that caught fire and that fire spread quickly because of the external treatment of the building. Residents saw it happen and day after day since then they have read and heard news coverage of other matters relating to building safety and the tragedy of Grenfell Tower itself. Those who followed all of that coverage would have read about the responsibilities given to local authorities to address cladding issues not only in their own blocks but to gather information about privately owned blocks too. They might, not unreasonably, have concluded that their council would play a significant role in the aftermath of the fire notwithstanding the fact that this was a privately owned block.
- 2.4 The fact that there was regular reporting about the detail of what happened at Grenfell will inevitably have influenced their thoughts and emotions and, by itself, made it very difficult for many to return to their homes and feel safe again.
- 2.5 There were also issues specific to Samuel Garside House, in addition to more general difficulties about roles and responsibilities, that exacerbated the situation. Residents are rightly expected to behave towards their fellow residents with consideration and care. There are provisions in the leases which they have accepted and to which they should adhere. But those who live in buildings with multiple occupants are not fire safety experts.
- 2.6 At the time of the fire a “Waking Watch” arrangement was in place at SGH. Work had taken place earlier in the year to address some issues concerning fire stopping in the building and these works were awaiting audit and certification. There is no suggestion that the concerns which led to the works, or the works themselves, contributed to the fire or its spread in any way. However, for the ordinary man or woman in the street, fire safety works followed by a very serious fire would inevitably make a return to the building a matter of considerable trepidation.
- 2.7 This combination of factors meant that, for the residents of Samuel Garside House, the levels of concern and anxiety were extremely high and likely to remain so. In such circumstances it is clear with hindsight that for any of the parties involved there was a likelihood that approaches which had been considered appropriate in the past might now prove problematic.

- 2.8 We believe this was exacerbated by the complex ownership of Samuel Garside House and the individual units within it. We have been able to establish what these are but in doing so it became clear that individual residents could find it difficult, particularly in the aftermath of the fire, to work out to whom they needed to address their questions and concerns.
- 2.9 We recognise that in emergency situations it will always be difficult to manage communications effectively and, in reaching the conclusion that poor communications were a significant issue here, it is not the intention to lay blame at any individual or organisation's door. Rather it is to recognise how problematic this was not only in creating misunderstandings but also in undermining trust. Neither is it to say that there is a perfect way of communicating but some of the recommendations framed in this review seek to address this problem by suggesting ways in which groundwork could be laid that could in future avoid some of the difficulties which occurred here.
- 2.10 It is the responsibility of the local authority to set up the emergency response arrangements in circumstances such as a serious fire and this was done very quickly and well in our view. However, the multiplicity of other organisations involved with the building quickly became a concern and continued to cause some problems in the following weeks. In the first few days communication was a particular problem, with residents becoming frustrated about their inability to get answers to their questions. The council was the only organisation able to provide overall coordination and leadership even where this went beyond their statutory role.
- 2.11 It is clear that the responsibilities which each party, including residents themselves, would have in the event of a serious incident had not been clearly explained. As a result, what residents considered to be reasonable expectations were not met from their perspective.
- 2.12 From that resident's perspective, perhaps the greatest concern has been the difficulty of resolving issues around helping them to get back into permanent accommodation. We have sought as best we can to identify why these have occurred and to suggest what might be done differently to minimise such difficulties in the future.
- 2.13 This has been a recurring problem where, for whatever reason, residents have had to be evacuated. In this case the complex ownership arrangements appear to have been a contributing factor and residents highlighted their concerns around the performance of the insurers. The council also expressed concerns and at one point the Council Leader felt it necessary to seek ministerial help to get the insurers to act with appropriate speed.
- 2.14 The council found itself taking a leading role in the recovery and also having to represent residents. It did not seek this responsibility but, alongside its statutory role, it was the one source of expertise and support that residents could call upon. There was no residents' forum in the building and therefore no clear channel for engagement other than with residents as a whole. We consider that for the future it should be a priority for all landlords to set out to engage with and listen to residents proactively.
- 2.15 Many individuals and organisations went beyond what they were obliged to do and helped in different ways. The response by the wider community, both individuals and groups, in the immediate aftermath was impressive and heart-warming. Council staff and those of other organisations responded quickly and worked long hours. Councillors themselves were present at the Emergency Control Centre.
- 2.16 For some organisations there were both positive and negative comments from residents. Southern Housing responded quickly and effectively at the outset but some residents were

unhappy about being asked to return earlier than they felt comfortable to do so.

- 2.17 The willingness of London and Quadrant to make temporary housing available was important in helping to deal with the extraordinary pressures being faced.
- 2.18 The difficulties and delays which occurred with the removal and replacement of wooden balconies should not obscure the fact that the decision by Bellway Homes to undertake that work was taken quickly and willingly in response to the fire. As concerns have arisen about building after building in the aftermath of the fire at Grenfell, that approach has sometimes been conspicuous by its absence elsewhere.
- 2.19 Carrying out this review has highlighted a number of things which we believe should be addressed:
- The context in which any housing emergency situation is dealt with has changed and in future residents must be better informed and more engaged with what happens in the building where their homes are located
 - Complex ownership arrangements have become more common and this puts a premium on giving all residents clarity about roles and responsibilities, including what happens in an emergency
 - Local authorities are well placed to provide leadership in an emergency situation but need the resources and powers to meet the expectations of their residents
 - Making distinctions based on arbitrary height limits about the rules and regulations relevant to particular buildings may be a short-term necessity but, for the peace of mind of those who live in buildings with multiple self-contained housing units, a common approach is needed as soon as possible.

3 RECOMMENDATIONS

- 3.1 Organisations which provide housing for rent or own leases of residential units, together with those that manage residential buildings or provide ancillary services, in the context of the Grenfell Tower fire should review their plans for dealing with emergencies to take into account the heightened concerns of residents and the subsequent action in relation to the dangers arising from the use of certain types of cladding and action around fire safety more generally.
- 3.2 Any organisation which has responsibility for the management and safety of a building which includes residential units should review the way in which it communicates with residents and involves them in the management and overseeing of issues including, but not limited to, the safety of the building.
- 3.3 ¹Freeholders should lodge a 'Statement of Ownership' with the Land Registry setting out the organisations which hold leases and subleases down to, but not including, leases for individual properties and indicating the ultimate ownership of those organisations. This should be updated whenever a lease is transferred.
- 3.4 All residents should receive an annual statement of responsibilities for their home and the building of which it is part. This would include the following:
 - a Contacts, day-to-day and emergency, for both internal issues in the case of renters and external issues for all
 - b Information about what will happen in the case of an emergency such as a fire requiring evacuation of the building for a significant period of time and knowing who will provide temporary accommodation and other support to any displaced residents. If this is to be provided by an insurance policy, contacts for the insurer should be included
 - c The responsibility of residents for the maintenance of their own homes and that responsibility in relation to common areas as set out in the relevant leases should be made clear
 - d Residents should be provided with guidance in relation to insurance cover, which makes clear that the building insurance does not cover loss of contents in any circumstances and therefore it is necessary for them to arrange for contents insurance themselves.
 - e The obligation to provide this statement should lie with the landlord in the case of renters and the freeholder in the case of leaseholders
- 3.5 Planning authorities should include a requirement to carry out the provision of 3 and 4 above as part of the S106 agreement for all new multi-unit developments.
- 3.6 Subject to the final provisions of the Building Safety Bill when enacted, local authorities should have enhanced enforcement powers for buildings below 18 metres which match those of the Building Safety Regulator for buildings over 18 metres.
- 3.7 Local Authorities should have the power to declare a 'Local Housing Emergency' situation for an initial 30 days during which they can take all necessary actions, including to reclaim costs

¹ Recommendations 3 and 4 will need to be reviewed in the light of the final shape of the Building Safety Bill

incurred from the responsible building owners. Such powers to be exercised directly by the Local Authority or through another organisation appointed by the Local Authority to work on its behalf.

4 INTRODUCTION

- 4.1 The council wished to understand better what happened at Samuel Garside House in the aftermath of the fire. They engaged myself, supported by Diarmaid Ward, to help them do this and were clear that we were being asked to undertake a review not an inquiry. We began with a desktop review of the available information and then identified those groups and individuals that we felt would have useful things to tell us. It was our choice who we contacted and we did not issue a call for evidence in the way that a formal inquiry would. We did not have independent experts advising us.
- 4.2 Our aim has been to produce a report which meets the terms set out by the council and offers suggestions, in the form of recommendations, that can serve as the basis for a discussion about how some of the issues identified can be better dealt with in the future. Our brief did not include any consideration of the cause of the fire and the speed of its spread. However, in order to fully explain the context of the fire it has been necessary to touch on some aspects of these issues. A copy of the full brief is at [Appendix 12](#).
- 4.3 Our work was just getting underway when the COVID-19 lockdown came into force. This denied us the opportunity of face-to-face meetings with residents and others with an interest but we were able to engage through other methods.
- 4.4 Those we spoke to or received information from included council officers, local councillors, emergency services, the building's owners and their agents, and others with an interest in the building. However, it was the residents of the building from whom we were most concerned to hear as they have borne the greatest impact of the fire and continue to live with its consequences. A list of those to whom we spoke or received information from is included at [Appendix 13](#). We have not appended the submissions or transcripts of conversations as it would not have been possible to do this for every input that was made. Where we refer to what we learned in the text we attribute this appropriately.
- 4.5 Our account is based on what we have heard from those individuals and organisations, together with our consideration of the available information. We have described the background to the best of our ability and provided a narrative of what happened in the immediate aftermath of the fire and since. We were asked to look at the information available to us and do three things:
- First to set out the key events of the fire, focusing in particular on the key agencies and those with responsibilities for the building and its residents during both the immediate response and the aftermath
 - Second to identify what went well and where things fell short of what the people affected should have been able to expect
 - And finally, to propose recommendations for action or change, based on our experience and lessons learned.
- 4.6 It has not been our intention to write a technical report or to frame very detailed recommendations, rather we have sought to prepare something that can provide a basis for discussion about how things could work better in the future and that is accessible to anyone with an interest in both what happened at Samuel Garside House and more generally on how buildings containing large numbers of separate households can be kept safe.

- 4.7 The complex ownership arrangements for the building mirrors many blocks across the country. This in itself caused some confusion about where responsibility lay for the recovery effort in the weeks and months following the fire. The London Borough of Barking and Dagenham incurred costs including those for a specialised inspection survey as well as hundreds of hours of staff time on this, despite having a limited statutory role in the aftermath of the fire. They want to understand why the vacuum they filled existed and begin a wider discussion about what should change to avoid this happening again either in Barking and Dagenham or elsewhere.
- 4.8 While this report was being written, the Building Safety Bill was published setting out arrangements for a new system of building regulations intended to put right those failings which contributed to the Grenfell Tower disaster. Those proposals are relevant to parts of our review. In its current form the Bill when enacted would only apply to buildings of 18 metres and higher, while Samuel Garside House is 16 metres high. However, we understand that the Bill may be framed in such a way to permit its provisions to be extended to lower building heights in the future.
- 4.9 There have been other fires recently which appeared to share some of the characteristics of the fire at Samuel Garside House. Each of these involved different local circumstances and not all are of direct relevance to this review. However, in the aftermath of the fire at Richmond House, Worcester Park in the London Borough of Sutton some residents experienced difficulties which mirrored the experience of some residents of Samuel Garside House. We invited the London Borough of Sutton to provide any information they considered relevant. We are grateful to have received an account from both the council and from residents themselves and these are included at [Appendix 14](#). The residents shared a number of recommendations they are making based on their own experiences and it was helpful to see these. In some cases, they cover similar ground to those we are making, while others are of potentially wider significance or are rooted in the particular circumstances of Richmond House as ours are rooted in the circumstances of Samuel Garside House. It would not be appropriate for us to comment on the specifics of that fire and its aftermath but it was helpful in carrying out our review to be able to draw on the experience at Richmond House.
- 4.10 In the chapters which follow we have sought to share the key points from what we have been told by those with direct involvement and set this in context by including both relevant general information and some specifics relating to Samuel Garside House.
- 4.11 Finally, we attempt to present our answers in summary form to the questions asked of us, accompanied by recommendations.

5 SAMUEL GARSIDE HOUSE

This section describes the building and its history

- 5.1 Samuel Garside House (SGH) consists of four connected blocks (A–D) of varying height from five to seven storeys (including a sub-level car park and ground-floor entrance lobbies leading up to the upper ground-level flats). The maximum storey height of the building is the seventh floor Block D which is estimated at approximately 16 metres from the upper balcony floor to ground level. In total, there are 79 purpose-built residential flats of mixed tenure in the building. These flats were built with timber balconies.
- 5.2 It is built on land owned by Barking Riverside Ltd (BRL). In 2010 the land was let to Bellway Homes on a 999-year lease. At that time BRL was owned 51% by Bellway Homes and 49% by the Homes and Communities Agency (HCA). The HCA share was transferred to the Greater London Authority (GLA) Land and Property on 31 March 2012 when that Agency ceased to operate in London and in 2016 London and Quadrant New Homes Ltd acquired Bellway's stake.
- 5.3 The building was named in honour of Captain Samuel Garside of the Royal Engineers who was awarded the George Medal after safely detonating a 500kg UXB bomb at McNeils Wharf, Barking, on September 24, 1940.
- 5.4 Construction took place during 2013/14 and on completion 32 of the flats were sold to Southern Housing which has continued to manage those flats and rent them. The remaining units were sold on the open market by Bellway Homes. The head lease was later transferred to Adriatic Land which at that time was owned by Bellway but was later sold on. The management of this asset was undertaken on behalf of Adriatic Land by HomeGround as part of its core business of looking after the portfolios of major institutional UK investors. HomeGround initially appointed Pinnacle to carry out the day-to-day management of SGH. More latterly, and shortly before the fire, Pinnacle were replaced by HomeGround with Residential Management Group (RMG).
- 5.5 Immediately on appointment RMG took on responsibility for dealing with an issue relating to fire stopping in the communal areas which had been identified. HomeGround were also addressing this directly with Bellway Homes.
- 5.6 Following a Fire Audit and an internal survey Bellway Homes agreed to carry out remedial work at their expense and fund a 'Waking Watch' until the works had been completed and then certified following an independent audit. These works commenced in October 2018 and residents were informed about this and the introduction of the "Waking Watch" in a letter delivered by hand.
- 5.7 At SGH the work had been completed but not audited and certified at the point that the fire took place and the "Waking Watch" was still in operation.

In the aftermath of the fire and in response to concerns raised by residents in August 2019 the council commissioned a Health and Safety Rating System Assessment (HHSRS) the report of which is at [Appendix 15](#).

6 THE LEGAL AND REGULATORY CONTEXT

Fire safety is covered by a broad legal and regulatory framework, one that transcends legislation and building control regulations. However, there is a lack of clarity on the relationship between health and safety legislation and building control regulations. Furthermore, this framework does not cover all aspects of the aftermath of an emergency.

BUILDING CONTROL

- 6.1 The Building Regulations 2010 are designed to ensure health and safety in and around buildings through requirements on design and construction. These regulations cover both new build construction of residential buildings and extensions.
- 6.2 Developers can apply for building control consent from their local council or from a private approved inspector.

LEGISLATION

- 6.3 The safety requirements of the Housing Act 2004 for purpose-built residential buildings cover both the internal areas of a flat and the common areas. It gives local authorities enforcement powers through a system called the Housing Health and Safety Rating System (HHSRS). This is a means to assess hazards and the subsequent risk. A total of 29 hazards must be assessed, including fire risk, with regard to each individual home. Government operating guidance on HHSRS inspections states that:

The assessment of all hazards is made once the inspection has been completed and details collected of any deficiencies. Also, there are some deficiencies which can only be determined after inspecting the whole of the dwelling. These are matters which relate to the overall size, design or layout of the dwelling. For example, the means of escape in case of fire can only be properly assessed considering the dwelling as a whole.

- 6.4 This emphasis on considering the building as a whole can lead to problems for local councils, particularly in taking enforcement action on individual safety issues within a building.
- 6.5 The Regulatory Reform (Fire Safety) Order 2005 covers only the common areas of a block of flats and places duties on the block's 'responsible person' to carry out a risk assessment and make the appropriate fire safety arrangements. The responsible person is defined in Article 3 of the Order as:
 - In relation to the workplace, the employer (if the workplace is to any extent under his or her control)
 - The person who has control of the premises (if not a workplace) in connection with the carrying-on by him/her of a trade, business or other undertaking (for profit or not)
 - The owner, where the person in control of the premises does not have control in connection with the carrying-on by that person of a trade, business or other undertaking.
- 6.6 These same duties are also placed on 'every person other than the responsible person... who has, to any extent, control of the premises...'

- 6.7 In both cases, this responsibility in a block of flats will typically be that of the building's managing agents.

FORTHCOMING LEGISLATION

- 6.8 Significant legislative changes are planned around fire safety.
- 6.9 The Fire Safety Bill 2019–2021 is at Committee Stage in the House of Lords at the time of writing. In the Queen's Speech in December 2019, it was stated that the government would put beyond doubt that the Fire Safety Order will require building owners and managers of multi-occupied residential premises of any height to fully consider and mitigate the risks of any external wall systems and fire doors.
- 6.10 The Bill confirms that for any building containing two or more homes, the Regulatory Reform (Fire Safety) Order 2005 applies to the building's structure and external walls, as well as any common parts, including front doors.
- 6.11 A draft of the Building Safety Bill 2019–21 has also been published. The draft Bill contains the following provisions:

A NEW BUILDING SAFETY REGULATOR

- 6.12 The main purpose of the Bill is to establish a new Building Safety Regulator. The regulator will establish a system 'duty holders' who will be held to account for health and safety within buildings. The regulator will oversee the safety of all buildings and enforce a tighter regulatory framework for 'higher risk' buildings (a minimum of six storeys or 18 metres in height).

REFORM OF THE BUILDING CONTROL AND THE APPROVED INSPECTOR SYSTEM

- 6.13 The Building Safety Regulator will be the building control authority for higher risk buildings, which means that neither local authority building control departments nor private approved inspectors will be able to deal with building control applications for higher risk buildings.
- 6.14 The Building Safety Regulator will also be in charge of the regulation of building control professionals, including both those working in local authorities and approved inspectors.

THE 'ACCOUNTABLE PERSON' AND 'BUILDING SAFETY MANAGER'

- 6.15 In the Bill, the Accountable Person is the ultimate duty holder whilst the building is occupied. The Accountable Person will be the freehold owner or any other leaseholder, tenant or managing agent.
- 6.16 The Accountable Person needs to
- register the building with the Building Safety Regulator before it is occupied
 - assess building safety risks and prepare a Safety Case Report
 - take all reasonable steps to prevent major incidents occurring
 - apply for a Building Assurance Certificate.
- 6.17 The Accountable Person must also appoint a Building Safety Manager who will assist with the day-to-day management of safety issues.
- 6.18 The Accountable Person will also be responsible for a Resident Engagement Strategy to ensure

that residents' voices are heard. The Engagement Strategy needs to have a complaints procedure and, ultimately, residents can complain to the Building Safety Regulator.

OTHER PROVISIONS

- 6.19 The Bill also includes a new 'building safety charge' designed to make it easier for leaseholders to see how much they are paying towards safety issues in the building.
- 6.20 Lastly, there is the addition of a New Homes Ombudsman which homebuyers can turn to and who may hold developers to account.

PLANNING

- 6.21 Local councils administer the planning system and are responsible for deciding on planning applications and enforcement against unauthorised development. However, the Secretary of State for Housing, Communities and Local Government oversees the planning system. The Planning Inspectorate is responsible for adjudicating on planning appeals on behalf of the Secretary of State. Local planning policies must not be in conflict with the National Planning Framework. In particular, the National Planning Framework includes a 'presumption in favour of sustainable development' which makes clear that applications that will deliver sustainable development should generally be allowed. This means that local councils' powers to stop a development from taking place are often rather limited.

LEGAL DUTIES AFTER A FIRE

- 6.22 There is no statute, regulation or other legal duty that requires a landlord to rehouse a tenant after a home is rendered uninhabitable by fire or other catastrophic event.
- 6.23 A local authority does have an interim duty to provide accommodation under s188 and 189 of the Housing Act 1996. If a person is homeless as a result of an emergency such as flood, fire or other disaster, they are deemed to be in priority need and should be accommodated pending a decision as to whether the local authority has a further duty.
- 6.24 Beyond this, the duties of the parties involved in the ownership of a block of flats will depend upon legal agreements and relevant insurance policies.

THE CIVIL CONTINGENCIES ACT 2004

- 6.25 The outbreak of Foot and Mouth Disease in 2001, together with the severe flooding and fuel crisis of the previous year, led the government to review emergency planning arrangements. This culminated in the Civil Contingencies Act 2004 (the Act).
- 6.26 The Act defines an emergency as:
- An event or situation which threatens serious damage to human welfare in a place in the United Kingdom
 - An event or situation which threatens serious damage to the environment of a place in the United Kingdom
 - War, or terrorism, which threatens serious damage to the security of the United Kingdom.
- 6.27 It goes on to define an event or situation which threatens damage to human welfare as one that causes or may cause

- loss of human life
 - human illness or injury
 - homelessness
 - damage to property
 - disruption of a supply of money, food, water, energy or fuel
 - disruption of a system of communication
 - disruption of facilities for transport, or
 - disruption of services relating to health.
- 6.28 Local Authorities are ‘Category One Responders’ under the Act with responsibility to both assess the risk of emergencies occurring and put in place emergency plans. Further government guidance also outlines a local authority’s enabling and coordinating role during the recovery phase.
- 6.29 Of course, not all instances involving one of the circumstances above will constitute an emergency under the Act. A road closure due to a traffic accident (‘disruption of facilities for transport’), a burst mains water pipe affecting the supply to a block of flats (disruption of a supply of water), or broadband outage in a particular street (‘disruption of a system of communication’) are all situations with which local authorities concern themselves with on a daily basis. Such examples often require a degree of local authority liaison or coordination. Indeed, each if these instances also have the potential to greatly disrupt the lives of local residents. Most residential fires may require some liaison between the fire service and the respective local authority, and may give rise to a homelessness or safeguarding duty.
- 6.30 Although the Act was not drafted to specifically to apply to a fire in a privately owned residential building, the Samuel Garside House fire constituted an emergency under the Act, particularly given that all of the residents of the building were evacuated. As outlined in detail in the next Chapter, the council set up a Borough Emergency Control Centre (BECC) within three hours of the incident, which remained in place for 12 days. In this case by so doing the council discharged its duty under the act.
- 6.31 However, the Act was not intended to create a system whereby the legal and financial responsibility of the private owners and managers of a building after the immediate emergency are transferred to a public authority. A routine expectation for local authorities to step in to coordinate repair work, organise the long-term temporary accommodation operation and the eventual return of residents to their homes, as well as communication with residents throughout this process, would have very serious resource implications for local authorities.

THE SAMUEL GARSIDE HOUSE FIRE IN THE CONTEXT OF THE LEGAL AND REGULATORY FRAMEWORK

THE BUILDING OWNER’S RESPONSIBILITIES TOWARDS RESIDENTS AFTER THE FIRE

- 6.32 Many of the residents we spoke to expressed anger and frustration that there did not appear

to be any one organisation that took responsibility for the building. As one resident we spoke to succinctly put it:

The layers of building management make it so difficult for residents to get in touch with someone who is actually responsible for the safety of residents. Many residents felt strongly that there should have been a means of contacting Adriatic, as the owner of the building, particularly when RMG as the managing agent were unable to answer residents' queries.

6.33 Land Registry records indicate that there is a head lease relating to Samuel Garside House dated 18 April 2011 for a term of 999 years. This was made between Barking Riverside Limited and Bellway Homes Limited. The lease requires Bellway to arrange insurance for the property and to arrange for the property to be 'rebuilt, repaired or reinstated' in the event of its destruction.

6.34 However, Bellway Homes Limited state that they no longer have any legal interest in the property. They state that this head lease was transferred to a company called Adriatic. Land Registry records confirm that the proprietor of the property's head lease has been Adriatic Land 3 (GR1) Limited (Co. Regn. No. 6869764) since 25 April 2019. The logical conclusion is that 'GR' stands for ground rent and that company exists as a separate legal entity for the purpose of collecting the ground rent owed on the property. This lease was originally granted to Bellway Homes Limited. The company now known as Adriatic Land 3 (GR1) Limited was previously called:

- Bellway XI Limited (4 April 2009 – 10 April 2013)
- Seaton GR SPV 3 Limited (10 April 2013 – 5 February 2015).

6.35 In their submission to the authors of this review, Adriatic have stated that:

Adriatic is a property-owning company ultimately controlled by major UK institutional pension funds, that acquire ground rent portfolios for investment income to benefit the pension holders invested in these funds.

6.36 Bellway stated that, whilst they had no legal duty to carry out repairs and reinstate the building after the fire, they did have a business relationship with Adriatic and wanted to assist in the circumstances.

6.37 The lease does not contain any provision for the welfare, maintenance or rehousing of residents in the event of a catastrophic fire. However, we were informed by HomeGround that the buildings insurance policy included cover for the cost of alternative accommodation with associated costs and was a primary source of support for the residents displaced by the fire over considerable periods.

THE BUILDING OWNER'S FIRE SAFETY DUTIES

6.38 As part of our review, we interviewed Pat Hayes, the Managing Director of Be First. Be First are a wholly owned company that provide planning and building control services to the London Borough of Barking and Dagenham. They advise on planning decisions and receive an income through planning and building control fees.

6.39 Mr Hayes expressed concern about the lack of clarity in the relationship between building control regulations and more general fire safety legislation.

- 6.40 Samuel Garside House's building control certificate was signed off by a private approved inspector. Many of the residents that we spoke to were under the mistaken impression that building control could only be approved by a local authority. There are widespread concerns that sign off by a private approved inspector has become akin to a service to a developer, in much the same way as the developer would instruct a solicitor. The emphasis is on finding a legal way of getting the building approved even if it is 'very close to the line'.

7 THE LOCAL AUTHORITY ROLE IN DEALING WITH CIVIL EMERGENCIES

This section looks at what is expected of local authorities and the powers they have to respond

- 7.1 When something goes wrong communities expect first responders to deal with the immediate problem but quickly turn to their local authority to deal with the wider aspects of the emergency. Authorities plan for this and usually employ specialist staff whose job is to prepare those plans and, when something does happen, put them into practice. Many council staff will have roles to play in those plans, sometimes relating to their day-to-day jobs, but others provide specific roles depending on the nature of the emergency.
- 7.2 Where an emergency is on such a scale that a single council will struggle to deal with the consequences there are arrangements in place for mutual aid to be provided from other local authorities and in extreme cases central government. In exceptional cases additional central funding may be made available.
- 7.3 Local authorities have a range of legal duties and powers which can be relevant when dealing with an emergency situation. In the main these are framed in the context of taking short-term action rather than ongoing involvement. The relevant [legal and regulatory framework](#) is considered in the previous chapter.
- 7.4 However local authorities and their elected members have other expectations which are placed on them by their residents. They are expected to support and give voice to their residents' concerns and when it is beyond their powers to act themselves, they are expected to press others to do so and, where necessary, raise those concerns with other tiers of government. This role is shared with other elected persons, particularly MPs, but the capacity of local authorities to obtain professional advice often puts them at the heart of active campaigns by their residents to put right things about which they are unhappy.
- 7.5 These distinct roles can, at times, create tensions and even conflicts for local authority officers and members as they seek to discharge their legal duties while responding as the democratic voice of local residents. Where matters continue to be problematic for an extended period this is exacerbated and, unless there is outstandingly good communication and a willingness by all parties to recognise the pressures that the others are seeking to deal with, there is potential for significant differences of opinion.
- 7.6 The expectations placed on local authorities extends beyond residents and includes organisations and agencies that may have some involvement in the emergency that has occurred. Those bodies often have a very clear understanding of the legal duties which local authorities have and how these interact with their own responsibilities.
- 7.7 The local authority duty to provide accommodation under the Housing Act 1996 is well understood by building owners and their managing agents as illustrated by the RMG's response [referred to below in chapter 8](#).
- 7.8 In the case of the fire at Samuel Garside House it is clear that the response by the local authority began almost as soon as the first responders had arrived on site. The response is considered in detail later in this report and it is clear that, despite the challenging circumstances, the majority of residents felt that the council had looked after them well.

- 7.9 The council incurred expenditure in excess of £100,000 and a very considerable cost in terms of staff time. None of this is recoverable under current arrangements.
- 7.10 Local authorities do not have the capacity to do everything in such situations and therefore the contribution of voluntary, community and charity organisations is vital. This was the case here where local organisations were quick to respond with practical help and the Red Cross played a significant role.
- 7.11 There is also an expectation that residents' questions will be answered and it was in this context that difficulties began to emerge. In the immediate aftermath of the fire, residents were, understandably, asking questions both about the cause of the fire and their own situations. This is also looked at in some detail earlier but it put the council in the position of being unable to provide answers or to get the answers from the other organisations involved. This left elected members with no choice other than to speak out in support of the residents and back their attempts to get answers to their questions.
- 7.12 As the extent of the damage at Samuel Garside House was established it became clear that there would be no immediate return to the building and, for some residents, it would be many months before they could go back. The council stepped up its work to support residents as the Borough Emergency Control Centre itself was being stood down.
- 7.13 There is clarity about the need for the local authority to take the lead in dealing with the immediate impact of an emergency but views differ markedly about responsibilities during the recovery phase. This raises further questions about how emergencies are defined and when an emergency is over even if considerable work remains to be done. It was suggested to us that the Civil Contingencies Act, 2004 required the local authority to carry out all the work that it undertook in this case. However, our view is that this Act was intended to address the recovery phase of significantly greater and more widespread situations than was the case at Samuel Garside House. This is addressed in the earlier section dealing with the [legal and regulatory framework](#).
- 7.14 The experience here appears to indicate that, in the absence of clearly understood responsibilities of the different parties involved and less than perfect communications between those parties, a situation can quickly develop where the local authority by default becomes the lead body during the recovery process but with limited resources and powers to do what is expected of them. In this case the council nevertheless, at considerable cost, prioritised this role despite the many other pressures it faced.
- 7.15 For the future we believe that some of these difficulties can be avoided if there was at least an outline agreement in place about how emergencies will be dealt with in buildings with multiple owners. In broader terms, legislation setting out the primary role of local authorities in leading recovery from civil emergencies would be helpful.

8 9 JUNE 2019 – THE FIRE AND IMMEDIATE AFTERMATH

This section of our report tells the story of the emergency relief operation in the aftermath of the fire, from the point of view of the Samuel Garside House residents and those who were involved in the efforts to help. It draws on interviews and survey responses from Samuel Garside House residents, interviews with staff and emergency planning reports from the London Borough of Barking and Dagenham (the council), as well as interviews with staff from Southern Housing and submissions by Adriatic and HomeGround, and the Residential Management Group (RMG).

THE FIRE

- 8.1 The fire at Samuel Garside House broke out at 3.30pm on 9 June 2019.
- 8.2 The London Fire Brigade (LFB) arrived at 3.36pm and ultimately 15 pumps were on hand to tackle the blaze. The fire was under control by 6pm. All residents were evacuated from the building. There were no fatalities. Sadly, there were some pets that did not survive.
- 8.3 The 32 Southern Housing flats were unaffected by fire but were evacuated on safety grounds. The remaining 47 flats were in the section of the block affected by the fire: 8 fire-damaged flats required reconstruction; 12 flats were affected by water ingress or damage to front doors and required some work; 27 flats were not damaged but could not be occupied until communal works were completed.

THE EMERGENCY RESPONSE FROM LONDON BOROUGH OF BARKING AND DAGENHAM (THE COUNCIL)

- 8.4 A member of staff from the London Borough of Barking and Dagenham (the council) was on the scene from 3.55pm. He described seeing lots of residents outside the building. In fact, 'it seemed as if the whole area was out on the street'.
- 8.5 At 5.45pm, the council set up a Borough Emergency Control Centre (BECC) in line with local authority procedure. At this stage, all that was known was that the fire was alleged to have started from a barbeque on a balcony, that all flats had been evacuated and that there were no fatalities. One person was rescued from the fourth floor. The London Fire Brigade had commenced a systematic search of the block.
- 8.6 One of the first issues to be dealt with was to establish who lived in the block and who had responsibility for the building. As the BECC began to take the lead on booking hotel rooms for evacuated residents, it emerged that many different organisations were involved in the building's ownership and management: Barking Riverside Ltd were the freeholders; it was owned by a company called Adriatic; HomeGround were the building's managing agents but they, in turn, had appointed RMG to act on their behalf.
- 8.7 As Council Leader, Darren Rodwell, commented after the incident:

One of the fundamental challenges which comes with living in a modern-day block of flats is the sheer number of parties that run and own it. In the case of Samuel Garside, it's at least half a dozen different parties, including, Bellway (the developer), Adriatic (the owner); HomeGround (the managing agent),

who appointed RMG; and NHBC (building control), and Southern Housing Association.

- 8.8 A rest centre for residents was quickly opened at Thames View Community Centre and Transport for London buses were commandeered to bring residents to it. As the days passed, Thames View gradually transformed into a more general Community Assistance Centre.
- 8.9 17 hotel rooms were booked for residents who needed them.
- 8.10 The BECC was at first extremely busy with people coming and going, and it was clear more staff were required. On the morning of 10 June, staff of the council who were already on site were supplemented by additional staff.

THE COMMUNITY SOLUTIONS TEAM

- 8.11 The BECC liaised with the council's Community Solutions Team (Community Solutions is a directorate made up of 16 former council departments including housing, homelessness, estate management, youth services, homes and money, adult education and libraries) to identify any residents with additional needs. Food, nappies, clothing (including underwear) and other provisions were supplied to the rest centre to assist residents. Donations were sent in by many local residents, as well as Asda and Tesco.
- 8.12 The Community Solutions Team also started working on a detailed assessment of what help was needed, including:
- Who lived at what flat?
 - How many homes were destroyed?
 - How many homes had nominal damage?
- 8.13 Ultimately, Community Solutions introduced coloured wristbands for residents based on need, this meant that a triage system could be used.
- 8.14 Many of the residents we spoke to praised the council's response, particularly the help with essential items and accommodation.
- 8.15 Some residents felt that the different categories of people affected should have been employed at an earlier stage but responses to our survey and interviews also identified that the council ended up taking on this role because of what was perceived to be a lack of action from the building owners or managing agents.

POLICY AND PARTICIPATION TEAM

- 8.16 Meanwhile, the work of the council's Policy and Participation Team kicked in, liaising with partner agencies to create a crowdfunding campaign for the residents.
- 8.17 Local charity Barking Renew set up a Crowdfunder and the council immediately contributed £10,000 so that essential items could be supplied to residents who could not return to their homes. This was up and running by 3pm on Monday 10 June.
- 8.18 Council officers commented that their very good relationships with the voluntary and faith sectors in the borough had made a huge impact on their ability to respond effectively.
- 8.19 Beyond meeting the immediate needs of the residents, the responsibility for making good the

losses residents had incurred quickly became an issue. Residents felt that they had lost their possessions through no fault of their own and looked to those responsible for the building to make good their losses. However, Adriatic and HomeGround told us that one of their key challenges in the aftermath of the fire was:

Meeting unrealistic expectations of residents who had lost contents of their apartments, which was not covered under the buildings insurance policy. It quickly became apparent that a number of affected residents had not arranged their own contents insurance, but still expected their losses to be made good by the building insurers or another third party

- 8.20 For the future it is important for those responsible for such buildings to make clear to residents what the buildings insurance does and does not cover and that they should consider taking out contents' insurance against losses not only from fire but other risks.

THE COMMUNICATIONS TEAM

- 8.21 Communications were a huge challenge. The council felt that it had to strike a balance between helping and showing they cared but also emphasising that Samuel Garside House was not the council's building.
- 8.22 The Communications Team very quickly set up an FAQ site on the council website, in particular clarifying:
- Who managed the building – both the private and social rent flats?
 - Who owned it?
- 8.23 Lots of questions were emerging about why the timber balconies on the outside of the building had not been treated with fire retardant material despite residents repeatedly chasing Bellway to do this.
- 8.24 A residents' meeting was held on the evening of 10 June. The representative in attendance from Bellway was not a communications specialist and did not seem to be fully aware of the details of the incident. He stated that the timber was fire retardant, something that residents felt made no sense in the light of what had happened to the building during the fire.
- 8.25 At the residents' meeting there was a panel at the front but, in the end, Council Leader, Darren Rodwell, sat in the audience and asked questions – he wanted to be an advocate for the residents. Mark Fowler, the Director of Community Solutions for the council, chaired the meeting but this was only done in the absence of leadership from any of the other parties. None of the other stakeholders took responsibility to manage the meeting.
- 8.26 Both the council's Communications Team and many residents said that what was missing was one source of information, one accountable body. One resident went as far as to say that there should have been more presence and help from Bellway, RMG and HomeGround and that each were:
- Unhelpful and not at all sympathetic, they didn't care at all, very defensive and argumentative as well.*
- 8.27 The Communications Team felt that the council became the de facto source of information with those involved in the ownership or management of the building taking 'two steps back'.

8.28 By 11 June, the mood at the rest centre was tense and residents were ‘turning on the council’ due to a lack of available information.

8.29 Indeed, one resident we spoke to said:

It would also have been good if Bellway or RMG had started sending out consistent communications about what was happening. Everyone was having to contact them to find out information, only to be told different things. There should have been clear communication at set times every few days to keep residents informed. The lack of consistent and clear information only raised the stress levels of everybody. I believe the reason we had such bad communication was because no one in any group involved was willing to step up and speak to people knowing that it might not always be what we wanted to hear.

8.30 RMG sent fourteen text messages to residents from 11 June, as well as an information pack, insurance FAQs and a joint HomeGround/RMG communication on safety measures. HomeGround’s insurance team telephoned and emailed all eight leaseholders whose apartments suffered catastrophic damage and the 12 leaseholders with medium damage to their apartments on 14 June. Others residents were telephoned by the insurance brokers, Gallagher, during the first week following the fire.

8.31 However, it is clear to the Review Team that residents nevertheless felt confused and unsupported. This is reflected in the two letters sent to residents by the council, on 13 June and 20 June. As well as providing a list of useful telephone numbers, these letters covered lots of different aspects of the recovery operation including –

- Housing support
- The Rest Centre
- Welfare Support and Benefits
- Medical Advice and Counselling Services
- Post and official documents
- Clothing and Equipment
- Food and Drink
- Creche and Play facilities
- Donations

8.32 Indeed, in the letter of the 13 June, the council make clear that they have concerns about the way that the parties involved in the building’s management have handled the recovery operation.

Having been at the scene and the rest centre daily since the fire, we have spoken to lots of residents involved and are listening to your concerns. We want to reassure you that the council will not be stepping away from this incident until we are satisfied that the organisations involved are supporting you fully.

8.33 In their submission to this review, Adriatic and HomeGround referred to their limited ability to

assist in the emergency operation after the fire in the following terms:

To put expectations regarding the financial and other resource-focused response on the part of HomeGround into context, the only income the landlord receives from the leaseholders at SGH is the annual ground rent payable by the 47 private leaseholders, currently totalling just over £13,150 annually. At the time of the SGH fire each private leaseholder's ground rent amounted to £200 or £250 annually, depending upon the size of their apartment.

THE EMERGENCY RESPONSE FROM RMG

- 8.34 Two members of staff from RMG attended the rest centre on the evening of the fire. Following this, as the operation moved from emergency to recovery phase, there was only one staff member from RMG present.
- 8.35 By Tuesday 11 June, the council felt that this RMG staff member was struggling and needed support. The council's Director of Law and Governance spent much of the day speaking to RMG on the telephone, requesting that they send additional staff.
- 8.36 Some of the leaseholders at the rest centre were raising questions about the future of their homes but were not getting answers from RMG. In the end the council stepped in to clarify some of the things that RMG were saying.
- 8.37 Some additional RMG staff members arrived on Tuesday afternoon.
- 8.38 The question of the role of the insurers arose quickly in the days after the fire. Leaseholders have since described that the layers of management around the building made it difficult to get any information about long-term plans and returning to their homes, especially regarding insurance issues. Leaseholders have also described how the council fronted the response after the fire but there was no sign of RMG. One leaseholder commented that:

It appeared as if RMG were waiting to agree matters with their insurers before taking any action that would have supported us.

- 8.39 RMG have since confirmed that the insurance for the building was arranged by HomeGround, on behalf of Adriatic, and that they were not involved. However, it is clear that there was some confusion about this and that residents did not feel that they were getting the answers that they needed from the parties that owned and managed the building.
- 8.40 RMG submit that after a fire in a residential building:

Usually there is no specific role for the managing agent until the property has been reinstated and re-occupied.

- 8.41 They state that their role was:

To assist Adriatic to perform its contractual repair and maintenance obligations...Typically this includes cleaning, day to day maintenance, and appointment of necessary third-party contractors.

- 8.42 With regard to the emergency operation, they assert that:

The recovery effort is usually led by the property insurers...Further, in complying with its obligations under the Housing Legislation, RMG would

expect the council to be the first port of call when it comes to, for example, providing temporary accommodation for residents and the like.

RESPONSE FROM SOUTHERN HOUSING

- 8.43 Residents and council officers reported Southern Housing were at the rest centre from the beginning and were very efficient.
- 8.44 On the evening of 9 June, 11 members of Southern Housing staff attended the rest centre. All Southern Housing's tenants were rehoused that same evening, except for one household who were on holiday and another who chose to stay with relatives. They also made sure residents had what they needed, including essential items such as clothing and personal toiletries. They had laptops set up with details of who was living in each of their properties. They left the site at around 1am.

THE COMMUNITY ASSISTANCE CENTRE

- 8.45 On Monday 10 June 2019, the BECC arranged for the 17 hotel room bookings from the previous night to be extended and booked an additional six rooms. These were at Dagenham Premier Inn, Barking Premier Inn and Dagenham Travelodge, initially for three nights until Thursday 13 June 2019.
- 8.46 The Red Cross were also on site at the rest centre to provide support with first aid and general assistance.
- 8.47 On 11 June, five Southern Housing tenant households were able to return home, supported by the Red Cross. 11 Southern Housing tenant households had the option to return home but were still fearful about returning and continued to be accommodated temporarily by Southern Housing.
- 8.48 A further six families who were Southern Housing tenants returned to their homes on 12 June. The remaining 20 Southern Housing tenant households now all had the option to return to their homes. However, they did not feel they could, because they felt scared to do so.
- 8.49 It was not just basic things such as electricity or insurance that needed to be addressed. The council had to liaise with Royal Mail to ensure the post was redirected and access was granted for any resident to retrieve personal items that had survived the fire. Residents also had to regain access to their cars from their garages in the basement of the block before a semblance of normal life could return. Even these simple, basic things which everyone takes for granted in normal times required coordination by the council.
- 8.50 It was clear the fire had made what can only be described as a deep human impact on the residents. North East London NHS Foundation Trust (NELFT) provided psychological support for residents at the council's Sue Bramley Children's Centre. NELFT also prepared a leaflet about their services.
- 8.51 On the evening of 13 June, a residents meeting was held solely on the subject of the safety of the buildings in the Barking Riverside estate. This meeting was led by Bellway Homes and RMG as the builder and managing agents. In the meantime, the council continued to provide humanitarian assistance.
- 8.52 The council's emergency planning records note:

Whilst the primary housing responsibilities are with the managing agents

RMG and Bellway working with Barking Riverside Ltd the council is continuing to work with all partners to provide residents with reassurance and assist them in moving back; in the meantime, any family who doesn't want to return will be accommodated elsewhere.

In that context we will nevertheless continue to provide thorough support to all residents around their accommodation and support needs. ComSol (Community Solutions) continue to identify any additional needs and requirements and the BECC are ensuring that those needs are met.

- 8.53 On 14 June, the Community Assistance Centre was moved to the Rivergate Centre. The Community Solutions Team established a management rota for the centre and all other organisations involved provided their own rotas of people who would be staffing the centre. The Salvation Army and other community organisations took over the food supply operation at the new centre.
- 8.54 Barking Riverside Ltd set up a cabin in the nearby Rivergate Square for Bellway Homes and RMG to offer specific advice about the future plans and to address residents' concerns, ensuring that this service was separate from the humanitarian support provided at the Community Assistance Centre.
- 8.55 A letter was sent by the Leader of the Council to residents of De Pass Gardens and a website link was texted to all directly affected residents. A second letter was delivered to residents in the area generally, along with a leaflet produced by the Red Cross. The council appointed a Humanitarian Assistance Lead Officer (HALO) to oversee the management of the centre and future recovery phases.
- 8.56 On 17 June 2019, a total of 29 families visited the Rivergate Centre. Queries included whether Council Tax would be suspended for residents of the building unable to return to their homes, benefits enquiries, whether nursery provision was available for a displaced family and the availability of laundry facilities.
- 8.57 Residents commented that the process of getting accommodation approved through the Insurance Claims Accommodation Bureau (ICAB) and the insurers was very long and complicated.
- 8.58 On 21 June 2019 at 6pm, 12 days after the fire, the BECC was 'stood down' by the council. 67 households were still in temporary accommodation. Of these, 64 households were staying in hotels, one household was staying in a procured flat and two were staying with friends or family.
- 8.59 The Rivergate Community Assistance Centre continued to operate.
- 8.60 Only 12 households from the 32 Southern Housing managed flats had felt able to return to their homes, despite them all being considered as safe by the LFB. Southern Housing conducted one-to-one visits with residents who had returned home and those still in temporary accommodation.
- 8.61 Of the remaining 47 flats, it was anticipated that the residents of the 27 flats with no damage could return within four weeks, following works in the communal areas.
- 8.62 It was anticipated that the 12 flats suffering medium damage, principally water damage and broken front doors, could return within eight weeks.

- 8.63 The residents of the eight flats that suffered catastrophic damage were advised they would be able to return within 24 weeks.
- 8.64 However, on the first anniversary of the fire, some residents had still not been able to return to their homes due to ongoing work to replace the balconies.

PROBLEMS WITH ORGANISING MORE SUITABLE LONGER TERM TEMPORARY ACCOMMODATION

- 8.65 When the council heard that families were being forced to stay in hotels longer than initially anticipated, the Leader of the Council convened a meeting of local housing providers who agreed to provide alternative accommodation locally. This took a huge effort of coordination, including an appeal to the Secretary of State for Housing, Communities and Local Government, before the insurers agreed to extend the cover of the cost of temporary housing until Samuel Garside was in a fit state to return. Without the council's intervention residents faced an uncertain future in hotels dispersed around London with few personal belongings, miles from their local schools and GPs, and paid for at their own expense. At the same time, they were not prepared to return to Samuel Garside House until they felt reassured it was safe – this, once again, fell to the council who provided that reassurance.
- 8.66 In their submission, Adriatic and HomeGround made clear that they did not share this assessment of what happened:

In some cases, it became clear that a number of stakeholders involved in the aftermath of the SGH fire were unduly focused on seeking to fix blame and making uninformed comments about the ongoing safety in the aftermath of the fire, without waiting for the results of investigations commissioned by the LFB or other safety assessments undertaken. This led to an increased atmosphere of distrust and division... This atmosphere made it increasingly difficult to persuade the insurers to continue to fund ongoing costs, such as alternative accommodation for some residents, where there was no clear evidence of any ongoing issue preventing safe occupation of a number of apartments, and where a number of other affected residents had already moved back to their apartments.

PROBLEMS WITH THE EMERGENCY OPERATION

- 8.67 Many of the council officers that we spoke to made the point that in emergency situations the local authority has a coordinating role and should act as a facilitator. But in this case, the council became the lead body for every aspect of the operation in the aftermath of the fire. This included:
- Booking accommodation
 - Running the Community Assistance Centre
 - Working out which residents lived in which flat and how badly damaged each flat had been
 - Establishing a triage system to expediently assist those residents most in need
 - Enlisting the help of community partners to coordinate donations of food, clothes and other essentials
 - Setting up a crowdfunding platform to raise money to help residents

- Coordinating all communications with residents
- Arranging for residents to get access to their possessions, have their post redirected and get access to vehicles stored in the building's garages.

THE LASTING EFFECTS ON THE LIVES OF THE SAMUEL GARSIDE HOUSE RESIDENTS

We are still feeling the aftermath of the fire and this will never go away. We lost our home and everything in it and will never get anything back, nothing what we built for four years we lived there. We had to start building life from scratch after being homeless for over a month and living out of bags with clothes that were not ours. We will never recover from what happened and that our flat was completely destroyed by the fire and the fear that we could have lost our lives will haunt us always. – Samuel Garside House Resident

- 8.68 It is clear from our conversations that the fire has had long lasting effects on the lives of the residents of Samuel Garside House. One resident commented that:

As someone with mental health issues and not having access to my medication with a young child to look after and no explanation with the prospect of homelessness it was a very confusing and upsetting time.

- 8.69 Unfortunately, it appears that the stress and anxiety clearly felt by many residents was compounded by the lack of effective communications from either the owners of the building or the managing agents. Residents complained of having to make phone calls every day to ensure that they could continue living in their temporary accommodation and that trying to get all of the necessary information on the state of building and when they could move back in sometimes felt like having a second job. One resident said that this process left them on the cusp of a nervous breakdown. There was a prevalent sense among residents that the owners and managing agents simply were not listening. A resident who was pregnant at the time strongly felt that the lack of facilities for preparing hot food in her temporary hotel accommodation, and need to live on takeaway food for so long, had had an effect on her health.

- 8.70 Adriatic and HomeGround acknowledge that:

In some cases, communications could have been clearer and more responsive. This is a matter we have been reviewing with RMG throughout, in order to improve procedures in the event of a similar incident response being required in the future.

- 8.71 It is clear to us that in addition to the initial and perhaps inevitable difficulties with communications there was a significant gap between what was expected and what was offered. Resident expectations were based on their immediate needs and concerns and later by their need for accommodation. The owners and their agents had a clear understanding of their legal responsibilities and drew on their established procedures to move forward.
- 8.72 Bellway homes did not have a communication team at that time but have since told us that following their own internal review of what happened they have created a new Group Communications role "to provide a single point of contact to help drive and coordinate information in the future."
- 8.73 The council staff who worked the comprehensive emergency operation in the absence of

action or leadership from the building's owners or managing agents also experienced the fear, anxiety and frustration felt by the residents. The specific circumstances of Samuel Garside House in the wider context of concerns about fire safety led to those fears increasing and a gap in expectations continued to grow.

9 RETURNING HOME

The long-term issues with residents returning to their homes

The handling after the fire for me was much worse, the constant fear of having nowhere to live, the contradictory communications, being asked to go back and forth to the site for no reason in the middle of work days. Being told our flat would not be fixed even though it was covered in ash, smoke and water. Living day-to-day not knowing if we would have somewhere to stay was so stressful and constant errors were made which resulted in us having to pay for our own accommodation in the end which cost us £900. Honestly, there were times when I felt like I was on the cusp of a nervous breakdown and just cried because I was so frustrated and no one was listening or doing their jobs properly.

Samuel Garside House resident

- 9.1 It is clear from our conversations with residents that many families were not able to return home until at least six months after the fire. Several families returned to their homes between September 2019 and December 2019. However, others were not able to return home until March 2020, nine months after the fire while for some it took more than a year.
- 9.2 We have identified three primary issues of concern:
- 1 A lack of clarity about the scope of the building safety works, particularly the removal of wooden panels from the building
 - 2 A lack of information about a timetable for the remedial works to the building and when households would be able to return home
 - 3 A lack of assistance in finding alternative accommodation beyond emergency hotel accommodation
- 9.3 In this section we examine each of these issues in turn from the point of view of Samuel Garside House residents.

BUILDING SAFETY WORKS

- 9.4 Residents living in both leasehold flats and Southern Housing-owned flats have expressed concern that when they returned to their homes, the building still had balconies with wooden panelling.
- 9.5 One resident explained that after being evacuated from her flat on the day of the fire, she made clear to Southern Housing that she did not feel comfortable returning. In her view, it was not safe. Southern Housing wanted her to move back in two or three days after the fire and a member of Southern Housing staff accompanied her to her flat. She insisted that she was only there to collect her belongings and was not prepared to stay. Ultimately, she instructed a solicitor, who was offering pro bono help to Samuel Garside House residents, to tell Southern Housing that she would not be returning to the flat. She did not wish to do so whilst safety matters, particularly the removal of wooden panels from balconies, had not been completed. She subsequently spent four months at a Travelodge in Dagenham and two to three months at a Premier Inn in Barking before, in September 2019, moving to a temporary apartment that was a five-minute bus ride from Samuel Garside House. She stayed in this

apartment up until 20 July 2020 when she returned to Samuel Garside House. Even at this point, she was reluctant to return home because all of the wooden panelling had not been removed from the building. The panelling had been removed from the balcony of her flat but she stated that she was still not comfortable about there being wooden balconies at the back of the building.

- 9.6 Another Southern Housing tenant confirmed that she was displaced from her home from 9 June to 14 August. She also refused to return due to fears about wooden panels at the back of the building and the fact that the alarm system seemed inadequate. A third Southern Housing tenant returned home after three weeks but then had to leave again because her children were scared. She stated that children are still scared and, to this day, her son cannot get into a lift due to his fears.
- 9.7 Another Southern Housing tenant said she felt forced to return to the property despite not feeling safe. She was offered another property but the rent was higher and it was a long way from her children's school. She states that she could not afford the increase in rent and therefore felt she had no choice but to move back into Samuel Garside House as requested.

LACK OF INFORMATION ON THE TIMETABLE FOR THE REMEDIAL WORKS TO THE BUILDING

- 9.8 We have not found any evidence that residents were ever provided with a proper timetable for the remediation and building safety work and there does not appear to have been any coordinated plan to keep residents informed as the work progressed.
- 9.9 A household that was able to return home at the end of October said that multiple residents, including themselves, felt that the work done to their homes was of a low standard and that there had been additional damage to their property while the work was being completed, which was not rectified by Bellway. They suggested that all of the work that was going to be completed should have been fully outlined, either in an email or letter, to each resident.
- 9.10 Another household who were only able to return home in the second week of March 2020, just before the beginning of the UK's Covid-19 lockdown, said they felt 'lost and alone in almost every sense'. They added that 'the amount of chasing calls I had to make to find out any bit of information was absolutely ridiculous, nobody would take responsibility for anything, and their answer was just to pass you from one company to another or them calling you back a week later with a very vague response'.
- 9.11 A third household was concerned that Bellway had promised that they were going to put roofs on the highest balconies to protect them from rainwater from the roof of the building but this did not happen. They were later told that this was not covered by the planning permission for rectifications and therefore it was not possible. They also felt that Bellway had not considered that the building work was very disruptive to residents. They questioned why a decision had been taken to move residents back in without properly considering this. The work caused a lot of dirt and dust, to the point that this household could not even open a door or a window.

LACK OF ASSISTANCE WITH FINDING ALTERNATIVE ACCOMMODATION BEYOND EMERGENCY HOTEL ACCOMMODATION

- 9.12 In the days after the fire, the council began speaking to Barking Riverside Ltd (BRL) and L&Q Housing Association (part-owners of BRL) about providing an accommodation offer beyond emergency hotel accommodation. BRL and L&Q agreed to work alongside Reside (the

council's own housing company) to make alternative accommodation available from their collective stock of properties for anyone who would prefer a temporary flat, rather than a hotel room, while Samuel Garside House was being repaired. Bellway Homes and the insurance company agreed with the council's recommendation to make a property available for any household who wished to leave hotel accommodation.

- 9.13 However, residents told us that the Insurance Claims Accommodation Bureau (ICAB), working on behalf of HomeGround and the building's insurers, often offered a poor service and could be dismissive of residents' concerns. Residents reported that they were left to find their own accommodation, before then having to get it approved by ICAB, which was not a straightforward process.
- 9.14 One resident said that after spending a few days in hotels and needing something more permanent, the Insurance Claims Accommodation Bureau (ICAB) told them they should start looking for accommodation themselves. When we spoke to them in June 2020 this household was in long-term accommodation in Canning Town, which they sourced before getting it approved by ICAB and had still not been told when they could go back to Samuel Garside House. They also raised the point that they have continued to pay service charges since the fire even though they have not been able to go back to their home.
- 9.15 Another household said that they also started looking for long-term accommodation as ICAB were slow and had told them 'you might want to start looking yourself'. The process of finding a property was long and cumbersome. It was necessary to ask ICAB to approve it and then for ICAB to ask the insurance company to approve it before a decision was eventually relayed to the resident. Often, by the end of this process three or four days later, the property in question would no longer be available.
- 9.16 One private tenant stated that very little guidance was available from the building's managing agents about what private tenants should do. She was able to meet with her letting agent two days after the fire. In her words:

There was uncertainty as to where we would be living and what we would do next, only having the clothes on my back. The week after, still not anywhere forward, I was now placed in a Travelodge in Gants Hill with no facilities for hot food and no microwave. I was living off takeaways and this did not help with my pregnancy.

- 9.17 She was eventually able to return to her flat in October 2019. Even though she has now been able to return home, she added that:

The community feels let down and unsure as to when remedial work will be done to make Samuel Garside safe.

- 9.18 Another private tenant, who had not been able to return to their flat, was offered alternative accommodation by their landlord but it was too expensive, so they instead approached Reside who were helpful. The household has now moved into new accommodation.

OVERVIEW

- 9.19 Our conversations with residents indicate that Southern Housing acted very professionally and helpfully in the immediate aftermath of the fire. They promptly arranged hotel accommodation when the fire brigade took the decision to evacuate the entire building. But it was felt that Southern Housing's longer-term response should have been much better.

Tenants felt that they were pressured into returning to their homes despite the fact that the issue of the alarm system had not been addressed nor the continued presence of wooden panels on the building. However, it should be stated that Southern Housing did not have direct control over either of these matters.

- 9.20 Earlier in this report we identified problems with the building's managing agents' and owners' emergency response on the day of the fire and the days that followed. In the longer term, there was a lack of clarity about the timetable for the remediation and building safety work and there does not seem to have been a coordinated plan to keep residents informed. Of equal concern to residents was the perceived limited assistance with finding suitable temporary accommodation.

10 THE KEY ISSUES

These are the major concerns that came to our attention during the review. We are clear that we did not have the resources necessary to examine technical matters in detail nor were we asked to do. However, there is a considerable amount of information including some of a technical nature which is in the public domain and at least some residents were aware of this information. In order to understand what happened in the aftermath of the fire we needed to put the reactions of those who lived in SGH into context and therefore needed to acknowledge the impact of this information. What follows is informed by both what we heard from residents and what we have been told by both the council and those organisations charged with the management of the building and also Bellway Homes.

OWNERSHIP

- 10.1 The history of the ownership of this building was complex. This has become increasingly common and makes it difficult for the leaseholders of individual flats to be clear about where responsibility for issues affecting common areas and the building as a whole lie. In this case the head lease was granted by Barking Riverside limited to the developer who sold it on after construction. The new owner sought to discharge its responsibilities via a subsidiary which in turn let a contract for the management of the building. This is further complicated by a lack of clarity about the ultimate ownership of the different companies involved. We believe that this could be made simpler in the future by requiring the freeholder to lodge a 'Statement of Ownership' with the Land Registry setting out the organisations or individuals that hold leases and subleases down to, but not including, leases for individual properties and indicating the ultimate ownership of those organisations. This would need to be updated whenever a lease was transferred.

INFORMATION FOR RESIDENTS

- 10.2 The initial experiences described to us by residents were different for those in the flats owned by Southern Housing and those in privately owned flats. The tenants of Southern Housing were clear who was responsible for the maintenance of their flat and that any concerns about common areas or the building as a whole should also be referred to Southern Housing. Equally Southern Housing were clear that from the point of the evacuation they had ongoing responsibilities for those residents. Other residents reported varying degrees of difficulty in establishing who they needed to talk to and what help they would receive. This is looked at in more detail in [Chapter 8](#). In our view in future, it would be of significant help to all residents of buildings with multiple units if they were provided annually with a statement of responsibilities for their home and the building of which it is a part. This would include contacts for both internal issues in the case of renters and external issues for all. It should also include a clear statement of the responsibilities of the residents both for the maintenance of their own homes and in relation to common areas as set out in the relevant leases.
- 10.3 In so far as any new buildings are concerned planning authorities should consider including provisions in S106 agreements for multi-unit buildings which require owners and leaseholders to provide such statements of ownership and responsibilities.

DIFFERENTIAL TREATMENT OF BUILDINGS BELOW 18 METRES

- 10.4 At the time of writing, the Building Safety Bill is before Parliament. This seeks to address many of the concerns that have emerged in relation to the tragic fire at Grenfell Tower. It is proposing to create a new Building Safety Regulator which will be responsible for all residential buildings over 18 metres. The regulator will take over a range of powers that currently lie with local authorities in relation to building control. However, Samuel Garside House at 16 metres would not be covered.
- 10.5 If the local authority role in relation to higher buildings disappears, for some authorities there will be a question of whether the capacity and necessary expertise to do similar work on lower height buildings can be sustained. As the Bill proposes to include more significant sanctions for breaches of building regulations there is also the possibility of a two-tier system developing. For example, two buildings in the same development, one of six storeys and one of eight, could be subject to different requirements and have to deal with different sets of officials. However, it is understood that the Bill will be drafted in such a way as to facilitate changes to the height limit in future.
- 10.6 Subject to the final provisions of the Building Safety Bill we consider that it would be helpful to give local authorities additional enforcement powers for building below 18 metres which match those of the Building Safety Regulator for buildings over 18 metres.

RESPONSIBILITY FOR DISPLACED RESIDENTS

- 10.7 Residents in Samuel Garside House, both renters and owner occupiers, found themselves being evacuated from their homes at very short notice and while Southern Housing immediately took responsibility for its tenants, on the day of the fire it was the council which addressed the needs for assistance of other residents who had been rendered homeless through no fault of their own.
- 10.8 The council fulfilled its responsibilities in dealing with an emergency but also responded as the democratic body to which residents looked for help and support. As the building's owners, through their agents, took on their responsibilities tensions and concerns arose for residents who in turn looked to the council for assistance which the council endeavoured to provide despite their limited powers and resources.
- 10.9 During our work on this review, it has become clear that beyond the perhaps inevitable difficulties in the days immediately following the fire there are differences of view about where responsibility lies and how that changes as the situation develops. We think this should be addressed with some urgency. We suggest in our recommendations an annual Statement of Responsibilities that should include reference to what will happen in emergency situations.
- 10.10 We further suggest that a suitable opportunity be sought to make a legislative change to enable councils to declare a situation as an emergency and reclaim any expenditure incurred during the ensuing 30 days from whosoever had legal responsibility for the building concerned.
- 10.11 Councils have specific though limited powers in relation to the safety of buildings, including the ability to issue notices and, in the event of noncompliance, enter buildings and take action themselves up to and including demolition. They have clear responsibilities in respect to the immediate response to emergency situations. There is, however, significantly less clarity

about responsibility once that immediate situation has been addressed. Councils lack a clear power to act to fully support displaced residents and recover costs. They also do not have the power to require building owners to undertake the most significant (Type 4) building surveys which can lead to residents raising concerns and having to accept the owners' assurances rather than seeing any independent assessment.

- 10.12 We think it would be helpful to address this and suggest that consideration be given to creating a power to declare a "Local Housing Emergency" for 30 days during which a council can take what it considers to be the necessary actions and also reclaims costs incurred by it from the responsible organisations. Such a power should be renewable for a further 30 days if necessary. It should be exercised directly by the council unless prior to the event occurring the council has expressly delegated its exercise to another organisation.

THE PERFORMANCE OF THE BUILDING

- 10.13 It is beyond the remit of this review to examine the cause of the fire or comment on how fire safety issues had been addressed. Nevertheless, there were related concerns which impacted greatly on the residents and provide significant context to the events following the fire.
- 10.14 It appears that the timber balconies did not perform as expected and the fire spread rapidly. Bellway Homes, who built the block, undertook to replace the balconies at Samuel Garside House and at the neighbouring Ernest Websdale House. The original balconies had conformed with the regulations then in place but the replacements were constructed of steel. This company no longer had any direct legal or operational involvement with the building but, following the fire, responded immediately to assist RMG and Southern Housing and support residents.
- 10.15 Residents told us that they had previously raised concerns about a number of issues but in respect of the balconies had been given assurances about how the timber would perform in the event of a fire, which proved to be inaccurate.
- 10.16 In the aftermath of the fire issues arose about the condition of the building and when it would be safe for residents, whose homes had not been damaged, to return. Responsibility for building safety lies with the building owners but residents approached the council and asked them for assistance. Like most local authorities Barking and Dagenham is no longer in a position to directly employ staff with the necessary qualifications to carry out such work and the council therefore commissioned a consultant surveyor to carry out a Housing Health and Safety Rating System (HHSRS) Inspection which reported in October 2019.
- 10.17 We have attached, as an appendix, the summary report of that inspection which sets out its findings and also give a helpful explanation of how the inspection system works.
- 10.18 The report of the inspection in this case raised issues which were reported to the council including some which were considered to constitute Category 2 hazards. This enabled the council to consider taking enforcement action in its role as the statutory Local Housing Authority. In this case the council informed the managing agents for the building of their concern and indicated that if action was not taken within 48 hours enforcement would commence.
- 10.19 At the time of the fire Bellway had no proprietary interest in the building and no role in its management but through its intervention found itself in an unprecedented position which requires further explanation. A written submission was received from Bellway Homes which

clarified a number of points

- 10.20 They drew to our attention the view of the London Fire Brigade that the fire occurred as a result of a naked flame igniting flammable materials on a balcony. The instructions for safe use of balconies make clear that there should be no naked flames on balconies. They told us that:

The main fabric of the building itself performed properly in resisting fire penetration and fire spread. The fire stopping and fire compartmentation elements had been properly installed and worked as intended. The fire doors between individual apartments and communal areas were all properly installed and fitted, allowing the building to be safely evacuated while the fire was put out.

- 10.21 Notwithstanding their wish to assist they were not the organisation with legal responsibility to intervene and take action without the agreement of those that did have that responsibility. In practice working closely with all the other parties they undertook significant works, including the removal of timber from remaining balconies, at their own cost without waiting for insurers to instruct the work because they wanted to support the residents who wanted to get back to their homes quickly.

11 APPENDICES

12 REVIEW BRIEF

REVIEW OF THE SAMUEL GARSIDE HOUSE FIRE IN BARKING AND DAGENHAM

- 12.1 In the aftermath of the fire at Samuel Garside House in June 2019, the London Borough of Barking and Dagenham is commissioning a review to provide a clear account of what happened during and following the fire – and the lessons learned locally, as well as in the sector more widely.

PURPOSE AND SCOPE

- 12.2 The purpose of this review is to:
- 1 Set out the key events associated with the fire, focusing in particular on the response and aftermath of the key agencies and those with responsibilities for the people affected
 - 2 Establish the main lessons learned; identifying what went well and where things fell short of what the people affected should have been able to expect (from the key agencies and those with responsibilities for the people affected)
 - 3 Propose recommendations for action or change, based on our experience and lessons learned (in particular relating to the emergency response and aftermath, but also in relation to questions around building regulations and fire safety).
- 12.3 The review will focus on the response to the fire, not the cause of the fire itself.
- 12.4 The review will not be a detailed or technical assessment of building safety regulation, which is a matter for the government. However, it will pose questions relevant to the future of such regulation, rooted in our experience in Barking and Dagenham.
- 12.5 The review will be concerned with the events and issues surrounding the fire at Samuel Garside House. However, we are well aware that there have been other similar incidents in blocks of flats in London in the recent months and years (most tragically the disaster at Grenfell Tower). Therefore, the review will draw on insights and experiences from elsewhere (e.g. Sutton).
- 12.6 The review will report to the Leader of the Council, Cllr Darren Rodwell.

13 INDIVIDUALS AND ORGANISATIONS WHO PROVIDED VERBAL OR WRITTEN COMMENTS

RESIDENTS AND THE COMMUNITY

- 13.1 29 Samuel Garside House residents
- 13.2 Matt Scott, Thames Ward Community Project
- 13.3 Serena Madvani, Assistant Headteacher, Riverside Primary School

LONDON BOROUGH OF BARKING AND DAGENHAM COUNCILLORS

- 13.4 Cllr Darren Rodwell
- 13.5 Cllr Cameron Geddes
- 13.6 Cllr Josie Channer
- 13.7 Cllr Bill Turner

STAFF

- 13.8 Jim Dixon, Operational Service Manager, Highways and Incident Response Unit
- 13.9 Fiona Taylor, Director of Law and Governance
- 13.10 Andy Opie, Director of Enforcement Services
- 13.11 Gary Jones, Head of Regulatory Services
- 13.12 Katherine Gilchrest Head of Support – Community Solutions
- 13.13 Monica Needs – Head of Participation and Engagement (Policy and Participation)
- 13.14 Nicki Lane – Resident Engagement Manager
- 13.15 Emily Blackshaw – Head of Communications and Policy
- 13.16 Jonathan Boyle, Regeneration Projects Lawyer

BE FIRST

- 13.17 Pat Hayes, Managing Director

ORGANISATIONS INVOLVED IN THE CONSTRUCTION, OWNERSHIP AND MANAGEMENT OF SAMUEL GARSIDE HOUSE

- 13.18 Chris Harris and Suzanne Horsley – Southern Housing
- 13.19 Steven Saville – Bellway
- 13.20 Written Submissions from RMG and Adriatic/HomeGround

ORGANISATIONS INVOLVED IN THE WIDER REGENERATION OF THE AREA

- 13.21 Matthew Carpen – Barking Riverside

EXTERNAL ORGANISATIONS

- 13.22 Catherine Staniland – New London Architecture
- 13.23 Clare Williams, Fire Safety Manager – London Borough of Hackney
- 13.24 Simon Latham, Interim Strategic Director, Environment, Housing and Regeneration – London Borough of Sutton
- 13.25 Deputy Assistant Commissioner Stephen Norman – London Fire Brigade

OTHER SOURCES OF INFORMATION

- 13.26 The Land Registry

14 THE WORCESTER PARK FIRE, LONDON BOROUGH OF SUTTON

- 14.1 Sutton Council has been invited to add its comments to the independent review of the recent fire at Samuel Garside House in the borough of Barking and Dagenham in light of its experience of the fire at Richmond House, part of The Hamptons development in Worcester Park, that occurred in September 2019. The comments set out below cover a number of issues and learning points both in relation to the council's involvement with the Richmond House fire and in respect of the proposals set out in the recently published draft Building Safety Bill.
- 14.2 A major issue that arose out of the fire at Richmond House, which comprised 23 shared ownership units, was the uncertainty around roles and responsibilities of the agencies involved and the consequent inherent difficulty in coordinating a coherent response, one which had residents at its focus. This has, rightly, been the subject of much criticism by the residents at Richmond House who a year on are still awaiting compensation and remain in temporary accommodation.
- 14.3 The residents have also raised concerns, which the council supports, around certain provisions in the draft Building Safety Bill. The first is that the proposed 'two gateway' approach to the approval of building safety measures risks undermining fire safety. We agree that it would be better to ensure that all necessary measures are in place and signed off at the planning stage rather than later on in the development process. We are also concerned that the expansion of permitted development rights, in particular in relation to the Planning For the Future August 2023 White Paper, potentially undermines the proposed gateway approach and there is the need to ensure that loopholes do not exist that allow developers and contractors to prioritise cost-cutting considerations over building and resident safety.
- 14.4 The council also shares the concern that the Bill's proposed safety requirements are limited to buildings over 18 metres. Both Richmond House and Samuel Garside House were under this limit yet clearly suffered from catastrophic failure to maintain fire safety. We would argue that all flatted blocks above two storeys should be in scope of the Building Safety Regulator given the potential risk to residents in communal living settings. However, the council believes that the over 18 metres limitation is inadequate and a blunt instrument. The impact of fire on the residents in a building depends on many different factors other than the height, including the potential vulnerability of the occupants and the construction of the property. For example, Richmond House was of timber frame construction. The full range of issues that make the potential impact on residents of a greater or lesser risk should be part of the consideration of which buildings are in scope.
- 14.5 Building ownership can often be complex and fluid, particularly in the private sector, with various management arrangements and shared responsibilities, which can be confusing to residents, whether they be leaseholders or tenants. Accordingly, the council would support the suggestion that there should be a legally required Statement of Ownership with the Land Registry and believes that there should be a mandatory requirement on building freeholders to provide annually updated statements of responsibility, with these made readily available to all residents. The council feels that this is critical in ensuring greater transparency and accountability.
- 14.6 Another key criticism of the residents at Richmond House was the response on the part of both the social landlord and the developer to deal with certain aspects of the fallout from the fire. This included issues of communication, accountability and transparency. Whilst the relationship with the registered provider (RP) improved over time, the response in the

aftermath often left residents feeling bewildered and lost. Having a human response to a human tragedy is a key part of responding to an emergency. At the heart of this should be looking after the health and welfare of residents. All efforts should focus on this so that the people affected can be helped to move on, in their time, to make new lives and new homes. Two specific examples are personal belongings and access to counselling and support. The council feels that getting these right and acting with urgency will help the process of recovery. This didn't happen with Richmond House. If there is not timely intervention and support around the impact on people's lives, their mental health and their well-being is more likely to become protracted with the cost being counted in both human and financial terms.

- 14.7 In essence the council immediately stepped in to support the residents from day one, such as helping the move of a small number of residents into temporary accommodation and sourcing counselling and other support. However, it soon became clear that there needed to be much greater clarity in what the respective roles of the local authority and the building owner should be in such circumstances. We strongly feel that building owners' responsibilities must be enforceable in law (e.g. through a requirement to cooperate with councils where they have declared an emergency). We support the suggestion that the local authority should be able to act in default and claim back costs.
- 14.8 Residents found of particular value the independent, 'honest broker' role the council played in the aftermath and months that followed the Richmond House fire. They welcomed the council's ability to help residents navigate through the post-fire bureaucracy and to unblock obstacles and make things happen more responsively. Whilst it's difficult to encapsulate this into suggestions for concrete changes, it's important to acknowledge that it was this practical, caring approach where the council stood by the side of residents, that made a big difference to them. Whilst the council could have a landlord role (if a fire happened on a council site) it should nevertheless not lose this wider responsibility in such an emergency.
- 14.9 Where flatted blocks are in the ownership of an RP the council believes that the Regulator for Social Housing (RSH) should take a stronger role in relation to the potential for serious detriment towards the RP's residents. At present the RSH does not appear to take an active role in considering whether an RP has breached the regulatory code following emergency incidents. The council's experience is that the emergency planning and response approach and capacity within RPs needs to be strengthened so that they are better prepared throughout the sector in handling both the immediate aftermath and the follow-up. The council believes that a stronger emphasis on this issue from the RSH would create a welcomed heightened focus on this issue with RPs. It's notable that the Home Standard does not directly reference handling building emergencies.
- 14.10 Regarding penalties on RPs who fail to support their residents after an emergency, at the moment there isn't anything to incentivise RPs as the requirements are all preventative (fire risk, building safety) rather than response/recovery orientated after the event (longer term welfare, supporting the replacement of contents, trauma/bereavement support, etc.). As a result, local agencies have to pick up the pieces for the people who have gone through huge amounts of trauma.
- 14.11 In summary, the council believes that any response to an emergency such as that at Richmond House must centre on the impacted residents and their welfare, assisting them to get their lives back to some form of stability where they feel they can move on. This applies not just to those most directly affected by their home becoming uninhabitable but also neighbours where the impact may be less obvious but can also be very profound. The council's concern is

that the interests of developers, landlords and other interested parties tend to focus on reputational damage limitation and minimising costs. There should be a clear responsibility for all interested parties to cooperate with two overriding aims: looking after the residents affected and learning lessons to prevent and better respond to future incidents.

14.12 2 October 2020

LESSONS LEARNED FROM RICHMOND HOUSE, WORCESTER PARK – RESIDENT COMMENTS

THE PERFORMANCE OF THE BUILDING

- 14.13 The factors contributing to the spread of fire are addressed in the expert report by Probyn Miers and LFB’s fire investigation report. A further report is also expected from the BRE.
- 14.14 However, it is clear that some of the key issues seen in other serious fires were also present in Richmond House. The building had a timber frame and a key issue was defective or missing cavity barriers. There were combustible materials (including timber) on balconies and each set linked six adjoining apartments together, which helped the fire to spread.
- 14.15 Compartmentation failed on one side of the building and at roof level. Fire rapidly engulfed all floors, before the London Fire Brigade arrived. The building had a ‘Stay Put’ policy but did not have the minimum amount of fire resistance to support such a policy. The only reason there were no fatalities was because residents immediately helped each other to get out.
- 14.16 Previous fire risk assessments had not uncovered these major issues because only Type 1 FRAs had been carried out, which are too superficial to assess if the whole building is safe.
- 14.17 Building regulations are ultimately designed to protect life safety, not property. Even so, we do not believe it is acceptable to build poorly performing blocks which are ‘sacrificed’ in a fire, because of the impact on residents caused by the loss of their homes, belongings and pets.
- 14.18 Investigations after the fire also revealed safety issues in every other apartment block and some houses on the Hamptons estate, which are subject to 23 LFB Enforcement Notices.

OUR RECOMMENDATIONS:

- At national level, a wider scope of building safety issues needs to be addressed beyond cladding. For example, following a series of serious fires, timber frame requires an independent review. The Building Safety Fund should be extended to cover issues such as compartmentation
- Cavity barrier installation should be performed by specialist, approved installers as suggested in a 2016 BRE report – because poor workmanship is a widely reported issue
- The NFCC’s ‘Stay Put’ policy should be reviewed locally/nationally, for buildings where the construction type is known to be vulnerable to rapid fire spread, e.g. timber frame
- Building owners should be required to conduct intrusive Type 4 FRAs at regular intervals (e.g. every five years or following significant alteration to the building structure or use).

DIFFERENTIAL TREATMENT OF BUILDINGS BELOW 18 METRES

- 14.19 Richmond House was a mid-rise building of four storeys. Rescue or escape requires less time in a mid-rise building than a high-rise but we would argue that the threat to life and safety can still be significant. Every floor of Richmond House was engulfed in flames before the LFB arrived.
- 14.20 Government statistics also show that in the last year there were three times as many serious fires (spreading to more than two floors) in mid-rise than high-rise buildings.
- 14.21 Despite this, the upcoming Building Safety Regulator will not initially apply to buildings below 18 metres. Even non-structural requirements – such as having named duty holders who are responsible for safety or the right for residents to access critical safety information – will not apply below 18 metres. It's like being given a safety 'handicap' purely because the escape stair is shorter.
- 14.22 The government is currently considering lowering the threshold for the ban on combustible materials in the external wall to 11 metres. This will increase safety for many mid-rise buildings but the measurement relates to the height of the top floor, which is only 9.1 metres in Richmond House, therefore it will do nothing to protect buildings like ours.

OUR RECOMMENDATIONS:

- Building height is not the only risk factor, therefore government should prioritise buildings based on a risk matrix that considers multiple factors
- The ban on combustible materials in the external walls (including balconies) should be extended to all multi-occupancy buildings, not just those above 18 metres or 11 metres
- The remit of the Building Safety Regulator should be extended, e.g. the requirement for named duty holders responsible for safety should apply to buildings of every height.

BUILDING CONTROL

- 14.23 Richmond House was signed off as being compliant with building regulations, despite serious defects. The building control process should provide third party assurance to building owners and residents that homes are up to standard but it failed.
- 14.24 The approved inspector scheme effectively allows developers to choose their own regulator, which creates a potential conflict of interest and could undermine independence. However, we are also aware of numerous instances where local authority building control has failed.

OUR RECOMMENDATIONS:

- Similar to the model introduced by the Victoria/NSW State Governments in Australia, the new Building Safety Regulator should have the authority to carry out on-the-spot site inspections, withhold certification and order rectification for buildings of all heights.

INFORMATION FOR RESIDENTS – BUILDING SAFETY

- 14.25 Before the fire, there was a history of residents feeling ignored when they raised concerns about building maintenance and safety. This is being investigated by London Fire Brigade.
- 14.26 After the fire, the housing association met frequently with residents – more than 20 times – and answered many questions about the building. However, communication often lacked a

sense of urgency, seemed defensive and therefore lacked honesty, transparency and clarity. For example, the housing association would not share the building's fire risk assessment for almost three months after the fire, citing 'legal reasons' or that the information was too 'technical'.

- 14.27 An 'advice note' regarding balcony safety had been issued by MHCLG in June 2019, which was not shared with residents. Several months after the fire, this advice still hadn't been shared with residents in their other buildings.
- 14.28 The HA also published information which said the frequency of fire risk assessments had increased to yearly for all buildings and that an intrusive type of FRA was being introduced to 'all buildings with a Stay Put policy', which would have included Richmond House. But this information was not correct, so residents were less safe than was being claimed.

OUR RECOMMENDATIONS:

- Housing associations should work with their residents on a safety communications plan
- All building owners should proactively publish fire risk assessments to their residents
- All building owners should be required to make residents aware of critical safety information published by national or local authorities, including advice notes
- Alongside the introduction of a New Homes Ombudsman, there must be an effective and simple route to escalate building safety concerns for existing buildings. Local authorities should also be able to intervene under their duty of care to local residents.

LEADERSHIP IN AN EMERGENCY SITUATION

- 14.29 The housing association was legally the 'responsible person' for Richmond House. However, it was unclear who was liable for the building failure and there was a lack of trust. Residents felt strongly that an independent party should have led the recovery process and repeatedly asked Sutton Council to provide that role but they did not feel it was their responsibility.
- 14.30 However, we were grateful that the council remained involved throughout the process, providing a consistent, independent presence and acting as a liaison with other authorities.
- 14.31 At the suggestion of residents, independent advisors were appointed 10 weeks after the fire. The first 10 weeks was critical therefore this should have been instigated earlier. Their presence was useful but they fulfilled more of a facilitation/mediation role rather than providing project management, direction or leadership. Initially Sutton Council managed this contract, however, after six months the contract moved to the housing association; to some residents the change was very clear and they felt there was a conflict of interest.
- 14.32 Over time, relationships between residents and the housing association's resident liaison officers generally improved. However, the management team was not experienced at dealing with the aftermath of a crisis on this scale and we felt they should have sought support from experienced parties to manage the process.
- 14.33 For example, the HA engaged a specialist firm to remove personal belongings from the building a few days after the fire. They failed to agree a contract and made the decision to put belongings back inside an unsafe building; this was not disclosed to residents for several weeks, despite repeated questioning. This caused further damage to belongings and further damaged trust. A year on, many items have still not been returned. It was also made clear to

residents that cost took precedence over the principle of restoring personal belongings to their owners. This is one example why independent leadership was needed.

- 14.34 We were aware there was a ‘taskforce’ behind the scenes – but it did not include residents. Meanwhile residents had to become quasi-experts in construction and housing; and hire lawyers in order to claim damages. The overriding feeling was that ‘no one was on our side’.

OUR RECOMMENDATIONS:

- Following an emergency, and where there are questions of liability to be resolved, the local authority should be able to take independent leadership of the recovery process or have authority to invite experienced third parties to do so.

RESPONSIBILITY FOR DISPLACED RESIDENTS – RENTAL TENANTS

- 14.35 The Housing Association took responsibility for coordinating emergency accommodation for 22 households from day one, which was an entitlement under the buildings insurance policy.
- 14.36 However, they did not provide any emergency support to one household with renters, who had to declare themselves homeless. Sutton Council provided them with only one night of emergency accommodation.
- 14.37 Their landlord, the leaseholders, had been long-term residents in the building but were residing overseas for family reasons. As a direct result of the fire, they lost the rental income to cover their mortgage payments. They had to incur several months of financial losses until they were able to sell the property back to the housing association.
- 14.38 In similar post-fire emergency situations where there was a greater mix of renters and owner-occupiers (e.g., Holborough Lakes in 2017), we understand residents of ALL tenures were supported with emergency accommodation for at least one month.

OUR RECOMMENDATIONS:

- In an emergency situation, the local authority should be able to provide renters with accommodation support for up to one month, to prevent homelessness. Expenditure should be reclaimed from the organisation who has legal responsibility for the building
- Emergency financial support should be available for apartment landlords who have lost their property as a direct consequence of an emergency such as building failure in a fire.

RESIDENT WELFARE AND MENTAL HEALTH SUPPORT

- 14.39 Escaping a fire and losing your home and everything you own is a traumatic experience. Most residents – including many children – suffered psychological distress including shock, PTSD, anxiety, depression or other health issues.
- 14.40 The British Red Cross were on-site during the first two to three weeks and many residents found their presence very helpful but most of the health effects emerged later than this and ongoing support did not meet everyone’s needs.
- 14.41 No one party accepted responsibility for resident welfare and that lack of careful management led to some residents developing very acute need for support. Four months after the fire, the housing association liaised with the developer to request private counselling be available in a compensation package but one year on that remains in limbo.

- 14.42 Sutton Council liaised with the local NHS support service to ‘fast track’ referrals but in some cases the process still took a long time to access and then begin treatment (several weeks/months). It seemed particularly difficult to access the right care for children.
- 14.43 Some residents found the service helpful in dealing with the trauma – however typically eight to 12 sessions were not felt to be enough and the type of therapies available did not suit everyone’s needs, for example if the trauma was in addition to other existing issues before the fire. Many residents needed to access other services afterwards or pay for private care, or access alternative support through employers.
- 14.44 Other factors which restricted residents accessing help were: that the location was difficult to reach for many; it was less flexible than private services (e.g. a patient’s file can be closed if they decline two offered appointment times); it wasn’t suitable for those whose first language isn’t English; some residents wanted to be able to choose therapists with whom they already had prior experience; and unfortunately Covid-19 also shifted services to phone/online, while some residents only felt comfortable building a rapport face-to-face.
- 14.45 ‘Resident welfare’ is also not just about official health services. For example, it could be frustrating trying to get clear and honest information, which tended to increase feelings of hopelessness and powerlessness. The language used by senior management was of ‘equity buy-backs’ instead of sensitively acknowledging people's homes were lost, lives were derailed and personal belongings that survived the fire were not handled with care.

OUR RECOMMENDATIONS:

- In the aftermath of an emergency, recovery of health and welfare should be high priority for adults and children. It must be clear who is the responsible party for coordinating and managing the overall response
- Public health services have a useful role to play but where they are not able to meet resident needs, it should be possible to supplement this with private counselling services where they are more timely, flexible and appropriate. Expenditure should be reclaimed from the organisation with legal responsibility for the building.

15 HOUSING HEALTH AND SAFETY RATING SYSTEM: SAMUEL GARSIDE HOUSE SUMMARY REPORT – OCTOBER 2019

HHSRS Assessment of the Common Parts at Samuel Garside House, Under the Direction of London Borough of Barking and Dagenham (LBBB)

Dated: 18 October 2019

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Introduction

Background

On 9 June 2019, there was a major block fire at Samuel Garside House (SGH) in the London Borough of Barking and Dagenham (LBBB). The building is comprised of purpose-built residential flats occupied by a mix of owner occupation, housing association and private rented tenancies. Independent HHSRS Assessors were instructed by LBBB to carry out Housing Health and Safety Rating System (HHSRS) assessments of selected purpose-built flats and the common areas.

The HHSRS assessment findings were evaluated and this report details the significant findings for the building with a particular focus on fire safety. The purpose of the assessments is to inform LBBB as the enforcing authority under the Housing Act 2004 about the conditions found so that it can determine the appropriate actions it should take.

Relevant statutory provisions

The assessments were carried out with reference to the Housing Act 2004:

- The Housing Health and Safety Rating System (HHSRS) (England) Regulations 2005
- The HHSRS Operating Guidance: housing inspections and assessment of hazards ('the Operating Guidance') and, where applicable, to
- The HHSRS Operating Guidance: Addendum for the profile for the hazard of fire and in relation to cladding systems on high-rise residential buildings: Guidance about inspections and assessment of hazards in housing given under section 9 of the Housing Act 2004 ('the Fire Addendum').

While the Fire Addendum deals specifically with high-rise residential buildings with cladding, some aspects will be relevant for other issues relating to the exterior of a building, or to other residential buildings containing flats or apartments.

The Housing Health and Safety Rating System

The HHSRS is a health-based, risk assessment methodology for the evaluation of housing conditions. The system assesses the potential threat to the health and/or safety of actual or potential residential occupiers as a result of identified deficiencies. Where unavoidable and potential hazards are found, these should be made as safe as possible. The HHSRS assessments are based on full and detailed inspection of the dwelling/s, and identified deficiencies are linked to associated hazard profiles. Each hazard considered to be worse than the national average is then rated (scored) where it is deemed that the likelihood of an 'occurrence' (as defined in the Operating Guidance) is greater than average. The assessments are carried out ignoring the current household (if any) and are based on the likelihood and outcomes of a hazardous occurrence suffered by a member of the age group most vulnerable to the hazard.

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The hazard rating scores are banded from bands A to J. Those scores that fall within Bands A, B or C (a score of 1,000 or more) are deemed to be Category 1 hazards, while all scores

that fall within Band D and below are classed as Category 2 hazards. Where the local housing authority (LBBD in this case) consider that a Category 1 hazard exists on any residential premises, it must take the appropriate enforcement action in relation to the hazard. Where the local housing authority (LHA) considers that a Category 2 hazard exists on residential premises, it has the power to take enforcement action in relation to the hazard. Emergency measures cannot be used to deal with Category 2 hazards.

Enforcement

Once a significant hazard has been assessed and categorised, the LHA must decide on the most appropriate form of action to take with regard to the HHSRS Enforcement Guidance, Housing Act 2004, Part 1, Housing Conditions, and the LHA's enforcement policy in order to establish the most appropriate course of action.

The available options for action are as follows:

- Hazard awareness notice
- Improvement notice (which can be suspended)
- Prohibition order (which can be suspended)
- Emergency remedial action
- Emergency prohibition order
- Demolition order (Housing Act 1985 as amended)
- Clearance area (Housing Act 1985 as amended).

Prior to undertaking enforcement action where a prescribed fire hazard exists, the Local Housing Authority (HRA) must consult with the relevant fire and rescue authority for the area where the building is situated. Furthermore, there is a requirement under The Regulatory Reform (Fire Safety) Order 2005 ('the reform order') for the **'responsible person'** to carry out a fire risk assessment (FRA) to identify what fire hazards exist at the premises and what measures have been taken (or will be taken) to minimise the risk in the parts of buildings containing flats and maisonettes that are used in common.

Inspection of the common parts

The Housing Act 2004 permits the inspection and rating of the common parts. The summary report specifically considers the hazard assessments undertaken to the common parts of the building rather than individual dwellings or purpose-built flats. The assessment of the common parts includes the exterior of the building (as well as any cladding or other panels) and the internal common parts of each floor, including any corridors, hallways, stairways, facilities and amenities (such as refuse disposal and collection points).

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Consideration is also given to private balcony areas and terraces, service risers and ducting. This is considered together with evidence (such as survey reports) that confirms relevant matters in relation to the building. Where survey reports are not available, they will be referred to as such and the assessment noted as a preliminary assessment.

Further assessment

For some hazards, further (possibly destructive) investigations may be necessary, or detailed measurements will need to be taken. A preliminary assessment or rating may be undertaken and revised, considering any subsequent information. The scope of the HHSRS assessment/s undertaken in this instance do not include anything in relation to sampling or testing (including ground or air). Also, the HHSRS is non-intrusive. Where further testing by specialists is required, for instance, structural, electrical or gas engineers, then the assessment will be a preliminary assessment pending further specialist reports or investigations.

HHSRS assessment results

Below is a summary of the HHSRS assessment findings for the common areas of the building. The hazard profile rating scores are based on the representations made by independent HHSRS assessors and reference Category 1 and 2 hazards for the purposes of the Housing Act 2004, Part 1.

The building: Samuel Garside House (common areas)

Fire (Hazard Profile 24):

- Hazard Rating Score: 641
- Hazard Band: D (Category 2 hazard)

Structural collapse and falling elements (Hazard Profile 29):

- Hazard Rating Score: 121
- Hazard Band F (Category 2 hazard)

Samuel Garside House ('the building')

Samuel Garside House was constructed in 2013/14. It consists of four connected blocks (A–D) of varying height from five to seven storeys (including a sub-level car park and ground-floor entrance lobbies leading up to the upper ground-level flats). The maximum storey height of the building is the seventh floor Block D, which was estimated at approximately 16 metres, from the upper balcony floor to ground level. In total, there are 79 purpose-built residential flats of mixed tenure in the building.

Following the block fire in June 2019, mitigating measures were implemented by the persons responsible for the building at SGH. The adopted mitigating measures were agreed with the London Fire Brigade (LFB) to allow re-occupation of residential flats following the fire. In summary, those measures included:

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- A full waking watch established to patrol SGH, operating 24 hours a day, 7 days a week
- The review of the current FRA as a matter of urgency, taking into account the mitigating measures adopted
- Regular auditing of all balconies and instructions to residents on the banning of barbecues and smoking on or in the vicinity of the balconies
- Implementation of a comprehensive communication strategy with residents
- The installation of a temporary, audible fire alarm system, complying with British Standard 5839 Part 1 into the communal parts
- The construction of protective tunnels at all seven final exit doors, of robust construction, to give protection to the residents in the event of fire
- A full review of the timber on the external envelope of these and other buildings on the estate and an agreement on timeframes to complete any necessary work.

It is recommended that confirmation is obtained from LFB that they agree to, and are satisfied with, the mitigating measures in place at the building. This will be critical in determining whether the current on-site arrangements are safe for residents and members of the public whilst remediation works are undertaken on site.

Local arrangements are in place to ensure that overlaps between the enforcement of the Housing Act 2004 and the reform order are managed by the enforcing authorities namely LBBB and LFB. These arrangements confirm liaison arrangements and lead authority positions in relation to SGH. This is to enable a consistent and coherent joint working arrangement by both enforcing authorities, including continued liaison for the duration of the remediation works at SGH.

It is recommended that LBBB to continue to consult with the relevant fire and rescue authority (LFB) prior to taking any enforcement action in relation to a prescribed fire hazard (if one were to be found) in any common parts of a building containing one or more flats in accordance with Section 10 of the Housing Act 2004.

Significant assessment findings

HHSRS hazard assessment: hazard of fire – common parts

An assessment of the hazard of fire has been undertaken in relation to the building and associated common parts.

The fire hazard profile rating score, based on the representations made by independent HHSRS assessors, is a Hazard Band D, Category 2 hazard for the purposes of the Housing Act 2004, Part 1. The rating score was assessed in relation to the relevant matters detailed below and, where appropriate, specifications in relation to suggested remedial works are included.

Balcony construction

In relation to the external timber balconies and associated spandrels, no evidence has been provided to confirm that they are non-combustible. It is therefore assumed that the timbers are combustible and remain a significant risk to the spread of fire to the face of the external elevations of the building, despite removal of some non-essential elements.

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Concern remains as to the conformity with current building regulation standards. The view endorsed by the government's advisory expert panel (following the Grenfell Tower fire) is that the provisions of the Building Regulations 2010 (as amended) in relation to external fire spread should apply to buildings, regardless of height, on a risk-based approach. Building owners need to ensure that any balconies do not compromise resident safety by providing a means of external fire spread.

– The removal and replacement of any combustibile material used in balcony construction is therefore the clearest way to prevent external horizontal and vertical fire spread from balconies. Combustibile material used in the external balcony structures should be removed or replaced to prevent horizontal and vertical fire spread, and this should be completed as soon as is practicable. Until such time as removal is practicable, it is recommended that the mitigating measures adopted remain, to the satisfaction of LFB.

Storage of flammable materials and items

Information received during the course of investigations confirms that leaseholders and occupiers have been instructed not to use barbecues on the balconies or store flammable items. However, there was evidence of storage, including flammable materials and furnishings, on balconies. There was also evidence of excessive storage of items in numerous flats, including excessive storage of combustibile items in cupboards housing electrical consumer units.

- Further information and instruction should be given to residents about the risks arising from storage on balconies and, indeed, generally within their properties, particularly where cupboards containing electrical equipment are also used for considerable storage. This information should make clear that smoking, the use of barbecues and storage of flammable property on balconies can increase that risk. Residents should be further instructed that they must not have any barbecues on any balcony, and that flammable and combustibile material must be avoided on balconies, as part of the mitigating measures.
- Where activities that could pose a fire risk or where storage of flammable materials is permitted under leasehold agreements, the provision of appropriate fire extinguisher and fire blanket on each of the balconies would be an appropriate mitigating measure.

Waste management and storage

Waste management within the building relies on four separate waste storerooms ventilated by large openings with metal gratings, located below the upper ground-floor (first-floor) balconies to the front (east) elevation of the building. The openings allow for the potential of fire to spread upwards from the waste storage area. In view of the proximity of the flat balconies to the car park, its ventilation openings, and the waste storerooms, refer to the specification for the automatic fire detection and alarm system (common areas) detailed below.

Fire doors to the common areas

There were concerns regarding several replacement temporary fire doors to un-occupied flats, these were fitted for the duration of reparations. The responsible persons confirmed that no flat will be occupied until any temporary fire door to the flat entrance is replaced by a suitable fire door and associated door-set. This practice should be managed by the persons responsible for management of the works and in liaison with the LFB.

A visual inspection of existing flat fire doors was undertaken based on those flats programmed for inspection under the direction of LBBB. Instances of disrepair of the fire doors serving flat entrances were noted. Disrepair included poorly functioning door threshold smoke seals, over-painted smoke seals, damaged door architraves, missing self-closers and damaged fire door and wall surrounds. Based on the sample of flats inspected, there is a concern about the condition of the fire doors serving flat entrances throughout the building and their ability to prevent smoke entry into escape corridors. To ensure the necessary fire protection is in place, a detailed examination of the fire doors serving the entrance to every flat is recommended by the enforcing authorities. Examination and remediation, where appropriate, should:

- Ensure all flat entrance fire doors and door sets opening onto the escape corridors and stairways are close-fitting and installed with intumescent smoke seals and strips. Door threshold smoke seals should be checked to ensure they are working effectively
- Ensure fire door self-closing devices are capable of closing the door securely into its frame from any open position, and that they will overcome the resistance of the door latch and edge seals
- Ensure that when temporary fire doors are replaced the entire door-set construction is renewed to overcome problems when fitting doors to frames of a different specification to the test construction
- Ensure that fire doors are being installed and maintained in accordance with BS 8214:1990.

Automatic fire detection and alarm system

An interlinked automatic fire detection and alarm system has been installed as part of the mitigating measures. The system includes interlinked smoke detectors and sounders to common areas; however, there is no link to the inner hallways of the flats, nor a sounder within the flat.

- The common fire alarm system installed as a mitigating measure to give a warning of fire throughout the building should be extended to include all flats as well as within the common parts. Due process is currently being followed in relation to the works required at the building and it is unclear how long the simultaneous evacuation strategy will be required. As such the common alarm system or automatic fire detection and alarm system supporting simultaneous evacuation should be interlinked to heat detectors in each of the residential flats

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- Heat detectors should also be included in any other rooms, such as plant rooms and other ancillary facilities with windows or vents through which a fire could spread and ignite cladding, with specific reference to the waste storerooms and plant rooms located in the lower ground-floor car park. It is critical that the common alarm system installed in the premises does not have any adverse effect on the other fire safety provisions in the building. For example, the installation of a wired system must not create a route for fire and smoke to spread in fire-rated walls which were previously imperforate. If the system is an extension of the smoke detection system provided for a smoke control system, care must be taken to ensure that the operation of the smoke control system is not compromised by the communal system. Fire alarm systems installed in the common parts must be installed in accordance with BS 5839-1:2002.

Balcony doors

In almost all flats the external balcony glazed doors had dropped in places, leaving a gap between the top of the door and frame: these should be checked and adjusted in all flats to limit the spread of fire and smoke, either inwards or outwards.

- Where required and evidence of ill-fitting external doors onto the balconies (including the door frames and any openable lights) is noted, adjustment of the door, door sets and frames, ensuring they are close-fitting and of sound construction, is required.

HHSRS hazard assessment: Hazard of structural collapse and falling elements – common areas (the building)

An assessment of the hazard of structural collapse and falling elements for the building was deemed appropriate, based on the significant findings. The 'structural collapse and falling elements' hazard profile rating score, based on representations made by independent HHSRS assessors, is a Hazard Band F, Category 2 hazard for the purposes of the Housing Act 2004, Part 1. The rating score was assessed in relation to the relevant matters detailed below, including suggested additional measures.

Inspection of the sampled flats suggests localised displacement of the external cavity walls, evidenced by cracked mortar and brickwork. There was also evidence of cracked plaster at lintel level, which may be evidence of lintel displacement: this requires further investigation.

On inspection of the sampled flats to the rear elevation, the main areas affected by both external cracking to brickwork and internal plaster at lintel level above openings are the third, fourth and fifth floors, primarily in Blocks C and D to the rear elevation. This is similar in characteristic to the floor levels affected by fire to the front elevation where additional remedial measures to the cavity block and brick was required. It is recommended that the structural surveys undertaken to date are confirmed and reported to LBBB to inform any decision on the need for additional investigations to the rear elevation at Blocks C and D.

Where the investigations undertaken to date by the persons responsible for the building at SGH does not include Block C and D rear elevations, then additional structural investigations are recommended to include the elevation described, by competent and suitably qualified structural engineers. The scoring and associated justifications made are a preliminary assessment, for the reasons described above.

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Equality Impact Assessment Screening Tool

Equality Impact Assessments help the Council to comply with its public sector duty under the Equality Act 2010 to have due regard to equality implications. EIAs also help services to be customer focussed, leading to improved service delivery and customer satisfaction.

The Council understands that whilst its equalities duty applies to all services, it is going to be more relevant to some decisions than others. We need to ensure that the detail of Equality Impact Assessments (EIAs) are proportionate to the impact of decisions on the equality duty, and that in some cases a full EIA is not necessary.

This tool assists services in determining whether plans and decisions will require a full EIA. It should be used on all new policies, projects, functions, staff restructuring, major development or planning applications, or when revising them.

Full guidance on the Council's duties and EIAs and the full EIA template is available at [Equality Impact Assessments](#).

Proposal/Project/Policy Title	Independent Review of the Fire at Samuel Garside House, Barking in Jun 2019.	
Service Area	Inclusive Growth	
Officer completing the EIA Screening Tool	Ross Graham Strategy & Commissioning Officer, Inclusive Growth	
Head of Service	Graeme Cooke, Director of Inclusive Growth	
Date	22/12/2020	
Brief Summary of the Proposal/Project/Policy Include main aims, proposed outcomes, recommendations/decisions sought.	In February 2020, the Council commissioned Sir Steve Bullock to lead an independent review of the events and aftermath of the fire at Samuel Garside House, Barking Riverside, in June 2019. This report has now been completed, and is attached to this report. Cabinet are asked to note the report and endorse the recommendations.	
Protected characteristic	Impact	Description
Age	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive

		impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.
Disability	Positive impact (L)	<p>The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.</p> <p>In addition, disabled people may be disproportionately affected by fire and building safety incidents. While evacuation plans are outside of the scope of the review, recommendations which focus on the ability of local authorities to declare local housing emergencies and have increase enforcement powers could mean authorities have sufficient resources support the extra needs of disabled residents in emergency situations.</p>
Gender re-assignment	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.
Marriage and civil partnership	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.

Pregnancy and maternity	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.
Race	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.
Religion	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.
Sex	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9 protected characteristics plus as defined in the Equality Act 2010.
Sexual orientation	Positive impact (L)	The recommendations contained in the review report, which cabinet is asked to endorse, seek to encourage government action to create a fairer environment for residents and leaseholders. If implemented by Government, this could have a positive impact across all residents across all 9

		protected characteristics plus as defined in the Equality Act 2010.
How visible is this service/policy/project/proposal to the general public?		Medium visibility to the general public (M)
What is the potential risk to the Council's reputation? Consider the following impacts – legal, financial, political, media, public perception etc		Medium risk to reputation (M)

If your answers are mostly H and/or M = **Full EIA to be completed**

If after completing the EIA screening process you determine that a full EIA is not relevant for this service/function/policy/project you must provide explanation and evidence below.

A full EIA is not relevant to this cabinet report because Cabinet are asked to endorse the recommendations of the independent report, rather than take direct action. The recommendations are for central government, and therefore any practical effects of the report and subsequent equalities impacts, will be implemented by central Government.

Please submit the form to CE-strategy@lbbd.gov.uk and include the above explanation as part of the equalities comments on any subsequent related report.

CABINET

19 January 2021

Title: Modern Slavery Charter Update	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Information
Wards Affected: All	Key Decision: No
Report Author: Hazel North Stephens, Lead Commissioner (Community Safeguarding) Mandeep Mahadeo, Policy and Partnerships Officer	Contact Details: E-mail: hazel.northstephens@lbbd.gov.uk Mandeep.mahadeo@lbbd.gov.uk
Accountable Strategic Leadership Directors: Elaine Allegretti, Director of People and Resilience, and Mark Tyson, Director of Strategy & Participation	
Summary	
<p>Modern slavery and human trafficking are issues of major concern in a globalised world. They are significant safeguarding issues for vulnerable people in our local community, and they require a Council- and community-wide approach to ensuring that they are identified and tackled.</p> <p>This report responds to the need to present a progress update against the commitments in the Modern Slavery Charter. At the same time, this report presents the Council's updated Modern Slavery Statement for 2021/22, which will be available on the Council's website for public view.</p> <p>Recognising that the Council's responsibilities towards tackling modern slavery go further than procurement and employment duties, it also gives a brief overview of how work on modern slavery is being progressing across the Council and its partnerships.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (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. 	
Reason(s)	
<p>Modern Slavery is a significant source of safeguarding risk for local vulnerable populations. As well as formal statutory duties to safeguarding children and vulnerable adults from these kinds of risks, the Council's vision, encapsulated in "One borough; One community; No-one left behind" prompts a positive and strong set of actions to tackle them.</p>	

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

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

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

Prevention, Independence and Resilience – The Council's priority is that children, families and adults in Barking & Dagenham live safe, happy, healthy and independent lives. Young people and adults at risk are safeguarded in the context of their families, peers, schools and communities and safeguarded from exploitation. A priority will always be ensuring that children, young people and vulnerable adults in most need are safe and experience a reduced risk of harm, violence and exploitation. Work has progressed considerably in this space with the advancement of our contextual safeguarding and exploitation approach and this paper sets out our strengthened governance and partnership approach to Modern Slavery.

1. Introduction and Background

- 1.1 Modern Slavery and Human Trafficking directly threatens the Council's ambitions to improve outcomes for all residents, leaving no-one behind. The emphasis of our new ways of working are about improving the relationship between residents and the Council, either in their individual interactions or as a community.
- 1.2 This must be based on a better understanding of our residents and the needs and experiences of the most vulnerable in our community. Key to the success of this approach is embedding the message that everyone has a part to play. We know that central to securing a relational and participatory approach to working with residents is being able to understand and respond to their safety.
- 1.3 The context of a global pandemic – COVID 19 – has had massive health, social and economic impacts across the country. Locally, the numbers of residents claiming universal credit has increased dramatically alongside a new situation: furlough.

Unemployment is expected to disproportionately impact migrant workers and those in the informal, garment and hospitality sectors. A reduction in travel means that people on short term visas and limited leave to remain may be unable to return home. This means more challenges as we need to work with and rely on our communities to help us safeguard the most vulnerable.

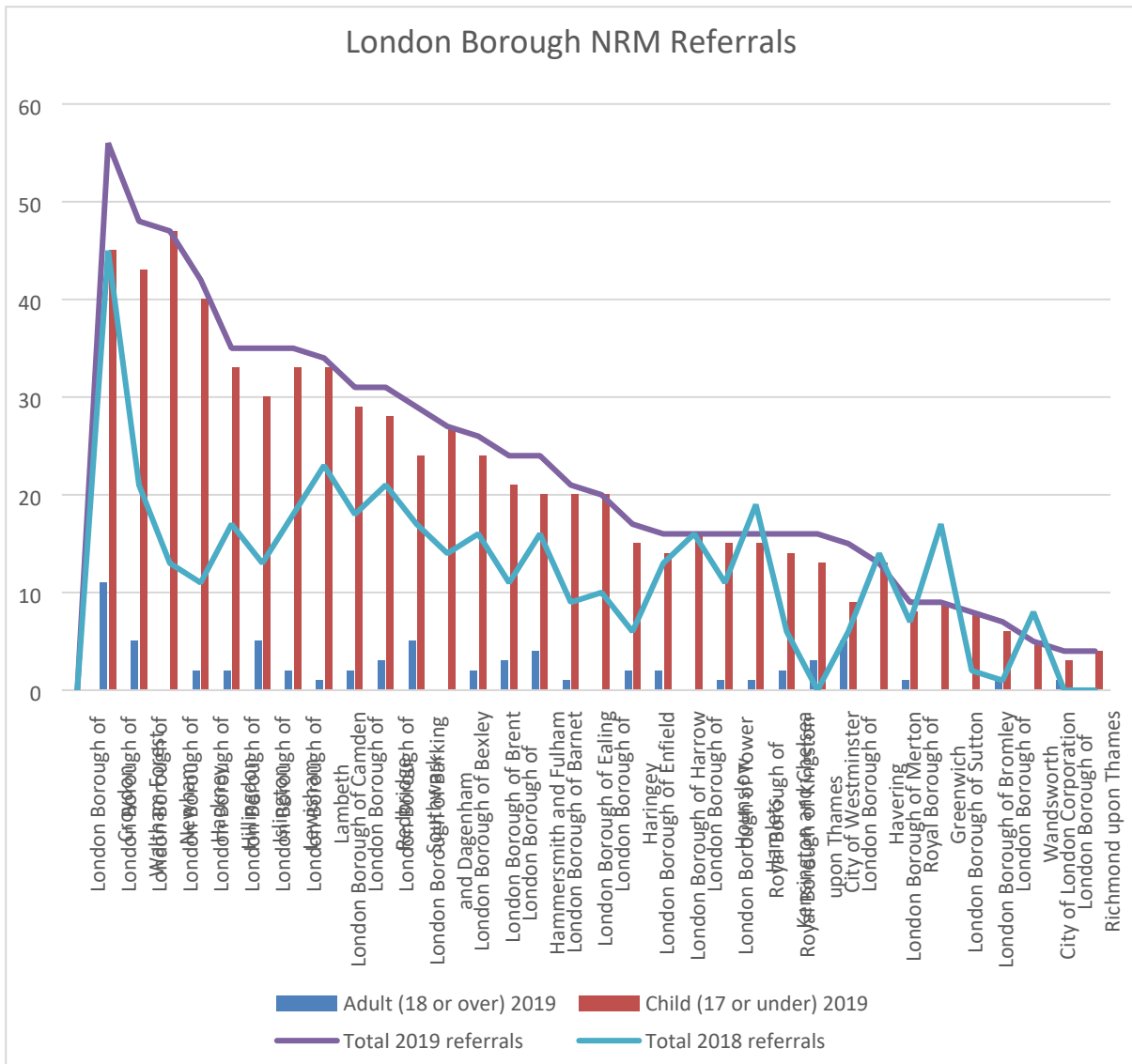
- 1.4 A request was made for an update specific to the Co-operative Modern Slavery charter to come to Cabinet as a progress report. This report forms this update and offers an additional brief on the advanced movement across the partnerships within the borough related to modern slavery and/or human trafficking.
- 1.5 As a human rights issue, Modern Slavery should be viewed through the lens of social inequality and requires a clear oversight of its wider social impacts. There are several obligations on the Council to respond to Modern Slavery and as such the charter should not be viewed in isolation.

2. Context

- 2.1 It is a shocking fact that while most people consider the slave trade to have ended when slavery was abolished in 1833, there are more enslaved people today than ever before in human history. Figures from the International Labour Organisation (ILO) suggest that there are more than 40 million people in modern slavery across the world, with nearly 25 million held in forced labour.
- 2.2 The UK is a source, transit and destination country for modern slavery. The Home Office estimated that in 2013 there were between 10,000 and 13,000 potential victims of modern slavery in the UK. This means that there is a good chance modern slavery is taking place in the towns, cities and villages where we live.
- 2.3 Modern slavery is hidden, often in plain sight; on our high streets, in local businesses, and even suburban streets. Unwittingly, our community may be using victims of modern slavery to wash their cars, paint their nails and lay their drives. They may even be living next door.
- 2.4 The National Crime Agency reports annual figures relating to referrals into the National Referral Mechanism (NRM) - a national framework for identifying victims of human trafficking and ensuring they receive the appropriate protection and support. The NRM was introduced in 2009 to meet the UK's obligations under the Council of European Convention on Action against Trafficking in Human Beings. At the core of every country's NRM is the process of locating and identifying "potential victims of trafficking."
- 2.5 The NRM grants a minimum 45-day reflection and recovery period for victims of human trafficking. Trained case owners at UK Human Trafficking Centre decide whether individuals referred to them should be considered to be victims of trafficking according to the definition in the Council of Europe Convention.
- 2.6 In 2018, 6,986 potential victims across the UK were submitted to the NRM which was a 37% increase on the previous year. In 2019 there were 10,627: a 52.1% increase on 2018.
- 2.7 In local context, the Crime and Disorder Strategic Needs Assessment shows that there are several risks from brothels operating, from serious youth violence and

from drug trafficking, sometimes coerced, along so-called “county lines”. All of these are possible routes for modern slavery to exist.

- 2.8 Published data available is limited and the issue is understood to be widely underreported as a result of its hidden nature. This means it is difficult to give a picture as to the scale of the issue in Barking and Dagenham, although we do have access to referral data through the NRM.
- 2.9 In 2018 there were 14 referrals to the NRM for which Barking and Dagenham Council are listed as the First Responding Organisation, all of which were for children. In 2019, there were 27 referrals from Barking and Dagenham – again, all children. This is a 92.9% increase from 2018 to 2019.
- 2.10 For those exploited as children, criminal exploitation is partially driven by an increase in the identification of ‘county lines’ cases. County lines are used to describe drug gangs in large cities expanding their reach to small towns. Often, vulnerable individuals are exploited to transport substances, and mobile phone ‘lines’ are used to communicate drug orders.
- 2.11 Nationally, in quarter 2 2020/21, 409 referrals were flagged as county lines referrals, accounting for 19% of all referrals received in the quarter. The majority (85%) of these referrals were made for male children.
- 2.12 There has been considerable work undertaken in Barking and Dagenham relating to youth violence and county lines and we are able to see from Council systems that there are 26 cases for under 18’s of which 9 have a conclusive grounds decision, and 17 have a reasonable grounds decision. To establish whether a person is a victim of any form of modern slavery (including trafficking) identified in England and Wales, two decisions are made by Competent Authorities within the UK Human Trafficking Centre (UKHTC) and the Home Office:
- A reasonable grounds decision to establish whether someone is a potential victim
 - A conclusive grounds decision on whether they are in fact a victim
- 2.13 It is highly likely that our own criminal exploitation referrals are heavily driven by improved work in children’s care and support to recognise and respond to criminal exploitation and sexual exploitation – both forms of Modern Slavery.
- 2.14 The graph below provides some understanding of how London Boroughs have seen shifts in the numbers of NRM referrals made, and how these shifts are predominantly driven by referrals for children. In 2019, Barking and Dagenham had the 12th highest total NRM referrals among the London Borough:



3. COVID 19

- 3.1 COVID 19 has had massive ramifications to across the UK. Modern Slavery is no different. For people who are enslaved or vulnerable to slavery, the economic and social disruption caused by the Covid-19 pandemic is affecting their lives in new and profound ways. The challenges of self-isolation, social distancing and satisfactory hygiene are particularly difficult for enslaved people. For children and young people, social isolation may increase their vulnerability to grooming and abuse in the long term.
- 3.2 Fewer people are out and about, and therefore there are fewer people to identify modern slavery and report suspicious activity. Many of the sectors we commonly associate with modern slavery and exploitation were largely shut down (e.g. nail-bars, hand car washes) which means exploited workers could be dumped, forced further into debt bondage or moved to work elsewhere.
- 3.3 Lockdowns to try to halt the spread of the virus have led to mass layoffs, thousands of people furloughed and more people than ever before reliant on universal credit. This exacerbates the vulnerability of communities to Modern Slavery but for those who do not have recourse to public funds it may feel like the only way to survive.

- 3.4 Initially, hate crime increased towards Chinese people and throughout lockdown included Asian Muslim people too. The public narrative around migrants shifted to a focus on closing borders to 'keep safe' – a narrative that builds on the othering of non-white British people and conceptualises migrants as being the threat, rather than the virus itself.
- 3.5 Antislavery.org (national organisation tackling modern slavery in the UK) suggests that the potential risk that someone with symptoms of coronavirus trapped in modern slavery avoids seeking medical help could be a threat to the wider community.
- 3.6 People in slavery are often forced to live in squalid, overcrowded conditions, with many in a room and without access to good washing facilities. This environment can mean potential victims are often too scared to reach out to authorities, even when they are in dire need of accessing essential support, such as healthcare. They fear being criminalised and detained, rather than being protected as a victim of crime. The COVID 19 narrative could present additional barriers, or exacerbate those already existing for potential victims to come forwards.

4. The Co-Operative Modern Slavery Charter

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

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

This is viewed through both procurement and commissioning in Barking and Dagenham due to commissioners taking a strong lead in shaping procurement activity for this Council. Modern Slavery eLearning is available through iLearn for all employees, which so far has been completed by 49 Officers between May 2017 to October 2020. This is particularly low but doesn't reflect additional offers that have been face to face (or online through COVID), or the regionally offered training which has been shared. For example, Hestia, a national charity that provides safe houses to victims of Modern Slavery delivered two sessions of training to our Community Solutions teams. Care and Support staff can also access face to face training through learning and development offers, and we have shared regional and national training opportunities with procurement teams. Next steps will be to start better understanding and recording the training offer, pulling in regionally funded offers wherever possible. Targeting of training will also consider the impact of COVID on services abilities to attend. Enforcement teams for example are particularly keen to undertake training but COVID restrictions and response meant initial plans were not practicable.

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

Complete and ongoing: General termination clauses are in [contract templates](#), as well as clear terms about compliance with relevant law. Legal and Procurement teams are building Modern Slavery into the Councils Contract Terms review, which will also ensure guidance and templates are explicit in naming contract termination as a potential sanction for non-compliance. Questions are standard as part of commissioning and contract management.

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

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

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

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

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

Complete – whistleblowing policy included modern slavery and is widely publicised, including being installed as the background on laptops and regularly shown through live screens. There have also been internal communications through staff newsletters.

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

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

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

All Directors’ annual governance statements report on this. All departments have regular procurement reports through to Procurement Board at which contract performance issues are reviewed.

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

Care and Support has regular contact with providers on a range of issues, and this would be included alongside other safeguarding concerns. More generally, there are open communication channels with providers, which would be used to alert where there were concerns.

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

A pathway has been developed for NRM referrals, and this would incorporate

supplier concerns just like any other concern.

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

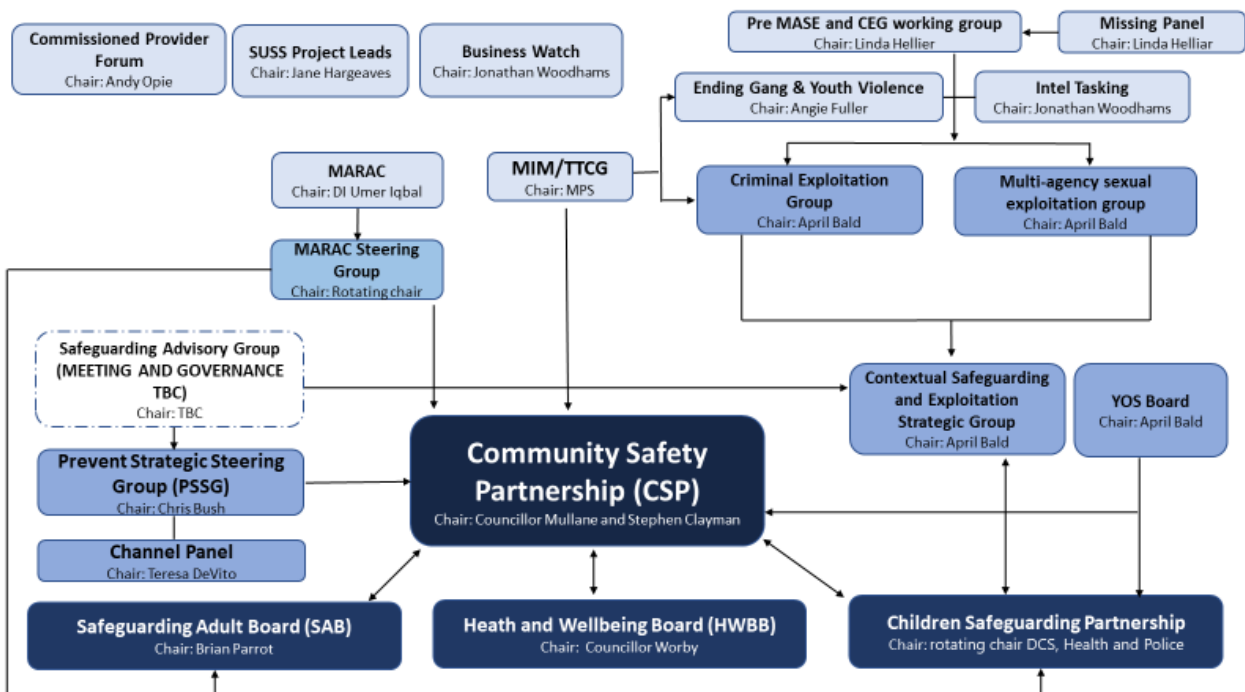
Our initial Modern Slavery Statement was published in September 2019.

Appendix One provides an updated statement to set out commitments as we go forwards in to 2021/22.

5. Direction of Travel in LBBDD beyond the Modern Slavery Charter Commitments

5.1 Modern Slavery impacts all service areas and partnerships, and as such there has been a significant amount of work taking place to understand Modern Slavery as a shared agenda across the partnership boards. It has clear safeguarding implications as well as a community safety requirement. This is not a single agency issue.

5.2 To create an authentic platform to tackle this issue from a united front, governance mapping has been undertaken across the boards to ensure that Modern Slavery (among other shared agendas such as domestic abuse for example), is understood and responded to appropriately:



5.3 The Contextual Safeguarding and Exploitation Strategic Group focuses on Modern Slavery and Exploitation as a core part of its terms of reference, and the work undertaken by the group has led to the development of several operational and strategic groups focused on sexual exploitation, criminal exploitation, gang and youth violence and missing – all forms or correlating factors to potential modern slavery.

5.4 Child victims of trafficking and modern slavery are tracked through the Criminal Exploitation Group (CEG) that meets monthly. The CEG is a multi-agency meeting of senior managers from across the partnership and is chaired by the Operational Director for children's care and support. The purpose of CEG is to have strategic and tactical oversight of child criminal exploitation (CCE) cases, information,

intelligence, and activity across LBBB and for LBBB children placed out of borough. It aims to deliver a partnership response to short, medium, and longer-term themes, trends and patterns emerging from cases applying the VOLT principle - victims, offenders, locations, and trends. Information about child trafficking and modern slavery is disseminated to all new staff through an Exploitation Awareness short course that runs every six weeks. This includes how to refer a child to the NRM

5.5 In order to ensure our systems are capable of recording accurately Liquid Logic leads have developed flags for NRM referrals which are broken down into two categories:

- NRM 2 – reasonable grounds decision. Once referred into the NRM potential survivors should receive a decision on their case within 5 working days – known as a ‘reasonable grounds’ decision.
- NRM 1 – conclusive grounds decision. Where a positive reasonable grounds decision is made, the authority can then decide (within 45 days) if individual is a survivor of modern slavery – this is known as ‘conclusive grounds’ decision.

5.6 This is supported by training days commissioned by the Learning and Development teams to ensure professionals can recognise, respond, and refer appropriately to modern slavery.

5.7 Step up Stay Safe (SUSS), a partnership and cross-service initiative to develop a tiered intervention approach to youth violence which is based on several thematic strands:

- Theme 1: Schools: *Outputs include young people at risk of exclusion are supported by Sparking Purpose. A Stepping Stones transition programme supports young people to successfully transition to secondary school and a cohort of schools are set up with Tootoot (a digital application for youth engagement).*
- Theme 2: Young People’s Voices: *Outputs includes detached youth workers engaging and recruiting 900 young people .80 young people complete programmes with S3A and Box Up Crime. Over 150 young people attend summer provision.*
- Theme 3: Council and Partners: *Outputs include 100 young people to visit the Ben Kinsella Trust and increasing the number of young peoples’ uptake part of diversionary activities annually.*
- Theme 4: Parental & Community Engagement: *Outputs include the recently launched the Lost Hours Campaign. The campaign centres on asking parents to take more responsibility and know where their children are, with its name derived from the ‘lost’ period between 3pm and 7pm, where young people finish school and parents return from work. Although not directly related to Modern Slavery there is a crossover with county lines, for which local NRM referrals have been made.*
- Theme 5: Tiered Intervention Offer: *Outputs include identification of 240 young people (20 per month) identified through the at risk matrix and local intelligence report, to give support and intervention focused on diverting young people away from the criminal justice process.*

- 5.8 The Safeguarding Adults board have named modern slavery and exploitation as an area of development in their work. Definitions of modern slavery and exploitation are understood differently and the criteria for adult safeguarding means that adults are not automatically deemed vulnerable in the same way as children are. An example of differing definitions is the issue of financial exploitation which may not always meet the definition for modern slavery but instead may meet definitions for domestic abuse, elder abuse, or institutional abuse. In some cases, there may be crossovers, for example domestic servitude and exploitation are sometimes factors in domestic abuse.
- 5.9 Cases of modern slavery in adult safeguarding territory (as per the safeguarding adult's legal definition: adults with care and support needs) are not high in volume in Barking and Dagenham. If there was a potential modern slavery case where the victim has care and support needs, the Council would support the investigating authority, (police typically, but occasionally the National Crime Agency) by making sure the victim gets care and support. We may also help to secure evidence if it is within our ability to do so.
- 5.10 The point is to recognise that this can be a difficult topic to define but there is a shared principle through safeguarding adults partners that we see the person behind the definitions, and ensure that people have the support they need. The Safeguarding Adults Board has ensured eLearning is available to all staff and held a learning event following the findings of the 'Drina' safeguarding adult review in 2018.
- 5.11 Adult sexual exploitation is discussed at intelligence meetings with community safety and enforcement teams and this includes better understanding how we ensure support services are embedded into brothel closure operations. There is a plan to create a standard operating protocol to build in support agencies to work to close brothels. This includes Refuge who have significant experience working with Redbridge Council on their tactical operations around sexual exploitation and prostitution.
- 5.12 County Lines Screenings from Henry Blake have been updated and are now being delivered by MSTeams considering the restrictions on face-to-face training. The short film highlights the growing national crisis of 'County Lines' and the serious threat it poses to Britain's children.
- 5.13 We have a strong community and voluntary sector with several support services in the borough, some more specialised in relation to modern slavery and other providing non-specialist work but just as valuable – responding to residents wider needs and assisting their recovery through connection and emotional support:
- Eastern European Resource Centre (EERC) supports Polish, Romanian and other Eastern Europeans victims of modern slavery and other forms of labour exploitation in London. They have three advocates offering comprehensive and victim-centred assistance mostly in Polish and Romanian, including:
 - (1) help with commencing Police and National Referral Mechanism procedures (only upon the victim's informed consent)
 - (2) help with reconnection, employability, and welfare advice, and help with securing the victim's immigration status

(3) facilitation of legal advice and representation, where appropriate.

- Refuge include sexual exploitation as part of the Domestic and Sexual Violence Service. The service predominantly sees domestic abuse cases referred in although there is sometimes crossover with domestic servitude and sexual exploitation in cases. It offers support to adults and has a young person's advocate for 12-17-year olds. We are looking to build the work into a standard operating protocol with community safety and enforcement colleagues to ensure brothel closures do not displace potentially trafficked or exploited workers.
- St Luke's delivered by CGL offers support to adult residents using drugs and/or alcohol. The service is trauma-informed and non-judgemental. There is sometimes a crossover with substance misuse and sexual exploitation and we see this through services like Pause (which provides support to women who have had multiple children taken into care – many of the women have faced domestic abuse/substance misuse/exploitation crossovers) and Advance Wraparound service (which provides support to female offenders who are facing multiple disadvantage).
- Subwise delivered by WDP offers support to young people affected by substance misuse. The Service manager attends the CEG and MASE groups, directly connecting in with wider young people's support in the borough such as Future Youth Zone and the detached youth workers. Its Hidden Harm workers can work with young people from a holistic perspective and are commissioned to be trauma informed.
- There are several other voluntary organisations working to tackle vulnerability to violent crime in the borough and whilst not directly delivering modern slavery specific services, are offering support and connection to residents that might be considered vulnerable to it. This is particularly the case in the arts and culture sector, sports sector and through the massive amount of support available through faith organisations.

5.14 Children's Care and Support intend to present to the community and voluntary sector on the work taking place around contextual safeguarding, and agreements are in place for Policy and Participation to support future collaborative approaches.

6. Financial Implications

Implications completed by: Sandra Pillinger Group Accountant

6.1 This report presents a progress update on the Council's commitment to tackling the issues of modern slavery. There are no direct financial implications.

7. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

7.1 Local authorities have a duty to notify the secretary of state if they have reasonable grounds to suspect that a person may be a victim of slavery or human trafficking. The Modern Slavery Act 2015 requires that any commercial organisation in any sector, which supplies goods or services, and carries on a business or part of a business in the UK, and is above a specified total turnover, must produce a slavery and human

trafficking statement for each financial year of the organisation. For the purposes of this requirement, 'supply chain' has its everyday meaning. Regulations have set the total turnover threshold at £36m. The statement must set out what steps they have taken during the financial year to ensure that modern slavery is not occurring in their supply chains and in their own organisation.

- 7.2 Following the Modern Slavery Act 2015, there was a consideration as to whether the statement requirement applied to local authorities. The prevailing opinion is that it is not obligatory, indeed a bill was introduced in the House of Lords to clarify the point and specifically included local authorities to be subject, but it did not progress due to lack of time. Our advice is that as the Council's 100% owned companies could well approach that figure or exceed it and so they are obliged to have a statement, then it would be incongruous if the Council as the owner did not commit itself too by also making a modern slavery statement. This is the approach taken by a number of authorities including the East London Waste Authority (of which the Council is a constituent member) with its company ELWA Ltd. Furthermore, as the duty relates to supply chains it would be reasonable to require in all new contractors to the Council subject to the regime to provide proof on request of their compliance.
- 7.3 Work has commenced in revising the Council Contract Rules within the Constitution that could enable the Council to terminate contracts in the event the contractor is convicted of an offence related to modern slavery and business with the Council as is already the case for bribery and corruption for example. Finally, the Council's standard conditions are being re-enforced and already provide for termination in the case of illegality.

8. Other Implications

- 8.1 **Risk Management** - The risks associated with allowing modern slavery to enter the Council's supply chain, or its employment, are significant. There are good controls in place presently, but awareness and training need to be maintained in order that practice standards in procurement and employment are upheld.
- 8.2 **Staffing Issues** - The Council has very robust employment procedures that prevent instances of modern slavery from entering the workforce. There is an identified opportunity to improve the communication with suppliers about the Council's stance on prohibitions on union activity.
- 8.3 **Corporate Policy and Equality Impact** - Supporting some of our most vulnerable residents is absolutely core to ensuring that no-one is left behind as we pursue ambitions to grow the borough, build independence and resilience in the population, and become a more participatory and cohesive borough. Modern slavery is an important issue in this context, as set out in this report.
- 8.4 **Safeguarding Adults and Children** - The report's contents are directly related to issues of safeguarding children and vulnerable adults.

Public Background Papers Used in the Preparation of the Report:

- [Modern Slavery: National Referral Mechanism and Duty to Notify Statistics UK, Quarter 2 2020 – April to June](#)
- [National Referral Mechanism Statistics UK, End of Year Summary, 2019](#)

List of appendices:

- Appendix 1: Modern Slavery Statement 2021/22

Modern Slavery Statement 2021/22

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

**Barking &
Dagenham**

Our Vision

This statement sets out London Borough Barking and Dagenham's actions to understand all potential modern slavery risks related to their activities and to put in place steps to eliminate acts of modern slavery and human trafficking within its business and in its supply chains, sub-contractors and partners. This statement relates to actions and activities during the financial year 1 April 2021 to 31 March 2022.

As councillors and leaders of local places, we all need to be aware that the UK is a source, transit and destination country for modern slavery. The Home Office estimated that in 2014 there were between 10,000 and 13,000 potential victims of modern slavery in the UK and subsequent publications suggested that the number was considerably higher. This means that there is a good chance modern slavery is taking place in our towns and villages where we live and work.

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

Definition of modern slavery

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

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

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

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

Within our own business:

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

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

Within our supply chain:

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

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

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

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

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

Investigations:

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

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

Aims for the Coming Year

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

- Continue to work in partnership with a wide range of agencies within Barking and Dagenham to reduce the risk of neglect and abuse, to detect and report occurrences and to support victims.
- Work to better understand the impact of the COVID 19 pandemic, in which residents accessing universal credit have increased significantly, and therefore there may be increased vulnerabilities relating to Modern Slavery.
- Work with suppliers to improve the transparency of end to end supply chains and to better understand areas of higher risk.
- Performance management relies on contract management which is delivered by the Council's commissioning teams rather than with its procurement team. Procurement and commissioning teams will undertake appropriate training to highlight obligations to the organisation as whole.
- Work on increasing awareness of Modern Slavery and Human Trafficking with our residents, ensuring clear understanding of how to respond appropriately and within Safeguarding frameworks.

Signed:

Claire Symonds, Acting Chief Executive, Barking and Dagenham Council

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CABINET**19 January 2021**

Title: Council Tax Support Scheme 2021/22	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Authors: James Johnston, Senior Officer & Donna Radley, Head of Benefits	Contact Details: E-mail: James.johnston@lbbd.gov.uk donna.radley@lbbd.gov.uk
Accountable Director: Mark Fowler, Director of COMSOL	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer and Acting Chief Executive	
Summary	
<p>The Council has a statutory duty to consider annually whether to revise its Local Council Tax Support Scheme (CTS) or replace it with another scheme. This report recommends keeping the current scheme for use in 2021/22 with a number of small administrative changes. The Assembly has a legal duty to approve the CTS by 31st January 2021.</p> <p>The Council's CTS scheme requires minor administrative changes to improve its clarity and general administration and assist in reaching those that are entitled to support.</p> <p>The scheme requires updating so it is aligned better, is more compatible and has greater clarity in its interactions with Universal Credit as this caseload continues to increase, replacing existing legacy welfare benefits.</p> <p>By replacing some paper application forms with electronic Universal Credit new claim applications received from the Department for Work & Pensions we can further support residents who have been identified as eligible for entitlement to CTS but who, due to a number of reasons such as IT literacy, language barriers and understanding, are not applying. This also reduces the print requirement of LBB and simplifies administration.</p> <p>Access to the CTS scheme for low income residents is also increased by the automatic granting of CTS entitlement if due for new Universal Credit claimants.</p>	
Recommendation(s)	
<p>The Cabinet is asked 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 detailed in section 2 of the report which improve clarity, align with other welfare benefits, primarily Universal Credit, and enhance access for those eligible for entitlement.</p>	

Reason

To assist the Council to achieve its priorities of a Well Run Organisation and Prevention, Independence and Resilience by improving access to support and services and protecting the most vulnerable in society.

1 Introduction and Background

- 1.1. The Welfare Reform Act in 2012 abolished Council Tax Benefit (CTB) from April 2013 and, in its place, support took the form of a local Council Tax Support Scheme (CTS). The Local Government Finance Act 2012 contains provisions for the setting up of local support schemes. The current scheme in Barking & Dagenham has been based around the Default Council Tax Reduction Scheme and has been ratified by Assembly.
- 1.2. The current scheme in operation ensures that:
 - The scheme is means tested
 - Pensioners are protected, i.e. they must be able to receive up to a 100% reduction (a provision of the national pension age scheme).
 - Everyone of working age contributes something towards their Council Tax. A “minimum payment” of 25% in Barking & Dagenham. There is a 75% maximum on which any entitlement to CTS is based.
 - Those who are not pensioners and with capital in excess of £10,000 are not eligible for a Council Tax reduction under this scheme.
 - Universal Credit is considered and aligned with the principles of Housing Benefit administration.

2. Proposals and Issues

- 2.1. The proposed revisions to the scheme are:
 - Change the effective date to the Monday following when Universal Credit changes in circumstances occur in line with existing change in circumstances rules.
 - To update the scheme regarding the treatment of Universal Credit:
 - To confirm what deductions made to Universal Credit awards are allowable deductions for the calculation of CTS.
 - To confirm that the minimum income floor (MIF) (a designated minimum amount of self-employed income applied when earnings are deemed to be below a minimum amount) applied to self-employed claimants within Universal Credit awards, is not applicable for the calculation of CTS in line with existing legacy benefit claimants.
 - To confirm that capital verification is conducted by the London Borough of Barking & Dagenham for Universal Credit claimants and capital is applied

based on this verification and not by the capital verification undertaken within the Universal Credit award.

- To confirm the ongoing use of earnings declared within the Universal Credit award in the instance the Universal Credit award is no longer entitled due to excess earnings held.
- To confirm that CTS that is no longer entitled due to excess earnings contained within a Universal Credit award, can be re-awarded if it becomes re-entitled, due to a change in the Universal Credit award, within a 3 month period, without the requirement for a new application to be made.
- To confirm that where the London Borough of Barking & Dagenham has evidence, that on the balance of probabilities, Universal Credit was obtained as a result of fraud, deception or the failure to report significant circumstances, then the London Borough of Barking and Dagenham is permitted to estimate the income and household of the claimant, independently of the Universal Credit award.
- To confirm that earnings contained within a Universal Credit award are subject to the standard earnings disregards, as set out within the scheme for earned income for non-Universal Credit claimants.
- To mirror the CTS scheme to the Housing Benefit scheme regarding closed period supersessions for past periods of non-entitlement.
- To confirm when a suspension and termination can be applied to a live CTS claim.
- To confirm that when a new application for Universal Credit is made, and the London Borough of Barking and Dagenham receives an electronic Universal Credit new claim application, from the Department for Work & Pensions, this will be accepted as a claim for CTS, without the requirement for the resident to submit a paper application form. If entitlement to CTS is subsequently held, based on the Universal Credit award, this will be automatically awarded and the resident notified.
- To confirm that in the advent of the death of the claimant that the remaining applicant and partner has an extended time frame extended from one month to three months in order to make a new application for CTS.
- If entitlement to CTS is subsequently held, and the application is received within 3 months, CTS is awarded from the date of the new Council Tax liability. This is also applicable in the circumstance the existing Council Tax account remains and the award is granted from the cessation date of the prior CTS claim now ended.

- 2.2 A number of the changes above assist residents that are harder to reach, and that could experience IT challenges or English may not be their first language, therefore not receiving the support they are entitled to.

3. Consultation

- 3.1 The proposals in this report were considered and endorsed by the Corporate Strategy Group at its meeting on 19 November 2020.

4. Financial Implications

Implications completed by Katherine Heffernan, Head of Service Finance

- 4.1 The Council is required to maintain a Council Tax Support Scheme. This is now funded as part of the Council's overall funding settlement and so any increases or decreases in take up or cost fall upon the Council's budget (rather than being provided for by a grant).
- 4.2 The total current cost for the 2020/21 financial year is in the region of £15.8m. This however includes an additional discretionary payment made as a result of the COVID situation, which is fully funded by central government. Excluding this the cost of the scheme to date is £13.7m and it is estimated that this may increase further this year to around £14m to £14.2m.
- 4.3 This income loss is accounted through the collection fund and is shared between Barking & Dagenham and the GLA. Where the income loss is higher than expected this becomes a cost to the authority's budget in the following financial year.
- 4.4 The Council has a duty to set a tax base for council tax purposes by 31 January, each year, using data held by the Council on 30th November the previous year. Increases in the Council Tax Support Scheme reduce the tax base for the next financial year and so can reduce the available budget. Current data has shown increased access to the scheme due to Covid-19, and the costs for 2021/22 will reach £13m. Increased costs for the current financial year can be attributed to greater access to the scheme, caused by Covid-19 and its impact on the local economy and employment.
- 4.5 This report proposes minor administrative changes to the current scheme. If these are not expected to have a separate impact on the level of take-up there are no direct financial implications arising. However, it is possible that the switch to accepting automated applications linked to new Universal Credit claims will rightly increase the numbers of residents on low income accessing the scheme. This would result in additional costs which could be as high as £760k, which is the Council's 79.5% share of the costs.
- 4.6 However, it should be noted that where amounts specified such as the applicable amount rise by less than local income inflation this will over time tend to remove households from eligibility and so reduce the cost of the scheme. As the existing legacy benefit case load is replaced by Universal Credit claimants this will also reduce the cost of the scheme for working age claimants due to the tapers that are applied within the calculation of Universal Credit. It must be remembered that households on very low incomes on or near the thresholds for Council Tax Support

are likely to struggle to pay their Council Tax and so the true cost to the Council taking into account collection rates, arrears and bad debt is likely to be much lower.

- 4.7 The Council must set aside a discretionary fund for circumstances of exceptional hardship. It is anticipated that a discretionary fund of £50,000 can be created to assist those with exceptional circumstances. This would be monitored and reviewed quarterly, although case law does suggest that if exceptional hardship is shown the Council must grant a discretionary reduction and cannot refuse due to a “depleted budget”. It is therefore vital that a clear policy is implemented so the Council can set their own criteria of whom would qualify for a discretionary reduction. The cost of the discretionary fund will reduce the overall Council Tax collected by £50,000.

5. Legal Implications

Implications completed by Dr Paul Feild, Senior Governance Lawyer

- 5.1 The CTS is a continuation of the 2019/20 scheme as approved by the Assembly last year. It was produced following consultations as required by the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012.
- 5.2 As observed in the report the discretionary hardship fund while set at £50,000 shall be administered according to the exceptional hardship policy and the cap is not a reason for refusal.

6. Other Implications

- 6.1 **Risk Management** - It is considered likely that keeping the current scheme will continue to make it difficult to collect Council Tax from those entitled to a reduction under the scheme. Presently there are 77,338 live properties with a Council Tax Charge in this borough, as of 28th August 2020, and 16,152 Council Tax Support claims against these properties.
- 6.2 **Corporate Policy and Equality Impact** – An Equality Impact Assessment has been undertaken and is set out at Appendix 1.

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

List of appendices:

- Appendix 1 – Equality Impact Assessment

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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	Revenue & Benefits – Revised Council Tax Support scheme 2021/22
Lead Officer	James Johnston (Senior Housing Benefit officer) & Donna Radley (Head of Benefits)
Contact Details	James.johnston@lbbd.gov.uk Donna.radley@lbbd.gov.uk

Why is this service or policy development/review needed?

The Welfare Reform Act in 2012 abolished Council Tax Benefit (CTB) from April 2013 and, in its place, support took the form of a local Council Tax Support Scheme (CTS). The Local Government Finance Act 2012 contains provisions for the setting up of local support schemes. The current scheme in Barking & Dagenham has been based around the Default CTS scheme.

The CTS scheme helps residents on low incomes to pay their Council Tax. Under the current scheme, a working-age household liable for Council Tax could get up to 75% of the charge paid through the scheme, dependent upon their circumstances. (Working age is anyone under Pension Credit age).

The Council's CTS scheme for 2021/22 requires administrative changes to improve its clarity, general administration and to assist in reaching those that are entitled to support.

The scheme requires updating so it is aligned better, is more compatible and has greater clarity in its interactions with Universal Credit as this caseload continues to increase, replacing existing legacy welfare benefits.

The administrative changes to the CTS scheme will also enhance access for those eligible for CTS entitlement.

By replacing some paper application forms with electronic Universal Credit new claim applications received from the Department for Work & Pensions, we can further support residents who have been identified as eligible for entitlement to CTS but who, due to a number of reasons such as IT literacy, language barriers and understanding, are not applying. This also reduces the print requirement of LBBDD and simplifies administration.

Access to the CTS scheme for low income residents is also increased by the automatic granting of CTS entitlement if eligible, for new Universal Credit claimants.

Further administrative changes are technical in nature and are designed to improve the overall administration of the scheme.

The CTS scheme for 2021/22 therefore requires administrative updates to continue to provide the best access and support for the most vulnerable residents in the borough.

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**➤ Local communities in general**

Barking & Dagenham is a diverse borough as outlined by the following demographic trends below.

➤ Age

Barking & Dagenham currently has a total population of 212,906. Of this population currently 63.4 % (135,145) are considered of working age (16 – 64) & 9.2 % (19,780) are considered of pension age (over 65).

There are currently 16,611 live CTS cases, of which 11,810 (71%) are working age and 4707 (29%) are of pension age.

The CTS working age caseload is currently 8.7% of the working age population of the borough.

The CTS pension age caseload is currently 23.7% of the pension age population of the borough.

CTS expenditure for the financial year 2020/21 is currently £15,784,638.00.

Of this expenditure £10,810,644.76 (69.5%) is against working age claimants and £4,993,994.00 (31.5%) is against pension age claimants.

Working age claimants currently make up 63.4% of the population and account for 71% of the CTS caseload and 69.5% of the total CTS expenditure.

Pension age claimants currently make up 9.2% of the population and account for 29% of the CTS caseload and 31.5% of the total CTS expenditure.

(CTS case load data extraction 15.12.2020)

➤ **Disability**

Barking & Dagenham currently has 9093 people of working age (16-64) claiming disability allowance.

(DWP Nomis 2020)

➤ **Gender reassignment**

Barking & Dagenham is currently estimated to have approximately 40 people in the borough who have or who will undergo gender reassignment.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by gender reassignment.

(Gender Identity Research and Education Society advice 2016)

➤ **Marriage & civil partnership**

Barking & Dagenham currently has 41.9% of the population aged 16 and above as registered as married, 38.8% are single and not married, and 0.2% are in a same sex civil partnership.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by civil status.

(Census 2011)

➤ **Pregnancy & maternity**

Teenage pregnancy rates are significantly higher than average. The under 18 conception rate in 2018 was 20.3 per 1,000 females aged 15 to 17, which was the 4th highest in London.

(LBBD teenage conception data 2018)

➤ **Race and ethnicity**

The proportion of the population identifying as coming from black and minority ethnic backgrounds increased from 19.1% to 50.5% between the 2001 and 2011 censuses, whilst those identifying as White British reduced from 80.9% to 49.5%.

Ethnic projections available from the GLA forecast 66% of the borough population identifying as coming from black and minority ethnic backgrounds in 2020 compared to 34% identifying as White British.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by race or ethnicity.

(GLA population projections)

➤ **Religion**

56% of the population identify as Christian, 18.9% identify with no religion and 13.7% identify as Muslim.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by religion.

(Census 2011)

➤ **Sex/Gender**

Currently 51.5% of the borough's residents are female, and 49.6% are male.

(Census 2011)

➤ **Sexual orientation**

Between 10,000 – 14,000 people in Barking & Dagenham are lesbian, gay and bisexual.

There is currently no monitoring data available within the CTS case load data to distinguish claimant's by sexual orientation.

(Stonewall estimates)

➤ **Socio-economic disadvantage**

Council Tax Support is means tested across low income socio-economic groups.

All claimants will be in a lower socio-economic category.

There are currently 16,611 live CTS cases of which 11,810 (71%) are working age and 4707 (29%) are of pension age.

The total CTS case load of 16,611 is 7.8 % of the total borough population of 212,906.

(CTS case load data extraction 15.12.2020)

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
Local communities in general	X	X		The overall impact of the CTS scheme changes is either neutral or positive.	There are no negative impacts from the CTS scheme changes.
Age	X	X		<p>Pension age claimants are unaffected by the changes and will not fall under new application processes. Support remains in place from the Visiting & Welfare outreach service to assist pension age claimants with the application process.</p> <p>Working age new Universal Credit claimants will benefit from automatic awards where eligible.</p>	<p>Pension age claimants are protected and will continue to receive full support, inclusive of outreach services.</p> <p>Working age claimants in receipt of Universal Credit will benefit from an easier application process for CTS, that will automatically award entitlement where eligible, and will also re-award entitlement to CTS within a 3-month period if entitlement previously ends.</p> <p>Working age legacy benefit claimants are unaffected by the changes.</p> <p>There are no negative impacts from the proposed changes to the CTS scheme.</p>
Disability	X	X		<p>Pension age claimants are unaffected by the changes.</p> <p>Working age new Universal Credit</p>	<p>Pension age claimants are protected and will continue to receive full support.</p> <p>Working age claimants in receipt of Universal Credit limited capacity for work elements (disability elements) will benefit from an easier application process for CTS, that will automatically award entitlement</p>

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			<p>claimants with disability elements will benefit from automatic awards where eligible.</p>	<p>where eligible, and will also re-award entitlement to CTS within a 3-month period if entitlement previously ends.</p> <p>Working age legacy benefit claimants are unaffected by the changes.</p> <p>There are no negative impacts from the proposed changes to the CTS scheme.</p>
Gender reassignment		X	No impact.	<p>The scheme will not treat people of different genders any differently.</p> <p>There is no CTS data held for this specific category.</p>
Marriage and civil partnership		X	No impact.	<p>The scheme will not treat people either married or in a civil partnership any differently.</p> <p>There is no CTS data held for this specific category.</p>
Pregnancy and maternity	X	X	<p>Working age new Universal Credit claimants on maternity leave will benefit from automatic awards where eligible.</p> <p>No other impact.</p>	<p>The scheme will only treat people who are on maternity leave differently in so far as considering their income & household with regards to the means testing of CTS entitlement.</p> <p>Working age claimants in receipt of Universal Credit on maternity leave will benefit from an easier application process for CTS, that will automatically award entitlement where eligible, and will also re-award entitlement to CTS within a 3-month period if entitlement previously ends.</p> <p>Working age legacy benefit claimants are unaffected by the changes.</p> <p>There are no negative impacts from the proposed changes to the CTS scheme.</p>
Race (including Gypsies, Roma and Travellers)		X	No impact.	<p>The scheme will not treat people of different ethnicity or race any differently.</p> <p>There is no CTS data held for this specific category.</p>
Religion or belief		X	No impact.	<p>The scheme will not treat people of different religion any differently.</p> <p>There is no CTS data held for this specific category.</p>
Sex	X	X	Pension age claimants are	Pension age claimants are protected and will continue to receive full support.

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			<p>unaffected by the changes.</p> <p>Working age new Universal Credit claimants will benefit from automatic awards where eligible.</p>	<p>The scheme will not treat people of different gender/sex any differently.</p> <p>All Working age claimants in receipt of Universal Credit will benefit from an easier application process for CTS, irrespective of gender/sex, that will automatically award entitlement where eligible, and will also re-award entitlement to CTS within a 3-month period if entitlement previously ends.</p>
Sexual orientation		X		<p>The scheme will not treat people of different sexual orientation any differently.</p> <p>There is no CTS data held for this specific category.</p>
Socio-economic Disadvantage	X	X	<p>Pension age claimants are unaffected by the changes.</p> <p>Working age new Universal Credit claimants will benefit from automatic awards where eligible.</p>	<p>Pension age claimants are protected and will continue to receive full support.</p> <p>Working age claimants in receipt of Universal Credit will benefit from an easier application process for CTS, that will automatically award entitlement where eligible, and will also re-award entitlement to CTS within a 3-month period if entitlement previously ends.</p> <p>Working age legacy benefit claimants are unaffected by the changes.</p> <p>There are no negative impacts from the proposed changes to the CTS scheme.</p>
Any community issues identified for this location?		X	No impact	No issues recognised

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

Barking & Dagenham Council last consulted on the principles of a draft local CTS scheme on the 19th November 2014, regarding the changes to the CTS scheme applied from the 1st April 2015.

On the 19th November 2014, an online consultation was started with a link hosted on the home page of the LBBB website. A press release was given in the local newspaper "The Post" with a shortened URL (link) to the online content. Further to this, letters were sent to 15,441 working age CTS claimants on the 21st November 2014 inviting them to participate in the consultation and online survey. In addition, two public consultation meetings were held, on Thursday 4th and Thursday 11th December 2014, which were attended in total by 48 residents. Attendees were asked to fill in a paper copy of the same survey, which were collated with the online results received on the 20th December 2014.

In total 147 consultation responses were received, and the results compiled and considered in the decision-making process.

As part of the consultation process statutory government guidelines for CTS schemes were also considered.

Equality was promoted as part of the consultation by promoting changes and publicising to all groups – assistance was offered to front line offices, Children's Centres and the Revs & Bens service.

Support was put in place such as payment arrangements to help clear outstanding debt, signposting to skills training or job opportunities and debt advice.

Disabled people were identified as a group of concern in the consultation process. Organisations relevant to disabled people in the borough were directly informed so that they were able to understand the changes, and help disabled people to understand the transition.

Barking & Dagenham Council has not been required to conduct any further public consultation since November 2014 as changes to the subsequent CTS schemes from 2016/17 to date have been based on prescribed regulation changes to the default scheme, administrative changes, or positive changes to the scheme such as the increase in capital allowance limit from £6,000 to £10,000.

The changes to the CTS scheme for 2021/22 regarding the automatic CTS awards for new Universal Credit claimants and this new application process will be publicised on the Council website prior to April 2021.

This will ensure the new application process regarding new Universal Credit claimants is widely communicated and will also confirm the existing application process will also remain in place for pre-existing, non-Universal Credit claimants and pension age applicants.

Administrative changes that are technical will not be required to be communicated directly to residents.

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?
Impact of change monitoring by reviewing Council Tax collection rates and the number of CTS claims, especially with regards to the automatic awarding of Universal Credit CTS claims, to ensure the needs of the most vulnerable are met and a cost analysis can be generated.	Ongoing	James Johnston
Regular monitoring based on performance frameworks	Ongoing	Robert Nellist

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

The proposals for the changes to the CTS scheme for 2021/22 are based on administrative changes, which seek to improve clarity, align with other welfare benefits, primarily Universal Credit, and enhance access for those eligible for entitlement to CTS.

The overall impact of the proposed changes to the 2021/22 CTS scheme for the residents of the borough, and overall customer impact are either neutral or positive.

There are no negative customer impacts that arise from the proposed changes to the CTS scheme from April 2021.

By adopting the acceptance of new electronic Universal Credit new claim applications as a claim for CTS with the Authority, and automatically granting entitlement to CTS, where eligible, access to the CTS scheme for low income residents is improved, helping to continue to provide the best access and support for the most vulnerable residents in the borough.

By also allowing for the reinstatement of CTS claims for Universal Credit claimants, that re-qualify for CTS entitlement, within a 3-month period, without the requirement for a further application form, access to the scheme is further improved, ensuring entitlement where eligible is awarded.

This new application process will also reduce the print requirement of LBBB and simplifies administration.

Administrative changes to improve the interactions and provide clarity between the scheme and primarily Universal Credit claims are either neutral or positive in their customer impact on residents of the borough.

Administrative changes such as not applying the minimum income floor (MIF) within Universal Credit awards will have a positive impact on eligibility to CTS and will bring Universal Credit claimants in line with existing legacy benefit claimants, who are not currently subject to a MIF.

The improved administration of the scheme through the changes proposed will assist in ensuring the correct levels of support are provided to all low-income socio-economic residents within the borough.

The scheme changes are applicable to working age claimants only, and pension age claimants continue to be protected with 100% CTS awards as per the prescribed regulations.

Working age claimants across all demographic groups, who become new Universal Credit claimants, will see improved access to the scheme by the changes to the application process, that will automatically award entitlement to CTS, where eligible.

Working age claimants who remain on existing legacy benefits will see no change in the administration of the scheme, or application process and therefore changes to the scheme are considered neutral for these claimants.

The proposed changes to the CTS scheme will see neutral or no impact on demographics such as gender re-assignment, marriage and civil partnership, ethnicity, sexual orientation & religion or belief.

The CTS scheme continues to meet government guidelines for the protection of current levels of support for pensioners, the encouragement of people to work while not acting as a disincentive & considers the equality impact on the most vulnerable residents from scheme changes.

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
Donna Radley	Head of Benefits	22/12/2020

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CABINET**19 January 2021**

Title: Calculation and Setting of the Council Tax Base 2021/22	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Zaber Ahmed, Principal Accountant (Budgets)	Contact Details: Tel: 0208 227 3341 E-mail: Zaber.Ahmed@lbbd.gov.uk
Accountable Director: Philip Gregory, Finance Director (S151 Officer)	
Summary	
<p>The Council has a duty to set a Tax Base for Council Tax purposes by 31 January each year under Section 67 of the Local Government Finance Act 1992.</p> <p>This report seeks approval of the Authority's Council Tax Base for 2021/22.</p>	
Recommendation(s)	
<p>The Cabinet is recommended 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.</p>	
Reason(s)	
<p>To meet the Council's statutory duties under the Local Government Finance Act 1992.</p>	

1. Introduction and Background

- 1.1 The Tax Base must be conveyed to the major precepting Authorities by 31 January prior to the start of the financial year.
- 1.2 The Tax Base must be calculated in accordance with regulations made by the Secretary of State under Section 33(5) of the Local Government Finance Act 1992 and The Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.3 The regulations set a prescribed period for the calculation of the tax, which is between the 1 December and 31 January in the financial year preceding that for which the calculation of the council tax base is made. The data used in the calculation must be that held by the Council as at 30 November.

2. Proposal and Issues

- 2.1 The valuation of properties for Council Tax purposes is carried out by the Valuation Office Agency.
- 2.2 For Council Tax purposes each property is placed in a band based on its open market value as at 1 April 1991. The bands are as follows:

Range of Values Band	Valuation
Values not exceeding £40,000	A
Values exceeding £40,000 but not exceeding £52,000	B
Values exceeding £52,000 but not exceeding £68,000	C
Values exceeding £68,000 but not exceeding £88,000	D
Values exceeding £88,000 but not exceeding £120,000	E
Values exceeding £120,000 but not exceeding £160,000	F
Values exceeding £160,000 but not exceeding £320,000	G
Values exceeding £320,000	H

- 2.3 The Tax Base is calculated in terms of the equivalent number of Band 'D' properties after discounts and exemptions have been taken into account. There are statutory ratios which determine the proportion of the band D charge that will be charged for a property in each band. The ratios are as follows:

A = 6/9ths	E = 11/9ths
B = 7/9ths	F = 13/9ths
C = 8/9ths	G = 15/9ths
D = 1	H = 18/9ths

- 2.4 The standard Council Tax is set in relation to Band 'D' properties, this will mean that somebody living in a Band 'A' property pays 2/3rds of the standard amount whilst somebody in a Band 'H' property pays twice the standard amount.
- 2.5 The full Council Tax charge is based on the assumption that the property is occupied by two or more adults. However, some properties are exempt from any charge, and others qualify for a discount. In determining the Tax Base the relevant discounts and exemptions are taken into account:
- 2.6 The following table shows the number of chargeable properties at 30 November after all discounts and exemptions have been applied.

2020/21			2021/22	
Last Year Totals	Band 'D' Equivalents	Band	Total	Band 'D' Equivalent
0.57	0.3	A*	0.37	0.20
3,898.25	2,598.80	A	3,701.05	2,467.40
8,282.45	6,441.90	B	8,004.10	6,225.40
37,025.02	32,911.10	C	37,036.40	32,921.20
8,416.38	8,416.40	D	8,529.82	8,529.80
1,546.47	1,890.10	E	1,556.38	1,902.20
315.02	455.00	F	313.84	453.30
39.67	66.10	G	39.22	65.40
4.00	8.00	H	4.00	8.00
59,527.83	52,787.70		59,185.18	52,572.90

*Disabled persons' reductions

- 2.7 When determining the tax base for the purpose of setting the Council Tax an allowance has been made for non-collection. The losses on collection allowance for 2021/22 has been assessed as 3%.
- 2.8 The adjustment, expressed as band D equivalents, is shown below.

Band D equivalent at 30 November 2020	52,572.90
In year losses in collection allowance of 3%	(1,577.19)
Council Tax Base for 2021/22	50,995.71

- 2.9 A fully detailed calculation of the tax base is contained in Appendix A.

3. Consultation

- 3.1 The calculation of the council tax base follows a prescribed process and, as such, does not require consultation.

4. Financial Implications

Implications completed by: Katherine Heffernan, Head of Service Finance

- 4.1 The Council Tax Base has decreased by 208.36 band D equivalent properties from 2020/21 (51,204.07). At the current Council Tax charge of £1,284.80 this would represent a reduction in Council tax income of £0.268m compared to the previous year.

- 4.2 The latest MTFs had assumed an increase in the Council Tax base of 1.5%. However due to Covid-19, the Council has seen an increase in the number of residents claiming Council Tax Support which reduces the number of chargeable properties. The Council Tax base for 2021/22 has decreased by 0.4%, this is a reduction of £0.268m in income for the Council in comparison to 2020/21.
- 4.3 The Council Tax collection rate is a significant factor in determining the level of income and will affect the actual amount of Council Tax collected in 2021/22. For every 1% change in the collection rate, income would increase/decrease by £0.7m for the Council.

5. Legal Implications

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

- 5.1 As observed above there is a legal requirement that the Council as a billing authority must set its Council Tax base before 31 January 2021 for the following financial year starting 1 April 2021. Section 31B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, imposes a duty on the Council as a billing authority, to calculate its Council Tax by applying a formula which as set out in the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012. The formula involves a figure for the Council Tax Base for the year, which must itself be calculated. The basis of liability for Council Tax is the valuation band to which a dwelling has been assigned. Valuation bands range from A to H, and the relative liabilities of each band are expressed in terms of proportions of Band D.
- 5.2 The calculation to establish the relevant basic amount of council tax by is done by dividing the council tax requirement for the financial year by the billing authorities' council tax base. In brief, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year. The estimated collection rate is the percentage of council tax payable which the authority actually expects to be paid i.e. the difference between what it ought to be paid in council tax and certain fund transfers and what it is likely to be paid.
- 5.3 The Council is under an obligation to notify major precepting authorities of the calculation.
- 5.4 For this Council the setting of the Council Tax Base is a Cabinet function. This is because Section 67 Local Government Finance Act 1992 as amended by section 84 of the Local Government Act 2003, (and more recently the Localism Act 2011), enabled the Assembly to delegate the power to set the tax base to the Cabinet. This is reflected in the Constitution at Part 2 Chapter 6 Responsibility for functions at paragraph 2.1(ii).

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

List of appendices:

- **Appendix A** – Calculation of the 2021/22 Council Tax Base

Calculation of the Council Tax Base 2021-22

	Description	2021/22
Line 1	Total number of dwellings on the Valuation list	76,621.00
Line 2	Number of dwellings on valuation list exempt on 2 October 2017 (Class B & D to W exemptions)	1,762.00
Line 3	Number of demolished dwellings and dwellings outside area of authority on 2 October 2017	1.00
Line 4	Number of chargeable dwellings on 2 October 2017 (treating demolished dwellings etc as exempt) (lines 1-2-3)	74,858.00
Line 5	Number of chargeable dwellings in line 4 subject to disabled reduction on 2 October 2017	290.00
Line 6	Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	290.00
Line 7	Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	74,858.00
Line 8	Number of dwellings in line 7 entitled to a single adult household 25% discount on 2 October 2017	22,048.00
Calculation 1		16,536.00
Line 9	Number of dwellings in line 7 entitled to a 25% discount on 2 October 2017 due to all but one resident being disregarded for council tax purposes	905.00
Calculation 2		678.75
Line 10	Number of dwellings in line 7 entitled to a 50% discount on 2 October 2017 due to all residents being disregarded for council tax purposes	55.00
Calculation 3		5,765.75
Line 11	Number of dwellings in line 7 classed as second homes on 2 October 2017 (b/fwd from Flex Empty tab)	131.00
Line 12	Number of dwellings in line 7 classed as empty and receiving a zero% discount on 2 October 2017 (b/fwd from Flex Empty tab)	344.00
Line 13	Number of dwellings in line 7 classed as empty and receiving a discount on 2 October 2017 and not shown in line 12 (b/fwd from Flex Empty tab)	0.00
Line 14	Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 2 October 2017 (b/fwd from Flex Empty tab)	43.00
Line 15	Total number of dwellings in line 7 classed as empty on 2 October 2017 (lines 12, 13 & 14).	387.00
Line 16	Number of dwellings that are classed as empty on 2 October 2017 and have been for more than 6 months. NB These properties should have already been included in line 15 above.	226.00
Line 16a	The number of dwellings included in line 16 above which are empty on 2 October 2017 because of the flooding that occurred between 1 December 2013 and 31 March 2014 and are only empty because of the flooding.	0.00
Line 16b	The number of dwellings included in line 16 above which are empty on 2 October 2017 because of the flooding that occurred between 1 December 2015 and 31 March 2016 and are only empty because of the flooding.	0.00
Line 17	Number of dwellings that are classed as empty on 2 October 2017 and have been for more than 6 months and fall to be treated under empty homes discount class D (formerly Class A exemptions). NB These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a and 16b above.	0.00
Line 18	Line 16 - line 16a - line 16b - line 17. This is the equivalent of line 18 on the CTB(October 2016) and will be used in the calculation of the New Homes Bonus.	226.00
Line 19	Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annexe discount	51,807.00
Line 20	Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexe discount	23,051.00
Line 21	Reduction in taxbase as a result of the Family Annexe discount (b/fwd from Family Annexe tab)	0.00
Line 22	Number of dwellings equivalents after applying discounts and premiums to calculate taxbase	69,037.80
Line 23	Ratio	-
Line 24	Total number of band D equivalents (to 1 decimal place)(line 22 x line 23)	61,083.30
Line 25	Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2017-18 (to 1 decimal place)	0.00
Line 26	Tax base (to 1 decimal place) (line 24 col 10 + line 25)	61,083.30
Line 27	Number of dwellings equivalents after applying discounts and premiums to calculate tax base (Line 22)	69,178.37
Line 28	Reduction in taxbase as a result of local council tax support (b/fwd from CT Support tab)	9,542.03
Line 29	Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate taxbase	59,636.34
Line 30	Ratio	
Line 31	Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	52,572.90
Line 32	Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2017-18 (to 1 decimal place) (line 25)	0.00
Line 33	Tax base after allowance for council tax support (to 1 decimal place) (line 31 col 10 + line 32)	52,572.90
Line 34	Projected changes in discounts and growth	0.00
Line 35	In year losses in collection at 3%	-1,577.19
Line 37	Council Tax base	50,995.71

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CABINET**19 January 2021**

Title: Corporate Plan 2020/2022 - Q1 and Q2 2020/21 Performance Monitoring	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Richard Caton, Head of Performance and Programme Management Office	Contact Details E-mail: richard.caton@lbbd.gov.uk
Accountable Strategic Leadership Director: Claire Symonds, Acting Chief Executive	
Summary	
<p>Assembly agreed the new Corporate Plan in May 2020.</p> <p>Following the outbreak of the Covid-19 pandemic it was necessary to revisit and update the Corporate Plan to reflect our response and the social and economic legacies of the pandemic which have profound implications for the Council's short and medium-term plans.</p> <p>The purpose of this report is to provide an overview of performance and delivery of the new Corporate Plan. This is the first report under the new performance regime. It summarises performance in quarters one and two of the 2020/2021 financial year and gives updates on the delivery of projects and programmes of strategic importance. Though the scope of the report is Q1 and Q2 of 2020/21, the information in this report reflects the position at the time of writing to give Cabinet a contemporary picture of performance and delivery.</p> <p>The performance framework which underpins the new Corporate Plan is all encompassing, comprising 300+ metrics and 150+ deliverables to give an effective overview of all this information the document at Appendix 1 takes a thematic and narrative-led approach to reporting. For each sub-theme of the Corporate Plan; a position statement has been produced to summarise performance and delivery. This is to give a holistic view of progress to outcomes at a strategic level and to highlight key performance improvements and challenges over that period.</p> <p>The Cabinet will receive future reports of this kind at six-monthly intervals. The next report will be scheduled in Summer 2021 and will cover performance and delivery progress in quarters 3 and 4 of 2020/21.</p>	
Recommendation(s)	
The Cabinet is recommended to:	

- (i) Note the performance highlights and areas of improvement as set out in Appendix 1 to the report; and
- (ii) Agree any actions to address areas of concern.

Reason(s)

Regular monitoring of performance is a responsibility of Cabinet as set out in Part 2, Chapter 6 of the Council Constitution. This report demonstrates the Council's commitment to good governance and rigorous performance management and shows how we strive for best value and continuous improvement.

1. Introduction

- 1.1. The Corporate Plan sets the agenda for the Council for the remainder of this political administration up to Spring 2022 when the next local elections take place. The Corporate Plan is developed to bring urgency, focus and direction to all activities of the Council in pursuit of the long-term ambitions of the Borough Manifesto. The Corporate Plan is organised into four strategic themes reflecting the priorities of the Council, these are: Inclusive Growth; Participation and Engagement; Prevention, Independence and Resilience; and Well Run Organisation.
- 1.2. A comprehensive performance framework underpins the new Corporate Plan. The framework is a tool to drive continuous improvement and appraise progress to outcomes. There are two key elements to the performance framework which are brought together to give a holistic and strategic overview of performance and delivery, helping to triangulate different sources of evidence.
 - **Deliverables** are the projects, programmes, and initiatives that will develop and transform local public services and Barking and Dagenham as a place and community of people, enabling the Council, in collaboration with its partners, to achieve the outcomes/priorities of the Corporate Plan.
 - **Metrics** are a mix of contextual data, business intelligence, operational performance indicators and outcome measures that give an empirical, quantitative view of performance. This data is key to identifying where performance is behind targets and expectations and gives an objective view as to whether improvement activity and transformation is making a tangible impact. More practically, this data shows that LBBB services are meeting the needs of residents in the 'here and now' and directs attention to where improvement plans are needed for services or to tackle broader issues.
- 1.3. This approach to performance reporting, which more closely views performance management information alongside the status of programme delivery, paints a richer picture of the Council's operating context, achievements and areas of risk / improvement than previously, where before individual KPIs and Key Accountabilities would be reviewed in isolation with very specific but narrow appraisal which did not always link to a bigger strategic picture in terms of improving complex socio-economic and health and wellbeing outcomes, and taking forward ambitious regeneration plans (physical and social).

- 1.4. The thematic and narrative-led approach which reviews progress to outcomes at a strategic-level is more value-adding than reporting in detail on each metric, of which there are more than 300, and each deliverable, of which there are more than 150. This approach is a departure from the format of previous performance reports to Cabinet which pre-dominantly focussed on the direction of travel of individual KPIs with commentaries to explain weak (Red or Amber rated) performance.
- 1.5. Appendix 1 is a collection of position statements which give an overview of performance and delivery, summarising data from metrics and project/programme delivery progress to give a well-rounded view on overall progress to outcomes. The position statements for each sub-theme highlight:
- areas of good performance and achievement
 - areas where improvement is needed or where performance and delivery is behind expectations and targets
 - areas of focus for the next six months signalling where priorities lie based on the current performance and delivery position, and reflecting the delivery milestones and commitments set out in the Corporate Plan.
 - key risks
- 1.6. Although the Corporate Plan performance framework is very comprehensive it does not cover all performance. Several other important performance frameworks exist to review performance in specific areas and across partnership agendas. For example, health and wellbeing outcomes are monitored through the Health and Wellbeing Board, crime and disorder through the Community Safety Partnership, and safeguarding through the Safeguarding Boards for Adults and Children. There are also service specific performance frameworks which are used for performance management at an operational level between commissioners and operational leads, or in some cases external contractors. Importantly the Corporate Plan gives a summary of performance and delivery across all areas and is therefore the primary performance framework the organisation uses for performance management purposes.
- 1.7. A rigorous performance management process underpins the performance framework and ensures good governance and accountability. Performance information is scrutinised at all levels of the organisation with clear escalation paths to ensure performance and delivery issues are responded to effectively and efficiently. Target-setting and benchmarking is used (where appropriate) to set clear expectations about levels of performance. Monthly exception reporting to the Senior Leadership Team is in place to investigate and intervene in areas that are behind target/expectations. Similarly, programme delivery milestones are monitored closely with the same monthly exception reporting process. Performance and delivery reports are routinely reported to Cabinet portfolio holders in support of them discharging their executive remits. These reporting processes and governance structures ensure that the organisation is focussed on the right things at the right time, has an overview of all areas of performance and delivery, is driving continuous improvement, and is managing risks and issues effectively.
- 1.8. This performance report is the first of its kind under the new Corporate Plan and new performance regime. Cabinet will receive this report twice a year. The next report will be scheduled for July 2021 and will cover the remainder of this financial year (quarters 3 and 4, 2020/21).

2. Key performance and delivery highlights

2.1. Covid-19 response and operating context

- 2.1.1. This report reflects the operating context of 2020 which was, and remains, dominated by Barking & Dagenham's Covid-19 response. Since March 2020, all areas of the council have been impacted by the pandemic and this is seen in the performance data where familiar trends and activity levels have been disrupted, and where patterns of demand have moved unpredictably because of new or suppressed demand for services and support.
- 2.1.2. Similarly, the progress on deliverables has been impacted. Where the organisation's attention has been focused on the pandemic response some workstreams were paused, or, in a few cases, expedited in support of the response to exploit opportunities and benefits. Equally the scope and direction of existing programmes have been influenced by Covid-19 and its legacy. A prime example is the development of Community Hubs and dispersed working arrangements for the workforce. As is the launch of the Citizen's Alliance Network which became a key platform for organising community-led support initiatives.
- 2.1.3. This report recognises the colossal achievement and effort of the organisation and partners to support the community during this difficult and extraordinary period. In addition to maintaining frontline operations (mostly with minimal disruption), the Council was also able to mobilise critical support and relief to the community in fast-changing and challenging circumstances. Such examples include:
- Communicating key public health messages through social media
 - Procurement of Personal Protective Equipment for key workers
 - Working with local care providers and health partners to prevent transmission and manage infection control
 - Delivering the NHS Test and Trace programme
 - Outreach to vulnerable residents to ensure their safety and appropriate supervision/contact by Care and Support services
 - Establishing mutual aid and support mechanisms through BD CAN which has supported more than 2,000 local people
 - Launching the Financial Hardship Scheme, providing individual assistance payments for residents needing support with emergency living expenses
 - Nearly all services, especially in the back office, switching to remote working and adapting service delivery to be digital or virtual.
- 2.1.4. Appendix 1 contains many more examples of how different parts of the organisation have been involved in the pandemic response or where 'business as usual' has been affected by Covid-19 restrictions or issues. It also highlights Covid-19 related challenges, risks and threats we carry into 2021, and beyond.

2.2. Inclusive Growth

- 2.2.1. Over the course of the past eight months, when the Corporate Plan was adopted by the Council, we have made some significant progress in delivering the inclusive growth aims and goals. At the same time, these same services have been responding to the pandemic. In many ways the onset of the pandemic has reinforced

the urgency of our task to deliver inclusive growth in the borough, which has allowed us to maintain a focus on the strategic objectives at the same time as responding to the crises.

2.2.2. Some key achievements include:

- Distribution of business grants to support local business through the pandemic;
- Launched the Barking & Dagenham Kickstart, creating vacancies for unemployed young people in the council and with partners;
- Brocklebank approved, to deliver 16 specialist homes for residents with Autism;
- Film studios deal finalised, bringing London's largest film studio to Dagenham, and securing up to 1,200 jobs in the borough when the studios open;
- Planning permission secured for some major Be First developments including phases at Gascoigne and new homes at Padnall Lake in the north of the borough;
- Improved street cleansing performance by implementing new ways of working to better target problem areas;
- The Enforcement Team has completed restructuring the service and has rolled out the new model including more capacity to deliver late at night;
- 32,000 trees planted in Parsloes Park for Forest of Thanks for key workers;
- 250 homes better insulated via Cosy Homes with 450 households signed up for the programme for next year;
- Masterplan approved by Cabinet and key acquisitions landed on Thames Road, to help shape the future of the area.

2.3. Participation and Engagement

- 2.3.1. The adoption of the new Corporate Plan and Single Performance Framework by Assembly in May 2020 marked a significant step forward for this agenda, embedding participation and engagement at the core of the council's strategic framework for the next year and a half.
- 2.3.2. The impact that the Participation and Engagement agenda can have has been clearly demonstrated in the past nine months. From the beginning of the pandemic the Participation & Engagement Team and colleagues across the council have worked to co-produce BD CAN, with civil society and volunteers; a borough-wide community support system that continues to help residents who are vulnerable.
- 2.3.3. This response is entirely rooted in the Participation and Engagement agenda and the relationship across partners has facilitated a pivot to enhance support and innovation through this period. The pandemic has delayed some of the different workstreams from this agenda, severely disrupting the planned heritage offer with the enforced closure of sites across the Borough for the majority of 2020 and due to the imposition of dispersed working, the work on the Relational Council priority has slowed. Fundamentally though, the successful implementation of BD CAN and aligned approaches represented a major development for the participation and engagement agenda and was only possible at pace because of the progress made in the council's relationships with the social and faith sector – including the BD_Collective – in recent years. This successful implementation of BD CAN, in partnership with the above sectors, has in actuality advanced various workstreams in terms of building relationships with partners from across the Borough and demonstrating the potential positive impact of the Participation and Engagement agenda.

- 2.3.4. From July 2020, the Participation and Engagement Team, other members of the Policy and Participation directorate and partners from both within and outside the Council have been able to resume their focus on delivering the Participation and Engagement strategic outcomes and progress has been made, whilst the ongoing delivery of BD CAN and related workstreams continue to take up significant resource.
- 2.3.5. Such progress can be seen in different areas of the framework, notably in the proposed creation of a central charitable endowment for the Borough, which was agreed at Cabinet in December and will provide a transparent and sustainable source of income for the Social Sector and will be hosted by Barking & Dagenham Giving. Despite the initial difficulties presented in terms of workforce interaction by the pandemic, there has been progress for the Relational Council agenda in the form of the comprehensive and connected Covid-19 response. This required various areas of the organisation to work together effectively, collaborating, and is highlighted in the coordinated communications approach used to inform the public and partners of the different support options available during this period. In addition to this:
- sustainability planning discussions have begun with Participatory City and are progressing well with the Council's expectations for the future of Every One Every Day set out clearly to Participatory City in a letter from the Chief Executive;
 - a single shared platform for volunteering in the Borough has been established in the form of Better Impact and Social Sector organizations have begun advertising opportunities on it;
 - the Faith Policy Action Plan has continued to be implemented.
- 2.3.6. Finally, building on the community spirit shown throughout the pandemic, the Citizens Alliance Network has launched and begun to build its profile as the opportunity for people to come together to shape the community life around them. Eleven projects have already been initiated, and several virtual meetings with residents hosted to outline the platform and to stimulate engagement. Early indications are showing that there is a challenge in converting 'engagement' with the platform into actual sign-ups and regular contribution, but this forms the challenge for the year ahead and plans are already in place to push for greater engagement than set out in the Corporate Plan originally.
- 2.3.7. All of these areas will be focused upon in the coming season, along with engagement with our social sector on the development of a stronger, clearer policy to guide how the Council works with the social sector on the use of Community Assets.

2.4. Prevention, Independence and Resilience

- 2.4.1. Whilst the recasting of the Corporate Plan has proved helpful, on one level many of our ambitions – and priorities as set out in the plan – remain unchanged. Delivering these against the backdrop of the pandemic, and the added stress that this has placed on our communities – particularly the most vulnerable residents – has been a considerable challenge; but services have worked hard to keep delivering improvements and transformation whilst simultaneously grappling with the significant impact of the pandemic.
- 2.4.2. Our Children's Improvement Programme, geared squarely towards delivering our ambitions for a 'good' OFSTED rating, continues on schedule and the positive effects of this are beginning to become evident, not least through the unprecedented (in

recent years) stability of our workforce. The three complimentary improvement programmes – covering Adults, Mental Health and Disabilities – have been developed, approved, and launched. Over the next two years the implementation of these programmes will be fundamental to the delivery of a substantial portion of our plans.

2.4.3. Our schools have been critical to our response to the pandemic and continue to maintain strong performance with 91.5% rated 'good' or 'outstanding', and take-up of early education offer continues to outstrip performance across London. Progress of pupils into higher education continues to improve, though progression to apprenticeships has declined, in line with the London picture.

2.4.4. Safeguarding continues to be at the heart of all we do. We have launched the new Children's Safeguarding Partnership – and developing this further will be a key priority in the immediate term. The first phase of 'Step Up, Stay Safe's 'Lost Hours' campaign has been widely received as a success. The Greater London Authority (GLA)'s Young Londoner's Funded 'Roads to Community' project is completing its first year of delivery on target and has received praise from the GLA. Refuge implemented the new Domestic and Sexual Violence Service in October 2019, and the Council was awarded an Everyone's Business Award in January 2020 recognising our work to address domestic abuse in the workplace.

2.4.5. We know, however, that there remains much to do and many challenges ahead. The impact of the pandemic continues to place severe pressure on some our services, and whilst some of this will abate with time, the long-term impact upon many of our most vulnerable residents is likely to be felt for years to come. The delivery of our four improvement programmes, with a particularly focus on improving services for those in need of support from our disability services; our mental health services and those in need of early help will be critical in the next six months. Other key priorities include:

- Redesigning our Health Visiting and Speech and Language Services (with NELFT)
- Primary Mental Health Team will be deployed to support children and young people with trauma and Adverse Childhood Experiences
- Signing up to the Care Leavers Covenant and delivering our Enhanced Local Offer
- Appointing and Independent Safeguarding Scrutineer and commissioning and external Safeguarding Peer Review
- Responding to the recommendations of the Domestic Abuse Commission (once the report has been published)
- Development of specialist Autistic Spectrum Disorder supported living at the Brocklebank site
- Remodel hospital discharge and support to residents at home and develop new dementia services including the respite offer for carers, use of day services and increasing provision of Dementia Advisors

2.4.6. These are just a small number of the key priorities set out in the main sections of this document. Plans are in place – and agreed – for delivering all. The challenge – the key challenge – will be delivering these against the backdrop of a community, a country, still grappling with, and then recovering from, the impacts of the pandemic. The implications of this for our residents; for our services and for our staff should not be underestimated: but we remain committed to delivering our ambitions, irrespective of the challenge.

2.5. Well Run Organisation

- 2.5.1. The test of a well run organisation is how it deals with adversity and adapts to change. Throughout this report there are many examples of Council services rising to the challenges of the pandemic. The examples show how reliable and resilient our services are, as well as our ability to solve problems and innovate in fast-changing circumstances.
- 2.5.2. Over the past 9 months we have done more than keep up 'business as usual', which is not to downplay the achievement of that alone. Support functions and services that underpin operations have shown innovation, resilience and reliability in the face of the pandemic. Despite this context we have progressed transformation and organisational development programmes to improve the productivity, capability, and capacity of the Council. This has been driven by the Core of the organisation which itself has transformed with the successful insourcing of the Contact Centre, IT service, Procurement and Accounts Payable. The Core Transformation Programme will conclude at the end of 2020/21. However, work to replace the current Finance, HR and Payroll system will continue throughout 2021.
- 2.5.3. The Council's financial position has worsened. This is not a reflection on financial management but rather the impact of the pandemic which has caused loss of income and unforeseen critical expenditure – not all of which is met by Central government funding and therefore widening the budget gap. Internal Audit and Counter-Fraud activity shows financial controls and risk management are robust and that we take value for money for the taxpayer very seriously.
- 2.5.4. HR has supported the workforce to work safely, and in many cases remotely, in new and difficult circumstances. A new dispersed working model is being developed as part of Covid-19 legacy work building on the benefits gained from the New Ways of Working programme. Staff engagement and productivity has remained high throughout the pandemic as evidenced by our highest ever employee engagement index score in the most recent Staff Temperature Check. Organisation development priorities have progressed too. Important awards and accreditations have been attained demonstrating excellence in key areas of employee support and health and safety. In 2021 we aim to achieve Investors in People Gold, confirming our excellence in people management.
- 2.5.5. Major IT infrastructure projects have been delivered which have improved security and reliability of technology. Critically, at the beginning of lockdown we were able to implement a cloud-based telephony solution which enabled the Contact Centre to work entirely remotely ensuring service requests and queries could be responded to. More IT transformation is on the way in 2021 when we will implement a replacement system for My Account. Residents will also benefit from new digital self-service options and an improved website to obtain information and access services.
- 2.5.6. Marketing and Communications launched several important public campaigns to engage residents on the issues which matter to them. This is in addition to communicating key messages and information about the pandemic. Social media following has grown reflecting the trust and value residents have in our communications. One Borough Voice usage has grown since its launch earlier in the year and it has provided a vital platform to engage residents on key issues.

2.5.7. However, there are challenges and areas to improve across the Well Run Organisation theme. Work is needed across the organisation to improve promptness and compliance of complaints and freedom of information responses. There are further opportunities to strengthen some areas of tackling inequalities by ensuring thinking is deeply embedded into engrained into policy-making. Finally, we need to embed the social value policy which was adopted earlier this year to ensure social value outcomes are delivered as this is critical to the inclusive growth agenda.

3. Consultation

- 3.1. Delivery of the Corporate Plan is closely monitored by Cabinet Members as part of the discharge of their executive functions, roles and responsibilities. Peer challenge and oversight is provided by the Cabinet Member for Finance, Performance and Core Services for added rigour and accountability.
- 3.2. The Cabinet collectively, and as individual portfolio holders, receive regular performance information in support of their executive remits; the purpose of this report is to bring transparency to the Council's performance and highlight areas where performance needs to improve based on latest data and the status of important projects and programmes. The report is therefore of interest to the local community for whom we must provide effective and efficient local services, and to the Council's Overview and Scrutiny Committee, which has a remit to scrutinise performance, as delegated by the Assembly.
- 3.3. In accordance with the Officer Scheme of Delegation¹, the Chief Executive has responsibility for the overall management of the authority, including performance monitoring. As part of the performance management framework and the robust governance which surrounds it, this report and the performance narratives therein have been consulted on with relevant officers in the Council with day-to-day operational and commissioning responsibilities to deliver the outcomes within the Corporate Plan.

4. Financial Implications

Implications completed by: Katherine Heffernan, Head of Service Finance

- 4.1. There are no direct financial implications of implementing the recommendations of this report. However, many of the deliverables within the Corporate Plan have dependencies with delivery of the Council's Medium Term Financial Strategy, contributing to income, savings and efficiencies from transformation programmes, commercial initiatives, demand management strategies, and early intervention and prevention approaches. Therefore, delivery of Corporate Plan is critical to maintaining the Council's financial health and long-term sustainability.
- 4.2. The Corporate Plan is to be delivered through approved budgets and against a challenging financial context made increasingly difficult and precarious by the impacts of the pandemic on the Council's income and expenditure. The Corporate Plan and the Medium Term Financial Strategy were both reviewed and updated in November 2020 to reflect those risks and to recalibrate our short- and medium-term

¹ [Council Constitution](#), Part 3, Chapter 1

goals in relation to the new context and landscape. The MTFS will be updated again after the Local Government Financial Settlement is released in December and will be presented to Cabinet and Assembly in February 2021.

- 4.3. Regular budget monitoring reports to Cabinet detail the financial risks, spending performance and budgetary position. The expected position (as at November 2020) is an overspend of £8.327m with a potential range of £3.991m to £12.664m. This will require drawdown from the Council's reserves but is manageable within our overall resources.
- 4.4. A specific theme of the Corporate Plan is concerned with ensuring value for money and good financial management and controls (see page 59 of Appendix 1)

5. Legal Implications

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

- 5.1. As this report is for noting there are no specific legal implications. The Local Government Act 1999 as amended by the Local Audit and Accountability Act 2014 together with supporting legislation, requires the Council to work to achieve continuous improvement and best value. This report reflects good practice in terms of corporate governance as it articulates progress to outcomes and assist in highlighting areas where improvements are needed. A corporate plan, its objectives and in time how the delivery measures up in terms of outcomes, are therefore one of the signifiers of a well-run local authority.
- 5.2 Furthermore, the Accounts and Audit (England) Regulations 2015 Regulations oblige the Council to produce an Annual Governance Statement for each accounting year evidencing how the Council has performed. This is to be done in accordance with proper public sector accounting practices. The CIPFA / Solace Delivering Good Governance in Local Government Framework 2016 guidance sets out the required practice and that includes a clear statement of the Councils purpose and intended outcomes. The Corporate Plan monitoring process thus plays a vital role in the legal duty to ensure sound governance of the Council.

6. Other Implications

- 6.1. **Risk Management** - The Council maintains a Corporate Risk Register that highlights the key strategic risks that may prevent the Council from achieving its stated objectives. These risks and mitigating actions are reviewed periodically by the Audit & Standards Committee. Risks relating to the delivery of projects and programmes within the Corporate Plan are monitored and managed through internal governance arrangements using recognised project/programme management practices and methodologies. There is proportionate reporting and escalation of issues and risks to the Senior Management Team, and to relevant Cabinet Members where appropriate. Project/programme governance and reporting is designed to identify risk at the earliest opportunity and to put in place effective risk management strategies.

Regular monitoring and analysis of performance data in the Single Performance Framework is in place to detect emerging performance issues and then put in place improvement plans. Metrics in the framework have targets which set benchmarks and standards for performance. Metrics which are behind target are reported by

exception to relevant stakeholders ensuring rigour and focus on continuous improvement.

- 6.2. **Staffing issues** - The Corporate Plan is the keystone of the Council's strategic framework. As such it guides all of what we do and sets the direction and goals for all services and staff. It is a key resource which drives strategic and business planning at all levels of the organisation. The objectives and priorities of the Corporate Plan inform individual employee appraisals ensuring day-to-day operations are working towards the long-term vision and goals for the borough. We call this the 'golden thread' as it brings alignment and connects strategic planning with operational delivery. Having a robust 'golden thread' is an important requirement as an accredited Investor in People organisation. More specially, page 61 of Appendix 1 sets out progress and performance against goals to achieve excellence in people management, to ensure good workforce wellbeing, compliance with policy and procedure, and organisation development goals are being delivered.
- 6.3. **Corporate Policy and Equality Impact** – The Corporate Plan is the Council's medium-term plan to realise the vision of the Borough Manifesto. It sits at the heart of the organisation's strategic framework. This report seeks to give Cabinet an appraisal of delivery of that plan by bringing together recent performance information (up to end of quarter 2, 2020/21) from the metrics in the Single Performance Framework and latest positions on delivering key projects and programmes relevant to the sub-themes of the Corporate Plan.

An Equalities Impact Assessment (EIA) was completed as part of the development of the new Corporate Plan. That EIA was submitted as part of the documentation when it was agreed by Assembly in May 2020 and updated and agreed in November 2020. The EIA identifies examples of priorities and objectives within the Corporate Plan which improve outcomes for residents with protected characteristics and ways in which the Council aims to tackle structural inequalities.

The Single Performance Framework does not directly provide performance information in relation to equalities, but other strategic resources such as the Joint Strategic Needs Assessment, Social Progress Index, and Borough Data Explorer contain important and up-to-date data sets relating to the profile and characteristics of the local population.

- 6.4. **Safeguarding Adults and Children** – A sub-theme of the Corporate Plan focuses on safeguarding residents (see page 45 of Appendix 1). The Safeguarding Adults Board receives in-depth performance reporting, including data held by safeguarding partners, each quarter. The most recent Safeguarding Adults Board Annual Report 2019/20 (Assembly, November 2020) has key performance headlines showing LBBD's safeguarding procedures and risk management are robust. A similar performance framework is in place for the Safeguarding Children Partnership which receives quarterly performance reports to its Quality and Assurance Sub-group. The next Safeguarding Children Partnership Annual report is due at Assembly in February 2021.
- 6.5. **Health Issues** – The new Corporate Plan is aligned to the Joint Health and Wellbeing Strategy 2019/2023. Several sub-themes across Prevention, Resilience and Independence appraise progress to improving health and wellbeing outcomes and addressing health inequalities. Focus is on several priorities which include early

years development, achieving and maintaining healthy weight, mental health, smoking cessation, cancer screening, and supporting residents to live well in older age.

Responsibility and accountability for improving the health of the population is shared across several partners at a local and sub-regional level. Performance and progress to outcomes is therefore monitored through the Health and Wellbeing Board, via the new Health and Wellbeing Outcomes Framework which covers all domains of health and wellbeing. Bi-annual reporting on this outcomes framework will begin in 2021.

- 6.6. **Crime and Disorder Issues** – Crime, perceptions of crime, and community safety are key concerns for residents, and these are reflected in the priorities of the Corporate Plan which aims to stop domestic abuse, challenge hate crime, enforce against and deter enviro-crimes, and to keep young people safe from knife crime and serious youth violence.

Strategic planning and performance monitoring of crime and community safety is managed through a multi-agency partnership, in this case the Community Safety Partnership. The Community Safety Partnership Plan 2019/2022, underpinned by the most recent Crime and Disorder Strategic Assessment, provides a framework through which intelligence and performance data and information is monitored. The most recent performance report was presented to the Community Safety Partnership on 09 December 2020.

- 6.7. **Property / Asset Issues** – There are no direct impacts or issues in relation to the Council's properties and assets. A sub-theme within the Corporate Plan is concerned with good management of LBBB assets and the services/functions/responsibilities provided by My Place, with particular focus on the quality and stewardship of LBBB housing stock. Cabinet will find an overview of performance relating to that sub-theme on page 4 of Appendix 1.

Public Background Papers Used in the Preparation of the Report:

- [Corporate Plan 2020-22 \(Assembly, May 2020\)](#)
- [Reviewed Corporate Plan 2020-22 \(Cabinet, November 2020\)](#)

List of appendices:

- Appendix 1: Corporate Plan 2020/2022 Performance and Delivery Update

Barking & Dagenham

Corporate Plan 2020/2022 Performance and Delivery Update

01 April 2020 to 30 September 2020¹

¹ This report covers financial quarters 1 and 2 of 2020/21 (April to September) but it has been written to give the most contemporary position as at the time of writing; it therefore reflects performance and delivery up to the end of the 2020 calendar year.

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Inclusive Growth

Building new homes

Key performance and delivery messages:

- Just under 1,050 new affordable homes have been completed since May 2018
- Council intervention in the wider housing market has sped up the delivery of homes and improved tenure mix, e.g. Beam Park
- Negotiated an increase in the Affordable Housing Grant to be received, from £25m in 2018 to £110m

Priorities for next six months:

- Over 2,200 new affordable homes expected to be built by May 2022, 2,700 by end of 2023

Key risk in the next six months:

- Construction delays owing to material and labour shortages, or difficulties in procuring from the supply chain

We are on track to exceed the target of 2,000 new affordable homes by 2023. As of November 2020, just under 1,050 new affordable homes had been completed in the borough since May 2018. We expect just over 2,200 new affordable homes to have been built by May 2022 and over 2,700 by the end of 2022.

The majority of new affordable homes in the borough are being built by the council itself, through Be First. In August, 87 new homes at Becontree Heath, all affordable, were handed over by Be First and into Reside management. This included 41 homes for households on the council's housing register.

The council is also actively intervening in the wider housing and land market to speed up the delivery of homes. Most notably, in October Cabinet agreed to buy 938 homes at Beam Park, a 3,000 home regeneration scheme in South Dagenham. Half of the homes acquired by the council will be affordable. This deal brought forward the delivery of these new homes by approximately five years. The council's intervention also significantly improved the tenure mix of the new homes, including doubling the number that will be made available for households on the housing register.

The council has also negotiated an increase in the amount of Affordable Housing Grant it will receive from the GLA to support the new build programme. This has increased from an initial £25m allocation in late 2018 to £110m. The scale of the Be First programme means that we are now the largest council housebuilder in London.

Improving the quality and management of homes

Key performance and delivery messages:

- 91% decent homes completion, which is slightly behind expectation due to Covid-19 related delays to the capital programme

Priorities for next six months:

- Deliver improvements to turn-around times for Voids and Repairs
- Ensure stock investment programme delivery is optimised following the Covid-19 related delays
- Support residents in rent arrears to make payments to help recovery the income position

Key risk in the next six months:

- Further impact on rental income collection due to the impacts of the pandemic, which is already forecast to be £200,000 behind target (as of December 2020)

In terms of My Place services, the focus since March has been on maintaining service delivery throughout Covid-19. Frontline staff continue to provide a full service across the borough. There has been no reduction in service level provision across key front-line services.

The delivery of the stock investment programme has been significantly impacted by Covid-19. All programmes ceased in March, and contractors and supply chains were not fully mobilised again until September. Leaseholder consultation on major works was also suspended during this time (though has now recommenced), which has also had a knock-on effect regarding works to blocks containing leaseholders.

Delivery Agents (Be First, BDMS and My Place) have updated their forecast spend profiles and are projecting an overall spend of £19.8m against a budget of £38.4m. Access arrangements to homes in order to carry out works is improving and takes into account those shielding or self-isolating. Some projects (such as the estate road improvements) have only been partially impacted by the pandemic. The partial lockdown in November 2020 has slowed some programmes further, although progress is being maintained wherever possible and some of the delayed external works (roofs and windows that were scheduled for completion over the Spring and Summer) may still be affected by any inclement winter weather.

This has had a knock-on impact on the level of council homes that meet the Decent Homes standard. This remains at 91%, though this is expected to increase to around 97% once current programmes are completed.

Covid-19 also had a significant impact on rental income collection, particularly in Q1. This affected HRA properties and Reside. The Income Team, which moved from Elevate into Community Solutions in September, has been working to support residents and put in place plans to help them to pay their rent. Despite this challenging context, HRA rental income is forecast to come in broadly to budget. Within Reside, there was a sharp increase in rent arrears in Q1. This increase in arrears slowed significantly after April, with monthly collection rates also improving (from 73% in April to 92% in November). However there remains a risk around income over the next six months and beyond, so supporting residents to meet their rental payments will remain a major priority.

Covid-19 also had an impact on the gas safety checks programme. The council is required to check gas boilers annually, and this type of inspection was particularly impacted by the lockdown restrictions. The closure of the courts also limited the council's ability to seek warrants. Performance returned to 98% in Q2, and plans are in place to gain access to remaining properties. However, this measure needs to return to 100% as soon as possible to reduce the risk to residents and the council.

Responsive repairs and the speed at which void properties re-let remain priority areas for improvement. Elements of the void process were impacted by Covid-19, but performance was already below target and has been for some time. My Place are working with BDMS to put in place a plan to implement the improvements needed for repairs and voids. Further improvements are also needed in estate services including caretaking, cleaning and grounds maintenance. Initiatives to date in this area include a review of the Caretaking Service to ensure consistency of the service offer and make more efficient use of caretaker time (including through the use of smart phones to enable the caretakers to link directly with other parts of the council and improve communication on day to day issues, speeding up responsiveness). More rigour is also being brought to estate inspections by using sector standard guidance. This will improve transparency and allow for better benchmarking.

These services, along with repairs, are the major drivers of tenant satisfaction, so improvements here will ultimately help to increase satisfaction, which remains below target this year.

The independent review into the aftermath of the Samuel Garside House Fire has also continued, with the report expected to be published in early 2021.

Tackling Homelessness

Key performance and delivery messages:

- Lowest number of rough sleepers in London
- Under the ‘everyone in’ policy during the first lockdown, 28 residents were accommodated (19 remain in accommodation)
- Successfully bid for £440,000 from MHCLG to support rough sleeping work for the remainder of 2020/21
- Temporary accommodation numbers are down to 1,505 (from a peak of around 2,000 in 2017/18)

Priorities for next six months:

- Providing accommodation as required under the Severe Weather Emergency Protocol
- Preparing for the impacts of the lifting of the suspensions around evictions

Key risk in the next six months:

- An increase in homelessness approaches once evictions recommence

The focus since March 2020 has been on managing the impact of the pandemic and the lockdowns. The council’s successful response in this area has been helped by strong underlying performance particularly in reducing the numbers of households in temporary accommodation and reducing rough sleeping.

On rough sleeping, the borough continues to have the lowest number of rough sleepers in London. This is supported by a preventative approach where support is provided to people known to be at risk of rough sleeping at an earlier stage than many other councils. Under the ‘everyone in’ policy during the first lockdown, 28 residents were accommodated of which 19 remain in accommodation.

In September 2020, the council was successful in a bid for £440,000 of revenue funding for the Ministry of Housing, Communities and Local Government (MHCLG) to support our rough sleeping work for the remainder of 2020/21. This included resources to provide additional, targeted support for the 19 former rough sleepers currently in council accommodation.

On temporary accommodation, numbers have continued to decrease. From a peak of just under 2,000 in Q3 of 2017/18, the total number of households accommodated in temporary accommodation has reduced and continues to do so. As of the end of October 2020, there were 1,505 households in temporary accommodation. Barking & Dagenham has had the largest decrease in numbers in temporary accommodation in London since April 2018 (when the Homelessness Reduction Act came into effect).

Homeless approaches reduced significantly at the start of Covid-19 but have now started to increase towards pre-lockdown levels. The number of approaches in October 2020 was significantly higher than previous months. As noted below, homeless approaches are expected to increase in the coming months as Covid-19 economic support measures are unwound.

To the end of October 2020, 232 council homes were let via the allocation policy to households on the housing register. This compares to 355 in the same period last year.

The next six months will be focused on continuing the response to rough sleeping, including providing accommodation as required under the Severe Weather Emergency Protocol in the winter months. Since March 2020, the Government has put in place various measures which have meant that evictions have essentially been suspended. This position is expected to be unwound from March 2021, and it is expected that homeless approaches will increase from then. Community Solutions are already taking proactive steps to anticipate this increased demand.

Providing homes for vulnerable residents

Key performance and delivery messages:

- Development of specialist housing for residents with Autistic Spectrum Disorder (ASD) on Brocklebank site approved
- Panels set up to consider housing options for specific cases (bringing together relevant professionals from Care and Support, Community Solutions and other partners)

Priorities for next six months:

- Bringing forward proposals for additional specialist housing on council-owned sites

Key risk in the next six months:

- Maintaining the programme for Brocklebank so that planning permission can be secured in mid-2021
-

In January 2020, Cabinet approved a set of commitments relating to housing for vulnerable residents. This included commitments around how we work with vulnerable residents when allocating housing – ensuring that this is done in a relational way; understanding their wider circumstances and ensuring that housing can best support their needs and their wellbeing and provide choice and control. It also included commitments to build new specialist housing to meet the needs of vulnerable groups.

In November 2020, Cabinet approved the development of specialist housing on the Brocklebank site for residents with Autistic Spectrum Disorder (ASD). These proposals will help us to keep service users in the community, close to family and friends, with professionals close at hand to ensure that the most vulnerable are safe and cared for. We know that the number of young people with autism, requiring specialist support, is growing nationally; Brocklebank will ensure that we are developing the right offer to meet current and projected need in our borough.

A system of panels has been set up to consider housing options for specific cases. These bring together relevant professionals (including Care and Support, Community Solutions and relevant partners) to ensure that decisions are made taking into account a resident's wider circumstances. As well as improving housing outcomes, the panel system has enabled savings by supporting residents to move on to sustainable, affordable accommodation.

Over the next six months, a priority will be to bring forward proposals for additional specialist housing on council-owned sites.

Improving the quantity and quality of jobs in Barking and Dagenham

Key performance and delivery messages:

- Business Forum created; seven events held and newsletter issued to over 1,500 local businesses
- Jobs, skills and supply chain plan established to maximise local benefits from film studios deal
- New Social Value Policy agreed, being implemented across all commissioning teams

Priorities for next six months:

- Develop our approach to reporting on social value outcomes delivered by council a wholly owned company contracts
- Develop sector strategies for Health and Social Care, Film, and Green Industry sectors

Key risks in the next six months:

- Dramatic reduction in available jobs following end of Furlough scheme in March, especially within Retail
- Risk of increase in closure of businesses within borough, given high proportion of small and medium enterprises

The labour market has seen an unprecedented shock in the face of the Covid-19 pandemic, meaning that our strategies to generate new and better jobs in the borough are being delivered in the context of a structural international economic crisis. Given this, our long term and generative approach is more important than ever – proactively growing and developing new sectors (in film, food and green industry) whilst investing and strengthening existing sectors (construction and Health and Social Care) as well as strengthening our ability to offer support to businesses across all sectors in the borough.

Over the past year, we have taken big strides to make the most of the resources and leverage we have as a council. Strengthening our business-facing offer, we have created the Barking & Dagenham Business Forum; holding seven events and issuing between two and four regular monthly newsletters to over 1500 local businesses, supported by a Business Forum Steering Group. We have increased our engagement with local employers through the dispersal of Covid-19 response grants via the business rates team. We have deepened our collaboration with the Barking Enterprise Centre through all this work and are well placed to work with them on the sector specific plans outlined above. Driving forward the growth of new local jobs in existing and emerging sectors, we have developed a jobs, skills and supply chain plan to maximise local benefits from the film studios deal, with a new coordinator post set to be recruited in early 2021.

We established a clear plan to kickstart the food sector in the borough, catalysed by the markets (Billingsgate, New Spitalfields, Smithfield) re-location, with funding to support jobs, training, supply chain opportunities and a new food hub being funded through Section 106 monies. We are working towards a sector strategy for social care, bringing together a number of smaller scale funding sources to drive forward combined approach on business support, employer engagement, London Living Wage, and skills, training and career progression routes. We have put in place stronger social value and Section 106 requirements to improve training, pay, jobs and supply chain opportunities in the local construction sector

and improved the coordination of employer engagement, training provision and employment support via the Construction Advisory Group and local Construction Forum.

In addition, we have agreed a new Social Value Policy, backed up by a full-time Social Value Co-ordinator based in the Commercial Team, which is now being implemented across all our commissioning teams.

Supporting residents to access new opportunities in the borough

Key performance and delivery messages:

- Over 400 people supported into employment since April 2020 despite a decrease in vacancies from the previous year
- Apprenticeship levy transfer policy agreed to enable local business to use unspent LBBB levy funds

Priorities for next six months:

- 'B&D Working Together' campaign launched to promote full range of employment and business support services through website and social media
- Capitalising on the government's Kickstart Scheme to offer opportunities to 150 young residents of the borough
- Expand the volunteer offer to increase the number of volunteers and the variety of experiences on offer
- Standardise the volunteer offer across Community Solutions, support volunteers into work through links with Job Shop and identify volunteer coordinators to support the growing volunteer offer

Key risks in the next six months:

- Loss of EU funding (currently a significant source of funding) for the Employment and Skills Team with limited information about UK Shared Prosperity Fund and indication of time-lag before this is fully available to bid for
- Challenge in meeting our ambitions to support priority groups facing multiple barriers to employment, given current economic situation and anticipated increase overall in unemployment

Our Employment and Skills team, working across Adult Education, Job Brokerage, Employer Engagement, and several sector specific posts within construction, has continued to deliver above targets this year despite the challenging circumstances. Since April 2020, over 400 people have been supported into employment, despite the reduction in vacancies compared to last year. We have also secured a new dedicated post working across Social Services and the Employment Service to support Adults with Learning Disabilities into employment and have been developing the vocational offer in the Adult College.

We have also agreed an apprenticeship levy transfer policy enabling local businesses to use unspent council levy funds to create local apprenticeships. This Autumn, we also launched the 'Working Together' campaign to promote Covid-19 support for local business and those facing unemployment. We have also responded to new funding streams including the Government's Kickstart Scheme, operating as a gateway for employers in the borough to access funding to support paid work placements for 18-24 year olds, with a comprehensive employment and training offer provided directly through our Job Brokerage Service. As part of the Kickstart scheme a tailored training programme will be delivered by the Adult College. To date we have applied for over 100 jobs, of which seven are within the council across Enforcement, Parks and Public Health teams. There is a target for Community Solutions to recruit a further 16 young people with some of those being recruited into frontline and apprenticeship positions.

Safe and liveable neighbourhoods

Key performance and delivery messages:

- During the first six months of 2020/21, given the Covid-19 pandemic, the focus for all frontline teams within My Place and Enforcement has been on service continuity
- All frontline teams continued to provide a near normal service with no significant impact on service delivery
- All residual waste and recycled waste collections were maintained through the period. Domestic, recycling and green waste collection have remained at a high level during Q1 and Q2
- We started a new area-based approach within Street Cleansing, this is yielding significant improvements which are being independently verified by Keep Britain Tidy
- The enforcement team have completed restructuring the service and have rolled out the new model including more capacity to deliver late at night
- The number of enforcement notices, prosecutions and fines has reduced compared to the previous year due to the pandemic demands

Priorities for next six months:

- Service continuity continues to be the number one priority during the ongoing Covid-19 pandemic
- Improving performance against our 'Operator Licence' regulatory compliance, after issues were uncovered during the period
- Continue to monitor Street Cleansing standards against national and other London borough standards
- Complete review of anti-social behaviour delivery across the council and extend the delivery of late night enforcement activity

Key risk in the next six months:

- The main risk for front line services within My Place and Enforcement is Covid-19 and the potential effect on service delivery. Robust service continuity plans are in place for all services and as at November 2020, services have not had to deal with any major outbreaks

My Place service areas continue to focus on service continuity during the Covid-19 pandemic. Home working has continued for many office-based staff, providing support to residents remotely. Despite the challenges posed by the Covid-19 pandemic, frontline staff have continued to provide a full service across the borough. In fact, domestic, recycling and green waste collection have remained at a high level (the figures at the end of Q2 show collection rates of 99.91%, 99.92% and 99.99%, respectively).

Conversely, fly tipping performance has declined over the last quarter. The percentage of fly-tips collected within 48 hours was 62% as at the end of Q2 which is significantly below target (90%). This corresponds with a nationwide increase in fly tipping witnessed during the Covid-19 pandemic and related lockdowns this year. Improved recording of fly tips by officers have also elevated numbers

identified. Work continues between My Place and Enforcement to address fly-tipping issues at known hotspots, with individual action plans for those areas being developed.

The new area-based approach within Street Cleansing, has led to an improvement in the percentage of the borough covered by litter, detritus and fly-posting (the Keep Britain Tidy measure for calculating the cleanliness of the borough). Only graffiti saw a slight decline in performance (3.9% improvement for litter, 3.6% for detritus, 4.1% for fly-posting, 1.9% decline for graffiti).

There is poor Fleet Operator Licence compliance, and this is an immediate priority currently being worked on. Passenger Transport Service started transporting children to school in September 2020, this is an area of increased risk regarding Covid-19.

The enforcement team have completed restructuring the service and have rolled out the new model. Significant changes include extending the hours of operation for parking and environmental enforcement, and increasing capacity to deal with anti-social behaviour (ASB) such as begging and street drinking. The pandemic has meant certain environmental health functions, such as food safety inspections and housing visits were and are still restricted. This has impacted certain indicators such as the number of inspections, Fixed Penalty Notices and enforcement notices issued. There has also been a large increase in ASB reports, which are specifically related to the pandemic. This includes reports of people not socially distancing or wearing masks, which are being recorded as ASB. The courts have largely been closed for enforcement cases so there has been a sharp reduction in the number of prosecutions and thus a reduction in income.

The Parking Service saw a significant loss of income during Q1 and Q2 due the pandemic and much of the activity being suspended during lockdown. This has started to recover since the summer. The CPZ programme was suspended at the start of lockdown but started again in Sept and is on track to rollout new schemes from March 2021.

Investing in physical and social infrastructure

Key performance and delivery messages:

- Five projects initiated to reduce traffic around schools
- Plans progressed for tunnelling the A13 to improve air quality in the borough and create room for 10,000 new homes
- £5m grant secured from ‘Get Britain Building’ fund to upgrade road network and London East site
- Range of projects funded through SCIL funding, including a new jetty for Thames Clipper at Riverside and numerous community and parks projects

Priorities for next six months:

- Early in 2021, work starting outside Barking Station to increase space for pedestrians
- Explore how the Council can work with Homes England and others to move the A13 tunnelling forward

Key risk in the next six months:

- Delays to delivery of projects as a result of further lockdowns or workforce issues caused by Brexit
- A slow down in development leading to reduce SCIL income to fund future infrastructure projects

We have set out an ambitious set of goals for improving the infrastructure in our borough.

Over recent months there has been progress on delivering our transport agenda, despite the challenges of Covid-19 meaning delivery had to be reoriented to introduce measures to support to support social distancing. Five projects have been initiated to reduce traffic around schools. Early in 2021, work will start outside Barking Station to increase space available for pedestrians.

More strategically, we have progressed plans for tunnelling the A13 to improve air quality in the south of the borough and create room for up to 10,000 new homes and there is now a feasible technical solution developed which with future technical design work would mean the tunnel could be delivered if funding is secured. A key focus in coming months is to explore how we can work with Homes England and others to move this project forward.

As part of the delivery Film Studios (see page 15) we have secured a £5m grant from the Government’s ‘Get Britain Building’ fund that will be used to upgrade the road network at the London East site.

The council funded a range of projects through the Strategic Community Infrastructure Fund (SCIL) at the beginning of this financial year. Through this we have funded Thames Clipper to build a new jetty that will allow their services to pick up passengers at Riverside. Funding has also been used to invest in a number of community projects, and in our parks to improve the physical environment. This includes providing funding to support the opening of the East London Woman’s Museum which will come to the borough.

Shaping aspirational places

Key performance and delivery messages:

- Partnership announced with Hackman Capital/MBS group to deliver Dagenham East film studios. This will create up to 1,200 jobs in the borough and create training opportunities
- A strategy and a delivery plan for the future of Barking Town centre have been agreed. Funding has been secured to appoint a Town Centre Manager to make immediate improvements to the experience of residents and visitors
- The masterplan for the Thames Road/River Road area has been published for consultation with residents, business and other stakeholders

Priorities for next six months:

- Finalise Local Plan and associated planning guidance documents to set the framework for growth
- Develop delivery options for the build out of housing and commercial space in Thames Road

Key risk in the next six months:

- Delay in submission of the Local Plan and examination in public process

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A major focus this year in this area is work is to consolidate our thinking and set out plans that provide a clear route map for the delivery of regeneration vision for the six areas which are set out in the Corporate Plan. This work is now progressing at pace and the plans will be set out over the course of 2021.

Alongside this work there have been significant achievements over the past six to 12 months which form key elements in delivering our vision for these areas:

In November we announced a partnership with Hackman Capital/MBS group to deliver London's largest film studio at Dagenham East. The studio will create up to 1,200 jobs in the borough, provide opportunities for training and small and medium enterprises, as well as contributing to changing perceptions of the borough more generally.

Cabinet agreed a strategy (and delivery plan) for the future of Barking Town Centre. The strategy provides a road map for the revitalisation of the Town Centre post-Covid and includes a range of projects from securing improvements to the train station, to the potential delivery of a 'food hub' – linked to the arrival of the City of London Markets in the borough by 2025. We have also secured funding to appoint a Town Centre Manager who will bring leadership and co-ordination across a range of services to make immediate improvements to the experience of residents and visitors. A conservation plan has also been approved to ensure the heritage of the Town Centre is preserved as it develops.

Significant progress has been made on the delivery of our vision for the Thames Road/River Road area on both a strategic and practical level. The Masterplan is published for consultation with residents, businesses and other stakeholders. It is hoped that this will be adopted alongside the new Local Plan in 2021. At the same time the council is continuing to acquire strategically important assets in the area, supported by GLA grant. As a significant land owner in that area the council will have greater influence over the long-term delivery of the Masterplan.

A decarbonised, local energy system

Key performance and delivery messages:

- B&D Energy is providing fairly priced heat and power to 170 homes in Becontree Heath and 400 on the Gascoigne estate. Preparations have begun to deliver new connections across the Barking Town Centre Strategic Heat Network
- Solar Panels have been fitted to over 350 Council-owned buildings

Priorities for next six months:

- Trials of products such as solar/thermal photovoltaic batteries and heat pumps across 250 private and council properties will be supported through £1.6m of Green Homes Grant
- Ground-source heat pump communal arrays to be piloted. Feasibility studies are due to commence in January 2021
- Study currently underway to identify potential new heat sources and demands across the Dagenham Docks and Dagenham East areas. Due to complete in February 2021
- Design and viability work for a private wire network on the Padnall Lake development proceeds and will make provision for future use of battery storage units which can export energy back into the grid

Key risk in the next six months:

- B&D Energy cannot bridge the funding gap for new connections in the Barking Town Centre Strategic Heat Network with grant funding from external sources

The creation of B&D Energy, the council's wholly-owned energy services company, in 2016 allowed for the creation of two decentralised and highly efficient, lower-carbon energy networks which are now providing fairly-priced heat and power across new-build developments and existing leisure centres, including 170 homes in Becontree Heath and 400 homes on the Gascoigne estate. Over the last year preparations have begun to deliver new connections across the Barking Town Centre Strategic Heat Network.

However, the potential for local energy production stretches beyond investment in district heat networks and there is wider scope for the deployment of solar photovoltaic (PV), battery storage, as well as communal and individual ground and air source heat pumps. Solar panels have been fitted to over 350 council-owned buildings and we have commissioned the Building Research Establishment Solar Centre to provide advice on the best business models for investment in renewable technologies.

Despite the progress made towards a decarbonised, local energy system, there remain challenges and areas for improvement. Barking & Dagenham remains in the bottom quartile of renewable energy production in London, but ultimately the more energy generated in the borough, the more resilient it becomes in the face of fluctuating global energy prices and the greater our contribution will be to climate change and meeting carbon neutral targets.

Cost and caution will remain the primary obstacles to greater scale-up of renewable energy installations and this will only change with time as supply chains develop, production costs reduce, government incentives increase and residents feel less hesitant about new technologies heating and powering their homes. Therefore, trialling products like solar/thermal PVs and heat pumps in council properties will

show the borough leading by example and incentivise owner-occupiers to join the transition to renewable energy. This will be supported by the delivery of such measures across 250 private and council properties over the next year, funded through £1.6m of Green Homes Grant.

In terms of B&D Energy, tenders for works to extend the Barking Town Centre strategic heat network came in £3m more than was expected but funding options to bridge that gap are currently being reviewed including public grant. A six-month delay in payments from the Heat Network Investment Programme grant has also caused a lag in connecting Crowne House to the network but contingency plans have been put into place to mitigate against the problems this may cause to the progressing of the development scheme.

The coming six months will see a focus on several priorities. There are tranches of work planned for testing technologies which the council has not traditionally been familiar with as part of the understanding required to get the council to carbon neutral by 2030. The Green Homes Grant (Local Authority Led) Scheme and Cosy Homes programme will be trialling the installation of innovative solid wall insulation products across 150 council homes, including the deployment of solar PVs and air source heat pumps.

The Building Research Establishment are due to report back in January 2021 regarding the viability of commercialisation opportunities, such as using Power Purchase Agreements (PPAs) with solar PV across our stock. Equally, the council has identified trial sites on existing high-rise estates which would be ideal candidates for piloting ground-source heat pump communal arrays which take the free heat out of the ground and turn it into cheaper energy throughout flatted blocks. Feasibility studies are due to commence in January 2021.

B&D Energy continues to develop new network opportunities with a study currently underway which will identify potential new heat sources and demands across the Dagenham Docks and Dagenham East areas and is due to complete in February 2021. Design and viability work for a private wire network on the Padnall Lake development proceeds and will make provision for future use of battery storage units which can export energy back into the grid.

Energy efficient homes and buildings

Key performance and delivery messages:

- Cosy Homes programme launched in partnership with E.ON and installers. This has delivered free cavity, party wall and loft insulation for more than 300 households, with 160 additionally booked
- This scheme has leveraged in £100,000 of free funding and is projected to save almost 4,000 tonnes of carbon over the next 30 years
- This scheme is also projected to provide more than £1m of energy bills savings over the same period

Priorities for next six months:

- Continuing promotion of take-up of free measures to install green products
- Ensuring that more homes receive energy conservation measures and benefit from warmer properties
- Working through a pan-London procurement to have a deep retrofit provider in place by February 2021 with the first 15 properties receiving works from September onwards
- Leading a national £10m bid for eight local authorities to access Social Housing Decarbonisation Demonstrator Fund monies to increase the number of properties taking part in the retrofit trials
- Selecting a solution provider from the Mayor of London's Retrofit Accelerator framework to assist the delivery of energy and carbon saving installs across 25 of the council's highest consuming public buildings

Key risk in the next six months:

- Public reluctance or hesitance means the take up solar PV and heat pumps funded by Green Homes Grant renders the scheme unsuccessful

This year the council launched its Cosy Homes programme in partnership with E.ON and a framework of installers to deliver free cavity, party wall and loft insulation through a national scheme called ECO3, which obliges large energy suppliers to provide funded energy conservation measures to qualifying households. Since May the scheme has provided free installs for more than 300 council, privately rented and owner-occupied households, with 160 additional properties booked for works. Coupled to this are further measures such as solid wall insulation, renewables, smart air bricks and energy bill-cutting immersion system heat pads being rolled out to council and private homes through the Green Homes Grant.

The scheme has leveraged in £100,000 of free ECO3 funding and based on the current installs is projected to save almost 4,000 tonnes of carbon over the next 30 years and provide more than £1m worth of energy bill savings over the same period.

The challenge for retrofit is ensuring it is scalable and can be financed. To meet council and borough-wide targets to be carbon neutral by 2030 and 2050 requires a huge step change in how we all heat our homes and workplaces and that requires both money and cultural and behavioural change. The testing of installs through ECO3 and Green Homes Grant will provide only limited impact in reaching those targets

and other schemes being trialled, such as the Energiesprong deep retrofit pilot, will offer significant technical solutions but at the moment not at a scalable cost.

The key to improving our position on this is to continue the promotion of free measures so the public becomes less reluctant to install green products. A dedicated suite of videos, media, case studies, infographics and promotional material explaining the benefits of renewables, the savings to be made, impact on health and reduction in carbon emissions is being drawn up to reinforce why and how we can meet those 2030 targets. Internally in the Council there is also a need for greater appreciation of this agenda across teams in Be First and My Place so that the way we approach new-build and improve existing build has sustainability and a clear operational understanding of renewables at the heart of design. The work being developed by Anthesis and the Carbon Trust in creating a Zero Carbon Roadmap, estimating our carbon impact and the actions and interventions that the Council needs to take over the next decade, will underpin these decisions.

One of the priorities for the next six months is ensuring more homes receive energy conservation measures and benefit from warmer properties. Cosy Homes continues to attract monthly public referrals; the Green Homes Grant installs begin in December and the Council is due to make a second bid for £1.7m to deliver additional measures in 150 properties by August 2021.

At the same time we are working with the GLA to road-test deep retrofitting, using the Energiesprong performance specification which seeks to create A-rated energy efficient homes, while cutting fuel bills and providing affordable warmth and comfort through the use of air-tight insulation facades, solar arrays, heat pumps and battery storage as a whole-house package. Working through a pan-London procurement, we should have a provider in place by February 2021 with the first 15 properties receiving works from September onwards. Barking & Dagenham is also leading a national £10m bid for eight local authorities to access Social Housing Decarbonisation Demonstrator Fund monies to increase the number of properties taking part in the trials.

It is incumbent upon the Council to lead by example, which is why by February 2021 we will have selected a solution provider from the Mayor of London's Retrofit Accelerator framework to assist us in delivering energy saving and carbon saving installs across 25 of the Council's highest consuming public buildings. Works are expected to begin in the summer.

Discussions with organisations like Abundance Investments and the Green Finance Initiative will allow us to assess the most viable way in which to fund and scale-up our retrofit programmes. Providing the intellectual framework for these retrofitting investment decisions is the Zero Carbon Roadmap which will be completed in March 2021.

A green local environment

Key performance and delivery messages:

- More than 30,000 new trees have been planted in the Forest of Thanks in Parsloes Park. A further 250 trees have been planted in smaller schemes across the Borough
- A new Low Emissions Vehicle Working Group has been established to plan the roll-out of electric-charging infrastructure
- A new Cycling and Walking steering group is examining how to promote greener travel, upgrade existing cycle routes and provide for new ones

Priorities for next six months:

- Acceleration of tree-planting. 5,000 young plantlings are being donated by the charity Trees for Cities and there are a further 2,000 plantings due across St Chads and Old Dagenham Parks
- Ensuring that Borough's 28 Sites of Interest for Nature Conservation (SINCs) are provided with adequate investment and protection
- The Low Emission Vehicles Working Group, working in partnership with the Energy Saving Trust, will provide a suitable route to market and procurement strategy to tackle the lack of publicly accessible charge-points in the borough
- An Electric Vehicle survey with the wider public will go live in December as part of an incentivisation and promotion of EV campaign and moves to phase-in electric vehicles across the My Place fleet will begin

Key risk in the next six months:

- Delays in agreeing the right specification and procurement route to select a charge point operator frustrates progress to gradual roll-out of new charge points into 2022

The Council recognises that the environment has a major impact on the quality of the lives of Barking & Dagenham residents and by ensuring that we have the cleanest public realm, parks and waterways, increased tree canopy, and access to the most sustainable methods of transport and vastly improved air quality it will provide greater health and wellbeing.

Upgrading and refreshing the borough's green and blue infrastructure so that fauna and flora thrive, pollutants are removed from the atmosphere and residents enjoy the benefits of bio-diversity has led to the planting of more than 30,000 new trees in the Forest of Thanks in Parsloes Park, which now forms the largest Miyawaki-style² forest in Europe. In addition, 250 trees have been planted in smaller schemes across public spaces, Mayesbrook Park and a new community orchard in Eastbrookend Country Park, confirming the designation of Barking & Dagenham as a 'Tree City of the World'. Improvements to public amenities and green space is due to commence as part of the £7m Parsloes Parklife project, a major commitment to the upgrades of the borough's ten major parks.

² A method of urban forestry which accelerates bio-diversity and vegetation growth through dense planting

Significantly, the borough's new Local Plan makes a commitment to a 10% increase in biodiversity through habitat enhancement, new roosting and nesting sites for wildlife together with street trees, green walls and green rooves.

The Draft Air Quality Action Plan, the consultation to which closed on 30 November 2020, commits the borough to significant interventions to drive down high levels of nitrogen oxides and particulates in the local atmosphere. Preparing the borough for the shift to electric vehicles is central to this and a new Low Emissions Vehicle Working Group has been established to plan the roll-out of electric-charging infrastructure. A new Cycling and Walking Steering Group is also examining how to promote active, greener travel, upgrading existing cycle routes and provide for new ones.

Resourcing and funding improvements to green infrastructure and rewilding has been a longstanding problem in Barking & Dagenham and requires a new strategic approach to maximising uptake of external monies and elevating the importance and value of this area of work across the system, especially in meeting 2030 and 2050 zero carbon targets. A greater role for Section 106 and Community Infrastructure Levy funding in supporting and promoting environmental projects needs to be addressed as part of the review of planning obligation policies.

The Council is behind the curve in terms of low emission vehicles. Barking & Dagenham sits in the lowest quartile in London for electric vehicle (EV) car ownership and in the number of publicly accessible charge points. The lack of strategic direction has meant that no internal funding has been set aside to capitalise on match-funded grant opportunities offered through the Go-Ultra Low Scheme (which has since closed) and On-Street Residential Charge point Scheme, which provides a 75% contribution. Equally, the lack of an agreed approach to EV infrastructure on new-build and within the corporate estate has led to inconsistencies in what has been provided and the management of equipment. All these matters are to be addressed by the Low Emission Vehicle Working Group.

Priorities for the next six months include the acceleration of tree-planting, which will continue over the course of the next year. Five thousand young plantlings are being donated by the charity Trees for Cities and there are a further 2,000 plantings due across St Chads and Old Dagenham Parks. The Council is also seeking a strategic partnership to further increase tree-planting, hedgerow restoration and mini-woodlands over the next five years. Ensuring the 28 local Sites of Interest for Nature Conservation (SINCs) are provided with adequate protection is also a priority. Some of these sites are deteriorating and the partnership will work up a programme to enhance the ecological value of these assets.

There is also some urgency in agreeing the mechanisms to support funding for green infrastructure over the coming six months and Be First and Inclusive Growth are developing policies which can capture developer contributions towards carbon offsetting projects, air quality focus areas and the improvement of the SINCs.

The Low Emission Vehicles Working Group, working in partnership with the Energy Saving Trust, will over this period provide a suitable route to market and procurement strategy to tackle the lack of publicly accessible charge points in the borough so that by the end of 2022 there is reasonable coverage of new points across all of Barking & Dagenham. In parallel to this piece of work, an EV survey with the wider public goes live in December as part of an incentivisation and promotion of EV campaign and moves to phase-in electric vehicles across the My Place fleet will begin.

Money and Debt

Key performance and delivery messages:

- Begun establishment of an ethical and whole system approach to the collection, management and prevention of debt
- Launched the Financial Hardship Scheme, providing individual assistance payments for residents needing support with emergency living expenses. This has supported over 400 residents with £241k in financial support
- The Homes and Money hub supported over 1750 residents, facilitating income maximisation of £430k. Since April, 4,955 calls or visits have been resolved at the point of contact
- 900 residents have been supported with discretionary housing payments, providing £1m towards rental arrears
- Facilitated an increase in awards including Free School Meals, which increased by 2,000 to 11,205
- Four community food clubs have remained open during Covid-19, enabling residents to access affordable, healthy food alongside wrap-around access to support around debt, money advice and welfare

Priorities for next six months:

- Continue to ensure residents facing financial hardship are able to access a range of support and interventions that address immediate risks, build financial resilience and ongoing independence
- Continue to develop and lay the foundation for the Community Banking service, with a view to launching in mid-Summer 2021
- Launch and develop ethical enforcement service
- Delivery of the next phase of the Single View of Debt project, enabling us to better understand debt, facilitate targeted debt recovery and inform service delivery
- Review ways of tackling digital exclusion – including by implementing recommendations from the Citizens Online digital inclusion project

Key risk in the next six months:

- Increased demand as a consequence of Covid-19 and balance of debt prevention with increasing debt collection

Against the challenging backdrop of Covid-19 we have taken significant steps to establishing an ethical and whole system approach to the collection, management and prevention of debt and continued to build on and strengthen our approach to working with residents and households early, to build financial resilience.

In April, we launched our local Financial Hardship Scheme, which provides individual assistance payments for residents needing support with emergency living expenses including food, fuel, travel expenses, household appliances and or clothing. To date, the scheme has supported over 400 residents with £241,000 in financial support.

In September we successfully implemented our local scheme and process for the Test and Trace Self-Isolation Payment. This supports residents at risk of income loss caused by isolation because of Covid-19.

The Homes and Money Hub remained open throughout Covid-19 and has supported over 1,750 residents, facilitating income maximisation of £430,000. The service has continued to evolve building on our pandemic response, with the introduction of an additional focus on proactive contact to households at risk with an offer of help and to triage calls and visits to the service. Since April, 4,955 calls or visits have been resolved at the point of contact.

Nine hundred residents have been supported with discretionary housing payments, providing £1m towards rental arrears and securing tenancies to support people to remain in their homes. Free School Meals uptake was increased by 2,000, up to 11,500, and Council Tax support awards increased to 16,436. During this time of financial hardship this help to ensure residents receive their welfare entitlements is critical.

Food clubs and food banks are vital for giving residents access affordable, healthy food alongside 'wrap-around access' to support around debt, money advice and welfare. Four community food clubs operating from Childrens Centres and Community Centres remained open during Covid-19, and a new food club opened at Barking Learning Centre (BLC) which was delivered by The Source building on the successful partnership response in setting up a day shelter at BLC. Since April there have been 3,335 visits to community food clubs providing savings, to residents of £55,028. Food bank membership charges were waived too, increasing access. In the next six months a priority is to link with the BD_Collective and food network to broaden access to a range of information and resources linked to debt and money management, including partnering on training and through this we seek to grow sector capacity, through ongoing collaboration to support more residents early and to ensure those that require some extra support can access it easily and quickly. Increased roles for debt champions and volunteers in the food network is an area of development.

£20,000 of funding was secured to work with the Financial Inclusion Centre to undertake an options appraisal on how the borough could act to increase access to more affordable credit and fairer financial services. The appraisal, completed in August, included an analysis of local need and identified a preferred option of developing a local community banking offer. This is to directly address low average credit scores, significant use of high-interest loans and low financial resilience and savings in Barking & Dagenham. A key priority for the next six months is to continue to develop and lay the foundation for the Community Banking service, with a view to launching in the borough in mid-Summer 2021. This will enable us to take further significant steps in supporting residents to access more affordable and sustainable credit, responsible financial services and everyday banking. In doing this, we are committed to working alongside local social sector organisations to co-develop and build on existing engagement. Key objectives will include:

- Successfully partnering with a like-minded Credit Union to underpin the offer, as the result of a proactive and interactive procurement exercise
- Engaging with staff, residents and the community to seek views on what a Community Banking offer should entail and how it can be linked into existing services, to ensure the offer is tailored to the borough
- Developing a comprehensive communications and marketing plan alongside the credit union and partners to build reach and meet the target of 4,500 new members within three years

Good progress has been made in establishing our in-house ethical enforcement service, with a service launch of April 2021. Recruitment to the service is on track, with Head of Service in place and current focus is on service set up – establishing policy framework, training and development and embedding the service within the wider welfare and support offer in Community Solutions.

The first phase of the single view of debt project (SVOD) has been completed. Data and insight is key to the development of our ambition for a more ethical and preventative approach to collection, management and prevention of debt. The SVOD brings together data through the One View platform, alongside identifying wider household vulnerabilities to support targeted work to increase collection, prevent escalation of debt, and achieve more effective and efficient use of resources by prioritising cases where there is most chance of a positive outcome.

The key output from this phase is a debt insight report which aims to help us better understand debt owed to the Council, in terms of: total debt owed; who is in debt; types of debt; and effectiveness of interventions. In the next six months this report will inform targeted debt recovery action and avoid costly recovery interventions. The report will also inform service delivery by enabling teams to prioritise the cases and optimise activity.

In parallel to the SVOD project, we continue to work closely with the Insight Hub and use behavioural science to explore opportunities to tailor approaches to resident engagement and support; for example, letters, online information and advice which considers a person's overall situation and propensity to pay. Progressing several pilots will be a priority for the next six months.

The ethical enforcement service will be launched and developed, testing and embedding a more ethical and fairer approach to collection and welfare support. As with the SVOD work, this service will take a holistic and humane approach to debt management.

Further work is planned to review ways of tackling digital exclusion; including by implementing recommendations from the Citizens Online digital inclusion project, and facilitating better ways for residents to self-serve and access appropriate advice and support around money and debt, reducing physical demands on services.

The key challenge in this area is meeting the demand of the service in terms of Benefit Applications and Changes, hardship, Discretionary Housing Payments and Self Isolation Payments whilst proactively identifying vulnerable residents needing additional support. How we use the Homes and Money Hub and the early preventative offer is vital to managing demand and resources for maximum impact.

Participation and Engagement

Building capacity in the social sector

Key performance and delivery messages:

- Distributed £250,000 of NCIL funding to community groups, and a further £9k through the local lottery
- Created a central endowment for the Borough that is hosted by BD Giving
- Established Better Impact, a single shared platform for all volunteering in the borough
- Established BD CAN in partnership with the Social Sector, a community led response to Covid-19 that has provided support to over 2,000 residents

Priorities for next six months:

- Continuing to support our vulnerable residents in the face of Covid-19
- Engaging the sector and the community on the priorities for the forthcoming Community Assets Policy
- Working closely with the BD_Collective and BD Giving as they grow their networks in the Borough, including the development of Community Hubs and social isolation programmes

Key risk in the next six months:

- Pressure on the capacity of the voluntary and community sector caused by the pandemic compromises the ability to take forward joint work

Much of the social sector's time over the past nine months has been taken up leading the community response to the Covid-19 pandemic, in the form of BD_CAN as well as different organisations' responses to the crisis such as the diversion of services online. The strong relationship between the social sector and the Council is evidenced by the speed and effectiveness with which BD_CAN was able to be established. This has happened partly due to the work of the BD Collective who were commissioned in 2019 to deliver the social infrastructure contract. Furthermore, the leading role that social sector organisations have taken in delivering BD_CAN and supporting residents highlights how the social sector's capacity has been built up.

The BD Collective has gained traction as they have worked over the past year to grow their network so they can support the social sector in the borough. While much of their time in the last nine months has been spent leading and coordinating BD_CAN, progress has been made on the social infrastructure contract, particularly with regards to volunteering and the use of a single shared platform for all volunteering in the borough. This platform has now been established in the form of Better Impact and social sector organisations have begun advertising opportunities directly on the platform where they are quickly taken up by the pool of resident volunteers. It should also be noted that volunteering in the borough has in some cases been negatively impacted by Covid-19; for example, volunteering at heritage sites has stopped due to heritage sites being forced to close due to the pandemic. However, despite the challenges thrown up by Covid, progress has been made with volunteering as highlighted above, with

3063 hours of volunteering registered on the Better Impact platform during this period and volunteers from different community groups having played an important role in responding to the pandemic. The BD_Collective have also successfully launched three new networks working with partners in the sector and within the Council such as Community Solutions, looking at the areas of food, adult social care and support for families. Through these and future networks they aim to grow the sector, facilitating partnership and collaboration.

Barking & Dagenham Giving has made significant progress in the past season. In April, a project collecting stories of volunteers and organisations adapting to the situation was successfully launched and has been ongoing. A new website for BD Giving was launched ahead of Barking & Dagenham Giving Week. BD Giving week saw over £9,000 from the Barking & Dagenham lottery handed over to local causes, there is a continued focus for the next six months to continue to grow ticket sales for the lottery scheme for distribution of funds to local groups. In addition, during this week applications opened for a Covid-19 Rapid Response Fund of £100,000 funded by Lankelly Chase. A participatory design process was facilitated and funding grants were successfully distributed to community groups. In recent months there has been significant progress made with the proposed creation of a central endowment for the borough with a paper having been taken to Cabinet in December where it was agreed to create a central endowment which would be hosted by Barking & Dagenham Giving. The Council's NCIL fund has seen rounds three and four successfully run in the last nine months. The whole process has been taken successfully online during this period with over £250,000 distributed to community groups during these rounds.

Faith groups made up a significant part of the BD_CAN response and the Faith Policy Action Plan has continued to be monitored and delivered through a joint work programme with the Faith Forum, with Interfaith Week having been successfully delivered in November. The Council worked closely and effectively with Faith partners during the pandemic to ensure they safely opened, operated and addressed challenging issues related to lockdown compliance and safety.

Work on a community assets review, an accompanying community engagement programme and a new community assets policy was delayed due to the impact of Covid-19 on the resourcing of Strategy and Participation, My Place and Community Solutions. Work continued with regards to community hall leases. Work has resumed on planning a community engagement programme on community assets and the creation of a policy which will draw upon the results of this community engagement, with more progress to be made in the coming months.

Over the next 6 months a key priority will be continuing to work closely with our partners in the Social Sector such as the BD_Collective and BD_Giving to support our vulnerable residents in the face of Covid-19, while also planning for the future by building the capacity of our social sector and facilitating partnership and collaboration between different partners across the borough.

Developing opportunities to meaningfully participate

Key performance and delivery messages:

- Every One Every Day have worked to move their platform online, launching the Tomorrow Today Streets initiative and the Mighty Networks online platform
- Commissioned the development of the conservation management and strategic plans for both Eastbury Manor and Valence House, mapping out the future for both sites
- The One Borough One Love Online Festival was held in September reaching a wide ranging audience from the Borough and beyond with over 27,000 unique online visitors to the event

Priorities for next six months:

- Developing Every One Every Day's collaborative business programme, with plans to utilise the Kickstarter programme to hire up to 30 local young people as apprentices
- Planning for the launch of Becontree Forever, a comprehensive programme of cultural activity that will run throughout the Centenary year of the Becontree Estate
- Securing the future of participation in the Borough, through sustainability discussions with Participatory City and through maintaining participation opportunities for residents through our Culture, Leisure and Heritage offers

Key risk in the next six months:

- Getting traction on Every One Every Day, heritage and cultural planning is more difficult and harder to sustain if meaningful in person participation cannot happen

Over the past nine months, work has been done to move participation platforms online wherever possible, giving residents the opportunity participate virtually. This has been necessary due to the impact of Covid-19, with heritage sites around the borough closing their physical locations and the Summer of Festivals cancelled, while Every One Every Day (EOED) closed their physical shops for part of this time.

In the past six months, a new metric for assessing the impact of participation upon residents has been devised, with six 'Impact of Participation' questions being asked to residents who have taken part in different activities such as the Neighbourhood Fund process, volunteering or the Citizens Alliance Network. This metric and its results will be reported on a bi-annual basis. The first set of results were extremely encouraging, with most residents who responded reporting the positive impacts participating in different activities had upon them, including:

- an increased desire and confidence to be involved in local decision-making or local community work
- feeling confident they have a good understanding of the borough
- wanting to make a change in their community or their own lives and feeling confident they can do so.

As mentioned above, EOED had to close all of their physical shops due to Covid-19. However, operations online to their 'Mighty Networks' platform and they have launched a new initiative called

'Tomorrow Today Streets' which has given residents the opportunity to participate from their own homes with the aim of creating smaller eco-systems of participation across the borough. Despite these efforts to move their participation eco-systems online, the impact of Covid-19 could still affect their outputs at the end of the initial five year project period in terms of numbers of people participating, number of hours of participation recorded and number of projects initiated. EOED have made efforts to re-open their in-person participation facilities to residents in a controlled manner but have been repeatedly hindered in doing so by guidelines and restrictions on in-person participation being implemented by central government. They have used their Thames warehouse whenever possible and it was a key part of the BD_CAN response, acting as a satellite food hub where food parcels for vulnerable residents were prepared and distributed from. Progress has been made with regards to EOED's collaborative business programme, with plans to utilise the Kickstarter programme, in partnership with the Council, to hire up to 30 local young people as apprentices to work in their fast developing Waxworks programme. They continue to host regular online events involving partners from both the social sector and the Council. The governance arrangements regarding EOED have not been affected by lockdown. Meetings between LBBD and Participatory City continued to be held online including funders board, project board and regular working group meetings. Future sustainability planning discussions have begun with Participatory City and are progressing well with teams from the Council and PC working together closely.

Similarly to EOED, Heritage Services have been heavily disrupted due to Covid-19 and the sites have remained closed since March. Valence House Museum opened for a short period but had to close due to the second lockdown. A review of opening times for heritage sites will be undertaken. Despite significant difficulties presented by the pandemic, progress has been made in the development of the conservation management. Strategic plans for both Eastbury Manor and Valence House have been commissioned which will map out the future for the sites, including identifying opportunities to develop the site and programme to ensure the visitor experience and ultimately increase footfall and income generation.

While the Summer of Festivals was cancelled for Summer 2020 due to Covid-19, the One Borough One Love Online Festival was held in September reaching a wide ranging audience from the borough and beyond with over 27,000 unique online visitors to the event. Throughout the month of December the Community Events Team oversaw a Christmas-themed programme of activity which included online programming as well as the distribution of thousands of holiday-themed kits to homes across the borough. Cultural Commissioning is continuing to support arts and community-based organisations in the borough through key commissioning initiatives. This includes a rich Black History Month programme that ran throughout October which saw the launch of the Barking and Dagenham Good Food Collective and Studio 3 Arts' 3-Style Fridays dance battle live streamed from Valence Library, among many other workshops and events. This autumn also saw the launch of New Town Culture's online workshops with young people from our Foster and Youth Offending Services, with artists Joe Namy and Antonio Roberts leading the sessions that were commissioned through our local partners The White House and Company Drinks. Planning is also currently underway for the launch of Becontree Forever, a comprehensive programme of cultural activity that will run throughout the Centenary year of the Becontree Estate, involving hundreds of artists and partners and significant cultural/public realm commissions.

Over the next six months, a key priority will be securing the future of participation in the borough, partly through sustainability discussions with Participatory City over the future of an in-person participation platform embedded throughout the borough and also through maintaining participation opportunities for residents through our Culture, Leisure and Heritage offers, while navigating the complications and barriers to participation that Covid-19 presents.

Pen to Print is a project and vision where everybody should have a chance to tell their story and by giving residents access to a network of expertise and support for aspiring writers in Barking & Dagenham and sharing this with a wider national and international community. During the pandemic delivery has moved

online offering digital content to read, watch and enjoy and a variety of competitions and quizzes; such activity saw website traffic double from 31,856 to 69,177 visits.

Facilitating democratic participation

Key performance and delivery messages:

- Launched the Citizens Alliance Network (CAN) online
- Over 2,000 people have visited the CAN website with hundreds of residents engaging with projects. Projects have been launched by council officers, Members, social sector partners and by a resident participant
- A series of online ‘Community Conversations’ have taken place, bringing residents together with officers and Members, with CAN also featuring at high profile events such as the State of the Borough conference and the One Borough One Love online festival

Priorities for next six months:

- Accelerating the development of the network and the number of people who are using CAN through comms activities with Members, social sector and residents
- Continue to add projects, looking for opportunities to support residents who want to take action on issues that matter to them and social sector groups also
- Establish a series of ‘Community Conversations’, involving council officers, Members, social sector partners and our residents

Key risk in the next six months:

- People continue to struggle to commit time to things over and above the pandemic, and only engage in a light-touch way and do not go forward to formally sign-up to the platform. The situation is made more difficult by being unable to meet in person and develop a deeper conversation

Central to this priority is the progression of the Citizens Alliance Network (CAN), a platform for which community mobilising and democratic participation will be able to be conducted from throughout the borough. Earlier in 2020 CAN was debuted in a different form to what it was originally intended to be, in the form of BD CAN, a core pillar of the council and the wider social sector’s emergency response to the pandemic of Covid-19. Further details about BD CAN are included (see page 26), however the platform was quickly developed to meet community need in collaboration with civil society and is a testament to how far the borough has come in the way we work with civil society and the community. Out of BD CAN has developed BD CAN Connect which is the coming together of over a dozen voluntary and community sector organisations and council departments supporting those residents who received support from BD CAN with emotional, social and community mental health support. This is a great example of the new relational council in action, moving away from ‘commissioned services’ and towards the providing mutual aid and the sharing of resources and data, as well as understanding of the system and how it works.

Over the past six months, efforts have shifted towards developing CAN into becoming the platform for community engagement and democratic participation it was intended to be. The CAN Project Manager, in post since March 2020, has led on a development process to build CAN into a broad and active platform for democratic participation.

Already over 2,000 people have visited the CAN website, while projects so far have engaged hundreds of residents with over 450 contributions³. More than 12 projects have been commenced using CAN's online platform. While many of these have been council-initiated to begin with, we have also facilitated three civil society-initiated projects and a project commenced by a resident participant. A series of online 'Community Conversations' have taken place, bringing residents together with officers and Members to explore the projects and themes in more detail.

A number of high-profile engagement activities have taken place to promote CAN and to encourage development opportunities. These have included the State of the Borough conference and the One Borough One Love Festival.

Over the next six months, there are several priorities for CAN. Marketing and communications activities to help grow the network of participants involved in CAN. Establishing a working group with residents and civil society partners to steer CAN's development. Establishing a regular programme of 'Community Conversations' on a wider range of topics. Developing the 'action' part of the network- looking for opportunities to support residents who want to take action in their communities. Such action is most likely to be in the parks, cleaning and greening space, building on the interest a number of small groups have already shown. More broadly, we will be taking an experimental and iterative approach and seeking opportunities with the VCS and residents to maximise CAN as a participation platform.

³ Active responses or contributions which could include: dropping pins on maps, answering survey questions, sharing a story, or sharing an idea.

Designing relational practices into the council's activity

Key performance and delivery messages:

- Have seen an increase in the number of services using the council's One Borough Voice engagement platform to engage with the community, alongside an increase in internal staff engagement

Priorities for next six months:

- Colleagues from different areas of the council meeting to identify opportunities for effective joint working across the council which can add value to ongoing projects and ensure they are as participatory as possible
- Continue to raise awareness of One Borough Voice and ensure consultations are meaningful and of a high standard

Key risk in the next six months:

- There is an inherent limit on how relational you can be using online communication and at some point a lack of in person contact becomes fundamentally compromising of our ability to take this agenda forward, particularly given increasing levels of mental health concern in the community

Relational working is a key aspect of the participation and engagement priority. This priority is interdependent between the key strategic priorities (Inclusive Growth; Prevention, Independence and Resilience; Well Run Organisation; and Participation and Engagement) and it requires extensive joint working across the council and embracing co-production and co-design practices.

Towards the end of 2020 and into the beginning of 2021, colleagues from Strategy and Participation have been meeting and are meeting colleagues from Inclusive Growth, My Place, Community Solutions and Care and Support to scope out and identify ways in which joint working across the council can add value to critical ongoing projects and, specifically, ensure they are as participatory as possible. For example, related to Inclusive Growth these include engagement undertaken through Reside, Be First and relating to the Becontree centenary celebrations. And related to Prevention, Independence and Resilience, this includes the implementation of the new Target Operating Models, the development of community hubs and the progression of the social prescribing model.

There are three key aspects to relational working:

- communications and campaigns
- customer contact; and
- internal engagement of the workforce

Achievements, improvement areas and risks for those areas are highlighted in the Well Run Organisation themes (pages 61-66).

An important development over the past nine months has been the increasing usage and participation through One Borough Voice. This new digital platform is being used to host meaningful engagements with the community as well as being a tool for internal staff engagement. From April to September 2020 there were 12,849 visitors to the platform putting us on course to exceed the 2020/21 target of 20,000 visitors. Data shows us that residents are not just visiting the platform but also participating with 3,609

engagements⁴ captured. One Borough Voice was used to host the Activities Hub, created to inform residents of online services and activities available to residents during the lockdown, and Citizens Alliance Network which saw over 1,000 visits. It was also used to identify the economic impact on local businesses and to process applications for business grants. These examples show the versatility of the platform and opportunities to engage residents in new ways on a variety of topics.

How we use One Borough Voice creatively to hold dialogue and canvass residents on important community issues is integral to our relational approach. In the next six months we will work to create more engagement opportunities and raise the profile of the platform locally.

⁴ Active responses or contributions which could include: dropping pins on maps, answering survey questions, sharing a story, or sharing an idea.

Prevention, Independence and Resilience

Every child gets the best start in life and all children can attend and achieve in inclusive, good quality early years settings and local schools

Key performance and delivery messages:

- Community Solutions continued to provide support to the most vulnerable families including supporting food and welfare requests
- Early Help services continues its improvement journey in line with the Ofsted action plan and strengthened multi-agency working arrangements
- Take up of the two-year-old early education offer continues to be very strong with Barking & Dagenham (84%) outperforming England (69%) and London (59%) and currently the joint best performing London local authority
- Take up of the three and four-year-old early education offer in the borough (87%) has exceeded London (84%) by 3%
- At the end of August 2020, the percentage of the borough's schools rated 'Good' or better by Ofsted was 91.5%
- New schools are being constructed including phase one of Greatfields school, expansions of Robert Clack onto Lymington Fields, and Barking Abbey across both sites

Priorities for next six months:

- A review commissioned between Corporate Assurance and Children's Improvement Boards will seek to test the impact of progress in line with the action plan, including improvements in safety, effectiveness, and recommendations to support future direction of travel
- Redesign the Health Visiting offer with NELFT
- Fixed term Speech and Language Team
- Re-building the take up of early education and childcare across all ages from a very low point in the first lockdown
- Supporting schools, including through BDSIP, with the development of a blended curriculum, and with SEND curriculum recovery and catch up support for pupils with SEND
- Primary Mental Health Team will be deployed to support children and young people with trauma and Adverse Childhood Experiences
- Mayesbrook Park School remains a priority in terms of improving its existing facilities and expanding the number of places
- The scalability of the pilot Team Around the School model will form part of an options appraisal in January 2021

Key risk in the next six months:

- The inability to marshal a coherent partnership response from agencies still consumed with responding to a pandemic

Over the period of Covid-19 Community Solutions has continued to provide support to our most vulnerable families including supporting food and welfare requests. This has been positively received and continues to support improved working relationships across schools, voluntary sector and BD CAN. Against this backdrop the local authority Early Help Services continues its improvement journey in line with the Ofsted action plan.

Early Help improvements across the wider partnership continue as part of a wider piece to strengthen multi-agency working arrangements across health visiting, portage, support in schools, MASH, and in relation to the Ofsted recommended improvement area of childhood neglect and learning from case reviews. As part of our future delivery model for Early Help, we continue to develop multi-agency Team around the Schools arrangements, where partners come together to support children to stay in their schools, remove barriers to learning and improve outcomes.

As part of the corporate risk assurance of local arrangements, an assurance exercise has been jointly commissioned between Corporate Assurance and Children's Improvement Boards, as part of local quality assurance arrangements, and as part of the continuous improvement programme for Children's Services. The review will seek to test the impact of progress in line with the action plan, including improvements in safety, effectiveness and recommendations to support future direction of travel. The review is due to conclude in the new year.

We are currently working with the North East London Foundation Trust to redesign the Health Visiting offer, and this will dovetail with the Early Help offer as set out above. The redesign will strengthen the services ability to safeguard vulnerable families, integrating allied professionals; for example, speech and language therapy into the core team to improve access to support. The new model will draw on the learning from Covid-19 and will blend an online and face-to-face offer for families. An initial outline is due to be presented in January 2021.

Given that many very young children will have missed out on toddler groups, play opportunities and family events due to the pandemic, we are investing in a fixed term Speech and Language Team (SLT), which will provide training to statutory services, Community Solutions, health and voluntary sector organisations, including faith-based organisations. They will support and extend the curriculum in relation to SLT in early years settings, including the early identification of speech and language difficulties.

The team will work alongside Early Years practitioners to deliver speech and language intervention; in doing this they will be modelling and upskilling new ways of working within the sector. This will improve long term language outcomes for the child and improve practitioner understanding which will impact on the wider class.

For children with more complex difficulties, the speech and language therapist will run groups and support parents to improve outcomes for children. For children with more complex speech and language need there is an enhanced referral pathway into mainstream speech and language services.

The play and communication service in Community Solutions moved to online delivery with Babbling Babes, Little Rhyme Makers and Play with a Story with attendance of 1,387 continuing to identify early speech and language needs in children under five. Parents of children that are identified using a speech and language profile are then given strategies to support speech and language development and offered appointments at play and language advice sessions and workshops.

There have been numerous achievements and successes in the past six months. Take up of the two-year-old early education offer continues to be very strong with Barking & Dagenham (84%) out performing England (69%) and London (59%) and currently the joint best performing London local authority. For the first time in several years, take up of the three and four-year-old early education offer in the borough (87%) has exceeded London (84%) by 3%.

As reported in the Annual Education Performance Review 2019/20, at the end of August 2020, the proportion of the borough's schools rated 'Good' or better by Ofsted was 91.5%, the same as end August 2019. This is well above published national benchmarks (86% in March 2020) and just under the London benchmark (93% in March 2020).

In an exceptional year, where there was no national performance data, a key outcome for the borough's young people was strong destinations, including a rise in numbers progressing to higher education.⁵

During Covid-19, strong partnership work has been demonstrated between schools, Barking & Dagenham School Improvement Partnership (BDSIP), the council and partners. The borough's tracking and brokering of support for vulnerable pupils and their families was identified as a key strength. This has been incorporated into legacy arrangements for tracking and supporting vulnerable pupils with all schools and in a pilot of the 'Team Around the School (TAS)' approach. The TAS pilot is delivered in partnership with Community Solutions and three primary schools.

New schools are being constructed including phase one of Greatfields school and expansions of Robert Clack onto Lymington Fields and Barking Abbey across both sites. The planning of new primary and special school places is underway. This includes Ford View primary school, Beam Park school, Greatfields primary school, Pathways special school and Beam Bridge special school. A new primary phase building for Robert Clark school has already been constructed as part of the secondary expansion; it will open in September 2021.

Several areas for improvement have been identified to ensure every child gets the best start in life. There is a focus on re-building the take up of early education and childcare across all ages from a very low point in the first lockdown. Many disadvantaged children have missed a significant proportion of their early years offer. For example, fewer than 10% of eligible two-year olds attended a setting from March to August 2020. This will have an impact on their progress and development, especially in language and communication.

National research has shown that there is likely to be an impact on children and young people's attainment and education outcomes due to missed school time, compounded by unequal access to appropriate IT for remote learning, and given the disruption and difficulties faced as a result of Covid-19. Areas of disadvantage are likely to be particularly affected.

While the TAS pilot has continued, some aspects of work were affected or paused due to Covid-19 and the closure of schools to most pupils. Working with partners and families through a mix of online and face-to-face meetings has enabled the pilot to adapt in many areas. The scalability and associated costs of the TAS model remains a challenge.

In line with the national picture, during Covid-19, there has been a considerable rise in the number of families withdrawing their children to be electively home educated (EHE), with a number of cases connected to reasons relating to Covid-19. This is being monitored and the Council has proactively communicated with parents in respect of their child's school place where EHE may be temporary.

Following the impact of the delayed start to Greatfields's secondary school - phase 2b, combined with operational matters related to Covid-19, it was agreed that two year groups from the school would be temporarily based at the former City Farm School site to relieve pressure from the main school site until 'phase 2b' is completed. This arrangement commenced in Autumn term 2020.

⁵ See theme 'More young people are supported to achieve success in adulthood' for information about this.

Supporting schools and settings to remain open and provide a quality education for pupils on site as far as possible will remain a priority and a challenge throughout the Spring term, with some easing expected after Easter.

Early years settings will be supported to identify gaps in children's language development and provide appropriate support and interventions.

The demand and take up of early education and childcare will be analysed thoroughly to understand the impact of Covid-19 on sustainability, sufficiency and school readiness. In addition, the impact of reduced early education take-up on the overall sustainability of the childcare market once the Government's short term financial support ceases in December 2020 will be monitored closely.

Supporting schools, including through BDSIP, with the development of a blended curriculum, and with SEND curriculum recovery and catch up support for pupils with SEND is a further priority. This will be key in, as much as possible, seeking to mitigate adverse impacts on attainment and education outcomes due to Covid-19, including for the most disadvantaged.

Outcomes for disadvantaged pupils will remain a priority. The legacy system for tracking and supporting vulnerable pupils involves Education Inclusion Partners (EIPs). EIPs each work with around 20 schools on a geographical area basis and partners to mitigate challenges faced by pupils and their families. This enables the best use of modest resources in the tracking of this vulnerable group, supported by regular conversations to broker support, based on the best intelligence. This work is further supported by 'Hot Clinics' involving Education, Social Care, schools, the Youth Offending Service, Youth at Risk Matrix Workers, and NELFT at which individual cases of concern are discussed.

The latest internal (provisional) data indicates that exclusions are lower now than at this point last year. It will be important to keep school exclusion levels as low as possible - and ensure that, as far as possible, pupils receive the support they need, particularly given the disruption faced by pupils in school and at home in light of Covid-19. In addition to the support for vulnerable pupils highlighted above, a Primary Mental Health Team will be deployed to support children and young people with trauma and Adverse Childhood Experiences. There will be regular training for school staff to help them further develop their understanding around the mental health and wellbeing of vulnerable pupils.

Continued close partnership on TAS with schools and Education will be vital so that support for children and families includes the right offer and so that families tell their story once. Health have joined the TAS pilot and their input and alignment with Early Help and Education will be key. Testing the TAS model will be important to ensure the approach joins all the support together in the most effective way to achieve the best outcomes for children and families. The scalability of the pilot TAS model will form part of an options appraisal in January 2021.

Schools will be supported as they prepare for visits from Ofsted: these visits are looking at how schools work with pupils after their extended stay at home. A return to Ofsted's standard graded inspection cycle is not envisaged while the pandemic is causing such disruption daily to schools.

Further primary provision in Barking Town Centre is a priority for future school places and capital investment. Two 3 Form Entry primary schools are required to meet the demand arising from housing developments under construction or with planning permission. A further primary school will be required on Barking Riverside by 2023 to meet the demand from this new community. Beam Bridge special school is planned to be open by 2023 on the former Pondfield depot site.

Mayesbrook Park school remains a priority in terms of improving their existing facilities and expanding the number of places available for young people.

More young people are supported to achieve success in adulthood through higher, further education and access to employment

Key performance and delivery messages:

- Progression of young people to Higher Education in Barking & Dagenham continues to improve significantly year on year rising by 12%
- BDSIP have adapted the Higher Education 'AimHigher' programme which is being delivered online with partners in this sector
- Colin Pond Scholarship of £500 per pupil for the borough's top achieving GCSE students who have chosen to stay in the borough to study at A-level
- Number of the borough's young people moving into apprenticeships has continued to decline, in line with the London picture

Priorities for next six months:

- Identifying all NEET young people, engaging with them and ensuring that they are supported quickly into appropriate Education, Employment and Training (EET) destinations

Key risk in the next six months:

- The post-pandemic and post-Brexit impact on the local labour market, disrupting pathways into employment and/or further education

Progression of young people to Higher Education in Barking & Dagenham continues to significantly improve year on year rising by 12% in 2020 compared to 2019, with 20% more young people progressing to the most competitive universities. By resident cohort, the borough shows the largest increase in higher education progression of any London borough over the past ten years and the proportion of residents obtaining first class or upper second-class degrees has also continued to rise.

Barking & Dagenham School Improvement Partnership (BDSIP) has worked hard to adapt its careers and work-related learning offers for schools choosing to buy into these services in response to the Covid-19 lockdowns and restrictions. Their higher education 'AimHigher' programme is being delivered online with partners in this sector. In light of so many young people missing out on work experience during Covid-19, work-related learning is planned to be delivered via an 'Insight to Management' programme, with a range of employers. Careers interviews are being delivered to around 50 young people a week.

The successes of 47 of the borough's top achieving GCSE students who have chosen to stay in the borough to study at A-level have been recognised and rewarded through a Colin Pond Scholarship of £500 per pupil. Each scholar acts as a role model in their school, encouraging top talent to continue to study in Barking & Dagenham.

In line with the regional and national picture, numbers of young people who are not in Education, Employment or Training (NEET) or whose post-16 destinations are unknown for Year 12s and 13s have risen due to the impact of Covid-19. Early indications are that Barking & Dagenham's NEET figures have risen far below the level of other East London boroughs, which is encouraging. However, in light of the impact of the pandemic, significant challenges remain in identifying NEET young people, engaging with them and ensuring that they are supported quickly into appropriate Education, Employment and Training (EET) destinations. In 2019/20, Barking & Dagenham had 3.5% of young people NEET or with

unknown destinations (a key national measure for the proportion of NEETs and 'Unknowns', based on the December 2019 to February 2020 average), better than London and national averages.

The Department for Education's Key Stage 4 post-16 destination measures indicate the number of the borough's young people moving into apprenticeships has continued to decline, despite the introduction of the Apprenticeship Levy in 2017. This trend is reflected regionally, with London being far behind national levels of apprenticeship participation. The borough's performance is in line with the London benchmark.

More children and young people in care find permanent, safe and stable homes

Key performance and delivery messages:

- Strengthened management oversight across the child's journey to ensure there are no delays in children achieving their permanence outcome

Priorities for next six months:

- Produce improved Child in Need plans that are SMART and focussed on the child's lived experience and intended outcomes
- Refresh the Looked After Children and Care (LAC) Leaver Sufficiency Statement and action plan

Key risk in the next six months:

- Services are impacted by increased demand and hidden harm because of Covid-19 and a provider market that is under increasing financial pressure

There has been a relentless focus upon enabling early permanency for children and young people since the Ofsted inspection, and considerable progress has been made. A Permanence Taskforce chaired by Operation Director keeps single oversight of all permanence activity from children in need plans through to those being adopted. Monthly tracking is showing more timely outcomes.

Most children are placed within family settings and placement stability is good and an improving picture. Short term placement stability is 9% and long-term placement stability has improved to 70% at end of September, above all comparators. Initiatives such as the Mockingbird and our Specialist Intervention service which includes family support workers, therapists, restorative workers, and a Lasting links, are all impacting on placement stability.

Ongoing work is to be taken forward over the next six months to address the number of children placed long distances away from home. This will be delivered through the LAC and Care Leaver Sufficiency strategy which is currently being refreshed.

Currently 92% of care leavers are in suitable accommodation. Scrutiny on unregulated placements and a robust quality assurance function by commissioning colleagues is underway and due to be reported at Corporate Parenting Board.

Improved planning for children placed with parents and single oversight ensuring children do not drift home in their later adolescence without careful planning and support was highlighted by Ofsted as an area needing improvement. A recent audit evidenced improvements have been made and the focussed work undertaken by the Corporate Parenting's Head of Service was impactful.

The Annual Corporate Parenting Report and Annual Adoption Reports, presented to Cabinet in December 2020, set out our progress in considerable detail, as well as our plans for the next year. This will also be a key feature of our Annual Self Evaluation of Children's Social Care Services, due for publication in Q4 of 2020/21.

All care leavers can access a good, enhanced local offer that meets their health, education, housing and employment needs

Key performance and delivery messages:

- The strong leadership, management and hard work was recognised by the National Advisor for Leaving Care across Corporate Parenting
- At end of October 2020, 92% of care leavers were in suitable accommodation and 66% were in education, employment and training
- 90% of Care Leavers (18+) have an up-to-date pathway plan
- CAMHS Hot Clinic has supported an improved mental health offer
- CAMHS Transitions Group has been set up to look at pathways for young people transitioning from children to adults' mental health services, if they meet secondary care thresholds
- **Priorities for next six months:**
 - Embarking on signing up to the Care Leavers Covenant
 - Improving our health offer to care leavers; as well as with Probation, to offer care leavers entering and leaving custody with better support
 - Care leavers mental health is a priority particularly during Covid-19 where isolation is increased
 - Strengthening Skittlz (Children in Care Council) membership and introducing creative means to communicate

Key risk in the next six months:

- Services are impacted by increased demand and hidden harm because of Covid-19

Significant improvement has been made across Corporate Parenting, the Enhanced Local Offer to Care Leavers and meeting our extended duties which apply to care leavers up to 25 years of age. The strong leadership, management and hard work was recognised by the National Advisor for Leaving Care, following a two day visit on the 11/12 November 2020.

The advisor expressed Barking & Dagenham's Corporate Parenting Approach is beginning to see the benefits of having Elected Members and senior officers asking the pertinent question 'is this good enough for my child?', that each member is a 'Care Leaver Champion', and that pledges are made leading to tangible changes.

It was too acknowledged the Enhanced Local Offer for Care Leavers, launched in 2019, included a free annual leisure pass for Care Leavers and a friend. The visitors were impressed by the council waiving the need for Care Leavers to pay council tax in April 2020. It was also noted the work that has been done to increase the housing offer for Care Leavers, including not making them unintentionally homeless.

The council has demonstrated commitment and ambition by significantly investing in the Children's Improvement Programme which included establishing a new operating structure within Children's Care and Support and a new model of care that has enabled greater flexibility to transfer young people to a Leaving Care Advisor when the time is right for that young person, rather than being dictated by their age. This allows for a more seamless and improved service to be provided to Care Leavers.

As at the end of October, 92% of care leavers were in suitable accommodation and 66% were in education, employment and training; this performance is up by 4% from last year and LBBB is above national, London and statistical neighbours' figures. Improvement in the quality of pathway plans, and evidence of care leaver's contribution and voice are stronger in Pathway Planning. 90% of Care Leavers (18+) have an up-to-date pathway plan.

A multi-agency Looked After Children Health sub-group of the Corporate Parenting Group, chaired by the Clinical Commissioning Group (CCG), is tasked to improve health arrangements for Looked After Children and Care Leavers. The mental health of Care Leavers is a priority particularly during Covid-19 where isolation is increased. A CAMHS Hot Clinic has supported an improved mental health offer and a CAMHS Transitions Group has been set up to look at pathways for young people transitioning from children to adults' mental health provisions.

In the coming year we will be working hard to take forward the recommendations made by the Department for Education National Advisor, following his visit in November 2020. To be truly effective the role of a corporate parent should extend across the whole council, towns and cities, and include partners across the private, public, and voluntary sectors. In Barking & Dagenham, we are embarking on signing up to the Care Leavers Covenant. We believe that with our council's ethos of 'no one left behind', our strong partnerships and inclusive growth ambitions, means we are well placed to become a truly 'universal family' to our care leavers.

We also know that we have work to do with CCG colleagues to improve the health offer to care leavers; as well as with Probation, to offer care leavers entering and leaving custody with better support. We will undertake greater scrutiny of unregulated placements and implement a robust quality assurance framework for our commissioned providers as well as strengthening Skittlz (Children in Care Council) membership and introducing creative means to communicate; for example, through a Care Leavers newsletter.

The Annual Corporate Parenting Report and Annual Adoption Reports, presented to Cabinet in December 2020, set out progress in detail, as well as plans for next year. This will also be a key feature of our Annual Self Evaluation of Children's Social Care Services, due for publication in Q4 of 2020/21.

Young people and adults at risk are safeguarded in the context of their families, peers, schools and communities and safeguarded from exploitation

Key performance and delivery messages:

- The new Children's Safeguarding Partnerships now established in line with our published plans
- Launch of the Neglect Assurance Programme
- The Adults Safeguarding Board, over 2019/20, strengthened two of its committee boards (Safeguarding Adults Reviews and Performance and Assurance)
- The first phase of Step Up, Stay Safe's 'Lost Hours' campaign has been widely received as a success
- The Greater London Authority (GLA)'s Young Londoner's Funded 'Roads to Community' project is completing its first year of delivery and is on target and has been praised by the GLA
- The borough's Youth At Risk Matrix Workers have now all been recruited and are working in primary and secondary schools
- Virtual delivery methods have been built into commissioning and bid writing
- The percentage of children subject to a repeat referral has continued to reduce remains at 14%, which is below target (15%)
- The number and rate of First Time Entrants into the criminal justice system were reducing, however, most recent data has yet to published
- The second phase of the Contextual Safeguarding (CS) pilot, working with the University of Bedfordshire has commenced. Five CS Champions have been identified across the multi-agency partnership and they have commenced to in-depth training

Priorities for next six months:

- Recruitment process for an Independent Scrutineer to be commenced in January 2021
- Development of the multi-agency Safeguarding Training programme for next year
- LBBD Safeguarding Peer Review to be rescheduled
- The Adults Safeguarding Board needs to be alert to specific safeguarding service needs and to probing them further in 2020/21
- Continue to drive the design and implementation of the Contextual Safeguarding model
- Continue to implement the Youth at Risk Matrix working and predictive tool for crime and exploitation
- Continue to take forward the serious violence and knife crime action plan
- Ensure greater alignment of activity and priorities across Children's Safeguarding Partnership, the Community Safety Partnership and the Safeguarding Adults Board

Key risk in the next six months:

- Services are impacted by increased demand and hidden harm because of Covid-19

Contextual Safeguarding and Exploitation

The Contextual Safeguarding and Exploitation sub-group has worked hard this year to ensure there is a coordinated multi-agency response to children and young people experiencing criminal & sexual exploitation and serious youth violence that tends to happen in contexts outside the family home i.e. within peer groups, schools settings and neighbourhoods.

This group oversees the Contextual Safeguarding Group responsible for the implementation of a contextual safeguarding approach across the partnership, working with the University of Bedfordshire to do so. The group have commenced the second pilot of work involving the identification of five Contextual Safeguarding Champions, across the multi-agency partnership, each of whom has commenced their training. Further training is being designed with focus on online harm; an issue which is becoming a key feature for children at risk of sexual exploitation, especially those in the younger cohort.

The Contextual Safeguarding Group is also supporting the referral pathways for contextual concerns with specific focus on the design of the multi-agency referral form and Merlin's to support these types of referrals. The testing of the Peer Assessment toolkit continues to embed a culture where child practitioners are speaking to young people about their contexts outside of the family home e.g. friendship groups, schools, places they spend time to ensure more holistic safeguarding.

The Community Safety Partnership has also tested the use of the business survey with businesses around Barking station and are looking to set up a Business Watch meeting which social care exploitation leads will join to support the roll out of the Contextual Safeguarding approach.

Criminal exploitation in the form of 'County Lines' continues to be prevalent. A close working relationship with Rescue & Response has seen an improved single oversight and understanding of the profile of our cohort of young people at risk in Barking & Dagenham. Police initiatives in the community over the Summer were well received and 'County Lines' training is underway.

There is robust oversight of work being undertaken in response to children and young people going missing. Whilst numbers decreased significantly over lockdown, they have not risen to former levels.

The 'Step Up, Stay Safe' programme which focusses on working with schools to reduce incidents of serious youth violence, knife carrying, and exclusions launched the first phase of the 'Lost Hours' campaign which has been well received; the campaign's video has had close to 35,000 views. A short documentary-film, as part of the campaign, has been well received outside of borough too with recognition from youth workers in Tower Hamlets.

The Greater London Authority (GLA)'s Young Londoner's Funded 'Roads to Community' project is completing its first year of delivery and has been praised by the GLA. There are another two years of delivery on the programme in which the partners (Studio 3 arts, Box Up Crime and Spark2Life) will be further supported to succeed.

The borough's Youth at Risk Matrix Workers have all been recruited and are working in primary and secondary schools, with an offer to train teachers and school staff on 'Gangs and Exploitation'.

With the closure of schools to most pupils from the end of March 2020, there have been challenges for partners in the council and Community and Voluntary Sector organisations in operating 'business as usual'. There has been disruption to referral pathways, including the ability to work from schools, and to use some premises. Partners across 'Step Up, Stay Safe' have mitigated these risks by working with young people online and face-to-face, where required. Some organisations have used innovative ways to recruit and engage young people, such as through detached youthwork sessions; informal sports events; and improving the online accessibility of their organisation through web launches and YouTube content. Going forward, virtual delivery methods are built into commissioning and bid writing.

Community Safety Partnership

The Community Safety Partnership (CSP) has developed a local Serious Violence Action Plan which is submitted to the Violence Reduction Unit (VRU) setting out a partnership response to address serious violence. This is monitored through the CSP board and annual reviews submitted to the VRU. One priority within the plan is to better align the partnership boards to work together on shared priorities.

The CSP commissioned 'County Lines' screenings and workshops delivered by Henry Blake for professionals working with children and young people across the East Basic Command Unit (BCU). The sessions were to provide better understanding and guidance to frontline staff on identifying and addressing exploitation and 'County Lines' and how to support those involved either who are identified or disclose.

The CSP through the VRU fund have commissioned the Ben Kinsella Trust to implement an anti-knife crime exhibition in the borough. The exhibition will provide an educational tour for primary and secondary schools based around preventative work to teach young people about the impacts and consequences of carrying a knife. The exhibition uses interactive rooms including a cinema room, choices and consequences room, prison cell and medical theatre room to not only educate young people but challenge their mindsets to help steer them away from gang and serious violence involvement and to stay safe. The exhibition will offer a localised perspective working with families who have lost loved ones to knife crime. Additionally, this will link in the Lost Hours campaign working to reduce exclusions and youth violence.

Through grant funding the CSP have commissioned a range of community and voluntary sector organisations to deliver positive interventions to children, young people, and young adults. The aim is to provide interventions ranging from universal to intensive to support young people and help reduce involvement in youth violence. This is connected with the council's Step Up Stay Safe programme.

Children's Safeguarding Partnership arrangements

The Children's Safeguarding Partners have taken a collective response to children and young people experiencing neglect, resulting in the launch of the Neglect Assurance Programme. This programme was triggered because of a significant neglect case. Case audits, learning workshops and increased supervision/management oversight is being put in place across all partner agencies, as is the roll out of the Neglect Graded 2 Care Profile training. This work is feeding to the refresh of the Neglect Strategy and action plan and discrete performance framework. The new multi-agency threshold document is also out for consultation; it will be launched in April 2021.

The recruitment process for an Independent Scrutineer is being progressed. The vision is for the Independent Scrutineer to be a Safeguarding Champion, who will provide challenge to safeguarding partners and ensure the voices of children, families and staff are at the heart of all we do, as well as engaging providers, commissioners and the community, voluntary and faith sectors. The aim is to commence recruitment in January 2021.

The multi-agency Safeguarding Training programme for next year is being developed, identifying the training priorities and needs across the partnership and approaches for coordination and delivery of training, linking into the wider Barking, Havering and Redbridge Safeguarding Partnership.

As part of producing the Children's Annual Safeguarding Report, next year's safeguarding priorities are being defined, working with partner agencies do so and ensuring alignment with the Safeguarding Adults Board and the Community Safeguarding Partnership. The first Annual Report will be published in Q4 of 2020/21. A key priority to be taken forward over the next six months is to facilitate greater alignment of activity and coordination across the various levels of each organisation working across the partnership.

This will require greater alignment of the programmes of work across the Children's Safeguarding Partnership, the Safeguarding Adults Board and the Community Safety Partnership.

The Safeguarding Adults Board (SAB), over 2019/20, strengthened two of its committee boards, which are the Safeguarding Adults Reviews and Performance and Assurance. The former has developed a robust and focussed approach to individual cases and increased focus on the learning being applied. Widened learning beyond the Board through a successful joint learning event about outcomes from London-wide and local Safeguarding Adult Reviews with Havering and Redbridge SABs and staff from all partners was taken forward over 2019/20.

Adult Safeguarding Partners have undertaken individual organisation self-assessments and a safeguarding assurance exercise with Havering SAB up to the stage at which this and the planned LBBB Safeguarding Peer Review were disrupted by Covid-19 in March 2020, however, this is rescheduled for later this year.

The Board sought to improve timely information sharing about individual concerns between professional and partner organisations through an agreed documented protocol and escalation of notice to more senior colleagues and the Board's Independent Chair.

The Annual Report of the Safeguarding Adults Board was presented to Assembly in November 2020.

Zero tolerance to domestic abuse drives local action that tackles underlying causes, challenges perpetrators and empowers survivors

Key performance and delivery messages:

- Refuge implemented the new Domestic and Sexual Violence Service in October 2019, and in its first full year of delivery received 1190 referrals for adult survivors needing support
- 17.8% of referrals in July-Sept 2020 were self-referrals
- Implemented DV FLAG East in May 2019 which has since been shortlisted for several awards this year
- Won Everyone's Business Award recognising our work to address domestic abuse in the workplace
- Childrens Care and Support adopted the 'The Safe & Together'TM Model

Priorities for next six months:

- Explore expanding the DV FLAG East project to across the tri-borough safeguarding partners
- The final report from the LBBDD Domestic Abuse Commission to be published in early 2021
- Community Solutions are preparing for Domestic Abuse Housing Alliance accreditation
- IRIS is a specialist domestic abuse training, support and referral programme for General Practices

Key risk in the next six months:

- Services are impacted by increased demand and hidden harm because of Covid-19

We have progressed quickly in developing a whole systems approach to domestic abuse.

In October 2019 Refuge implemented the new Domestic and Sexual Violence Service. In its first full year of delivery the service received 1,190 referrals for adult survivors needing support. Particularly good news is a high level of self-referrals: 17.8% of referrals were self-referrals between July-Sept 2020. The two children and young person's posts supported 103 referrals between them, and the perpetrator case manager has worked with 29 perpetrators.

In May 2019, the council implemented DV FLAG East: A collaborative effort between the LBBDD Legal Team and Barking & Dagenham Citizen's Advice Bureau to improve access to quality legal advice for families experiencing domestic abuse. The project has been shortlisted for several awards at the Family Law Awards and LawWorks Pro Bono Awards 2020. There is a plan to take the work to the BHR Safeguarding partners to explore expanding the work across the tri-borough area.

In January 2020, the council was one of the first five organisations in the country to be awarded an Everyone's Business Award, recognising our work to address domestic abuse in the workplace. In September 2020, the council went on to win the Best Organisational Development Initiative Award at the PPMA Excellence in People Management Awards 2020, and this contributed to an overall Silver Award.

In September 2020, Childrens Care and Support adopted the ‘The Safe & Together’™ Model: an internationally recognised suite of tools and interventions designed to help child welfare professionals become domestic violence informed. Delivering training to 80 social workers virtually has been challenging when demand on the service has been high.

In September 2019 we had no perpetrator-focused work at all in the borough. By January 2021 we will have three different offers being delivered by Refuge and Cranstoun⁶. This could be listed as success, but in truth it creates a challenge to ensure pathways are streamlined and services are not confused by the different offers.

In February 2020, the LBBD Domestic Abuse Commission launched, bringing ten national experts around a table to explore the normalisation of domestic abuse in the borough, with a clear focus to examine and respond to the attitudes and behaviours in the borough that allow domestic abuse to exist. The final report is due to be published in early 2021. The report will set the direction and underpin the next phase of work.

Alongside this, Community Solutions are preparing for Domestic Abuse Housing Alliance (DAHA) accreditation in February 2021. DAHA Accreditation is the UK benchmark for how housing providers should respond to domestic abuse in the UK. Preparation work has been challenging, but we are in a good place and hopeful of success. IRIS is a specialist domestic abuse training, support and referral programme for General Practices. Funded by the Violence Reduction Unit, it will be implemented in Spring 2021 in the borough. We will need to ensure the work complements the Social Prescribing Offer and has a sustainability plan for when funding ends.

⁶ Providers of local domestic abuse services

All residents with a disability can access from birth, transition to, and in adulthood that is seamless, personalised and enables them to thrive and contribute to their communities⁷

Key performance and delivery messages:

- The Heathway Resource Centre has moved into Becontree Children's Centre. This brings specialist services closer to families, reducing need for travel and ultimately allow young people to remain at Trinity until they are 21
- The Disability Improvement Programme has been launched, key in delivering this theme

Priorities for next six months:

- Development of specialist Autistic Spectrum Disorder (ASD) supported living at the Brocklebank site
- ASD Behavioural Team and diagnostic framework will be developed with parents, clinicians, CCG and commissioners to support
- Redevelopment of all supported living block contract for people with a learning disability which will include bespoke offer for people under 30
- Development of day service provision with secured funding and launched pilot with AutoMe (NHS Digital Innovation Accelerator) to develop and implement a virtual support provider to help those with learning disabilities live independently
- The Learning Disability Employment Manager will be supporting service users into voluntary and paid employment opportunities while supporting those in employment to maintain their jobs during and post Covid-19
- Recruitment for additional social workers and enablers will start in January 2021

Key risk in the next six months:

- Significant cost-avoidance is invested in the successful redevelopment of the Brocklebank site – this is complex with many moving parts

The development of the Disability Improvement Programme is the key next step in delivering this theme. The Improvement Plan takes a whole-system view, incorporates all our work in this area under a single plan with the following key objectives developed in collaboration with staff and service users:

- Support service users to develop resilience and live independently as they are able
- Give service users a voice to change and shape services so that they meet their needs
- Develop services that can flex to meet individual assessed needs, including stronger pathways for service users that present with LD and mental health needs

⁷ This is intrinsically linked to the "Every child gets the best start in life and all children can attend and achieve in inclusive, good quality early years settings and local schools" theme, and the developments in Early Help (as summarised above).

- Improve the accessibility of services
- Improvement to supported living and develops new accommodation that meet long term needs

The Improvement Plan strengthens our statutory response to Education, Health and Care Plans, with increases in coordinators and Educational Psychology, with a view of reducing long term support needs. For those requiring adult social care, a new transitions pathway will ensure there is a 'destination' for all young people once they turn 18.

The Heathway Resource Centre has moved into Becontree Children's Centre and this has a twofold benefit: it brings specialist services closer to our families reducing the need to travel; and it allows young people to remain at Trinity until they are 21. Services are planning to open with a new and extended programme of activity that will better meet the needs of families and carers.

There will be a specialist Autistic Spectrum Disorder supported living developed on the Brocklebank site, with a view of reducing reliance on out-of-borough placements, keeping service users close to family and friends.

Commissioners secured funding and launched a pilot with AutonoMe (NHS Digital Innovation Accelerator) to develop and implement a virtual support provider to help those with learning disabilities live independently, focusing on support to secure employment and manage mental health and wellbeing.

At the end of August, the Children with Disability team held a caseload of 184 children. While the service was expecting (and had planned) for an increase in referrals once schools went back in September, we had not anticipated the volume or complexity of referrals. The service now has an open caseload of 218 children, a real term increase of 19%. The additional 34 are children, previously unknown to statutory social care, all of whom require assessment. Average caseloads, therefore, increased to 24, compared to 14 at the end of July; 18 at the end of August against a team target of 17. Nine out of ten case holding social workers in this team had caseloads above 20 and four social workers had more than 25 children. Analysis of cases has shown that this increase in demand is Covid-19 related, with significant breakdown in families because of suspension of service delivery, respite, and increased risk factors such as domestic abuse. We have prioritised the recruitment of additional social workers for this reason.

Children, young people and adults can better access social, emotional and mental wellbeing support - including loneliness reduction - in their communities

Key performance and delivery messages:

- Mental Health Improvement Programme was approved. This will address fragmented care pathways to enable service users to access good quality, outcome focused care
- In December 2019, LBBD embarked on delivering a social prescribing model after a successful pilot with three GP surgeries

Priorities for next six months:

- Developing a team of Primary Mental Health Workers (PMHW) with NELFT and the CCG, who will work in schools and with GPs to promote good emotional health, prevent mental health issues and identifying mental health problems early
- All six Primary Care Networks (PCN) signed up to the model leading to the recruitment of six link-workers one for each PCN
- 1,466 referrals have been received with 2,455 needs identified. Initially, as the pandemic hit, referrals started to decrease but are now increasing

Key risk in the next six months:

- The post-pandemic 'surge' in demand is already placing strain on Mental Health services – the risk is those services become overwhelmed

The Mental Health Improvement Programme was approved in August 2020. The programme emphasises the importance of early intervention with clear step-up and step-down processes to ensure acute and emerging mental health needs are met in a timely and thoughtful way. The programme addresses fragmented care pathways, ensuring service users with multiple vulnerabilities can access good quality, outcome-focused care, preventing escalation to specialist services.

For residents with mental health the improvement plan will develop the bereavement and community support offer, including crisis cafes and parenting support. These activities will be delivered in consultation with the CCG and the voluntary sector.

Currently there is a significant deficit in the commissioned offer for young people transitioning to both the Learning Disability and Mental Health teams which the improvement plan is addressing. NHS England's Long Term Plan for Mental Health is prioritising care for 18–25 year olds, which we are developing in conjunction with services users, GPs and the CCG.

Children and young people may experience a wide range of social and emotional difficulties that manifest themselves in many ways. These may include becoming withdrawn or isolated, as well as displaying challenging, disruptive or distressing behaviour. Withdrawal and disengagement do not appear to provide teachers with immediate challenges that affect the progress of lessons. Nevertheless, disengagement can be just as damaging to a young person's life chances as other behaviours. Different approaches are required from those used to manage the behaviour of the majority of pupils through whole school behaviour systems, when managing challenging behaviour by individuals with Social, Emotional and Mental Health (SEMH) issues.

These behaviours may reflect underlying mental health difficulties such as anxiety, depression, self-harming, substance misuse, eating disorders or physical symptoms that are medically unexplained. Other children and young people may have disorders such as attention deficit disorder, attention deficit hyperactive disorder or attachment disorder. SEMH difficulties can manifest themselves through both passive and active behaviours.

We are developing a team of Primary Mental Health Workers (PMHW) with NELFT and the CCG, who will work in schools and with GPs to promote good emotional health, prevent mental health issues and identifying mental health problems early.

PMHWs can reach a large number of children with low-level mental health problems who might not otherwise receive the services they need. PMHWs ensure children receive help in school-based, non-stigmatising and familiar environments. They can act as an effective screening process for CAMHS, leading to a reduction in referrals. They provide a crucial role in directing children and young people to the most appropriate services, preventing delays and avoiding inappropriate alternatives.

In December 2019, LBBD embarked on delivering a social prescribing model after a successful pilot with three GP surgeries. All six Primary Care Networks (PCN) signed up to the model leading to the recruitment of six link-workers, one for each PCN. The role of the link-worker is to act as a co-ordinator for referrals received from the GP for money and debt, social isolation and loneliness, adult employment and education, mental health, domestic abuse, substance misuse, family support and for those patients that would benefit from a healthy lifestyles referral due to being a smoker, having a long-term health condition or being obese. They then link them with relevant services both within Community Solutions as well as voluntary and community sector and commissioned services. So far 1,466 referrals have been received with 2,455 needs identified. Initially, as the pandemic hit, referrals started to decrease but are now increasing. Two of the Primary Care Networks have now approached Barking & Dagenham to recruit an additional link worker and a health and well-being coach to be part of their multi-disciplinary team which demonstrates faith in the success of the programme.

All vulnerable adults and older people are supported to access safe, timely, good quality, sustainable care that enables independence, choice and control integrated and accessed in their communities, and keeps them in their own homes or close to home for longer

Key performance and delivery messages:

- Care and Support services have been reliable and resilient during the pandemic. The key business processes of assessments, referrals, and safeguarding investigations carried on despite the disruption and restrictions
- We have worked jointly with our health partners, BHR colleagues and our care providers to ensure the health and social care system responded effectively to the challenges of the pandemic, particularly around hospital discharge, PPE, infection control and market resilience

Priorities for next six months:

- Support the most vulnerable residents to recover from the effects of the pandemic
- Remodel hospital discharge and support to residents at home
- Develop dementia services including the respite offer for carers, use of day services and increasing provision of Dementia Advisors
- Tender for an ambitious care technology service
- Roll out the Adults Care and Support practice model working with the Social Care Institute for Excellence

Key risk in the next six months:

- A 'spike' in hospital discharge activity (which is expected) is married with legacy-costs of responding to the pandemic, overwhelming the capacity in the system

The pandemic has been a very challenging time for vulnerable residents and their families, and for the staff and providers that care for them. Our communities, and the most vulnerable residents within those communities, will need considerable, and in some cases, long-term support to recover from the effects of the pandemic. The pandemic has seen the local authority and partners across health, social care and the voluntary sector effectively work together to provide services, create new and improved processes and pathways and work with providers to protect vulnerable residents and minimise the risk of Covid-19 transmission.

Our social work teams have worked well during the pandemic with most social workers working from home and talking to residents and families virtually. A rota of staff has been in place in a Covid-19 secure office to deal with urgent situations and visits in the community. Services continued to take referrals, undertake assessments, investigate safeguarding concerns and review the needs of residents. Residents were linked to support services and the work of BD CAN where needs were identified. We have therefore had no need to use the Care Act easements. However, we are seeing pressures within social care as we see the impact of Covid-19 unfold, with more nursing care placements than residential care, more intensive homecare packages put in place (for example double-handed care rather than single-handed) and more residents experiencing mental ill health. Hospital admissions relating to ill mental health are up by one third. Additionally, we know that there may be unsighted risk in our provider

settings and community due to reduced visibility. We will continue to work through these issues and the longer-term implications they have on services over the coming months.

In-house and external providers provided an excellent level of care to residents, whether in an individual's own home or in a care home, despite facing significant challenges around infection control, staffing and morale as a result of Covid-19. A recent Healthwatch report into the work of care homes during the first wave stated that families and residents felt that borough care homes had 'provided excellent care for both the health and wellbeing of residents'. The local authority has provided support to providers throughout the crisis, including:

- seven day a week support and advice from the Provider Quality and Improvement and Public Health teams
- emergency Personal Protective Equipment
- a 10% uplift in rates to older people providers to help mitigate provider failure
- over £2 million of Infection Control Grant distributed.

Alongside this we have worked closely with the hospital, NELFT, the CCG, and neighbouring boroughs to put in place initiatives to support and improve hospital discharge and protect against transmission of Covid-19. This has included the implementation of a new 'discharge to assess' model; a multi-disciplinary team to undertake Continuing Healthcare assessments, and separate provisions for Covid-19 positive residents to reduce infection rates. Flows of communication have been critical to getting solutions in place and we are still working through some issues as a health and social care system, particularly staffing the Infection Control team led by NELFT (of which the local authority provided significant investment) and ensuring the hospital are communicating test outcomes before discharging patients: this issue was surfaced in the Healthwatch report mentioned above.

Against this backdrop, we have developed our Improvement Programme for Adults' Care and Support and Mental Health for the next two years. This includes a number of workstreams, taking learning from the last six months and building on a new strengths and asset-based approach to social work which we have formalised through a new delivery model, quality assurance framework and practice standards.

One of our key priorities for the next period will be our 'From Hospital to Community' workstream which will see us remodel hospital discharge and support to residents at home. Additionally, we will be tendering for a new, ambitious Care Technology service to support the objective of being a national leader in this area and placing technology at the heart of our care and support offer. Through the Mental Health Improvement Programme, the dementia workstream will focus on building the respite offer, improve the use of day services and increasing the use of Dementia Advisors. Finally, we will be rolling out a 'Practice with Impact' project, in collaboration with the Social Care Institute for Excellence. This will help to identify practical and actionable steps to make rapid progress in implementing the new delivery model.

Tackling inequality in all aspects of our service delivery and within our communities jointly with partners and Public Health

Key performance and delivery messages:

- The close partnership working across the system and progress towards an Integrated Care System and collaboration with the NHS providers has accelerated
- The enhancement of the social, emotional, and mental health support for schools and switching to online delivery to continue provision of our Healthy Lifestyles Programmes and social prescribing offer
- Delivering the NHS Test and Trace programme at scale
- Embedding the Healthy New Towns principles in the borough
- The Barking Riverside new model of care has been agreed

Priorities for next six months:

- Prepare to support the national vaccine programme working with health partners
- Encouraging the public to seek advice for any health concerns and working with health and care providers to deliver and adapt services that are safe and easily accessible to the public
- In-depth review of health inequalities and the impact of Covid-19 in the borough, as part of our Annual Public Health Report so that we can meet the needs of our communities and future-proof services

Key risk in the next six months:

- After the emergency response to the pandemic, a slow or uneven re-start of public health and screening programmes, including NHS Health Checks, cancer screening and routine immunisation, poses a risk in terms of widening existing health inequalities. Time lost to spot the early signs of disease can mean reduced opportunities for residents to seek timely medical treatment and to make healthy choices which could potentially have an adverse impact on the borough's healthy life expectancy in the long term

This year, Covid-19 has pushed inequalities to the fore. The Public Health England report on *Disparities in the risk and outcomes of Covid-19* highlighted the risk of dying of Covid-19 was greater for those people from Black and Asian ethnic groups. The experiences of lockdown starkly showed the differences in our living conditions and how they can affect health and wellbeing; and the ongoing social and economic consequences are likely to have greatest adverse impact in deprived areas. We are taking this seriously in Barking & Dagenham as inequalities are becoming an even greater focus.

Achievements and successes over the first two quarters of this year include the close partnership working across the system and progress towards an Integrated Care System. Covid-19 has accelerated our collaboration with the NHS providers. For example, we worked together on the modelling of Covid-19 at North East London level to assess the impact on demand. We were able to make swift adaptations to service delivery by working in partnership; for example, enhancing the social, emotional, and mental health support for schools and switching to online delivery to continue provision of our Healthy Lifestyles Programmes and social prescribing offer. We continue to work positively with colleagues in primary care, BHRUT, NELFT, the CCG and voluntary sector, at the Health and Wellbeing Board, and

have seen the growing maturity of our borough partnership to take forward community-based and integrated care through the Barking & Dagenham Delivery Group.

Public Health has been on the forefront of the Covid-19 pandemic; leading the way, providing advice and support, delivering the NHS Test and Trace programme at scale, providing system leadership, hosting webinars for schools and staff, developing standard operating procedures and protocols, carrying out risk assessments, managing outbreaks, linking with Public Health England and providing robust and timely evidence-based advice and support to the leadership, staff and members of the public.

We have also made progress in work with partners to embed 'Healthy New Town' principles in the borough. The work is moving at pace with the community wellbeing hub plans and financing progressing to initial design stage. The Barking Riverside new model of care has been agreed. The Thames View Activation Group was formed to test this approach and activate existing assets. Learning from this work will be used to embed the 'Healthy New Town' principles.

Covid-19 has undoubtedly posed many challenges over the last six months and will have a legacy on health outcomes far longer than the pandemic itself. Throughout much of this time many routine services were paused or changed their method of delivery. Legacy challenges will have been created by the shutdown of some health services, changes in health seeking behaviour and the social and economic fallout of lockdown. For example, due to a national suspension of public health screening and prevention programmes for several months, some people may not get the early diagnosis and intervention they otherwise would have done. To mitigate this, we are encouraging the public to seek advice for any health concerns and working with health and care providers to deliver and adapt services that are safe and easily accessible to public.

We are well aware that the social and economic consequences of the pandemic and lockdown will likely have a profound effect on health and are taking an in-depth review of health inequalities and the impact of Covid-19 in the borough, as well as at a sub-regional level. Over the next six months this will include a review of our services and any equalities challenges as part of our Annual Public Health Report so that we can meet the needs of our communities and future-proof services. The next six months will also, of course, be dominated by the arrival of the Covid-19 vaccine and working with our health partners to ensure we do all we can to defeat the virus.

Well Run Organisation

Delivers value for money for the taxpayer

Key performance and delivery messages:

- There are challenges in delivering this year's financial savings. £6.8 million is currently undelivered and will need to be absorbed in addition to the £12.7 million of savings required in 2021/22
- There is a forecast shortfall in financial returns from LBBD owned companies due to impact of Covid-19 on their business plans
- The 2019-20 Audit Plan was delivered in full
- Counter fraud activity has led to 178 frauds detected with a total value of £1.4 million

Priorities for next six months:

- Agreeing the next Medium Term Financial Strategy in light of the recent Government Spending Review and impact of the pandemic on council finances
- Embedding the Social Value Policy ensuring large procurements deliver social value outcomes

Key risk in the next six months:

- This is a year of high financial risk for the council as the Covid-19 outbreak and the lockdown has resulted in increased costs of providing services and reduced income from fees and charges. It has also further compounded already existing risks in areas with existing demographic and needs led pressures such as care and support. Financial forecasting is difficult as patterns of demand are unusual and will remain so for several more months at least, and we know there is growth and suppressed demand in the system to come through. The latest forecast is £8 million overspent across the council but this position could worsen due to various factors beyond our control. A realistic worst case scenario is an overspend of £13m

Over the past half decade the council was required to make £48.8m of financial savings to live within its means and be financially secure for the future. At the end of the last financial year £6.8m of that total was undelivered with a further £12.7m to deliver in 2020/21. At present that position is unchanged as savings programmes have been disrupted or delayed due to Covid-19. The risk to achieving the full £48.8m required to balance the Medium Term Financial Strategy (MTFS) has therefore grown. The next MTFS is in development culminating into reports to Cabinet and Assembly in February 2021. The detailed funding announcement from MHCLG is expected before Christmas which will allow the production of the final, detailed budget for 2021/22.

Another financial risk is a forecast shortfall in the financial returns from LBBD owned companies. At the end of Q2 this shortfall was c.£1.5m across the commercial portfolio where Business Plans of the trading companies are negatively impacted by Covid-19 and that loss of income cannot be recovered in this financial year. However, this forecast is highly dependent on achieving significant milestones in several Be First development schemes by March 2021.

There are also considerable funding challenges, again compounded by Covid-19. As at the end of October 2020 the expected impact of Covid-19 in financial terms is expected to be £46.6m which comes from increased costs, lost income and the savings mentioned above that are being postponed. Grants from Government and the NHS totalling £34.6m are expected to be received, leaving a shortfall of £12m. Within this shortfall are business rates and council tax losses which may be recovered in future years. This leaves a residual funding gap of £3.4m. In a worst-case scenario this could feasibly increase by £10m by year end. In summary the council's financial position is stressed further by unforeseen events making balancing the budget in future years more difficult than would otherwise have been the case.

The council's financial management is good and financial controls are robust and strengthened by the insourcing of Procurement and Accounts Payable. There has been successful work to detect fraud. During 2019/20, 178 frauds were detected with a total value of £1.4m. Nine council properties which were fraudulently occupied have been recovered, this is despite Covid-19 restrictions which impeded housing investigations. In addition, although there is a long lead in time to secure outcomes from procurement processes, our new Social Value Policy, is being implemented and we are embedding social value mechanisms into larger contracts as well as developing the infrastructure to connect commissioners to social infrastructure organisations within the borough.

The 2019/20 Audit Plan has been delivered in full. At the end of Q2, 22% of the original 2020/21 plan of risk and compliance audits were at least at draft report stage. This falls just short of the target for the end of Q2 which is for 25% of audits to be at draft stage, although there has been a significant amount of additional work undertaken around the risks faced by Council surrounding the pandemic. An exercise has been completed to risk assess the schools in the Borough to inform a risk-based schools' audit plan and work is now underway to deliver this plan. This Internal Audit activity is vital to improving the efficiency and effectiveness of policies and procedures and helps to drive the continuous improvement of services and support functions.

Employs capable and values-driven staff, demonstrating excellent people management

Key performance and delivery messages:

- Employee Engagement Index score has increased to 86% - up 10% on last year
- Average sickness absence is 6.1 days per employee (6.43 days including Covid-19 related absences)
- Successfully re-accredited for the Safe and Effective Standards in Occupational Health Standards
- Won the Public Sector People Managers Award for Organisational Development for our work to support employees experiencing domestic abuse
- Won the Best Frontline Recruitment Campaign
- Implemented a new e-learning system

Priorities for next six months:

- Achieve Investors in People Gold
- Attain the Good Work Standard
- Implement a dispersed working model enabling staff to work remotely or at different LBBB sites

Key risk in the next six months:

- Despite meeting HR and organisational development criteria to achieve the Good Work Standard, at present we have no mechanism for confirming if contractors in our supply chain pay the London Living Wage. This is a significant barrier to accreditation

During the Covid-19 pandemic the council has focussed on keeping the workforce and its services safe. The development of a new approach to risk assessments led to 72 risk assessments approved so far following an engagement and consultation process with Trade Unions and individual staff groups. This has helped the council to deliver services to residents during this time and reduced the level of workplace transmission.

The Occupational Health Service was reaccredited with Safe and Effective Standards in Occupational Health Standards (SEQOHS) and has delivered a wide range of adapted services focussing on Clinically Extremely Vulnerable and vulnerable staff. The Occupational Health Service has overseen the individual health risk assessments for all front-line staff, and delivered an extensive flu vaccination programme to keep key workers safe.

The council has implemented a new approach to recruitment and selection to improve candidate experience. The new system is easier for applicants to navigate and to apply for jobs. It will also enable us to put in improvements to monitoring and time to hire. Ensuring that we engage new staff as quickly as possible. Values-based recruitment has been implemented which puts our DRIVE values at the heart of the process with less of a focus on skills and experience. Included in our new approach are diverse recruitment panels and anonymised recruitment. Most recruitment and selection is taking place online, with good arrangements for induction and training new staff.

In addition to winning the Public Sector People Managers Award for Organisational Development for the work that we have been doing on a whole systems approach to supporting Domestic Abuse in the Workplace, the council won the Best Frontline Recruitment Campaign. This inhouse-run campaign used the council's Cleaner Barking & Dagenham brand to attract residents to apply for jobs in Public Realm.

The apprenticeship target for this year has been met with a combination of new apprenticeship starters, career progression routes and using the levy to upskill current staff. New programmes include bespoke Leadership and Management Programmes (Level 3 and Level 4) delivered in the borough by the Adult College and Coventry University London respectively.

The council is close to its sickness absence target; performance is currently at 6.1 days average, excluding Covid-19 absence, and 6.43 including Covid-19. Wellbeing support has been provided, including signposting to Mental Health First Aiders, and Mental Health Training for managers.

Engagement surveys have been run during the pandemic taking a participative approach to defining our new way of working. A wellbeing, homeworking and frontline survey was run in May 2020, and a Temperature Check in October 2020. The Temperature Check has seen an increase in the Council's Employee Engagement Index score from 76% to 86%. A segmentation survey was run in September 2020 to capture the views of staff in support of rolling out a vision for dispersed working from 2021.

A new approach to learning and development delivered through our e-learning platform has enhanced the learning experience for employees and enabled robust record-keeping. A new inhouse mentoring scheme has been implemented.

The council's Gender Pay Gap has narrowed and is close to 0% (publication 2020). Work continues to gather evidence for our application for the Mayor of London's Good Work Standard.

Good progress is being made on the council's Investor in People's Assessment, with a survey out in December and the onsite review taking place in January 2021.

Enables democratic participation, works relationally and is transparent

Key performance and delivery messages:

- 91.6% of households gave a positive response to the Annual Canvass
- Retained the Member Developer Charter Plus accreditation
- Multiple communications campaigns have been successfully run, including the Lost Hours campaign, Cleaner Barking and Dagenham and the Christmas Cheer campaign. In addition to this, continuous Covid-19 messaging and communications have been maintained throughout the pandemic

Priorities for next six months:

- Develop a Transparency Plan
- Improve compliance with completing Equalities Impact Assessments
- Improve response times to Freedom of Information requests
- Build the profile and usage of One Borough Voice locally

Key risk in the next six months:

- Covid-19 restrictions could impact on voter turnout at the GLA election, notwithstanding the added complexity of additional arrangements to ensure safety for staff and voters on polling day

The bedrock of participation is enabling residents to exercise their right to hold elected officials to account, either through the ballot box or through involvement in local decision-making. Electoral Services has an excellent record of delivering open and fair elections and ensuring compliance with directions from the Electoral Commission. LBBDD has a high proportion of registered voters, in 2020, 91.6% of household properties gave a positive response to the annual canvass, up from 89.7% in 2019 and achieved with Covid-19 restrictions in place. The GLA Mayoral election was due to take place in May 2020 but was postponed until May 2021 because of the pandemic. Even then, there may still be restrictions in place which impact arrangements for the poll.

The Law and Governance Service has an excellent record of compliance with Access to Information law, bringing openness and transparency to decision-making. The Statutory Forward Plan for executive decisions is routinely published with 100% compliance with the law, and 97% of committee agendas were published five clear working days in advance of the meeting. Residents can therefore be confident democratic processes are delivered to the highest standards.

In September 2020, the council retained the Member Development Charter Plus accreditation following an assessment by inspectors. The Charter demonstrates Councillors have the support and training to effectively carry out their roles as elected officials. The assessors noted the strong political and managerial leadership to councillor development and the sustainability of our approach into the future. One area to develop is the involvement of partners in the next Member Induction Programme.

Whilst we are absolutely committed to equality, diversity and inclusion, and have achieved a lot in this area in recent years, there are ways we can strengthen our approach and embed equalities in policy and decision-making. Currently too few Cabinet reports have had Equalities Impact Assessments (EIA) completed to inform decision-making and ensure full consideration is given to addressing inequalities for residents with protected characteristics. Improving compliance and strengthening the governance and

processes behind EIAs is a priority to meet corporate expectations and ensure best practice. A new dedicated and specialist resource arriving in Strategy and Participation in 2021 will be responsible for driving this agenda corporately.

Transparency is key to facilitating participation and it is an area where we need to improve. Performance in responding to Freedom of Information requests has been consistently below the 95% target for a long time. An Internal Audit review identified recommendations to improve compliance with process and procedure. Freedom of Information Champions have been established across the organisation to oversee quality and compliance, with stronger oversight from the Information Governance Group. A data ethics sub-group has also been set up to allow for internal debate and scrutiny should there be future uses of emerging technologies such as Artificial Intelligence. In the next financial year, we aim to develop a new Transparency Plan to ensure we are exceeding the minimum requirements of the Local Government Transparency Code 2015.

Communication with residents is at the forefront of our approach to participation. Over the past six months, our communication and campaigns have adapted rapidly and effectively to deliver key messages to the community about Covid-19 and local support initiatives. Rising to that challenge we were able to harness social media to reach c.31,500 followers, up from c.27,000 since the start of 2020/21.

Though the usual campaign activity was disrupted we were able to launch new campaigns. Phase two of the Cleaner Barking & Dagenham campaign was launched, with a particular emphasis on how our frontline workers are continuing to deliver services during the pandemic under extremely challenging circumstances. This campaign has already achieved a reach of over 1,800,000 people. The Lost Hours campaign was launched in direct response to data and concerns from residents regarding the levels of crime in the borough. This has already seen 35,000 film views, nearly 600 shares on social media, a reach of 375,600 people, and more than 1,200 website visitors. Finally, the Christmas Cheer campaign was recently launched to harness seasonal good will and to encourage the community to share festivities.

Puts the customer at the heart of what it does

Key performance and delivery messages:

- Swiftly implemented new cloud technology to enable the Contact Centre to work remotely. Maintained productivity and service performance standards while adapting to new technology and responding to Covid-19 related contacts
- Developed a case management tool for the Citizen's Alliance Network to deliver essential items to vulnerable residents during lockdown
- Complaints response times are behind target, especially those relating to enforcement and housing repairs services

Priorities for next six months:

- Find efficiencies and financial savings through the re-structure of the Contact Centre and Customer Experience Digital Team
- Improve the customer experience for tenants contacting us regarding housing repairs, where currently customer satisfaction and experience is an issue
- Implement a new booking system to support pest control, bulky waste, and the registrar services

Key risk in the next six months:

- Ensuring that we balance our resources with our aspirations and use technology to its maximum advantage

The Contact Centre (Elevate) returned to the council in February 2020 and eight weeks later we deployed new technology to allow this team to work from home as Covid-19 hit. Continued progress has been made in maximising the new cloud telephony system, reporting is slicker, and, in the moment, customers are notified of their position in the queue, and we are trialling call backs. The percentage of calls answered remained above target and there was an increase in productivity particularly in the General Contact Centre Team (which handles, waste, parking etc.) from 10 calls handled per Customer Service Officer to 18 calls handled per hour. Concerted efforts are made to encourage channel shift and a great example can be seen in Revenues and Benefits where we have seen web traffic increase by 185% on the Council Tax pages since April 2020.

The Customer Experience Digital Team and Contact Centre also supported the BD CAN initiative by setting up a dedicated option on the telephony system, and we continue to support the most vulnerable residents with day-to-day tasks. The Customer Experience Digital Team built a case management system for CAN partners as the pandemic started so they could track and deliver essentials to the most vulnerable. This case system is still being used today and the opportunity to re-purpose across other services and/or Councils presents an opportunity.

Upheld complaints remain below 45% meaning that we are getting our responses right first time and have resolved our resident's issues well. However, our most challenging area continues to be complaints and enquiries where our response within the ten working day target. The demand is mainly focused on Enforcement and housing repairs who are seeing the number of cases submitted increase. The Customer Feedback Team continue to engage with these services, working with them on a one-to-one basis.

The Booking System project has also proved challenging this year and has been delayed due to several factors; Implementation complexities relating to certain business requirements and project resource has

not had the necessary focus. Following a detailed review with IT and Customer Contact a way forward has been agreed which addresses resourcing and the delivery of three key areas: registrars, pest control and bulky waste.

Priorities for the next six months are to look at resources in the Contact Centre and the Customer Experience Digital Team with a view to improving efficiencies and value for money; the next step will be to re-engineer systems and processes to improve productivity and customer experience. Lastly, focus will also be on improving customer journeys and satisfaction for housing repairs contacts and queries, working closely with We Fix to support their improvement plan.

Equipped with the tools, information and capability to deliver its vision

Key performance and delivery messages:

- Updated key data insight and intelligence resources and strategic products (Social Progress Index, Borough Data Explorer, Resident Matrix)
- Adapted the One View tool for frontline workers to support case management during the pandemic
- Introduced a text messaging platform to communicate with residents at different moments across their customer journey
- Rolled-out Microsoft Windows Virtual Desktop service for c.1,000 users
- Improved cyber resilience and reduced costs by migrating server and storage infrastructure to Microsoft Cloud
- Implemented a new landlord management system

Priorities for next six months:

- Re-design the Council's website to improve navigation, content, and accessibility
- Introduce a webchat feature to the Council's website giving residents another digital option for self-service
- Replace My Account, the client relationship management system
- Continue preparations to replace the current Finance, HR and Payroll system at the end of 2021

Key risks in the next six months:

- The general increase in cyber security threat level across the UK public sector and in particular, the threat from Ransomware which has seriously impacted two UK Councils in 2020 poses a significant risk to the Council's operations across all service areas
- The replacement of our current Enterprise and Resource Planning system with a go-live date of 1st November 2021 is challenging and delays would impact many of the services within the Core of the council
-

A key aspect of the Council's transformation since 2015 has been to become a data-led organisation which harnesses the depth and richness of data sets we hold (and exists elsewhere) to drive policy and operational decision-making. The council's internationally recognised Insight Hub has been at the centre of this shift, pioneering new tools and data science techniques.

- The Social Progress Index (SPI), the first of its kind in the world, has been refreshed with up-to-date data, for the third year. The SPI is key to understanding and comparing inequalities and social challenges and helps us, and partners, to target efforts at a neighbourhood-level. The SPI since 2016 has shown steady improvement across all wards across 50 key indicators to April 2020. Next year's Index will detail the true impact of Covid-19. It is currently being used to decide resource allocation for Community Hubs.
- The Resident Matrix has been updated to 2019 and is being used for infrastructure and regeneration planning at Barking Riverside, as well as to provide key insights and demographic

profile information to inform our response to Covid-19 and provide in-depth analysis of inequalities ahead of the refresh of the Equality and Diversity Strategy in 2021.

- One View, a triage tool and case management system which is integrated with key data sets, has successfully been adapted to give frontline workers a Covid-19 case management system.
- The Borough Data Explorer has been updated. There are over 110 indicators to track progress against the Borough Manifesto.

In March 2021, the next Census will take place. In preparation for this, necessary data sharing agreements have been put in place and a community engagement process is being rolled out. The Census is important as it is often used to make funding decisions.

Another key aspect of the transformation has been to improve the experience of residents as consumers of council services, especially when interacting through digital channels. Since April 2020 there have been several big developments which modernise our digital customer experience offer. For example, we recently rolled out a text messaging platform across several services to provide information and updates at milestones in their customer journeys. More importantly, we were able to use digital channels and solutions to adapt to the challenges of Covid-19 lockdown and the disruption this brought to services.

In the next six months there are some exciting digital developments in the pipeline. We aim to introduce an artificial intelligence chatbot giving an alternative to telephone communication and the ability to respond to residents 24/7. A pilot is planned with our Waste Services before deploying across more business areas.

We will also be re-designing the council's website to enhance the content, navigation, and features. The re-design will include better customer feedback options, and better analytics will drive further user-led improvements to the website.

The council continues to develop its IT service and increasingly technology is cloud-based. Since April 2020 we have implemented a new Landlord Management System which improves how we manage our portfolio of social housing. A new cloud-based telephony system has meant our contact centre and other key telephony dependent services can work remotely, this has been vital during the pandemic. We are rolling out a new mobile phone contract which provides more cost-effective service and refreshes many of our older mobile devices. We have migrated all our server and storage infrastructure from Agilisys to Microsoft Cloud reducing operating costs for those capabilities and improving cyber resilience. We have replaced the Council's legacy Citrix infrastructure, key to a wide range of services, with a new Microsoft Windows Virtual Desktop service for up to 1,000 users. We are now working across the council to implement the new IT service model and are working with services to develop long-term technology roadmaps to support their business needs and aspirations.

In the next six months we will replace My Account, and towards the end of 2021 the Enterprise and Resource Planning system; this new system will fundamentally improve HR, Finance and Procurement which support the effective operations of all frontline services. Following the successful insourcing of the IT service from Elevate we have greater control of the IT architecture and infrastructure of the council which means we can drive technological improvements and ensure IT is reliable and resilient.

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