

Notice of Meeting

CABINET

**Tuesday, 22 March 2022 - 7:00 pm
Council Chamber, Town Hall, Barking**

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

Date of publication: 14 March 2022

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Please note that this meeting will be webcast and members of the press and public are encouraged to view the proceedings via this method. Those wishing to attend the meeting in person must provide evidence of a negative Lateral Flow Test on arrival and are encouraged to wear a face mask at all times, including while seated in the public gallery on the second floor of the Town Hall. 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 21 February 2022 (Pages 3 - 10)

4. Revenue Budget Monitoring 2021/22 (Period 10, January 2022) (Pages 11 - 38)

5. Foster Carer Rate and Benefits Uplift (Pages 39 - 61)

6. **Covid-19 Additional Business Rates Relief Fund (Pages 63 - 71)**
7. **Amendment of Multi-Agency Safeguarding Arrangements for Children (Pages 73 - 89)**
8. **Be First Business Plan 2022-27 (Pages 91 - 157)**

Appendix 1 to the report is exempt from publication as it contains commercially confidential information (exempt under paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended)).
9. **Air Quality Action Plan Delivery Update (Pages 159 - 169)**
10. **Procurement of a Microsoft Enterprise Agreement (Pages 171 - 176)**
11. **Debt Management Performance 2021/22 (Quarter 3) (Pages 177 - 185)**
12. **Any other public items which the Chair decides are urgent**
13. **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. Item 8 above includes an appendix which is exempt from publication, as described. ***There are no other such items at the time of preparing this agenda.***

14. **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

Monday, 21 February 2022
(7:00 - 8:20 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 Elizabeth Kangethe and Cllr Maureen Worby

Apologies: Cllr Margaret Mullane

80. Declaration of Members' Interests

There were no declarations of interest.

81. Minutes (18 January 2022)

The minutes of the meeting held on 18 January 2022 were confirmed as correct.

82. Revenue Budget Monitoring 2021/22 (Period 9, December 2021)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's revenue budget monitoring position for the 2021/22 financial year as at 31 December 2021 (period 9).

The Council's General Fund revenue budget for 2021/22 was £173.614m and the forecast outturn position at the end of December projected a net overspend of £7.227m once income had been taken into account, which represented a slight improvement on the previous month's position.

Cabinet **resolved** to:

- (i) Note the projected revenue outturn forecast for the 2021/22 financial year as set out in sections 2 and 3 and Appendix A of the report; and
- (ii) Note the update on savings proposals, as set out in section 4 of the report.

83. Carers Charter 2022-25 and Action Plan

The Cabinet Member for Health and Social Care Integration presented a report on the Carers' Charter 2022-25 and Action Plan which would act as a framework for the delivery and development of services, working practices, the identification of, and support for unpaid or informal carers in the Borough, through a partnership approach.

The Charter, which comprised a series of "I" statements centred around the needs of carers, had been co-produced with carers in the Borough alongside key stakeholders, and the Cabinet Member was immensely proud of the work undertaken. She paid tribute to the Borough's carers, including young carers, who were often forgotten by society and faced many challenges in delivering their

caring role, including the lack of respite. Whilst the Action Plan outlined the steps the Council would take in order to achieve the outcomes laid out in the Charter, her ambition was for all partners to adopt the Charter, so that carers would have the support they needed from all the key services.

The Cabinet Member for Educational Attainment and School Improvement praised the Charter and particularly welcomed the reference within it to support for young carers, including access to services to look after their mental health and wellbeing.

Cabinet **resolved** to:

- (i) Approve the Carers Charter 2022-25 and Action Plan, as set out at Appendices A and B to the report; and
- (ii) Note that the Health and Wellbeing Board shall receive an annual update on the delivery and ongoing development of the Action Plan.

84. Budget Framework 2022/23 and Medium Term Financial Strategy 2022/23 - 2025/26

The Cabinet Member for Finance, Performance and Core Services introduced the Council's proposed budget framework for 2022/23 which incorporated the following:

- Proposed General Fund revenue budget for 2022/23;
- Proposed level of Council Tax for 2022/23;
- Medium Term Financial Strategy (MTFS) 2022/23 to 2025/26;
- Draft capital investment programme 2022/23 to 2025/26; and
- Update on the Dedicated Schools Grant and Local Funding Formula for Schools.

The Cabinet were reminded that the budget framework for 2022/23 was prepared in the context of consistent reductions in grant by the Government and the cumulative impact of austerity measures since 2010. The Borough was predicted to have the second fastest growing population in the country between 2014 and 2024, which effectively meant that the Council had to do 20% more in terms of demand, with 40% less income. Those challenges meant that the Council was in the undesirable position of having to raise Council Tax by 1.99%, in order to meet some of the extra demand on services.

The Cabinet Member for Educational Attainment and School Improvement referred to the section of the report on the Dedicated Schools Budget and Early Years Funding and stated that 95% of the Borough's schools had been rated 'good' or 'outstanding' by Ofsted, which was better than London and national averages. She took the opportunity to thank all staff within the Borough's schools for their dedication and support to children and young people, particularly during the Covid-19 lockdowns and restrictions. The Cabinet Member also referred to the national funding formula as being less favourable to schools in London, reflecting the Government's persistent theme of putting some of the most deprived areas of the country, including Barking and Dagenham, at a disadvantage. It was noted that many primary schools would only receive the minimum 2% uplift, which meant a real terms cut when inflation was taken into account.

The Cabinet Member for Health and Social Care Integration referred to a previous suggestion that the savings associated with the transfers of Leys, Becontree and Sue Bramley Children's Centres from Community Solutions be reviewed and asked that those savings be postponed while the review took place.

The Cabinet Member and Champion for Disabled People welcomed the further £0.6m of growth funding, on top of the £6.8m of growth funding already allocated, to care and support services for those with disabilities, recognising the increased life expectancy of those with severe and complex disabilities in the Borough.

The Chair referred to the stark disparities in grant funding from the Government between some deprived and affluent boroughs. He cited the examples of Westminster City, Richmond Upon Thames and Kensington and Chelsea, who received approximately £1200 per head of population while Barking and Dagenham was allocated only £850 per head, which he felt was entirely contradictory to the Government's own 'levelling up' policy.

Cabinet **resolved to recommend the Assembly** to:

- (i) Approve a base revenue budget for 2022-23 of £181.895m, as detailed in Appendix A to the report;
- (ii) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2022-23 to 2025-26 allowing for other known pressures and risks at this time, as detailed in Appendix B to the report, including the revised cost of borrowing to accommodate the capital costs associated with the implementation of the MTFS;
- (iii) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to finalise any contribution required to or from reserves in respect of the 2022-23 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2022;
- (iv) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to make arrangements for one-off £150 Council Tax energy rebate payments to be made to all households in Bands A – D and establish a discretionary fund for households in need who would not otherwise be eligible;
- (v) Approve the Statutory Budget Determination for 2022-23 as set out at Appendix D to the report, which reflects an increase of 1.99% on the amount of Council Tax levied by the Council, an Adult Social Care precept of 1.00% and the final Council Tax proposed by the Greater London Assembly (8.8% increase), as detailed in Appendix E to the report;
- (vi) Note the update on the current projects, issues and risks in relation to Council services, as detailed in sections 8-10 of the report;
- (vii) Approve the proposed projects/allocations of funding as set out in paragraphs 9.5 and 9.6 of the report and delegate authority to the Strategic

Director of Community Solutions in consultation with the Cabinet Member for Community Leadership and Engagement to approve and enter into all necessary contracts, agreements and other documents in order to implement such arrangements;

- (viii) Approve the Council's draft Capital Programme for 2022-23 totalling £522.625m, of which £66.813m are General Fund schemes, as detailed in Appendix F to the report;
- (ix) Approve the Flexible Use of Capital Receipts Strategy as set out section 12 of the report;
- (x) Note the update on Dedicated Schools Funding and approve the Local Funding Formula factors as set out in section 13 and Appendix H to the report;
- (xi) Approve the increased rates for Early Years Education as set out in section 13 of the report; and
- (xii) Note the Chief Financial Officer's Statutory Finance Report as set out in section 15 of the report, which includes a recommended minimum level of reserves of £12m.

85. Housing Revenue Account: Estimates and Review of Rents and Other Charges 2022/23

The Cabinet Member for Community Leadership & Engagement presented a report on the Housing Revenue Account (HRA) estimates, review of rents and other charges for 2022/23, and the available HRA resources within the context of the 30-year Business Plan and proposed the budgets for 2022/23 for both revenue and capital expenditure.

The Cabinet Member advised that 2022/23 was the third year in which the Council was able to control its own rent setting policy after the Government had imposed a four-year, 1% rent reduction policy on all providers of social housing from April 2016, which had a significant negative impact on the HRA business plan. It was noted that although the Council was able to freeze service charges at 2021/22 levels, it was proposed that rents increased by 4.1 % from April 2022, which represented an average HRA rent increase of £3.97 per week from £97.00 to £100.97 per week, and heating and hot water charges would also increase due to the significant rise in fuel costs.

The Cabinet Member for Finance, Performance and Core Services highlighted the average rent levels for homes under the HRA and the excellent value for money that they represented.

Cabinet **resolved** to:

- (i) Agree that rents for all general needs secure, affordable and sheltered housing accommodation be increased by the Consumer Price Index (CPI) (September 2021) of 3.1% + 1% = 4.1%, from the current average of £97.00 per week to £100.97 per week;

- (ii) Agree the following service charges for tenants:

Service	Weekly Charge 2022/23	Increase / reduction
Grounds Maintenance	£2.93	£0
Caretaking	£7.65	£0
Cleaning	£3.68	£0
Estate Lighting	£3.94	£0
Concierge	£10.06	£0
CCTV (SAMS)	£6.17	£0
Safer Neighbourhood Charge	£0.52	£0
TV aerials	£0.62	£0

- (iii) Agree that charges for heating and hot water increase by 7.1% in anticipation of fuel cost increases, as follows:

Property size	Weekly Charge 2021/22	Weekly Charge 2022/23
Bedsit	£13.41	£14.36
1 bedroom	£14.23	£15.24
2 bedroom	£17.07	£18.28
3 bedroom	£17.39	£18.62
4 bedroom	£17.84	£19.11

- (iv) Note that water and sewage charges will be increased by the provider by an average change of 10.2% for water and 3.1% for sewage, making a combined change of 8.9%;
- (v) Agree that the above charges take effect from 1 April 2022;
- (vi) Agree the proposed HRA budget for 2022-23 as set out in paragraphs 2.13 to 2.18 of the report, and
- (vii) Agree the Investment in Existing Stock programme and the HRA Capital Programme for 2022/23, as set out in sections 3 to 6 of the report.

86. Redevelopment of 53-135 Roxwell Road and 2-4 Stebbing Way, Thames View - Review of Costs

Further to Minute 50 (17 September 2019), the Cabinet Member for Finance, Performance and Core Services presented a joint report on the revised cost of progressing the redevelopment of 53-135 Roxwell Road and 2-4 Stebbing Way on the Thames View Estate to provide 87 new affordable homes.

The Cabinet Member explained that the impact of COVID-19 and Brexit in particular had significantly increased the cost of materials and labour in the UK, while more stringent building regulations, particularly in relation to fire safety and sustainability, had also increased costs across all new housing projects. The original total development cost was estimated at £21.125m; however the recent

tendering exercise for the demolition and construction works had identified a shortfall of £11.275m in the budget which was now estimated at £32.4m.

Cabinet Members considered the advantages and disadvantages associated with the four main options presented in the report, which covered abandoning the project; retendering the project in 6-9 months when there may be a less volatile and uncertain marketplace; disposing of the site to a third-party developer; and allocating the additional funding to progress the project as originally planned. On the understanding that the project would proceed as planned, the Cabinet Member outlined the new funding arrangements for the project that had been endorsed by the Council's Investment Panel.

Cabinet **resolved** to:

- (i) Re-affirm its commitment to the project at 53-135 Roxwell Road and 2-4 Stebbing Way, Thames View, on the terms set out in the report;
- (ii) Agree the use of an additional £5.95m Right to Buy receipts and the allocation of circa £1.5m of S106 funding, available from the first two phases of the Fresh Wharf development towards the delivery of affordable housing in the borough, to support the viability of the project;
- (iii) Agree to the inclusion of a total of £32.4m in the Capital Programme to enable the project to proceed on schedule; and
- (iv) Delegate authority to the Chief Executive, in consultation with relevant Cabinet Members and Directors and on the advice of the Investment Panel, to negotiate terms, agree final arrangements and enter into all necessary contract documents and ancillary agreements to fully implement and effect the delivery of the projects.

87. Shareholder Governance Review

The Cabinet Member for Finance, Performance and Core Services introduced a report on the outcome of a review of the end-to-end governance arrangements for the four Council-owned companies of Be First, Reside, Barking and Dagenham Trading Partnership and B&D Energy Ltd.

The Cabinet Member advised that the reviews found no significant concerns regarding the companies' governance, although there were some recommendations for improvements that reflected the maturing relationship between the Shareholder Panel, which oversees the Council's interests as shareholder, and the companies. One of those recommendations related to the non-strategic reserved matters that, currently, required the approval of Cabinet on behalf of the Council. It was proposed that the Shareholder Panel should have the ability to make recommendations to the Council's Chief Executive, in line with existing delegated power parameters, to approve non-strategic matters such as minor changes to business plans, changes of companies' auditors, changes to Shareholder Agreements and the extension of Company Chairs and non-Executive Director appointments.

Cabinet **resolved** to:

- (i) Endorse the proposal that the Chief Executive, in consultation with the Shareholder Panel, be authorised to agree any non-strategic reserved matters requiring the approval of the Council as Shareholder;
- (ii) Note that all strategic reserved matters shall continue to be the responsibility of the Cabinet on behalf of the Council; and
- (iii) Recommend the Assembly to approve the proposed amendment to the Officer Scheme of Delegation (Part 3, Chapter 1 of the Council's Constitution) as shown in paragraph 6.1(q) and (r) in Appendix 1 to the report, in order to implement (i) above.

88. Treasury Management Strategy Statement 2022/23

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Treasury Management Strategy Statement 2022/23 which set out the Council's borrowing, investment and funding plans for the year ahead.

Cabinet **resolved to recommend the Assembly** to adopt the Treasury Management Strategy Statement for 2022/23 and, in doing so, to:

- (i) Note the current treasury position for 2022/23 in section 4 and prospects for interest rates, as referred to in section 8 of the report;
- (ii) Approve the Annual Investment Strategy 2022/23 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 1 to the report;
- (iii) Approve the Council's Borrowing Strategy 2022/23 to 2024/25, as set out in Appendix 2 to the report;
- (iv) Note that the Capital Strategy 2022/23, incorporating the Investment and Acquisitions Strategy, shall be updated and presented for approval in April 2021;
- (v) Approve the Capital Prudential and Treasury Indicators 2021/22 – 2024/25, as set out in Appendix 3 to the report;
- (vi) Approve the Operational Boundary Limit of £1.60bn and the Authorised Borrowing Limit of £1.70bn for 2022/23, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as referred to in Appendix 3 to the report;
- (vii) Approve the Minimum Revenue Provision Policy Statement for 2022/23; the Council's policy on repayment of debt, as set out in Appendix 4 to the report;
- (viii) Note that changes made to the Prudential Code and Treasury Management code, published in December 2021, will be fully implemented for the 2023/24 TMSS; and

- (ix) Delegate authority to the Finance Director, in consultation with the Cabinet Member for Finance, Performance and Core Services, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to consider the increase in short-term cash held from borrowing.

89. Pay Policy Statement 2022/23

The Cabinet Member for Finance, Performance and Core Services introduced a report on the Council's Pay Policy Statement for 2022/23.

The Cabinet Member advised that, as required by the Localism Act 2011, the Council must agree, before the start of the new financial year, a pay policy statement covering chief officer posts and other prescribed information.

The report also sought Cabinet's approval to apply the uplift in the London Living Wage with effect from 15 November 2021, which increased the minimum hourly rate of pay from £10.85 to £11.05 per hour.

Cabinet **resolved** to:

- (i) Agree the implementation of the London Living Wage increase from £10.85 to £11.05 per hour for employees and apprentices operating in service areas covered by Green Book terms and conditions, with effect from 15 November 2021; and
- (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2022/23 as set out at Appendix A to the report, for publication on the Council's website with effect from April 2022.

CABINET**22 March 2022**

Title: Revenue Budget Monitoring 2021/22 (Period 10, January 2022)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Katherine Heffernan and Philippa Farrell, Heads of Service Finance	Contact Details: E-mail: Katherine.heffernan@lbbd.gov.uk Philippa.farrell@lbbd.gov.uk
Accountable Director: Philip Gregory, Chief Financial Officer	
Accountable Strategic Leadership Director: Claire Symonds, Managing Director	
Summary	
<p>This report sets out the Councils budget monitoring position for 2021/22 as at the end of January 2021, highlighting key risks and opportunities and the forecast position.</p> <p>The Council's General Fund budget for 2021/22 is £173.614m. The current forecast outturn position including movements to and from reserves is £178.118m which would be an overspend of £4.572m or £4.051m once income is considered. This is an improvement in the position by c£3.176m compared to last month. This can be managed by use of the budget support reserve which was £11.433m at the end of the previous financial year however this will deplete the reserve increasing the risk in future years. This is a significant movement in the period and is driven by significant changes within Community Solutions, Law and Governance, Strategy and Culture and Corporate Management. There is still potential for risks and opportunities to materialise even at this late stage in the year. The position will continue to be closely monitored and risks and opportunities recognised as soon as certain.</p>	
Recommendation(s)	
Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Note the projected revenue outturn forecast for the 2021/22 financial year as set out in sections 2 and 3 and Appendix A of the report; (ii) Note the update on savings proposals, as set out in section 4 of the report; and (iii) Agree the introduction of charges for an enhanced parking bay suspension service, as detailed in paragraph 5.1 of the report. 	

Reason(s)

As a matter of good financial practice, the Cabinet should be informed about the Council's financial risks, spending performance and budgetary position. This will assist in holding officers to account and inform further financial decisions and support the objective of achieving Value for Money as part of the Well Run Organisation.

1. Introduction and Background

- 1.1 This is the tenth budget monitoring report to Cabinet for the 2021/22 financial year. The financial outturn for the previous financial year was a net underspend after transfers to and from reserves of £1.951m (subject to finalisation of the external audit). This was the net result of a large overspend of £26.13m offset by additional in year grant income from the Government of £28.02m. The grant income was provided to meet the financial challenges to Local Government from the Covid pandemic and the lockdown/other measures taken to contain it. The overspend was driven by a range of factors including underlying demographic pressures, additional costs and demands arising from Covid and delays in making savings and income.
- 1.2 There has been a net £17.817m of growth added to the budget for 2021/22 as part of the Council's budget setting process in February in order to meet the then known pressures especially those in Care and Support. This was funded from Council tax increases, commercial returns and government grants including special grants to meet additional Covid related costs in the first quarter of the year.
- 1.3 Despite the growth this year has a high level of financial risk including the continuing impact of the Covid pandemic and its aftermath, the potential impacts of Brexit, the long-standing pressures that impact across the Local Government sector and the high levels of deprivation and disadvantage that already existed for residents of the borough.
- 1.4 As part of our ongoing improvement programme a more streamlined budget monitoring process has been introduced. This has resulted in some changes to the format of the budget monitoring report. This report is now a high-level summary with key information and action points with more detailed being contained within the appendices.

2. Overall Financial Position

- 2.1 The 2021/22 budget was approved by the Cabinet in February and is £173.613m – a net increase of £17.817m from last year. Growth funding was supplied for Care and Support (to meet demographic and cost pressures), Community Solutions (for Homelessness, Temporary Accommodation and the Creation of a Customer Experience Team), Inclusive Growth (Economic Development Team), Legal and Finance (Counter Fraud), Participation and Engagement and Council-wide (Staff Pay award and non-staff inflation) It also includes £8.201m of savings plans – most of which were brought forward from previous years.
- 2.2 As the table below shows the expenditure forecast is £178.118m. This is a movement from Period 6 of £10.187m overspend to £4.572m at Period 10. £5.052

including the forecasted increase in funding. There are still risks and opportunities that could be realised. There is still the possibility that this overspend can be managed down further. This level of overspend can be fully met from the budget support reserve without the need for recourse to the General Fund which will remain at £17m. However, this would reduce the Council's ability to absorb further financial risks or support new investment in transformation in future years.

Table 1.	NET FULL YEAR		
	BUDGET	Full Year Forecast	Variance
COMMUNITY SOLUTIONS	24,775	24,783	9
CORPORATE MANAGEMENT	4,417	1,304	(3,113)
INCLUSIVE GROWTH	1,342	1,642	300
LAW AND GOVERNANCE	(1,304)	(2,130)	(826)
MY PLACE	16,589	18,327	1,739
PEOPLE AND RESILIENCE	124,179	128,230	4,051
STRATEGY & CULTURE	3,617	6,029	2,412
TOTAL EXPENDITURE	173,614	178,186	4,572
TOTAL FUNDING	(173,614)	(174,134)	(520)

2.3 A proportion of the additional pressures are driven by the Covid epidemic – however as time has passed some of the additional costs have now become the “new normal” and it is becoming increasingly hard to draw a sharp distinction between covid costs and business as usual. Additional government support has been provided during the year and this has already been built into the forecasts.

3. Key Variances

3.1 This section provides a high-level summary of the main variances. The overall position has continued to move in the right direction with the overall pressure reducing month on month. This has been driven by a combination of one-off grants received that were not budgeted for and in year management actions to reduce spend. The ongoing risk with the movement is that many are the result of one off in year actions which are not necessarily repeatable. The two biggest pressure areas are Care and Support and Strategy and Culture. More detail on all Council services is given in Appendix A.

3.2 **Community Solutions.** This service is facing a range of different financial risks and pressures including demand and cost pressures that may be partly covid driven in Homelessness, NRPF and the contact centre, additional costs from Digitalisation and the Innovate IT system and the loss of some external grant funding. In response a range of mitigation actions have already been put in place and the service continues to work on new grant bids to replace lost funding and long-term strategies to manage homelessness. The position has improved from last month by £1.475m. This is driven by receipt of works and skills grant, universal underspend, concessionary fares and underspend on staffing in customer contact make up the remainder of the movement. There is a further £400k of opportunities being worked through that could impact this position further and result in an underspend.

3.3 **Corporate Management.** There is a forecast underspend of £3.1 in central expenses from provisions and corporate contingencies. This effectively serves as a buffer against service overspends. It should be noted that this is a much lower

figure than in previous years as more funding has been moved into service department budgets. There is also an underspend on the ELWA levy budget.

- 3.4 **Inclusive Growth** There is an overspend in this area from income shortfalls - £394 for historic grants no longer being received which needs to be corrected in the MTFs and £145k from the Film Unit where income generation is still being adversely affected by the impact of Covid. A further £36k in unfunded Added Years Compensatory costs, offset by a £49k underspend in commercial services. In this period the overspend has reduced because of an underspend on salaries, where vacancies have been held.
- 3.5 **Law and Governance.** Following the introduction of new CPZs and increased activity as the lockdown has eased there has been an increase in Parking income. This can be volatile and will be monitored throughout the year. Currently it is assumed to be transferred to the Parking Account reserve. There is also an underspend in the delivery of this service. Parking is working on developing strategies in response to borough needs including considerations of highways maintenance, mobility, and environmental factors. These proposals require further development, the income will therefore be transferred to reserves until they are crystallised.
- 3.6 **My Place.** There are long standing pressures in this service in both Homes and Assets and Public Realm including staffing and agency costs (which have been exacerbated by Covid and the self-isolation rules), transport costs and income from the HRA and commercial rents. The service is undertaking an in-depth review of its operating model to identify its true funding needs and where there is scope for cost reductions. The position has worsened this month by £193k primarily due to the forecast of commercial rent being reduced.
- 3.7 **People and Resilience.** There has been a very substantial increase in the Children's Care and Support caseload in the past year which is thought to be linked to Covid and lockdown. In addition, the number of children requiring residential care placements and the cost of that provision has also risen. Altogether there is an overspend of £2.6m in Children's Care and Support because of these two issues. This area has held static this month. In addition, there are similar pressures in Disabilities for Children with Disabilities, with a £2.2m overspend, a reduction of £243k as a result of one-off Workforce Fund. Adult's care and support is reporting an underspend of £1.19m, a reduction in spend of £9k. Overall People and Resilience is forecasting a £4m overspend.
- 3.8 **Strategy and Culture.** The main pressure in this area is the loss of the Leisure concession income and financial support to the provider directly linked to Covid. In addition, there are income shortfalls across heritage and leisure and historic pressures in the ICT budget. The forecast has reduced this month due to a reduction in the ICT forecast.

4. **Savings and Commercial Income**

- 4.1 There is a savings target of £8.210 m for 2021/22 – of which £2.641m are new savings approved in the MTFs, £5.033m are unachieved A2020 brought forward from the previous year(s) and £0.536m are Transformation programme savings in Care and Support. £4.799m of these savings depend on efficiencies and cost

reductions and £3.411m are based on new or increased income. £5.278 of the Council's total commercial income saving has also been included in the tables as this is the incremental increase expected.

- 4.2 Currently around £7m of these savings are regarded as high or medium risk. High risk savings include the contact centre restructure, savings on the Foyer lease arrangements and £2.2m relating to debt and income improvements. The Central Parks relandscaping income is now not expected to be delivered this year.
- 4.3 The budget also includes a target of £12.4m returns from the Council's subsidiary companies – part of which is also reflected in the savings tables. At present there is good confidence that this can be met through dividends paid by Be First for the financial years 2019/20 and 2020/21. (Dividends are paid in arrears following the audit of the accounts and may be delayed in times of uncertainty.) There is no dividend expected from BDTP.

5. Fees and Charges Recommendations

- 5.1 At the Cabinet meeting on 16 November 2021 (Minute 57), Cabinet agreed the fees and charges schedule for 2022, which included charges to contractors that request the suspension of parking bays in order to carry out works. The utilities who predominantly use this service have requested that an enhanced service, which is chargeable, be offered. Therefore, in addition to the 'normal' service for which the fees were set in the November 2021 report, the three additional levels of Bronze, Silver and Gold are proposed for immediate implementation.

Normal Service – This service is the regular suspension service provided by The London Borough of Barking and Dagenham (The Council) to contractors that make suspension requests.

Contractors are only liable to pay for suspensions they have requested and there will be no additional charges.

The Council does not guarantee that suspended areas will be clear and free from obstructions at the time works are due to be carried out.

If there are contraventions in suspended area, The Council will enforce by issuing Penalty Charge Notices (PCNs) to contravening vehicles.

Bronze Star Service– Contractors that request this suspension service are liable to pay for the suspension they request and an additional charge of **£100.00 per day** to hire a lorry to remove and relocate contravening vehicles in the suspended area on weekdays.

The additional charge of £100.00 is reactive and will only be required if there is a need to remove obstructions from suspended area.

Lorries are available from Monday to Friday; 7:30am – 4:00pm.

Contractors are however required, if possible, to give 24 hours' Notice to The Council if this service is required.

Silver Star Service– Contractors who require suspension services may also proactively pre - book a lorry for **£500.00 per day** in case there is a need to remove obstructions from suspended areas.

There is therefore a liability to pay for the requested suspension as well as the pre-booked lorry.

There will be no refund available if a pre-booked lorry is not needed.

The lorry will be available and dedicated to these contractors from 7:30am to 4:00pm on each day required.

Gold Star Service – This is a weekend service, and it requires Contractors to pay for requested suspensions and an additional **£700.00 per day** to hire a Removals Lorry to remove and relocate obstructions to suspended areas on Saturdays and Sundays.

To make use of this service, Contractors are required to notify The Council by 1:00pm on the preceding Friday.

Clients can proactively specify at application stage what days they may want a removal vehicle on standby as this may not be for the whole duration of the suspension.

- 5.2 There is also a separate report on this Cabinet agenda (Air Quality Action Plan Delivery Update) in respect of removing certain charges to promote the use of electric and low emission vehicles with between 0 – 50 emissions (CO₂) g/km,

6. Financial Implications

Implications completed by: Katherine Heffernan, Head of Service Finance

- 6.1 This report is one of a series of regular updates to Cabinet about the Council's financial position.
- 6.2 The introduction of the Suspension Service enhanced services will generate income to the Council. The reduction of the Low Emission Vehicle: Zero to 50 CO₂ emission charge to zero will be minimal with no material impact on the financial position.

7. Legal Implications

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

- 7.1 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.
- 7.2 Nevertheless, the unique situation of Covid 19 presents the prospect of the need to purchase additional supplies and services with heavy competition for the same resources together with logistic challenges which is causing scarcity and rising costs. Still, value for money and the legal duties to achieve best value 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. We must continue careful tracking of these costs and the reasoning for procurement choices to facilitate grounds for seeking Covid 19 support funds.

8 Other Implications

- 8.1 **Risk Management** – Regular monitoring and reporting of the Council’s budget position is a key management action to reduce the financial risks of the organisation.
- 8.2 **Corporate Policy and Equality Impact** – regular monitoring is part of the Council’s Well Run Organisation strategy and is a key contributor to the achievement of Value for Money.

Public Background Papers used in preparation of this report

- The Council’s MTFS and budget setting report, Assembly 3rd March 2021
<https://modgov.lbbd.gov.uk/Internet/documents/s144013/Budget%20Framework%202021-22%20Report.pdf>

List of appendices:

- Appendix A: Revenue Budget Monitoring Pack (Period 10)

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London Borough of Barking and Dagenham Budget Monitor: Period 10

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one borough; one community; no one left behind

**Barking &
Dagenham**

London Borough of Barking and Dagenham Budget Monitor: Period 10

Table 1.	Controllable	BUDGET	Non-Controllable	Full Year Forecast	Variance	Transfer (from)		Variance inc.	Movement from
	FY	BUDGET FY				reserve	Transfer to reserve	Reserves	month
COMMUNITY SOLUTIONS	17,934,548	6,840,150	25,509,496	734,798	(926,000)	200,000	8,798	(1,474,702)	
CORPORATE MANAGEMENT	3,075,140	1,342,250	1,304,051	(3,113,339)			(3,113,339)	(454,222)	
INCLUSIVE GROWTH	322,991	1,018,760	1,384,463	42,712		257,058	299,770	(226,676)	
LAW AND GOVERNANCE	1,359,100	(2,663,360)	(10,891,249)	(9,586,989)		8,761,456	(825,533)	(663,364)	
MY PLACE	9,391,640	7,196,870	18,377,174	1,788,664	(50,000)		1,738,664	193,000	
PEOPLE AND RESILIENCE	99,835,601	24,343,420	126,895,473	2,716,452		1,334,928	4,051,380	(1,814)	
STRATEGY & CULTURE	8,978,030	(5,361,190)	6,664,719	3,047,879	(635,903)		2,411,976	(547,987)	
TOTAL EXPENDITURE	140,897,050	32,716,900	169,244,128	(4,369,822)	(1,611,903)	10,553,442	4,571,717	(3,175,765)	
FUNDING	(140,897,050)	(32,716,900)	(174,134,408)	(520,458)			(520,458)		
TOTAL NET POSITION	0	0	(4,890,280)	(4,890,280)	(1,611,903)	10,553,442	4,051,259	(3,175,765)	

Summary: The NET position has improved to a £4.05m overspend. Total Expenditure is c£4.6m, reduced by c£520k of additional funding, reducing to a NET position £4.05m. This is an overall movement of c£3.176k less expenditure from P9 to P10.

Risks and Opportunities:

- Children's and Disability service remain the two areas of pressure within care and support, resulting in £4.7m of overspend. This is offset by £1.8m underspend within Adult's and minor overspends within Education, Youth and Children's and Public Health. There has been a net reduction in month of c£1.8k within Care and Support.
- Community Solutions – has a net movement of c£1.48m resulting in a overspend of c£9k. This is driven by £400k of additional grant in works and skills, Universal holding vacancies and utilising Kick Start trainees and additional grant £400k, concessionary fares and underspend on staffing in customer contact make up the remainder of the movement. There is the potential for this to move a further £400k, resulting in an underspend of c£391k in this area.
- Law and Governance is reporting a c£9.6m income, a in month movement of £663k is driven by underspends in staffing due to a delay in recruitment. Also, of note is that the transfer to reserves has increased to £8.8m, this is due to forecasted increased income and underspends across the area.
- Strategy and Culture are 67% over budget. This is driven largely because it has been assumed up until now that the soil importation income target would be met. This has now been removed. Heritage income remains a risk in this area but should be limited to £300k. There are also opportunities within this area for additional income from digital advertising and an appeal on NNDR for Eastbury Manor and Valence House . A reduction in the IT forecast from Period 9 to Period 10 has primarily driven the movement of £548k in month.
- We are now holding fewer central budgets following the write off savings and distribution of some contingencies. This should improve the service position but means there is much less of a buffer than in previous years.
- The company BDTP will not be paying the £2m dividend. This will be covered by the Investment Reserve.

Community Solutions: Period 10

Forecast Position: £25.5m (overspend of £9k)

Table 2.

COMMUNITY SOLUTIONS	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
SUPPORT AND COLLECTIONS	1,936,697	4,603,920	6,714,382	173,765			173,765	(851,235)
COMMUNITY SOLUTIONS	9,303,837	762,310	10,159,398	93,251			93,251	(149,249)
COMMUNITY PARTICIPATION AND PREVENTION	6,694,014	1,473,920	8,635,716	467,782	(926,000)	200,000	(258,218)	(474,218)
TOTAL NET POSITION	17,934,548	6,840,150	25,509,496	734,798	(926,000)	200,000	8,798	(1,474,702)

Key Drivers of the Position:

The total overspend for the Department is **£4.4m.**

This has been reduced by (£2.9m) mitigations we have been reporting up to period 9. The additional £1.5m mitigations has been added on to the Mitigation table as at period 10.

This excludes COVID related costs charged to COMF.

The reported overspend at period 9 was **£1.484m**

Details of period 10 mitigations (*these are all one-off mitigations*)

Works & Skills - New Grant award (UKCRF) £400k

Universal – Holding vacancies (Using Kickstart Trainees to deliver service) & Additional Grant (Social Prescribing & COMF) £400k

Customer Contact – Holding vacancies & Concessionary Fares (Based on usage – Travel cards) £530k

Triage – Holding vacancies x3 (these are currently out for recruitment) **£145k**
£1,475k

Request to transfer £200k to reserve for launch of Community Hubs in 2022/23

In Year Mitigation	Amount	RAG Rating
Coroners court - One Year Lease (from July)	112,500	Green
RSI funding SO1 posts	42,000	Green
Homelessness growth for 21/22	260,000	Green
Homelessness growth for 21/22	280,000	Green
Gatefiled Final Payment	53,000	Green
new burdens grant for Bus Rate	229,000	Green
Social Care funding 2 posts PO2 & Scale 5	96,000	Green
2x Scale 5 - Frontline post	66,000	Green
Invest to Save (from Growth)	100,000	Green
GLA collection grant	250,000	Green
Concessionary Fares	350,000	Green
Reallocation of cost to Grant (RSI)	900,000	Green
Brocklebank Rent	58,000	Green
Transformation or CSR	100,000	Green
Total Potential Savings P09	2,896,500	
UKCRF Grant	400,000	Green
Additional COMF	210,000	Green
Social prescribing	69,000	Green
Vacancies (Frontline Officer)	121,000	Green
Concessionary Fares	400,000	Green
Vacancies (Customer Service Officers)	130,000	Green
Vacancies - x3 Frontline Officer	145,000	Green
Total Potential Savings P10	4,371,500	

Community Solutions: Period 10 Risk and Opportunities

Forecast Position: £25.5m (overspend of £9k)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- Although Brocklebank has been decommissioned, there are ancillary costs being charged to the cost centre which may have an aggregate impact on the budget. We are investigating what these costs relates to.
- Contributions towards additional costs associated with Community Banking worth £100k may not materialise.
- We are not able to identify Impacts which may arise from the Afghanistan Support Scheme. However, we do expect financial implications to arise.
- It is assumed COVID-19 related costs c£1m will be funded from COMF and other COVID Grants.
- The Ethical Collection Service Fee Income is impacted due to delay in data.
- The Customer Services invoice c£700k to BDMS for 2020/21 is still outstanding due to cashflow issues. A further invoice will be issued in 2021/22. This relates to the Housing Repairs Service.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Possible recharge of **£300k** to BDMS for additional duties at Contact centre will have a positive impact on the forecast
- A **£100k** gatekeeping buffer has been set-aside for Temporary accommodation due to Voids and demand, if unused will reduce the forecast.

Corporate Management: Period 10

Forecast Position: Underspend of £3.113k

CORPORATE MANAGEMENT	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
STRATEGIC LEADERSHIP	458,660	(746,620)	(340,707)	(52,747)			(52,747)	(4,630)
FINANCE	2,863,330	(537,890)	1,623,586	(701,854)			(701,854)	(449,632)
IAS	(4,418,610)	11,720	(4,356,890)	50,000			50,000	
CENTRAL EXPENSES	4,171,760	2,615,040	4,378,062	(2,408,738)			(2,408,738)	40
TOTAL NET POSITION	3,075,140	1,342,250	1,304,051	(3,113,339)	0	0	(3,113,339)	(454,222)

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- There is an underspend of £2.4m in Central Expenses. This is a much smaller underspend than in previous years as several provisions have been released into service budgets including the £2m for write off of non achieved savings. This provides much less of a buffer against service overspends.
- The recent one off £50 bonus payment to staff has been funded from this budget
- There is also an underspend of £0.9m against the ELWA levy budget reflecting the latest agreement with the authority.
- The forecast underspend for Finance has increased by £449k which is largely accounted for by a recharge of £419k to the Pension Fund and the traded entities.

Mitigation Table

NONE required in this area

Corporate Management: Period 10 Risk and Opportunities

Forecast Position: £1.76m (underspend of c£2.7m, 53%)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- A £2m budget provision has been made for the 21/22 pay award i.e., approx. a 2% uplift. If a higher award is made this will cause a budget pressure (either here or dispersed among services.)
- Debt management improvement savings have reduced the budget available for providing against bad debt. The forecast currently assumes a provision in line with last year may be required which would be an overspend of £1m. If the position worsens then further provision would be required.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Currently the forecast assumes full spend against several contingency budgets including the central redundancy pot and insurance. If these are not required, then this will contribute further underspends the Council position.
- In addition to the reduced in year ELWA contribution some previous funding has been returned to the member authorities. This is not included in the forecast as it is being carried forward for use in future years.

Inclusive Growth: Period 10

Forecast Position: Overspend of £299k after transferring £257k to reserves

	Controllable BUDGET FY	Non- Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
INCLUSIVE GROWTH								
COMMERCIAL	(220,819)	(216,700)	(405,426)	32,093			32,093	(63,916)
INCLUSIVE GROWTH	543,810	1,235,460	1,789,889	10,619		257,058	267,677	(162,760)
TOTAL NET POSITION	322,991	1,018,760	1,384,463	42,712	0	257,058	299,770	(226,676)

Key Drivers of the Position (Summary)

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The £299k variance is caused by:

An overspend of £267k for Inclusive Growth. Inclusive Growth have an income target of £394k which will not be met. This target was set several years ago on the basis of grant income which is no longer received. This is offset by an underspend on salaries which is due to vacant posts. (This is the reason why the forecast has reduced.)

- A further contributory factor is £36k unfunded Added Years Compensatory costs which are beyond service control.
- The overspend of £32k in Commercial Services is due to a shortfall in income for the Film Unit due to the reduction in filming locations. This is offset by salary underspends across the service.
- Transfers to reserves comprise £125k Levelling Up grant capacity funding and £132k Economic Development growth funding .

Law and Governance: Period 10

Forecast Position: Underspend of £826k after transfer of estimated £5.9m parking surplus to reserves and £2.9m PRPL to reserve

Table 5.

LAW AND GOVERNANCE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
WORKFORCE CHANGE / HR	2,132,460	(1,762,520)	363,253	(6,687)			(6,687)	(43,287)
LAW & ASSURANCE	3,821,380	(1,935,890)	1,685,491	(199,999)			(199,999)	(225,212)
ENFORCEMENT	(4,846,530)	1,293,500	(12,970,063)	(9,417,033)		8,761,456	(655,577)	(388,395)
LEADERS OFFICE	251,790	(258,450)	30,070	36,730			36,730	(6,470)
TOTAL NET POSITION	1,359,100	(2,663,360)	(10,891,249)	(9,586,989)	0	8,761,456	(825,533)	(663,364)

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Key Drivers of the Position (Summary):

Following WFB approval the Director of Law and Governance and PA salary costs have been recharged across LGHR. This will require services to work to contain these costs (£244k).

Parking income is forecast to be around £5.9m above the expected level as traffic levels have increased after lockdown. PCN income to January has averaged £891k per month. It is anticipated that monthly income will fall between now and year end as some cameras will be out of use, but overall annual income including permits is forecast to be approx. £16.2m. This additional income will be taken to the Parking reserve at year end while proposals for its use to improve local transport, highways management, community safety, mobility and environmental concerns are developed. The focus of investment will be to generate future improvements for residents of the Borough. The underspend in Enforcement is due to several vacancies which the service are currently trying to recruit.

Law and Governance: Period 10 Risk and Opportunities

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- The Private Sector Property Licensing (PRPL) scheme has a challenging income target across five years and so there is a long term risk that it might not generate sufficient net income to meet the income target of £1.924m. This is not currently assessed as high risk but must be monitored.
- Parking income is volatile and depends on driver behaviour and compliance. There is a risk that actual income will be lower than the current forecast. Performance will be closely monitored, and the forecast will be updated over the course of the year based on actuals.
- Private sector Housing Income target of 100k. There is a risk that this may not be achieved. Although significant penalty income of 314k has been raised, most of this remain unpaid. LBBB may need to apply to the court to progress recovery of invoices raised.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- There are significant staff vacancies currently being recruited to following major reorganisation. The level of underspend may vary depending on the success of the recruitment campaign.
- Barking Market Income: The current income level is influenced by post COVID activities. The monthly income can increase or decrease in future. An extra day was added based on a return to pre COVID levels, this is not being achieved yet and it depends on how COVID impact develops.

My Place: Period 10

Forecast Position: £18.377m (overspend of £1.789m, 9.7% variance excluding transfers from reserves)

MY PLACE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
MY PLACE CENTRAL	(19,225,830)	1,168,320	(16,057,929)	1,999,581			1,999,581	235,000
HOMES AND ASSETS	18,829,630	6,616,350	25,020,489	(425,491)	(50,000)		(475,491)	98,000
PUBLIC REALM	9,787,840	(587,800)	9,414,614	214,574			214,574	(140,000)
TOTAL NET POSITION	9,391,640	7,196,870	18,377,174	1,788,664	(50,000)	0	1,738,664	193,000

Key Drivers of the Position (Summary):

- My Place £1.574m:
 - a. £1.3m adverse variance due mainly to the recharge of expenditure to the HRA being below budget. The expenditure is being incurred, but was identified as non-HRA after the 2021/22 budget was set.
 - b. Commercial Rent income forecasts have been downgraded in Period 10 by £340,000 following detailed analysis. This is a realisation of the risk.
 - c. Mitigation within Property Assets.
- Public Realm £214k overspend:
 - a. Operations - £734,000 adverse variance related to excess expenditure mainly on transport (£649,000).
 - b. The above line is offset largely by Parks and Environments (£647,000) due to above budget income recharges for Ground Maintenance and Arboriculture as well as utilising internal workforce instead of subcontracting.
 - c. Fleet Management has reduced income recharges £306,000 and this is partly offset by Compliance (£199,000) having favourable income forecasts, mainly on pest control.

Mitigation Table: Only mitigations currently in place around holding vacancies where possible for this financial year.

The HRA/My Place Recharge Budget issue is being addressed in the Budget Setting process for 2022/23.

My Place: Period 10 Risk and Opportunities

Forecast Position: £18.377m (overspend of £1.789m, 9.7% variance excluding transfers from reserves)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- £50k: Dispersed Working Saving (Roycraft House) £312k - the original projected timeline of the closure date has slipped to the 14th February. £122k already in Outturn. Risk reduced as handover date confirmed. Remaining risk associated with Business Rates relief.
- Unquantifiable Risks:
 1. Energy Budget uncertainty not only due to global market but also the delays in actuals coming through and new contract prices engaging from October.
 2. Corporate Repairs and Maintenance charges from BDMS for 2021/22 have now begun to be shared with Budget Holders across the Authority and Schools. The material areas of My Place forecast has been updated.
 3. Arboriculture planned works relies on one FTE, therefore it is a recognised point of failure. This could impact forecast income recharges in Parks & Environments. Succession planning and the reduction in overreliance to the post is being factored into the future establishment structure.
 4. The Compliance Review was undertaken and there is likely to be cost implications mainly impacting 2022/23 for My Place. Current year implications have been factored into the Outturn.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Unquantifiable – Transport, with investment in new fleet in recent years, it can be expected that some further reduction in transport expenditure should be realisable from less hire, leasing and breakdowns. This has started to show in the forecast.

People and Resilience: Period 10

Forecast Position: £127m (overspend of £4m, 3% variance)

PEOPLE AND RESILIENCE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
DISABILITIES CARE AND SUPPORT	28,314,597	2,376,440	32,869,429	2,178,392			2,178,392	
ADULT'S CARE & SUPPORT	19,000,720	3,076,900	20,888,358	(1,189,262)			(1,189,262)	(8,385)
COMMISSIONING - CARE AND SUPPORT	11,425,014	965,320	11,958,644	(431,690)		409,312	(22,378)	(134)
PUBLIC HEALTH	(559,250)	63,000	(977,769)	(481,519)		800,616	319,097	6,704
CHILDREN'S CARE & SUPPORT	38,078,960	1,216,300	41,738,791	2,443,531		125,000	2,568,531	(0)
EDUCATION, YOUTH & CHILDCARE	3,575,560	16,645,460	20,418,020	197,000			197,000	
TOTAL NET POSITION	99,835,601	24,343,420	126,895,473	2,716,452	0	1,334,928	4,051,380	(1,814)

Key Drivers of the Position (Summary):

- Disabilities Service:**
 - CWD LAC Disaggregation –is responsible for most of the pressure mainly due to the high-cost residential placements. The average weekly cost being £4,600 .
 - Home to school transport continues to carry an overspend due to the increasing demand for transport and the complexities of our children.
 - This has been a stable position throughout the year with no further change to the position expected this year.
- Adults Care and Support**
 - Adults Care and Support reporting a £1.18m underspend, this is mainly due to one-off income from the CCG for hospital discharges, which is mitigating COVID related increases in demand, especially within Mental Health.
- Commissioning Care and Support**
 - One-off funding from COVID grants & D2A discharge grants have mitigated budget pressures that did exist at the start of the year such as Equipment costs and EH service.
- Public Health**
 - £319k overspend within PH solely on the Coroners and Mortuary service. This is our share of the overall service overspend which is demand led and is a shared service utilised by us and 4 other neighbouring boroughs.
- Children's Care & Support:**
 - The overall budget pressure for the Services sits within Corporate Parenting. There has been a substantial increase in Residential placements to a country wide demand for places, which has been exacerbated by the COVID –19 pandemic.
 - This position has remained stable throughout the year and there is no shift to this in period 10.
- Education, Youth & Childcare:**
 - £197k relates to unachievable income budgets due to historical corporate budget adjustments

In Year Mitigations:	Amount	RAG
CCS Commissioning Led Cost Reduction Initiatives 21/22		
Joint CCG Funding over and above budget	£226,000	
Care Leaver Transitions into Accommodation and Care step downs	£278,000	
Retrospective Residential Price Reductions	£82,000	
CCS Operations Led Cost Reduction Initiatives 21/22		
Reductions of Supplies and Services Spend (e.g venue hire)	£110,200	
Disabilities Service		
COMF Grant for HTST COVID Measures	£276,400	
Adults Care and Support		
One-Off CCG Winter Pressures Funding	£320,000	
Workforce Capacity Grant	£110,000	
Commissioning		
CCG Discharge Funding - Equipment	£240,000	

People and Resilience: Period 10 Risk and Opportunities

Forecast Position: £127m (overspend of £4m, 3% variance)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- D2A CCG Funding to cease – Nursing placement rates inflated due to COVID Discharges which will be difficult to bring back down to LBBB rates in the short term, this additional cost currently being covered by CCG funding which is due to end in September.
- The outcome of the Norfolk judgement is still a significant risk factor, the cost to the service is currently unknown but it is likely to be very significant if the legal case goes against us.
- Early Help service TOM has yet to be finalised, it is expected that the cost of the service will significantly rise once this is complete as the service is currently significantly understaffed.
- Loss of funding such as the BCF in the future is a significant risk for Commissioning as it generally funds annual contract uplifts.
- The Sexual Health service commissioned by Public Health is a demand led service, although there is no data to support a significant increase in demand, if such a scenario was to occur this could cause the service to overspend.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- The use of Care Technology is the biggest opportunity care and support has to exploit, currently going through a tendering process, this is not expected to bring about any cost's reductions/avoidance this financial year, but the hope is that we should see these benefits in the coming years.
- The successful step down on any LAC in a high-cost placement will help reduce overall costs. The service conducts regular panel meetings to assess suitability of the children to be moved into less expensive settings whilst not compromising on the quality of care.
- Brocklebank ASD units although delayed, are expected to bring about cost reductions next year by providing cheaper accommodation for our most complex clients. This should however be flagged as very high risk.
- Government extends Free PPE offer for Adult Social Care sector

Strategy and Culture: Period 10

Forecast Position: Overspend of £2.4m

STRATEGY & CULTURE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
CULTURE & RECREATION	(83,350)	1,041,190	4,041,847	3,084,007	(560,903)		2,528,104	(17,388)
CHIEF INFORMATION OFFICER	7,160,730	(5,596,210)	1,627,168	62,648			62,648	(423,352)
STRATEGY & PROGRAMMES	1,347,240	(312,290)	944,018	(90,932)	(75,000)		(170,932)	(87,447)
COMMUNICATIONS	553,410	(493,880)	51,686	(7,844)			(7,844)	(19,800)
TOTAL NET POSITION	8,978,030	(5,361,190)	6,664,719	3,047,879	(635,903)	0	2,411,976	(547,987)

Culture and Recreation: Forecast overspend of £2.5m

Leisure overspend of £2m due to loss of concession income of £1.312k and the provision of a support package to Everyone Active of up to £898k, offset by Leisure Recovery grant of £515k.

Parks overspend of £939k mainly due to slippage in income from soil importation scheme.

Heritage overspend of £190k due to income under-recovery and overspend on NNDR. As Eastbury Manor remains closed the income target should still be considered at risk.

The transfer from reserves of £560k is mainly grant funding including £514k Leisure Recovery grant.

Chief Information Officer: Forecast overspend of £62k

The forecast overspend for IT at Month 9 was £486k, so is a significant reduction in the forecast overspend. The IT budget has been increased by a contribution of £775k from Central Expenses in recognition of IT technological requirements and increased costs. The resultant forecast is an overspend of £62k.

Strategy and Culture: Period 10 Risk and Opportunities

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- Heritage income remains a risk. The exposure should be limited to £300k.
- The forecast position on IT is to be confirmed.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- The NNDR bills for Eastbury Manor and Valence House have been appealed and, if successful, may result in a refund of up to £200k. No review of NNDR advised by A Knight – no income for 21/22.
- There may be some soil importation income in 2021/22, as works have commenced. **Amendum P10** – No income for this parks project for 21/22
- Income from Digital Advertising is set to increase. There are currently 33 small format advertising units for which the minimum guaranteed rental income is £5,000 per unit plus a 35% share of income above the guaranteed sum. New units will be coming on-stream throughout the year and will generate additional income. There will be two large format sites in place before year end which will generate £10k each pa. The budget monitor does not currently include any income surplus over and above the income target of £158k.
- **P10** Advertising projection added to monitor. Income on Advertising was meant to offset the overspend in the Insight Hub. Insight & Innovation – F1076C outturn now projected for year end and included in P10 spreadsheet (£111,650).

HRA: Period 10

Forecast Position: (£311,000) under spend

PERIOD 9 VARIANCE	REPORT LEVEL	2021/22 PERIOD 10			
		BUDGET	FORECAST	VARIANCE	CHANGE
		£'000	£'000	£'000	£'000
(£1,634)	SUPERVISION & MANAGEMENT	44,514	42,273	(£2,242)	(£608)
(£211)	REPAIRS & MAINTENANCE	18,564	19,036	£472	£683
£333	RENTS, RATES ETC	423	701	£279	(£54)
£0	INTEREST PAYABLE	10,742	10,742	£0	£0
£0	DEPRECIATION	16,879	16,879	£0	£0
£0	DISREPAIR PROVISION	0	0	£0	£0
(£1,309)	BAD DEBT PROVISION	3,309	2,000	(£1,309)	£0
£0	CDC RECHARGE	685	685	£0	£0
(£2,822)	TOTAL EXPENDITURE	95,116	92,316	(£2,799)	£22
(£915)	CHARGES FOR SERVICES & FACILITIES	(£20,581)	(£22,162)	(£1,581)	(£667)
£2,692	DWELLING RENTS	(£86,882)	(£84,165)	£2,717	£25
£13	NON-DWELLING RENTS	(£770)	(£757)	£13	£0
£0	INTEREST & INVESTMENT INCOME	(£50)	(£50)	£0	£0
£1,790	TOTAL INCOME	(£108,283)	(£107,134)	£1,148	(£642)
£1,281	TRANSFER TO HRA RESERVE	£ -	1,340	£1,340	£59
0	TRANSFER TO MRR	13,167	13,167	£ -	£ -
£249		£0	(£311)	(£311)	(£560)

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Key Drivers of the Position (Summary):

- Supervision & Management: **(£2.242m)**

(£1.502m) of underspend on internal recharges which is predominantly due to the My Place Recharge reduction compared to budget for BD Cleaning (corrected for 2022/23). Plus (£805,000) on utilities which is a mixture of where Gas and Electricity is under review and where water and sewerage expenditure is reducing as less stock exists or tenants switch to metered.

- Bad Debt Provision: **(£1.309m)**

A BDP Review has been undertaken and based on a flat run rate, a £2.0m figure maybe required (compared to £1.2m in 2020/21). Therefore, the forecast has been reduced to match this.

- Repairs and Maintenance: **£472,000**

The projected overspend (and majority of the movement) relates to an increased forecast outturn for Revenue Voids of £800,000, which are out of scope works, carried out by BDMS or sub-contractors to bring properties back to lettable standards. It is likely that some of this expenditure is also to mitigate future disrepair claims. This is partly offset by DLO underspend.

- Dwelling Rents/Service Charges: **£2.476m**

£1.421m in relation to the void rate being 3.2% compared to budget of 1%. This has been compounded by the Regeneration Programme as more HRA stock is decanted. £900,000 related to Target Rent issue which is due to reduce the Rental Income for 2021/22. £397,000 relating to Street Purchases where the budget is set too high in 2021/22. The 2022/23 budget has been adjusted to reflect these activities. Leaseholder Service Charge income has mitigated some of these pressures.

HRA: Period 10 Risk and Opportunities

Forecast Position: (£311,000) Underspend

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- **£300,000:** Service Charges are raised based on an estimate, then actualised six months after the financial year. For 3 years, the process has concluded actualisation as lower than the estimate. This is down to issues in budget estimates but also being unable to identify costs at block level in certain areas (e.g. R&M).
- An audit of compliance checks (gas, electricity, fire safety etc) has been completed and the business is preparing a programme to respond. Should this identify any areas of weakness or non compliance this will require immediate remedy.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- **£250,000:** The Bad Debt Provision budget is set at £3.309m and has historically not been fully required at year end. The opportunity value allows for some growth in the overall BDP but should be seen as a maximum figure.
- Unquantified: Should the Capital Programme forecast for HRA Stock Investment fall by more than £3m, this will create an underspend on the HRA Forecast as less in year funds will be required. It may also reduce interest payable charges slightly due to reduced borrowing requirement. In addition, some schemes in the Programme attract Leaseholder funding which would be used instead of HRA funding where appropriate consultation was undertaken.

In Year Savings: Period 10

2021/22 Savings and Income Targets

Savings

High Risk	1,974,000	42%
Medium Risk	2,108,147	45%
Low Risk	440,000	9%
Delivered	127,000	3%
Total	4,649,147	100%

Income

High Risk	2,351,000	66%
Medium Risk	625,000	18%
Low Risk	442,070	12%
Delivered	143,000	4%
Total	3,561,070	100%

Dividend

Low Risk	5,128,330	100%
Total	5,128,330	100%

For the purposes of reporting savings , additional income targets and dividends are set out separately.

Savings: 86% of savings are high to medium risk currently. In some instances where savings are not being achieved alternatives are being delivered through in year as mitigations. Community solutions is a good example of this.

High Risk: The Elevate Exit saving of c£1.04m is now recorded as high risk. £900k of this savings was to be delivered through Revenue and Benefits. This is now considered unachievable. Although, there have been several financial benefits from bringing this service in house. The contact centre restructure savings remain high risk. Currently there are staff pressures in this area driven by demand. The Foyer is also not making the £250k saving identified. The CHC transition money within Disabilities is now recorded as medium risk.

Medium Risk: c.£650k of savings from Children's Efficiencies are also recorded as medium risk the area is delivering significant mitigation but is overspent against budget. Community Solutions restructure saving is not being made, but in year mitigations are delivering against this savings target. The remainder is a timing delay in exiting Roycraft House, £312k and HR restructure resulting in the savings being unlikely to be recognised in full. £600k relating to Central Park landscaping has been deferred to next financial year and recognised as income not savings.

Income:

High Risk: £600k of CTSS, £614k of Central Core debt, £483k of Disabilities improvements, and £388k of improving debt collection income is recorded as high risk. A further £150k relating to the Adult's DRE charging policy is high risk. Heritage income of £25k is also recorded as high risk. Strategy & Culture £91k of concessionary fares income.

Medium Risk: £600k relating to Central Park landscaping has been deferred to next financial year. £400k of income generation in Adults social care. £145k in enforcement regulatory service income and £80k of Barking Market extra day income are identified as medium risk.

The biggest movement in this arena is dividends which are now low risk due to the expectation of Be First paying a £6m dividend.

Companies Position: Period 10

Dividend income remains high risk.

The Medium-Term Financial Plan outlined a target of £12.4 from Company Dividends. Included in the £12.4m are income targets of £4.3m for Be First and £0.9m for BDTP which were included in the savings and income target programme representing the incremental increases from the previous year.

At present we are forecasting the following for each company:

- BDTP – no dividend is forecast for this financial year with a significant risk over the next two years of the MTFP. This is £2m but will be covered by the investment reserve.
- Be First – we are forecasting a £6m dividend payment for this year, post tax, this is the dividend for 2019/20 and 2020/21. The balance of the £10.2m return will be made up of commercial income and New Homes Bonus from current year activity.
- Reside – There will be a marginal dividend, this will not offset the pressures and we will not be certain on the position until closer to year end
- BD Energy – no income is forecasted in this financial year in line with budget

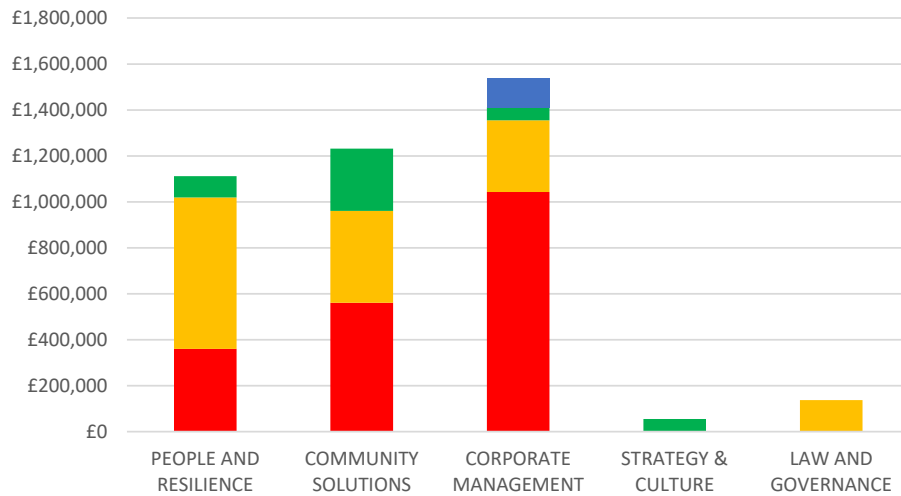
It is expected that any overall shortfall this year will be funded by drawing down from the Investment Reserve.

As of March 2021, included within the MTFP is income from dividends and investment activity from subsidiary companies. The income targets currently in the MTFS are shown in the table below:

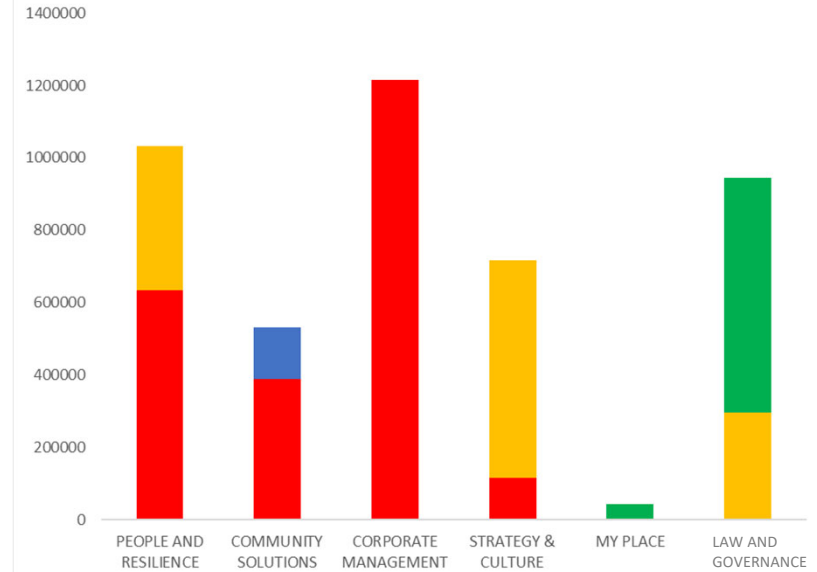
£million	2020-21	2021-22	2022-23	2023-24	2024-25
Be First	4.733	10.390	10.895	10.707	10.707
BDTP	1.225	2.100	2.100	2.100	2.100
TOTAL INCOME TARGET	5.958	12.490	12.995	12.807	12.807

In Year Savings: Period 10

2021/22 Savings: Risk Rated



2021/22 Additional Income targets



MTFS Savings/Income Position: 2021/22 to 2024/25

Across the MTFS c£16m in savings and income needs to be delivered. 95% of these proposals are to be delivered in 2021/22, c£13m, meaning that it is crucial that savings are delivered in this year. Of these 52% rated as high or medium risk. C£2.9m is to be made in 2022/23 and c£0.1k is due in 2023/24.

The savings to be made in 2022/23 are primarily made up of £1.1m from the children's efficient TOM. This is currently high risk and a further £1.1m from Brocklebank within Disabilities, which is also high risk. £0.2m from CHC transitions in Disabilities which is also recorded as high risk.

CABINET

22 March 2022

Title: Foster Carer Rate and Benefits Uplift	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Ilirjeta Buzoku, National Management Trainee – Children’s Care and Support, Commissioning	Contact Details: Tel: 020 39117242 E-mail: ilirjeta.buzoku@lbbd.gov.uk
Accountable Director: April Bald; Operational Director for Children’s Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti, Strategic Director, Children and Adults	
Summary	
<p>The Council has a duty to make payments in respect to Looked After children through the supplementation of a weekly allowance that cultivates high-quality foster care for some of our most vulnerable children.</p> <p>At the time of the last rate uplift in 2008, Barking and Dagenham were in the top cohort of fostering allowance rates amongst neighbouring boroughs. Over the last 14 years, neighbouring boroughs have slowly matched our rates and, recently, exceeded them. The surpassing uplifts in fostering rates and benefits of neighbouring boroughs mean that we risk no longer being financially competitive. Despite having not yet lost significant numbers of foster carers, our ability to retain in-house foster carers, and indeed attract new foster carers, is threatened by a growing disparity in the rates that we pay.</p> <p>The loss of high-quality in-house carers would be financially detrimental for the council as it would leave little other alternative but to place children through higher-priced Independent Fostering Agencies (IFAs) or in residential homes. Placing children in external safeguarding provisions will not only be at a minimum three times more costly for the council, but it would also take foster children out of our most trusted, family-centred environments.</p> <p>Moreover, the ongoing rising rates of inflation and increased costs of living also makes the current rate increasing unviable. All these factors, exacerbated by the effects of the Covid-19 pandemic, have highlighted how our rates and benefits need to be reviewed with immediate effect.</p> <p>This report proposes to uplift our fostering rates and benefits in line with our neighbouring boroughs, in addition to implementing an annual review that aligns the fostering allowance with inflation rates.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree the increase of foster carer rates for Children's Care and Support as detailed in Appendix 4 to the report, effective from 1 April 2022;
- (ii) Agree the increase of foster children's holiday, birthday and festival allowances for Children's Care and Support as detailed in Appendix 5 to the report, effective from 1 April 2022;
- (iii) Agree that complimentary access to the Borough's leisure centres be given for in-house carers, effective from 1 April 2022; and
- (iv) Delegate authority to the Operational Director, Children's Care and Support, in consultation with the Cabinet Member for Social Care and Health Integration, to approve the fostering rates on an annual basis, which shall be published via the Council's annual 'Provider Uplift Policy' prior to the start of each fiscal year.

Reason(s)

To assist the Council to achieve its priority of 'Prevention, Independence and Resilience' by improving outcomes for children in care and recognising the contributions of our foster carers by creating a model that compensates carers' skills and commitment to our children.

1. Introduction and Background

- 1.1 This paper forms one pillar of our strategies for ensuring sufficiency in supply of care and support for our looked after children; whilst not for this paper, it is important to also keep in mind ongoing work on the sufficiency strategy, fostering recruitment campaigns, residential care frameworks and quality assurance. This paper, however, addresses the urgent issue of foster carer rates. The role of a foster carer is instrumental within the local authority safeguarding network, as it enables the corporate parent to entrust vulnerable children to a nurturing family. Providing a safe environment for children in care can stabilise lives and provide the opportunities we would all want for our own children. Foster carers are compensated with a weekly allowance per child that covers general household expenses and the costs of raising a child. This weekly allowance varies with age range and additional complex behavioural or medical needs of a child, although the latter is not currently defined in policy.
- 1.2 The concept of corporate parenting under section 22(3) of The Children's Act 1989 outlines the duty of the local authority to safeguard and promote the welfare of a child looked after by them.
- 1.3 Local government has a duty to make payments in respect of children in need under section 17(6) of The Children's Act 1989. The National Minimum Standards of the Fostering Service, section (28)1, stipulate foster carers should receive the national minimum allowance for a child, in addition to necessary supplementary

expenses for the care, education, reasonable leisure, holidays, birthdays, school trips, and religious festivals for a placed child.

- 1.4 Historically, there has not been a foster carer rate uplift in the London Borough of Barking and Dagenham (LBBD) since 2008 – almost 14 years. At the time of the last foster rate uplift, Barking and Dagenham was the most financially competitive local authority for in-house foster rates. Over time, neighbouring boroughs have matched and recently exceeded our rates, which has resulted in our in-house foster rates no longer being viewed as competitive amongst experienced carers. Whilst our foster carers have not yet left us, our current position is making us vulnerable to a mass exodus of foster carers.
- 1.5 Losing long-serving and experienced in-house foster carers would be financially detrimental to the council as well as very destabilising for children and young people. This would result in placing Looked After Children in high-cost IFA's or residential homes for children with additional behavioural and/or medical needs. Raising our fostering rates would be more cost-effective in both the short and long-term for the council.
- 1.6 Moreover, with the impact of the Covid-19 pandemic and recent rising inflation rates and increased costs of living, the 2008 allowance has decreased in value and is no longer sustainable to maintain a household for vulnerable children to live in, as well as accommodating the costs of raising a child.
- 1.7 There are wider risks generated because of not having updated the fostering package for quite some time. As 60% of our in-house carers are approaching retirement age, the lack of competitiveness in fostering rates has meant that LBBD is being considered as an unattractive borough to foster for by younger prospective carers. Furthermore, 95% of our three-bedroom foster homes lie in our neighbouring boroughs. The risk of sibling placement breakdown is reinforced if LBBD carers decide to leave, which may mean siblings may have to be split up. These risks cannot be mitigated completely by a rate increase (further mitigations are shown in the risks section of this report) but it will help significantly.
- 1.8 This report proposes to increase the foster carers rate in line with our most competitive neighbouring borough and implement an annual review of the fostering allowance as a part of our Provider Uplift Policy that aligns with inflation.

2. Proposal and Issues

- 2.1 Our current model of the standard fostering allowance incrementally increases based on the following age brackets: (0-4), (5-10) and (11+) (**Appendix 1**). The enhanced allowance is assessed and assigned to carers based on the unique medical and/or behavioural challenges of the child they are caring for. This enhanced rate can range between a 20-50% increase on top of the standard rate and is decided on a spot basis by the fostering team.
 - 2.1.1 As of January 2022, there are 178 children placed with in-house foster carers - 129 fostering households in total. This is incurring an estimated spend of **£3.78m** per annum based on the cost of standard fostering rates (**Appendix 1**), in addition to, holiday, birthday and festival allowances (**Appendix 2**).

2.1.2 After consultation with LBBD carers, the fundamental issues raised lay with the competitive fostering rates and benefits in neighbouring boroughs, the rise of inflation and increasing cost of living. Equally, the Council wishes to retain and attract high-quality in-house foster carers to avoid placing foster children in high-cost IFAs or residential homes. We also prefer to keep children who are looked after in-house as we can more easily provide support and keep children near the area for family contact. Therefore, a review of the foster carer rates and benefits is timely.

Neighbouring borough rates

2.2 A benchmarking exercise was conducted to establish how LBBD's weekly foster carer rates compare to neighbouring and wider London boroughs (**Appendix 3, 3.1**). This was important to ascertain the recent rate uplifts in neighbouring boroughs, (where the majority of LBBD carers reside) and how this has led to an increasingly competitive market. A comparison of six neighbouring boroughs' standard rates at a base level (Tier 1) follows below:

Table 2.2: Foster carer rate (tier 1) benchmarking (2021):

	Weekly allowance: 0 – 4	Weekly allowance: 5 – 10	Weekly allowance: 11 – 15	Weekly allowance: 16+
LBBD	£295.00	£364.50	£444.50	£444.50
Borough A (Tier 1)	£354.00	£354.00	£462.00	£477.00
Borough B	£299.13	£310.18	£404.41	£457.48
Borough C (Tier 1)	£338.00	£357.00	£381.00	£415.00
Borough D (Tier 1)	£300.00	£304.00	£395.00	£406.00
Borough E	£158.00	£180.00	£249.00	£271.00
Borough F	£156.50	£177.00	£201.00	£235.00

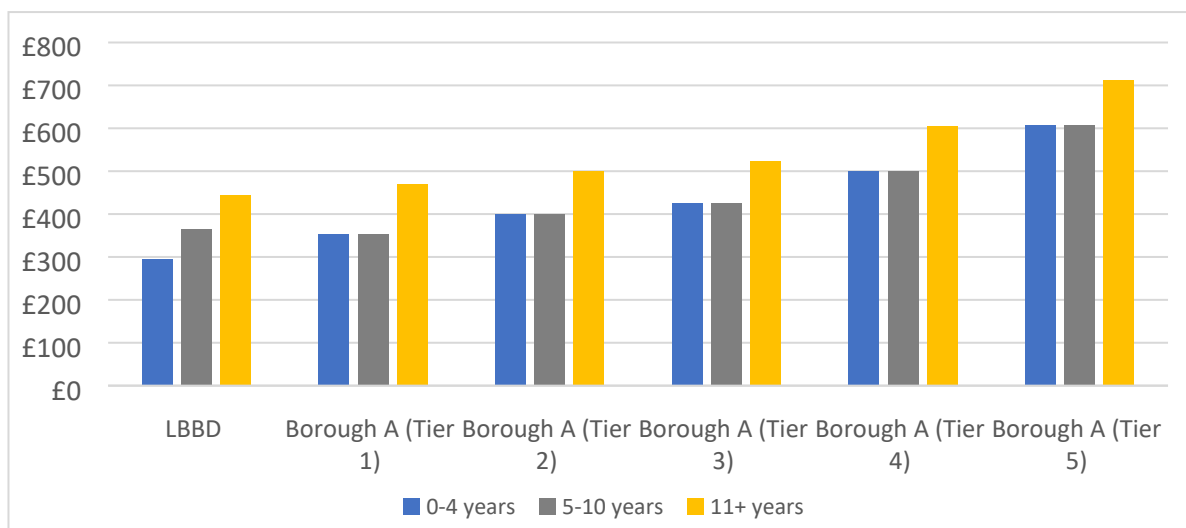
Most neighbouring boroughs have tiered allowances extending to a tier five allowance in Borough A's case (**Appendix 3, 3.1**). This means that the higher-tiered allowances of other boroughs far exceed LBBD's standard rate, thus, making us financially unappealing to experienced in-house and prospective foster carers.

2.2.1 The fostering rate is broken down into two parts, the carer's professional fee and the child's allowance. While LBBD pays the highest carers professional fee in comparison to neighbouring and wider London boroughs (**Appendix 3, 3.3**), this does not mean that LBBD carers are financially better off. The unequal proportioning of LBBD's fostering rates mean that the child's share of the allowance is the lowest amongst the London boroughs (**Appendix 3, 3.2**). For example, LBBD's youngest vulnerable children (0-4 years) receive £45 a week maintenance allowance, in comparison to Borough A compensating £186 weekly – a 122% difference. This means that carers have no choice but to subsidise the child's allowance with their portion of the rate to accommodate the costs of raising a child - creating a non-linear system. To combat this, the rate needs to be uplifted overall and more equally proportioned so that both carers and children see a rate increase.

2.3 In line with our recommendation to align fostering rates to London's most financially competitive borough for fostering rates, an extended rate comparison of Borough

A's 1–5-tiered system was completed to demonstrate how far LBBD's, and London rates fall behind. Again, the stark difference in rates is especially apparent for our children aged 0-4, whereby LBBD's rate stands at £295 in comparison to Borough A's Tier 5 allowance at £607 – a 69% difference. A detailed breakdown of these rates is presented in the figure below:

Figure 1: LBBD and Borough A Foster Carer Rate Benchmarking (2021)



**These figures have been averaged in accordance with LBBD's existing age range groups.*

- 2.3.1 The rate disparities shown in Table 2.2 and Figure 1 highlight why LBBD carers are compelled to transfer into neighbouring boroughs' in-house fostering for the higher rates. Due to 70% of LBBD foster carers residing outside of LBBD, foster carers are hyper-aware of the difference in fostering rates and benefits between the boroughs – again, increasing the risk of them leaving LBBD.
- 2.3.2 There are also wider risks of LBBD carers leaving us for neighbouring borough rates. The age profile of our in-house carers shows that 60% are imminently reaching retirement age, ranging from 50-65 years old. This means that if an uplifted foster carer package is not introduced, there is an increased risk of not being able to retain carers who are not yet entering retirement age, as well as failing to attract prospective carers during the recruitment phase. To attract new carers, LBBD must uplift the rates to be more competitive.
- 2.3.3 The consequence of in-house carers leaving will inevitably lead to a breakdown in placements, especially affecting sibling placements. For instance, Borough A has an average of 2.8 bedrooms, in comparison, to 2.3 bedrooms across all tenures in LBBD – Borough A making up 95% of our three-bedroom foster homes. As such, siblings transferred into care are more likely to be split up if a shortage of LBBD carers living in boroughs with larger housing is not available – affecting the health and wellbeing of our children.

Neighbouring borough holiday, birthday, and festival allowance

2.4 Annual allowances are provided to finance a foster child’s holiday, birthday, and festival days. Below is a comparison of LBBB’s allowances to other neighbouring boroughs:

Table 2.4: Holiday, birthday, and festival allowance benchmarking (2021)

	Holiday	Birthday	Festivals
LBBB	£200.00	£50.00	£50.00
Borough A	0-4: £213.00 5-10: £275.00 11-15: £300.00 16+: £325.00	£100.00	£100.00
Borough B	0-10: £252.43 11-15: £311.90 16+: £394.92	0-10: £125.65 11-15: £156.05 16+: £196.33	0-10: £125.65 11-15: £156.05 16+: £196.33
Borough C	£450.00	0-2: £75.00 3-10: £100.00 11+: £125.00	0-2: £50.00 3-10: £75.00 11+: £100.00
Borough D	£300.00	0-4: £50.00 5+: £100.00	0-2: £50.00 3+: £100.00

2.4.1 As stipulated, LBBB’s payments for annual occasions remain the same value across all age groups. Contrarily, some neighbouring boroughs have incremental rate increases based on age group to accommodate age-appropriate gifts and holiday necessities. Overall, neighbouring boroughs are paying up to 77% more for holiday allowance and up to 119% more for birthdays and festivals. To become financially competitive, we plan to uplift these allowances, as well as implementing an incremental increase model based on age range.

Costs of external safeguarding providers

2.5 Whilst the number of children in care has decreased and stabilised since its peak of 472 in June 2015, the projections of an increasing population in LBBB are clearly concerning in terms of the financial projections. According to GLA intelligence, projections show that by 2036 LBBB’s population is set to rise by 42% - becoming the highest in London. This has the potential to lead to an increase of children in the social care system, and therefore increased spending for the social care workforce and resources such as foster carer, residential, and IFA payments.

2.5.1 Should a high number of in-house foster carers leave; the council will have to pay at minimum of three times more a week to place a child in an IFA and at least nine times more for residential home placements. The costs of placing a child in IFAs or residential homes can be mitigated by uplifting our fostering rates and benefits. This recommended action will likely incentivise in-house carers to not leave, therefore, reducing the number of children placed in external safeguarding provisions due to in-house placement breakdown.

IFAs

2.5.2 LBBB has a large pool of foster carers in comparison to other neighbouring boroughs and therefore lower use of IFAs. IFA placements are commissioned in the instances that there is no in-house carer capacity, or a child and available foster carer are assessed to not be a good fit. In instances like this, a child is better placed in an IFA until a well-matched foster family dynamic is found to be suitable. The tables below outline a sample of five IFA providers' weekly costs to place a child and the budgetary impact on the council of using IFAs per child:

Table 2.5.2: Sample of IFA weekly rates

Independent Fostering Agency Providers	Weekly Fostering Allowance per week
Provider A	£1632.81
Provider B	£1343.00
Provider C	£1600.00
Provider D	£1427.00
Provider E	£1450.00

Table 2.5.3: Annual comparison of tier three fostering and IFA Provider A costs:

Tier 3 in-house fostering rate (11+)	IFA – Provider A
£523 a week	£1632.81 a week
<i>Annual total: £27,196</i>	<i>Annual total: £84,906.12</i>

In summary – for every foster carer LBBB loses, it will cost the Council **an additional £58k a year** to place a child in a high-fee IFA.

2.5.3 To contextualise these figures, if an in-house carer with two foster children decided to leave, it would cost the council an additional £115,420.24 a year to place them in IFA Provider A. As such, should a surge of LBBB in-house carers leave to work for other boroughs because of competing rates, the council will have to heavily rely on expensive IFA's once there is a breakdown of in-house placements.

Residential homes

2.5.4 Residential placements are the absolute last resort for placing a child in care. Typically, residential homes offer crisis services and support children with the most challenging needs. To place a child in these services LBBB pays residential homes £7k-£10k a week. If LBBB's foster rates were aligned to the most financially competitive borough and averaged based on LBBB's existing age ranges, a tier five allowance for a very high-need child would be £712.50 a week. The table below displays a comparison of the annual cost between in-house care and residential home fees to place a child:

Table 2.5.4: In-house fostering rate and residential home fee comparison:

Tier 5 In-house fostering rate	Residential home rate
£712.50 per child	£10,000 per child
Annual Total: £37,050	Annual total: £520,000

2.5.5 As such, if a tier five assessed child were placed in a £10k a week residential home, it would cost the council **an additional £483k a year** per high-need child. To avoid this outcome, LBBB’s fostering rates need to be uplifted to prevent highly skilled foster carers from leaving. In addition, we anticipate that the uplift will help us develop our foster carers to care for our neediest children. This is highly beneficial for the council as an increased capacity in carers trained to look after more children will provide better outcomes and save the council more money over time by keeping these high-need children out of high-cost residential homes.

Impacts of Inflation and cost of living

2.6 Recent inflation has affected the cost of living dramatically. The current modelling of LBBB’s allowances means that foster carers are subsidising the child’s needs using their portion of the allowance, which is no longer feasible in these unprecedented financial times.

2.6.1 For our babies and toddlers aged 0 – 4, who receive the lowest fostering child’s allowance in London (**Appendix 3, 3.2**) the costs of basic necessities have been propelled by inflation. To illustrate, the price of SMA baby milk at 900g in 2008 would have cost £6.87, in comparison to 800g at £11.35 today – a 65.2% increase and 0% increase in allowance. Should food payments be placed on the child’s allowance as other boroughs do, the unsubstantial remaining budget will negatively affect the youngest of our vulnerable children in LBBB.

2.6.2 Moreover, travel allowances have become unfeasible for carers to facilitate contact and school runs with diesel and petrol-run cars. According to the Office of National Statistics 2021, the Retail Price Index (RPI) for petrol, oil and fuel oil in December 2020 stood at - 9.6% in comparison to the value of 28% in December 2021 – a 37.6% increase. The increased cost of fuel prices means that essential travel multiple times a week and parking costs are disproportionate to the current travel allowance of £15 a week (**Appendix 1**).

2.6.3 During a consultation with carers, the increasing cost of living was a high cause of anxiety. The soaring prices of utility bills have surged in the last year as seen in the table below:

Utilities	December 2020 (RPI)	December 2021 (RPI)	RPI Percentage increase
Electricity	- 3.1%	18.8%	21.9%
Gas	- 15.7%	28.8%	44.5%
Water	- 3.2%	1.7%	4.9%

*Office of National Statistics 2021

2.6.4 As shown in the figures above, the change in RPI and the effects of the pandemic have further impeded the carer's professional fees and upkeep of household expenses. Ensuring LBBB's rates are in line with neighbouring boroughs and are aligned with inflation will surely ease financial pressures and make for thriving carers and children.

3. Options Appraisal

3.1 Option 1: Do Nothing

3.1.1 This is not a recommended option as there has been no amendment to the foster carer package for 14 years. Whilst there has been no issue with the retention of foster carers as yet, the recent uplift in fostering rates and benefits of neighbouring boroughs has made retention untenable and caused foster carers to demand change. By doing nothing we risk carers leaving and causing placement breakdown will leave the council no choice but to place children in high-cost IFAs or residential homes.

3.1.2 Additionally, the increasing inflation rates, rising cost of living and stagnant fostering allowance have made it financially unfeasible to accommodate the costs of looking after a child and maintaining a household. Moreover, many of our valued, long standing foster carers are approaching retirement age. To incentivise prospective foster carers, an updated foster carer package needs to be implemented. There is no advantage to keeping the foster care package the same for either the council, LBBB foster carers or our children in care.

3.2 Option 2: Align foster rates and benefits to neighbouring boroughs'

3.2.1 The recommended option is to remodel LBBB's standard allowance (**Appendix 1**) into a 1–5-tiered system. LBBB's fostering team will be responsible for assessing what tiered allowance a child is allocated, and their carers will receive, which will be continuously assessed based on the need of the child. Tier one is for brand new carers who have had no prior experience in foster caring. Tier 2 – 3 will be considered for carers looking after children with needs ranging from mainstream to advanced. Children with serious medical and/or behavioural complexities will fall into tier 4-5 allowances and will be placed with experienced carers who are equipped to manage these challenges. The allowance assigned to foster carers will be determined by the need of the child in placement. This will be carefully determined during the matching process of children and carers and monitored continuously to ensure carers are receiving the appropriate allowance.

3.2.2 Based on the 178 children in fostering placements and assessment of what tiers children fall into, this will require **an uplift of £878k** – resulting in **a new annual cost of £4.65m**. The current level of allowance and proposed increases can be found in **Appendix 4**.

3.2.3 However, should all fostering households without a current placement be allocated *at least one child* of their preferred age range, this would equate to 205 children in foster care. Therefore, the estimated uplift for the allowance can range from **£878k - £1.6m**. Thus, the projected annual spend could range from **£4.6m- £5.4m**. **This level of spend would in turn produce a significant reduction in spend on IFA and residential provision.**

Holiday, birthday, and festival allowance

- 3.2.4 We recommend remodelling holiday, birthday, and festival allowances by uplifting and incrementally increasing payments based on the child's age to accommodate for age-appropriate gifts. The holiday, birthday and festival allowance up lift will result in an additional **£90k a year** based on 178 children in foster placements. A table of the current rate and proposed uplift for holiday, birthday and festival allowances can be found in **Appendix 5**.
- 3.2.5 Aligning foster rates to neighbouring boroughs in conjunction with the proposed uplift for holiday, birthday and festival allowances will total **an annual spend of £4.7m –a £970k uplift** overall.

Additional benefits

- 3.2.6 Children in care already have free access to council-owned leisure centres. The fostering benefit of one complimentary leisure centre pass per fostering household will encourage family bonding between a carer and the child through leisure activity. This benefit will be especially useful for fostering families during the school holidays where children have more disposable time for leisure activities. For one Everyone Active adult leisure centre pass per fostering household (includes swimming and the gym), it will cost the Council **£62k a year**. This benefit will be commissioned so that foster carers will have access to Everyone Active Centre's in any location as many of our carers live outside LBBDD.
- 3.2.7 The parking benefits neighbouring boroughs have in place cannot be replicated in LBBDD as foster carers are not eligible for the LBBDD Carer Agency Permit nor a Key Worker Permit. Instead, it is proposed that carers who need to pay for parking within or outside the borough to facilitate contact or specifically to meet the needs of the foster child, this should be claimed as an expense. Historically, this benefit has not been used by carers often and is not expected to increase drastically.
- 3.2.8 Council tax reduction for foster carers is not being considered at this time due to the total uplift proposed in Option 2 being so substantial. A benchmarking exercise of council tax reduction fostering benefits amongst neighbouring boroughs found that the majority are not offering this now, but it is worth noting that one of our neighbouring boroughs does and this was specifically requested by foster carers during consultation.
- 3.2.9 As most of LBBDD's foster carers live outside the borough, the varying council tax payments from different boroughs make the execution of this benefit difficult to implement. Additionally, this benefit would not be applicable for all foster carers as some would not be eligible for council tax reductions due to being in receipt of other state benefits. Currently, it is not financially feasible for the council to pay for foster carers council tax.
- 3.2.10 If all recommendations are implemented, this would result in a **total increase in spend of £1.03m– an annual spend of £4.8m**.

3.3 Option 3: Align rates to inflation

- 3.3.1 Aligning fostering rates to inflation using the CPI and RPI rates would consider the current costs of living and costs of raising a child. When applying the December 2021 CPI (4.8%) and RPI (7.5%) rate across the foster rate breakdown, this will stand at an uplift of 5.15% on average. The proposed rate uplift using the December 2021 CPI and RPI 2021 rate increase can be found in **Appendix 6**. Whilst this meets the financial need of foster carers, it would not make us significantly more competitive than we are currently and therefore would have minimal impact on foster carer recruitment or retention.
- 3.3.2 Increasing the current allowance by 5.15% will incur **an uplift of £145k**. This will result in a new **annual spend of £3.9m**.
- 3.3.3 In addition to each of these options, an annual review of the fostering rate applying the CPI and RPI rate at the time will ensure that the rate is aligned to inflation and cost of living. This proposal will produce high-frequency small uplift events, rather than an infrequent mass uplift for the Council. As a result, this recommendation will ensure long-term retention of foster carers and smaller financial uplifts for the Council.

Summary of financial impacts:

- 3.4 Below is a table summarising all the presented options with the financial implications:

Option	Total uplift	Total annual spend
Do nothing	£0	£3.7m (current)
Align rates with inflation	£145k	£3.9m
Align rates with inflation, uplifting annual holiday, birthday, and festival allowance & additional benefits	£300k	£4.01m
Align with neighbouring borough rates	£878k	£4.65m
Align with neighbouring rates, uplifting annual holiday, birthday, and festival allowance & additional benefits	£1.03m	£4.8m

- 3.4.1 The recommendation is to implement **Option 2** which includes aligning fostering rates to the most competitive neighbouring borough, uplifting the holiday, birthday, and festival allowance, and providing complimentary access to Everyone Active leisure centres for foster carers. This will produce **a total uplift of £1.03m** based on the current number of foster children. This is the preferred option as aligning foster rates to neighbouring boroughs will decrease the likelihood of our in-house foster carers leaving for higher rates elsewhere. The mitigations of this uplift include not having to place LBBD's vulnerable children into high-cost IFAs or residential homes

that would only result from an exodus of LBBB carers and a breakdown of in-house placements.

- 3.4.2 To avoid the council facing an uplift of this magnitude in the future, an annual review of the foster rates will commence from this point on. All future rate reviews will be published as a part of our annual Provider Uplift Policy in March prior to the start of each fiscal year. This exercise will be completed in consultation with foster carers and will also uplift the foster care allowance based on the rate of inflation to keep in line with the cost of living.
- 3.4.3 In relation to reviewing the rates of connected persons/kindship carers, staying put carers and adoptive carers, this is currently in LBBB's forward-plan, and its early thoughts will be detailed in the Sufficiency Strategy which will be presented to Members this summer.

4. Consultation

- 4.1 Consultation between carers and the Council first began on 3 November 2021. Following this, a One Borough Voice survey was promptly sent out to gauge the preferences for the rate and benefit uplift by carers. The further analysis of survey responses led to the presentation of the options outlined in this report to carers on 31 January 2022. A second One Borough Voice survey revealed that LBBB foster carers would prefer Option 2 outlined in this paper. The reasoning behind why LBBB cannot align fostering rates to the national minimum wage and its unfeasibility for the Council has been explained to carers.

5. Financial Implications

Implications completed by: Florence Fadahunsi, Finance Business Partner

- 5.1 This paper sets out the rationale for increasing the rates paid to LBBB foster carers. The culmination of the cost of living and inflationary pressures and market forces, with other Boroughs increasing rates, means that LBBB is exposed both to losing existing experienced Foster Carers and failing to recruit new Foster Carers. The current rate has been in place and has remained unchanged since 2008. The rates do not compensate the carers for cost-of-living increases nor the impact of inflation. In addition, the current rate falls below the allowance paid out by neighbouring boroughs in particular Borough A as outlined in this report.
- 5.2 Approval is sought on the adoption of option 2. These modelled on the LBBB data would suggest an increase in spend of between £878k - £1.6m. The £1.6m assumes all the foster carers on our books having a child placed with them. The budget in corporate parenting is currently overspending and there is no scope to make this funding available within the current resources. A bid would need to be put forward to request additional growth funding to cover the additional cost.
- 5.3 The council runs the risk of losing current foster carers and not being in the best position to attract new ones as they will most likely prefer to work for other boroughs that pay more than LBBB. This will mean the council will rely more on agency foster carers and residential placements, the cost of which will outstrip the potential increase in foster care allowances.

5.4 This paper addresses the immediate risk to the Council from the loss and failure to recruit Foster Carers. It is in response to direct feedback from the Foster Carer network as referenced above. This paper does not seek to address wider risks such as the age profile or the profile of LBBB Foster Carers predominantly residing outside of the Borough. These will be addressed as part of the Sufficiency Strategy being developed.

6. Legal Implications

Implications completed by: Lindsey Marks, Deputy Head of Law

6.1 The legislative framework for fostering is:

- Children Act 1989 and 2004
- Children and Families Act 2014
- The Care Planning, Placement and Case Review and Fostering Services (Miscellaneous Amendments) Regulations 2010
- National Minimum Standards for Fostering Services 2011
- Fostering Services Regulations 2011
- The Care Planning, Placement and Case Review Regulations and Guidance 2015
- Fostering Regulations 2013.

6.2 The recent Fostering Network's State of the Nation's Foster Care 2021 report found that nationally there is a crisis in the retention and recruitment of high-quality foster carer's who can meet the needs of children in care. Over a third of foster carers said that the allowance they received did not meet the full cost of the child's care, which forces them to dip into their own pockets to provide for the children.

6.3 In order for Barking and Dagenham to retain their foster carers and attract new foster carers the foster care allowance and benefits to foster carers need to match those of neighbouring boroughs.

7. Other Implications

7.1 **Risk Management** – The immediate risk of LBBB's in house carers leaving to foster in neighbouring boroughs can be mitigated by making our rates the most financially competitive in London. However, there are some wider risks to consider as well:

Risk	Mitigating action
Being tied to other boroughs'	At present, providing a competitive offer means to align fostering rates to the most competitive borough. However, this will not always remain the case, as an annual review of the fostering package will seek to align fostering rates with inflation - unlike other neighbouring boroughs.
Movement in assessed tiered allowances resulting in an increased spend.	The foster rate is applied to the child not the carer, although, a child's needs will be met with the appropriate carers experience. The likelihood of carers receiving a higher tiered allowance is small. This risk would only come into fruition if more high-tiered children were

	transferred into in-house care or current in-house placements develop higher needs.
The tier system not being implemented by 1 st April 2022.	This risk has been mitigated by provisionally assessing the level of need of children into tiers. Once the proposal outlined in this report is approved, the provisional assessment will be conveyed to Brokerage to administrate the relevant foster allowances to each carer. If necessary, payments can be backdated.
Increased spending for foster carer training.	No more funding will be needed for training. However, Children's Social care is seeking to realign existing budgets to expand the Mockingbird scheme to develop our foster carers.

7.2 Corporate Policy and Equality Impact -

- **Access to services and inclusion** - Carers will have higher access to leisure facilities which can foster family bonding with the child in placement.
- **Fairness and equality** - This proposal will elevate fairness and equality by aligning rates and benefits to match competing boroughs and thus make our in-house foster carers feel valued.
- **Meeting needs and delivering outcomes** - By aligning our rates to neighbouring boroughs as well as an annual review of the inflation rates this will meet the economic needs of the cost to live.
- **Satisfaction and service-user experience** - The outcome of this proposal will increase the satisfaction of carer's experience in LBBB as there has not been a rate review in 14 years and the uplift will make them feel like a valued member of the workforce.

7.3 **Safeguarding Adults and Children** – The safeguarding of foster children's physical and mental wellbeing can be more closely monitored if retained in in-house placements as opposed to external safeguarding provisions. For adults, their welfare will also improve from a rate and benefit uplift as the financial strain fuelled by the increased cost of living can be subsidised- making happier carers and children.

7.4 **Health Issues** – The preservation and support of children in care's mental health will be sustained in in-house foster placements due to the family environment rather than residential homes.

Public Background Papers Used in the Preparation of the Report:

- Fostering Service: National Minimum Standard - GOV.UK. (2011). Department for Education. Standard 28(1), (p55). Retrieved from: [Fostering Guidance - MASTER \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/214421/fostering-guidance-master.pdf)
- Local Government Association. (2021) Private Equity Involvement in Care Placements Needs Reviewing Amid Concerning Profit and Debt Levels. Children's Social Care. Retrieved from: <https://www.local.gov.uk/about/news/private-equity-involvement-care-placements-needs-reviewing-amid-concerning-profit-and-debt-levels>
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- Office for National Statistics. (2021) CPIH ANNUAL RATE 00: ALL ITEMS 2015=100. Retrieved from: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l55o/mm23>
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- Office for National Statistics. (2021) RPI: Percentage change over 12 months – Electricity. Retrieved from: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czcz/mm23>
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- The Children's Act. (1989). Legislation.gov.uk. Section 17(10). Retrieved from: <https://www.legislation.gov.uk/ukpga/1989/41/section/17>
- The Children's Act. (1989). Legislation.gov.uk. Section 22(3). Retrieved from: <https://www.legislation.gov.uk/ukpga/1989/41/section/22>

List of appendices:

- **Appendix 1:** Barking and Dagenham's current fostering allowance.
- **Appendix 2:** Barking and Dagenham's current holiday, birthday, and festival allowance.
- **Appendix 3:** London borough fostering rate benchmarking
 - 3.1. Neighbouring borough weekly fostering rate (2021).
 - 3.2. Neighbouring borough weekly allowance per child (2021).
 - 3.3. Neighbouring borough's weekly professional care fee (2021).
 - 3.4. Wider London borough's weekly fostering rate (2021).
- **Appendix 4:** Current fostering allowance and proposed increase.
- **Appendix 5:** Current holiday, birthday and festival allowance and proposed increase.
- **Appendix 6:** Current fostering rate and proposed rates aligned to inflation.

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Barking and Dagenham's current standard fostering allowance

	0 – 4	5 – 10	11+
Foster carer fee, incl. general maintenance	£250.00	£300.00	£350.00
Pocket money	£2.50	£7.00	£16.50
Clothing	£16.00	£20.00	£24.00
Transport	£15.50	£15.50	£15.50
Education	£5.50	£11.00	£20.50
Hobbies	£5.50	£11.00	£18.00
Child savings	£0.00	£10.00	£10.00
Core costs	£295.00	£374.50	£454.50
(Internal savings)	£0.00	- £10.00	£-10.00
Total allowance payable to carer	£295.00	£364.50	£444.50

Barking and Dagenham's current holiday, birthday, and festival allowance

Allowance:

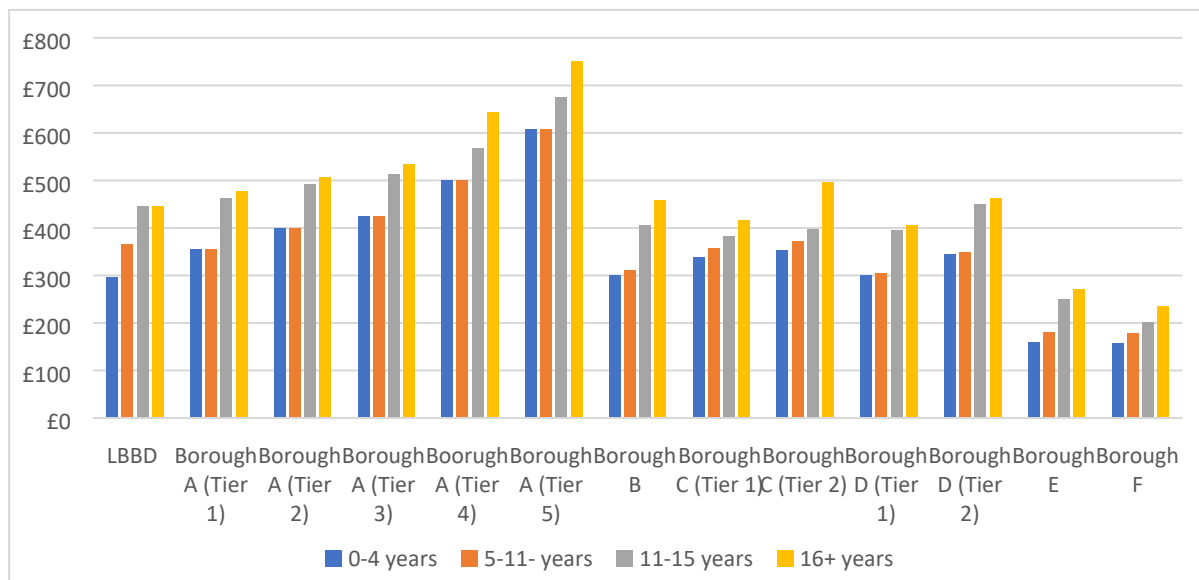
Holiday: £200 (0-18 years)

Birthday: £50 (0-18 years)

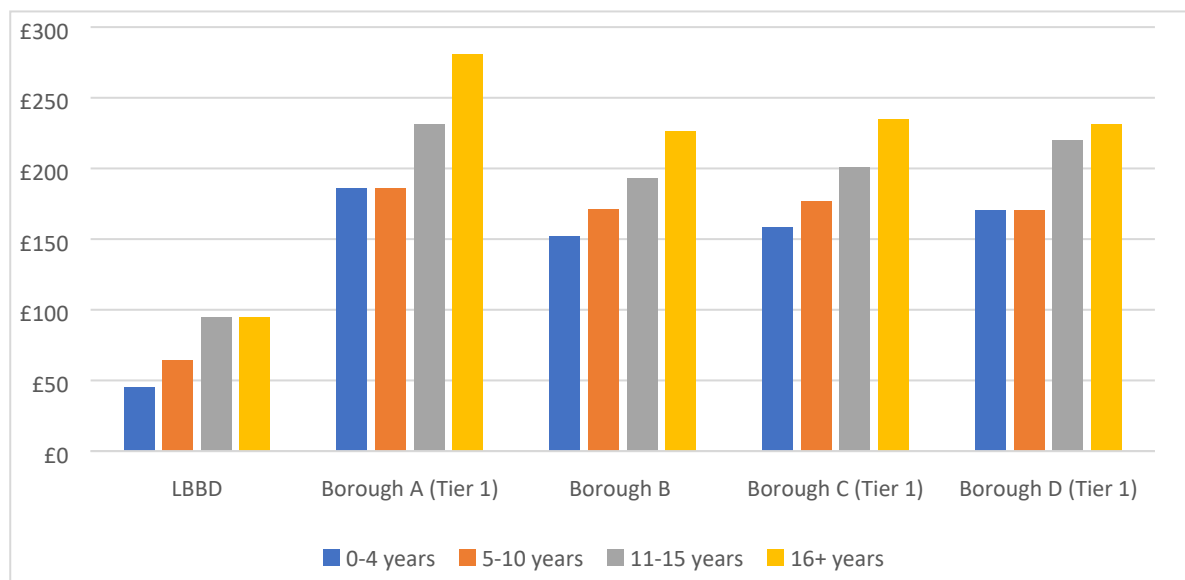
Festival: £50 (0-18 years)

London borough fostering rates benchmarking

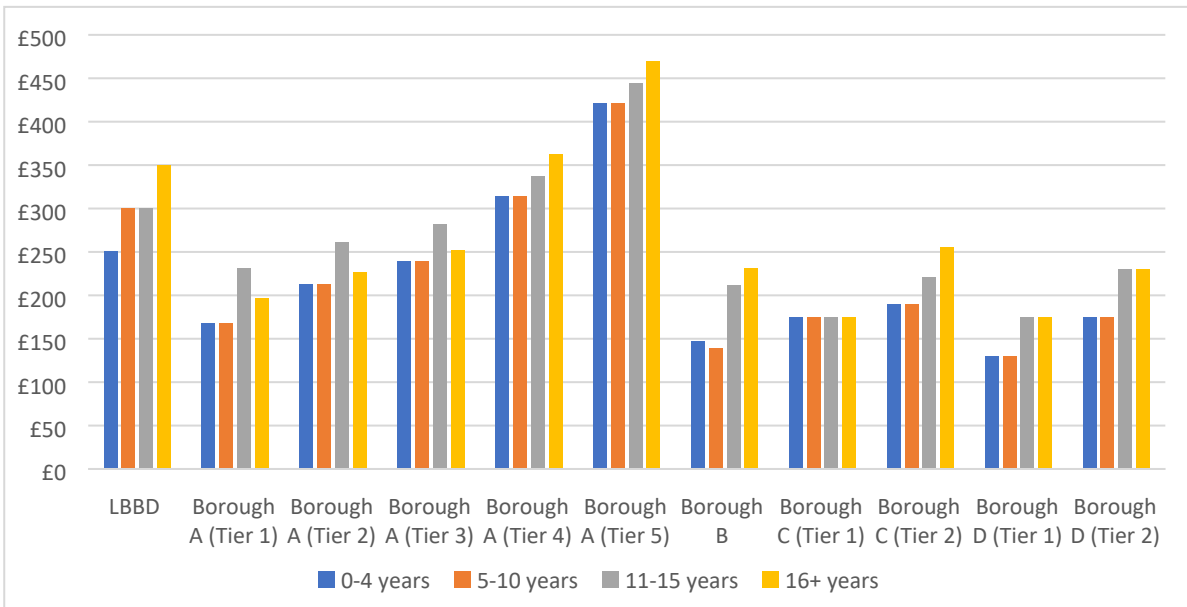
3.1 Neighbouring borough weekly fostering rate



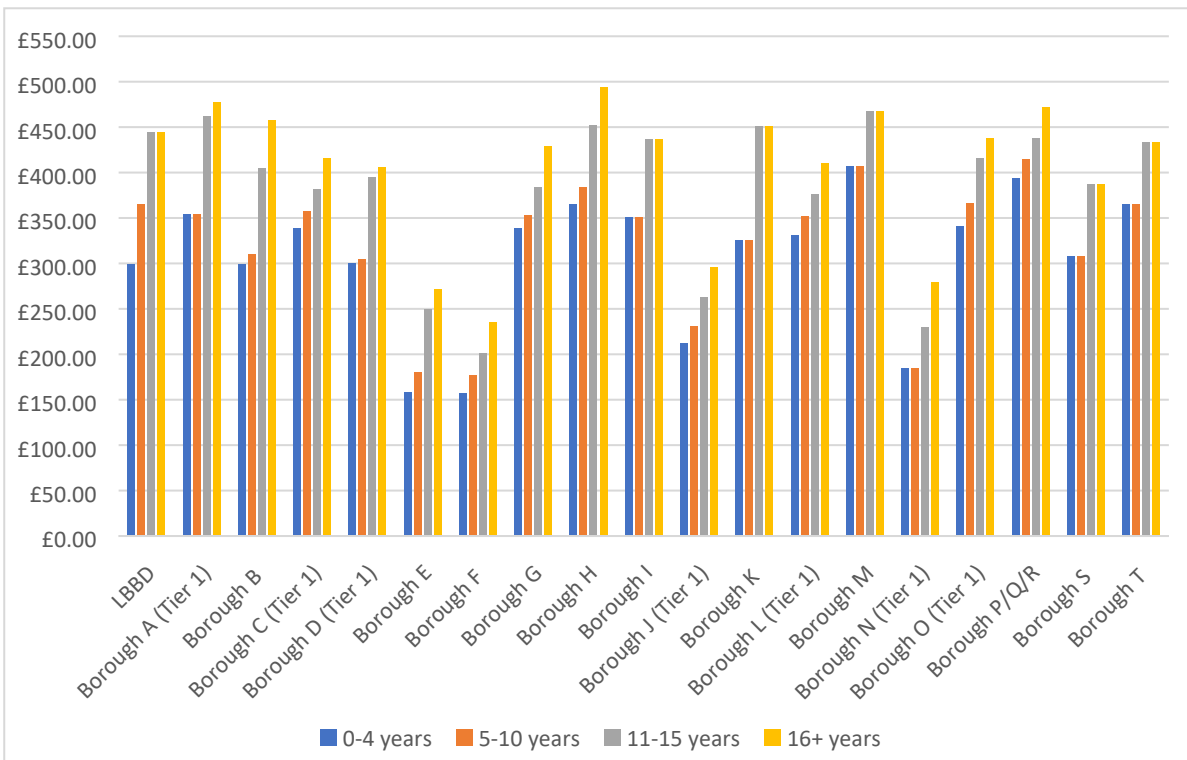
3.2 Neighbouring borough weekly allowance per child



3.3 Neighbouring borough's weekly professional carer fee (2021)



3.4 Wider London borough's weekly fostering rate (2021)



Current fostering allowance and proposed increase:

0-4 Years	Current allowance	Suggested increase	% increase	Proposed figure
Tier 1	£295	£59	18.18%	£354
Tier 2		£104	29.97%	£399
Tier 3		£130	36.11%	£425
Tier 4		£205	51.57%	£500
Tier 5		£312	69.18%	£607
5-10 Years				
Tier 1	£364.50	-£10.50	-2.92%	£354
Tier 2		£34.50	9.04%	£399
Tier 3		£60.50	15.33%	£425
Tier 4		£135.50	31.35%	£500
Tier 5		£242.50	39.92%	£607
11+ Years				
Tier 1	£444.50	£25	5.47%	£469.50
Tier 2		£55	11.65%	£499.50
Tier 3		£78.50	16.23%	£523
Tier 4		£161	30.66%	£605.50
Tier 5		£268	46.33%	£712.50

Current holiday, birthday and festival allowance and proposed increase

	Current Allowance	Suggested Increase	% Increase	Proposed Figure
Holiday				
0-4 years	£200	£30	13.95%	£230
5-10 years		£75	31.58%	£275
11+ years		£120	46.15%	£320
Birthday				
0-4 years	£50	-	-	£50
5-10 years		£50	50%	£100
11+ years		£75	85.71%	£125
Festival				
0-4 years	£50	-	-	£50
5-10 years		£50	50%	£100
11+ years		£75	85.71%	£125

Current fostering rate and proposed rates aligned to inflation

	Age 0 – 4	Age 5 – 10	Age 11 – 18
Child's element of the rate	£45.00	£64.50	£94.50
Inflation increase on child's element of the rate (RPI Dec 2021- 7.5%)	£48.38	£69.34	£101.59
Carer's element of the rate	£250.00	£300.00	£350.00
Inflation increase on carers element of the rate (CPI Dec 2021 -4.8%)	£262.00	£314.40	£366.80
Total uplift	£15.38	£19.24	£23.89
Percentage uplift	5.08%	5.1%	5.2%
New proposed rates	£310.38	£383.74	£468.39

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CABINET**22 March 2022**

Title: Covid-19 Additional Business Rates Relief Fund	
Report of the Cabinet Members for Employment, Skills & Aspiration and Finance, Performance & Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Stuart Kirby, Revenues Manager	Contact Details: E-mail: stuart.kirby@lbbd.gov.uk
Accountable Director: Stephen McGinnes, Director of Support and Collections	
Accountable Strategic Leadership Director: Judith Greenhalgh, Interim Strategic Director of Community Solutions	
Summary	
<p>The Government has introduced a new business rates relief fund for 2021/22, aimed at businesses that have been unable to adapt to the Covid-19 pandemic and have received minimal or no support from other schemes.</p> <p>The Government has not amended legislation and, instead, is asking Local Authorities to design a scheme and apply relief under section 47 of the Local Government Finance 1988, which grants powers to apply discretionary relief. Attached at Appendix A is the proposed Barking and Dagenham scheme which is aimed at supporting smaller local businesses.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to approve the local policy for the award of Covid-19 Additional Relief Fund grant, as set out at Appendix 1 to the report.</p>	
Reason	
<p>To assist the Council in achieving its priorities of 'Inclusive Growth' and 'Well Run Organisation' by supporting businesses impacted by COVID-19.</p>	

1. Introduction and Background

- 1.1. On 25 March 2021 at the spring budget, the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund is intended to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.
- 1.2. The Government did not release either the funding or the guidance until December 2021 and the relief is applicable for business rates charged in 2021/22 only.

2. Barking and Dagenham's relief allocation

- 2.1. The Government have allocated £4,591,492 to apply to qualifying businesses as relief from paying business rates.
- 2.2. The Government has asked local authorities to design and implement their own relief scheme using powers granted in section 47 of the Local Government Act 1988.
- 2.3. Previous Government relief schemes have focused upon retail, hospitality, leisure and nurseries, and as such the Government has stipulated that businesses in those sectors will not be eligible for CARF.
- 2.4. Government guidelines stipulate that local authorities may:
 - not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief),
 - direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

3. Impact of the scheme

- 3.1. 986 businesses have been identified as being potentially eligible for this relief. However, the total business rates payable is £17.7m and would only allow for 22% relief to be awarded.
- 3.2. To maximise the impact of the relief it is proposed that businesses with rateable values exceeding £51k be excluded from the scheme. This will exclude 195 businesses with a total charge of £13.3m.
- 3.3. 791 businesses will be eligible for the scheme with a total charge of £5m allowing for relief of 90% to be awarded (see table below).

	No. of businesses	Charge 21/22	Relief (90%)
RV less than £51k	791	£5,051,146	£4,546,031

- 3.4. An analysis of unpaid business rates has been carried out for those potentially eligible for relief with rateable values above and below £51k.
- 3.5. There are 195 businesses with rateable values above £51k of which 24% have either arrears in 2021/22, owe rates for previous years or both. In contrast, there are 791 businesses with rateable values below £51k of which 41% have arrears.

- 3.6. The average charge for a business with a rateable value below £51k is £6,386 and relief of 90% will reduce the bill on average by £5,747. However, if businesses with rateable values of over £51k are included then that average relief drops to £1,792.
- 3.7. Therefore, by excluding businesses with higher rateable values the scheme will have a greater impact, and in particular give support to smaller businesses who are, in general, finding it more difficult to pay their business rates.

4. Process for awarding relief

- 4.1. The relief will be applied to all eligible businesses rates accounts automatically and businesses will not be required to complete an application.
- 4.2. All businesses will undergo a checking process to ensure that they are still trading and are in occupation of the property before awarding the relief.
- 4.3. Businesses will be required to opt out of the scheme where they exceed subsidy regulations laid out in the policy. A letter will be sent to all qualifying businesses advising them that they must opt out of the scheme where this is the case.

5. Financial Implications

Implications completed by: Nurul Alom, Finance Manager

- 5.1 There are no financial implications for the Council as this scheme is fully funded by Government.

6. Legal Implications

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

- 6.1 As set out in the report the Government has determined individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47 of the Local Government Finance Act 1988. In applying the relief, the Council must have regard to any Guidance published by the Secretary of State. Guidance was published in December 2021.
- 6.2 As the discretion is capped to a maximum figure, it means that for the Council to apply relief fairly requires that it is done on the basis of a policy which enables due consideration of the circumstances of the beneficiaries. To provide for a review of a decision the Council's Policy incorporates a review mechanism.

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

List of appendices:

Appendix 1 – LBBB Covid-19 Additional Relief Fund policy

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**Barking &
Dagenham**

Policy for the award of COVID-19 Additional Relief Fund (CARF)

Contents

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Qualifying for relief	4
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Introduction

On the 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF). The fund is intended to support those businesses affected by the pandemic but that are ineligible for previous or existing Covid-19 support schemes linked to business rates.

The Government released details of how Local Authorities should apply this relief in December 2021.

This policy sets out the qualifying criteria under which businesses may qualify for COVID-19 Additional Relief Fund (CARF). This relief will apply only to the financial year 2021/22 and will reduce qualifying businesses business rates bills by 90%.

Relief will be granted using The Local Authorities discretionary powers under section 47 of the Local Government Finance Act 1988.

Eligibility

The London Borough of Barking and Dagenham is aware that the COVID-19 pandemic has detrimentally affected businesses within the borough and that Government support has predominately been directed at the retail, hospitality, and leisure business sectors, with minimal support given to other sectors that have been affected.

The Government has allocated £4,591,492 to be allocated by the London Borough of Barking and Dagenham in the form of relief from paying Business Rates in 21/22.

The purpose of this relief scheme will be to support businesses that have received no or minimal support from Government during the pandemic and have been detrimentally affected but have been unable to adapt to the impact.

The Government have allocated a limited amount of money as relief and so limits are being placed on the amount awarded and those businesses that will be eligible

Businesses that are not eligible for this relief include:

Businesses who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery discount or Airport and Ground Operations Support scheme (AGOSS),

For a periods where the premises is unoccupied (other than businesses which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief)

Businesses with a rateable value of £51,000 and above
Businesses that exceed the subsidy limit as detailed in this document.
Businesses that are closed/insolvent/bankrupt/no longer trading
Supermarkets
Banks
Financial advice businesses
Betting shops/gambling establishments
Car parks
Land
Government occupied properties
Local Government occupied properties
Schools/colleges
Mobile network suppliers
Housing associations

This list is not exhaustive, and award of relief remains at the discretion of the Local Authority

Qualifying for relief

Businesses that qualify for the relief will be identified by the Council and the relief automatically awarded to the 21/22 charge and a new bill issued.

A letter will be sent to the qualifying businesses requesting that they opt out if they exceed the subsidy rules laid out in this document.

Award of relief

Qualifying businesses will be awarded 90% relief to their business rates bill for 2021/22 only.

Relief will be applied after mandatory and other discretionary reliefs have been applied.

The relief will only be applicable for periods where the properties is occupied unless the property was unoccupied as a direct result of Government instruction as part of Covid-19 restrictions.

Where the business has unpaid business rates in previous years, any overpayment created by the relief will be used to pay all or part of those arrears.

Where the business has paid the charge in 21/22 and the accounts falls into credit, the credit will be moved forward to cover the charge in 22/23.

Any overpayment of business rates after any arrears have been paid will be refunded to the business.

A new Business Rates bill will be issued upon applying the relief

Subsidies

The CARF scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries). This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy. Therefore, to be awarded CARF you must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances. COVID-19 business grants you have received from local government and the 2019/20 Retail Relief should count towards this limit, but you should not count any Extended Retail Discount you have received since 1 April 2020. Further details of subsidy control can be found at: <https://www.gov.uk/government/publications/covid-19-additional-relief-fundcarf-local-authority-guidance>

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CABINET**22 March 2022**

Title: Amendment of Multi-Agency Safeguarding Arrangements (MASA) for Children	
Report of the Cabinet Member for Health and Social Care Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Chris Bush, Commissioning Director, Children's and Adults' Care and Support	Contact Details: Tel: 020 8227 3188 Email: Christopher.bush@lbbd.gov.uk
Accountable Director: Chris Bush, Commissioning Director, Children's Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti, Strategic Director, Children and Adults	
Summary	
<p>This report presents the outcome of a review of the multi-agency safeguarding arrangements for children which were established in 2019. These arrangements were presented to Cabinet on 18 June 2019 (Minute 15 refers) for approval.</p> <p>Following a recent review this report seeks agreement to an amendment to the arrangements which transfers the statutory responsibility under the Children and Social Work Act 2017 from the Barking, Havering, and Redbridge (BHR) Safeguarding Partnership to the local Barking and Dagenham Safeguarding Children Partnership (BDSCP). Similar reports are being presented to the Cabinets of LB Havering and LB Redbridge seeking the same.</p>	
Recommendation	
<p>The Cabinet is recommended to agree that the governance of the statutory responsibility for multi-agency safeguarding children revert to being at the local level, led by the statutory safeguarding partners through the Barking and Dagenham Safeguarding Children Partnership (BDSCP), with effect from April 2022.</p>	
Reason(s)	
<p>Following a review by the statutory safeguarding partners, and in consultation with the Independent Scrutineers/Chairs of the three local Safeguarding Children Partnerships in Barking and Dagenham, Havering and Redbridge, it has been agreed that the statutory safeguarding children function would revert to be being at borough level from April 2022, subject to necessary Cabinet agreement(s).</p>	

1. Introduction and Background

- 1.1 The Government commissioned a review of local multi-agency safeguarding arrangements for children, and the subsequent publication of the Children and Social Work Act 2017 and statutory guidance Working Together to Safeguard Children 2018 placed a new responsibility on Local Authorities, the NHS and Police to make arrangements for working together in the local area.
- 1.2 It was agreed by Cabinet in June 2019 that Barking and Dagenham would work with Redbridge and Havering to form a BHR Safeguarding Partnership, including the North East London CCG and the East Area Basic Command Unit (BCU) Metropolitan Police Service (MPS). These arrangements were published in June 2019 and were subsequently implemented (see Appendix 1).
- 1.3 It was agreed as part of the published arrangements that a review would take place to consider the effectiveness of the new approach. This was delayed due to the pandemic but took place in summer 2021.
- 1.4 The review, which included all statutory safeguarding partners and the Independent Chairs/Scrutineers of the local Safeguarding Children Partnerships (SCPs) concluded that working together at a strategic level across a broader geographical area had many benefits. Much had been achieved in the areas of quality assurance, exploration of mutual areas of concern, sharing good practice and general working together in a cross-borough approach. The statutory safeguarding partners wanted to build on this platform, via for example themed safeguarding summits and 'deep dives' into safeguarding issues. However, the volume of business that needed to be directed through this route at meetings had impacted on capacity.
- 1.5 It was agreed that the statutory requirements, including reporting, and the associated administrative processes, would be better served on a local basis via the existing SCPs which had broader membership and more detailed knowledge of the individual boroughs.

2. Proposal and Issues

- 2.1 The statutory safeguarding partners agreed that this proposal would be taken forward with a view to implementing from April 2022. Therefore, it is proposed to move the statutory multi agency safeguarding responsibility to the local partnerships, the BD Safeguarding Children Partnership for Barking and Dagenham, whilst maintain a non-statutory multi agency partnership across the Barking and Dagenham, Havering, and Redbridge (BHR) area. The non-statutory BHR arrangement would continue to focus on collaborative working and the sharing of learning and good practice.
- 2.2 The proposal has been agreed at the BHR multi agency meeting and LB Redbridge and LB Havering will be taking similar reports through their decision-making arrangements. The CCG and Met Police will also be securing approval for the change through their respective governance arrangements. The proposed has been discussed and agreed at the Barking and Dagenham Safeguarding Children Partnership.

3. Financial Implications

Implications completed by Philippa Farrell, Head of Service Finance:

- 3.1 This report seeks Cabinet's agreement to the statutory responsibility for multi-agency safeguarding children to revert to being led at the local level, through the Barking and Dagenham Safeguarding Children Partnership (BDSCP) with effect from April 2022.
- 3.2 Some partners in the existing arrangement are also in the process of seeking approval for the change through their respective governance arrangements. Once approval for this stage is received further development of the terms and mechanism for the non-Feel statutory multi agency partnership across the Barking and Dagenham, Havering, and Redbridge (BHR) area will commence. This will have financial risks as the Safeguarding Children Partnership received financial contributions of £30k from the CCG, £5k from the Police/MOPAC, £41k from Maintained Schools, £14k from Academies and £7.5k from the BHRUT, while the Council also contribute. We will not know the extent of the risks until the new arrangements are in place.
- 3.3 The Council provided the sum of £21k towards the running of the partnership in 2020/21. Total expenditure, which was within budget, was £109k in the same year. These include the costs of practice learning reviews, training and development needs, administration, independent chairs, and corporate overheads. The requirement for the £21k will not reduce but could increase. As noted in 3.2 above, there might be further financial implications in the future which will become clearer when detailed plans on how the new arrangements will operate and be funded are produced.

4. Legal Implications

Implications completed by Lindsey Marks, Deputy Head of Law.

- 4.1 The Children and Social Work Act 2017, significantly amended the Children Act 2004 and one of the changes was that Local Safeguarding Children Boards would be replaced with Local Safeguarding Children's Partnerships. The 3 safeguarding partners are the Local Authority, the Police and the CCG who have equal and joint responsibility for Local Safeguarding arrangements.
- 4.2 In July 2018 an updated version of Working Together to Safeguard Children was published and required local authorities to begin their transition from LSCBs to local safeguarding partners. The statutory guidance provides that local safeguarding partners should agree the level of funding secured from each partner to support the new safeguarding arrangements. The level of funding secured from each partner should be "equitable and proportionate", with contributions from each relevant agency. Funding is required to be transparent to children and families in the local authority area and to include the cost of local child safeguarding practice reviews.
- 4.3 At least every 12 months the local safeguarding partners and relevant agencies must publish a report on what they have done as a result of the arrangements, and how effective the At least every 12 months the local safeguarding partners and

relevant agencies must publish a report on what they have done as a result of the arrangements, and how effective the arrangements have been in practice.

- 4.4 The proposal in this report ensures that the Local Authority with the other 2 partner agencies (the Police and the CCG) complies with the requirements of Children and Social Work Act 2017 for a Local Safeguarding Children's Partnership, and rather than being a multi-agency safeguarding children partnership across Barking and Dagenham, Havering and Redbridge, it will revert to being at the local level, led by the statutory safeguarding partners through the Barking and Dagenham Safeguarding Children Partnership.

Public Background Papers Used in the Preparation of the Report:

- Cabinet Report, June 2019, Safeguarding Partnership Arrangements
<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=180&MId=10038&Ver=4>

List of Appendices:

- **Appendix 1:** Published Arrangements 2019-2020



The BHR SAFEGUARDING PARTNERSHIP

Multi Agency Safeguarding Arrangements 2019-20

1. Introduction

This Plan has been produced by the three statutory Safeguarding Partners (SPs) as identified within 'Working Together 2018' and very clearly sets out how the safeguarding arrangements will be provided across the Barking and Dagenham, Havering and Redbridge areas. The SPs are:

- London Borough of Barking and Dagenham
- London Borough of Havering
- London Borough of Redbridge
- NHS Barking and Dagenham Clinical Commissioning Group
- NHS Havering Clinical Commissioning Group
- NHS Redbridge Clinical Commissioning Group
- Metropolitan Police Service

As the Safeguarding Partners for the Barking and Dagenham, Havering and Redbridge areas we are pleased to publish our new multi-agency safeguarding arrangements. Our Plan places the well-being and safety of our children and young people at the very heart of our arrangements and all our future work will be dictated by what will best meet their needs. The Plan finds a balance between making good use of developing an integrated approach to some of our common shared safeguarding needs, bringing together much of the infrastructure work needed to support the partnership and ensuring a sharp local focus on the issues and needs that relate to children and young people in the communities in which they live. Above all else, our Plan and subsequent activities will be driven by listening and responding to the needs of children, young people and their families in our areas.



Elaine Allegretti
Director of People and Resilience
London Borough of Barking & Dagenham



Adrian Loades
Corporate Director of People
London Borough of Redbridge



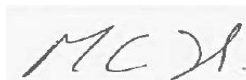
Tim Aldridge
Director of Children's Services
London Borough of Havering



Steve Clayman
Detective Chief Superintendent
East Area BCU Commander
Metropolitan Police Service



Jane Milligan
Accountable Officer
NHS North East London Commissioning Alliance
(City and Hackney, Newham, Tower Hamlets,
Waltham Forest, Barking and Dagenham,
Havering and Redbridge CCGs)

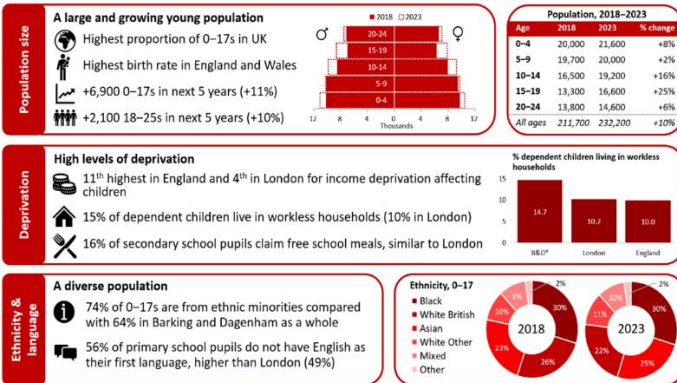


Ceri Jacobs
Managing Director
BHR CCGs

2. About the Boroughs

Barking and Dagenham

A rapidly growing, fast changing borough that is increasingly young and facing many significant challenges...



Havering

An elderly borough with the highest projected growth for children in London





Sources: GLA 2016; ONS 2011 Census; DWP Nov 2016; DWP Apr 2019

Sources: GLA 2014; ONS 2018; Met 2019; ONS 2017 mid-year estimates; Greenspace info for Greater London 2015; ONS 2017

3. Vision

As Safeguarding Partners, we have set out our vision for this Plan in three areas:

Firstly, above all else the work encapsulated in this Plan has to **reduce the harm and risk** faced by children and young people in our communities. In order to do this, we will ensure that their needs and their voices are centre stage in all we do.

Secondly, as SPs we know we are reliant on the skills and expertise of our collective workforce so we are making a commitment to **invest in that workforce** and specifically to build a culture that values reflection, analysis and learning.

Thirdly, we will not be driven by organisational needs or limited by agency boundaries – where it is **better for children we will work locally and where it is better to work across the wider footprint then we will do so**. The defining factor will be what will be the most effective in keeping children safe.

4. Joint Safeguarding Principles

This vision for the Plan leads us to define a number of core principles that will guide our work:

- As Safeguarding Partners, we positively and proactively accept our lead responsibility for these arrangements. We will ensure that our relevant agencies are asked to contribute proportionately and in a focussed way – we will consciously

move away from the need to have every agency around every table and instead ensure their contribution is made where it is most relevant

- The core focus of this Plan is on our quality assurance and scrutiny functions – we will develop an approach that is characterised by reflective learning and appreciative inquiry
- We will use this Plan and future iterations of it to reduce duplication and repeated demands on those agencies that work across more than one local authority area
- The learning from our work set out in this Plan will where relevant be captured into our commissioning strategies, most especially through the ‘Children’s Transformation’ work described below
- The structure designed to support our arrangements will flex and respond to meet need and circumstances – form will very clearly be driven by function
- Decision-making will be clear and specific with each component part of the arrangements having clarity about role and purpose

Staff in all agencies across BHR will continue to follow the Pan-London Child protection Procedures and those procedures will continue to govern the operational delivery of safeguarding services to children and young people across our area.

5. Tiers of Activity

This Plan is designed to operate on three interrelated tiers or levels which, when taken together, will enable us to deliver our safeguarding duties in the round. Statutory Partners recognise that they are a part of a much wider system that keeps children and young people safe. Therefore, it is recognised that our arrangements will need to engage all partners who have a contribution to make to safeguarding.

First Tier of Activity

Children, young people and their families live in local neighbourhoods and communities. Their prime reference points are firstly those local areas and secondly the boroughs made up by those communities. The core part of our Plan therefore is designed to reflect those realities and ensure we build arrangements that best meet local needs.

As Safeguarding Partners, we will therefore construct a set of arrangements designed to meet the needs of the children and families in each of the three areas within the overall BHR footprint.

Barking and Dagenham – B&D are progressing their local safeguarding work through five main strands. Firstly, through their Improvement Plan developed in response to the Ofsted ILACS inspection (March 2019); secondly, through their work as a development site for contextual safeguarding (see below); thirdly, as one of the five selected sites by the Early Intervention Foundation to deliver an early years transformation academy (which will be used to target issues related to neglect); fourthly through some work led by the Chief Executive on domestic abuse and fifthly, through the formation of a multi-agency Safeguarding Quality Assurance Group. This latter group will build on the previous work of the LSCB and act to offer some oversight and challenge to the local safeguarding system.

B&D will also be recruiting a 'Safeguarding Champion' to deliver their **independent scrutiny** function. Built as a local equivalent to the children's commissioner role, the post holder will have free rein to roam across the local safeguarding system but with a specific focus on hearing and representing the voices of children, young people and their families.

Redbridge – the out-going LSCB has set four priorities for the area which will remain in place for the coming period and are all addressed by this Plan. They are safeguarding vulnerable adolescents; supporting schools and other educational settings; learning from practice and learning from children, young people and families. They will develop a local safeguarding partnership that focusses on both strategic issues and local risks to the safeguarding of children and young people. Its responsibilities will include: identifying annual local safeguarding priorities; progressing the delivery of those safeguarding priorities that are not adopted for cross borough working; overseeing performance and the quality of safeguarding arrangements in Redbridge; coordinating the response to key local safeguarding risks and emerging risks in Redbridge working with other partnerships as needed and ensuring the dissemination of learning both locally and contributing on a cross borough basis.

It will retain an **Independent Chair** who will continue to provide a scrutiny function as required. An **Independent Scrutineer** would also be commissioned to provide annual assurance in judging the effectiveness of multi-agency arrangements to safeguard and promote the welfare of all children and young people in Redbridge. The independent scrutineer would be expected to give a particular focus to the views of children, young people and families when undertaking their role.

Havering - will develop a Safeguarding Partnership Group to work in conjunction with the BHR Partnership and provide overall strategic direction and governance for the safeguarding partnership within Havering. The Havering Safeguarding Partnership Group (HSPG) will be chaired by the Director of Children's Services. It will develop and oversee the implementation of an annual work programme, identifying key priorities for the partnership, and agreeing objectives for the partnership and individual agencies. Providing leadership and oversight, the HSPG will ensure that the local partnership is effective and provides opportunity for the alignment of safeguarding priorities across agencies and in the wider community of Havering. It will be aligned with national and regional safeguarding work to ensure that local work both learns from and contributes to national best practice. It will retain its focus on the outgoing LSCB's priority areas – children in need and subject to child protection plans where neglect is the concern; working with the Corporate Parenting Group to improve services to care leavers and implementation of the recent Adolescent Safeguarding Strategy with focus on criminal exploitation, county lines and modern slavery. To facilitate effective scrutiny of interdependent work areas, four local thematic groups overseen by the HSPG are envisaged, each to be chaired by a member of the HSPG. The themes will be: Adolescent Safeguarding; Quality and Effectiveness; Schools and Learners; and Case Review Group. The HSPG will also develop Task and Finish Groups as required to examine areas of particular concern with agreed terms of reference.

Havering will commission an **independent person** with the relevant profile, to scrutinise the work of the HSPG through various mechanisms such as observation of processes/review of

minutes/ evolving dialogue with stakeholders, particularly children, young people and their families.

Second Tier of Activity

The need for local focus notwithstanding, there are some safeguarding issues which are common to all and where an integrated and combined response makes best use of our collective resources (including those of our relevant agencies) and which will be more effective in countering risk and increasing safety.

The most obvious area where this approach currently applies is in the area of adolescent risk, dangerous drug networks, gang membership and knife crime. This is a clear example of a current pressing issue, felt in all areas, where borough boundaries are irrelevant for both perpetrators and victims of harm and where all agencies have a contribution to make at some level.

Barking and Dagenham is one of the development sites for Contextual Safeguarding as identified by the University of Bedfordshire and the DfE. The work being developed there will be of relevance to all three areas and will help shape our collective response to this pressing issue. The Safeguarding Partners will commission a task and finish group who will be asked to review current practice, both strategically and operationally, identify areas of good and best practice that can be more widely adopted, examine the roles and contributions of the existing multi agency arrangements to address the needs of young people at risk of or suffering CSE/CE; to consult with young people and relevant voluntary and community bodies and help shape a way forward that both works across our boundaries but allows for local variation as needed. They will make links with the respective Adult Safeguarding Boards (to address issues relating to the involvement of vulnerable adults through processes like 'cuckooing') and that addresses the wider issues of transitional safeguarding and that there is work is carried out across traditional age boundaries. Community Safety Partnerships to ensure a broad integration of approaches and activities – this issue is of such concern that it is crucial that all efforts designed to counter it are well directed and coherent.

The work will coincide with the first review being commissioned by the National Child Safeguarding Practice Panel which is focussed on adolescents and criminal exploitation and due to report in October 2019.

Third Tier of Activity

We have already identified a number of functions and activities which in our judgement will be more efficiently provided either once across the whole area or at least to common templates and processes. We will build on the best of the work already underway under the governance of the three respective LSCBs and bring to a conclusion some good work that has already been initiated by those Boards. We have already constructed a response to the CDOP duties across our three areas and we want to extend and expand that approach as far as possible. In particular, we are wanting this group to develop responses to the following,

set out against the aspirations and commitments we have agreed for each of these areas of work.

Our guiding principles in all these areas is to simplify, to align and to improve.

(i) Rapid Reviews

What Will We Achieve: Compliance with the national requirement to complete rapid reviews within 15 working days; reviews that offer the necessary narrative and analysis that enables local partners and the National Safeguarding panel to make informed choices about the way(s) forward and the quick and effective dissemination of learning back into the system.

Given these are by definition, case specific, they will be carried out within the area of residence for the child/family involved. We will use our existing local arrangements for the conduct of Serious Case Reviews to conduct these reviews. However, we will develop a common template for all agencies who might be asked to contribute to such a review. The SPs will sign off any completed review and in particular ensure that any recommendations contained therein – whether to conduct a Local Safeguarding Review, whether to conduct any other form of local response; to recommend a national review or to not do any review of any description – are properly owned by the local system.

All rapid reviews, regardless of their proposed outcomes, will be tabled both within the local arrangements and with the tri-borough SP meeting – it is important that all are sighted on specific incidents of concern and abuse that trigger the rapid review threshold. SPs will want to identify any emerging themes which might lend themselves to a thematic local child safeguarding practice review.

(ii) Local Child Safeguarding Practice Reviews

What Will We Achieve: the completion of LCSP reviews that are short, focussed and reflective, enabling effective dissemination of learning across the system and that meet the standards set out in Working Together 2018 and are responsive to any future guidance from the National Panel

Again, these are child specific and will need to be commissioned and delivered within the relevant authority boundary. Completed reviews will be tabled both locally and across the wider area. In particular, the SPs will want to maintain an oversight on emerging themes and risks and the production of a review in one area may result in a stocktake and diagnostic in the others. Working Together requires reviewers to be independent of the case under review but not necessarily completely independent of the local safeguarding system. We will therefore develop a pool of reviewers across the wider area able to conduct these reviews as required.

(iii) Quality Assurance

What Will We Achieve: quality assuring safeguarding systems requires regular and challenging reviews of existing practice and service delivery. Our core focus is to enable reflective learning with a strong focus on 'what works'

In addition to the LCSP Reviews as required by Working Together, as SPs we are committed to developing a culture of learning and improvement across the whole area. Relevant staff across the three areas will come together to develop a shared programme of reviews across the local system, the outcomes of which will be shared across the whole area; they will identify an agreed methodology(ies) for these reviews with a particular focus on not just involving front-line practitioners but enabling them to conduct and lead on practice evaluations; and to identify examples of good effective safeguarding practice that can be reviewed and analysed and findings disseminated. We will use the development of this shared programme to both reduce demand on those agencies which work across the whole footprint and to ensure the full engagement of our relevant agencies and local partners.

(iv) Agency Challenge

What Will We Achieve: an assurance that all agencies are making their appropriate contribution to the safeguarding of vulnerable children and young people and are contributing as required to the local safeguarding system

Working Together 2018 is clear in setting out the crucial contribution of ‘relevant agencies’ especially but not solely schools, colleges, other education providers and early years settings. The duties placed on those agencies under the 2004 Children Act still stand of course and it is important that there is an assurance about the effectiveness of their contributions. We will develop a model of assurance with all our relevant agencies that is proportionate, challenging, informative and ultimately which adds value to our collective safeguarding work.

(v) Data Analysis and Challenge

What Will We Achieve: we will establish a short-focussed dataset designed to focus on the outcomes for children and young people across the system and that add value to our overall scrutiny work

As with our commitments around independent scrutiny, so our approach to the construction and purpose of a multi-agency dataset will be driven by the need to add value to work already underway across all partner agencies. We will develop data that focusses on outcomes rather than processes, which highlights potential areas of difference across the three areas (so measuring incident rates becomes important) and that will look beyond the scope of ‘normal’ performance indicator reporting.

(vi) Workforce Development

What We Will Achieve: we will build on the best of our current workforce development programmes to ensure a consistency of approach across BHR and a focus on the skills and expertise needed to keep children safe.

We will identify a training programme across the wider BHR area that is designed to focus on those issues that most benefit from multi agency training and that make the biggest impact on children and young people’s safeguarding. Learning from our collective quality assurance work, being responsive to local need and ensuring a relentless focus on practice essentials will be our key drivers.

6. Partnership Structure

As stated in our principles, the formation of our structure is clearly secondary to what it is we are seeking to achieve. The Plan is clear in setting out the required outcomes from these structural arrangements and partners stand ready to amend the structure if those outcomes are not being realised. That said, it is important that relevant agencies and those we need to engage with are able to see how our work is captured and the governance under which it takes place.

The First tier of Activity clearly sets out what will be in place locally.

We will construct a **Safeguarding Partners Group** – the 3 DCSs; the BCU superintendent - Head of Safeguarding from Police and the CCGs Chief Nurse. This group will meet six-weekly in the first instance until these new arrangements are established and proving to be effective. This small, senior group will take the lead for the multi-agency safeguarding arrangements across BHR and in particular will:

- Define and share the key safeguarding priorities within each area and develop cross borough responses where it makes sense so to do
- Support local arrangements to be focussed on local issues and that local learning is made available across the BHR area
- Identify themes and activities that require independent scrutiny and commission scrutiny providers to provide challenge and guidance (see section on Independent Scrutiny)
- Resolve any inter-agency conflict as might arise
- Maintain an overview of the new arrangements as they develop

7. Relevant Agencies

It is a matter of fact that the safeguarding of children and young people can only be delivered by all those agencies with a part to play working together in a coherent and integrated manner. As Safeguarding Partners, we recognise and embrace our leadership role but we know we can only deliver what is required of us through highly effective whole system work. One of our core principles is that of ensuring that our partners are asked to contribute to our safeguarding work in ways that are proportionate and appropriate to their core responsibilities. Agencies will be expected to contribute significantly where it is clearly their role so to do but not where their contribution would be marginal.

The local arrangements set out above will clearly engage many of our relevant agencies – but again with a specific focus on ensuring there are enabled to make the ‘right’ contribution in the ‘right’ setting. The proposed BHR work on adolescents will specifically need to engage with agencies such as the respective YOTs, the NOMs and CRC; representatives of the secondary school sector, CAMHS and relevant VCS bodies.

Our schools and early years settings are of course crucial partners in all our work with children and young people and in maximising their safeguarding. As with all other agencies,

we are wanting to ensure that their contribution is purposeful and proportionate. We see their presence being especially important in three key areas.

Firstly, through the various local arrangements this Plan describes and ensuring that those local arrangements have the right people round the right table making the right contributions. Secondly, in the cross -borough developments also set out here – our work to better protect adolescents and address gangs and knife crime will be absolutely dependent on the contribution of all our schools (including the primary sector) and education provider. Thirdly, through the exploration of individual cases whether formally through the rapid review and local child safeguarding practice review processes or through locally defined case audit activity.

8. Independent Scrutiny.

We are committed to the value independent scrutiny can bring to all of our safeguarding work. Holding a mirror up to that work is crucial if there is to be confidence our practices are as safe and effective as possible. We are committed to seeking challenge that is informed, expert (including expert by experience) and focussed on our overall commitment towards continual improvement. As Safeguarding Partners, we are all particularly committed to ensuring that our independent scrutiny processes enable us to better hear the views and experiences of children, young people and their families and enable them to have a more active and powerful voice in how our services are designed and delivered.

Within each of the three local authorities, there are well established performance management arrangements, both within children’s services and from the corporate centres. Operational Managers, up to and including the Chief Officers are both managing and challenging their own services all of the time. They are aware of any deficits in standards and practices and they are continually seeking to improve. In addition, members in each of the authorities provide regular robust scrutiny and challenge to our safeguarding services.

In health, there is a well-developed and robust system of contract management and supervision of safeguarding professionals that drives the work of the providers, all of whom have to meet a considerable set of safeguarding objectives within their contracts. The CCGs have internal governance arrangements that Safeguarding Partners can utilise for assurance on the safeguarding arrangements across health providers. This includes the management of safeguarding risks.

Within the Metropolitan Police, an Assistant Commissioner is designated strategic safeguarding responsibilities and a Commander heads an organisation-wide accountability framework within which BCU Command is held to account. Value is added through regular, themed HMICFRS inspections at both force and a national level as well as the challenge offered by the Mayors Office for Policing and Crime - MOPAC.

All three local authorities are active in the Regional Improvement Alliance – this is a network of nine regional groupings across England, supported by the ADCS and DfE. In London this work is overseen by ALDCS and supported by London Councils. London is divided into four sub-regions, with BHR falling into the East London sub-region. The aim is to create a self-

improving system, with a series of self-evaluations, peer reviews and peer challenges, together with a data benchmarking approach. There is an annual London summit involving lead members and Chief Executives, to share learning and agree priorities. The priorities for 2019/20 are: Adolescent Safeguarding, SEND, Workforce and Resources.

Finally, of course, SPs and relevant agencies are subject to external inspection from their own inspectorates - Ofsted, CQC and HMICFRS - and jointly through the JTAI arrangements.

Our plans for independent scrutiny are therefore carefully crafted to add value to an already crowded and complex landscape of challenge. Safeguarding children is an enormously complex and multi-faceted task that requires complex and multi-faceted delivery arrangements. Scrutiny of those arrangements needs to be well-informed and well-focussed if it is to add value to what is already in place.

As a consequence, as SPs in BHR we believe that there needs to be a range of scrutiny processes in play so we can be assured that that added value is being delivered and we will develop a menu of scrutiny processes both locally and across the wider BHR footprint that will include:

- The development of the role of Safeguarding Champion as set out above
- (For some), the retention of the Independent Chair role
- The development of inter-borough and inter-agency challenge, using expertise in one area to help challenge and scrutinise work in another
- Developing the role of children, young people and families to actively engage in system challenge and scrutiny
- Buying-in expert challenge from those across the country who have a proven track record in the area under scrutiny to lead practice workshops, case evaluations, learning sessions

All challenge and scrutiny will feed into the SPG. This is the group with the ultimate responsibility to respond and will ensure that a response is made either directly or via one of the partnership arrangements in the area.

9. Thresholds

Barking and Dagenham, Redbridge and Havering all have published threshold guidance available through the respective Council websites. It is one of the intentions of the BHR Safeguarding Partners to explore these further with a view to examining any tensions and differences between them and to examine the impact of those differences on referring agencies – our principles of simplify, align, improve will guide this review.

10. Funding and Support Capacity

Currently, there are separate LSCB budgets and separate support staff within each local authority. Existing funding levels will continue; SPs do not intend that this Plan will increase costs. At this stage, there are no detailed plans to explore a possible merger of budgets or staffing, although SPs will actively look at the scope for improved economies of scale and

better focussed spending plans. Some of the budgets will need to be freed up to support some of the commitments in this Plan, especially investing in the independent scrutiny commitments and inevitably staff in the three boroughs will increasingly work together in the delivery and development of this Plan.

11. Review and Annual Report

SP will be reviewing the efficacy of this Plan from the outset and be ready to amend and refocus work as required – safeguarding children is a complex task and SP need to ensure their collective systems are best focussed to carry it out as well as possible.

Formally, the BHR Safeguarding Partnership will, in May 2020, commission an independent scrutineer to review their work and the impact or otherwise of the new arrangements. SP expect that review will also identify future work commitments and will therefore form a core part of the forward programme for June 2020 and beyond.

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CABINET**22 March 2022**

Title: Be First Business Plan 2022-27	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report with Exempt Appendix 1 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Hilary Morris, Commercial Director Idit Chrysostomou, Corporate Investment and Contract Manager	Contact Details: E-mail: hilary.morris@lbbd.gov.uk ; Idit.chrysostomou@lbbd.gov.uk
Accountable Strategic Director: Claire Symonds, Chief Executive	
<p>Summary</p> <p>This report seeks Cabinet approval of the 2022-27 Business Plan for Be First (Regeneration) LTD (co no: 10635656) (Be First) in line with the requirements of its Shareholder Agreement. The Business Plan has been scrutinised by the Shareholder Panel, the advisory body created to monitor and report to Cabinet on the performance of companies that the Council has a shareholding interest in.</p> <p>It must be noted that the Business Plan has been developed whilst in pandemic environment and its impact and that of other factors such as Brexit and increased fire regulations requirements are still impacting trading conditions and the Company's ability to deliver the outcomes outlined in the business plan. Performance against this plan will be monitored through the Shareholder Panel.</p> <p>The substantive Business Plan is contained within Appendix 1, which is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: 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.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Approve the Be First Business Plan 2022-27, as set out at Appendix 1 to the report; (ii) Authorise the Finance Director, in consultation with and on the advice of the Investment Panel, to take all necessary action to enable Be First to carry out its proposals under the Business Plan and to agree any minor variations to the Business Plan subject to the conditions in these recommendations; 	

- (iii) Authorise Be First and/or the Finance Director to enter into any procurement related agreement or commitment, including procuring the new Development Framework, required to enable the delivery of the Business Plan, subject to compliance with Subsidy rules, the Public Contracts Regulations 2015 (or any replacement thereof) and the Council's Constitution; and
- (iv) Authorise the Finance Director, in consultation with and on the advice of the Investment Panel, to grant loans and complete all necessary documents and negotiations to complete the projects set out in the Business Plans subject to all necessary due diligence and compliance with Subsidy rules, the Public Contracts Regulations 2015 (or any replacement thereof) and the Council's Constitution.

Reason(s)

To assist the Council with delivering the Inclusive Growth Strategy and delivering a well-run organisation. This proposal is in line with Recommendation 8 of the independent Growth Commission's report published in February 2016 and is therefore aligned to the Council's 'Inclusive Growth' priorities.

1. Introduction and Background

- 1.1 Approval of the Be First business plan is reserved to the Council as shareholder under the Shareholder Agreement (entered into with Be First in September 2017). This is an executive function exercised by the Cabinet on behalf of the Council as shareholder. In line with the Shareholder Agreement, this Business Plan has been produced for Cabinet approval.
- 1.2 The Business Plan was approved by Be First's Board in February 2022; Corporate Strategy Group on 17th February 2022 and has been scrutinised by the Shareholder Panel and recommended for approval to Cabinet on Monday 28th February 2022.
- 1.3 This report highlights Be First's key objectives to be delivered and the period by which the returns, either financial or social, are expected with the detail behind the assumptions outlined in the 2022-27 Business Plan (Appendix 1).
- 1.4 The proposed Be First Business Plan identifies that Be First have progressed a number of activities in 2021/22 and that overall, since it was created Be First has played a key role in enhancing socio economic outcomes for the borough, as well as delivering on regeneration and place making objectives – all in synergy with the Council's "no one left behind" vision.
- 1.5 The 2021-26 GLA Affordable homes programme allocations show Barking and Dagenham as the top London borough to deliver new homes – expected to deliver 1,757 new homes (in second place is LB Enfield - expected to deliver 1,119 homes).
- 1.6 However, 2022 was another difficult year, with continuing challenges associated with trading in a pandemic environment and persistent pressures as a result of increased labour and materials costs, which have all had an impact on schemes delivery timeline and costs. The Grenfell Fire tragedy in June 2017 still plays a contributing factor to increased development costs.
- 1.7 The challenges have impacted existing and pipeline schemes' viability and have

made it more difficult for Be First to maintain its planned development programme through which it draws fee income. These trading conditions have therefore impacted the Company's ability to deliver the financial return and all core service functions are expected to deliver final year income which is less than business plan targets.

- 1.8 The 2022-27 Business Plan and the 2022/23 income forecasts in particular highlight the difficulties associated with delivering the core service functions of the Company in this trading environment. Furthermore, the procurement of a new development framework is anticipated to reduce the income associated with levy fees in future.
- 1.9 The 2022-27 plan assumes zero NHB payments post 2022/23. Central Government however, recently launched a consultation regarding a new round of New Homes Bonus (NHB) payments, although this will not attract new legacy payments. Should the consultation outcome result in some elements of NHB payments being issued, this may improve the financial return to the Council.

2. Be First Company performance highlights in 2021/22

- 2.1 Considering the challenges discussed above, Be First has been proactive in adapting its strategy during 21/22 and at the time of the production of this report is still forecasting to deliver its financial return and other commitments set out in its 2021-26 business plan by the end of the Financial Year. Although achievement of those still relies on certain schemes reaching contract award or practical completion by the end of March 2022 and therefore is not certain.
- 2.2 Be First's performance is measured against the following four key strategic objectives and progress and achievements against each of these is set out below.

Strategic objective 1 – New homes delivery
 Strategic objective 2 - Place making
 Strategic objective 3 - Socio-economic outcomes
 Strategic objective 4 - Financial return

2.3 New homes delivery

- 2.4 On a like-for-like comparison, schemes included in the 2021-26 business plan target are expected to achieve 207 out of the 241 new homes delivery target. However, Be First have accelerated the delivery of Gascoigne West Phase 1 which is now expected to complete by the end of 2021/22. If successful, this will add 201 additional units completed this year; totalling 408 new homes delivered.

Table 1: 2021/22 new homes completion forecast

Project	Homes	
Sacred Heart	29	
Melish & Sugden Way	19	Delayed
A House for Artists	12	
Becontree Avenue 200	19	
Sebastian Court	95	
Margaret Bondfield	15	Delayed
Gascoigne East Phase 2 –Block C	52	
Total as per BP	241	
Gascoigne West Phase 1	201	

- 2.5 The 2022-2027 plan assumes zero NHB payments post 2022/23. Central Government however, recently launched a consultation regarding a new round of New Homes Bonus (NHB) payments, although this will not attract new legacy payments. Further details will be made available when this process concludes
- 2.6 **Place shaping**
- 2.7 The work to enhance outcomes from the Barking and Dagenham Local Plan as well as delivery of strategic projects, such as the Film Office and the relocation of The City's food markets, is expected to attract new employers to the borough, stimulate the local economy and create a sense of civic pride for residents.
- 2.8 The Thames Road Masterplan has been progressed, and officers are now working on the delivery plan which will set out the way the vision will be delivered. Work has commenced at Mark's Gate to co-design a vision for the area through engagement with communities, to ensure place shaping is driven by residents' experiences and needs.
- 2.9 The local plan has now been submitted for to the Planning Inspectorate for independent examination – in conjunction with the vision of “no one left behind” and sets out ambitious plans to deliver over 44,000 new homes; 20,000 new jobs and several other initiatives.
- 2.10 **Socio economic outcomes**
- 2.11 A number of the targets set out in the original Be First Business Plan were intentionally long term in nature and reflected the aspiration of the 30-year timeline for some borough Manifesto targets. These indicators are heavily influenced by factors in the external environment outside of Be First's control however Be First are an important lever in securing those outcomes.
- 2.12 For instance, since the pandemic broke out unemployment in the Borough increased from 5.5% in 2020 to 7.2% in 2021. This translated into 5,900 more residents claiming unemployment related benefits in September 2021 compared to February 2020. Be First is working with the Council's commissioning team to create additional local jobs through the Film Office, the forthcoming relocation of The City's food markets and other initiatives to assist in driving down unemployment levels.
- 2.13 Notably, the % of residents who are economically active (aged 16-64) with NVQ3 qualifications has increased from 46.8% in 2019 to 59.8% in 2020 – resulting in Barking & Dagenham moving from 32nd place on the league table (where it's been since 2017) to place 29. The business plan target is to contribute towards a positive movement of 5 places by 2027.
- 2.14 In addition, Be First's own initiatives and work with its supply chain to enhance socio-economic outcomes are expected to assist in altering the trajectory of socio-economic outcomes for the borough and as an example the following have been achieved during the 21/22 year
- 140 New Barking and Dagenham Jobs
 - 56 Apprenticeships supported across the Framework
 - 244 Work Experience weeks delivered across Be First Projects

- 1365 Volunteering days
- £67,929,140 invested locally in the supply chain

2.15 Financial Return

- 2.16 Be First's financial return is made up of several income sources such as the operational surplus from Be First's core functions (planning, capital programme delivery, construction), New Homes Bonus and Commercial income generated from investments proposed and delivered by Be First. To-date £2,605k has been secured in NHB and £6,862k in commercial income.
- 2.17 In the 2020/21 financial year Be First declared a £6m cash dividend to the Council, with £2m expected to be released by the end of this financial year, with the rest following in 2022/23. In the 2021/22 financial year Be First anticipate over-achieving with £13.9m (current unaudited position) against a £11.8m return but any dividend will depend on a number of elements which are yet to be finalised;
- 2021/22 Final audited accounts position (will be known in the Summer)
 - Tax liability on Be First's Profit and Loss Account which cannot be confirmed until the audited accounts are finalised
 - Confirmed retained earnings position (sufficient cash in the business to pay the dividend)
- 2.18 Importantly, overperformance in 2021/22 is expected to be made possible due to higher than planned commercial income, generated from Be First's marketing and handling of the sale of the Muller site. Core service functions of the business as noted in the introduction have all delivered less income than forecasted.
- 2.19 In total, Be First had to have delivered a cumulative return of £10.3m by 31 March 2021 and then annually recurring thereafter. Therefore, by the end of this financial year across the different income sources mentioned above, Be First should have delivered a £20.6m cumulative return to the Council. Be First has achieved cumulative surpluses in excess of its target within its accounts as set out within the Business Plan, but the actual return delivered to the Council will be £15,467k once the £6m dividend is paid in full. It has been recognised that the return will not be exactly £10.3m every year however, Be First are still expected to deliver the required return over the plan period.

3 Be First Business Plan Commitments 2022-27

- 3.1 The plan outlines a 390 new homes completion target in 2022/23. For further context, when Be First produced its first business plan five years ago, it anticipated delivering 595 new home completions in 2022/23.
- 3.2 In its 2021-26 plan, Be First noted that in order to achieve its finance return targets, it needed to deliver an average of 615 units per year. Across the proposed 2022-27 plan period the average new homes to be delivered per year is 468. Only two years out of the plan period deliver above the 615 averages required, however over the plan period Be First are forecasting to deliver at or above their agreed £10.3m revenue target per year due to additional income being expected from commercial acquisitions and sales income.
- 3.3 The plan includes further commitments to work with the Inclusive Growth

Commissioner to confirm the demands on the Housing Capital programme, enable a holistic approach to new homes delivery, as well as identify and pursue further opportunities to enhance delivery of this strategic objective - to accelerate regeneration activities in the borough.

- 3.4 The 2022-27 business plan outlines various commitments to work towards decarbonisation, from company level to collaboration with other council owned companies, as well as monitoring of Be First's supply chain efforts in this space.

4 Consultation

- 4.1 The Be First Business Plan has undergone the following consultations -

- Approved by the Be First Board in February 2022;
- Endorsed by Corporate Strategy Group on 17 February 2022;
- Endorsed by the Shareholder Panel on 28 February 2022.

5 Risks

- 5.1 There are a number of risks that have the potential to impact on Be First financial performance including risks attached to capital programme delivery; supply chain costs; general economic performance and activity including the ongoing impact of Brexit and Covid-19. These are assessed as part of the business plan and mitigations and monitoring arrangements in place, with the risk register being routinely updated. Corporate risks are monitored through the Shareholder Panel.
- 5.2 Given the increased scale of the borrowing, the interest rate risk (i.e. the risk that interest rates will be higher than currently forecast) will be significant. An interest rate margin has been included to produce the interest budget but there is still the risk that borrowing rates could increase, which would make a number of the more marginal schemes unviable. To mitigate this, where schemes have progressed through Gateway 4 and are in the process of being built, the Council will seek to lock in the borrowing requirement, but it will only do so when rates are relatively low.
- 5.3 It is key that the Council ensures the activity of Be First is strategically aligned with the Council and Reside priorities, to deliver long term outcomes for the borough. The Council has long established governance arrangements to achieve this through the Investment Panel and associated gateway processes.

6 Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager and Tomas Mulloy, Chief Accountant

- 6.1 The Be First Business Plan (BFBP) is based on data as at 30 November 2021 and this predates any subsequent Investment Panel and Cabinet agreements. The costs in the report include significant increases in build costs for most schemes but predates additional pressures that have resulted from the high inflation levels, especially around operational costs.
- 6.2 The BFBP is dependent on development fees paid by the Council, although there is an increased income stream from commercial schemes. The developments outlined in the report have been significantly impacted by the increases in build cost and

increase to operational costs to manage schemes. This has resulted in most of schemes that are being built or are scheduled to be built to be unviable when assessed against their original assumptions.

- 6.3 The build cost increases are due to additional requirements to meet updated fire regulations, increased materials costs and, to a degree, costs associated with Covid-19. The build costs increase, although costly to the Council, have positively contributed to the Be First return target as fees are based on a percentage of build costs. However, the increase in build costs have meant some schemes have been delayed. To improve scheme viability, additional grant has been requested from the GLA and the use of Right to Buy (RtB) receipts has increased from 30% to 40% (i.e. if £3m was originally required, £4m of RtB is being used). The use of RtB receipts will have an impact on future schemes as it is effectively a finite resource for the Council and is reliant on the sale of properties within the HRA. It is essential that future developments take this impact into consideration.
- 6.4 Even with the additional grant and use of RtB receipts, the viability of most schemes remains extremely challenging with schemes that were previously viable now being unviable or marginally viable. This is especially the case at individual tenure level and it has been necessary to significantly reduce the loan interest rate to Reside and the Registered Provider for these schemes, which has resulted in a much-reduced margin to the Council. The interest margin provides some protection to the Council should the viability of a scheme deteriorate. The reduction in lending rate has resulted in most schemes being viable but has greatly reduced the return to the Council and even then, many schemes are only marginally viable. It has also reduced the amount of surplus available to cover losses that are forecast in some years for other schemes, such as Trocoll.
- 6.5 The reduction in lending rate was possible due to the Council locking in low rates from the Public Loan Works Board. However Gilt rates have increased significantly over the past two months, and this limits the ability to reduce lending rates for pipeline schemes and potentially may require the lending rate to increase if the increase in rates is long term. This will put further pressure on the viability of pipeline schemes if build and operational costs do not decrease.
- 6.6 One consequence of the increased build costs is that there is an increase in the number of turnkey schemes being looked at as part of the BFBP. Turnkey schemes are built by a developer and can be built for significantly lower unit costs than Be First can achieve. For these schemes the Council agrees to purchase all or part of the scheme to accelerate the build, to ensure a stalled scheme progresses or to influence the amount of social housing being provided. These schemes can be significant in size, with Beam Park, a recently agreed scheme, requiring the Council to borrow in excess of £250m to accelerate delivery of 936 units in Dagenham. The Be First pipeline of schemes includes a number of turnkey schemes and it is essential that decisions to fund these schemes take into account the level of additional borrowing that the Council will need to undertake.
- 6.7 A number of turnkey schemes have been entered into with inflation linked financing of up to 50-year periods (effectively a leasing arrangement linked to the Consumer Price Index). Inflation linked financing provides the Council with an additional risk as the initial interest rate is higher than if the Council was funding these schemes directly and the interest rate is variable throughout the contractual period (subject to a cap). Consequently, the unit cost benefit of a turnkey scheme can be eroded

through higher financing costs. In addition to interest rate risks there are also cashflow pressures where schemes have financial years with negative cashflow forecasts. These shortfalls will need to be funded by surpluses generated by other schemes to ensure that the overall investment programme remains viable. The Council will have nearly £350m of exposure to inflation linked returns through Reside 1, the Aparthotel, Travelodge and Trocoll, which is a significant risk. The BFBP does not mention any further externally funded schemes and it is recommended to avoid these schemes in order to limit the Council's exposure to this risk and further cashflow pressure on the overall investment programme.

6.8 As a summary, the UK residential property market has come under pressure from a number of areas, with Covid-19 and increases in build costs providing the biggest challenges. Be First have managed to continue to progress a number of schemes and the regeneration within the borough is improving a number of areas, although the Council's borrowing requirement has increased significantly, with its return reducing substantially. Although there are considerable pressures on the residential schemes there have been a number of very positive outcomes to some of the industrial units the Council has purchased to progress regeneration. Although these generally provide a one-off contribution, it will be necessary to use returns from these sites to support pressures in the residential properties.

6.9 **Be First Return to the Council and Increased Borrowing Requirements**

6.9.1 The BFBP outlines a continuous programme of development and regeneration of the Council, with a significant increase in borrowing required. The BFBP shows that Be First are forecasting to provide a return of £13.9m for 2021/22, which is higher than the original forecast of £11.8m. The excess return is mainly due to Be First receiving fees for the sale of the Muller site. The BFBP includes pressures on labour and material costs for running the business and the reasons for these should be monitored closely. The BFBP does not include debt repayment.

6.9.2 The BFBP forecasts Be First's ability to deliver at or near its target of £10.3m to the Council for the next three years. As the target return has not changed from the £10.3m, the forecast of additional return provides a margin, should there be pressures on the return.

6.9.3 To enable Be First to achieve these returns and to fund the schemes that have been agreed to date, the Council will need to spend £712.7m to 2025/26. This is in addition to the total spend of £503.8m already incurred. This will push the total amount borrowed by the Council to £1.5 billion. If pipeline schemes are taken into account, the forecast is for total borrowing increasing to over £3 billion over the next ten years. Adding income strip schemes agreed will increase the total capital financing requirement to potentially £3.5 billion.

6.9.4 The new build schemes and turnkey schemes agreed and under construction or at design and planning stages are summarised below:

Total New Build	Spend to 31 March 2022	Spend 2022/23 to 2025/26	Total Spend
	£Ms	£Ms	£Ms
12 Thames Road	7.72	42.10	49.81
Becontree Avenue 200	5.10	-	5.10
Becontree Heath GW5	14.92	-	14.92
Brocklebank	0.23	12.69	12.93
Crown House	56.55	-15.90	40.65
Gascoigne East 3B	3.05	122.84	125.89
Gascoigne East Phase 2 Block C	23.28	-0.77	22.51
Gascoigne East Phase 2 Block E1	7.54	54.13	61.67
Gascoigne East Phase 2 Block E2	40.02	19.87	59.89
Gascoigne East Phase 2 Block F	37.80	36.16	73.97
Gascoigne East Phase 3A Plot I	3.11	39.96	43.06
Gascoigne East Phase 3A Plot J	10.39	24.40	34.79
Gascoigne West Phase 1	80.26	-14.74	65.52
Gascoigne West Phase 2	41.63	88.37	130.00
Grays Court	6.98	-	6.98
House for Artists	3.32	-	3.32
Industria	10.77	26.32	37.09
Jervis Court	0.88	13.06	13.94
Leisure Centre	0.05	16.69	16.75
Margaret Bondfield	0.44	-	0.44
Mellish Close	2.02	0.22	2.24
Oxlow Lane	3.45	9.67	13.12
Padnall Lake Phase 1	2.39	11.31	13.70
Padnall Lake Phase 2	3.29	9.47	12.76
Padnall Lake Phase 3	1.51	29.81	31.32
Roxwell Road	-0.05	16.70	16.65
Sacred Heart	8.45	-	8.45
Sebastian Court	13.71	-	13.71
Sugden Way	2.60	-	2.60
Weighbridge	10.42	-	10.42
Wivenhoe	3.86	-	3.86
Woodward Road	12.91	3.45	16.36
Total New Build	418.60	545.82	964.43
Turnkey Schemes			
Trocoll House *	0.80	1.67	2.47
Transport House	0.93	35.17	36.10
Town Quay Wharf	-1.94	9.87	7.93
Chequers Lane	23.38	-7.68	15.69
Beam Park	61.99	127.86	69.22
Total Turnkey	85.16	166.88	252.03
Total Borrowing Requirement	503.76	712.70	1,216.46

* Trocoll costs relate to management costs, the actual build costs are £94m and this will be added to the Council's Capital Finance Requirement.

6.9.5 Development and Construction income, which delivers the majority of Be First's financial return is driven predominantly by fees from the Councils Investment and Acquisitions Strategy (IAS). The Council is responsible for funding the IAS and therefore this income is reliant on the Council providing funding. This funding

requirement must be factored into Be First's future strategy as there will be a limit to the level of funding the Council can provide, especially given the viability pressures the strategy is currently experiencing.

6.9.6 The Business Plan does not cover, in any great detail, other income streams outside of Development and Construction Fees and it is essential that Be First identifies additional income streams to reduce the pressure on the Council, being mindful of the requirement to remain within the Teckal framework. If this does not happen then there will be a continuous requirement for the Council to continue to increase its borrowing levels.

6.10 **New Homes Bonus**

6.10.1 As outlined in the BFBP, the future of New Homes Bonus (NHB) is unclear and potentially may end. Currently it has not been included from 2023/24 and therefore this risk has been mitigated to a degree in the BFBP.

6.11 **Be First Dividend**

6.11.1 To date, the return to the Council from Be First has been in form of NHB and Commercial Income. There have been no dividends received from Be First to date due to liquidity issues.

6.11.2 In Be First's FY20/21 accounts, they have declared a dividend of £6m but they can only pay £2m in 2021/22. This is the first dividend payment from Be First to the Council. The dividend for 2022/23 is yet to be confirmed but will include surpluses from the forthcoming disposal of the Muller site.

6.12 **Be First Loan**

6.12.1 The Council has provided Be First with a working capital loan of approximately £4.6m. Currently, interest is capitalised against the loan and the loan is unsecured. The BFBP does not include any plan to repay the loan or repay interest (rather than capitalise it) and it will be important that future Business Plans include a repayment plan as well as the implication of the repayment.

7 **Legal Implications**

Implications completed by: Dr Paul Feild Senior Governance Lawyer

7.1 Cabinet is requested to approve the Business Plan for Be First, for the five-year period 2022-2027. The Council is a 100% shareholder of Be First, which was set up by the Council to accelerate delivery of regeneration in the area. The relationship between the Council and Be First is regulated through a shareholder agreement dated 29 September 2017, albeit this is not a legal requirement. Shareholder agreements make provision to ensure accountability to the Shareholder and form part of both the governance of the companies and the contractual documents setting out the course of business, accounting for dividends, and reserved activities over which only the shareholder has control. Via its shareholder controls (exercised through Cabinet and Shareholder Panel) the Council can set the strategic direction for Be First and monitor its performance. It is a condition of the agreement that an update on the business plan is presented to the Council on an annual basis, albeit the Business Plan for Be First is prepared for a rolling given year period.

Relevant Statutory Powers

- 7.2 The Council has a number of relevant powers regarding its establishment of trading companies, borrowing and investment activities. Section 1 of the Localism Act 2011, the general power of competence (“GPC”) empowers local authorities to do anything that an individual can lawfully do provided that the activity is not expressly prohibited by other legislation. Activities authorised by the GPC can include investment, trading or charging decisions which may be undertaken through commercial (corporate) vehicles with the primary aim of benefiting the authority, its financial management, its area or its local communities. The power is wide and provided that the specific activity is not expressly restricted or proscribed by other legislative provisions, it will be within the parameters of the GPC power. However, Section 4 of the Localism Act 2011 adds a proviso that if the GPC power is exercised for an activity which may be deemed ‘for a commercial purpose’ that is more than incidental to other functions or purposes of the Council, such activity must do so through a company. Therefore, there may be circumstances where commercial activity carried out by the Council’s companies may necessitate that a company limited by shares is utilised and may require further approvals by Cabinet whether the projects have been identified in the proposed Business Plan(s) or not.
- 7.3 Section 12 of the Local Government Act 2003 (“Power to Invest”) enables a local authority to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs. Consequently, borrowing to invest primarily or only for profit would not be deemed directly relevant to fulfilling the authority’s functions and will not, therefore, be authorised under this power, furthermore revision to the accounting body CIPFA’s Prudential Code for Capital Finance issued in December 2021 forbids borrowing for the sole purpose of generating an income. However, investment in development, land or property with a view to promoting regeneration will fall within the power to invest.
- 7.4 Section 1 of the Local Government Act 2003 (“Power to Borrow”) provides local authorities with the power to borrow for any purpose relevant to their functions under any enactment or for the purpose of the prudent management of its financial affairs. The Power to Borrow has similar constraints to the investment power under the 2003 Act. To reiterate borrowing primarily to achieve a return is unlikely to be deemed connected to the functions of the Council or to be prudent financial management. Caution should be exercised in making decisions to ensure that any investments or loans financed with borrowing further the functions of the Council and are consistent with the prudent management of the Council’s financial affairs and associated prudential guidance. In instances, where there may be commercial reasons for borrowing or investment further scrutiny and approval by Cabinet will be necessary as to whether the proposed activity is within the powers to invest and borrow, reference to the revised CIPFA Prudential Code for Capital Finance is essential and relevant statutory guidance will be necessary (among other matters).

Other Legal and Commercial Considerations

- 7.5 The Council’s fiduciary duties can be summarised as the Council acting as a trustee in respect of taxes collected and public sector income on behalf of its rate and taxpayers. The Council in effect holds money but does not own it; it spends money on behalf of its business rates and council taxpayers.

- 7.6 In making approving the business plan, Cabinet should consider the risks and benefits of approving the recommendations, i.e. whether a prudent investor, shareholder or borrower would undertake the activity or risks proposed; whether the Council will achieve appropriate outcomes and return for the risk it is taking, and that the risks and potential costs involved in approving the planned business activity have been appropriately mitigated in the event of the company (or any subsidiaries) becoming insolvent and/or defaulting on outstanding loan(s). It should be borne in mind that in instances where loan book activity references in the report and business plans is funded by PWLB borrowing, a default by the borrower/s (whether the Council's entities or other third parties) could leave the Council exposed to repaying loans and interest notwithstanding default by its borrowers. The responsible officer (the Finance Director) under the Councils Constitution's Scheme of Delegation for Investment should also consider these risks in approving the terms of any relevant legal agreements.

Funding and Borrowing

- 7.7 Section 15 of the Local Government Act 2003 requires that the Council have regard to statutory guidance in relation to exercising its borrowing and investment powers. The relevant Statutory Guidance on Local Government Investments (3rd Edition, issued on 1 April 2018). In accordance with the Guidance (paragraphs 33 and 34), A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity provided that the overall Investment Strategy demonstrates that:

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

- 7.8 It is noted that matters associated with credit / risk management and borrowing / lending activity are expected to be addressed in the next iteration of the Council's Investment Strategy.

- 7.9 Individual schemes and projects will have potential implications under the Public Contracts Regulations 2015 and state aid rules, which will need to be complied with by the Council or the company undertaking such activity for the Council. The Council should put in place appropriate assurance protocols for checks and balances to ensure that its companies are compliant.

Procurement Implications

- 7.10 Be First's business arrangements were structured to ensure that it can provide services to the Council without being subject to the compliance with the European procurement rules. That position has changed in that since February 2020 the UK has left the EU and the transitory measures ended on 31 December 2020. However some of the principles are also within in the UK's Public Contract Regulations 2015 (PCR. Thus the so-called 'Teckal' exemption is also set out in Regulation 12 of the

PCR. CIPFA advise that compliance requires a local authority (the Council) must control all the shares in a company (Be First), and also exercise effective control over the company's affairs in a manner similar to its own directorates, and finally that there is no direct private capital participation. Regulation 12 (3) of the PCR sets out the meaning of "control" as exercising a "decisive influence over both strategic objectives and significant decisions of the controlled legal person."

- 7.11 To benefit from the Teckal exemption, the PCR require that at least 80% of Be First's business turnover must be for its public sector owners. Be First is able to Undertake 20% trading with third parties in a manner which is still compliant with its 'Teckal' arrangements with the Council. The turnover is calculated based on three years of turnover – therefore allows for some smoothing over these years. It must be borne in mind that as a Teckal company Be First is an emanation of a public body, therefore, a contracting authority. As the financial position to date demonstrates, Be First primarily act as development / construction manager for contracts in respect of which the Council is employer. Therefore, in procuring works, services or other supplies from third parties, the company must tender in a manner compliant with procurement legislation. Whilst the Council has and is delegating to Be First procurement of contracts which facilitate the delivery of the Business Plan, it should be noted that as the parent body and often contracting party, the Council would also bear the risk of any non-compliance. Therefore, it is recommended that the Council in its shareholder capacity should undertake appropriate assurance measures from time to time to ensure overall compliance with procurement law and good practice by Be First.

Subsidies

- 7.12 While the UK has left the EU, local government is an emanation of the state, the Council must still comply with UK Law regarding subsidies. In a nutshell local authorities cannot subsidise commercial undertakings or confer upon them an unfair economic advantage. For example the UK membership of the World Trade Organisations agreement on trade also has requirements regarding subsidies albeit somewhat less prescriptive than the EU. However, the general principle applies in that support on a selective basis to any organisations or undertaking in a manner that could potentially distort competition and trade is challengeable and unlawful. This principle is binding in law on the Council. A distinction should be made for grant funding to deliver affordable housing. These payments are from the state to make viable such tenures which would not otherwise be viable, they are not subsidising Be First as an entity itself. Returning to the operation of Be First, Business Plans must be compliant in design and execution to avoid subsidising. The Council is aware of its duty not to breach Subsidy law and in this regard, will continue to monitor and seek reassurance from its companies that their activities and support from the Council (including its terms, finance rate and security offered) satisfies the Market Economy Investor Principle and any loans and facilities from the Council are at a commercial rate. Due diligence will be carried out to confirm this to the Finance Director for Investment before entering into any agreements or permitting drawdowns.
- 7.13 Even if there are any residue aftermath of the EU rules that appear no-effective now, the Council has duty to seek best value and improvement under the Local Government Act 1999 and public law fiduciary duty to look after its assets owned to the Government, Non-Domestic ratepayers and Council taxpayers of the borough. This means there is a duty of trust to look after all funds and assets of the Council as though the Council was a trustee and be management in a prudent and sound

business-like way and minimising risk to the assets and resources owned by the Council and its companies.

Governance Implications

- 7.14 The approval of the Be First business plan is reserved to the Council as shareholder under the Shareholder Agreement. This is an executive function exercised by the Cabinet on behalf of the Council as shareholder. Under Part 3, Chapter 1, paragraph 1.2 of the Council's Constitution, the Cabinet can in turn delegate its functions to an officer or authorise the officer to take decisions in respect of specific schemes forming part of the Business Plan, subject to established parameters, such as the need to consult other officers or Cabinet Members prior to making a final decision. It is noted that an Identified Officer being the Finance Director has such delegations (e.g. in respect of investment decisions) under the Constitution or expressly given by Cabinet on specific plans or schemes.

8 Other Implications

- 8.1 **Contractual Issues** - Development of Business Plans is a contractual commitment for all of the Companies and is designed to set the framework by which the strategic direction of each Company is considered and approved or endorsed by the Council as either a major or minor Shareholder.
- 8.2 **Corporate Policy and Customer Impact** – The outcomes noted within the Business Plan are expected to have a positive impact on residents, either by supporting the Council's aim to become self-sustainable as well as improving service outcomes and employment and business opportunities for residents and local businesses.
- 8.3 **Health Issues** - The proposed Business Plan will have a positive impact on the local community in terms of improvements to the environment, place making and housing.
- 8.4 **Property / Asset Issues** – Any changes to the delivery of regeneration schemes will impact the financial assumptions set out within the Reside Business Plan

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

List of appendices:

Appendix 1: Be First Business Plan 2022-2027 (exempt document)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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CABINET

22 March 2022

Title: Air Quality Action Plan Delivery Update	
Report of the Cabinet Members for Enforcement & Community Safety and Finance, Performance & Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Theo Lamptey, Service Manager Public Protection	Contact Details: Tel: 0208 227 5655 E-mail: theo.lamptey@lbbd.gov.uk
Accountable Director: Andy Opie, Operational Director of Enforcement and Community Safety	
Accountable Strategic Leadership Director: Fiona Taylor, Strategic Director, Law and Governance	
Summary	
<p>Every Local Authority that has an active Air Quality Management Area (AQMA) is required under Part IV of the Environmental Protection Act 1995 to provide an Air Quality Action Plan (AQAP) to address the identified areas of poor air quality in the Borough. The London Borough of Barking and Dagenham (LBBd) declared the whole borough an Air Quality Management Area (AQMA) and adopted an Air Quality Action Plan (AQAP) in 2008. An updated five-year Action Plan was approved for implementation by Cabinet on 15 February 2021 (Minute 83).</p> <p>This report provides an update on the first-year implementation of the AQAP to improve air quality in the borough and recommends introducing additional free parking concessions for electric and low emission vehicles. The report also presents a review of vehicle idling regulations and corresponding enforcement options detailing the benefits and challenges of each as well as recommending an enforcement and behaviour change approach for the borough.</p>	
Recommendation(s)	
That Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Note progress on the delivery of the Air Quality Action Plan; (ii) Agree that to promote the use of electric and low emission vehicles with between 0 – 50 emissions (CO₂) g/km, free parking concessions in respect of parking permits and Council on-street bays and car parks shall apply, as detailed in paragraphs 2.8 and 2.9 of the report; and (iii) Agree the introduction of new arrangements to discourage vehicle engine idling and raise driver awareness through positive engagement and targeted 	

communications, including enforcement by means of the issue of Fixed Penalty Notices (FPN) in cases where drivers refuse to comply, as detailed in paragraphs 2.21 – 2.23 of the report.

Reason(s)

To assist the Council in achieving its priorities of 'Prevention, Independence and Resilience' and 'Inclusive Growth' by improving the environment

1. Introduction and Background

- 1.1 Barking and Dagenham suffers from some of the worst pollution in London. Cabinet agreed to adopt an Air Quality Management Area (AQMA) due to exceedances of legal limits for Nitrogen Dioxide and Particulate Matter in 2008. This AQMA is still adopted to date for the same pollutants.
- 1.2 The health impacts of air pollution are increasingly well understood. Air quality is a public health issue as well as an environmental issue. This, as well as recent national court cases and the threat of legal action on Government for not achieving the legal limits has helped push the issue of air quality higher up the national and local agenda.
- 1.3 Following a public consultation, Cabinet approved the Air Quality Action Plan in February 2021, which committed to 49 actions and interventions between 2021 and 2025 to improve air quality and reduce harmful emissions which impact upon on respiratory health and blight local communities. The AQAP set out seven broad areas, including monitoring and core statutory duties; emissions from developments and buildings; public health and awareness raising; delivery, servicing and freight; borough fleet; localised solutions and cleaner transport.
- 1.4 Delivery of significant elements of the AQAP depend upon funding and finite resources and the Council is continually seeking external sources of capital and grant to provide a service beyond the basic statutory requirements. Whilst this report sets out significant progress in many areas a key priority is to secure additional resource to ensure effective delivery of all aspects of the plan.
- 1.5 On 29 January 2020, the council declared a Climate Emergency in recognition that Barking and Dagenham needs to reduce greenhouse gas and carbon emissions and help meet national targets for the UK to attain net zero carbon by 2050. Local air pollution and climate change are directly linked in respect to atmospheric emissions being released from the combustion of fossil fuels and the negative effects on the environment and human health. They are also directly linked by energy use and sustainability.
- 1.6 Tackling vehicle engine idling can achieve immediate improvement in local air quality. Recent research has confirmed that idling a vehicle engine for a thirty-second period produces nearly twice as much pollution as switching off and then restarting the engine.¹ Further to this, research by Kings College London has identified that idling engines can increase the level of pollution in an area by 20-

¹ [Idling Action Research – Review of Emissions Data \(TRL, 2021\)](#)

30%². Lowering levels of pollutants reduces the risk of residents experiencing health impacts as a direct result of poor air quality. In 2019, it is estimated that poor air quality contributed to the deaths of over 4000 Londoners³.

1.7 Barking and Dagenham participate in the pan-London Idling Action Project, which was set up in 2019 to tackle the issue of unnecessary engine idling. The project comprises 31 London boroughs with funding from the Mayor of London's Air Quality Fund. The primary focus of Idling Action is on driver education/engagement and behaviour change. However, all participating boroughs are expected to adopt and advertise enforcement powers. In particular, participating boroughs are expected to:

- investigate the feasibility of introducing an enforcement mechanism to tackle vehicle engine idling (if this is not in place already) and if possible, to implement this within the timeframe of the Idling Action Project
- create a page on its website outlining fines and penalties, and a council contact for reporting idling
- publish a press release outlining the commitment to enforce against idling and detailing the fines
- include idling enforcement formally in the role of street marshals/traffic wardens/enforcement officers etc.

1.8 Participating boroughs also provide yearly updates on enforcement that include:

- The number of staff undertaking on-street enforcement as part of their role
- The number of idling drivers spoken to by these officers (even if not fined)
- Number of penalty notices served
- Idling complaints received

1.9 Barking and Dagenham is to transition to a low-carbon, clean growth borough to meet its 2030 and 2050 carbon reduction targets and address issues of poor air quality caused by nitrous oxides (NOx) from car emissions. The Council must improve resident and business appetite in electric vehicles, stimulate demand, and provide the appropriate infrastructure. There are already concessions in place for electric and low emission vehicles but it is believed this could be strengthened further. Resident permits are already free for electric and low emission vehicles so it is proposed to introduce this for the rest of the parking permits available for council staff and partners to ensure consistency and provide even more of an incentive to drive a low emission vehicle.

2. Proposal and Issues

Air Quality Action Plan Update

2.1 The Council's AQAP sets out proposed measures to improve air quality within the Borough. Further review and assessments have confirmed earlier findings that have identified road traffic as the main source of pollutants. The Council's review and assessment of air quality is periodically updated and the report of the latest review

² [Clean Air Action Days Anti-Idling Campaign Monitoring Report \(KCL, 2016\)](#)

³ [Health burden of air pollution in London \(ICL, 2021\)](#)

and assessment, including maps of predicted NO₂ and PM₁₀ concentrations, can be downloaded from the Council's website at [Report air quality issues | LBBD](#).

- 2.2 Since the AQAP's adoption in February 2021, extensive work has begun to eliminate harmful emissions from buildings, support the transition of the fleet to electric, improve cycle and walking networks and encourage active travel, as well as planning for increased tree-planting.
- 2.3 With the national lockdown at the beginning of 2020, monitoring data was only collected from July to December 2020 which has been submitted and approved by DEFRA and the GLA. All 10 passive monitoring locations and two automatic monitoring stations achieved the national air quality objectives with all locations for both NO₂ and PM₁₀ less than 40ug/m³. The borough registered an improvement on its NO₂ concentrations at its two automatic monitoring stations at Rush Green Primary School and Scrattons Farm. The current number of passive monitoring by diffusion tubes has been increased to 30 for analysing the monitoring data for 20/21 reporting year and will be built into future reporting.

Emissions from buildings

- 2.4 Buildings account for approximately 15% of nitrogen oxide concentrations across London so designing out carbon and harmful emissions in new developments and retrofitting existing stock will make an important contribution to long-term reductions.
- 2.5 The Council's current Cosy Homes programme, funded by a mix of Energy Company Obligation (ECO3), Green Homes Grants and HRA Capital programme monies, has been rolling out loft, cavity, solid wall insulation, electric immersion heat pads, solar panels and air source heat pumps to qualifying homes to limit the requirement to heat space, the largest factor in energy bills, reduce energy consumption, switch households onto renewable, clean energy sources and cut emissions from cooking and heating through fossil fuels.
- 2.6 The scheme has delivered 928 installs in 734 properties and is expected to have delivered measures to 2,000 homes by May 2022. The Council continues to bid for grant funding to support this area of work and is drawing up a 10 Year Stock Decarbonisation Plan to provide fabric upgrades, replace gas systems and install renewable energy sources and storage systems on the pathway to making it a carbon neutral organisation by 2030.
- 2.7 In tandem with cutting emissions to domestic stock, the Council has recently appointed Ameresco to draw up decarbonisation proposals for its corporate estate. Phase 1 includes measures to support 16 of the Council's greatest energy consuming buildings move onto a net zero carbon trajectory, including fabric and glazing upgrades, old boiler systems switching to either air source heat pumps or low-carbon district heat networks, replacement of heat controls, LED lighting and air handling units plus solar PV arrays over the course of 2022/23.

Free Parking for Electric and Low emission Vehicles

- 2.8 To promote the use of electric and low emission vehicles with between 0 – 50 emissions (CO₂) g/km it is proposed that whilst vehicle owners will still need to

meet the criteria and to register for a permit these will be issued free of charge. These are currently only free of charge for resident permits so it is proposed to extend this concession to the full range of permits including Health & Community, Council Operational and Staff permits.

- 2.9 Further, it is recommended that all vehicles between 0-50 emissions (CO₂) g/km will be able to park in the council's on-street bays and car parks for free. These concessions will be provided subject to compliance with maximum stay and any other terms or conditions of use for each location when parking.

Electric vehicles and fleet

- 2.10 The Department of Transport funded the Energy Savings Trust assessment of the Council's 'grey fleet' (own vehicles used by employees to conduct council business) and the operational fleet. It concluded that 353 members of staff were using their own vehicles impacting upon the council's carbon footprint, producing 98 tonnes of carbon per year and 147kg of NO_x and particulates. 96% of vehicles were petrol or diesel and identified a number of vehicles that would not meet Euro 4 or Euro 6 emission standards and be liable for charges under the Ultra-Low Emissions Zone (ULEZ).
- 2.11 The operational fleet of 326 vehicles is responsible for the production of 2,002 tonnes of carbon and 3,900kg of NO_x and particulates. There are currently low numbers of electric or hybrid vehicles and some of the current fleet would not pass Euro 4 and 6 emission standards.
- 2.12 To address this the Council is planning the introduction of a staff pool of electric cars and bikes which can be charged up and deployed on council business from various key buildings in the borough. Subject to further cost analysis, such a scheme should discourage use of staff cars and a reduction in emissions. With regard to the operational fleet, only 53 vehicles have like-for-like electric equivalents at present, but the fleet team are looking to make 32 acquisitions by May 2022 as it swaps out petrol/diesel vehicles nearing the end of their life for electric. This market will develop over the course of the next decade to support a full transition of the fleet and discussions are underway with Ameresco on how best to increase electric charging infrastructure and capacity on the corporate estate to facilitate that expansion.
- 2.13 The Cabinet also recently agreed to procure an electric charge-point operator as a preferred partner to install and manage a significant wave of new charge points across our public realm, corporate estate and council new-build, to intensify the supply of EV infrastructure available to the public as more residents' switch to low emission vehicles. Recent analysis by Project Centre has identified 150 sites which may be suitable for new charge-points. The borough currently has 800 registered EV car owners, and this is doubling every year, with 4,000 owners forecast by 2025.
- 2.14 The key attraction for Barking and Dagenham is the future potential for their EV charging systems to do more than just top-up vehicles with a charge. Deployed with fast fibre, sensors, data and telecommunications technologies can be deployed at minimal extra cost. As part of this pilot Connected Kerb is also funding the deployment of Airily air quality sensors (operating on the charging infrastructure) across a number of the EV charging sites.

- 2.15 The sensors use lasers to detect all the key pollution markers - particulate matter (PM1, PM2.5, PM10), NO2, O3, SO2 and CO gases, formulating a real-time data accurate picture of the air quality in the vicinity of the site. These can then be translated into online maps which also integrate temperature, humidity, air pressure and wind data. This will enormously improve on the quantity and quality of data currently collated.

Promoting active travel

- 2.16 Discouraging car use in general and encouraging active travel remains a central plank to tackling poor air quality. The new LBBB Walking and Cycling Strategy will set out a programme for refreshed pedestrian walking routes, creating safe and inviting walking experiences and recommends significant improvements to the borough's cycle network with a programme of new and upgraded segregated cycle ways.
- 2.17 Walking network development will be prioritised in areas of greatest walking potential, focusing on high quality walking networks within 15-minute walking catchments of the borough's key trip attractors, including local centres, schools, and tube stations, in line with 15-minute city principles. The Borough Future Cycle Network will improve north-south connections, link key destinations such as Barking Town Centre to Barking Riverside, with additional supporting programmes such as cycle hubs, a cycle hire scheme and subsidised cycle training for residents.

Green localised solutions

- 2.18 We depend on healthy ecosystems to capture carbon and absorb harmful emissions and alongside the phased delivery for master-planning of our major parks we are developing urban tree planting schemes and habitat restoration among our Sites of Interest for Nature Conservation. Working with Thames Chase we are developing a joint Tree Planting and Biodiversity Action Plan for the next 10 years which is likely to commit to a vast amount of new trees by 2030 and we are developing that with the SUGI charity to provide more high-density urban forests based on the Miyawaki method as well as plantings in residential areas with sites of low ecological value. Over the last three years, the Council has planted 35,000 new trees and is evaluating whether it can deliver an additional 50,000 trees by 2026, ensuring where feasible every street and road in Barking & Dagenham has a number of trees.
- 2.19 Working with external partners, the Council is also planning an Urban Nature Recovery Network. In addition to repurposing neglected corner greens across the Becontree Estate, we aim to maximise the use of all green sites and create opportunities for nature conservation, foster wildlife corridors between new and existing developments, planting shrubbery like cotoneasters, which absorb pollution; re-establishing grass types, restoring hedgerows and foliage for cooling and shading.
- 2.20 Other key areas of AQAP delivery include:
- Installation of 4 new indicative monitors by the Environmental Protection team working in partnership with the council's Data Insight Team and an

external company, Clear Channel. This will give the Council further monitoring capability and improve our understanding of the problem and feed into the annual status report to Defra.

- More School Streets to be rolled out to reduce traffic movement and improve air quality near schools
- The Low Emission Neighbourhood (LEN project)
- Addressing air quality through planning obligations including placing a levy on developers to be re-invested into mitigating measures
- Promoting domestic energy efficiency
- The councils parking strategy including standardising emissions based charging

Enforcement approaches to Vehicle idling

2.21 Vehicle engine idling is a contravention of traffic regulations. There are three ways Councils can enforce against engine idling:

- a) Fixed Penalty Notices (FPNs) under Regulation 98 of The Road Vehicles (Construction and Use) Regulations 1986 and under Regulation 12 of the Road Traffic (Vehicle Emissions) (Fixed Penalty) (England) Regulations 2002⁴
- b) Penalty Charge Notices (PCNs) through the creation of a Traffic Management Order, under the Road Traffic Regulation Act 1984 and enforced using the Traffic Management Act 2004 (as amended)
- c) Public Spaces Protection Order (PSPO).

2.22 It is important to note that all enforcement approaches require a warning to be issued first. It is therefore expected that the number of fines issued will be minimal. The main aim is behaviour change through positive engagement and the initial focus will be on a targeted communications campaign to raise awareness, place signage in relevant areas and to train officers in how to engage with drivers. Having an enforcement approach will enable the Council to demonstrate the issue is being taken seriously. It also enables a penalty to be issued if the situation arises where a motorist ignores an enforcement officer's warning to switch their engine off.

2.23 It is recommended that enforcement is via the Fixed Penalty Notice route. The aim of this option is to maximise driver engagement and education whilst introducing the enforcement powers for the Parking Teams' Civil Enforcement Officers. Other enforcement staff will also be able to engage and educate where necessary.

3. Options Appraisal

3.1 **Do Nothing** – this has been discounted as the borough needs a formal mechanism to be able to enforce vehicle idling as per the pan-London Idling Action Project requirements.

3.2 **FPN Enforcement** (recommended) - Under Regulation 98 of The Road Vehicles (Construction and Use) Regulations 1986⁵, it is a contravention to leave a vehicle

⁴ <https://www.legislation.gov.uk/ukSI/1986/1078/regulation/98/made>

⁵ <https://www.legislation.gov.uk/ukSI/1986/1078/regulation/98/made>

engine running unnecessarily while that vehicle is stationary on a road. There are exemptions to this:

- a) when the vehicle is stationary owing to the necessities of traffic.
- b) to prevent the examination or working of the machinery where the examination is necessitated by any failure or derangement of the machinery or where the machinery is required to be worked for a purpose other than driving the vehicle; or
- c) in respect of a vehicle propelled by gas produced in plant carried on the vehicle, to such plant.

Under Regulation 12 of the Road Traffic (Vehicle Emissions) (Fixed Penalty) (England) Regulations 2002⁶ Local Authorities are able to issue a fixed penalty notice of £20 if a driver does not switch off their engine when requested. This increases to £40 if not paid within 28 days.

This option is recommended as it will be quick to put in place, does not require further consultation and therefore will come at minimal cost to the council. Further, as the intention is to focus on education and awareness, the fine levy is not excessively punitive.

3.3 TMO / PCN Enforcement - Aside from enforcing idling by issuing FPNs, a council may choose to create a Traffic Management Order, under the Road Traffic Regulation Act 1984, so that traffic enforcement officers within the local authority are able to issue Penalty Charge Notices (PCNs) to drivers idling their vehicles. London Councils sets out the PCN contravention codes⁷ – version 6.7.8 states code 63 is “parked with engine running where prohibited”. The fine for this is up to £80 when a motorist does not switch off their engine when requested (£80 fine, or £40 if paid within 14 days). This has been discounted primarily because it will require formal consultation, which will take additional time to implement and will come at a cost to the council.

3.4 Public Space Protection Order - this has been discounted as the council believe that the required powers already exist and can be effectively enforced using the FPN's. PSPOs require evidence gathering and formal consultation, which will be both lengthy and have cost/capacity implications. PSPOs are also required to set out specific areas where this will apply so may limit the geographical locations where enforcement can take place.

4. Consultation

4.1 Extensive consultation was undertaken during the development of the air quality action plan. Delivery of the plan is overseen by a steering group which has a range of stakeholders so there is ongoing engagement and review of the plan so further consultation is not required at this stage.

⁶ <https://www.legislation.gov.uk/ukdsi/2002/0110423887>

⁷ <https://www.londoncouncils.gov.uk/services/parking-services/parking-and-traffic/parking-information-professionals/contravention-code>

- 4.2 Formal consultation is not required on the introduction of measures to introduce vehicle idling enforcement but an extensive communications campaign will be delivered to raise awareness before enforcement commences.

5. Financial Implications

Implications completed by Nurul Alom, Finance Manager

- 5.1 There are no direct cost implications with regards to the delivery of the AQAP and any agreed actions will be funded from the existing agreed budgets for the service area. If additional actions are required to improve the air quality, the funding sources will need to be identified. The management of vehicle idling will be delivered within existing resources and whilst there may be some fine income this is expected to be minimal and will not significantly impact on parking income. The further concessions on permit prices is also expected to have a minimal financial initially as electric and low emission vehicle ownership is limited. This will grow in the coming years though so will be factored into future financial forecasting.

6. Legal Implications

Implications completed by Simon Scrowther (Litigation Lawyer)

- 6.1 Air quality standards and objectives are set out in the Air Quality (England) Regulations 2000. The Council has a duty to review the quality of air within their area under Part IV of the Environment Act 1995.
- 6.2 An action plan must include the time(s) within which the Council proposes to implement its measures and include proposals submitted by the Mayor of London for the exercise of the Mayor's powers.
- 6.3 The Department for Food, Environment and Rural Affairs, in conjunction with Public Health England and Department of Health, Social Services and Public Safety have published the Clean Air Strategy in May 2018.
- 6.4 Under Regulation 98 of The Road Vehicles (Construction and Use) Regulations 1986⁸, it is a contravention to leave a vehicle engine running unnecessarily while that vehicle is stationary on a road subject to the exemptions highlighted at 3.2. Under Regulation 12 of the Road Traffic (Vehicle Emissions) (Fixed Penalty) (England) Regulations 2002⁹ Local Authorities are able to issue a fixed penalty notice of £20 if a driver does not switch off their engine when requested. This increases to £40 if not paid within 28 days.

7. Other Implications

- 7.1 **Corporate Policy and Equality Impact** – The Borough Manifesto, Theme 5 'Health and Social Care' and Theme 7 'Environment' are addressed by the AQAP and the actions to reduce local air pollution.

⁸ <https://www.legislation.gov.uk/uksi/1986/1078/regulation/98/made>

⁹ <https://www.legislation.gov.uk/ukdsi/2002/0110423887>

The delivery of the AQAP will improve:

- the short, medium- and long-term health of those who live, work and visit the borough.
- breaking down disproportionate health inequalities within the borough both geographically and demographically
- more sustainable travel modes which in turn has direct and indirect positive changes in transport efficiencies and economic productivity. Delivery of cleaner air does not prejudice economic growth.
- lowering greenhouse gas and carbon emissions which in turn contributes towards LBBD corporate carbon reduction targets.

7.2 Equality Impact Assessment – An EIA was undertaken when the AQAP was adopted in February 2021. This highlights how the community are disproportionately affected by poor air quality and detail mitigation actions. By delivering the actions in the AQAP we are contributing to increasing healthy life expectancy and reducing early death from cardiorespiratory diseases.

7.3 Safeguarding Adults and Children – The link between health inequalities and pollution is complex however studies show that the greatest burden of air pollution usually falls on the most vulnerable in the population, particularly the young and elderly and those with existing health conditions that are exacerbated by pollution.

Delivery of the AQAP will positively improve the health of the most vulnerable persons at risk of air pollution including the adults and children. Agreed actions in the AQAP would target emission sources and increase the public's protection to air pollution exposure.

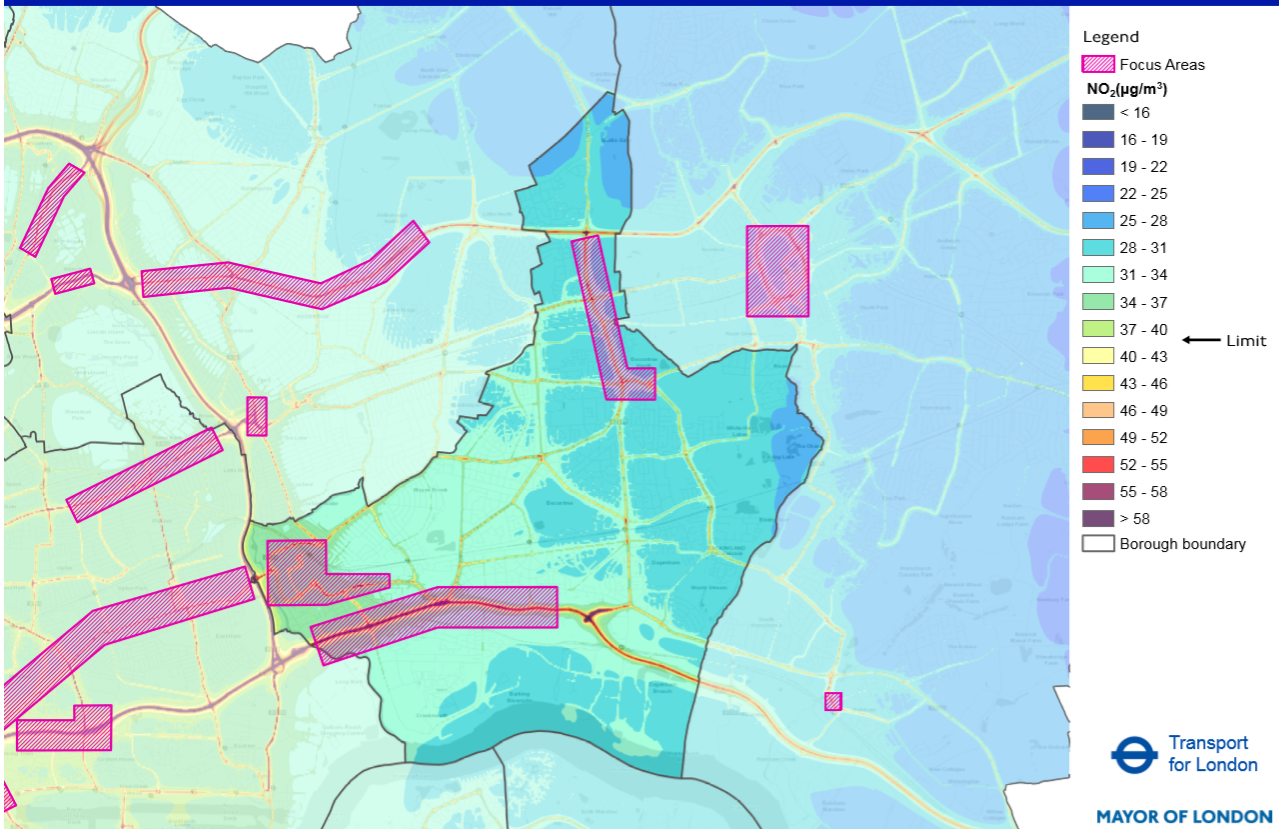
Public Background Papers Used in the Preparation of the Report:

- GLA 'Borough Air Quality Action Matrix' 2019
https://www.london.gov.uk/sites/default/files/air_quality_action_matrix.pdf
- LBBD Air Quality Action Plan (AQAP) 2020 - 2025
[Air Quality Action Plan 2020 to 2025.pdf \(lbbd.gov.uk\)](#)

List of appendices:

Appendix A – Greater London Authority Focus Areas in Barking and Dagenham

Focus Areas LAEI 2016 in Barking & Dagenham



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CABINET**22 March 2022**

Title: Procurement of a Microsoft Enterprise Agreement	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Ben Davis, IT Project Manager	Contact Details: E-mail: ben.davis@lbbd.gov.uk
Accountable Director: Paul Ingram, Chief Information Officer	
Accountable Strategic Leadership Director: Claire Symonds, Chief Executive	
<p>Summary:</p> <p>This report requests authorisation for the Council to procure a new Enterprise Agreement with a reseller for the acquisition of Microsoft Licenses.</p> <p>The current Microsoft Enterprise Agreement comes to an end in May 2022. This agreement is responsible for providing the council with all of its required Microsoft 365 licenses including Office 365 and Windows. Enterprise Agreements provide government organisations with locked in prices for all Microsoft licenses over a 3-year period at a reduced cost.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree that the Council proceeds with the procurement of a contract for a new Enterprise Agreement in accordance with the strategy set out in the report; and (ii) Delegate authority to the Finance Director, in consultation with the Strategic Director, Law and Governance, to award and enter into contract(s) / agreement(s) and any periods of extension with the chosen supplier(s) in accordance with the strategy set out in the report. 	
<p>Reason(s)</p> <p>To ensure the Council has continued licensing for all Microsoft products, which form an integral part of the Council's day-to-day operations.</p>	

1. Introduction and Background

- 1.1 A Microsoft Enterprise Agreement is an agreement held between Microsoft and large organisations of 500 or more employees, that requires a flexible approach to Microsoft licensing. This agreement allows an organisation to purchase all their Microsoft licensing under one agreement, keeping it organised and centralised. The agreement is typically brokered by a reseller, this reseller will earn margin against the Microsoft licenses. The organisation acquiring the licenses will get these licenses for a fixed cost, this price is across all resellers with the only financially competitive advantage they gain being from the margin they are awarded by Microsoft themselves. These fixed prices are agreed annually and when acquired through an enterprise agreement will be locked in for a minimum of 3-years. Crown Commercial Services operate the RM 6068 framework that is the best available route to market for this procurement.
- 1.2 The current Enterprise Agreement was procured under the Elevate contract with Soft acting as the Microsoft re-seller. This agreement ends in May 2022.
- 1.3 Failure to procure a new agreement would result in withdrawal of Office 365 services including email and Teams, this would have detrimental effect on the operations of all council services.
- 1.4 Framework RM6068 is a CCS created Framework which operates with the Memorandum of Understanding (MoUs), this provides public sector organisations with discounted pricing as well as access to a wide variety of resellers. Through consultation with both IT and Procurement it is recommended that this framework is used for the procurement of the new Microsoft Enterprise Agreement.

2. Proposed Procurement Strategy

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

This proposal seeks to authorise the procurement of a replacement Enterprise Agreement. The Enterprise Agreement is an agreement which allows the Council to procure all of its Microsoft Licensing under one agreement. The current contract is held by Softcat, this contract comes to an end in May 2022. Microsoft licensing is always set at a fixed price, license price will not vary from competitor to competitor with prices being fixed by Microsoft.

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

The estimated total annual cost of the new solution is £791,000.00. This is significantly higher than the previous agreement as a result of increased user numbers and inflation in license costs.

The total cost of the contract over the standard Enterprise Agreement term of 3 years is expected to be £2,373,000.00.

This will be funded from cost code: F26150

2.3 Duration of the contract, including any options for extension

The contract term will be for 36-months, this is the standard length of Enterprise Agreements held between public sector organisations and Microsoft.

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?

No

2.5 Recommended procurement procedure and reasons for the recommendation

The recommended procurement procedure is to utilise the CCS RM6068 Framework to procure a new enterprise agreement. This framework has been selected due to the guarantee of government discounted prices and the wide selection of pre-approved suppliers.

2.6 The contract delivery methodology and documentation to be adopted

As per the RM6068 frameworks standard contract terms.

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

The government pricing agreed on the RM6068 framework is fixed, this means that all the suppliers on the framework offer the exact same pricing for Microsoft licensing, the main financial benefit is through utilising this specific framework. The price itself is negotiated between the CCS and Microsoft; this agreement is called the Digital Transformation Agreement 21.

Further benefits are provided by resellers. These are usually provided out of the margin they receive from Microsoft on the licenses. In the previous enterprise agreement, Softcat provided financial returns to the Council of £25,000 over the three-year period, this is a return of around 1% against the total contract value. In this context, 1% may be outweighed by other benefits offered by resellers on the framework.

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

The RM6068 Framework has a flexible evaluation criterion with the option of awarding based solely on price (100%). Due to price being fixed across resellers for this specific procurement, and financial benefits being random and not contractually agreed it has been decided that weighting 50/50 between Price and Quality would allow for the Council to acquire the best reseller available.

Social Value is not a separate criterion in the framework; however, CCS recommend that Social Value should be covered in point 3, which is 'After Sales Service Management'. We will ask relevant Social Value questions relating to the

Council's Social Value Toolkit.

50% Quality
50% Price

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

Potential supplier(s) will need to address the Council's Social Value commitments and LBBB will expect bidders,' based on LBBB's Social Value Framework and the five priority themes (Investment in Local People, Investment in Local Economy, Environmental Sustainability, Community Participation and Engagement and People, Independence and Resilience) to make commitments which will be part of the assessment criteria.

Social Value is not a separate criterion in the framework; however, CCS recommend that Social Value should be covered in point 3, which is 'After Sales Service Management'. We will ask relevant Social Value questions relating to the Council's Social Value Toolkit here.

2.10 Contract Management methodology to be adopted

This contract will be managed by the IT Operations Service.

3. Options Appraisal

3.1 Option 1 – CCS RM6068 Framework (Recommended)

It is recommended to utilise the CCS RM6068 framework. This framework guarantees government pricing for the council as well as including market leading resellers of Microsoft licensing.

Choosing a different route to market over the aforementioned Framework would not guarantee the government discounts achieved through the Memorandum of Understanding (MoUs).

3.2 Option 2 – Open Market

By going through the Open Market, we would not be guaranteed the government discounted pricing which is agreed through the Memorandum of Understanding (MoUs).

3.3 Option 3 – Renew Current Supplier

Due to the financial commitment associated with an Enterprise Agreement, renewing with the current reseller would not be compliant with the Council's procurement protocols or constitution.

4. Waiver

Not applicable.

5. Consultation

- 5.1 As part of this strategy report, IT Services and Procurement, Finance and Legal have been consulted.

6. Corporate Procurement

Implications completed by: Francis Parker – Senior Procurement Manager

- 6.1 The CCS Framework is suitable for this particular service.
- 6.2 The framework is compliant with the Councils contract rules and the PCR 2015.
- 6.3 More information is required on the evaluation weightings and how the software licenses are priced in order to be able to provide comment.

7. Financial Implications

Implications completed by: Sandra Pillinger – Group Accountant

- 7.1 The estimated cost of the proposed contract is £791,000. This will be financed from the IT revenue budget for third party contracts (cost centre F26150). The cost is a £50k increase on the 21/22 contract with Softcat.

8. Legal Implications

Implications completed by: Tessa Odiah – Solicitor – Contracts and Procurement

- 8.1 This report seeks approval to proceed with the procurement of a new Microsoft Enterprise Agreement using the CCS RM6068 Framework Agreement for a term of 3 years, and for the total cost of £2.373m.
- 8.2 A procurement of this nature and value is subject to the requirements for a full competitive tender exercise in accordance with the Public Contracts Regulations 2015 (“the Regulations”) and Council’s contract rules, as contained within its constitution.
- 8.3 However, procuring the services via an established, compliant Framework Agreement meets the requirements of the Regulations and Council’s contract rules, provided that the proposed Framework Agreement permits the Council to procure via that Framework.
- 8.4 The Framework proposed in this report does permit the Council to procure via it, as it specifically permits all UK public sector bodies to procure using the Framework Agreement.
- 8.5 Therefore, if the Procurement Board agrees with the recommendations set out in this report, then the proposed procurement route is legally compliant.

9. Other Implications

9.1 Risk and Risk Management

Risk Description	Mitigating Actions	RAG Status
Any costs included in this report are estimate only and are likely to change.	Costs will need to be finalised with the supplier upon contract award, and resource costs will need to be ratified.	A
A joint procurement may not be feasible as some services may not meet all the requirements.	LBBB may be required to fallback to individual procurements.	A
Not meeting approval deadlines.	LBBB will engage with relevant individuals to ensure they have been briefed and are aware of the procurement timelines.	A
Supplier is not able to deliver on the joint procurement and implementation.	LBBB will need to decide if individual procurements will be more advantageous.	A

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

List of appendices: None

CABINET**22 March 2022**

Title: Debt Management Performance 2021/22 (Quarter 3)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Stuart Kirby, Revenues Manager	Contact Details: E-mail: stuart.kirby@lbbd.gov.uk
Accountable Director: Stephen McGinnes, Director of Support and Collections	
Accountable Strategic Leadership Director: Judith Greenhalgh, Strategic Director of Community Solutions	
Summary	
<p>This report sets out the performance of the Revenues service in the collection of revenue and debt management for the second quarter of the financial year 2021/22. The report demonstrates that performance is stable and continuing to improve year on year in terms of overall cash collection, though continuing to be impacted by Covid-19 and welfare reform measures.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to note the performance of the debt management function carried out by the Council's Revenues service, including the improvement of collection rates and the continued recovery techniques applied to reduce the impact of the COVID-19 pandemic.</p>	
Reason	
<p>Assisting in the Council's Policy aim of ensuring an efficient organisation delivering its statutory duties in the most practical and cost-effective way. This ensures good financial practice and adherence to the Council's Financial Rules on the reporting of debt management performance and the total amounts of debt written-off each financial quarter.</p>	

1. Introduction and Background

- 1.1. This report sets out performance for the third quarter of the 2021/22 municipal and financial year and covers the overall progress of each element of the service since April 2021.
- 1.2. The Revenues service is responsible for the collection of Council Tax, Business Rates, Housing Benefit Overpayments, General Income, Rents and for the monitoring of cases sent to Enforcement Agents for unpaid parking debts.

2. Financial impacts upon residents

- 2.1. Data from Government shows a continued reduction in residents claiming Universal Credit since its peak at the beginning of 21/22. December's figure is provisional and is likely to reduce as DWP have historically overestimated unconfirmed figures.

Quarterly	People on Universal Credit
Mar-20	14,544
Jun-20	27,866
Sep-20	29,405
Dec-20	32,019
Mar-21	32,681
Jun-21	32,441
Sep-21	32,117
Dec-21	31,316

3. Council Tax

- 3.1. Current Year Collection Rates

Council Tax – current year		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	+1%	+£940,351

Council Tax – current year		
Period	Increase/decrease 2019/20 %	Increase/decrease 2019/20 £
Quarter 3	-1.3%	-£1,186,088

- 3.2. Arrears Collection

Council Tax		
Period	Increase/decrease 2020/21 £	Increase/decrease 2019/20 £
Quarter 3	+£940,691	+£207,189

- 3.3. Collection rates for the current year remain 1% above 2020/21 but have not recovered to 19/20 rates
- 3.4. At the end of quarter 1, council tax collection was 2.2% above 2020/21. This has reduced in quarter 3 due to the application of the Government's Covid-19 Covid hardship fund in August 2020, where £150 was applied to all working age council taxpayers accounts in receipt of council tax support. This reduced the collectable amount by £1.8m and therefore increased the percentage of collection.
- 3.5. The Council Tax team has been working through this year to identify new properties, review single person discounts and other reductions. As a result, the

amount to collect (net collectable debit) in 21/22 has been increased by £874k since the beginning of the year.

- 3.6. This increase in the net collectable debit is positive and generates greater income for the council. However, as these new charges are paid monthly, the percentage of collection compared with previous years is likely to reduce.
- 3.7. Many residents were unable to pay their Council Tax in 20/21 and as a result the level of arrears (unpaid council tax in previous years) collected has increased significantly. The service remains acutely aware of the current financial situation of taxpayers in the borough and affordable repayment plans are agreed to ensure that residents are less likely to borrow money they cannot pay.
- 3.8. Where taxpayers clearly want to pay their council tax, summons and bailiff costs are often withdrawn to reduce the repayable amount. However, some taxpayers have serious issues where greater assistance is required. As a result, 130 taxpayers have been given a reduction by way of discretionary relief and/or have had costs removed totalling £88,129 in 2021/22 at the end of December 2021. Currently £43k of the allotted £50k budget has been given in relief.
- 3.9. The table below shows where this assistance has been given and the reasons why.

Issue	2018/19		2019/20		2020/21		2021/22 (Dec)	
	Cases	%	Cases	%	Cases	%	Cases	%
Mental Health	36	43%	52	50%	58	33%	69	39%
Domestic Violence	11	13%	10	10%	14	8%	15	9%
Bereavement	7	8%	17	16%	13	7%	16	9%
Abuse	12	14%	2	2%	1	1%	5	3%
Addiction	6	7%	4	4%	2	1%	4	2%
Terminal Condition	6	7%	13	12%	8	5%	5	3%
Learning Disabilities	5	6%	2	2%	2	1%	1	1%
COVID-19 Impact	0	0%	5	5%	78	44%	15	9%
Total	83		105		176		130	

- 3.10. As can be seen, there is a worrying increase in mental health cases which have already exceed the total in 20/21. Most of these taxpayers have been seen by the Homes and Money hub and the reduction in their council tax is one of the measures employed to help assist them.
- 3.11. Support is given by the Homes and Money Hub where the resident may be experiencing more complex problems and the following assistance is also given:
- Budgeting assistance (income and expenditure)
 - Training advice
 - Referral to the Job shop
 - Maximisation of benefit entitlement
 - Tenancy sustainment

4. Business Rates

4.1. Current Year Collection Rates

Business Rates		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	+5.16%	+£2,855,307

Business Rates		
Period	Increase/decrease 2019/20 %	Increase/decrease 2019/20 £
Quarter 3	-4.1%	-£2,282,555

- 4.2. Quarter 3 collection rates are now exceeding rates in 2020/21 but are behind 19/20 rates. Debt recovery action restarted during quarter 2 and collection rates have steadily increased throughout the quarter.
- 4.3. Businesses will receive additional support in 21/22 by way of a discretionary relief scheme. This scheme was originally announced in the Spring budget; however, details were not published by Government until December.
- 4.4. The new relief scheme called Covid-19 Additional Relief Fund (CARF) will be available to businesses that have not received retail, hospitality, leisure, or nursery reliefs in 21/22. LBBB has been allocated £4.5m to apply in relief and a scheme is currently in development but it will assist businesses in both the industrial and supply chain sectors. This relief is only applicable for 21/22 and does not extend into 22/23.

5. Rents

5.1. Collection Rates

Rents		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	-0.63%	£646,302

Rents		
Period	Increase/decrease 2019/20 %	Increase/decrease 2019/20 £
Quarter 3	-1.5%	£1,525,779

- 5.2. The cumulative effect of tenants transitioning from housing benefit to universal credit has reduced the percentage of collection in comparison to previous years.
- 5.3. The delay in payment of universal credit results in a 4-5 week wait for tenants to receive payment creating arrears to build over that period. In some cases, the tenant will pay those arrears upon receipt of their payment from the DWP, but in many cases they are unable to do so.

- 5.4. Compared with 20/21 an additional £3.2m of rent has been collected however housing benefit has reduced by 2.1m.
- 5.5. The table below shows that rent charged this year is comparable with last, but as a result of the pandemic an additional £2.6m of rent arrears were carried forward at the start of 21/22. Housing Benefit has decreased by £2.1m which rent collection has increased by 3.2m.

	2020/21	2021/22	Variation
Rent raised	£72,917,409	£72,783,313	-£134,095
Arrears cfwd	£3,821,482	£6,423,459	£2,601,977
Collectable amount	£76,738,891	£79,206,772	£2,467,882
Paid	£46,076,860	£49,289,494	£3,212,634
Housing benefit	£23,768,074	£21,581,200	-£2,186,874
Total paid	£69,844,935	£70,870,695	£1,025,760
Projected collectable amount to year end	£101,044,693	£103,467,877	£2,423,183
Total paid to rent (paid + HB)	£69,844,935	£70,870,695	£1,025,760
Collection percentage	69.1%	68.5%	-0.63%

- 5.6. Whilst transition to universal credit began before the pandemic it has dramatically increased over the last 2 years. The rent service has adapted to this new challenge and no longer focuses solely upon tenants in arrears. New reports have been developed to identify tenants where their arrears are worsening or where housing benefit has stopped abruptly indicating a possible move to universal credit. By contacting tenants at an earlier stage, it has been possible to mitigate some of the impact of the universal credit transition.

6. Reside

- 6.1. During the latter part of 2020/21 the methodology used to measure collection rates was reviewed. As a result, a more accurate measurement was devised and applied.
- 6.2. The table below shows performance against target for 2021/22.

RESIDE		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	+1.1%	+£83,907

- 6.3. Reside tenants have been affected by the pandemic and as a result arrears have increased. However, tenants have been contacted and have agreed repayment plans.

7. General Income

7.1. Collection Rates

General income		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	-3.0	-£3,089,187

General income		
Period	Increase/decrease 2019/20 %	Increase/decrease 2019/20 £
Quarter 3	-14.8%	-£15,239,745

7.2. General Income collection frequently varies depending on when invoices are issued during the quarter. There has been a delay in payment from some schools this year and they have been contacted and the situation is being resolved. Similarly, there has been a delay in payment by the NHS, which will be paid. These delays account for a large portion of the difference in collection compared with 19/20.

7.3. In preparation for the Oracle replacement system, issuing departments have been undertaking a cleansing exercise. This has resulted in significant changes to the invoicing structure within Oracle. This has made accurate comparisons between departments problematic.

8. Homecare – Adult Social Care

8.1. Collection Rates

Homecare		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	+2.4%	+£31,982

8.2. Due to the cleansing exercise in Oracle, some invoices attributed to Homecare have been moved to different issuing departments and renamed. This has made collection comparisons problematic and only so collection rates shown in this report will have a level of error.

8.3. A review of these changes is being undertaken and an estimate made of comparative collection rates.

9. Housing Benefit Overpayments

9.1. Collection Rates

Housing Benefit Overpayments		
Period	Increase/decrease 2020/21 %	Increase/decrease 2020/21 £
Quarter 3	-1.0%	-£253,257

Housing Benefit Overpayments		
Period	Increase/decrease 2019/20 %	Increase/decrease 2019/20 £
Quarter 3	-4.80%	-£1,215,139

- 9.2. Housing benefit overpayment collection has reduced because of the increase in debtors applying for Universal Credit and an overall reduction on overpayments being raised.
- 9.3. A main source of Housing Benefit Overpayment income is via deductions from ongoing Housing Benefit or directly from earnings. The increasing number of Housing Benefit claimants that have transitioned to Universal Credit has had a direct effect upon collection.
- 9.4. The DWP prioritises deductions from Universal Credit and Housing Benefit overpayments are given a lower priority, below mortgage, rent, child maintenance, council tax, gas, electricity, fines etc.
- 9.5. The creation of overpayments has also reduced significantly over the past 2 years.
- 9.6. The team is currently focusing upon identifying debtors that would normally be paying via these deductions to pursue direct payment.

10. Collection rates

- 10.1. The table below shows collection rates for quarter 3. Targets are based primarily upon 2020/21 collection rates and the stretch target 2019/20.

Collection Area	Collection Rate	Target	Stretch
Council Tax current year	80.5%	+1%	-1.3%
Council Tax arrears	£2,121,508	+£940,691	+£207,189
Rents	68.5%	-0.63%	-1.5%
Business Rates	75.6%	+5.2%	-4.1%
General Income	79.5%	-3.01	-14.8%
Leasehold	77.1%	-4.3%	+9.4%
Commercial rent	87.4%	+5.4%	-8.6%
Homecare	49.8%	+2.4%	-22.3%
Housing Benefit Overpayment	10.6%	-1%	-4.8%
Reside	93.19%	+3.7	+3.7%

11. Financial Implications

Implications completed by: Nurul Alom, Finance Manager

- 11.1. Compared to the same period last year, collection rates are higher across most categories of debt, 2019/20 pre-pandemic collection rates are slightly higher in most areas, but collection rates are gradually improving. This is due to the impact of the Covid-19 pandemic on the ability of residents and businesses to pay, given their

reduced financial circumstances and on restrictions placed on the debt collection process as outlined in Section 2 above.

- 11.2. The Revenues team has been working closely with the wider Community Solutions to identify residents in financial difficulty and to provide support to assist in tackling financial problems and managing debt. In addition, a new data led approach is being taken which is more targeted. It is anticipated that the introduction of community banking in the borough will accelerate the wider support given to residents in financial difficulty and managing debt.
- 11.3. Collecting all debts due is critical to funding the Council and maintaining cashflow. Monthly performance monitoring meetings with the Strategic Director of Community Solutions focus on where the targets are not being achieved to improve prompt collection of Council revenues.
- 11.4. The Council maintains a bad debt provision which is periodically reviewed. Increases to the provision are met from the Council's revenue budget and reduce the funds available for other Council expenditure.
- 11.5. The risks to the council's general fund posed by covid-19 debt recovery restrictions are monitored regularly and reported to ensure mitigated actions are taken to minimise the financial impact to the council. The financial impact of court cases due to Covid-19 is also being monitored and reported regularly.

12. Legal Implications

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

- 12.1. Monies owed to the Council in the form of debts are a form of asset that is the prospect of a payment sometime in the future. The decision not to pursue a debt carries a cost and so a decision not to pursue a debt is not taken lightly.
- 12.2. The Council holds a fiduciary duty to the ratepayers and the government to make sure money is spent wisely and to recover debts owed to it. If requests for payment are not complied with then the Council seeks to recover money owed to it by way of court action once all other options are exhausted. While a consistent message that the Council is not a soft touch is sent out with Court actions there can come a time where a pragmatic approach should be taken with debts as on occasion, they are uneconomical to recover in terms of the cost of process and the means of the debtor to pay. The maxim no good throwing good money after bad applies. In the case of rent arrears, the court proceedings will be for a possession and money judgement for arrears. However, a possession order and subsequent eviction order is a discretionary remedy, and the courts will often suspend the possession order on condition the tenant contributes to their arrears.
- 12.3. Whilst the use of Introductory Tenancies as a form of trial tenancy may have some impact in terms promoting prompt payment of rent as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy, people can fall behind and get into debt. The best approach to resolve their predicament is to maintain a dialogue with those in debt to the Council, to offer early advice and help in making repayments if they need it and to highlight the importance of payment of rent and Council tax. These payments ought to be considered as priority

debts rather than other debts such as credit loans as without a roof over their heads it will be very difficult to access support and employment and escape from a downward spiral of debt. The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

- 12.4. As observed the Covid 19 pandemic is having a detrimental effect on debt management with a combination of severe pressures on households and businesses. Even though the vaccination programme as contributed to a recovery it is anticipated that it will not be until well into autumn before economic normality is approached and many businesses and activities may not return in the same form.
- 12.5. The inevitable debt management implications are that with the legal enforcement options being limited by Government measures preventing the resort to eviction as a means to enforcement of debt for all of the financial year 2020 to 2021 because of the national Covid 19 crisis, the short-term debts and more particularly irrecoverable debts inevitably increased despite the very best efforts of all the teams involved. Now this last option has been restored the message that debts will be pursued in due course is being pressed home however such action is tempered with targeted efforts to help citizens and businesses successfully manage their debts.

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

List of appendices: None

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