

**Notice of Meeting of the**

**ASSEMBLY**

**to be held on Wednesday, 23 November 2022  
commencing at 7:00 pm in the  
Council Chamber, Town Hall, Barking**



To all Members of the Council of the London Borough of Barking and Dagenham

Date of publication: 15 November 2022

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Acting Chief Executive

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Please note that this meeting will be webcast via the Council's website. Members of the public wishing to attend the meeting in person can sit in the public gallery on the second floor of the Town Hall, which is not covered by the webcast cameras. To view the webcast online, 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 28 September 2022 (Pages 5 - 8)**

**4. Minutes of Sub-Committees - To note the minutes of the JNC Appointments, Salaries and Structures Panel held on 8 November 2022 (Pages 9 - 10)**

**5. Leader's Statement**

The Leader will present his statement.

**6. Appointments**

The Labour Group Secretary will announce any nominations to fill vacant positions on Council committees or other bodies.

**7. Babies, Children, Young People and Families (0-25) Partnership - Best Chance Strategy (Pages 11 - 53)**

**8. Treasury Management 2022/23 Mid-Year Review (Pages 55 - 80)**

**9. Overview and Scrutiny Committee and Health Scrutiny Committee Annual Reports 2021/22 (Pages 81 - 109)**

**10. Motions**

There are no Motions.

**11. Questions With Notice**

**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 Council meetings such as the Assembly, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

14. **Any 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

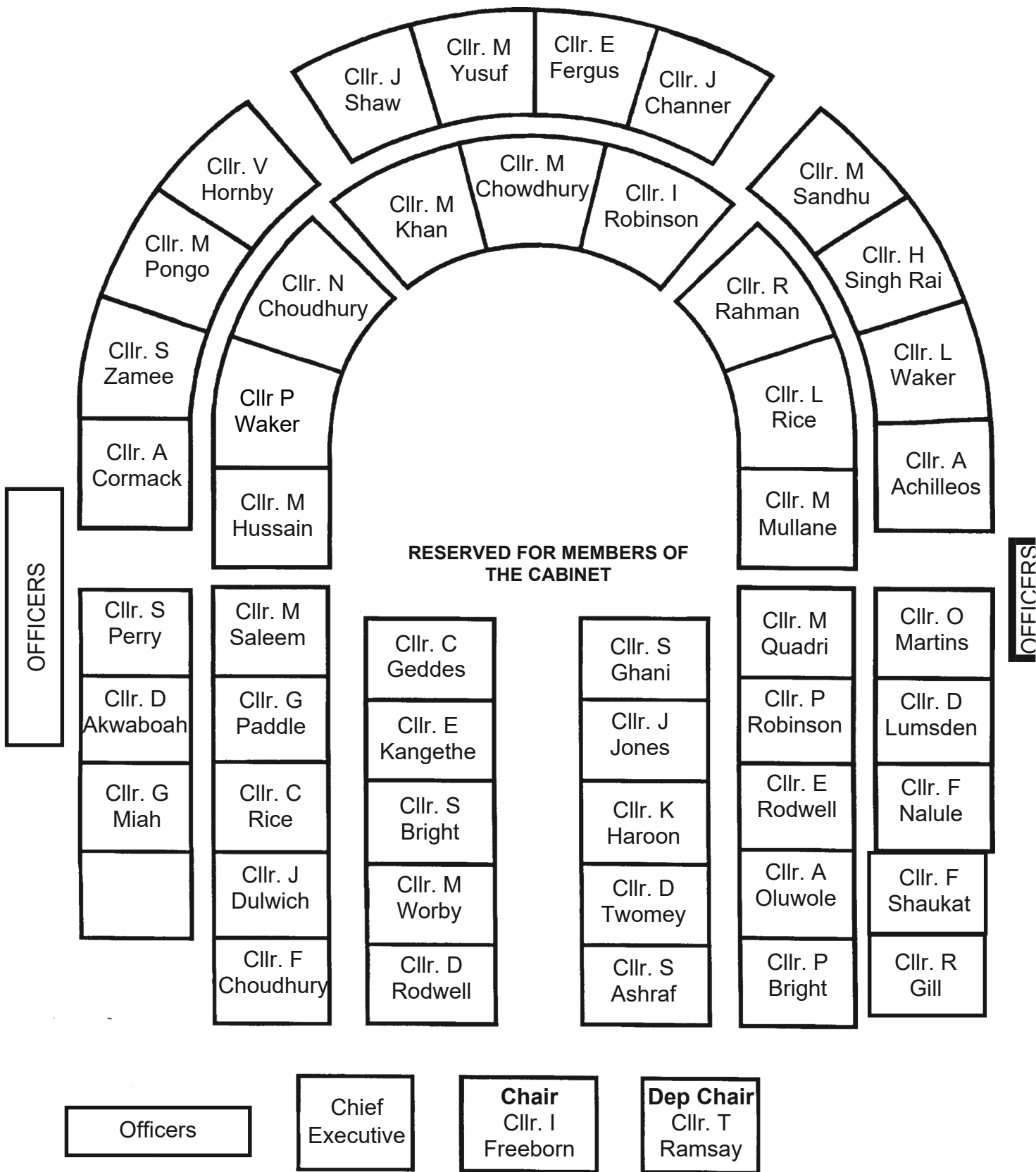
## **Inclusive Growth**

- 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

# BARKING TOWN HALL COUNCIL CHAMBER



**SEATING PLAN FOR THE ASSEMBLY**

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## MINUTES OF ASSEMBLY

Wednesday, 28 September 2022  
(7:00 - 8:02 pm)

### PRESENT

Cllr Irma Freeborn (Chair)  
Cllr Tony Ramsay (Deputy Chair)

Cllr Andrew Achilleos	Cllr Dorothy Akwaboah	Cllr Saima Ashraf
Cllr Princess Bright	Cllr Sade Bright	Cllr Josie Channer
Cllr Nashitha Choudhury	Cllr Muhib Chowdhury	Cllr John Dulwich
Cllr Edna Fergus	Cllr Cameron Geddes	Cllr Syed Ghani
Cllr Rocky Gill	Cllr Kashif Haroon	Cllr Manzoor Hussain
Cllr Jane Jones	Cllr Elizabeth Kangethe	Cllr Mohammed Khan
Cllr Donna Lumsden	Cllr Olawale Martins	Cllr Giasuddin Miah
Cllr Fatuma Nalule	Cllr Adegboyega Oluwole	Cllr Glenda Paddle
Cllr Michel Pongo	Cllr Moin Quadri	Cllr Regina Rahman
Cllr Hardial Singh Rai	Cllr Chris Rice	Cllr Lynda Rice
Cllr Ingrid Robinson	Cllr Paul Robinson	Cllr Darren Rodwell
Cllr Muhammad Saleem	Cllr Muazzam Sandhu	Cllr Faraaz Shaukat
Cllr Jack Shaw	Cllr Dominic Twomey	Cllr Maureen Worby
Cllr Mukhtar Yusuf	Cllr Sabbir Zamee	

### APOLOGIES FOR ABSENCE

Cllr Faruk Choudhury	Cllr Alison Cormack	Cllr Victoria Hornby
Cllr Margaret Mullane	Cllr Simon Perry	Cllr Emily Rodwell
Cllr Lee Waker	Cllr Phil Waker	

#### 23. Tribute to Her Majesty Queen Elizabeth II

Following the recent death of Her Majesty Queen Elizabeth II, who sadly passed away on 8 September 2022 at the age of 96, the Leader of the Council paid tribute to Her Majesty recalling fond memories of her visit to the Borough in 2015 to celebrate the 50th anniversary of the creation of the London boroughs.

The Assembly were then invited to share their personal memories and many recalled their encounters with Her Majesty over the years, including her impact across the world.

The Assembly and officers then stood to hold a minute's silence in recognition of the service Her late Majesty Queen Elizabeth II gave to the Commonwealth.

#### 24. Declaration of Members' Interests

There were no declarations of interest.

## 25. Minutes (27 July 2022)

The minutes of the meeting held on 27 July 2022 were confirmed as correct.

## 26. Leader's Statement

The Leader of the Council presented a verbal statement, which focussed on the 'mini budget' announced by the Chancellor of the Exchequer the previous week.

The Leader commented that the Government's announcement had caused the Pound to collapse and led to the International Monetary Fund calling on the Government to present a plan on how it would fund the mini budget. The tax cuts that had been announced were set to only benefit the rich while the most vulnerable in the community, including those in Barking and Dagenham, would suffer. Against that backdrop, the Leader was pleased to report that the Council had attracted £4bn of investment into the Borough in recent years which would help support its residents and new investment opportunities would continue to be pursued as part of the Council's vision to ensure that 'no-one was left behind'.

## 27. Appointments

Assembly **agreed** the following appointments to fill vacancies on Council committees and other internal and external bodies:

- JNC Appointments, Structures and Salaries Panel - Cllrs Miah and Nalule;
- Overview and Scrutiny Committee - Cllr Yusuf;
- Personnel Board - Cllr Shaw;
- Barking and Dagenham Adoption and Permanence Panel - Cllr Lumsden;
- Barking and Ilford United Charities - Cllrs Lumsden and M Chowdhury;
- Chadwell Heath Community Trust Board - Cllr Yusuf;
- Citizens Advice Barking and Dagenham - Cllr S Bright;
- Dagenham United Charity - Cllrs Mullane and L Waker.

## 28. Strategy for the Flexible Use of Capital Receipts 2022/23

The Cabinet Member for Finance, Growth and Core Services presented a report on the Council's proposed Flexible Use of Capital Receipts Strategy for 2022/23.

The Cabinet Member explained that a delay in the issuing of updated guidance by the Department for Levelling Up, Housing and Communities (DLUHC) had meant that it had not been possible to present a full strategy as part of the annual Budget Framework report that was approved by the Assembly in March 2022.

The updated guidance recently issued by DLUHC meant that only two projects, the Adult Services Direct Payment Review and the Adult Services Financial Assessment Review, continued to be eligible under the new rules, with several other transformation schemes previously eligible now needing to be funded elsewhere within the General Fund.

Assembly **resolved** to:

- (i) Agree the Council's Strategy for the Flexible Use of Capital Receipts

2022/23, as set out at Appendix A to the report; and

- (ii) Note that as a consequence of the new statutory guidance, only two transformation schemes were deemed to meet the revised criteria and that ongoing schemes no longer meeting the criteria shall be funded from alternative sources within the General Fund.

## 29. Motions

### Cost-of-Living Crisis

Moved by Councillor Ashraf and seconded by Councillor Twomey.

“The United Kingdom is in the grips of a cost-of-living crisis. Inflation is at 9.9%, the highest level for a generation, while wages today are broadly the same as they were in 2008. Fuel costs, supply chain issues, labour shortages and the Russian invasion of Ukraine have all pushed up prices for families. Even with the Government's proposed two-year cap on average energy costs from October 2022, households will still be paying double what they were in October 2021.

The number of Barking and Dagenham residents attending foodbanks, Community Food Clubs and the Homes and Money Hubs has been increasing throughout the year. We expect more people to require assistance from the Council and its community partners through the winter and beyond. The Government provided some funding in May 2022 for local authorities to provide discretionary payments to help households with the rising cost of living and energy costs. However, more funding is urgently required to continue these schemes and also to provide additional help to our community partners who are doing crucial work on the frontline throughout this cost-of-living crisis.

The community and faith groups who are running schemes and initiatives that are helping people when they need support the most are also facing rising costs and are affected by energy price rises. The Government needs to provide local authorities with extra funding to help these groups to continue their important work in the community.

Last year, bonuses paid out to bankers in the City reached their highest levels since 2007, before the financial crash, and this trend is set to continue.

In light of the City's banking sector enjoying booming bonuses while families struggle to make ends meet, and our community partners struggle to meet both rising demand and rising costs, this Assembly calls on the Chancellor of the Exchequer to introduce a tax on bankers' bonuses. This Assembly asks that income raised from this Bonus Tax is ringfenced for local authorities to spend on discretionary payments to hard-pressed residents and hard-working community partners.”

Members of the Assembly spoke in support of the motion, citing the desperate choices residents were having to make during the current cost-of-living crisis.

The motion was **carried** unanimously.

### **30. Questions With Notice**

There were none.

### **31. Resolution to Extend Six Month Attendance Rule for Councillor Lee Waker - Section 85 of Local Government Act 1972**

(The Chair agreed that the following item could be considered at the meeting as a matter of urgency under the provisions of Section 100B(4)(b) of the Local Government Act 1972.)

The Assembly received a report from the Acting Chief Executive regarding the consideration of dispensation under the provisions of Section 85 of the Local Government Act 1972 in respect of Councillor Lee Waker's non-attendance at qualifying Council meetings since 25 May 2022 due to ill health.

The Assembly resolved:

- (i) To approve Councillor Lee Waker's absence from meetings due to ill health, in accordance with the provisions of Section 85(1) of the Local Government Act 1972; and
- (ii) That Councillor Lee Waker shall continue to be a Member of the Council.

### **32. National Anthem**

In recognition of King Charles III accession to the Throne, the Assembly stood and sang the new National Anthem "God Save the King".

## **MINUTES OF JNC APPOINTMENTS, SALARIES AND STRUCTURES PANEL**

Tuesday, 8 November 2022  
(2:05 - 2:59 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Cameron Geddes, Cllr Donna Lumsden, Cllr Dominic Twomey and Cllr Maureen Worby

#### **4. Declaration of Members' Interests**

There were no declarations of interest.

#### **5. Private Business**

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

#### **6. Interim Senior Leadership Management Arrangements**

The Panel received a report from the Acting Chief Executive on the proposed establishment of a new post of Director of Care, Community and Health Integration, together with proposals to fill current / impending vacancies within the senior leadership structure.

The Health and Care Act 2022 introduced a new legislative framework aimed at facilitating greater collaboration within the NHS and between the NHS, local government, the voluntary and community sector and other partners. A key element was the creation of Integrated Care Systems (ICSs) and the new place-based partnership approach also introduced additional statutory responsibilities and commitments for the Strategic Director, Children and Adults, the Acting Chief Executive and the Cabinet Member for Adult Social Care and Health Integration, as well as impacting on other service areas within the Council on issues such as unemployment, commissioning and healthy lifestyles.

The new Director role would act as the Council's ICS strategic lead, responsible for helping to shape the ICS plans both locally and across the North East London region, driving service changes to deliver agreed priorities and providing additional capacity in support of the statutory officers and the Cabinet Member. The intention was that the post would be created for an initial fixed term of 18 months, during which time the Acting Chief Executive and the Strategic Director, to whom the postholder would jointly report, would reassess the future needs of the service.

With regard to the current / impending vacancies within the senior leadership structure, the Acting Chief Executive confirmed that the Strategic Director, Inclusive Growth had tendered her resignation and would be leaving the Council in December. The posts of Operational Director, Enforcement and Community Safety and Operational Director, Adults' Care and Support were both vacant having previously been filled via interim appointments.

In respect of the Strategic Director, Inclusive Growth post, it was proposed that the recruitment of a permanent replacement be commenced without delay and, in the meantime, an interim appointment for up to 12 months be made. The Operational Director posts would be advertised as interim posts only for up to 12 months, pending a full review of the responsibilities of the posts in light of external and internal changes and challenges.

Panel Members discussed the advantages and disadvantages associated with interim appointments, particularly in view of the changes over the past couple of years within the Senior Leadership Team, and the approach to filling interim Director-level posts through internal recruitment in the first instance as a means of providing Heads of Service with the opportunity to demonstrate, with the appropriate support, an ability to step-up to a higher level. In response, reference was made to the Council's employment and recruitment policies and the very challenging recruitment market at the present time. The Acting Chief Executive also expanded on a number of potential changes to service provision and structures over the coming months in light of the raft of new legislation and statutory requirements impacting on local authorities, all of which supported the plans to make interim appointments for the time being. In acknowledging those points, the Panel asked the Acting Chief Executive to consider undertaking some 'soft' market testing to ensure that the Council was achieving best value.

The Panel **resolved** to:

- (i) Agree the establishment of the post of Director of Care, Community and Health Integration at grade CO2 (subject for formal evaluation) on a fixed-term basis for a period of up to 18 months;
- (ii) Delegate authority to the Acting Chief Executive, in consultation with the Strategic Director, Children and Adults and relevant Cabinet Members, to appoint an interim Director of Care, Community and Health Integration, in accordance with the arrangements set out in section 1 of the report;
- (iii) Delegate authority to the Acting Chief Executive, in consultation with relevant Cabinet Members, to appoint an interim Strategic Director, Inclusive Growth for a period of up to 12 months, in accordance with the arrangements set out in section 2 of the report;
- (iv) Agree that permanent recruitment to the post of Strategic Director, Inclusive Growth be commenced with immediate effect and note that a JNC Appointments, Salaries and Structures Panel shall be convened to interview candidates for the permanent position;
- (v) Delegate authority to the Acting Chief Executive, in consultation with relevant Cabinet Members, to appoint an interim Operational Director, Enforcement and Community Safety for a period up to 12 months, in accordance with the arrangements set out in section 3 of the report; and
- (vi) Delegate authority to the Acting Chief Executive, in consultation with relevant Cabinet Members, to appoint an interim Operational Director, Adults' Care and Support, for a period up to 12 months, in accordance with the arrangements set out in section 4 of the report.

## ASSEMBLY

23 November 2022

<b>Title:</b> Babies, Children, Young People and Families (0-25) Partnership - Best Chance Strategy	
<b>Report of the Cabinet Member for Children's Social Care and Disabilities</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
<b>Report Author:</b> Chris Bush, Commissioning Director for Children's Care and Support & Rebecca Nunn, Consultant in Public Health	<b>Contact Details:</b> Tel: 0208 227 3188 E-mail: <a href="mailto:christopher.bush@lbbd.gov.uk">christopher.bush@lbbd.gov.uk</a>
<b>Accountable Director:</b> Chris Bush, Commissioning Director for Children's Care and Support	
<b>Accountable Strategic Leadership Director:</b> Elaine Allegretti, Strategic Director Children and Adults	
<p><b>Summary</b></p> <p>The Best Chance 0-25 Partnership Strategy is our partnership plan for babies, children, young people and their families. This is the plan for whole-system working on improving outcomes - it will guide our partnership work, provide a sound baseline for our ambitions and make clear the outcomes we are working on together – to give our babies, children, young people and families, the best chance at life. It includes a co-created partnership vision, ambitions and outcomes, and a proposed governance structure for the future of children's work in Barking &amp; Dagenham (sitting under the new Place Based Partnership).</p> <p>The partnership has agreed strategic outcomes of “We want our babies, children and young people to:</p> <ul style="list-style-type: none"> <li>• get the best start, be healthy, be happy and achieve</li> <li>• thrive in inclusive schools and settings, in inclusive communities</li> <li>• be safe and secure, free from neglect, harm and exploitation</li> <li>• grow up to be successful young adults</li> </ul> <p>It is proposed that the governance for this strategy sits under the ‘Best Chance 0-25 Partnership’ – a newly created group which focuses on babies, children and young people, sitting under and reporting into the Borough Partnership. This group will hold the strategic vision for babies, children and young people in the borough, shape action plans to deliver the strategy, and monitor progress against the outcomes framework.</p>	
<b>Recommendation(s)</b>	
The Assembly is recommended to endorse the Barking and Dagenham Best Chance Strategy 2022 - 2025 as set out at Appendix 1 to the report, including the proposed governance arrangements	

## Reason(s)

To assist the Council to achieve its priority of 'Prevention, Independence and Resilience'.

### 1. Introduction and Background

- 1.1. Barking and Dagenham has a high percentage of children and young people, and the highest under 5s proportion in the country. There are a number of challenges to tackle to improve the outcomes of our children and young people – including child poverty being amongst the highest in London boroughs and the country, highest levels of Year 6 overweight and obesity in England, increased number of children with learning disabilities and diagnosable mental health problems, and high levels of young people not in education, employment or training (NEET), and a high demand for children's social care.
- 1.2. With the system-wide governance arrangements for place-based working changing to an ICS and borough partnership model, new governance and a shared strategic direction is needed for the 0-25 (babies, children and young people) agenda.
- 1.3. The Best Chance 0-25 Partnership Strategy is our partnership plan for babies, children, young people and their families. This is the plan for whole-system working on improving outcomes - it will guide our partnership work, provide a sound baseline for our ambitions and make clear the outcomes we are working on together – to give our babies, children, young people and families, the best chance at life.
- 1.4. It includes a co-created partnership vision, ambitions and outcomes, and a proposed governance structure for the future of children's work in Barking & Dagenham (sitting under the new Place Based Partnership). System leaders for babies, children and young people came together, forming a multi-agency executive task and finish group, to develop this borough-wide joint framework, which will focus an agreed vision, set of principles, priorities and outcomes.
- 1.5. As part of this process, we spoke to many stakeholders including children, young people, families and staff across the local authority, health and the VCSE. This allowed us to describe our collective strengths, address key challenges, identify opportunities and capture quick wins along the way. This co-production allowed us to bring together the voice of the child, parent and carers to inform the experience of system leaders to become agents for change.
- 1.6. The product of this engagement and co-production was a collective vision, priorities for action and an outcomes framework to track progress against our ambitions. The partnership will work together to give Barking and Dagenham's babies, children, young people and their families the best chance in life. The partnership has agreed strategic outcomes of "We want our babies, children and young people to:
  - get the best start, be healthy, be happy and achieve
  - thrive in inclusive schools and settings, in inclusive communities
  - be safe and secure, free from neglect, harm and exploitation
  - grow up to be successful young adults



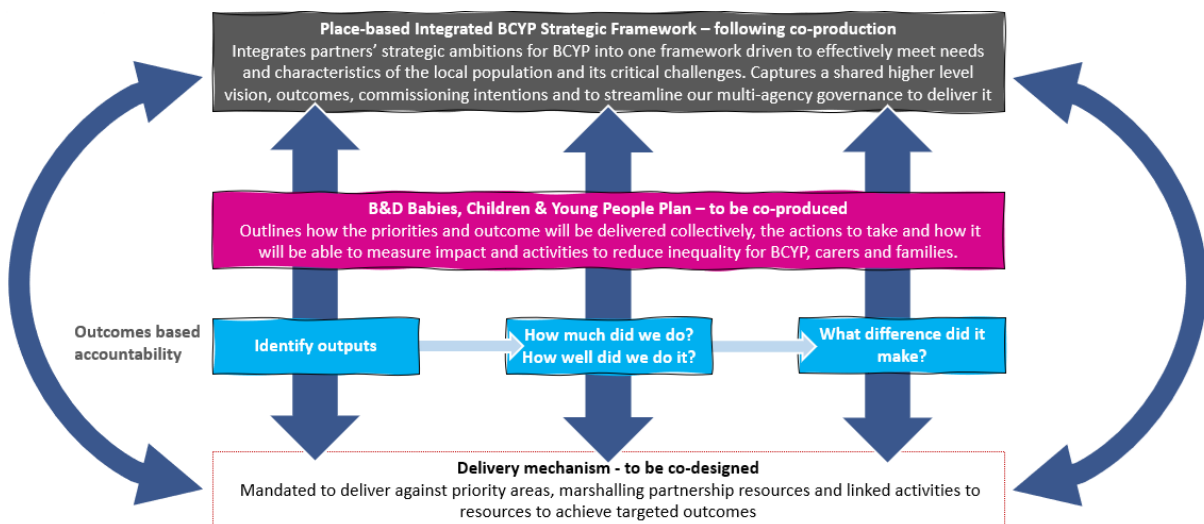
1.7. We also identified a governance structure to allow us to work together as a system, streamline governance, hold partners to account, and report to the borough partnership. It is proposed that the governance for this strategy sits under the ‘Best Chance 0-25 Partnership’ – a newly created group which focuses on babies, children and young people, sitting under and reporting into the Borough Partnership. This group will hold the strategic vision for babies, children and young people in the borough, shape action plans to deliver the strategy, and monitor progress against the outcomes framework.

## 2. Proposal and Issues

2.1 The proposed Best Chance 0-25 Partnership Strategy sets out a strategic framework for the Best Chance 0-25 partnership through ICS delivery.

2.2 It is important to have the whole system working together on this single strategic vision to make it a new way of working, with the partnership collectively funding and owning delivery and progress against outcomes.

2.3 This is the strategic document and detailed delivery plans will be the next stage of this work. These will be brought forward to forums (including CSG) with detail of any financial implications.



2.4 Most of the workstreams which will deliver this strategy as already familiar to the partnership and senior corporate leadership as they are already set up and part of ‘business as usual’ in many cases. New initiatives, such as start for life and family hubs, are already being discussed corporately and across the partnership.

## 3. Options Appraisal

3.1 The overarching governance structure (children’s partnership reporting into borough partnership) has been discussed at borough partnership level already and the direction of travel appears to be a children’s partnership and an equivalent adult’s partnership, each with their own strategies, reporting into the borough partnership. The two strategies will guide the joint health and wellbeing strategy for the borough to ensure that all work is aligned.

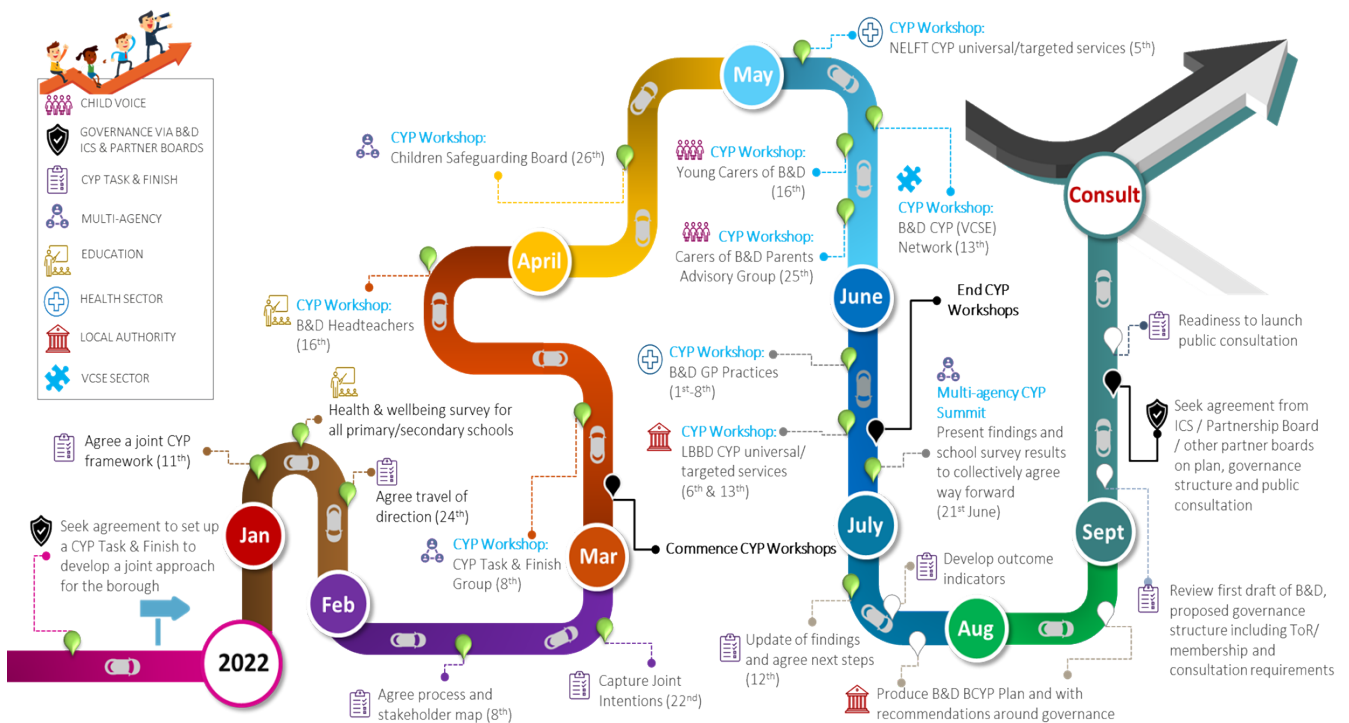
3.2 A partnership wide strategy was the only real option for future delivery in order to manage our challenges, finances and ambitions as a collective. The demand in Barking and Dagenham is high and the resources are finite – partnership working to address these challenges is the only viable option. This fits with the new ICS and place-based governance and delivery arrangements.

#### 4. Consultation

4.1 A series of engagement workshops took place with NELFT colleagues (including school nursing, health visiting, CAMHS, community paediatrics, therapies and YOS staff), head teachers and schools’ colleagues, young carers, children and young people’s network, primary care, and children’s safeguarding partnership board in order to generate a shared vision and priorities for the strategy. The results of the school’s health survey and the youth safety summit were also used. The partnership task and finish group met a number of times to bring together results of the workshops and turn it into the strategy

4.2 A workshop on outcomes then took place to give a full list of outcomes that we need to achieve. This also gives us the basis for a framework of indicators to track progress.

4.3 This strategy will now be socialised and passed through governance structures of partner organisations.



4.4 This Strategy has been to Corporate Strategy Group (CSG) and to member portfolio for the Cabinet Member for Children and Young People.

- 4.5 The proposals in this report were considered and endorsed by the Corporate Strategy Group at its meeting on 20<sup>th</sup> October 2022

## 5. Financial Implications

Implications completed by: Katherine Heffernan, Head of Service Finance

- 5.1 This report is largely for information, asking the Council to support the proposed governance structure for the Best Chance 0-25 Partnership Strategy, and to commit to its strategic objectives.
- 5.2 The services affected by the strategy in this report are largely funded already by partners across the system, such as education, social care, lifestyle services, and the 0-19 Healthy Child Programme and by additional funding streams such as Start for Life/ Family hubs.
- 5.3 Further work containing detailed delivery plans will be developed in line with this strategy. At this stage there is no intention to pool funding and any decisions about Council services and expenditure will need to be brought back to the relevant decision-making body for approval. Any additional investment required will be considered along with the delivery plans.
- 5.4 It should be noted that we are currently in a difficult time for the UK public sector which is facing a range of financial and service pressures. It is unlikely that there will be significant new resources available to achieve the ambitions set out in this strategy. It will therefore be necessary to prioritise investment – which this strategy will provide a framework for doing.

## 6. Legal Implications

Implications completed by: Dr Paul Feild, Principal Governance Lawyer

- 6.1 The Assembly has responsibility for approving plans and strategies which form part of the Council's policy framework. The Best Chance Strategy will be driven through 'The Best Chance 0-25 partnership' (see graphic in appendix to this report). It will be the lead forum for agencies working with babies, children, young people and families in the borough. The partnership scope being to set and agree strategy and ensure that the Best Chance Strategy improvement plans are delivered. It will work closely with the local Safeguarding Board and place-based partnerships and overseen by the Brough Partnership.
- 6.2 In terms of accountability it is envisaged there will be at least six meetings per year. It will report to the Health and Wellbeing Board and the new Integrated Care Board. It will also have a close relationship with the Community Safety Partnership, the Schools Forum and the SEND area partnership.

## 7. Other Implications

- 7.1 **Contractual Issues** - There are no contractual issues with this high-level strategy. Delivery of the strategy may include redesign or recommissioning of current contracts / provider arrangements – but this will be planned at the next stage (detailed delivery plans). It will certainly include redesign and re-procurement of the

council contracted 0-19 healthy child programme services (health visiting and school nursing) but this was on the agenda anyway as we are nearing the maximum extension period of the contract and redesign and re-letting of the contract is scheduled for 2023.

- 7.2 **Staffing Issues** - There will be no impact on staffing levels or job roles. The impact on staff will be some changes to ways of working to join up delivery, making staff more impactful, and make their work less challenging. It is hoped that by focusing on integrated working, earlier identification and intervention, that there will be less risk in the system and therefore staff will no longer hold large amounts of high-risk caseloads. It is hoped that this will have a positive impact on recruitment, retention and staff wellbeing and job satisfaction.
- 7.3 **Corporate Policy and Equality Impact** - This strategy links to the JHWBS, IG strategy, borough manifesto, VAWG strategy and many others. It will be the overarching strategy for babies, children, young people and families. All impacts are all hoped to be positive – we are seeking to improve outcomes across the four ambitions of the strategy, including reducing inequalities between groups (for example CYP with SEND, looked after children, young carers, residents from different ethnicities). It seeks to fulfil the borough vision of ‘no one left behind’ by identifying groups who are experiencing inequalities and then taking action to address this.
- 7.4 **Safeguarding Adults and Children** - This seeks to improve safeguarding of our babies, children and young people by working as a partnership to raise standards, improve links between organisations and professionals, and make early identification and intervention a core of our practice. It will prevent escalation of issues and better safeguard our children by closer working, professional curiosity, etc. It will also reduce inequalities, especially those experienced by LAC and SEND.
- 7.5 **Health Issues** - This will have a positive impact on health by giving children a better start in life and providing the right support at the right time when they need it. By giving children the environment and support that they need to succeed, it improves their life chances and therefore their risk of poor health in later life (the evidence is clear that providing children with the best start in life sets them on a trajectory to achieve at school, secure good quality employment and live in better health). This strategy also seeks to ensure that children's health is protected and any illness or disability is given the right care and support at the earliest possible time. It seeks to make the borough a safe and inclusive environment, where children and young people with disabilities and health conditions are supported to thrive, and where inequalities in outcomes are identified and measures put in place to address them.
- 7.6 **Crime and Disorder Issues** - The strategy makes commitments of preventing children and young people from entering the criminal justice system and being victims of CSE (criminal and sexual exploitation). It seeks to improve outcomes that we know are linked with increased risk of crime and disorder (such as educational inclusion and attainment, parental conflict, domestic abuse and substance misuse, and financial stability) in order to reduce the number of children and young people who end up entering the criminal justice system, are involved in serious youth violence, or become victims of CSE. Delivery of these commitments will be linked into existing governance and plans, including the Community Safety Partnership

and the Violence Against Women and Girls Strategic Group and Domestic Abuse Improvement Programme.

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

**List of appendices:**

- Appendix 1: The Best Chance Strategy 2022 - 2025

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APPENDIX 1

**Barking &  
Dagenham**

# The Barking and Dagenham Best Chance Strategy

## Our partnership plan for babies, children, young people and their families

September 2022 – September 2025

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one borough; one community; no one left behind

# Foreword

Page 20

To be added



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# Introduction

# Introduction

We are ambitious for our babies, children, young people and their families. We want them to have the best chance in life and every opportunity to live the best lives they can, and reach their full potential. We are very proud of our children and young people, we believe in them and want them to succeed, but we also recognise they face challenges that many of their peers up and down the country do not.

Barking and Dagenham is one of the most deprived boroughs and at the time of writing this plan, over 50% of children and young people are considered to live in poverty. This sits against a well evidenced backdrop of lack of parity of investment, widening inequalities post Covid, and an unprecedented cost of living crisis, which will only see this become a more difficult day to day reality for many more.

Over the past 12 months, we have come together as strategic and statutory partners, with the views and voices of our frontline staff, and our children, young people and parents to review and celebrate our strengths, and face head on our challenges. We have together agreed what our shared ambition is over the coming three years; what this means for our shared outcomes and priorities, and to plan how we will use our shared resources and forthcoming opportunities to work together differently.

This plan has been developed at a significant time for children's services. Much of the plan has been shaped by what we learnt during Covid and impact post-COVID of widening inequalities, and rising demand and complexity of need within local communities. The strategic landscape will undergo significant change in the coming years, with the Education White Paper, SEND Green Paper, Care Review and increasing challenge of the safeguarding system following a number of tragic deaths of children which continue to suggest the system needs to improve.

There is further change afoot as we move into a more integrated health and care system underpinned by Placed Based Partnerships, with more opportunities to work together closely with health especially in areas such as Special Educational Needs and Disabilities (SEND). This includes how we use new duties to cooperate.

The culmination of our work is this: our Best Chance Strategy, which is our partnership plan for babies, children, young people and their families. This will guide our partnership work, provide a baseline for our ambitions and makes clear the outcomes we are working on together – to give our babies, children, young people and families, the best chance in life.

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# The challenges

# The landscape



## Education Reform & SEND reform

White paper, SEND Green paper and new SEND inspection framework - Child level and interfaces with social care on vulnerable children.



**Other Reforms** – including family hubs, supporting families and levelling up, and the newly developed ‘Start for Life’ Programme These reforms seek to address the widening inequalities in outcomes, focusing on providing support as early as possible to prevent problems, identify and address issues early, and reduce the impacts upon children and families, closing the gap in outcomes



**Social Care Reform** Care Review; Joint Targeted Area Inspections – both signalling large scale changes to family support and partnership working



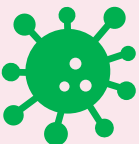
**Domestic abuse commission and review** Taking forward the recommendations of the domestic abuse commission and recent domestic abuse review



**Cost of Living Crisis** Rising energy prices and inflation hike will force families to make hard choices and in an area such as B&D, will exacerbate current challenges around poverty, health inequalities, housing and employment.



**Health and Social Care Bill / Integrated Care System (ICS)** Change to North East London (NEL), more opportunities and powers to join up locally and via place based partnership to facilitate joint action to improve health and care outcomes and experiences across B&D populations; influencing the wider determinants of health and in tackling health inequalities.

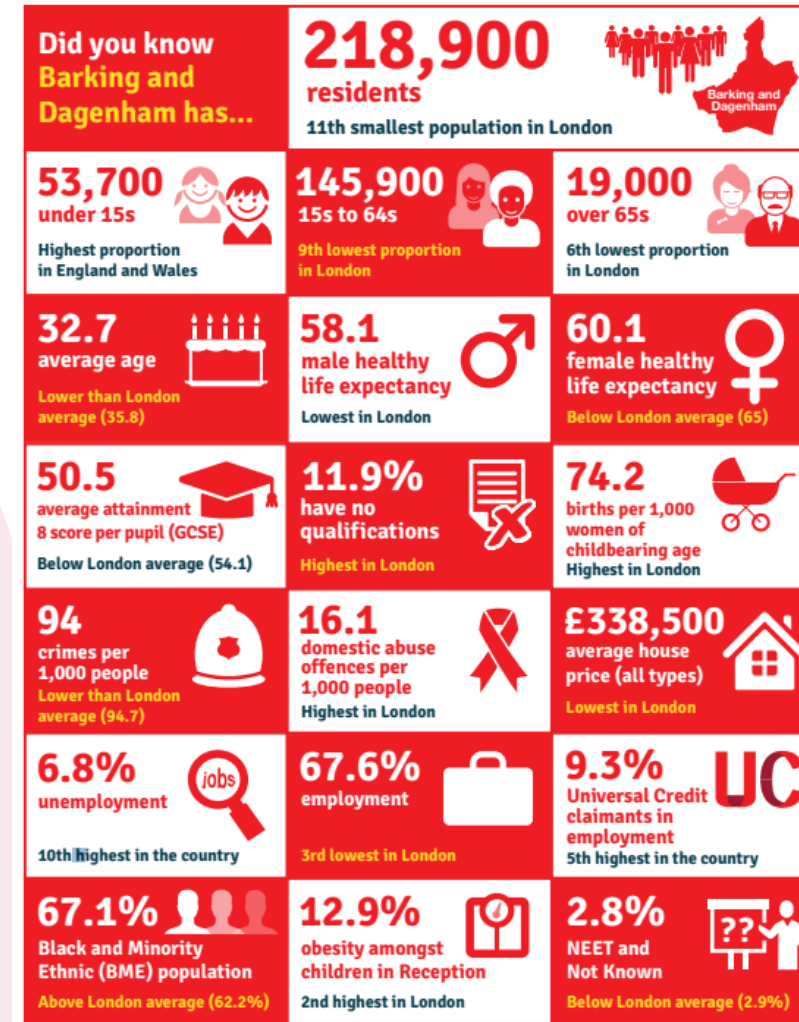


**Pandemic/Endemic** Stress tested our improvements, exacerbated our weakness with unprecedented level of demands and now backlog. Future landscape around long-covid and new variants around health, care and wellbeing.

# A powerful case for change (cont.)

- Child poverty is amongst the highest in London boroughs and the country: 50% of children live in households on the poverty line. Poor quality of housing: Waiting list for housing are some of the largest in the country.
- Second highest under 18 years conception rate in London.
- Highest rate of premature mortality in London, with 449 deaths per 100,000 people aged below 75, compared to 316 for London overall.
- Highest proportion of children (0-17) in the UK: almost three in ten residents (29.9%) are under 18.
- Highest proportion of under 5s in the UK: 8.8%.
- Higher than national average of young carers in B&D: approx. 1,800 young carers in B&D; 1 in 12 secondary school aged children are young carers.
- Highest levels of Year 6 overweight and obesity in England.
- Covid has disrupted development for our youngest children: personal, social, and emotional development delayed in 44% of pupils in 2022 - disadvantaged children and those with SEND are worst affected.

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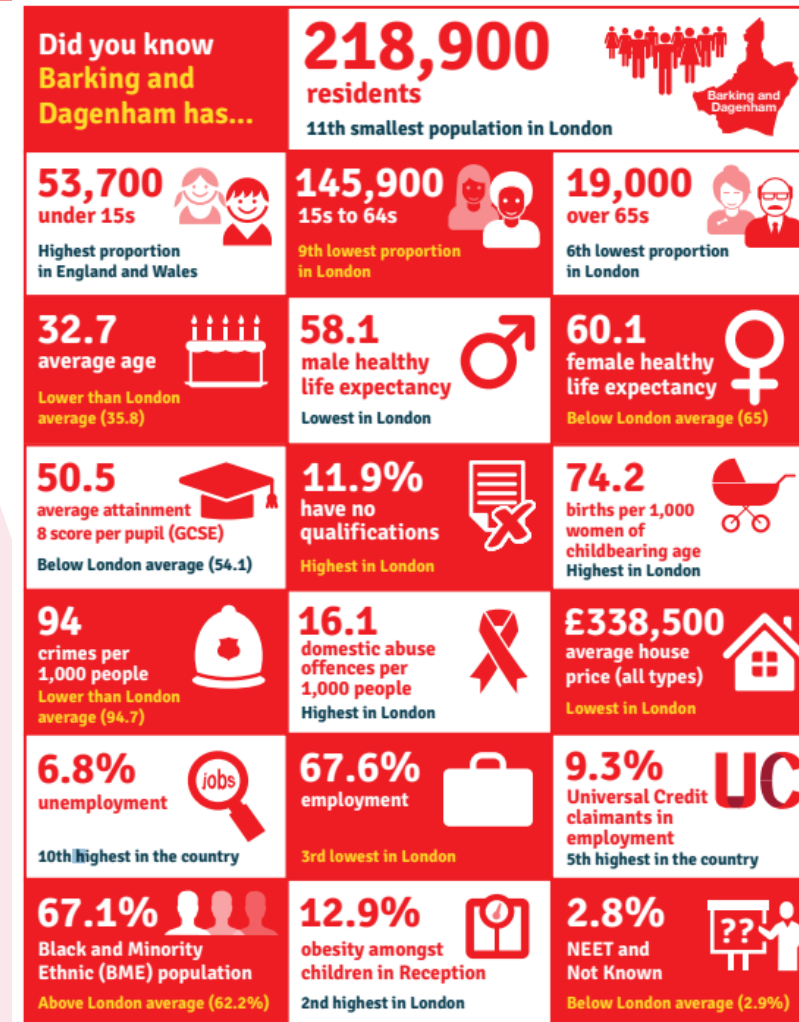
one borough; one community; no one left behind

**Barking & Dagenham**

# A powerful case for change

- **High levels of domestic abuse:** there is an estimate of 75.43 per 1000, 0-4 yr. olds live in households where a parent is suffering domestic abuse and no early help offer in place to address.
- **Increased number of children with learning disabilities** Autistic Spectrum Condition is the most common primary need identified in EHCPs. High level of EHCP need is between 5 - 15 year olds.
- **Higher numbers of children and young people have a diagnosable mental health problems**
- **Significantly higher numbers in LBBB for youth offending** compared to national average of young people entering the criminal justice system for the first time.
- **Lowest life expectancies in London** for both women and men.
- **High demand for children's social care:** In the last four years, there has been a significant increase in the number of CIN from 1,187 to 1,802 in 2021 – a growth rate far in excess of the population.

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## Developing our plan



# How we developed this plan

We believe partnership working is the best way to achieve improved outcomes for babies, children, young people and their families and we believe that all voices and experiences matter. We have made sure that our plan has been developed on this basis, and below sets out the extensive stakeholder engagement activities undertaken to agree our vision, values, priorities and agreed outcomes.

Overseeing the process from start to finish, has been a taskforce made up of senior representatives from across the local authority, education, health, including GPs, providers, and the voluntary and community sector and chaired by the Director of Children's Services

Our Public Health team reviewed evidence and outcomes nationally and locally to ensure our plan is underpinned by a public health, and evidenced based approach to improving outcomes

There has been extensive engagement with strategic leaders and front line staff, including dedicated sessions with Members, Safeguarding Partnership, GPs, headteachers, health visitors, school nurses and allied health professionals, social workers and commissioners

We have widely engaged with children, young people and parents, including building on what they have told us over the last few years – and this includes an extensive survey with children and young people in our schools, and dedicated focus groups with those in our care, in receipt of Early Help and Intervention services and our children and young people with special educational needs or living with a disability.



# How we developed this plan (cont.)



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# Vision and Best Chance Pledges

# Our shared vision

**Working collaboratively to give babies, children, young people and their families the best chance in life...**

**...so every baby, child, young person and their family gets the best start, is healthy, happy and achieves, thrives in inclusive schools and settings, in inclusive communities, are safe and secure, free from neglect, harm and exploitation, and grow up to be successful young adults.**

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# Our shared BEST CHANCE IN LIFE partnership pledges

These are our Best Chance Partnership pledges. They embody our values, the way we want to and need to work as a partnership to achieve the challenging ambitions that we have set, and what children, young people, parents and carers have told us matters most. They give us focus for everything we do, to ensure we approach our delivery in a way which puts the child and family first, provides a seamless experience, and gives our babies, children, young people and their families the best chance at life to achieve our shared outcomes. These values will form a golden thread running through our approach, they will hold us to a high standard and keep us grounded in what matters and provide the basis to hold one another to account. They will enable us to provide care and support in a way that reduces inequality and equity in improved outcomes.

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“Baby, child, young person and family centred” and going the extra mile

“Compassion, respect, transparency and openness”

“Tackling inequality of outcomes and experiences”

“Committing to early intervention, strengths based, trauma informed and relational ways of working”

“Integrating and joining up where it makes sense”

# Our shared BEST CHANCE IN LIFE partnership pledges

“Baby, child, young person and family centred” and going the extra mile

What does this mean: A shared commitment to reconfigure services and support to best meet children, young people and family’s needs. In their communities and holistic to all of their needs. This will empower our staff to go the extra mile for our children and families to ensure they get the best outcomes.

“Committing to early intervention, strengths based, trauma informed and relational ways of working”

What does this mean; we are committed to good quality early intervention and in doing so, we will work together to agree a shared practice framework, language and tools. This will be strength based, trauma informed, and places a value on relationships with children, young people and their families as well as each other.

“Compassion, respect, transparency and openness”

What does this mean: We will have compassion and respect for one another and those we support, committed to communicate as partners, be open and honest about challenges, and recognise and praise success.

“Integrating and joining up where it makes sense”

What does this mean: We know babies, children and young people and families don’t care about organisational boundaries and just want tell their story once and not fall between the cracks, have easily accessible services in their communities when they need them.

“Tackling inequality of outcomes and experiences”

What does this mean; we will stand together to make sure our children, young people and families, our staff and our communities life chances and daily experiences are not adversely impacted by inequality, discrimination, racism and abuse. We will take responsibility to ensure we are culturally aware and competent in our work with families and each other.

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# The outcomes we want, and what our children, young people and families say

# Our shared strategic outcomes framework

We want our babies, children and young people to...



# The outcomes children and young people want the most

In our extensive consultation with children, young people and families, they have told us...

...to thrive in inclusive schools and settings, in inclusive communities

...to be safe and secure, free from neglect, harm and exploitation

My Community - I feel proud to live in Barking and Dagenham

My Quality of Life - I feel satisfied with my life and feel positive about the future

My Voice - my views are actively listened and responded to

...get the best start, be healthy, be happy and achieve

My Safety - I feel safe in every part of the borough, including in school

An outcomes framework for babies, children and young people

My Future - I have a plan for my future and I feel empowered achieve it

My Health - I can easily access the right support for my mental health

My Learning - school helps me to be the best that I can and help prepare me for adulthood

...grow up to be successful young adults



# Our system priorities

In our work together to develop the plan, a number of issues came up consistently, which we all agreed required greater visibility with a clearer, shared and integrated plans to tackle them better, head on and together.....

Giving every child the best start in life (the first 1001 days)

Reducing prevalence of harm caused by domestic abuse

Acting together against child poverty

Improving quality, access and support for those with SEND

Reducing obesity and improving best start health outcomes

A better offer for those with social, emotional and mental health needs

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# Our shared priorities and intentions

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# Best chance in life – Best Start

**“WE WANT OUR CHILDREN AND YOUNG PEOPLE TO GET THE BEST START, BE HEALTHY, HAPPY AND ACHIEVE”**

## Our shared Intentions

- Page 39
1. Through a network of family hubs, creating a single front door for families from maternity to reception, to access the services they need to give them and their children the best start and be school ready, and tackle early causes of childhood neglect, including impact of poor perinatal mental health.  
Improve equity, quality, access and impact of maternity and health visiting services including better rates of breast feeding, immunisation and two year old check.
  3. Ensuring all children have a choice of a good quality, local provision (including alternative provision) that meets their child's needs, is inclusive, improves equity of outcomes and reduces likelihood of poor attendance and exclusion.
  4. Improving educational outcomes and standards across all key stages and subjects, in line with England and London performance including attendance.

5. Implement locality based early help provision that is well signposted, easily accessed, giving the right support at the right time, and proactively tackling the signs, symptoms and root causes of early neglect, including poor perinatal mental health and domestic abuse.

## What success looks like

- Increasing number of children having one and two year checks, achieving communication and socialisation milestones, & having a good level of development (GLD) in EYFS assessments
- High percentage of schools rated good or outstanding and a reduced attainment gap at all key stages compared to the national and London rates
- Improvement in perinatal mental health and a reduction in inequalities in maternal risk, outcomes, and experience of services
- Increasing number of children receiving timely Early Help interventions that are successful
- Increased rates of breast feeding and vaccinations, improved oral/dental health, and reduced obesity in Year R

# Best chance in life – Inclusive

**“WE WANT OUR CHILDREN AND YOUNG PEOPLE TO THRIVE IN INCLUSIVE SCHOOLS AND SETTINGS IN INCLUSIVE COMMUNITIES”**

## Our shared Intentions

1. Ensure child, young people and their families with SEND and social and emotional needs can access early help and support, including well signposted information, advice and guidance of what is on offer locally and parenting support to get the right help at the right time.
2. For those requiring nurture, help, mentoring, and outreach, that their needs are identified and assessed in a timely and effective way and given the support they need to thrive.
3. Children, young people and parents are empowered and supported to advocate for their children, they participate in decision making about their plans and support, and services are co-produced with them to ensure they best meet their families needs and deliver improved outcomes.
4. Children and young people with SEND are valued, visible and included in their local communities, in and achieving in local schools and alternative provision.

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5. For those children and young people approaching points of transition, especially back into mainstream settings and to adulthood, that they have a voice and are able to access the right transitional support to help them on the next stage of their journey to independence and positive futures.

## What success looks like:

- Improved educational attainment AND a reduced attainment gap at all key stages – especially for vulnerable groups, including children with SEND, looked after children, and young carers
- Children with SEND receive timely EHCP Assessments and issuing of plans
- A high proportion of children with SEND are maintained in mainstream schools, are attending school and have rates of absence in line with their peers.
- Increasing number of children with SEND receiving timely Early Help interventions that improve outcomes
- Improved social, emotional and mental health for children and young people, and timely access to CAMHS, especially for our most vulnerable children
- Increased attendance, and less fixed and permanent exclusions

# Best chance in life - Safe and Secure

**“WE WANT OUR CHILDREN AND YOUNG PEOPLE TO BE SAFE AND SECURE, FREE FROM NEGLECT, HARM AND EXPLOITATION”**

## Our shared Intentions

1. Timely and good quality multi agency working and understanding of thresholds that supports consistently good child protection decisions and outcomes, keeping children and young people safe from harm, neglect, and domestic abuse.
2. Strengthen partnership arrangements to work contextually to safeguard adolescents from harm and criminal and sexual exploitation, recognising often children have experienced parental neglect through their younger to older years.
3. Giving our children in care, timely, permanent and stable homes.
4. Caring for children in care as if they are our own, and making sure they attend and achieve in schools close to home and get access to the help they need, including health, mental health and emotional support.
5. Caring for Care Leavers like they are our own, keeping in touch and making sure they have access to a strong, multi agency Care Leaver Offer.

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## What success looks like:

- A reduction in repeat referrals and repeat Child Protection Plans (including long-term CPPs) and reduced rates of repeat DA
- Increased attainment for LAC and CiN, and a narrowing of the gap with their peers.
- Improvement in Initial Health Assessment performance for LAC.
- Reduction in the number of young people who repeatedly go missing and who are the victims of exploitation, and reduced levels of CSA, knife crime and gang recruitment
- Stable placements for the children in our care, including achieving permanence as early as possible.
- Increasing the number Care Leavers who are in employment or training and in suitable accommodation.
- BCYP and families are in safe, stable, affordable, appropriate housing, in receipt of the support they are entitled to, and have greater household financial stability & reduced levels of poverty.

# Best chance in life - Successful

**“WE WANT OUR CHILDREN AND YOUNG PEOPLE TO GROW INTO SUCCESSFUL YOUNG ADULTS”**

## Our Intentions

1. Making sure all young people can access a good quality youth offer and local post-16 offer that enable them to have the best chance to live successful adult lives.
2. Working to reduce the number of children at risk of serious youth violence, offending or re-offending and supporting them to improve their life chances.
3. For those young people who may need support in adulthood, making sure there are clear, supported pathways into adult services, including access to transitional safeguarding support.
4. Getting the most out of our local inclusive growth developments, so that those most vulnerable can get access to youth provision, training, employment and a place to call home.
5. Improving the local employment and training offer for our young people and providing positive, diverse and inclusive role models to raise career aspirations

6. Making sure that young people feel safe in their communities as they go about their day to day business.

## What success looks like:

- Increase the number of work placements, apprenticeships, and progression opportunities created for young people by local businesses
- A reduction in the rates of serious youth violence, offending and reoffending by young people in the borough, including first time entrants and antisocial behaviour
- Reduce waiting times for children and young people accessing emotional wellbeing and mental health services
- Increasing the numbers of Care Leavers and those with SEND engaged in education, training and employment.
- A greater number of our young people have access to affordable, and decent homes and accommodation.
- Low numbers of young people not engaged in education, employment and training (NEET).

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# Governance, accountability and outcomes

# Governance and outcomes

## Governance

We will work through to get a governance fit for purposed that reduces duplication, clarity of accountability and clarity of action.

The key body for driving forward this plan will be 'The Best Chance 0-25 partnership'. This will be the leading forum for agencies working with babies, children, young people and families in Barking and Dagenham to come together to set and agree strategy and ensure that our plans are delivered. It will work closely with the local safeguarding board and place based partnerships.

The Partnership Board meets a minimum of six times per year, reports to the Health and Wellbeing Board and the newly established Integrated Care Board. It will also have a key relationship with the Community Safety Partnership and our Schools Forum, SEND area partnership to driver change.

Our Plan is not a static document but a 'road map', which will evolve as momentum grows. Our mission to make Barking and Dagenham

a great place for children to grow up can only succeed if all sections of our community contribute their energy, expertise and resources to help. This means everyone, including professionals, community organisations, schools, businesses, residents, children, young people and families.

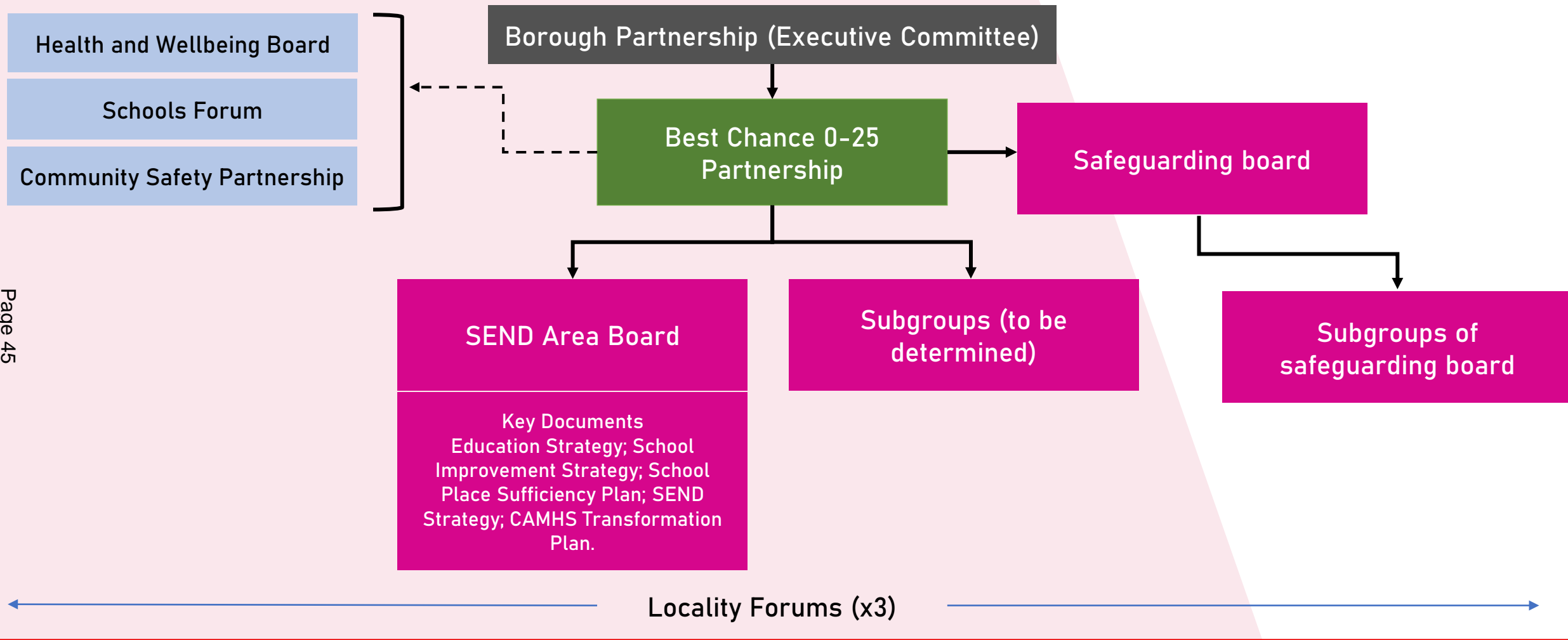
## Outcomes Framework

The successful delivery of the Babies, Children and Young People's Plan will result in better outcomes for babies, children and young people living in Barking and Dagenham. Our outcomes framework sets out the impacts we must achieve for babies, children and young people, including a relentless focus on reducing inequality.

These are the key outcomes where we must turn the curve, in light of local needs. We will be exploring how we can embed the outcomes that matter most to children and young people in how we seek views from residents.



# Current governance arrangements



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# All the indicators in one place

## Best Start

- Increasing number of children having one and two year checks, achieving communication and socialisation milestones, & having a good level of development (GLD) in EYFS assessments
- Increased rates of breast feeding (more mothers starting breast feeding, and continuing for longer) and physical activity, improved oral/dental health, and reduced obesity in Year R
- Reduction in inequalities in maternal risk and outcomes (such as still birth, infant death, maternal death, mental health issues) and maternal experience of services,
- Improvement in perinatal mental health, including reduced serious perinatal mental health issues, with positive impacts upon attachment and relationships
- More children having vaccinations, families knowing how to manage illness, and a reduction in inappropriate A&E attendances
- High percentage of schools rated good or outstanding; with high school attendance with low rates of absence and exclusion, and a reduced attainment gap at all key stages compared to the national and London rates
- More families in receipt of support that they are entitled to (e.g. housing, benefits) and an increasing number of children receiving timely Early Help interventions that are successful and minimise exposure to ACEs (including domestic abuse)

## Inclusive

- Improved educational attainment AND a reduced attainment gap at all key stages compared to the national and London – especially for vulnerable groups, including children and young people with SEND, looked after children, and young carers
- Children with SEND receive timely EHCP Assessments and issuing of plans
- A high proportion of children with SEND are maintained in mainstream schools
- A reduction in inequalities experienced by CYP with SEND, including a reduced attainment gap between children and young people with SEND and their peers
- Increasing number of children with SEND receiving timely Early Help interventions that improve outcomes
- Improved social, emotional and mental health for children and young people. Families feel better equipped to manage the child's mental health and well-being, and for children and young people accessing emotional wellbeing and mental health services experiencing reduced waiting times.
- Children with SEND attend school and have rates of absence in line with their peers.
- High rates of school attendance with low rates of absence and a reduction in number of exclusions for all children and young people.
- Improvement in school survey results across all domains.
- An increase in schools achieving 'healthy schools awards', Increased physical activity for all, and reduced obesity in Year 6

## Safe and Secure

- A reduction in repeat referrals and repeat Child Protection Plans (including those that are long-term), including reduced rates of parental conflict, reduced rates of repeat DA, and fewer BCYP impacted by DA
- Increased attainment for LAC and CiN, and a narrowing of the gap with their peers.
- Improvement in Initial Health Assessment performance for LAC. All children in care to receive a timely Initial Health Assessment and review health assessment
- Reduction in the number of young people who repeatedly go missing and who are the victims of exploitation, and reduced levels of CSA, knife crime and gang recruitment
- Stable placements for the children in our care, including achieving permanence as early as possible.
- Increasing the number Care Leavers who are in employment or training, and in suitable accommodation.
- BCYP and families are in safe, stable, affordable, appropriate housing, in receipt of support that they are entitled to (via access to allied support systems i.e. housing, benefits), and have greater household financial stability & reduced levels of poverty.
- Using Healthy New Town principles for design to give more safe places to play and do physical activity, leading to increased levels of physical activity
- CYP with better knowledge of the importance of family dynamics & Improved understanding and identification of poor relationships
- Increased numbers of parents in doing further training/qualifications

## Successful

- Low numbers of young people not engaged in education, employment and training (NEET).
- Increase the number of work placements, apprenticeship schemes and progression opportunities created for young people by local businesses
- Increasing the numbers of Care Leavers and those with SEND engaged in education, training and employment.
- A reduction in the rates of serious youth violence, offending and reoffending by young people in the borough, including first time entrants and antisocial behaviour
- Reduce waiting times for children and young people accessing emotional wellbeing and mental health services
- A reduction in the number of children and young people with substance misuse issues and teenage pregnancy
- A greater number of our young people have access to affordable, and decent homes and accommodation.
- Young people are well prepared for adulthood and greater independence,

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# Conclusion

# Next steps

This plan marks our commitment to a new way of doing things. Closer working across the public sector, local business and wider community will enable us to build on our existing strengths and create new opportunities to improve the lives of babies, children, young people and families in Barking and Dagenham. Much of this work is already in progress and, through genuine, sustained collaboration in the coming months and years, we will continue to build on this momentum. With continued financial pressure ahead, it is critical that we empower children, young people, families and the wider community as equal partners in co-delivering our shared plan for the future.

Our Best Chance 0-25 Partnership will oversee and drive forward progress against our shared intentions, with a central mission to reduce inequalities. In particular, we will focus on changing the odds for the most vulnerable, including children living in poverty, children with special educational needs and disabilities, and looked after children. By increasing opportunities for the wider community to help achieve these outcomes, we will maximise our chances of success through whole system change.

Once this Best Chance Partnership Plan is agreed, we will streamline the local governance, create and publish action plans and a performance management framework, and continue to work on delivering the commitments that we have made. We will continue to honour our commitments of transparency and accountability by tracking progress against the outcomes framework and openly reporting on this.

This document is not simply a strategy – it is a statement of intent and a step forward in our journey towards making Barking and Dagenham a great place to grow up. It is now our collective mission to realise the brightest possible future for our babies, children and young people, and to give them the best possible chance in life.

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# Appendices

# Appendix A: Glossary

# Appendix B: Bibliography and Citations

# Appendix C: Other Key Documents Bookcase

← Vision and Strategy →

← Plans →

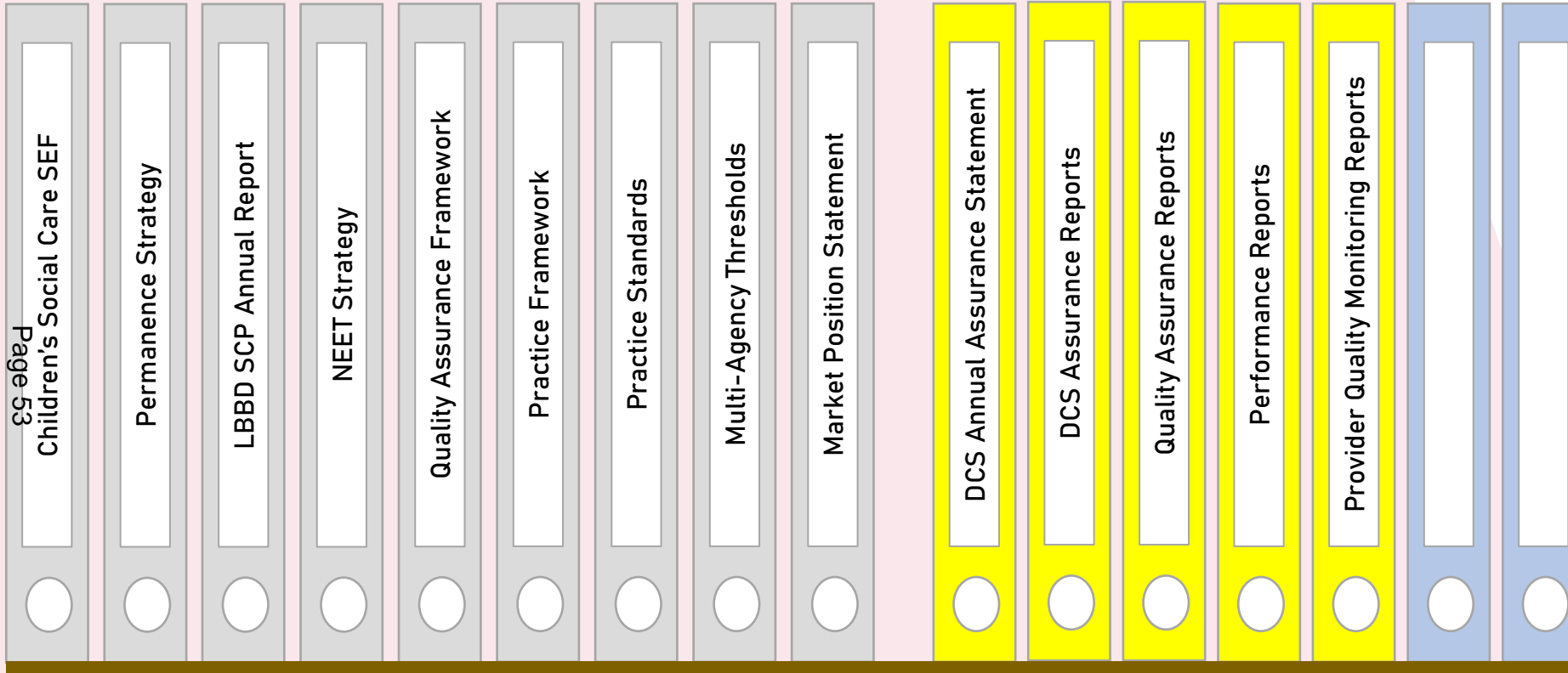




# Bookcase: other key documents

## Key Documents

## Assurance Documents



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## ASSEMBLY

23 November 2022

<b>Title:</b> Treasury Management and Investment and Acquisition Strategy 2022/23 Mid-Year Review	
<b>Report of the Cabinet Member for Finance, Growth and Core Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> David Dickinson, Investment Fund Manager	<b>Contact Details:</b> Tel: 020 8227 2722 E-mail: <a href="mailto:david.dickinson@lbbd.gov.uk">david.dickinson@lbbd.gov.uk</a>
<b>Accountable Strategic Leadership Director:</b> Philip Gregory, Strategic Director, Finance & Investment (S151 Officer)	
<p><b>Summary</b></p> <p>Regulation changes have placed greater onus on elected Members in respect of the review and scrutiny of treasury management policy and activities. This mid-year review report provides details of the mid-year position for treasury activities and highlights compliance with the Council's policies previously approved by the Assembly on 3 March 2022 as part of the Treasury Management Strategy Statement for 2022/23.</p> <p>This report also provides a mid-year review of the Council's Investment and Acquisition Strategy, covering returns from both commercial and residential schemes.</p> <p>The Cabinet is due to consider this report at its meeting on 15 November 2022 (the date of publication of this Assembly agenda). Any issues arising from the Cabinet meeting will be reported to the Assembly.</p>	
<p><b>Recommendation(s)</b></p> <p>The Assembly is recommended to note:</p> <ul style="list-style-type: none"> <li>(i) The Treasury Management Strategy Statement Mid-Year Review 2022/23;</li> <li>(ii) The economic update covering the increase in inflation and the potential for a further increase in the Bank of England Base Rate;</li> <li>(iii) That the value of the treasury investments and cash as at 30 September 2022 totalled £109.2m and that the treasury investment strategy outperformed its peer group, with a return of 1.27% against an average of 0.95% for London Local Authorities (as at 30 June 2022);</li> <li>(iv) That the value of the commercial and residential loans lent by the Council as at 30 September 2022 totalled £168.1m at an average rate of 3.3%;</li> </ul>	

- (v) That the total borrowing position as at 30 September 2022 totalled £1,086m, with £295.9m relating to the Housing Revenue Account and £791.1m to the General Fund;
- (vi) That interest payable was forecast to be £15.8m against a budget of £15.7m;
- (vii) That interest receivable was forecast to be £7.2m against a budget of £7.5m, representing a deficit of £0.3m;
- (viii) That capitalised interest was forecast to provide a surplus of £9.0m;
- (ix) That Investment and Acquisition Strategy income was forecast to be £6.7m against a budget of £7.0m, representing a deficit of £0.3m;
- (x) That the IAS surplus, held in a reserve, was currently £29.3m and is forecast to increase to £37.6m by the end of the year, of which £11.0m is ring fenced for lease and leaseback properties;
- (xi) The post Gateway 4 cashflows, including the impact of Gascoigne East 3B and the pressures on the current pipeline schemes, as outlined in paragraph 9.2 of the report; and
- (xii) That in the first half of the financial year the Council complied with all 2022/23 treasury management indicators.

**Reason(s)**

To accord with the requirements of the Local Government Act 2003 and keep the Assembly apprised of the Council's financial position and the challenges faced.

## **1. Introduction and Background**

- 1.1 The Council operates a balanced budget whereby cash raised during the year meets the Council's cash expenditure needs. Part of the treasury management operations is to ensure this cash flow is adequately planned, with surplus monies invested with counterparties of an appropriate level of risk, providing adequate liquidity before considering maximising investment return.
- 1.2 A second main function of treasury management is the funding of the Council's capital programme and Investment and Acquisition Strategy (IAS). These capital plans provide a guide to the Council's borrowing need, which is essentially the use of longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging loans, using cash flow surpluses, or restructuring debt to meet Council risk or cost objectives. To fund the IAS, it is essential that a significant level of borrowing is secured prior to being used to reduce interest rate risk.
- 1.3 A third main function of treasury management is the funding and treasury advice that is required for the Council's Investment and Acquisitions Strategy (IAS).

1.4 In accordance with the Chartered Institute of Public Finance Accountancy's (CIPFA) Code of Practice for Treasury Management, there should be a review of that strategy at least half yearly. The principal requirement of the Code includes:

- 1) Maintain a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management.
- 2) Maintain a Treasury Management Practices which set out the how the Council will seek to achieve those policies and objectives.
- 3) Receipt by full Council of a Treasury Management Strategy Statement, (TMSS) including the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy for the year ahead; a Mid-Year Review Report (this report); and an Annual Report covering activities during the previous year.
- 4) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- 5) Delegation by the Council to a specific named body, for this Council this is Cabinet, to scrutinise the treasury management strategy and policies.

1.5 This mid-year report has been prepared in compliance with CIPFA's Code of practice on Treasury Management, and covers the following:

- 1) Introduction and Background;
- 2) Economic Update and Interest Rate Forecast;
- 3) Council's Cash, Interest, IAS and Borrowing positions at 30 September 2022;
- 4) Investment Strategy Performance and Benchmarking;
- 5) Loans and IAS Income Forecast as at 30 September 2022; and
- 6) The Council's Capital Position (Prudential Indicators).

## **2. Economic Update and Interest Rate Forecast**

### **2.1 Economic update**

2.1.1 The second quarter of 2022/23 saw:

- GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
- economic activity losing momentum as production fell due to energy prices;
- CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
- Unemployment fall to a 48-yr low of 3.6% due to a shortfall in labour supply;
- Bank Rate (BR) rise by 100bps, taking BR to 2.25% with further rises to come;
- Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.

2.1.2 The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels. There are signs of higher energy prices creating more persistent downward effects in economic activity. Industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.

- 2.1.3 The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above pre-Covid level and 3.3% below their level at the start of the year. There are signs households are spending excess savings in response to high prices - cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.
- 2.1.4 The labour market remained tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey employment rose by 40k in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154k over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354k in July itself and there are now 904k more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- 2.1.5 CPI eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, Link expects to see fuel prices fall further in the coming months. However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2.5k per household (prior to any benefit payments).
- 2.1.6 Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- 2.1.7 During the first half of the financial year, there was a change of both Prime Minister and Chancellor (Liz Truss and Kwasi Kwarteng) which resulted in a step change in government policy. The Government's huge fiscal loosening from its proposed significant tax cuts was seen to add to existing domestic inflationary pressures and potentially leave a legacy of higher interest rates and public debt. Whilst the Government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over two years, was expected to reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" added up to a loosening in fiscal policy relative to the previous Government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- 2.1.8 Fears the Government had no fiscal anchor on the back of these announcements has meant that the pound weakened again, adding further upward pressure to

interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the “fiscal event”, it has since recovered to around \$1.12. That is due to hopes that the BoE will deliver a big increase in interest rates at the policy meeting on 3 November and the most recent change to Government. The new Government is now expected to announce its tax and spending plans on 17 November. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.

- 2.1.9 The MPC has increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75bps in their most recent meetings, the BoE’s latest 50 basis points hike looks relatively dovish. However, the UK’s status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- 2.1.10 Since the fiscal event on 23 September it expected the MPC will increase interest rates faster, from 2.25% currently to a peak of 5.00% in Feb. 2023. The combination of the government’s fiscal loosening, the tight labour market and sticky inflation expectations means Link expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If BR climbs to these levels the housing market looks vulnerable, which is one reason why the peak in Link forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets.
- 2.1.11 Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (peak of 2.37% on 21 June) and 10-year yields (peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. The 30-year gilt yield rose from 3.60% to 5.10% following the “fiscal event”, which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31 October. Second, it committed to buy up to £65bn of long-term gilts to “restore orderly market conditions” until 14 October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons. The 2-year gilt yield dropped from 4.70% to 4.30%; 10-year yield fell back from 4.55% to 4.09%.
- 2.1.12 There is a possibility that the Bank continues with QE at the long-end beyond 14 October or it decides to delay quantitative tightening beyond 31 October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government’s deficit. But instead, that it is a temporary intervention with financial stability in mind. After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of Q3, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has partly been driven by the rise in global real yields and resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in risk appetite.

## 2.2 Interest Rate Forecast.

2.2.1 The Council’s treasury advisor, Link Group, provided the following forecasts (PWLB rates are certainty rates). **PWLB Rates:** The current margins over gilt yields for PWLB rates are:

- **PWLB Standard Rate & HRA is gilt plus 100 basis points (G+100bps)**
- **PWLB Certainty Rate & HRA is gilt plus 80 basis points (G+80bps)**
- **Local Infrastructure Rate is gilt plus 60bps (G+60bps)**

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

## 2.3 Forecasts for Bank Rate

2.3.1 The latest forecast sets out a view that both short and long-dated interest rates will be elevated for some little while, as the BoE seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances. To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control.

## 2.4 Impact on Council

2.4.1 Overall, the significant increase in short and long-term GILT rates will have a negative impact on the Council, with the impact mainly on future investments as higher borrowing costs will mean that some marginal schemes, that relied on lower borrowing rates, will no longer be viable or will require changes to the tenure mix or nature of the investment. However, as outlined in this report, the Council has managed to secure relatively cheap long-term borrowing over the past 5 years and this borrowing will be used to fund the current schemes.

2.4.2 Treasury will continue to use cash to fund developments, while also utilising cash from the sale of Welbeck and Muller. Initially, as borrowing is required, some short-term borrowing will be used, with treasury monitoring the borrowing rates. Should borrowing rates drop and reach revised trigger levels, then a medium-term borrowing position will likely be taken to lock in borrowing at rates.

2.4.3 An update on the borrowing positions will be provided to Cabinet and full Council as part of the Treasury Management Strategy Statement in March 2023.



### 3. Council's Cash Position as at 30 September 2022

3.1 Table 1 details the Council's mid-year treasury position. Overall, the Council's borrowing has increased by £1.2m since 31/03/2022 with the following changes:

- short-term borrowing reduced from £55m to £49m, a reduction of £6m;
- medium-term borrowing increased from nil to £30m;
- there was no new PWLB borrowing, with £14.7m repaid reducing the PWLB loan balance from £635.8m to £621.1m; and
- £2.6m of debt was repaid for EIB and L1 Renewables.

3.2 Treasury investments have reduced from £225m at 31 March 2022 to £109m at 30 September 2022. Commercial loans total £168.1m at an average rate of 3.3%. The reduction in cash is due to funding the IAS and will continue for the rest of the financial year. Short-term borrowing includes cash the Council manages and invests on behalf of BD Muller Developments. Cash balances are expected to increase on completion of the sale of Welbeck.

**Table 1: Council's Treasury Position at 30 September 2022**

	<b>Principal Outstanding £000s</b>	<b>Rate of Return %</b>	<b>Average Life (yrs.)</b>
<b>General Fund Fixed Rate Borrowing</b>			
LOBO	10,000	3.98	54.8
Local Authority (Short-term)	49,000	1.82	0.5
Local Authority (Medium-term)	30,000	0.77	1.9
European Investment Bank	74,220	2.21	21.5
L1 Renewables (Street Lighting)	6,768	3.44	24.0
PWLB	621,065	1.91	28.8
<b>Total General Fund Debt</b>	<b>791,054</b>	<b>1.93</b>	<b>25.6</b>
<b>HRA Fixed Rate Borrowing</b>			
PWLB	265,912	3.50	33.3
Market Loans	30,000	4.03	43.2
<b>Total HRA Debt</b>	<b>295,912</b>	<b>3.38</b>	<b>34.3</b>
<b>Total Council Borrowing</b>	<b>1,086,966</b>	<b>2.37</b>	<b>28.0</b>
<b>Cash</b>			
Short-Term Investments	7,279	0.78	-
Pension Fund	1,700	2.25	-
<b>Investments</b>			
Financial Institutions	50,000	2.41	0.5
Local Authorities	50,250	1.65	1.8
<b>Total Investment Income</b>	<b>109,229</b>	<b>1.95</b>	<b>0.5</b>
<b>Commercial and Reside Loans</b>	<b>168,127</b>	<b>3.30</b>	<b>16.4</b>
<b>Total Investments</b>	<b>277,356</b>	<b>27.67</b>	<b>19.8</b>

#### 4. Interest and IAS Position at 30 September 2022

4.1 The funding of the IAS will require a significant amount of borrowing. Pressure on the net interest budget could be from:

- a delay in developments becoming operational, delaying interest receivable and increasing the overall build costs;
- an increase in borrowing requiring more interest payable than forecast, with this pressure increased during periods of increasing borrowing rates;
- an increase in borrowing rates higher than forecast; and
- a drop in treasury returns through lower returns or lower investible cash.

4.2 Table 2 provides the latest interest receivable and payable budgets forecast for the Council. The current net interest forecast is for a large surplus of £8.5m driven by improved interest rates but mainly due to capitalised interest on developments and the much lower than forecast borrowing requirement for 2022/23. There is the potential that, given interest rates are currently very high compared to recent levels, that the surplus could be reduced if the sale of Welbeck does not complete or if there is an increased need to borrow, resulting from further asset purchases or from accelerated development costs. The surplus interest is a direct result of the timing and level of borrowing secured and the cash surpluses produced by the sale of Muller and Welbeck. It is likely that this level is the peak of the surpluses produced by the capitalising interest on developments.

**Table 2: General Fund (GF) Interest Budget Forecast 2022/23**

Interest Forecast	2022/23	2022/23	2022/23
	Forecast	Budget	Variance
	£'000s	£'000s	£'000s
<b>GF Interest Receivable Budget</b>			
Loans - Reside	1,821		
Loans - Companies	1,988		
Loans - Other	427		
Investments	1,665		
Pension Fund Prepayment	1,265		
HRA	-		
<b>Total Income</b>	<b>7,165</b>	<b>7,503</b>	<b>(338)</b>
<b>GF Interest Payable Budget</b>			
GF - Lobo	(398)		
GF - PWLB	(11,952)		
GF - Medium Term	(29)		
GF - Short Term	(551)		
GF - Other	(1,871)		
GF - Potential Additional Interest	(1,000)		
<b>Total Expense</b>	<b>(15,801)</b>	<b>(15,681)</b>	<b>(120)</b>
Capitalised Interest	9,000	-	9,000
<b>Net Interest</b>	<b>364</b>	<b>(8,178)</b>	<b>8,542</b>

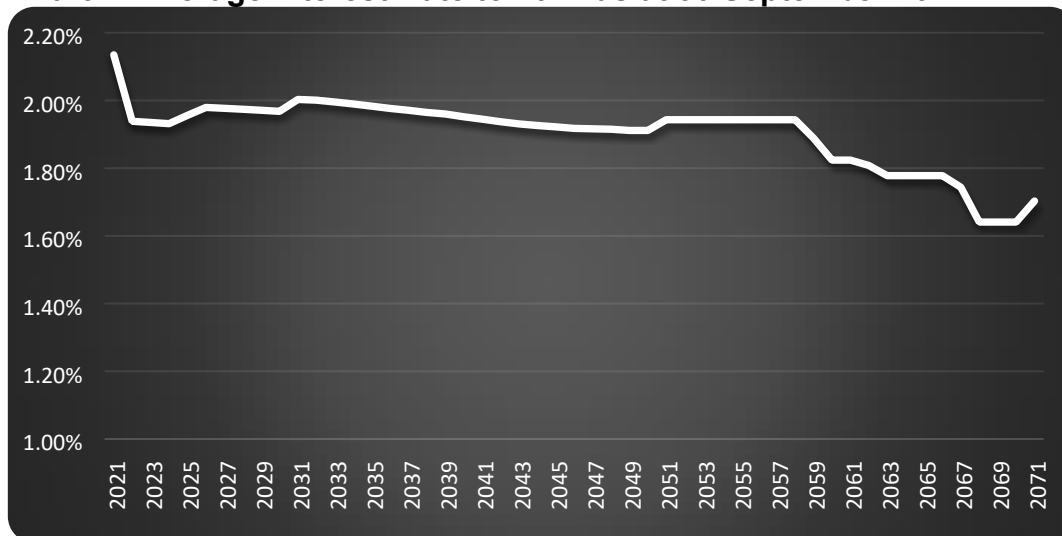
### 4.3 **Borrowing Position as at 30 September 2022**

- 4.3.1 Interest payable budget is forecast to be £120k higher than the budget of £15.7m (excluding capitalised interest). This includes £1m to fund any borrowing that may be required by year-end, although it is expected that the actual amount will be lower than this. The budget will be adjusted in 2023/24 to take into account additional borrowing requirements.
- 4.3.2 £30m was borrowed in early 2022/23 at very low rates but no subsequent borrowing has taken place outside of some short-term borrowing where it was required.
- 4.3.3 Capitalised interest is forecast to provide a surplus of £9m against budget. This figure is much higher than originally forecast and is mainly due to a much-improved cashflow resulting from prepayments of some grant, surpluses from the sale of Muller and potentially Welbeck, as well as a reduced borrowing position from the pension fund. The longer the Council defers borrowing, the bigger the surplus capitalised interest but it is expected that the Council will need to borrow again in mid-2023 or possibly earlier if further schemes or purchases are made. It is likely that new borrowing will be higher than the current average borrowing rate of 2% and this will lead to a reduction in the capitalised interest surplus.
- 4.3.4 Capitalised interest stops when a scheme is completed and handed over to Reside and is replaced by a loan rate, which is currently higher than the capitalised interest rate. There should, potentially, be further surpluses produced from both capitalised interest but also from the on-lending surplus, although this has reduced significantly as it has been necessary to reduce the on-lending rate.
- 4.3.5 A more detailed forecast will be produced as part of the Q3 report, with scenarios included for higher (and potentially lower) borrowing over the development period of the current development strategy. As the 2020/21 accounts will not be audited until mid 2023, there remains a risk that the capitalised interest will be adjusted, but this is low risk. Currently all the income from capitalised interest for 2019/20 and 2020/21 is part of the reserve.
- 4.3.6 As most of the Council's borrowing is linked to a repayment schedule from the underlying asset the money was borrowed for, and because there is an interest margin, there is the potential for the interest payable to be fully funded from the interest received from investments and from capitalised interest. This will depend on a number of factors, such as the ability to keep the average cost of borrowing below the average interest earned on the loans but also on there still being sufficient surplus from the assets to provide the Council a return. Currently the IAS return is lower than the budget and has required top ups from treasury surplus to reach its investment target.
- 4.3.7 The Council has set aside a net budget of £8.2m to cover interest costs and potentially this budget could be reviewed if there are sufficient surpluses from the on lending. Any adjustments will be dependent on the future pressures from interest costs but also the sign off of the capitalised interest approach by the Council's auditors.

#### 4.4 General Fund Interest Costs

4.4.1 Currently the average long-term interest rate on borrowing is 1.93% for £791.1m and remains fairly constant, although against a reducing borrowing amount. The average interest rate to 2070 is provided below:

**Chart 1: Average Interest Rate to 2071 as at 30 September 2022**



#### 4.5 Impact of higher borrowing rates

4.5.1 If future borrowing can keep the longer-term average borrowing rate to under 2%, then this will provide a margin against the on-lending rate to Reside of approximately 2.5% (reduced from 2.9% due to viability issues with some schemes). A 2.5% rate is very low and reflects the historically low rates that have been available over the past 5 years.

4.5.2 The average rate will increase if PWLB rates remain elevated and if borrowing costs increase or more expensive borrowing, i.e. index linked borrowing, is used. Therefore, currently there is a margin between the current average borrowing and the on-lending value, but this could change quickly if new borrowing is at much higher rates.

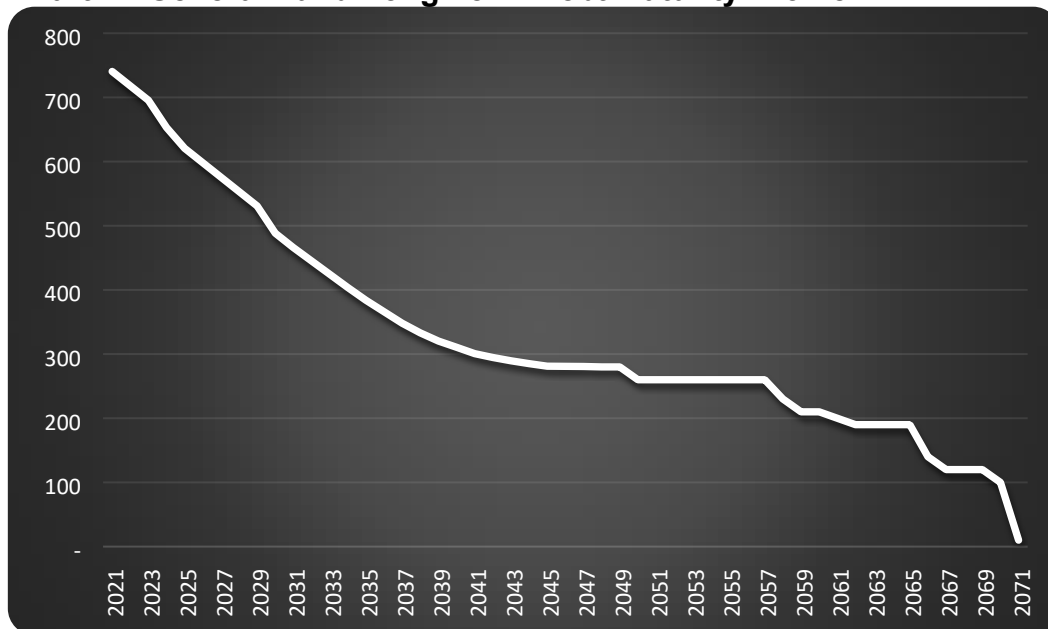
4.5.3 It is important to stress that, given the significant increase in borrowing costs and the fact that the Council still needs to borrow for current schemes but also has an ambitious investment programme that will require funding, that if future borrowing is at rates above 2%, the average borrowing cost will increase. If the rates are significantly higher than 2% then the average rate may increase to above the rates currently being lent out to Reside. The impact of this will be magnified if a significant amount of borrowing is required – i.e. the impact of needing to borrow £200m at 4% will be less than needing to borrowing £600m at 4%. To absorb this impact, the borrowing rate for new schemes has increased from 2.6% to 4%, although this will impact on schemes viability.

4.5.4 A number of the Council's smaller loans are linked to the BR and this will improve the average return on the loans but some of these loans are to the Council's subsidiary companies, and therefore the impact of the increased loans will have an impact on their returns.

## 4.6 Debt Position at 30 September 2022

- 4.6.1 The total GF borrowing at 30 September 2022 was £791.1m and £295.9m of HRA borrowing (this excludes borrowing between the HRA and the GF). The total borrowing as at 30 September 2022 was £1.1bn. Ensuring low cost of carry and debt repayment is at the forefront of any borrowing decisions made. Although the size of the Council's overall borrowing is significant, Members are asked to note that the majority of debt includes a repayment profile, and that the repayment is linked to income streams that are sufficient to cover the interest costs and debt repayment.
- 4.6.2 As an example, the EIB borrowing of £89m is an annuity repayment (AP), which means a proportion of the loan will be repaid each year. Currently the balance owed on the EIB loan is £74.2m, with all repayment made from returns from the investment strategy (Abbey Road and Weavers). In addition, £351.1m of the long-term PWLB borrowing is Equal Instalment Payments or AP, which means there is repayment of a portion of the debt each year. As a result, the Council has a loan repayment profile that is similar to its forecast property debt repayment schedule.
- 4.6.3 However, it is likely that future borrowing rates will be higher and could be significantly higher than the rates secured and this, without a decrease in build costs, will impact viability. The Council still needs to borrow approximately £250m to fund its current IAS, although this reduces to nearer £150m if land assembly holdings on Thames Road are sold and could be lower still if they are sold with any gain. Any schemes that are agreed in future will be impacted by the increase borrowing costs. The Council's GF long-term borrowing repayment schedule is outlined in Chart 2:

**Chart 2: General Fund Long Term Debt Maturity Profile**



## 4.7 Debt Repayment and Rescheduling

- 4.7.1 For the first half of the financial year, the treasury section has repaid approximately £17.3m of long-term borrowing through EIP and AP. In addition, short-term borrowing reduced to £49m at 30 September 2022. No debt rescheduling were undertaken during the first six months of the financial year.

## 5. Treasury and Loan Portfolio at 30 September 2022

- 5.1 It is the Council's priority to ensure security of capital and liquidity before obtaining an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate, the Council's risk appetite remains relatively low, with the treasury section looking to take advantage of the fluctuations in rates offered by Local Authorities (LAs) and Financial Institutions.
- 5.2 As at 30 September 2022 the Council held £109.2m in treasury investments, with £50.25m invested with LAs, £50.0m held with banks, a short-term position of £9.0m to cover liquidity risk as part of building up a short-term borrowing position. The Council also held a £30.0m prepayment position with the pension fund that may be repaid by the financial yearend. The exposure to Goldman Sachs is higher than would generally be held but this will reduce as a percentage when cash is received from the sale of Welbeck Wharf but will also reduce as an actual amount in December 2023 as £30m of current deposits mature.
- 5.3 A breakdown of the Council's treasury investments is provided in the table 3:

**Table 3: Treasury Investments as at 30 September 2022**

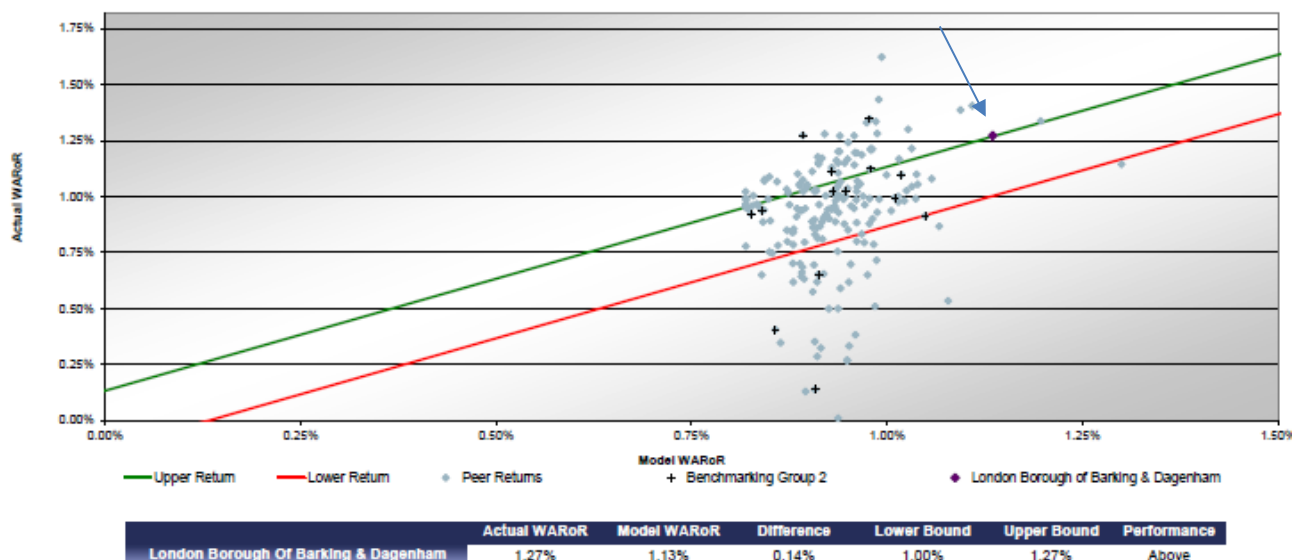
Counterparty	Start	End	Amount	Rate
LBBB Pension Fund	10/07/2019	01/10/2022	1,700,000	2.25
Cash	01/10/2021	01/10/2022	4,778,876	0.10
FEDERATED MMF	01/04/2016	01/10/2022	2,500,000	2.08
			<b>8,978,876</b>	<b>1.06%</b>
Goldman Sachs IB	20/09/2022	20/09/2023	10,000,000	4.22
Goldman Sachs IB	29/09/2022	29/09/2023	10,000,000	5.65
Goldman Sachs IB	13/12/2021	13/12/2022	30,000,000	0.72
			50,000,000	2.41%
RUNNYMEDE BC	20/12/2019	20/12/2022	5,000,000	1.80
Dudley MBC	21/02/2020	21/02/2023	10,000,000	1.80
CARDIFF COUNCIL	10/01/2020	10/01/2023	10,250,000	1.75
COLCHESTER BC	02/03/2020	03/01/2023	5,000,000	1.75
NORTHUMBERLAND CC	27/02/2020	27/02/2023	5,000,000	1.80
CAMBRIDGESHIRE CC	11/01/2021	11/01/2024	10,000,000	1.00
SLOUGH BC	27/05/2022	26/05/2023	5,000,000	2.05
			50,250,000	1.65%
			<b>Total</b>	<b>109,228,876 1.95%</b>

- 5.4 The Council's investment maturity profile in Chart 3 shows that, at 30 September 2022, 72.1% of the Council's investments had a maturity of one year or less. The Council is reducing its long-term investment positions to fund the IAS and due to the higher borrowing costs. It is likely that, given the current market conditions, the cash position will reduce to below £50m by the year end. The returns lost of treasury returns will be replaced by returns from the IAS as schemes become operational and interest is paid on the loans to Reside, as well as from returns from the Council's commercial portfolio.

## 6. Treasury Investment Strategy Performance and Benchmarking

- 6.1 For the past two years, yields on investments have been low, with returns for most Council's at around 0.25%. During this time the Council managed to keep a stable return of around 1.5%, while at the same time building up a significant borrowing position, with the aim to fund the IAS over the coming years. This period was important for the strategy and has allowed it to be in the current strong position. Since February 2022, rates have increased, with rates over the past few months increasing to levels not seen since the financial crisis in 2008. Currently the strategy is to not borrow and to use cash reserves and sales to fund the IAS, although it has been possible to lock in some of the higher rates available, with the average return, as at 30 September 2022, being 1.95% on a balance of £109.2m.
- 6.2 **Benchmarking at 30 June 2022:** The treasury strategy, which excludes loans and the pension prepayment, still continues to perform in the top quartile when compared to its peer group, with a return of 1.27% against an average of 0.95% for London LAs, although the difference between the Council and other Local Authorities has flattened as short-term investments now provide a good return. This is highlighted in chart 4:

**Chart 4: Population Returns against Model Returns (at 30 June 2022)**



- 6.3 The strategy has a slightly higher credit risk of 3.08 against a London LA average of 3.00, mainly due to the exposure to Goldman Sachs and due to the reduced investment positions with other local authorities, which have a low credit risk.
- 6.4 For the rest of the financial year, the average rate is forecast to increase to above 2.5% but on a reduced balance. The duration is also likely to reduce as there is less value from investing longer due to the elevated borrowing rates.
- 6.5 Overall the current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury WARoR management function. It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

## 7. Commercial and Reside Loans

- 7.1 In addition to its treasury investments, the Council has loans to its subsidiary companies, including Reside and a prepayment to the pension fund. These loans all have repayment schedule agreed. At 30 September 2022 the Council's loans and equity holdings totalled £168.1m and are summarised in table 4 below:

**Table 4: Commercial and Reside Loans at 30 September 2022**

Entity	Loan Type	Value £000s	Value £000s
LBBB Pension Fund	Commercial Loan	4,769.41	31/03/2025
LBBB Pension Fund	Pension Fund Prepayment	30,000.00	31/03/2023
BE-FIRST LTD	Commercial Loan - Working Capital	4,769.41	31/03/2025
BD TRADING PARTNERSHIP LEUK	Commercial Loan - Working Capital	5,000.00	31/07/2024
BD TRADING PARTNERSHIP LEUK	Commercial Loan - Asset Backed	24,867.85	01/04/2025
BARKING RIVERSIDE LTD	Commercial Loan - Guarantee	5,500.00	31/03/2025
BD ENERGY LTD	Commercial Loan - Working Capital	954.87	31/03/2025
BD ENERGY LTD	Commercial Loan - Asset Backed	1,953.13	31/03/2027
BD ENERGY LTD	Commercial Loan - Asset Backed	4,016.77	31/03/2047
Grafton Primary School	Commercial Loan - Energy	46.65	02/03/2026
Dagenham & Redbridge Football Club	Commercial Loan - Asset Backed	81.11	31/01/2028
Barking Enterprise Centre CIC	Commercial Loan - Asset Backed	142.62	12/08/2031
Make IT Bow Ltd	Commercial Loan - Asset Backed	250.00	30/06/2032
Gascoigne Primary School	Commercial Loan - Energy	46.80	03/03/2036
CARE CITY	Commercial Loan - Asset Backed	31.21	10/02/2041
Reside Weavers LLP Gascoigne East Phase 2	Commercial Loan - Asset Backed	34,553.14	31/03/2066
Reside Weavers LLP Gascoigne East Phase 2	Commercial Loan - Asset Backed	1,343.85	31/03/2066
Reside Weavers LLP - 796-806 Dagenham Road	Commercial Loan - Asset Backed	2,200.73	31/03/2071
Reside Weavers LLP - Sacred Heart	Commercial Loan - Asset Backed	8,071.22	31/03/2074
Reside Weavers LLP - 200 Becontree Avenue	Commercial Loan - Asset Backed	4,752.33	01/07/2074
Reside Weavers LLP - A House for Artists	Commercial Loan - Asset Backed	2,834.01	31/03/2077
Reside Ltd PSL Loan	Commercial Loan - Asset Backed	244.93	31/03/2024
Reside Abbey Roding LLP PSL Loan	Commercial Loan - Asset Backed	27.95	31/03/2024
Reside Weavers LLP PSL Loan	Commercial Loan - Asset Backed	39.22	29/07/2024
TPFL Regeneration Ltd	Commercial Loan	30.39	31/03/2025
Reside Regeneration Ltd	Commercial Loan - Asset Backed	168.82	31/03/2025
Reside Regeneration LLP	Commercial Loan - Asset Backed	6,400.43	31/03/2025
B&D Homes Ltd	Commercial Loan - Asset Backed	6,450.70	23/08/2025
BD Muller Developments	Equity	23,348.97	31/03/2023
<b>Total</b>		<b>168,127.10</b>	

- 7.2 The majority of the loans above are secured against an asset. Where the loan is unsecured the company is closely monitored to ensure that it remains financially viable. Loans against residential properties are very long term, with the loan duration of up to 55 years (to match the asset life of the asset it is secured against). A repayment schedule, based on an annuity repayment, is in place for each loan.
- 7.3 Commercial loans durations vary, with some loans to schools maturing in 14 years but most of the loans have a maximum duration of 5 years. Each loan has been agreed at Cabinet. The Pension Fund prepayment is contributions totalling £40m. The prepayment provides the pension fund with cash, which it uses to fund investments in infrastructure but also provides a return to the Council from making the payment early. Each month a portion of the loan is repaid and the actual contribution for the month is paid by the Council to ensure the correct contribution rate is paid to the pension fund. The prepayment is due to end on 31 March 2023.



## 8. IAS Income Forecast

- 8.1 The IAS is forecasting to return £6.7m, £0.3m less than the target of £7.0m for 2022/23. The IAS target includes the original £5.2m target but now also included the lease and lease back target of £1.1m and then additional income is required to fund MRP on Abbey Road 2 and also on the commercial purchases on Thames Road, totalling £708k.

**Table 5: IAS Income Forecast as at 30 September 2022**

<b>IAS Forecast</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
<b>Residential - Reside Schemes</b>			
Regen LLP		400	
Abbey		275	
Weavers		1,000	
Reside Ltd		-100	
<b>Total Residential</b>	<b>1,590</b>	<b>1575</b>	<b>-15</b>
<b>Commercial Income</b>			
Barking Business Centre		902	<b>902</b>
Dagenham Heathway		240	<b>240</b>
Travelodge Dagenham		236	<b>236</b>
Barking Restore PLC		409	<b>409</b>
Purchase of Welbeck Wharf		483	<b>483</b>
23 Thames Road		186	<b>186</b>
27 Thames Road		20	<b>20</b>
3 Gallions Close		206	<b>206</b>
47 Thames Road		5	<b>5</b>
7 Cromwell		206	<b>206</b>
26 Thames Rd		152	<b>152</b>
Purchase of 1-4 Riverside		39	<b>39</b>
9 Thames Road		17	<b>17</b>
Maritime House		487	<b>487</b>
Pianoworks Lease		408	<b>408</b>
<b>Total Commercial</b>	<b>3,610</b>	<b>3,995</b>	<b>385</b>
<b>Lease and Lease Back</b>			
CR27	862	691	<b>171</b>
Travelodge Isle of Dogs	240	240	<b>0</b>
<b>Total Lease and Lease Back</b>	<b>1,102</b>	<b>930</b>	<b>(172)</b>
<b>IAS Support Costs</b>	<b>0</b>	<b>(350)</b>	<b>(350)</b>
<b>Additional MRP</b>			
Thames Road	558	558	<b>0</b>
Abbey Road 2	150		<b>(150)</b>
<b>Total Lease and Lease Back</b>	<b>708</b>	<b>558</b>	<b>(150)</b>
<b>IAS Target</b>	<b>7,010</b>	<b>6,708</b>	<b>(302)</b>

- 8.2 MRP on Abbey Road is required as this is the only capital expenditure where MRP is not appropriately charged. MRP was removed from Abbey Road as part of a

savings target, as the market value of the scheme was higher than the build costs and the scheme was considered for sale or enter into a lease back arrangement. To be compliant with MRP rules, MRP will be charged from 2022/23, backdated to 2016/17 using the 50 year annuity method.

8.3 The IAS is supported by higher-than-expected level of commercial income. The return from current residential schemes is forecast to be marginal. Loans from the Council to Reside are included as interest receivable, with the treasury and IAS returns interlinked and, at times, one underperforms while the other outperforms. Table 5 outlines the income received from the various commercial investments and includes costs to fund additional resources in the investment strategy.

#### 8.4 **Reside Returns**

8.4.1 The draft Reside return payable to the Council for 21/22 and the forecast return for 2022/23 have been calculated, as in previous years, based on fixed payments to MyPlace to cover the costs of management, repairs and services.

8.4.2 Work on budgeting for the Reside homes over the last eighteen months has identified that these fixed payments to MyPlace, even though they are indexed to allow for inflation each year, do not fully cover the costs actually incurred by MyPlace for the management and maintenance of Reside's Homes. A review of these costs is currently being completed and will likely lead to an increase in costs, which will reduce future net returns from Reside.

8.4.3 Reside is entering a period of rapid growth it is imperative correct actual costs for the Reside homes are correctly identified in real-time, real-time costs and forecasts are available to Reside and that the correct costs are charged to Reside by MyPlace and deducted from the return. If this does not happen there is a risk of:

- Increasing cost pressures in MyPlace as Reside and therefore these unrecovered costs grow;
- Reside will be unable to manage and control the costs of running its homes and unable to ensure the services delivered to its tenants represent value for money; and
- Using incorrect assumptions for management, maintenance and service costs when appraising new development could lead to decisions being made based on poor information.

8.4.4 MyPlace is putting in place a project, working closely with Reside, to address this gap but to also find efficiencies, especially as the number of schemes increases.

8.5 The IAS has received significant income contributions from rental received from land assembly purchases on Thames Road and from commercial loans made for the purchase of Muller and for LEUK. Although this is short-term income received during land assembly, this income has provided additional support to the IAS and allows for the costs of borrowing to be covered for part of the development.

8.6 A 2021/22 surplus of £1.566m is estimated to be paid from Reside and will be transferred to the IAS reserve.

## 9. IAS Update

9.1 Over the past two years the IAS has come under pressure from higher build costs and lower rent increases. To address this, amendments were made to assumptions used within the IAS, including a reduction in the on-lending interest rate and an increase in use of Right to Buy receipts. Prior to the revised assumptions the cashflows showed losses of £45.6m over the first 20 years, mainly from London Affordable Rent (LAR) but also from Private Rentals (PRS). A summary of the forecast prior to the assumption's amendments and then after these amendments is provided below:

**Table 7: December 2021 IAS viability**

Borrow	£1,234m	£1,234m	£94.4m	£310.4m	£247.9m	£532.5m	£14.4m	£34.8m
Dates	Total	Accumulative	SO	AR	LAR	PRS	Commercial	Realm and Community
2021/22	245,208	245,208	131,828	142,646	43,696	0	0	-72,962
2022/23	704,336	949,544	87,859	644,156	484,739	-448,503	9,284	-73,199
2023/24	-176,990	772,554	-840,152	1,318,017	154,546	-797,408	293,819	-305,812
2024/25	3,153,347	3,925,901	1,170,661	1,790,104	-165,801	65,226	738,824	-445,667
2025/26	-961,688	2,964,213	23,802	1,273,721	-1,656,436	-428,210	538,489	-713,054
2026/27	-2,355,130	609,083	-211,273	1,169,515	-1,781,862	-1,249,730	518,402	-800,182
2027/28	-496,771	112,312	3,361,876	443,334	-2,387,261	-1,624,050	521,939	-812,609
2028/29	-3,714,393	-3,602,081	286,823	134,926	-2,595,988	-1,380,125	648,100	-808,129
2029/30	-5,650,033	-9,252,114	219,039	-434,783	-3,373,405	-1,929,184	654,497	-786,197
2030/31	-3,831,706	-13,083,820	1,696,127	-337,491	-3,416,365	-1,645,482	654,598	-783,093
2031/32	-5,073,659	-18,157,479	609,466	-411,413	-3,534,317	-1,610,376	651,834	-778,853
2032/33	-6,162,877	-24,320,356	550,992	-634,182	-4,019,988	-1,945,258	658,170	-772,611
2033/34	-4,944,999	-29,265,355	692,109	-406,693	-3,912,305	-1,354,749	803,745	-767,106
2034/35	-5,035,357	-34,300,712	854,694	-231,442	-4,202,633	-1,524,263	810,930	-742,643
2035/36	-4,155,240	-38,455,952	1,000,394	-92,621	-4,189,869	-945,185	810,992	-738,951
2036/37	-3,050,515	-41,506,467	1,149,015	145,784	-4,113,587	-308,037	811,058	-734,748
2037/38	-2,550,087	-44,056,554	1,300,597	388,829	-4,241,054	-87,798	818,238	-728,899
2038/39	-1,396,884	-45,453,438	1,455,270	554,745	-4,203,604	537,108	982,953	-723,356
2039/40	-167,724	-45,621,162	1,613,124	806,017	-4,123,895	1,241,959	991,091	-696,020

**Table 8: Revised IAS viability**

Borrow	£1,180.1m		£94.4m	£276.2m	£215.7m	£533.0m	£26.7m	£34.6m
Dates	Total	Accumulative	SO	AR	LAR	PRS	Commercial	Realm and Community
2021/22	435,052	435,052	128,874	270,680	90,821	0	0	-55,322
2022/23	2,337,937	2,772,989	87,133	1,312,014	727,461	-289,520	9,284	-31,911
2023/24	2,087,690	4,860,679	-841,177	2,592,030	1,122,950	-432,790	-181,040	-172,286
2024/25	6,398,591	11,259,270	1,169,641	3,318,307	1,082,553	807,728	263,965	-257,817
2025/26	3,778,813	15,038,083	22,788	3,263,807	321,036	505,850	63,570	-398,233
2026/27	2,390,759	17,428,842	-212,280	3,173,598	198,372	-324,595	43,483	-487,822
2027/28	4,575,714	22,004,556	3,360,876	2,441,347	-280,911	-489,914	47,019	-502,700
2028/29	1,328,436	23,332,992	285,830	2,126,678	-499,121	-257,426	173,181	-500,700
2029/30	-638,295	22,694,697	218,053	1,549,951	-1,286,336	-818,265	179,577	-481,278
2030/31	1,396,203	24,090,900	1,695,148	1,640,182	-1,247,441	-390,659	179,679	-480,705
2031/32	119,070	24,209,970	608,495	1,558,999	-1,376,853	-369,459	176,914	-479,026
2032/33	-1,006,321	23,203,649	550,029	1,328,738	-1,874,307	-718,663	183,251	-475,365
2033/34	174,385	23,378,034	691,154	1,548,513	-1,778,740	-142,906	328,826	-472,462
2034/35	45,810	23,423,844	853,748	1,715,811	-2,081,516	-327,615	336,010	-450,622
2035/36	886,653	24,310,497	999,458	1,846,442	-2,081,560	235,812	336,073	-449,572
2036/37	1,951,011	26,261,508	1,148,088	2,076,411	-2,018,441	856,840	336,139	-448,024
2037/38	2,409,941	28,671,449	1,299,681	2,310,760	-2,159,443	1,060,476	343,318	-444,849
2038/39	3,520,491	32,191,940	1,454,365	2,467,712	-2,135,913	1,668,280	508,034	-441,992
2039/40	4,705,831	36,897,771	1,612,230	2,709,749	-2,070,493	2,355,516	516,172	-417,348

## 9.2 IAS Post GW4 Cashflows

9.2.1 The revised cashflows can be split further into schemes that have been agreed at Gateway 4 (GW4) and are therefore under construction and Pre-Gateway 4 (Pre-GW4) that are still undergoing planning and design. Generally, Post GW4 schemes need to be completed but there is certainty over build costs. Pre-GW4 schemes have had some spend on them but can still be put on hold or not progressed.

9.2.2 As summarised in table 9, the post-GW4 schemes, with the revised assumptions, are viable, although there are a number of years where there are deficits, as a result of lifecycle costs being incurred. In addition, there are negative cashflows from LAR and parking, realm and community. LAR tenures are cross subsidised by Shared Ownership (SO) but any further shortfall forecast at handover will need to be addressed through a lower on-lending rate to the Registered Provider (RP). Realm and Community is held and funded by the Council and this will be funded from any excess from the IAS and treasury above its target or from the IAS reserves. Post GW4 schemes include:

Project	Project Type	Project Status
Becontree Avenue 200	New Build	Completed
Becontree Heath	New Build	Completed
Chequers Lane	Turnkey	Completed
Crown House	New Build	Completed
Gascoigne East Phase 2 Block C	New Build	Completed
Gascoigne West Phase 1	New Build	Completed
House for Artists	New Build	Completed
Kingsbridge	New Build	Completed
Sacred Heart	New Build	Completed
12 Thames Road	New Build	Post-G4
Gascoigne East Phase 2 Block E2	New Build	Post-G4
Gascoigne East Phase 2 Block F	New Build	Post-G4
Gascoigne East Phase 3A - Block I	New Build	Post-G4
Gascoigne East Phase 3A - Block J	New Build	Post-G4
Gascoigne West Phase 2	New Build	Post-G4
Oxlow Lane	New Build	Post-G4
Padnall Lake - Phase 2	New Build	Post-G4
Roxwell Road	New Build	Post-G4
Sebastian Court	New Build	Post-G4
Woodward Road	New Build	Post-G4
Beam Park - Phase 6	Turnkey	Post-G4
Beam Park - Phase 7	Turnkey	Post-G4
Transport House	Turnkey	Post-G4
Trocoll House	Turnkey	Post-G4

9.2.3 The surpluses in table 9 will contribute to the IAS return and, as outlined in section 8, there is a £2m deficit and these surpluses are required to ensure the IAS meets its target, especially as there is currently pressure on borrowing costs, which could reduce the return from Treasury. In addition, there remains pressure from operational costs and rents and rent caps likely to reduce the surpluses. Work is being carried out by the Investment Panel (IP) to improve the viability, especially for LAR units, with the option to change tenure mix, reducing LAR provision, especially where viability is particularly challenging, and replacing it with Affordable Rent (AR). If there remains a deficit, then it will be necessary to reduce the interest rate charged to ensure that the schemes are viable for the RP. Reducing the interest rate further will put additional pressure on the investment strategy at a time when interest rates are increasing.

**Table 9: IAS Post GW4 Revised viability**

Borrow	£920.0m	£920.0m	£90.5m	£204.4m	£13.0m	£171.7m	£393.5m	£46.8m
Dates	Total	Accumulative	SO	AR	LLR	LAR	PRS	Realm and Community
2021/22	131,421	200,081	51,214	35,131	0	56,290	0	-11,215
2022/23	467,045	667,126	44,152	507,509	81,387	300,653	-412,180	-54,477
2023/24	1,901,795	2,568,921	13,149	2,127,470	93,961	143,932	-361,824	-114,891
2024/25	2,396,747	4,965,668	-124,184	2,595,400	-28,156	3,815	576,891	-627,016
2025/26	311,595	5,277,263	-449,796	2,156,880	-13,810	-559,109	-105,293	-300,627
2026/27	1,157,464	6,434,727	85,801	2,054,232	1,008	-772,375	185,631	-477,004
2027/28	1,904,891	8,339,618	180,930	2,206,111	11,376	-717,485	590,188	-468,013
2028/29	1,397,784	9,737,402	159,857	2,309,399	-3,356	-1,007,750	267,701	-450,559
2029/30	1,823,873	11,561,276	262,164	2,312,676	-2,575	-1,150,915	588,205	-331,755
2030/31	3,098,952	14,660,227	589,964	2,339,565	6,125	-1,189,389	1,509,982	-327,980
2031/32	1,350,990	16,011,217	720,937	1,378,687	-208,982	-1,868,752	1,459,832	-325,123
2032/33	-676,821	15,334,397	685,959	868,165	-50,611	-2,511,889	961,072	-315,118
2033/34	1,498,129	16,832,526	825,615	1,857,934	10,952	-1,987,276	1,374,857	-292,309
2034/35	4,721,726	21,554,252	968,126	2,623,874	35,256	-1,522,371	3,045,303	-158,226
2035/36	4,300,264	25,854,515	1,113,612	3,155,534	52,302	-1,848,148	2,226,738	-154,826
2036/37	1,435,057	27,289,572	1,262,130	937,960	-463,533	-2,843,913	2,911,988	-151,251
2037/38	-711,539	26,578,033	1,413,773	-420,696	-103,120	-3,787,809	2,521,346	-141,977
2038/39	3,903,831	30,481,864	1,568,634	1,796,491	82,284	-2,479,548	3,216,407	-116,836
2039/40	8,881,795	39,363,659	1,726,825	3,448,738	92,681	-1,689,025	5,400,691	34,530

9.2.4 In October 2022, Cabinet agreed to proceed with Gascoigne East 3B (GE3b), a key scheme within the Gascoigne regeneration but also a scheme that, on its own, is unviable. The impact of this scheme on the current cashflow forecasts is outlined in table 10 below, showing the initial cash flows remain unchanged but future year have much worse annual returns, especially when compared to the borrowing required:

**Table 10: IAS Post GW4 Revised viability including GE3B**

Borrow	£1,057.1m	£1,057.1m	£90.5m	£226.0m	£13.0m	£197.5.0m	£477.4m	£52.6m
Dates	Total	Accumulative	SO	AR	LLR	LAR	PRS	Realm and Community
2021/22	131,421	200,081	51,214	35,131	0	56,290	0	-11,215
2022/23	467,045	667,126	44,152	507,509	81,387	300,653	-412,180	-54,477
2023/24	1,901,795	2,568,921	13,149	2,127,470	93,961	143,932	-361,824	-114,891
2024/25	2,396,747	4,965,668	-124,184	2,595,400	-28,156	3,815	576,891	-627,016
2025/26	-1,044,938	3,920,730	-449,796	2,219,736	-13,810	-823,075	-994,448	-566,895
2026/27	73,741	3,994,471	85,801	2,171,814	1,008	-968,341	-553,991	-742,722
2027/28	-357,930	3,636,541	180,930	2,109,215	11,376	-1,337,344	-685,126	-738,766
2028/29	-727,254	2,909,287	159,857	2,242,440	-3,356	-1,606,837	-920,538	-721,312
2029/30	-158,934	2,750,354	262,164	2,276,610	-2,575	-1,728,534	-510,165	-602,508
2030/31	1,240,192	3,990,545	589,964	2,322,560	6,125	-1,754,792	504,382	-598,733
2031/32	-585,175	3,405,370	720,937	1,341,676	-208,982	-2,491,744	454,422	-595,876
2032/33	-2,485,734	919,637	685,959	850,190	-50,611	-3,123,575	52,573	-585,871
2033/34	-179,806	739,831	825,615	1,859,378	10,952	-2,587,431	566,386	-563,062
2034/35	1,282,891	2,022,722	968,126	2,271,583	35,256	-2,728,350	1,435,491	-428,979
2035/36	2,895,963	4,918,684	1,113,612	3,196,986	52,302	-2,424,538	1,628,128	-425,579
2036/37	-21,499	4,897,185	1,262,130	961,769	-463,533	-3,473,553	2,332,017	-422,004
2037/38	-1,825,890	3,071,295	1,413,773	-337,620	-103,120	-4,339,474	2,146,336	-412,730
2038/39	2,940,880	6,012,175	1,568,634	1,901,009	82,284	-3,018,476	2,958,619	-387,589
2039/40	3,873,214	9,885,389	1,726,825	2,732,840	92,681	-3,482,676	3,172,413	-236,223

### 9.3 IAS Pre GW4 Cashflows

9.3.1 Due to increased build costs and higher interest rates, most pre-GW4 schemes are unviable at a scheme and tenure level. Work is being carried out to improve viability, but most schemes need build costs to decrease or increased grant for the schemes to be viable from an investment perspective. Currently the Pre GW4 schemes are below:

Project	Project Type	Project Status
Barking Health Hub	New Build	Pre-G4
Gascoigne East Phase 2 Block E1	New Build	Pre-G4
Jervis Court	New Build	Pre-G4
Padnall Lake - Phase 3	New Build	Pre-G4
Padnall Lake - Phase 4 - merged with Ph3	New Build	Pre-G4
Town Quay Wharf	Turnkey	Pre-G4
Brocklebank	New Build	Pre-G2
Gascoigne East Phase 4	New Build	Pre-G2
Gascoigne West Phase 3	New Build	Pre-G2
Heath Park - Infill	New Build	Pre-G2
Hepworth Gardens	New Build	Pre-G2
Ibbscott	New Build	Pre-G2
Millard Terrace (Dagenham Heathway)	New Build	Pre-G2
Padnall & Reynolds	New Build	Pre-G2
Rest of Gascoigne West	New Build	Pre-G2

9.3.2 The Council has purchased land around Thames Road, and this will require spend to progress the development and this has not been modelled as yet but will likely require a significant amount of funding. The accumulative loss for the schemes is £154.5m to 2039/40 (see table 11 below) and a surplus only being generated in 2048/49, at which stage the losses are forecast to be £223m and negative cashflows in all tenures. Total borrowing required is £902.4m, although there is uncertainty over the full borrowing requirement. Options on tenure, build specifications, operating costs, mothballing or alternative build options are being considered but there are also additional pressures around rents, inflation on operating costs and financing costs to be considered. In addition, the performance of the current schemes being completed, including initial rents, handover and reporting need to be reviewed and improved.

**Table 11: IAS Pre GW4 Revised viability**

Borrow	£902.4m	
Dates	Total	Accumulative
2024/25	-£911,749	-911,749
2025/26	-£6,397,197	-7,308,946
2026/27	-£3,995,892	-11,304,838
2027/28	-£7,570,752	-18,875,590
2028/29	-£7,323,655	-26,199,245
2029/30	-£7,589,162	-33,788,407
2030/31	-£7,861,039	-41,649,446
2031/32	-£7,840,469	-49,489,915
2032/33	-£15,891,623	-65,381,538
2033/34	-£15,736,569	-81,118,107
2034/35	-£11,952,585	-93,070,692
2035/36	-£15,068,378	-108,139,070
2036/37	-£13,068,326	-121,207,396
2037/38	-£11,541,151	-132,748,547
2038/39	-£11,819,684	-144,568,231
2039/40	-£9,893,959	-154,462,190



## 9.4 Mid-year IAS spend Budget and Forecast

9.4.1 A revised IAS budget of £352.8m of gross spend has been set for 2022/23 and is summarised in the table below:

Investment and Acquisitions Strategy		2022/23 Estimate as per TMSS	2022/23 Revised Budget	2022/23 Forecast	2022/23 Variance
Code	Project	£000s	£000s	£000s	
	<b>Residential Developments</b>				
C04067	12 Thames Road	32,688	33,019	33,019	0
C04065	200 Becontree	-	154	154	0
C03086	A House for Artists	-	104	104	0
C05100	Barking Riverside Health	3,818	806	806	0
C05066	Beam Park	21,124	22,489	22,489	0
TBC	Beam Park Phase 4 / 7 -	155	0	0	0
C03089	Becontree Heath New Build	-	-233	-233	0
C05071	Brocklebank Lodge	3,110	1,129	1,129	0
C05065	Chequers Lane	563	0	0	0
C04069	Crown House	2,697	4,005	4,005	0
C05090	Gascoigne East 3A - Block I	28,633	7,543	7,543	0
C05073	Gascoigne East 3B	19,503	13,691	13,691	0
C05076	Gascoigne East Phase 2 E1	21,621	26	26	0
C05026	Gascoigne East Phase 3	18,081	28,534	28,534	0
C04099	Gascoigne West P1	6,343	970	970	0
C05025	Gascoigne West Phase 2	73,439	72,843	72,843	0
C04062	Gascoigne East Phase 2 C1	433	1,261	1,261	0
C05092	Gascoigne East Phase 2 E2	20,374	24,203	24,203	0
C05091	Gascoigne East Phase 2 F	43,255	39,545	39,545	0
C03080	RBL Jervis Court	13,057	1,073	1,073	0
C04068	Oxlow Road	7,585	6,063	6,063	0
C05035	Padnall Lake	4,620	9,210	9,210	0
C05093	Padnall Lake Phase 2	11,260	19,363	19,363	0
C05094	Padnall Lake Phase 3	336	3,469	3,469	0
C04066	Roxwell Road	9,492	5,052	5,052	0
C03072	Sacred Heart	-	173	173	0
C03084	Sebastian Court - Redevelop		1,128	1,128	0
C05103	Town Quay Wharf	9,465	5,379	5,379	0
C05041	Transport House	24,045	10,167	10,167	0
C05082	Trocoll House	995	762	762	0
C05020	Woodward Road	10,093	9,866	9,866	0
	<b>Total for Residential</b>	<b>386,785</b>	<b>321,794</b>	<b>321,794</b>	<b>0</b>
	<b>Temporary Accommodation</b>				
C05021	Grays Court	-	36	36	0
C04101	Margaret Bondfield	4,455	0	0	0
	<b>Total for Temporary Accom.</b>	<b>4,455</b>	<b>36</b>	<b>36</b>	<b>0</b>
	<b>Commercial Investments</b>				
C04091	Welbeck Wharf	3	1,018	1,018	0
	Thames Road	97			0
C05072	Industria	26,830	29,930	29,930	0
	<b>Total for Commercial</b>	<b>26,930</b>	<b>30,948</b>	<b>30,948</b>	<b>0</b>
	<b>Total for Investment Strategy</b>	<b>418,170</b>	<b>352,779</b>	<b>352,779</b>	<b>0</b>

## 10. IAS Current and Forecast Reserves and contributions to the MTFS

- 10.1 The IAS reserve is essential to provide some support and security to the Council's IAS. As the strategy increases in value so will the reserve. £10.5m of the reserve is specifically linked to the two lease and lease back arrangements for CR27 and the Isle of Dogs Travelodge and the amounts will be inflated each year to ensure that the protection they provide does not decrease.
- 10.2 The total IAS reserve is therefore forecast to be £37.6m by 31 March 2023. Although this is a substantial amount, it is necessary as it provides protection to the Council from the impact of negative market movements. However, it is important to stress that the IAS contains protection from the forecast surpluses, the interest margin, the asset base, which is predominantly residential lettings, and there is some protection within the financial models from prudent assumptions.
- 10.3 However, there are a number of risks that potentially could put pressure on the investment strategy, including rent increases being lower than operational cost increases, high interest rates and potentially schemes that have very low profits or have years where they incur losses. In addition, the IAS returns are predominantly provided by the returns from commercial schemes, with the commercial schemes held for future regeneration and therefore the returns over the medium term are not certain and more contribution is expected from residential schemes and there is a significant amount of pressure on these returns.
- 10.4 In addition there are pressures from some of the Council's companies, where dividends have been lower than expected and where there are pressures on profitability. The reserve, as was used in 2020/21, could be used to cover the shortfall in returns from the companies, but this will reduce the protection the IAS has for any negative strategy performance.
- 10.5 Excluding the return target for the IAS and the reserves that has been built up from treasury returns, the IAS and Treasury has provided a contribution of £5m to the MTFS in 2021/22 and has covered a shortfall of £1.25m in dividends in 2020/21

**Table 12: Forecast Reserve Movements 2022/23**

<b>IAS Reserves</b>	<b>£'000s</b>
<b>Investment Reserve</b>	12,982
<b>Capital Reserve</b>	3,779
<b>CR27 Reserve</b>	5,500
<b>Travelodge Reserve</b>	5,500
<b>Reside 2021/22 Surplus</b>	1,566
<b>Reserves at 31 March 2022</b>	<b>29,327</b>
<b>Potential Year End Transfer 2022/23</b>	<b>8,240</b>
<b>Reserves at 31 March 2023</b>	<b>37,567</b>
<b>IAS Contribution (excluding target)</b>	<b>£'000s</b>
<b>Transfer to support dividends 2020/21</b>	1,254
<b>MTFS Contributions 2021/22</b>	5,000
<b>Total</b>	<b>6,254</b>
<b>Total Reserves / IAS contribution</b>	<b>43,821</b>



## 11. The Council's Capital Position (Prudential Indicators)

11.1 Table 13 highlights the original capital programme and the expected financing arrangements and then any budget revisions and the latest forecast. The borrowing need increases the Council's debt through the CFR, although this will be reduced by MRP. This direct borrowing need is supplemented by maturing debt. Table 7 shows the changes to the original capital budget.

**Table 13: Revised Estimate to Capital Programme at 30 September 2022**

Capital Expenditure	2022/23 Estimate as per TMSS	2022/23 Revised Budget	2022/23 Spend to 30/9/2020	2022/23 Forecast	2022/23 Variance
	£000s	£000s	£000s	£000s	£000s
<b>General Fund</b>					
Adults Care & Support	1,604	1,456	362	617	839
Community Solutions	-	-37	-	-	-37
Core	1,145	1,408	207	1,408	-
CIL	878	932	193	576	356
Culture, Heritage & Recreation	8,022	9,075	1,339	9,075	-
Enforcement	2,369	2,254	-2	135	2,119
Inclusive Growth	-	10,009	383	8,240	1,769
Transport for London	893	1,529	260	333	1,196
My Place	6,518	8,456	1,020	5,822	2,634
Public Realm	732	1,129	985	1,373	-244
Education, Youth and Childcare	39,687	31,349	4,724	8,772	22,577
Other	1,634	1,730	816	1,007	723
Transformation	1,990	3,162	201	3,162	-
<b>Total GF Capital Expenditure</b>	<b>65,472</b>	<b>72,452</b>	<b>10,488</b>	<b>40,520</b>	<b>31,932</b>
<b>Total IAS Expenditure</b>	<b>418,168</b>	<b>352,779</b>	<b>123,953</b>	<b>352,779</b>	<b>0</b>
<b>HRA</b>					
Stock Investment (My Place)	43,892	18,691	6,759	18,691	0
Estate Renewal (Be First)	8,800	10,247	844	10,247	0
New Build Schemes (Be First)	2,088	2,122	620	2,122	0
<b>HRA Total</b>	<b>54,780</b>	<b>31,060</b>	<b>8,224</b>	<b>31,060</b>	<b>0</b>
<b>Financed by:</b>					
HRA/MRR	-54,780	-61,926	-	-61,926	0
CIL/S106	-1,376	-1,631	-	-1,631	0
Revenue	-2,149	-	-	-	0
Capital Receipts (Transformation)	-1,990	-2,354	-	-2,354	0
Self-Financing	-2,768	-3,206	-	-3,206	0
Other Grant	-46,157	-45,259	-	-45,259	0
IAS Grants (RtB, GLA) and sales	-93,313	-62,259	-	-62,259	0
<b>Total Financing</b>	<b>-202,533</b>	<b>-176,635</b>	<b>0</b>	<b>-176,635</b>	<b>0</b>
<b>Financed by Borrowing</b>	<b>335,887</b>	<b>279,656</b>	<b>142,665</b>	<b>247,724</b>	<b>31,932</b>
<b>PFI Additions &amp; Repayments</b>	<b>70,000</b>	<b>78,807</b>	<b>78,807</b>	<b>78,807</b>	<b>0</b>
<b>Net financing need for the year</b>	<b>405,887</b>	<b>358,463</b>	<b>221,472</b>	<b>326,531</b>	<b>31,932</b>

11.2 A total of £326.5m net financing is forecast, which is lower than the original net financing budget of £405.9m due to delays in some of the schemes and also from some scheme being put on hold due to viability issues. Some schemes have accelerated, or the full budget has now been added, replacing the pre-development budget that was originally agreed.

### 11.3 Prudential Indicator – CFR

11.3.1 Table 14 shows that the Council’s revised CFR will not exceed the Operational boundary. The S151 reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator. The Authorised Limit represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

11.3.2 Overall table 13 and 14 show the forecast capital spend is lower than originally forecast. Expenditure is still significant in the IAS but there are delays in completing some of the schemes. There is now a gap between the borrowing of £1.12bn, the forecast CFR of £1.60bn and the Operational Boundary of £1.60bn.

**Table 14: Revised Capital Financing Requirement as at 30 September 2022**

Capital Expenditure	2021/22 actual	2022/23 Forecast
	£000s	£000s
<b>Capital Financing Requirement</b>		
<b>Opening CFR as at 1 April</b>	<b>1,043,106</b>	<b>1,292,374</b>
Change in Year – General Fund	274,917	247,724
Change in Year – Housing	0	0
<b>Net movement in CFR</b>	<b>274,917</b>	<b>247,724</b>
<b>Total CFR as at 31 March</b>	<b>1,318,023</b>	<b>1,540,098</b>
<b>Net financing need for the year</b>	<b>287,627</b>	<b>247,724</b>
<b>Less: MRP*</b>	-12,710	-15,215
<b>Less: Capital Receipts</b>	0	-65,000
<b>Movement in CFR</b>	<b>274,917</b>	<b>167,509</b>
Long & Short-Term Borrowing	1,095,017	1,120,000
PFI and finance lease liabilities*	197,357	276,164
<b>Total debt 31 March</b>	<b>1,292,374</b>	<b>1,396,164</b>
<b>Under / (Over) Borrowing</b>	<b>25,649</b>	<b>143,934</b>
<b>Operational Boundary</b>	<b>1,700,000</b>	<b>1,600,000</b>
<b>Authorised Limit</b>	<b>1,800,000</b>	<b>1,700,000</b>

## 11.4 Treasury Indicators: Limits to Borrowing Activity

11.4.1 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- i. Upper limits on variable interest rate exposure: identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- ii. Upper limits on fixed interest rate exposure: similar to the previous indicator and covers a maximum limit on fixed interest rates; and
- iii. Maturity structure of borrowing: gross limits to reduce the Council's exposure to large fixed-rate sums requiring refinancing.

11.4.2 The S151 officer reports that there were no breaches in any of the limits outlined below:

<b>Interest rate exposures</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	100%	100%	100%
<b>Limits on variable interest rates based on net debt</b>	70%	70%	70%
<b>Limits on fixed interest rates:</b>			
• <b>Debt only</b>	100%	100%	100%
• <b>Investments only</b>	90%	90%	90%
<b>Limits on variable interest rates</b>			
• <b>Debt only</b>	70%	70%	70%
• <b>Investments only</b>	80%	80%	80%

<b>Maturity structure of fixed interest rate borrowing 2022/23</b>		
	<b>Lower</b>	<b>Upper</b>
<b>Under 12 months</b>	0%	50%
<b>12 months to 2 years</b>	0%	60%
<b>2 years to 5 years</b>	0%	70%
<b>5 years to 10 years</b>	0%	70%
<b>10 years and above</b>	0%	100%

<b>Maturity structure of variable interest rate borrowing 2022/23</b>		
	<b>Lower</b>	<b>Upper</b>
<b>Under 12 months</b>	0%	50%
<b>12 months to 2 years</b>	0%	50%
<b>2 years to 5 years</b>	0%	70%
<b>5 years to 10 years</b>	0%	70%
<b>10 years and above</b>	0%	80%

## **12. Consultation**

- 12.1 The Strategic Director, in his role as statutory Chief Finance Officer, has been informed of the approach, data and commentary in this report.
- 12.2 The report was considered and endorsed by the Corporate Performance Group on 27 October 2022. The Cabinet will also be considering this report at its meeting on 15 November 2022 (the date of publication of this Assembly agenda). Any issues arising from the Cabinet meeting will be reported to the Assembly.

## **13. Financial Implications**

Implications completed by: Katherine Heffernan, Head of Services Finance

- 13.1 This report sets out the mid-year position on the Council's treasury management position and is concerned with the returns on the Council's investments as well as its short and long-term borrowing positions.

## **14. Legal Implications**

Implications completed by: Paul Feild, Senior Governance Lawyer

- 14.1 The Local Government Act 2003 (the "Act") requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 14.2 The Council also has to 'have regard to' the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out its functions under the Act.
- 14.3 The Assembly agreed the Treasury Management Strategy Statement for 2022/23 on 3 March 2021. This report is a mid-year review of the strategy's application and there are no further legal implications to highlight.

## **15. Options Appraisal**

- 15.1 There is no legal requirement to prepare a TMSS Mid-Year Review. However, it is good governance to do so and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

## **16. Other Implications**

- 16.1 **Risk Management** - The whole report concerns itself with the management of risks relating to the Council's cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income during the first 6 months of the year.

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

**List of appendices:** None

## ASSEMBLY

23 November 2022

<b>Title:</b> Overview and Scrutiny Committee and Health Scrutiny Committee Annual Reports 2021/22	
<b>Report of the Chair of Overview and Scrutiny Committee (2021/22) and Chair of Health Scrutiny Committee</b>	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Authors:</b> Claudia Wakefield, Senior Governance Officer	<b>Contact Details:</b> Tel: 020 8227 5276 E-mail: claudia.wakefield@lbbd.gov.uk
<b>Accountable Strategic Leadership Director:</b> Alex Powell, Chief Strategy Officer	
<p><b>Summary</b></p> <p>The four principles of good public scrutiny as described by the Centre for Governance and Scrutiny are:</p> <ol style="list-style-type: none"> <li>1. Provide a constructive “critical friend” challenge;</li> <li>2. Amplify the voice and concerns of the public;</li> <li>3. Be led by independent people who take responsibility for their role; and</li> <li>4. Drive improvement in public services.</li> </ol> <p>This report outlines the work of the Overview and Scrutiny Committee (Appendix A) and Health Scrutiny Committee (Appendix B) in 2021/22 and how they have endeavoured to achieve these outcomes.</p>	
<p><b>Recommendation(s)</b></p> <p>The Assembly is recommended to note:</p> <ol style="list-style-type: none"> <li>(i) The Overview and Scrutiny Committee Annual Report 2021/22, as set out at Appendix A to the report; and</li> <li>(i) The Health Scrutiny Committee Annual Report 2021/22, as set out at Appendix B to the report.</li> </ol>	
<p><b>Reason(s)</b></p> <p>It is good practice for the Assembly to be made aware of the work of the Scrutiny Committees during the last municipal year.</p>	

## **1. Introduction and Background**

- 1.1 Following a review of the Council's governance arrangements in 2018 (Minute 56 refers), the Overview and Scrutiny Committee and the Health Scrutiny Committee have been successfully operating for four years.
- 1.2 The two Committees have looked at various issues throughout the municipal year, which are referred to in the Appendices.
- 1.3 There have been no referrals, call-ins or petitions to either Committee over the past year.

## **2. Financial Implications**

Implications completed by: Sandra Pillinger, Group Accountant

- 2.1 This report outlines the work of the Scrutiny Committees and has no direct financial implications.

## **3. Legal Implications**

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 3.1 As the content of the report explains there is a legal requirement for councils which establish executive governance (this includes Leader and Cabinet, our model) to establish scrutiny and overview committees under the Local Government Act 2000. The precise arrangements are a matter for local determination and an amendment to the Act to require the appointment of a statutory scrutiny officer has given that role a specific duty to promote the scrutiny and overview function and provide support for the committee(s) and members. The Council's arrangements are to operate an Overview and Scrutiny Committee and a Health Scrutiny Committee. The division of responsibility is that the Overview and Scrutiny Committee is the lead Scrutiny Committee except for health matters.
- 3.2 The Overview and Scrutiny Committee is a committee established under Section 21 of the Local Government Act 2000, as amended by the Localism Act 2011. Its functions are set out by law and also determined locally. It is responsible for addressing any Call-in/Councillor Call For Action that is received, except where the subject primarily relates to health matters in which case it will be dealt with by the Health Scrutiny Committee.
- 3.3 The Health Scrutiny Committee carries out health scrutiny in accordance with Section 244 (and Regulations under that section) of the National Health Services Act 2006 as amended by the Local Government and Public Involvement in Health Act 2007 relating to local health service matters. Where a proposal to substantially vary a health service relates to more than one local authority area, it must be considered by a Joint Health Overview and Scrutiny Committee appointed by each of the local authorities in question.

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

### **List of appendices:**

- Appendix A: Overview and Scrutiny Committee (OSC) Annual Report 2021/22
- Appendix B: Health Scrutiny Committee (HSC) Annual Report 2021/22

## Overview and Scrutiny Committee (OSC) Annual Report 2021/22

### Chair's Foreword

"2021/22 proved to be another very busy year for the Committee and I cannot begin this report without giving my immense thanks to our staff, partners and Cabinet Members, for their continuing support to scrutiny. Without their unfaltering patience and openness when responding to our questions and suggestions, scrutiny would not be possible.

The Committee has addressed a true variety of key topics this year, ranging from the Council's Targeted Early Help Review to how we engage with private sector landlords, making numerous recommendations that it wished to see implemented within its services. We have also been particularly pleased to note good progress made in areas of previous challenge, such as through how we work with residents affected by capital works and through recommendations made as part of our 2018 and 2019 scrutiny reviews, *Improving Household Waste, Recycling, and Street Cleansing* and *Ambition 2020 and its Early Impact*.

The Committee has also been very grateful to receive wide-ranging and insightful presentations from a number of our partners, such as the Metropolitan Police Service, Northbury Primary School, the National Probation Service, BDSIP, BDTP, Be First and Reside, and we look forward to continuing to work closely with these organisations, as well as with our Council colleagues, to continuously improve services for the benefit of all of our local residents, over the next year.

### **Cllr Jane Jones**

Chair, Overview and Scrutiny Committee 2021/22

## Membership

The OSC consisted of ten Councillors, one co-opted church representative, two co-opted parent governor representatives and two co-opted youth representatives. There was one vacancy – co-opted church representative (Church of England).

- Councillor Jane Jones (Chair)
- Councillor Dorothy Akwaboah (Deputy Chair)
- Councillor Toni Bankole
- Councillor Donna Lumsden
- Councillor Olawale Martins
- Councillor Fatuma Nalule
- Councillor Simon Perry
- Councillor Ingrid Robinson
- Councillor Paul Robinson
- Councillor Phil Waker
- Mrs Glenda Spencer Church Representative – Roman Catholic
- Mr Baba Tinubu Parent Governor – Primary
- Mr Sarfraz Akram Parent Governor – Secondary (from January 2022)
- Fiona Eagleson and Zubin Burley Youth Representatives

Claudia Wakefield, Senior Governance Officer, and Masuma Ahmed, Principal Governance Officer supported the Committee.

## Multi-Agency Safeguarding Hub (MASH) - Quality Assurance and Progress Update Report

The Committee received a report on the Multi-Agency Safeguarding Hub (MASH), which provided context behind the move of the MASH into Children’s Care and Support in September 2020, as well as the various challenges that had been facing the service at a time of unprecedented demand, which had increased in part due to the Covid-19 pandemic. Whilst considerable progress had been made since the move of the service, it was acknowledged that it would take some time to address residual issues within the system, along with the escalating demand pressures.

The Committee provided challenge around issues within the system, enquiring as to where the majority of referrals came from, as well as how relationships with Community Solutions would be maintained, now that MASH had moved into Children’s Care and Support. The Committee emphasised the need to work closely with the Cabinet Member for Social Care and Health Integration and the relevant directors, to ensure that improvements could be made within the Early Help system. It also stressed the importance of an effective service for vulnerable children in the Borough, with the right pathways to prevent the escalation of need.



## **General progress update regarding A2020 Scrutiny Recommendations - KLOE 4**

The Committee received a general progress update regarding the Key Line of Enquiry 4 (KLOE 4) recommendations that arose from the Ambition 2020 (A2020) Scrutiny Review, which focussed on how well the Council's new approach was fostering a sustainable place where people wanted to live. This was followed by a presentation by the Head of Leisure, Parks and Heritage around the parks elements of the recommendations. The latter highlighted a variety of work that had been undertaken within the parks, projects that had been supported by the local community, increased social media engagement and LBB website improvement.

The Committee referred to some of the older play equipment that was currently in parks such as Old Dagenham Park, which it felt needed to be replaced to improve the play experience for local children and families. It learnt that the Council had made improvements to eight of its parks in the Borough; however, it was advised that a full replacement of a park scheme or play area would cost in advance of £250,000. The Council had recently worked with local community groups who sourced their own funding for Valence Park, and match-funded this money to support the community group. With other parks, the Council was replacing equipment when it was feasible, but there were a significant number of areas where the entirety of a park's play equipment needed replacement. The Committee was assured that the Council was working through its 25 parks and open spaces to see where it could make improvements and investment was needed.

The Committee was pleased to note good progress against each of its KLOE 4 A2020 scrutiny review recommendations.

## **Report requested by recommendation 13 of A2020 Scrutiny Review - Impact of change to Reside's affordability threshold**

The Committee received a report on the impact of change to Reside's affordability threshold, in line with the Housing Allocations Policy. The different tenures that Reside was providing were outlined, with these being set at a range of rent levels to meet different types of housing need in the Borough.

The Committee had previously expressed concern about the risk that residents in shared ownership arrangements could become 'stuck', as they could reach a point where they had purchased a significant share of their home, but struggled when they looked to sell, as they were dependent on finding someone else who would buy their shares. The Committee was pleased to learn that the Council had since approached the Greater London Authority (GLA) on this issue, suggesting that the GLA create a Pan-London scheme, matching people across parts of London who wished to buy and sell, to facilitate this process. The Committee then suggested that the GLA may also wish to consider a rent deposit scheme for potential shared ownership purchases, to act as a type of 'insurance' for residents.

The Government had recently changed the rules around shared ownership, meaning that buyers could now purchase a minimum property share of 10%. The Chair expressed her concerns around this, stating that it would be easier for individuals to

speedily invest, without assessing what this would cost them in the future. She encouraged the idea of Reside being able to buy back this 10% property share, in the event that residents struggled with their share in future and had to consider giving this up entirely.

As a result of the presentation, the Committee:

- Emphasised the need for the Council to think through the Shared Ownership scheme and any potential implications for residents, such as not correctly understanding the terms and conditions when buying into the scheme;
- Requested some information on staircasing (where an owner of a Shared Ownership property purchased further shares of the property, from the person or organisation that also part owned the property) and sales, to gain a wider understanding of the scheme;
- Requested that a Member Briefing session be provided for all Councillors, to enable them to gain a better understanding of affordable housing, due to the vast number of questions that the Committee had in relation to this; and
- Recommended that communication be improved with potential tenants, to better understand what they were looking for and could afford.

### **Targeted Early Help Review**

The Committee received a report on a review of Targeted Early Help services, which was presented by the Council's Strategic Director for Community Solutions (a directorate bringing together seven services which provided holistic support to residents and aimed to tackle root cause issues) and the Commissioning Director for Care and Support (a directorate identifying need and procuring social care services to meet local demand). The report outlined a number of areas which needed immediate action and improvement, such as management oversight and system risks. It also outlined corrective action both already undertaken and scheduled to take place over the next 12-18 months.

The Committee sought assurance that the team would learn lessons from any previous mistakes or oversights, to ensure that these would not be repeated in the future. It was advised that the improvement plans being developed would clearly reference learnings from the Independent Review, explaining what needed to be done to improve the service and what needed to be avoided going forward.

The Chair emphasised the need to listen to frontline staff, acknowledge any faults and learn from these to ensure a greater service going forward. The Committee also recommended that the necessary funding be provided to ensure that the Council could develop a robust Target Operating Model (TOM) and a more effective future service. The Cabinet Member stated that she would do all in her power to ensure that the new model developed was correct and that the Borough's most vulnerable were protected.

The Committee made a number of recommendations which included the implementation of robust systems for identifying poor performance, referring complex cases, clarity of the services on offer to families and enhanced staff training.

## **General progress update regarding working with residents affected by capital works**

The Committee received an update regarding capital works (ie. infrastructure improvements, roof replacements etc.) to dwellings and the liaison with residents, following previous considerations at its 2 December 2020 meeting.

The Committee had previously challenged the practice that resident satisfaction surveys following works were returned to contractors rather than to Council / Be First officers, as this may have put residents off from lodging any issues directly with contractors.

The Council's Strategic Director for My Place, Assistant Construction Director for Be First and Head of Major Works at BDTP had since acknowledged this feedback and reviewed how the Council's stock investment programme was delivered, as well as how customer satisfaction data was collected and assessed, to ensure that a proper improvement programme was in place.

The Council's One Borough Voice system was to be employed to ensure that customer satisfaction data was collected and assessed via the Council, and not through contracted companies. The teams were also working with residents and contractors to understand any concerns that they may have had around Covid-19 and were putting in means to alleviate these, such as through using the same operatives to deliver all works in any particular property.

As well as the initial feedback provided by residents, the Committee recommended that residents also be given the opportunity to give feedback in the three to four weeks following works undertaken to their properties. This could be collected through the digital One Borough Voice surveys, as opposed to concerns being raised via Councillor casework. It would also ensure that customer feedback was better understood by the services, who could then more quickly respond to these residents. The Committee further suggested that residents be able to provide any feedback via paper questionnaire if they wished, as not all residents had access to the Internet.

## **East Area Borough Command Unit Update**

The Committee received an update from the Metropolitan Police East Area Borough Command Unit (BCU) Chief Inspector, Chris Nixon, on policing across the boroughs of Barking and Dagenham, Redbridge and Havering. It had requested this update following a presentation from the BCU at its 3 February 2021 meeting, asking for the following areas to be covered:

- Update on Response Times;
- Potential reasons for the Borough's high missing people figures; and
- Engagement with the LGBT+ Community, particularly in light of the Police failings surrounding the Stephen Port murder investigation.

The Committee was pleased to note that the LGBTQ+ Independent Advisory Group (IAG) had been established following the Stephen Port murders, to engage with the LGBTQ+ community, and that the LGBTQ+ IAG was looking to increase its

membership. The Chair suggested that the BCU contact the Cabinet Member for Social Care and Health Integration and the Operational Director for Enforcement Services for assistance with further recruitment to the LGBTQ+ IAG, as well as the Borough's Flipside group if the BCU wished to expand its younger Police Encounter Panel's (PEP) membership and obtain the views of young people around policing.

The Committee also provided challenge in relation to domestic abuse, due to the significance of the issue in the Borough which had the highest domestic abuse offences per 1,000 people in London. Members were pleased to learn that the BCU was part-way through a training package for response team officers on domestic abuse matters and feedback to date was that participants had found the training valuable. The Chief Inspector commented that there had been a recent increase in the amount of arrests made by officers for coercive and controlling behaviour, which was partly down to this new training.

### **Air Quality Action Plan Update and Ambition 2020 Scrutiny Review Recommendations**

The Committee received an update on the Air Quality Action Plan, how the Council was managing the impact of development on air quality and the next steps for improving air quality and raising awareness within the Borough.

The Committee provided challenge around follow-up work to ensure that any trees that had been planted by the Council as part of its tree planting action plan were being looked after to ensure their survival. It also sought guarantees that developers were delivering on air quality improvement commitments at new developments. Whilst officers were not aware of any major survival issues in relation to trees that had been planted in the last three years, they agreed to raise the issue with the Parks and Open Spaces team to ascertain the schedule for tree check-up. Officers were also in discussions with Be First around ensuring that promises made by developers in terms of tree planting were actively pursued; however, they acknowledged that this needed to be followed up more in future.

The Chair suggested that officers ask ward councillors whether they would be willing to use part of their allocated ward budget for pollution-busting plants close to school buildings to reduce pupils' exposure to carbon emissions. The Head of Sustainability and Climate Change stated that the team had already had conversations with Valence School about green grids and that, in the lead up to the COP26, communications kits would be sent to schools.

### **Supporting Residents with Financial Matters - Appointeeship and Deputyship**

The Committee received a presentation on the current arrangements for Appointeeship and Deputyship within the Council, as well as the plans to implement a Deputyship service from December 2021 to sit alongside the current Appointeeship Council service. Both services were in place to support residents without the capacity to manage their own finances, or who did not have a family member willing to conduct these matters on their behalf. It was noted that whilst the Appointeeship service was limited to small amounts of money and every day financial matters, the

Deputyship service could encompass all aspects of financial matters (depending on Court of Protection (COP) directives).

In response to concerns raised by the Committee, it was provided with assurance around how the Service would deal with a resident's funds if they were using the Council's deputyship service and passed away, as well as arrangements that would take effect should a resident not have a will in place. Members were also informed of the safeguarding arrangements if the Council felt that a family member was withholding the finances of a resident who was not using the Council's Appointeeship or Deputyship service, as well as of staffing arrangements and performance monitoring, to ensure a well-resourced and well-run service for residents.

The Chair praised the decision to establish a Deputyship service for residents who were no longer able to manage their own finances, noting that this could also prove beneficial for elderly parents who wanted to ensure that their vulnerable children were adequately supported after their passing.

### **Adaptations**

The Committee received a presentation on adaptations to Council and private ownership properties, to help residents gain an increased level of independence.

Due to concerns around a national shortage in occupational therapists (OTs), the Committee encouraged the Cabinet Member for Social Care and Health Integration to facilitate ways the Council could 'grow its own' OTs, and was pleased to hear that the Council was exploring the potential to establish its own OT course, along with Coventry University London (CUL). CUL would run the course and the Council would use the apprenticeship levy to enable it to offer a salary to those in training. The Council was also exploring the option of working with North East London NHS Foundation Trust (NELFT) and neighbouring boroughs, so that the course could gather the numbers required to run and more people could benefit from the offer.

The Cabinet Member stated that further conversations would also be had around specialist housing and returning vulnerable residents to the Borough (as many were situated in specialist out-of-borough placements), citing the redevelopment of Brocklebank Lodge and the desire to undertake similar developments in the Borough. The Chair emphasised the need to plan ahead for sufficient quantities of specialist accommodation and suggested that further work be undertaken to identify potential sites that could be redeveloped in the near future, to improve provision and cost-effectiveness for the Council.

### **Update on Reside**

The Committee received a presentation on Reside, the company established by the Council to support local people to access higher quality, more affordable social housing, which included a breakdown of the current tenures, plans for future growth, the addition of market rent properties to the Reside portfolio and plans to manage this, and the Reside tenancy policy, which enabled residents to stay within their properties as long as they were paying their rent and abiding by the conditions of their tenancy.

The Committee questioned the customer service provided by Reside, challenging the levels of communication to tenants and emphasising that it felt that this needed to be improved, especially when considering that it would soon be offering market rent properties and would be taking on a number of properties from Be First. The Committee was assured by the Head of Housing and Asset Strategy that the new Interim Managing Director (MD) of Reside was very keen to put together a plan to drive improvement across the service, to improve both growth and the current offer as well as to improve the quality of communications to residents.

### **Reunification of Probation Services**

The Committee received a presentation from the Head of the Probation Delivery Unit for Barking, Dagenham and Havering on the reunification of probation services, which detailed the purpose and recent history of these, the reasons behind the reunification, the new structure, the impact of the Covid-19 pandemic and mitigating measures, future plans and key priorities.

The Committee suggested helping 'revolving door' offenders, those who repeatedly and rapidly entered and exited prison, into unpaid work where they could gain experience and establish a better sense of routine and, assuming all went well, receive a positive job reference which would help them in their endeavours to secure paid employment. It enquired around whether the Council could assist in terms of helping these offenders to continue to receive benefits and to remain housed during a period of unpaid work. The Head of the PDU advised on the community payback scheme, which was a court-ordered sanction to undertake unpaid work, and the Committee was also informed of some of the barriers to individuals undertaking other unpaid work without this impacting on their benefits, which was not within the gift of the PDU. Nevertheless, the Head of the PDU acknowledged that more needed to be done to address skills, improve outcomes and reduce offending and, to that end, the PDU was working with the Council to explore potential programmes to encourage skills development through community work, separately to community payback.

### **General Progress Update Regarding "Improving Household Waste, Recycling, and Street Cleansing" Scrutiny Review**

The Committee received a general progress update regarding progress made as part of the "Improving Household Waste, Recycling and Street Cleansing" scrutiny review, which included projects and work being undertaken as a result of the ten recommendations made by the Committee. The update was provided by the Strategic Director of My Place, the Operational Director of Enforcement Services and the Head of Regulatory Services.

Whilst the Committee was pleased to hear of progress against a number of its previous recommendations, particularly the plans to improve advertising and engagement with residents to promote waste minimisation, it noted that several of the progress actions had been delayed. As a learning point, the Committee requested that where there were challenges to implementing scrutiny recommendations in future, proactive and clear communication from the relevant

Cabinet Members and senior officers would help to assure the Committee that its recommendations continued to be a priority and had not been forgotten.

The Committee commended the Cabinet Member for Public Realm for his assistance in helping Councillors to resolve residents' waste issues during the pandemic. The Chair also expressed her appreciation for the hard work of the service during the pandemic and for continuing to build on the Committee's recommendations. She suggested that there be continued conversations around improving the messaging on the Council's website, with pictures to show what residents could and could not recycle. The Committee also suggested utilising space on the sides of waste trucks for local business and private advertising, to generate more income for the Council.

### **Budget Strategy 2022/23 to 2025/26**

The Committee received a report on the Budget Strategy 2022/23 to 2025/26, which was presented by the Chief Financial Officer and the Cabinet Member for Finance, Performance and Core Services.

The Committee provided challenge as to ongoing savings and pressures and noted that many were driven by demand relating to Covid-19 in areas such as in Children's Care and Support, where the Council had seen increased pressures. It learnt that the Borough was also supporting some very high needs families in high-cost placements, some of which would continue indefinitely. The Council was working hard with providers to find either alternative provision, or a way of providing the right care through a more financially sustainable approach. Care and support colleagues also worked closely with the Finance team, to ensure that costs could be mapped.

Members sought assurance that further savings would not be needed in this financial year, due to investments that were to come to fruition next year. They were pleased that the Council would continue to look into prevention activity and investment opportunities, to support the community and pay dividends in future years. Members praised opportunities for innovation, such as through the Council's district heat network programmes and work to provide alternative services for residents at a lower cost, such as through supporting residents with both Council and non-Council-related debt through the Homes and Money Hub.

### **East London Joint Resources and Waste Strategy - Post-Consultation**

The Committee received a report on the East London Joint Resources and Waste Strategy and the key themes that had arisen from the public consultation, which had been undertaken between July and September 2021. The Strategy set out options for how waste and recycling services in the London Boroughs of Barking and Dagenham, Havering, Redbridge and Newham could be developed as part of the preparations for the East London Waste Authority (ELWA) new waste disposal contract that was due to commence in 2027.

The Committee was critical of the volume of plastic waste generated by organisations such as supermarkets, stating the need for a collective recycling effort that did not solely rely on local residents. It was pleased that the London Transport and Environment Committee (TEC), of which the Cabinet Member for Public Realm

was a member as part of his portfolio, was looking at a number of options to encourage supermarkets and other large users of packaging, such as Amazon, to minimise the use of plastics and reduce packaging.

The Chair also suggested the need to have a strategy in place for recycling in flats and houses in multiple occupation (HMOs), considering that recycling rates were lower for these types of accommodation, which may be attributed to barriers such as only having one waste disposal shoot. The Cabinet Member acknowledged that recycling in flats was an issue in the Borough and nationally, and that the Strategy pinpointed increasing recycling rates in flats as a main challenge. He had produced a recycling video and hoped to develop social media messages with pictures of what could and could not be recycled, as well as more recycling campaigns. The Strategic Director, My Place stated that she would be looking at improving the waste facilities on estates to make recycling easier for residents.

### **Community Hubs - Developing a Network of Community Hubs**

The Committee received a report on establishing a network of community hubs, alongside partners and the local community, which would create spaces in each ward for residents to 'go, do and connect' and which would provide gateways to information, advice and support. These would develop over time and whilst there would be a core service at every hub, each hub would also adjust to deal with local issues, and what local residents felt was most important to them.

Whilst praising the value and dedication of volunteers at the hubs, the Chair commented that there needed to be a high level of buy-in from different council departments to ensure that their staff were working in the hubs at certain times to provide specialised, face-to-face support to residents, as well as front-desk Community Solutions staff who could identify any presenting issues and signpost residents to the most appropriate form of support. She was reassured that the model was not dependent on volunteers, and that the volunteers would supplement the work of Council staff.

The Deputy Chair of the Barking and Dagenham Youth Forum (BADYF) asked how the hubs would be made attractive to the next generation in the Borough, with the Cabinet Member for Social Care and Health Integration and Strategic Director, Community Solutions highlighting the importance of talking to young people about their needs, asking them for suggestions and working to create these opportunities alongside the young people, who could then make these spaces work for themselves. The BADYF Deputy Chair stated that a previous tour by the BADYF of the Domestic Violence Hub in the Barking Learning Centre had been very worthwhile and suggested that similar arrangements for the new Community Hubs be made.

Several other suggestions were made to promote the hubs and the services they offer, which included promotion within schools and as venues for Members' Surgeries.

The Faith (Roman Catholic) representative co-optee of the Committee also spoke on the benefits that the hubs would bring to the local community, citing her involvement in 'Sparking Purpose', an organisation that worked with families and schools to



prevent permanent exclusions of young people who brought weapons into school. The hubs could enable this type of work to take place outside of the family home, which would be particularly important for those who may be experiencing domestic abuse. The Cabinet Member stated that every hub would have a room bookable for different community organisations, who could then work with local residents one to one, and to meet them in a safe space.

The Committee praised the innovative Community Hubs model and how the preventative work undertaken through this would lead to improved outcomes for residents.

### **Homes and Money Hub**

The Committee received a presentation on the Homes and Money Hub service, which worked to support residents in a variety of ways, such as to sustain and secure their tenancies, reduce their debts, and receive support and skills to manage their finances and improve their lives. There were two Homes and Money Hubs in the Borough, based in Barking Learning Centre and in Dagenham Library.

The Chair suggested that Homes and Money Hub staff provide some support and training to those working in the new Community Hubs, to be able to identify any presenting issues and signpost residents to the Homes and Money Hub. The Head of Support Lifecycle agreed, highlighting that current training taught staff to ask the right questions and had proved very beneficial with colleagues in Universal Services (the entry point into the Community Solutions service) throughout the pandemic.

The Strategic Director Community Solutions praised the fantastic work of the Head of Service and her team, working with other colleagues in sharing learning and supporting residents. Whilst the team had around 30 staff, with the level of need far outweighing the level of resource, staff were working differently, becoming more skilled by working with other colleagues to provide more generalist and specialised knowledge to residents. It was envisioned that this type of learning model would also be taken into the Community Hubs. The Committee was also pleased to learn that the Local Government Association (LGA) had highlighted the Homes and Money Hub as an exemplar nationally, in supporting the lives of local residents.

The Committee hugely praised the positive work of the Homes and Money Hub team, and the Head of Support Lifecycle invited the Committee to visit the sites and meet with the staff and residents to find out more about the work of the Hub.

### **How are we incorporating Race & Social Justice work into our schools' education programmes?**

The Committee received a presentation on how the Council and its partners were incorporating race and social justice into its schools' education programmes. The presentation was delivered by the Cabinet Member for Educational Attainment and School Improvement, the Headteacher of Northbury Primary School, the CEO of the Barking and Dagenham School Improvement Partnership and the Education Strategy Commissioning and Intelligence Lead. The work was of particular

importance, given the diverse demographics of the Borough which had a 67.1% black and minority ethnic (BME) population, which was above the London average.

The Committee sought assurance regarding diversity within school staffing across the Borough, seeking to understand how schools were working to address any lack of diversity through recruitment and creating the pathways for individuals to grow within the organisations. It also highlighted the importance of knowledge sharing across schools and enquired as to how schools were working to engage parents on the programme and how best to equip headteachers to approach difficult conversations around race and social justice.

The Committee highly praised the work of all involved and the ongoing nature of this work, as well as the tangible values and practical steps involved, and asked the participants to return with any further suggestions as to how Members could continue to best support this work. The Chair encouraged Members to use their respective positions on school governing bodies to promote these conversations. The Chair of the Barking and Dagenham Youth Forum also spoke positively on the work being undertaken to combat racial and social injustice in the Borough, which she felt was very inspirational.

### **Quality of schools' recovery post Covid-19, and how are we working to address schools' performance in traditionally underperforming groups?**

In response to the serious concerns held by the Committee on the impact on children and young people's education as a result of Covid-19 lockdowns, a report was provided on the quality of schools' recovery post Covid-19, and how the Council and its partners were working to address schools' performance in traditionally underperforming groups.

The Committee praised the education recovery plans for the Borough's children and young people in regards to Covid-19 and the variety of approaches being taken to support pupils' mental wellbeing, such as through the delivery of virtual Children and Adolescent Mental Health Services (CAMHS) Hot Clinics and Vulnerable Pupils' Hot Clinics, allowing professionals to refer cases of children or young people to multi-disciplinary teams. The Committee was also pleased to note strong partnership working between schools, BDSIP, the Council and partners during Covid-19, in areas such as e-learning, SEND recovery and access to technology for remote learning.

The Committee highly praised the work of schools and its partners during the pandemic, and thanked officers for the presentation.

### **Update: Early Help Improvement Programme and Early Help Target Operating Model**

The Committee received an update on the Early Help Improvement Programme and Early Help Target Operating Model (TOM), which related to the Targeted Early Help provision and not to the Universal Early Help provision that still sat within the Community Solutions service. The presentation detailed the immediate actions undertaken since the Independent Early Help review in July 2021, the short-to-

medium term actions currently underway, and future work, priorities and governance arrangements.

The Committee was pleased to learn of the extensive work that had been undertaken to improve the Targeted Early Help Service following on from its previous recommendations, such as through:

- The designing of a new TOM in partnership with the Social Care Institute for Excellence, staff, schools and partners;
- A new Head of Early Help officer;
- Better levels of investment in the service and work to ensure that there was the right mixture of skills and capability at each level of the service;
- Partners that were actively involved in the design of the Early Help service, who were understanding and committing to doing what was needed as part of the wider system;
- A Performance Management Framework and quality assurance model used for Early Help that now mirrored that used for other parts of the care and support system and which had been routinely tested and commended by Ofsted;
- 48 training sessions for all Early Help staff that had been delivered by Innovate, with training needs continuing to be identified; and
- Quality assurance now being undertaken at a multi-agency level, rather than a single-agency level.

Whilst praising the work undertaken to date, the Chair stressed the need for reassurance that the Improvement Programme was being developed and delivered as planned. With that in mind, officers were asked to arrange an informal meeting with the newly appointed Chair shortly after the May 2022 Local Elections and for the issue to be included on the agenda at the Committee's first formal meeting in the new municipal year.

### **Social Infrastructure Update and Plans**

The Committee received an update on the Social Infrastructure project in the Borough. This provided some context as to the invaluable work of BDCAN and volunteers throughout the Covid-19 pandemic, providing support to residents in relation to food, welfare and self-isolation, as well as to the vaccination response. The Council had continued to build on this support over the past few months, collectively working alongside its social sector partners to further build on the relationships, values and approaches that underpinned the work of BDCAN.

The Committee suggested employing more means to recognise the contribution of volunteers and was pleased to learn that the Council and BDCAN had spoken directly to its volunteers on the issue. A 'Volunteer of the Month' scheme had been introduced, enhancements made to the breadth of training programmes and opportunities that volunteers could access and improvements to the experience for individuals to register their interest in volunteering through digital platforms. It was also encouraged that the Council and BDCAN were going to be working with some of its faith communities around topics such as Covid vaccinations, ensuring that it

was capturing more of its communities and that it was targeting those that may not have been reached in the first instance.

One Member noted that there was initially some confusion around the offer of the network, with some of the community believing that this was only to be accessed by those who were elderly, or self-isolating, when it could in fact be accessed by all within the Borough. She encouraged BDCAN to continue to advertise the offer, as well as highlighted the importance of the ongoing work to connect BDCAN into local spaces such as schools and children's centres. Officers welcomed ongoing feedback from the Committee, as well as other Members, as to how to continue to evolve the Citizens' Alliance Network, and how to tailor this for different areas of the Borough.

The Committee widely praised the work of BDCAN, emphasising the importance of this social infrastructure and its hopes that it would continue to serve the Borough's communities in future times of crisis.

### **Engaging Private Sector Landlords**

The Committee received a presentation on engaging private sector landlords. This provided an update on the Borough's Selective Licensing Scheme, which was introduced in September 2019 to address migration and deprivation within the private rented sector (PRS) in Barking and Dagenham, and to improve the standards of living within private rented accommodation.

The Committee expressed concern that there was often less time for teams to carry out some of their non-priority work, learning that there was a general lack of resourcing within private rented sector teams and a national shortage of qualified Environmental Health staff.

The Committee also felt that as different local authorities had different coloured waste and recycling bins, residents who moved into the Borough were not always aware of which bin to use. As such, it asked that the Council provide the relevant support and advice where residents had accidentally mixed their waste or placed their rubbish outside the boundary of their property, and that enforcement was only used in appropriate circumstances, such as repeat offending.

The Chair was particularly pleased that the Council was investing in its staff and to ensure their career development; nevertheless, she emphasised the need to ensure that the borough-wide licensing scheme was properly resourced. As such, the Committee recommended that the funding raised from the licensing scheme be reinvested to ensure that the service was adequately resourced.

### **Fees and Charges 2022**

The Committee received a report on the Council's fees and charges for 2022, which had been approved by Cabinet on 16 November 2021 and took effect from 1 January 2022.

The Committee expressed concern that the charges for Dagenham Library had been increased when this was not the case for Barking Library, asking officers to look into whether these could be removed or levelled as part of the 2023 fees and charges.

The Committee was also critical that the fees and charges did not reflect the lower surcharge for Euro 6D compliant vehicles, which were more environmentally friendly, to differentiate this from the higher surcharges for diesel cars that did not meet the Euro 6D standard. Officers also agreed to take this matter forward for consideration as part of the review of fees and charges for 2023.

### **Investment and Acquisition Strategy**

The Committee received a presentation on the Council's Investment and Acquisition Strategy (IAS), providing challenge to the Cabinet Member for Finance, Growth & Core Services on a number of aspects of the report.

With regard to B&D Energy costs, Members expressed concerns about how the rising cost of gas would affect residents. The Committee learnt that in terms of managing B&D Energy costs for residents, the Council governed this via the Shareholder Panel (SP). There were two Cabinet Members and two senior officers on the SP, who were responsible for holding individual companies to account. The individual companies would have their business cases approved through Cabinet each year, and there would then be quarterly updates that came through to the SP. The Committee was advised that the SP also scrutinised the businesses on aspects of their operations; for B&D Energy for example, the SP had asked for reassurance that the Council was passing on costs to the consumer that were in line with what it had incurred, and not to profit from energy increases.

The Committee was reassured by the role of the SP in holding the Council companies to account and ensuring that the Council was delivering the best for residents.

### **Contact**

For further information on the Overview and Scrutiny Committee, or the Council's scrutiny arrangements in general, please contact:

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## **Health Scrutiny Committee (HSC) Annual Report 2021/22**

### **Chair's Foreword**

“The Covid-19 pandemic has had a profound impact on health services since its onset and it is perhaps no surprise that it has been addressed as a key topic by the Committee again this year. On behalf of the Committee, I would like to express our continued thanks to all frontline staff and partners, for their dedication in supporting residents affected by Covid-19, as well as to key colleagues for their ongoing support in our scrutiny response.

The Committee has worked extensively to review services that matter most to our residents. We have addressed a broad range of topics this year, from smoking cessation through to engagement on the new St George's Hospital Development, which will be able to be used by Barking and Dagenham residents in the future.

Councillor Lumsden, Councillor Oluwole and I have also worked to represent the Borough at the wider forum of the Outer North East London Joint Health Overview and Scrutiny Committee (ONEL JHOSC) this municipal year, which has responsibility for local joint health scrutiny arrangements amongst the boroughs of Barking and Dagenham, Havering, Redbridge and Waltham Forest. Through this, we have looked to echo the voices and concerns of local people, ensuring that key borough priorities are accounted for on a wider level.

I look forward to continuing to work with colleagues over the coming year, with a view to reaching our vision of continuously improving health services and amenities for our residents.”

**Cllr Paul Robinson**

Chair, Health Scrutiny Committee

### Membership

During the 2021/22 municipal year, the Health Scrutiny Committee consisted of six Councillors:

- Councillor Paul Robinson (Chair)
- Councillor Donna Lumsden (Deputy Chair)
- Councillor Abdul Aziz
- Councillor Peter Chand
- Councillor Adegboyega Oluwole
- Councillor Chris Rice

Matthew Cole, Director of Public Health; Masuma Ahmed, Principal Governance Officer and Claudia Wakefield, Senior Governance Officer supported the Committee.

### Impact of COVID-19 and Mental Health in Barking and Dagenham

The Committee received a presentation on the impact of Covid-19 and mental health in Barking and Dagenham, which was presented by the Integrated Care Director (ICD) for the North East London Foundation Trust (NELFT). This provided a brief overview as to the current range of community and inpatient/acute-based mental health services provided by NELFT, followed by a more detailed narrative around service delivery during the Covid-19 pandemic. This had resulted in new and more innovative means of working, such as the introduction of a hybrid virtual/face-to-face community delivery model.

Members provided challenge in regards to those patients who required services, but who did not have telephone or video access, or who did not find these methods useful. They were assured that these residents would be offered face-to-face services, although it was likely that these would result in longer waiting times. NELFT had also acted on learning that it had gained during the first Covid-19 wave when it moved to virtual appointments only and some regular patients began to present in a more unwell state. In response, NELFT reinstated face-to-face appointments for those presenting with more high-need issues, and was continuing to provide a more virtual offer for clients who had low risk assessments.

Members praised the dedicated work of NELFT staff throughout the Covid-19 pandemic and were positive of the 'Keeping Well NEL' emotional wellbeing and support service that had been established for all NHS staff and those who worked in care settings. This service had gone live in December 2020 and had a target audience of around 90,000 staff members. The Committee were also pleased to hear that individual Trusts were investing in health and wellbeing programmes to enhance the physical and mental wellbeing of their staff.

### Update regarding the proposed closer collaboration between BHRUT and Barts Health

The Committee received an update regarding the proposed closer collaboration between the Barking, Havering and Redbridge University Hospitals NHS Trust (BHRUT) and Barts Health, which was presented by the BHRUT Director of Strategy



and Partnerships (DSP). Following increased collaboration between NHS organisations and partners across NEL in response to Covid-19, as well as the lessons learnt from the pandemic and recent legislative changes, an appreciate inquiry (AI) process had begun to inform discussions as to how to maximise future collaborative benefits between BHRUT and Barts Health. The AI process was intended to gather the views of organisational staff, local partners and patients who received care from BHRUT and Barts Health.

Members indicated that, at this point in time, the Council did not support the proposals. Whilst a diagnostic clinic was proposed to be established at Mile End, it was not felt that this would benefit local residents in Barking and Dagenham, due to the distance of the service. It was also not felt that placing emerging and/or stretched services at Barts and the Royal London Hospital, Whitechapel, would benefit residents who required services closer to home. Members were also concerned that local services could be moved to bigger NEL hospitals in future, under the guise of staffing shortages / consolidation and highlighted that some residents may struggle to attend the clinic at Mile End if they did not live in close proximity to the District Line.

The Committee also posed questions around the potential benefits of the proposed closer collaboration, such as providing staff with the opportunity to work around a number of different organisations, the potential for increased job satisfaction, shared organisational learnings and shared workforces. The Chair stated that he wished to raise the proposed closer collaboration as an item at a future meeting of the Outer North East London Joint Health Overview and Scrutiny Committee (ONEL JHOSC), where this issue was further discussed.

### **Health and Social Care Impacts and Management of COVID-19**

The Committee received a presentation from the Planned Care Programme Manager (PCPM) at North East London Clinical Commissioning Group (NEL CCG), who updated the Committee in relation to the Long Covid-19 Service.

Members provided challenge on waiting lists for the service and were assured that, whilst these did exist because of the difficulty in modelling demand during the second wave of Covid-19, action was being taken to reduce the list, including recruitment of more staff and group treatment offers. The PCPM stressed that all patients referred to the service were triaged (e.g. assessed to determine their need for medical attention) within the first week and any patient that displayed medical signs that required immediate attention was then brought forward.

The Committee also enquired as to discharge criteria, the future of the service and the financial cost of the pandemic to the Council, which currently totalled circa £11.8 million and of which 48% of the cost related to adults' and children's social care.

### **Update on NHS Blood Test Tube Shortage**

The Committee received an update from the Managing Director (MD) of Barking and Dagenham, Havering and Redbridge Integrated Care Partnership (BHR-ICP), following concerns around global blood test tube supply issues.

The Committee was reassured that supply issues had been addressed, communications had been sent to primary care providers, NELFT had restarted normal services and extra clinical sessions had been held to clear the backlog.

In response to challenge by Members, the MD of BHR-ICP stated that patients were not being required to wait for a long period of time for blood tests and, in appropriate circumstances, home visits were arranged within a few days of first contact.

The Committee sought assurance that blood testing was being undertaken on multiple sites and the capacity was linked to the population that the site served.

### **The Council's Public Health Response to COVID-19**

The Committee received an update on the Council's Public Health response to Covid-19, which was presented by the Director of Public Health (DPH). This included information on the effect on the Borough's residents and the reasons for high transmission, the age profile of those worst affected, details on winter plans drawn up by Central Government, and the likely effects of the pandemic for years to come.

The Chair expressed concern about the low rates of contact tracing in the Borough, enquiring as to unregistered persons and other hard-to-reach sectors. He was advised that the target was the completion of a questionnaire, by the infected person, rather than the number of people contacted. Self-isolation could not be enforced and many residents worked in low paid jobs, insecure jobs and zero hours contracts and so were reluctant to self-isolate.

The Committee was pleased to note that in relation to unregistered residents, a vaccination service based at the Broadway Theatre was taking place and that specialist drop-ins were also being held for people with learning disabilities. It also sought assurance on the vaccination programme in schools, learning that staff who worked in children and adolescent services were not being redeployed as these services remained essential.

### **Healthwatch's Key Reports/ Findings 2020/21**

The Committee received a presentation on the following three reports that had arisen from key projects undertaken by Healthwatch Barking and Dagenham during 2020/21:

- Dental Services in Barking & Dagenham during COVID-19;
- Care Home and Domiciliary Care – Staff Wellbeing during COVID-19; and
- Community insights on Disabled Residents and the Covid Vaccine in North East London.

The Committee expressed disappointment that Healthwatch Barking and Dagenham had found access to dental services to be extremely poor in the Borough throughout the pandemic, with these issues being echoed across other areas of London and the country. It was pleased that the Chair of Healthwatch England and the Chair of the

British Dental Association had written a letter to the Chancellor of the Exchequer on 21 October 2021, urging him to provide more funding for dental services nationally.

In regards to the 'Care Home and Domiciliary Care – Staff Wellbeing during COVID-19' report, the Committee was advised of a pilot for an online forum which was being run by the Council, to enable frontline care workers from across the sector to discuss their challenges and seek support from each other. As Healthwatch had only been able to engage with 50% of frontline staff so far, to hear about their thoughts and experiences and to look to resolve these, the Committee suggested that this online platform be used in part to engage with the remaining staff members. Whilst the Healthwatch Officer had not yet received any feedback on the pilot, he attended meetings with local care homes and domiciliary care providers and would ask for key feedback at future meetings.

The Committee praised the work delivered by Healthwatch Barking and Dagenham.

### **Managing Our Planned Care**

The Committee received a presentation from the Acting Chief Operating Officer (ACOO) for Elective Care on managing planned care at BHRUT, which included the impact of Covid-19 on key planned care measures and actions taken to mitigate this, current service performance and future plans.

Members expressed concern that, considering the demography of Barking and Dagenham and the issue of health inequalities, different populations may have had different experiences in terms of accessing care. In response, the ACOO stated that whilst inequalities between different populations had become much more manifest as a result of the Covid-19 pandemic, there did not appear to be any Trust level differences between different ethnic groups, or in different socio-economic groups in accessing care. It was noted that this finding could change once BHRUT started to look at the data in more detail. He added that there were also not currently any obvious differences in the waiting times between different socio-economic, ethnic, or age groups; however, much more work needed to be undertaken to understand the data and the questions to be asked.

In regards to BHRUT's plan to return to pre-Covid waiting times from referral to treatment, the Committee suggested that the Trust could run more 'super clinics' (maximising resources to carry out a large number of appointments/procedures, over short periods of time) to manage these. It was advised that whilst BHRUT was in a position to run more super clinics, it was less able to encourage patients to access care in the first place, as the first point of contact for patients was with GP practices. Work needed to be undertaken with primary care providers as to whether more could be done jointly to encourage patients to access care. The Committee recommended the use of community hubs to assist with patients seeing their GP, learning that BHRUT intended to invest in cancer diagnostic pathways with the additional funding that it was expecting from the Government. It would locate diagnostics within the community to make these easier to access, such as within Barking Community Hospital and the St. Georges Hub.

**Engagement On St George's Hospital Development**

The Committee received a presentation from the Director of Commissioning and Performance (DCP) at BHR ICP and NEL CCG on the engagement plans for the new St. George's Hospital development, which would aim to integrate a range of health, care and wellbeing services into one hub in South Hornchurch. The engagement period was proposed to run between 22 November 2021 and 13 February 2022, with a variety of engagement both online and in-person.

Members positively acknowledged the benefits of the scheme for residents of Havering; however, expressed dismay that a Hub was being developed in Havering, when many of the services it would offer were already available to Havering residents and it would prove difficult to engage Barking and Dagenham residents in the consultation, as they would likely question the benefits for them. Members urged the DCP to consider implementing wider health, care and wellbeing services at Barking Community Hospital as opposed to more minor facilities, especially considering the high levels of deprivation and poverty experienced by Barking and Dagenham residents, who did not already have these services available to them within their own borough.

The Committee noted that welfare issues could lead to ongoing healthcare problems and that these were highly prevalent in the Borough. The Committee advocated for more communications with Barking and Dagenham residents, to ensure that they felt that services at the Havering facility could be used by them.

**Annual Director of Public Health Report - Equalities Challenges in Barking and Dagenham**

The Committee received a presentation from the Director of Public Health on his annual report for 2020-21, which focused on the health inequalities in the Borough that had been made further stark by the Covid-19 pandemic. The report provided a snapshot of inequalities at a borough population-level and summarised the consultation feedback from key stakeholders on how to collectively reduce them and improve the health and wellbeing of all residents.

Members expressed frustration that health inequalities had been an issue that the Borough had been facing for a number of years and asked what it would take to see a real difference. The Cabinet Member for Social Care and Health Integration stated that she too shared the same frustration, explaining that historically, the Borough had been significantly and continually underfunded, which meant that the challenges it faced in improving residents' health had worsened over time. However, the North East London system, which the Borough was now a part of along with six other boroughs, offered a glimmer of hope in that the commissioning of resources was now more transparent, and new governance arrangements meant that the Board had a real say, giving the Borough more leverage over health funding.

Members were concerned about the statements within the DPH's report that multi-morbidity (having two or more long-term conditions) was experienced eight years earlier by the African and Caribbean groups as compared to the White British/White Other group and asked why this was and what could be done to address this. The

DPH stated that there was potentially a myriad of reasons behind this, such as not accessing primary care and lifestyle issues. Communication tailored to these groups, which came from a source they trusted, was shown to be effective - for example, a huge increase in the Covid-19 vaccine take-up was seen in certain groups when messages about vaccine safety was delivered via local mosques. The Cabinet Member stated that it was difficult to fully understand why some national health programmes that had worked elsewhere, had not worked in the Borough. She hoped that the new community hubs would play a crucial role going forward in this regard; however, she wanted the hubs to grow organically to fully understand local issues faced by residents, which would take time.

### **Update on the impact of the expansion of the Ultra-Low Emission Zone (ULEZ) in Barking and Dagenham, and how children and young people in Barking and Dagenham are being affected by air pollution following the recent case in Lewisham**

The Committee received a report on the expansion of the ULEZ in the Borough and the impact on young people of air pollution, which was presented by the Service Manager for Environmental Health (SMEH). The report also provided an update on the main actions being progressed as part of the Council's Air Quality Action Plan (AQAP), as well as outlining the key recommendations arising from a Coroner's report on the death of a nine-year-old girl in 2013 who resided in Lewisham, who was the first person to have air pollution as a cause of death on her death certificate.

Members expressed concern around the extent of the issue globally, seeking assurance that this was being addressed collectively across the Council. The SMEH emphasised that the AQAP was not delivered by the Environmental Health team alone; a range of partners both within the Council (such as Public Health) and outside (such as BeFirst) all played an active part and were key to its success. One of the main aims of all partners was to drive behavioural changes in those residing and working in the Borough, via a good communications strategy and other initiatives which would reduce air pollution.

The Committee was critical that there were only two air quality monitoring stations in the Borough and questioned whether these would be enough to obtain a detailed Borough-wide understanding of pollution levels. The SMEH stated that there was some good news in this regard, as the Greater London Authority had recently provided the Borough with two further sensors; one located near Jo Richardson School and the other near Barking Station. These sensors collected data which went directly to a data management consultant at Imperial College, who provided the Council with regular updates on air pollution levels. This data also formed part of the annual data set submitted to the Department for Environment, Food and Rural Affairs (DEFRA). Further good news was that a company was sponsoring four additional sensors with the latest technology, which would be in place in appropriate locations by March 2022 and would provide an even greater understanding of pollution levels across the Borough.

The Committee also praised the work of the Member Champion for Climate Change, officers and partners to improve air quality in the Borough through initiatives such as a new community woodland in St Chads Park, 32,000 trees planted in a 'forest of

thanks' in Parsloes Park (to commemorate key workers and those who had lost their lives in the pandemic) and the 'wild and free in LBBD' project which aimed to increase participation within the Borough's country parks.

### **What is the community access to healthcare post-Covid-19?**

The Committee received a presentation on the community access to healthcare post-Covid-19, focusing on primary care access. The presentation was delivered by the Director of Primary Care Transformation (DPCT) at Barking, Havering and Redbridge Integrated Care Partnership (North East London Clinical Commissioning Group).

Members challenged the fact that normal blood test results were filed by GP practices and it was then up to the patient to contact the practice to receive the results. Whilst they acknowledged that this was due to the high volume of blood test results that GPs needed to deal with and that those patients who needed a follow-up were contacted by their practice, they highlighted that this lack of communication could prove worrisome for patients. As a result, the DCPT stated that they would take this feedback to the CCG's task and finish group, to consider whether patients could be messaged about their blood test results when these were within the normal range.

Members also expressed concerns around patients within their wards who had not received their appointment letters, noting two recent examples. The Director of Transformation (DoT) at NEL CCG stated that she received feedback quickly from GPs if there were lots of patients who were stating that they had not received appointment letters, and that they had been discharged as a result. She had only been notified of this happening three times in the last few months; however, she would continue to monitor this issue and raise it with the Deputy Chief Operating Officer at BHRUT.

Members expressed concern that the triage system could result in the later detection of cancers, with late presentation already being a major issue within the Borough, and that take-up rates could get worse when the community perceived an additional 'hurdle' in accessing care. As such, the DoT stated that work needed to be undertaken around these potential behavioural issues and high-priority health conditions. The DPCT agreed, acknowledging that telephone consultations and triaging would not work for everybody. It was important to pick up on the cues that someone was displaying in terms of their health, and work needed to be done to support this. Work also needed to be undertaken locally with practices and with receptionists to keep their training up to date, as they acted as a gateway into GP practices.

### **BHR Transformation Boards 21/22 Key Progress and Achievements to Date**

The Committee received a presentation on the key progress and achievements of the BHR Transformation Boards, which was presented by the Deputy Director of Recovery and Planning (DDRP) at NEL CCG. Whilst the work of the Boards had been paused in 2021, owing to the need to redeploy staff during the Covid-19 pandemic, priorities had been reset since the Boards had resumed. The DDRP

detailed some examples of key progress against the eight Transformation Boards in BHR, which comprised:

- Cancer;
- Children and Young People;
- LD and Autism (NEL Board);
- Long Term Conditions;
- Mental Health (NELFT/NEL System wide Board);
- Planned Care;
- Older People/ Frailty; and
- Unplanned Care.

The Committee was pleased to learn that BHRUT was in a very good position in terms of treating cancer patients, and it had gained funding from the North East London Cancer Alliance for the purchase of dermatoscopes, which would help in terms of skin cancer identification. This had been offered in recognition of the fact that other parts of North East London already had this equipment, whereas BHRUT did not. The Faster Diagnosis Standard (FDS) of patients being informed of their cancer status within 28 days of their referral had also been achieved for the last three months across three key specialities, where it had the most referrals in to BHRUT. Whilst this did not remove concerns around the late presentations of cancers and the impact of Covid-19, this was a very positive step in the right direction.

The Committee also praised work being undertaken in Public Health around active case finding for missing cancers and the recovery of the Health Check programme, working to ensure that patients could be screened early for any conditions. It was also pleased to learn of the development of the BHR Workforce Academy over the past year, which had been a positive step in working to address gaps in recruitment, particularly focusing on therapists and on Allied Health Professionals (AHPs) as these had the largest shortages.

### **Barking and Dagenham Smoking Cessation Service**

The Committee received a presentation on the Barking and Dagenham Smoking Cessation service from the Cabinet Member for Social Care and Health Integration. This detailed the current service and its impact, the health impacts of smoking and inequalities in relation to accessing the service (such as age, ethnicity and gender). It also provided the particular context within Barking and Dagenham, with a smoking-attributable mortality rate higher than London and England.

The Committee provided challenge as to the current low levels of service usage and how these could be improved. Whilst the Cabinet Member did not want to stop the service, she acknowledged that it was not having the desired impact and it needed to be more effective, as the service received nearly £500,000 in funding but was accessed by only two percent of smokers in the Borough. A number of other boroughs had decommissioned their services over the past few years in favour of different approaches, including a digital service offer, and had improved their cessation rates. As such, she felt that targeting the service via programmes to specific groups, such as those who were pregnant, young people, and ethnic

communities within the Borough, for at least a couple of years, could improve cost efficiency and achieve better health outcomes, making a real difference to these groups. The Cabinet Member agreed to return to the Committee with proposals as to how to move forward.

The Committee, along with the Cabinet Member, also questioned whether the Improving Access to Psychological Therapies (IAPT) service could ask patients more about smoking, to increase referrals into the Smoking Cessation service and to help individuals before they needed more extensive support. The Committee also recommended that the Cabinet Member discuss with the Council's HR service what more could be done to support smoking cessation amongst its employees.

### **Children's Community Health Services**

The Committee received a presentation on Children's Community Health Services, which was delivered by the Integrated Care Director (ICD) at the North East London NHS Foundation Trust (NELFT) and the Assistant Director for Children's Services (ADCS) at NELFT.

Members expressed concern in regards to the ongoing lack of speech and language therapy provision within the Borough. It was pleased to learn that NELFT had recruited a new Head of Service during the pandemic, who had worked to get the service to a point where it was nearly fully recruited, for the first time in five years. Significant work had been undertaken to attract staff into SLT assistant roles, whilst they were awaiting their healthcare professional council regulation to come through, and to retain them upon qualification. Having a near fully recruited workforce had assisted with increasing the overall service quality, with waiting times also reducing. NELFT was also working with the Council and the Schools Network regarding the collaborative use of both Council and schools funding to booster the therapy workforce and to identify needs.

Whilst the Committee expressed disappointment that the Early Years cohorts had been particularly affected by the pandemic in terms of their speech and language development, it was reassured that there had been a project within Early Years, where the Council had commissioned NELFT to provide speech and language support and training to Early Years teachers, across both schools and private provision. This support would help to improve the equality of these interventions, and to provide a better outcome for children as they entered statutory school age.

### **NELFT CQC Inspection Update**

The Committee received a progress update on the CQC Improvement Plan that had been developed by NELFT to address its "Must Do" and "Should Do" findings, as a consequence of its CQC inspection in June 2019. The update was delivered by the Integrated Care Director (ICD) at NELFT and Associate Director of Nursing & Quality (ADNQ) for Barking & Dagenham at NELFT, and followed on from NELFT's previous presentation to the Committee (minute 10, 21 October 2020 refers). The presentation highlighted actions undertaken so far to address the inspection findings and the Committee was reassured to learn that only one "Must Do" and five "Should



Do” actions remained open, which related mainly to Essex and Kent services, and not to those in Barking and Dagenham.

The Committee provided challenge as to waiting lists and staff recruitment, noting ongoing issues which had been exacerbated by the pandemic in some areas. It was pleased to learn that nationally, funding had been made available to address elective waiting lists, with acute hospitals and community trusts across the country having submitted plans and trajectories around reducing these, to get to a compliance standard of 18 weeks. This would require additional workforce for NELFT, who had submitted workforce plans to help achieve the target.

Following a question from a Member, Councillor Rice stated that as part of his role on the NELFT Governing Body, there had been lots of work around appointing a new Chief Executive and a new Chair of Governors; however, he would personally like to see more discussion around services and the CQC, and the ICD agreed to relay this feedback.

### **The Integrated Care System/Local Borough Partnership Proposals and Governance- Position Update**

The Committee received an update on the Integrated Care System and Borough Partnership proposals and governance, which was delivered by the Council’s Director of Public Health (DPH). This detailed the current proposals and recommendations, with a decision paper on these shadow governance arrangements to be taken to the 14 June 2022 Health and Wellbeing Board. The target date for having the confirmed joint arrangements in place would be April 2023, with all involved then engaged in a programme of finetuning and building on the arrangements.

The Committee noted the significant changes in governance arrangements as a result of new legislation and expressed the importance of ensuring that the arrangements were fit-for-purpose and best served Barking and Dagenham. It looked forward to seeing the development of its own role in providing challenge and holding decision makers to account.

### **Contact**

For further information on the Health Scrutiny Committee, or the Council’s scrutiny arrangements in general, please visit the Council’s website at <https://modgov.lbbd.gov.uk/Internet/ieListMeetings.aspx?CId=792&Year=0> or contact:

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