

Notice of Meeting

CABINET

Wednesday, 9 March 2016 - 7:00 pm
Council Chamber, Town Hall, Barking

Members: Cllr Darren Rodwell (Chair); Cllr Saima Ashraf (Deputy Chair) and Cllr Dominic Twomey (Deputy Chair); Cllr Laila Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

Date of publication: 1 March 2016

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Chief Executive

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AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.

3. Minutes - To confirm as correct the minutes of the meeting held on 15 February 2016 (Pages 3 - 11)

4. Budget Monitoring 2015/16 - April 2015 to January 2016 (Month 10) (Pages 13 - 58)

5. Corporate Delivery Plan 2015/16 - Quarter 3 Update (Pages 59 - 85)

6. School Alliances (Pages 87 - 93)

7. Delivery of Low Cost Homes for Sale on the Gurdwara Way / Whiting Avenue site - Barking Town Centre Housing Zone (Pages 95 - 105)

8. **Tenant Shared Ownership Scheme (Pages 107 - 136)**
9. **Kingsbridge Site Residential Development (Pages 137 - 151)**
10. **Review of Tenancy Management Policies (Pages 153 - 193)**
11. **Future Management Arrangements for Fanshawe, Galleon and Hedgecock Community Facilities (Pages 195 - 205)**
12. **Land Acquisition and Lease (Royal British Legion), Rectory Road, Dagenham (Pages 207 - 215)**

Appendix C to this report is contained within the exempt section of the agenda at Item 16.

13. **Debt Management Performance and Write-Offs 2015/16 (Quarter 3) (Pages 217 - 237)**
14. **Any other public items which the Chair decides are urgent**
15. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

16. **Appendix C - Land Acquisition and Lease (Royal British Legion), Rectory Road, Dagenham (Page 239)**

Contains commercially confidential information (paragraph 3)

17. **Any other confidential or exempt items which the Chair decides are urgent**



Our Vision for Barking and Dagenham

One borough; one community; London's growth opportunity

Encouraging civic pride

- Build pride, respect and cohesion across our borough
- Promote a welcoming, safe, and resilient community
- Build civic responsibility and help residents shape their quality of life
- Promote and protect our green and public open spaces
- Narrow the gap in attainment and realise high aspirations for every child

Enabling social responsibility

- Support residents to take responsibility for themselves, their homes and their community
- Protect the most vulnerable, keeping adults and children healthy and safe
- Ensure everyone can access good quality healthcare when they need it
- Ensure children and young people are well-educated and realise their potential
- Fully integrate services for vulnerable children, young people and families

Growing the borough

- Build high quality homes and a sustainable community
- Develop a local, skilled workforce and improve employment opportunities
- Support investment in housing, leisure, the creative industries and public spaces to enhance our environment
- Work with London partners to deliver homes and jobs across our growth hubs
- Enhance the borough's image to attract investment and business growth

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MINUTES OF CABINET

Monday, 15 February 2016
(7:00 - 8:10 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Laila Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

Also Present: Cllr Sade Bright and Cllr James Ogungbose

88. Declaration of Members' Interests

There were no declarations of interest.

89. Minutes (19 January 2016)

The minutes of the meeting held on 19 January 2016 were confirmed as correct.

90. Budget Monitoring 2015/16 - April to December (Month 9)

The Cabinet Member for Finance and Central Services introduced the report on the Council's capital and revenue position for the 2015/16 financial year, as at 31 December 2015.

The General Fund showed a projected end of year spend of £5.7m against the approved budget of £151.4m, which represented an improvement of £0.4m on the position reported for the end of November. The Cabinet Member advised that the overspend continued to be kept under constant review and he anticipated a further improvement in the position by the end of the financial year.

The Housing Revenue Account (HRA) continued to show a break-even position with a projected end of year reserve of £8.7m while expenditure on the Capital Programme was forecast to exceed the reprofiled budget of £134.7m by approximately £6.9m due, in the main, to the acceleration of several school expansion projects.

Cabinet **resolved** to:

- (i) Note the projected outturn position for 2015/16 of the Council's General Fund revenue budget at 31 December 2015, as detailed in paragraphs 2.1, 2.4 to 2.10 and Appendix A of the report;
- (ii) Note the progress against the agreed 2015/16 savings at 31 December 2015, as detailed in paragraph 2.11 and Appendix B of the report;
- (iii) Note the overall position for the HRA at 31 December 2015, as detailed in paragraph 2.12 and Appendix C of the report; and
- (iv) Note the projected outturn position for 2015/16 of the Council's capital budget as at 31 December 2015, as detailed in paragraph 2.13 and

91. Budget Framework 2016/17

The Cabinet Member for Finance and Central Services introduced the Council's proposed budget framework for 2016/17 which incorporated the following:

- The Medium Term Financial Strategy (MTFS) for 2016/17 to 2020/21;
- The General Fund budget for 2016/17;
- The level of Council Tax for 2016/17;
- Funding reductions to 2019/20;
- The financial outlook for 2017/18 onwards;
- The Capital Programme for 2016/17 to 2020/21.

The proposed General Fund net budget for 2016/17 was £150.314m, compared to the net budget for 2015/16 of £151.444m. The Cabinet Member explained that the Local Government Finance Settlement (LGFS) for 2016/17 had been slightly better than expected, although the longer-term impact of the Government's public sector funding cuts meant that significant savings would be required in order to meet a projected £63m budget gap by 2020/21.

With regard to Council Tax for 2016/17, the Cabinet Member advised that the Assembly would be asked to agree a 1.99% increase to the amount levied by the Council. Together with a 2% increase for the Adult Social Care precept and an anticipated reduction to the Greater London Authority (GLA) precept, the average Council Tax bill would increase by 43p per week. In respect of the Adult Social Care precept, the Cabinet Member for Adult Social Care and Health reiterated her objection to the Government's abdication of its responsibilities to properly fund essential care services for the elderly and vulnerable, adding that the 2% precept would not even cover the additional costs of applying pay increases under the Council's contracts with social care providers.

The Cabinet Member for Finance and Central Services clarified issues relating to the London Enterprise Panel top-slice for 2016/17 and it was noted that discussions were taking place amongst the four constituent Councils of the East London Waste Authority (ELWA) regarding the efficiency of the organisation and the level of increase to the ELWA levy. Members also supported that Leader's view that Government initiatives such as the 'Bedroom tax' and 'Pay to Stay' in relation to Council housing were a direct attack on hardworking families and individuals.

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

- (i) Approve a base revenue budget for 2016/17 of £150.314m, as detailed in Appendix A to the report;
- (ii) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2016/17 to 2020/21 allowing for other known pressures and risks at this time, as detailed in Appendix B to the report;
- (iii) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, to finalise any

contribution required from reserves in respect of the 2016/17 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2016;

- (iv) Approve the Statutory Budget Determination for 2016/17 as set out at Appendix C to the report, which reflects an increase of 1.99% on the amount of Council Tax levied by the Council, plus a further 2% increase in relation to the Social Care Precept and the final Council Tax proposed by the Greater London Assembly (6.4%% reduction), as detailed in Appendix D to the report;
- (v) Approve the Council's draft Capital Programme for 2016/17 to 2020/21 as detailed in Appendix E to the report; and
- (vi) Approve the transfer of the one off collection fund surplus of £3.5m to the corporate redundancy reserve, as set out in section 2.11 of the report.

92. Council Tax Discretionary Relief Policy

Further to Minute 51(iii) (18 November 2014), the Cabinet Member for Finance and Central Services introduced the proposed policy for supporting local residents in extreme financial difficulty via a Council Tax discretionary relief fund.

The Cabinet Member confirmed that a sum of £50,000 would be set aside, which was expected to provide relief for approximately 375 Council Tax payers. In addition to the financial support, which would be in the form of a 100% discount for a period of up to two months, those in financial difficulty would also be signposted to other sources of help and advice as a means of establishing longer-term solutions.

Cabinet **resolved** to:

- (i) Approve the Council Tax Discretionary Relief Policy as attached at Appendix A to the report; and
- (ii) Agree that budget provision of £50,000 be made in 2016/17 to support the policy and to note that the adequacy of the budget shall be reviewed each year.

93. Treasury Management Strategy Statement 2016/17

The Cabinet Member for Finance and Central Services presented the draft Treasury Management Strategy Statement (TMSS) for 2016/17 which set out the Council's borrowing and investment plans for the year ahead.

The Cabinet Member referred to several of the key issues within the TMSS, one of which was a proposed increase to the level of investment with the Lloyds Banking Group in view of the improved outlook for the Group and its relative high returns, and clarified the reasons behind the increase in the Council's cash balance position. The Strategic Director of Finance and Investment responded to Councillor Carpenter's question regarding the implications for the Council of the recent turbulence in the financial markets, explaining that the immediate impact

had been on the Council's Pension Fund investments while the General Fund may be affected if bank base rates were to fall, as that would have an adverse impact on the likely achievement of income targets on investments.

Cabinet **resolved to recommend the Assembly** to adopt the Treasury Management Strategy Statement for 2016/17 and, in doing so, to:

- (i) Note the current treasury position for 2016/17 and prospects for interest rates, as referred to in section 6 of the report;
- (ii) Approve the Council's Borrowing Strategy, Debt Rescheduling Strategy and Policy on borrowing in advance of need for 2016/17 as referred to in section 9 of the report;
- (iii) Approve the Annual Investment Strategy and Creditworthiness Policy for 2016/17 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 2 of the report;
- (iv) Approve the Authorised Borrowing Limit of £800m for 2016/17, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as set out in Appendix 4 of the report;
- (v) Approve the Treasury Management Indicators and Prudential Indicators for 2016/17, as set out in Appendix 4;
- (vi) Approve the Minimum Revenue Policy Statement for 2016/17, representing the Council's policy on repayment of debt, as set out in Appendix 5 of the report;
- (vii) Maintain the authority delegated to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to take into account the increase in cash from the European Investment Bank and also the subsequent decrease in cash balances as payments are made to the Special Purpose Vehicle; and
- (viii) Next review the delegated responsibility in (vii) above as part of the 2015/16 Treasury Management Outturn Report to the Assembly.

94. Gender Equality Charter

The Leader of the Council invited Councillor Sadie Bright, the Members' Gender Equality Champion, to introduce the Council's draft Gender Equality Charter.

Councillor Bright commented that she was extremely proud of the fact that Barking and Dagenham was the first local authority in the country to develop a Gender Equality Charter, which she felt reflected the Council's ambition to create a fair and equal society. The four main themes of the Charter were:

- Access to power and representation in public life;

- Economic inequality and impact of caring responsibilities;
- Culture, including gender stereotyping; and
- Violence against women.

Councillor Bright advised that the Charter had been developed with the help and support of the local voluntary sector, the Police, Health agencies, Schools, local businesses and the local community and it was hoped that all would sign up to the Charter's plan of action. The intention was for the Charter to be formally launched on 10 March 2016, as part of the Council's second annual Women's Empowerment Month.

Cabinet Members placed on record their thanks to Councillor Bright and officers within the Equalities and Diversity team for their work in developing the Charter. Councillor Ashraf also thanked the Leader for his commitment to equalities, making the point that under the new administration the majority of Cabinet Members were women and the Council as a whole was represented by approximately 40% of women councillors, well above the national average. It was also pointed out that the Barking constituency had been represented in Parliament by women MPs since 1974, firstly by the late Jo Richardson who was a central figure in the women's rights movement and by Margaret Hodge since 1994.

Several Cabinet Members spoke in full support of the Charter and the Council's commitment to equalities, while reference was also made to a number of other initiatives such as the White Ribbon domestic violence campaign which the Council was at the forefront of. Arising from the discussions, issues were also raised in respect of:

- a) Implementation of the Action Plan – Councillor Bright advised that local businesses in particular would be asked to support the achievement of the priorities through active promotion in the workplace and the sponsorship of events;
- b) Main Themes of the Charter – It was acknowledged that the theme “Culture, including gender stereotyping” should be bolstered by the inclusion of reference to discrimination and that the issue of body image was only one component of stereotyping;
- c) Promotion of the Charter – Alongside the range of initiatives planned to support awareness of and support for the Charter, it was suggested that a presentation should be given to all Members of the Council at a future meeting of the Assembly.

Cabinet **resolved** to:

- (i) Adopt the Gender Equality Charter and Action Plan at Appendix A to the report, subject to the amendments agreed at the meeting; and
- (ii) Agree to launch the Charter during Women's Empowerment month in March 2016.

95. Home-to-School Travel Assistance Policy

The Cabinet Member for Education and Schools presented a report on the outcome of a review of the Council's current home-to-school travel assistance

policy.

The Cabinet Member advised that the review had taken account of revised statutory guidance issued by the Department for Education (DfE) in July 2014 and the ongoing pressures on the service's budget. A number of different options had been considered and the two key changes to the policy were:

- a) A narrowing of the eligibility criteria for home-to-school travel assistance to mirror the Council's statutory obligations; and
- b) A removal of automatic entitlement to travel provision for certain groups where no automatic legal duty to offer travel assistance existed, with greater use of discretion on a case-by-case basis.

The revised proposals had been subject to full public consultation over a 12-week period and had received the overwhelming support of respondents. The Cabinet Member for Finance and Central Services referred to the projected savings from the revised proposals which were intended to bring the service back within budget, although it was pointed out that the financial projections were based on the current number of service users and an increase to that number would have an adverse impact.

Cabinet **resolved** to:

- (i) Note the outcome of the public consultation on the draft proposed revisions to the Council's Home to School Transport Assistance Policy, as set out in the consultation report at Appendix 1 to the report;
- (ii) Agree the proposed revisions to the policy as set out in section 2 of the report; and
- (iii) Adopt the new Home to School Transport Assistance Policy as set out at Appendix 2 to the report.

96. Contract for Provision of Private Hire Vehicle Transport Services to SEND Children, Young People and Vulnerable Adults

The Cabinet Member for Education and Schools introduced a report on proposals relating to the provision of private hire transport services for children and young people with special educational needs and/or disabilities (SEND) and vulnerable adults, which included the procurement of a new framework contract and the extension of the current arrangements while the new contract was procured.

Cabinet **resolved** to:

- (i) Agree that the Council acts as the lead borough for the procurement of a four year framework contract for the provision of private hire transport services (with and without Passenger Assistants) for children and young people with special educational needs and/or disabilities (SEND) and vulnerable adults in accordance with strategy set out in this report;
- (ii) Agree that the existing contract to be extended for a period of four months to 31 August 2016; and

- (iii) Delegate authority to the Corporate Director of Children's Services, in consultation with the Cabinet Member for Education and Schools, the Strategic Director of Finance and Investment and the Director of Law and Governance, to award and enter into the contract and access agreements.

97. Outcome of Consultation on Care and Support Charging Policy

Further to Minutes 61 and 62 (10 November 2015), the Cabinet Member for Adult Social Care and Health reported on the outcome of the public consultation in respect of proposed revisions to the Council's Care and Support Charging Policy and the introduction of a scheme to enable the Council to reclaim Disabled Facilities Grant funding in certain circumstances.

The Cabinet Member referred to the considerable consultation that had taken place and confirmed that the proposals had been generally well received.

Cabinet **resolved** to:

- (i) Adopt the revised Care and Support Charging Policy attached at Appendix 1 to the report which would mean that with effect from April 2016:
 - (a) The same amount of Disability Related Expenditure (DRE) disregard shall be applied to all service users when assessing the amount they contribute to their care.
 - (b) The new DRE disregarded amounts of £5, £15 or £25 shall be phased in as disability benefit rates are uplifted.
- (ii) Agree to the principle of charging for care and support services provided to carers who meet the eligibility criteria for services in their own right but that no charges be introduced for the 2016/17 financial year; and
- (iii) Agree the introduction of a scheme, in accordance with the Housing Grants, Construction and Regeneration Act 1996, whereby some or all of a Disabled Facilities Grant may be recoverable via the placing of a local land charge where a person in receipt of a grant has a financial interest in the property, in line with the conditions set out in paragraphs 6.4 and 6.5 of the report and with effect from April 2016.

98. Youth Zone Development - Lease and Rent Arrangements

Further to Minute 25 (21 July 2015), the Leader introduced a report on the proposed terms of the lease and rent arrangements in respect of the new Youth Zone facility in Parsloes Park.

The Leader advised that in line with the Council's policy in respect of property leasing arrangements approved by the Cabinet under Minute 51 (22 October 2013), the proposal was to seek full market rent for the facility and to provide an equivalent grant in view of the project's contribution to the Council's corporate priorities. The Leader also confirmed that in the unlikely event of OnSide Youth Zone, the registered charity behind the project, failing to deliver the service in the

future the building would revert to the Council as the freeholder of the land and under the terms of the lease.

Cabinet **resolved** to:

- (i) Agree to provide a grant to the Barking and Dagenham Youth Zone equivalent to the annual rental of £5,800 that would be paid for the duration of the 125 year lease with RPI (or successor indicator) linked reviews at 25-year intervals, providing the conditions of use are upheld, as detailed in Option 3 in the report; and
- (ii) Note that the annual rental grant shall be subject to the Youth Zone securing planning approval.

99. Expansion of Abbey Children's Centre Nursery Service and Procurement of John Perry Children's Centre Nursery Service

The Cabinet Member for Education and Schools presented a report on alternative proposals in respect of the future provision of nursery services at Abbey and John Perry Children's Centres.

Under Minute 6 (2 June 2015), the Cabinet had approved the outsourcing of the two remaining in-house Children's Centre nurseries. The Cabinet Member advised, however, that although the procurement exercise had attracted interest from several excellent providers, the high pension liabilities that would have transferred to the new provider had resulted in no tenders being submitted. Officers had therefore undertaken a review of all possible options and the preferred option involved the Council retaining and expanding the Abbey Children's Centre nursery and absorbing the remaining staff from the John Perry Children's Centre nursery into the expanded facility, allowing the John Perry Children's Centre nursery service to be re-tendered as a more attractive proposition.

Cabinet **resolved** to:

- (i) Agree to the retention of Abbey Children's Centre nursery as a Council provided service and its expansion to create an additional 40 places with effect from September 2016;
- (ii) Note that the current Council staff at John Perry Children's Centre nursery would be redeployed at the appropriate time to fill the staff vacancies created by the expansion at Abbey Children's Centre Nursery;
- (iii) Agree the procurement of a five-year contract, with an extension option of up to three years, for the provision of nursery services at John Perry Children's Centre nursery with effect from September 2016, as detailed in the report; and
- (iv) Delegate authority to the Corporate Director of Children's Services, in consultation with the Cabinet Member for Education and Schools, the Strategic Director of Finance and Investment and the Director of Law and Governance, to award and enter into the contract and coterminous lease to

the successful bidder in accordance with the strategy.

100. Planning Guidance Note - Land at Former Thames View Health Centre, Bastable Avenue, Barking

The Cabinet Member for Regeneration introduced a report on the proposed guidance to be issued to potential developers, in the form of a Planning Guidance Note (PGN), in respect of the former Thames View Health Centre site.

The Cabinet Member advised that the site was owned by the NHS and the Council held an interest in a small part. The intention was for the site to be marketed for predominantly residential use, with potential for community and/or commercial space at ground floor level. In response to a question, the Cabinet Member confirmed that the PGN would require an archaeological assessment and habitat survey to be carried out prior to the commencement of any development and he agreed to provide Councillor Carpenter with further details.

Cabinet **resolved** to adopt the Planning Guidance Note in respect of land at the former Thames View Health Centre, Bastable Avenue, Barking, as set out at Appendix 1 to the report.

101. Pay Policy Statement 2016/17

The Cabinet Member for Finance and Central Services presented the draft Pay Policy Statement for the Council for 2016/17 which set out the key elements of the Council's pay policy as required under the Localism Act 2011.

The Cabinet Member commented on the proposed increase to the Local Living Wage rate to 9.40 per hour with effect from 1 January 2016 and the changes to the senior management structure to support the Council's growth agenda and Ambition 2020 programme. In respect of the latter it was noted that progress had been made towards the overall £1m saving in senior management costs.

The Cabinet Member also referred to the comparative information in the Pay Policy Statement which showed that at Divisional Director-level and above the Council paid at or below the median pay rates for London Boroughs, while the higher-than-average ratio between the Chief Executive's salary level and the median earnings figure for all Council employees was attributable to the retention of in-house services such as catering and cleaning in Barking and Dagenham.

Cabinet **resolved** to:

- (i) Agree the new Local Living Wage rate of £9.40 (up from £9.20) with effect from 1 January 2016 in accordance with paragraph 3.3 of Appendix A to the report; and
- (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2016/17 as set out at Appendix A to the report, for publication on the Council's website with effect from 1 April 2016.

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CABINET**9 March 2016**

Title: Budget Monitoring 2015/16 - April to January (Month 10)	
Report of the Cabinet Member for Finance and Central Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Kathy Freeman Divisional Director, Finance	Contact Details: Tel: 020 8227 3497 E-mail: kathy.freeman@lbbd.gov.uk
Accountable Director: Jonathan Bunt, Strategic Director of Finance and Investment	
Summary	
<p>This report provides Cabinet with an update of the Council's revenue and capital position for the ten months to the end of January 2016, projected to the year end.</p> <p>There is a projected overspend of £5.5m on the 2015/16 budget, a decrease of £0.2m from last month. The main elements of the current projection are overspends in Children's Services of £6.3m (including £1m of programme costs), overspends in Housing and Environmental services of £0.5m partially offset by underspends of £1.3m across Central Expenses and Chief Executive's. There are pressures in a number of other service areas but all are currently forecast to be managed.</p> <p>The total service expenditure for the full year is currently projected to be £156.9m against the budget of £151.4m. The projected year end overspend will significantly reduce the General Fund balance to c£21m at year end though that is still above the minimum target balance set by the Strategic Director of Finance and Investment.</p> <p>The Housing Revenue Account (HRA) is projected to break-even, leaving the HRA reserve at £8.7m. The HRA is a ring-fenced account and cannot make or receive contributions to/from the General Fund.</p> <p>The Capital Programme budget stands at £134.7m, inclusive of the European Investment Bank (EIB) funded general fund housing schemes. Forecast outturn is £141.4m, £6.7m over budget, mostly within Children's Services, which has incurred accelerated spend on projects. Funding allocations will be adjusted between years accordingly.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <p>(i) Note the projected outturn position for 2015/16 of the Council's General Fund revenue budget at 31 January 2016, as detailed in paragraphs 2.1, 2.4 to 2.10 and Appendix A of the report;</p>	

- (ii) Note the progress against the agreed 2015/16 savings at 31 January 2016, as detailed in paragraph 2.11 and Appendix B of the report;
- (iii) Note the overall position for the HRA at 31 January 2016, as detailed in paragraph 2.12 and Appendix C of the report; and
- (iv) Note the projected outturn position for 2015/16 of the Council's capital budget as at 31 January 2016, as detailed in paragraph 2.13 and Appendix D of the report.

Reason(s)

As a matter of good financial practice, the Cabinet should be regularly updated with the position on spend against the Council's budget. In particular, this report alerts Members to particular efforts to reduce in-year expenditure in order to manage the financial position effectively.

1 Introduction and Background

- 1.1 This report provides a summary of the Council's General Fund and HRA revenue and capital positions. It also provides an update on progress made to date in the delivery of the agreed savings targets built into the 2015/16 budget, setting out risks to anticipated savings and action plans to mitigate these risks.
- 1.2 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved within the Council by monitoring the financial results on a monthly basis through briefings to the Cabinet Member for Finance and Central Services and reports to Cabinet. This ensures Members are regularly updated on the Council's overall financial position and enables the Cabinet to make relevant financial and operational decisions to meet its budgets.
- 1.3 The Budget report to Assembly in February 2015 provided for a target of £15.0m for the General Fund balance and the revenue outturn for 2014/15 led to a General Fund balance of £26.0m. The table below shows the available reserves at the authority's disposal to cover the cost of implementing savings proposals, the Growth Commission and the Ambition 2020 programme. The remaining GF reserve balance is now forecast to be above the target figure at £21.119m:

Projected Level of Reserves	£000	£000
Current GF balance		26,024
Other available reserves		7,127
Total available reserves		33,151
<u>Calls on reserves:</u>		
Implementation of savings proposals	(4,481)	
Growth Commission and Ambition 2020	(2,100)	
Projected overspend	(5,451)	
		(12,032)
Projected remaining reserves		21,119

- 1.4 The additional level of reserves above the minimum level provides the Council with some flexibility in its future financial planning but, to take advantage of that, it is essential that services are delivered within the approved budget for the year. Overspends within directorate budgets will erode the available reserves and

therefore limit the options that reserves could present in the medium term as the Council makes decisions on savings and service provision.

2 Current Overall Position

2.1 The following tables summarise the spend position and the forecast position of the General Fund and Housing Revenue Account (HRA) balances.

Council Summary 2015/16	Net Budget	Full year forecast at end January 2016	Over/(under) spend Forecast
	£000	£000	£000
Directorate Expenditure			
Adult and Community Services	51,074	51,074	0
Children's Services	62,750	69,061	6,311
Housing (GF)	1,512	1,702	190
Environment	19,562	19,862	300
Chief Executive	17,876	17,726	(150)
Central Expenses	(1,330)	(2,530)	(1,200)
Total Service Expenditure	151,444	156,895	5,451

	Balance at 1 April 2015	Forecast Balance at 31 March 2017
	£000	£000
General Fund	26,024	21,119*
Housing Revenue Account	8,736	8,736

*Includes the use of GF balances to implement savings proposals – see paragraph 1.3

2.2 Strategic Director of Finance and Investment's comments

2.2.1 The current Directorate revenue projections indicate an overspend of £5.5m for the financial year, primarily due to the overspend in the Complex Needs and Social Care division of Children's Services along with the associated costs of the programme to address the budget challenge. The forecast cost of the project team has reduced by approximately £0.2m as payment is made on a performance basis. It is arguable that this reduction is not necessarily a positive development as it indicates slower progress in the recruitment of permanent staff.

2.2.2 October's Cabinet was asked to note the cost of setting up of a temporary project team, estimated at £1m, to prepare and support the delivery of an Outline Business Case aimed at managing service demand and expenditure to enable a balanced budget over the next two years. That project has enabled the monitoring of the programme at a much greater level of detail than has previously been possible. This has, in turn, enabled the programme to respond to changing pressures or individual workstreams which have been more challenging to deliver. As a result,

there is greater transparency of progress and confidence in achieving such an ambitious level of change over the next year.

- 2.2.3 Barring a very dramatic change in service demand and spend, the pressure created by the Children’s Services position will not be brought back to the overall budget by the end of the financial year, though work continues to significantly reduce the overall overspend to minimise the call on reserves. In the first instance, all Chief Officers have been instructed to contain any other pressures that have been identified within services and as detailed within the later paragraphs of this report. Furthermore, December’s Cabinet meeting instructed all Chief Officers to implement any agreed 2016/17 savings during the current financial year to assist in reducing the overspend. Recent experience is of the financial position improving as the financial year progresses though there is no guarantee that this will always be the case.
- 2.2.4 Pressures have also emerged in the last couple of months in Environment and Housing and it is essential that those overspends are addressed in the remaining months of 2015/16 and that a balanced position is carried in to the new financial year. This is equally true in Adult Social Care where large pressures have been contained through the year to date.
- 2.2.5 Whilst the current forecast overspend would result in a reduction in the Council’s General Fund balance, the balance will still remain above the budgeted target of £15.0m. The Strategic Director of Finance & Investment, as the Council’s statutory Chief Finance Officer, has a responsibility under statute to ensure that the Council maintains appropriate balances and, following the settlement and the review of the use of reserves for the delivery of savings this year and next year, the projected 2016/17 year end balance would remain substantially above the target figure.
- 2.2.6 Looking forward, the revised MTFs approved in January includes additional funding for Children’s Services, Adults Social Care and other demographic / service pressures which, along with the programme for Children’s Services outlined above, would be expected to move towards a robust and deliverable budget in 2016/17. It will not, however, deliver an underspend equal to the forecast overspend this year to replenish reserves to the level as at April 2015.

2.3 Directorate Performance Summaries

- 2.3.1 The key areas of risk which might lead to a potential overspend are outlined in the paragraphs below. As this report reflects the position as at 31 January projected to the end of the financial year, it remains presented in the directorate structure of previous reports as the new senior management structure takes effect. The reporting format will be amended to reflect the new senior management structure in the next financial year (2016/17).

2.4 Adult and Community Services

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	54,025	51,074	51,074
Projected over/(under)spend			0

2.4.1 The Adult and Community Services Department is forecast to breakeven by year end. The department continues to actively work towards mitigating pressures of £2.7m. The table below summarises the headline pressures to be mitigated:

Main Pressures	£000
Purchase of Adult Social Care	1,503
Pressures against 2015-16 savings targets (see savings tracker appendix for details)	381
Abbey Leisure Centre income pressures	586
Mental Health residential placement costs	277
Total Pressures	2,747

2.4.2 Appendix A provides a summary by division of service and the following paragraphs explain those variances. The Adult Social Care division reflects an overall forecast pressure of £1.694m, an improvement of £0.065m from last month's forecast of £1.759m mainly due to additional income identified. The main pressure remains against the purchase of adult social care across all client groups (except mental health) which reflect a pressure of £1.503m. This pressure also includes a number of transition cases from Children's Services and the outcome of re-assessments under the Care Act. The remaining pressure of £0.191m is a combination of the undelivered Maples savings target of £0.091m and staffing pressures within the division. Forecasts continue to be monitored as activity levels fluctuate.

2.4.3 Commissioning and Partnership's is forecasting a net underspend of £0.149m, no movement from last month. This underspend has arisen from mitigating actions to utilise grant funds, underspends arising from in year staff vacancies and additional ad-hoc recharges generated by the Security team. This has mitigated the Better Care Fund (BCF) performance penalty pressure of £0.182m.

2.4.4 Mental Health is forecasting a pressure of £0.277m due to the number of residential placements. NELFT colleagues continue to work towards managing the admission and discharge process. It should be noted an increase in net placements over the remainder of the year would increase pressure on this budget.

2.4.5 Culture and Sport is forecasting a net pressure of £0.561m mainly due to income pressures within Abbey Leisure Centre an increase from last month's position of £0.433m mainly due to a reduction in projected membership numbers. With strong membership sales in January and in the first week of February it is anticipated that this pressure will reduce. The delayed opening of the Abbey Leisure Centre and the resultant reduction in income projections and also lower projected membership numbers have resulted in a forecasted increased overspend of £0.836m. This pressure will be partially mitigated by an estimated £0.250m compensation expected from the contractors who worked on the Leisure Centre project. There is also a net reduction of £0.025m as a result of staffing underspends within the Libraries and Heritage services partially offset by delays to the transfer of the management of the Broadway Theatre to the Barking & Dagenham College.

2.4.6 The Council's Public Health grant allocation for 2015/16 is £16.725m which includes £2.512m part year transfer of the 0-5 children's public health commissioning to the Local Authority. At the end of the last financial year there was a £0.978m underspend which as a ring-fenced grant has been carried-forward into the current

financial year. The grant is also subject to a 6.2% funding cut equating to c£1m. Spending plans have been reviewed in response to this. It should be noted that these reductions will impact on services across the council.

- 2.4.7 A challenging savings target of £4.145m is built into the 2015/16 budget. These are largely in the process of being delivered or already implemented. However, current forecasts indicate under delivery of £0.381m (see savings tracker for further details). Where under delivery has been identified, the Department is actively managing the resulting pressure, but it should be noted that the pressure arising from the review of future leisure provision will be managed corporately.

2.5 Children's Services

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	67,359	62,750	68,250
Projected over/(under)spend			5,500
Programme costs			811

- 2.5.1 The service is forecasting an overspend of £5.500m against a budget of £62.75m. The position includes the full delivery of the departments £2.065m 2015/16 saving target and reduction in the overspend through the Social Care Ambition and Financial Efficiency programme (SAFE). Corporate funding of £1.7m and partnership funding of £0.474m has been allocated to support the position in 2015/16. Despite an overall positive movement of £0.017m on the position reported last month, there remains ongoing risk in achieving this position. In addition to this, delivery of the SAFE programme is expected to cost £0.811m in year – a reduction of £0.222m to the position reported for December. This is primarily due to a reduction in the performance based costs of the contractors brought in to recruit permanent social workers. The service has made significant progress in reducing its agency bill but are still experiencing difficulties in recruiting qualified social workers.
- 2.5.2 The Education Service is forecast to underspend by £0.300m - an unchanged position to that reported in December. This is primarily due to underspends within the Early Years and Childcare Service and Integrated Youth Services as a result of the early delivery of 2016/17 savings and an underspend within the School Improvement Service as a result of posts being held vacant. The position is partially offset by pressures within Adult Education following reductions in Government funding and the funding of redundancy costs.
- 2.5.3 The Commissioning and Safeguarding Service is forecasting a breakeven position which remains the same as the position reported in December. The service is managing pressure of £0.322m within the Child Protection and Reviewing Service caused by difficulty in recruiting permanent staff and the need to use agency staff. Breakeven has been achieved by increases in traded income received and increased efficiencies realised through smarter commissioning. However, given the ongoing growth in demand it is unlikely that this would result in an ongoing saving without a change in policy.
- 2.5.4 Significant demand pressures within the Complex Needs and Social Care (CNSC) division have continued from 2014/15 into the current financial year. In October

2015, Cabinet approved an Outline Business Case aimed at managing service demand and expenditure in order to deliver a balanced budget by the end of 2016/17. Implementation of the approved business case is underway with progress being made towards the target reductions in 2015/16 and beyond.

2.5.5 There is considerable risk to the SAFE programme delivering on budget by the end of 2016/17. The ongoing SAFE projects are projected to close the current budget gap considerably in 2016/17 but it should be noted that continuing demand pressure on the service places a significant risk to the 2016/17 position.

2.5.6 Current projections indicate an overspend of £5.800m at the year end. This is primarily due to additional pressure on placements. The Council has a statutory duty with regard to vulnerable children and delays in moving young adults out of supported living due to the demand on available Housing has resulted in additional pressure.

2.5.7 The table below shows the original forecast overspend together with progress made to date and planned further reductions. The reduction delivered year to date is £4.626m inclusive of the £2.100m corporate funding. This will bring the service to a forecast outturn position of £5.800m at the end of the year.

	Original Forecast Overspend £000	Reduction Delivered £000	Current Position £000	Planned Further Reductions £000	Outturn Forecast £000
Complex Needs					
Agency /Staffing/ASYE	3,365	(1,357)	1,828	(138)	1,690
Placements	3,919	(196)	3,723	(391)	3,332
Transport	543	(343)	200	0	200
Legal	500	0	500	(100)	400
NRPF	1,600	(250)	1,350	0	1,350
UASC	1,128	(200)	928	0	928
Funding Adjustments	0	(2,100)	(2,100)	0	(2,100)
Total Complex Needs	11,055	(4,626)	6,429	(629)	5,800

2.5.8 The work streams underway are described below.

Reductions in Staffing Costs

The year end overspend in this area is projected to reduce by £0.180m from the position reported in December to £1.690m. The improved forecast reflects reductions as a result of the service continuing to freeze a number of vacant posts and reduce agency staff spend. Posts are being held vacant in preparation of future staff realignments.

Placements Pressure

The year end forecast reflects an overspend of £3.332m, and remains unchanged from the position reported in December. Although the net number of placements remained the same, this month saw an increase in placements costs of £169k primarily caused by new placements costing more than those leaving placements

and an increase of rates. This increase has been mitigated by an underspend in the commissioned Emergency Duty Service. The SAFE programme is to undertake a review of all placements to ensure that children’s needs can be provided in the most cost efficient way. This process is now underway and is expected to deliver significant cost reductions in 2016/17.

Transport

A review of SEN Transport has been carried out which considers transport routes, travel training and revised eligibility criteria including consultation. This has identified savings for 2015/16 with a full year effect in 2016/17.

Legal Costs

Children’s Services are working closely with Legal Services to identify the most cost effective way to meet the Council requirements of the service. Legal are recruiting in-house support which will reduce the cost of expensive counsel in 2016/17. Children’s Services also continually review their processes to ensure counsel is only used where absolutely necessary. These combined efforts are expected to reduce costs in 2015/16 by £100k with a larger reduction expected in 2016/17.

NRPF

The NRPF service now utilise a Fraud Officer and a Home Office Officer to identify fraudulent claims and speed up Home Office decisions. The Fraud Officer helps the initial application process and the Home Office Officer accelerates “right to remain” decisions from the Home Office. This allows families to be moved out of NRPF more rapidly following resolution with the Home Office.

UASC

The review of accommodation used for UASC clients has resulted in benefits realised through reduced costs in 2015/16 - the year end position remains unchanged and further reductions will be delivered.

2.6 Dedicated School Grant (DSG)

2.6.1 The DSG is a ring fenced grant to support the education of school-age pupils within the borough. The 2015/16 DSG allocation is £231.1m, covering Individual Schools Budgets, High Needs and Early Years services.

2.7 Housing General Fund

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	3,417	1,512	1,702
Projected over/(under)spend			190

2.7.1 The service is forecasting to overspend by £0.19m by year end, largely due to the increased cost of bed and breakfast placements.

2.7.2 Earlier in the year, when the numbers in B&B accommodation were averaging around 50 the resulting under spend was used to fund additional rental payments to Private Sector Lease providers in order to ensure a continuous supply of properties, on site security, reception improvement works at several of the Council’s homeless

hostels and back dated payments to the ELHP. Now that the B&B numbers have increased to nearer the budgeted level, these costs can no longer be contained, hence the projected overspend. Every effort will, however, be made to contain costs up to year end so that a near break even position can be achieved.

- 2.7.3 The number of Bed and Breakfast placements stood at 47 at the end of January, however, the average number for the month was 90 and at one stage numbers peaked at over 100. The opening of Butler Court Hostel in the last week of January and active place management with private sector lettings agencies facilitated the reduction in numbers to 47.
- 2.7.4 Butler Court was initially expected to open in October with 69 units, however, it was established that a further 9 units could be provided and, as expected, the site opened in late January with 78 units. The enhanced refurbishment of the hostel will be funded from corporate budgets and will result in a higher level of ongoing income. These additional units coupled with the hand over of Butler Court at the end of January should result in the year end average number of B&B placements being 64 in total, which is slightly below the budgeted figure of 68.
- 2.7.5 A further pressure has also become evident in recent months resulting from a change in the Rent Deposit Scheme which has led to a shortfall in income received through Housing Benefit. The Rent Deposit Scheme was changed in order to incentivise landlords to provide a continued supply of properties and hence reduce the pressure on Bed and Breakfast numbers. This has been suspended pending a review as there will be a shortfall in the income to be generated from the scheme.
- 2.7.6 Arrears have increased by £476k since the start of the financial year, which is an increase from previous months and is due to the raising of rent arrears for out of Borough PSL properties where the associated benefit claims had not been processed. These benefit claims are expected to be processed in February and, therefore, the budget available to top up the provision is expected to be sufficient based upon current assumptions.
- 2.7.7 There are significant risks in this area if Bed and Breakfast numbers increase in the short term or the reduction forecast for the latter part of the financial year does not materialise. There are also additional risks if the available supply of PSL properties does not meet demand or the amount of bad debt increases substantially above the current provision.

2.8 Environment

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	19,687	19,562	19,862
Projected over/(under)spend			300

- 2.8.1 Environmental Services is continuing to forecast to overspend by £0.300m at year end. The service continues to manage pressure in the region of £1.8m including pressure on staffing budgets, income pressures, increased depot and fleet costs across the division, operational costs of keeping Stour Road building open and the under achievement of savings targets. However, the delivery of mitigating action by

the service of £1.5m is supporting this position. Action includes reviewing income opportunities, utilising one off grants, holding posts vacant, ensuring recharges and income collection are up to date and maintaining expenditure restraint across the service.

The table below summaries the main pressures:

Pressure	£000
Staffing	866
Fleet (across departments) and Depot	203
Income	375
2015-16 Savings (see savings tracker appendix for details)	231
Stour Road building	114
Total	1,789
Mitigating action	(1,489)
Remaining pressure	300

- 2.8.2 The Parking service is reporting a break even position. The initial risk expected from the De-Regulation Act 2015, which came into effect from April 2015, has been managed down. Projections have improved following the review of enforcement strategies undertaken earlier this year and an improving income profile year to date. However income and activity levels in December and January were lower than expected. The service will be monitoring activity and taking remedial action to mitigate any potential risks to the reported position.
- 2.8.3 Staffing pressure continues to be the main risk within the service and is primarily within refuse and cleansing. Management are taking action to review establishment costs and funding with a view to manage the in year position and determine the ongoing requirement.
- 2.8.4 Current projections indicate pressure on income budgets of £0.375m across a number of services including refuse, cemeteries, Barking Market and fleet primarily due to reduced demand. This represents an increase of £0.111m on last month's position, resulting from reduced trade waste income within Direct services.
- 2.8.5 The service has a challenging savings target of £1.7m built into the 2015/16 budget. These are largely in the process of being delivered or already implemented, however, current forecasts indicate under delivery of £0.231m. The majority of this relates to the introduction of charges for the green garden waste service which has been postponed until 2016/17. The other savings pressures relate to determining arrangements for marketing within the public realm, the postponement of changes to prestart payments and income generation in cemeteries.
- 2.8.6 Fleet (across departments) and Depot pressure of £0.203m has been forecast primarily due to risk within depot budgets in respect of utility spend and having to backfill the cost of two vehicle breakdowns within Passenger Transport. The Stour Road Building pressure remains at £0.114m which is a result of operational costs due to the continued opening of 2 and 90 Stour Road. Operational budgets were removed as both sites were expected to be closed in 2014.

2.9 Chief Executive's Directorate

Directorate Summary	2014/15 Outturn	2015/16 Budget	2015/16 Forecast
	£000	£000	£000
Net Expenditure	18,716	17,876	17,726
Projected over(under)spend			(150)

- 2.9.1 Chief Executive's Directorate is projecting an underspend of £0.15m this year, though that is dependent on a number of pressures being contained within services. The current position is that these pressures will be mitigated.
- 2.9.2 There are over £2.5m of savings relating to Elevate services for 2015/16 including large individual savings relating to the transformation of ICT and Customer Services and the automation of other services. These are being monitored through joint programme boards with Elevate and Agilisys with the highest risk being on parts of the automation proposals. Previously reported pressures on errors in the processing of housing benefit have now been substantially mitigated, although a small residual risk remains.
- 2.9.3 The budget for recovery of court costs is currently being under-achieved. This is due to the court's unwillingness to add further costs to the amounts owed by residents previously in receipt of Council Tax Support. This budget will be closely monitored but any overspend will need to be mitigated by underspends elsewhere in the division.
- 2.9.4 There are pressures totalling £0.130m within Human Resources through reduced school buybacks of the service. Negotiations are currently in process to recover this business from schools, although it will be difficult to avoid an overspend in this financial year.
- 2.9.5 Marketing and Communications are forecasting to underspend by £0.088m due to staff vacancies, pending a future restructuring.
- 2.9.6 Legal and Democratic Services have delivered their savings target and are forecast to over-achieve their trading account target by approximately £0.03m, which will be used to offset overspends elsewhere in the division.
- 2.9.7 The Asset Strategy team are currently carrying out a series of rent reviews which will result in the generation of additional rental income. It is expected that the income generated will be re-invested into the commercial properties portfolio to protect or increase future revenues. Any income not invested will generate an overachievement of the income budget in the Asset Strategy team (currently forecast to be £0.206m) and this will be used to mitigate pressures in other areas of the directorate.

2.10 Central Expenses

Directorate Summary	2014/15 Outturn	2015/16 Budget	2015/16 Forecast
	£000	£000	£000
Net Expenditure	2,186	(1,330)	(2,530)
Projected over(under)spend			(1,200)

2.10.1 This budget covers treasury management costs (interest paid on loans and received on investments), budgets to cover the costs of redundancy and doubtful debts and a small contingency to cover any unforeseen pressures.

2.10.2 In a low interest environment the Treasury team continues to achieve good returns on the Council's cash deposits, without a significant increase in the risk taken. A favourable variance of £0.8m is forecast against budgets for interest paid on loans and received on investments. The latest monitoring position has indicated that further underspends should be available from a VAT refund, reduced contribution to capital financing and procurement savings, giving an overall forecast underspend of £1.2m.

2.11 In Year Savings Targets – General Fund

2.11.1 The delivery of the 2015/16 budget is dependent on meeting a savings target of £23.5m. Directorate Management Teams are monitoring their targets and providing a monthly update of progress which is summarised in the table below. Where there are shortfalls, these will be managed within existing budgets and do not affect the monitoring positions shown above.

2.11.2 A detailed breakdown of savings and explanations for variances is provided in Appendix B.

Directorate Summary of Savings Targets	Target £000	Forecast £000	Shortfall £000
Adult and Community Services	4,145	3,764	381
Children's Services	2,065	2,065	-
Housing (GF)	1,005	1,005	-
Chief Executive	14,595	13,673	922
Environment	1,710	1,479	231
Total	23,520	21,986	1,534

2.12 Housing Revenue Account (HRA)

2.12.1 The HRA is currently forecast to breakeven. More detailed monitoring information is given in Appendix C.

Income

2.12.2 Income is expected to be ahead of budget by £1.884m. This is due to an increase in the number of HRA Decants being used for Temporary Accommodation generating £1.2m additional income, an increase in notified water charges of £0.6m after Council budgets were agreed and additional unbudgeted ad hoc income of £0.24m

generated from external partners for housing management services provided. This is partially offset by £0.23m in loss of rental income (net of tenant service charge gain) as the number of houses sold is lower than budgeted assumptions. There is a net nil impact to the HRA of the increased water charges as these are collected by the Council and passed through to the water company.

2.12.3 The main risk to the income position is collection performance and stock movements. The current profiled performance on rent collection is 81.29% compared to the target of 81.50%. This creates a shortfall in cash collected. Changes in government policy around repeat claims for Discretionary Housing Payments (DHP) have also impacted the allocation of DHP towards housing rents. The position will be monitored closely throughout the year. If the position is not recovered there could be an increased pressure on the bad debt provision.

2.12.4 Stock movements are monitored as level of Right to Buy sales and void levels impact the rental income position. There have been 171 Right to Buy sales so far this year and current projections continue to assume 220 sales for the year.

Expenditure

2.12.5 Expenditure is expected to be over budget by £1.884m. This is partly due to the increase in water charges payable to the water company as explained above.

2.12.6 In order to achieve a breakeven position, the Housing Service will need to manage cost pressures within the year. The most significant risk area is Repairs and Maintenance which is reporting a forecast overspend of £1.3m. Pressures include restructure and efficiency savings not delivered in 2014/15, pressures on staffing budgets and pressure on sub-contractor spend due to the high levels of responsive repairs carried out by external contractors. Additional overtime and agency costs have added to this pressure.

2.12.7 The increase in the number of HRA decants being used for Temporary Accommodation has led to additional unbudgeted void refurbishment spend in the region of £780k. However, this is offset by the additional rental income generated. The resulting net pressure within Repairs and Maintenance after deducting this spend is £578k.

2.12.8 The budgeted level of bad debt provision contribution is not expected to be required in 2015/16 due to delays in the full introduction of government's welfare reform changes. Hence a further underspend of £200k is forecast compared to last month.

2.12.9 The budgeted level of interest payable on HRA borrowing assumed borrowing to the borrowing cap. The interest payable budget assumed interest on the full level of available HRA borrowing inclusive of headroom. Additionally, one scheme, Leys Phase 2 assumed borrowing up to £3.2m. As this scheme is now not expected to go ahead in 2015/16, the charges will be deferred until 2016/17. Therefore an underspend of £765k against the interest budget is forecast.

2.12.10 The changes in forecast for interest and bad debt provisions means an additional revenue contribution towards capital expenditure of £1.9m is now available. This will be used towards funding the accelerated capital expenditure spend on Estate Renewal and Investment in Stock schemes in 2015/16.

HRA Balance

2.12.12 It is expected that HRA balances will remain at £8.7m at year end.

2.13 Capital Programme 2015/16

2.13.1 The Capital Programme forecast against the budget as at the end of January 2016 is as follows:

	2015/16 Current Budget £000	Actual Spend to Date £000	2015/16 Forecast £000	Variance against Budget £000
Adult & Community Services	2,192	1,120	2,192	0
Children's Services	27,111	22,805	30,878	3,768
Environmental Services	4,005	2,810	3,824	(181)
Chief Executive Department	10,669	4,663	10,759	89
Housing General Fund – EIB	9,222	9,670	10,752	1,530
Subtotal – GF	53,199	41,068	58,405	5,206
HRA	81,493	67,823	82,985	1,493
Total	134,691	108,891	141,390	6,699

2.13.2 The 2015/16 capital programme stands at a revised budget of £134.691m, and Directorates are currently forecasting to exceed this by £6.699m. The largest variances are within Children's Services and Housing, which will bring forward future year budgets accordingly.

2.13.3 New Capital Schemes

There are no new schemes this month.

2.13.4 Adult & Community Services

Adult & Community Services has a budget of £2.192m and current estimates indicate spend to budget with no funding issues.

2.13.5 Children's Services

The Children's Services capital programme has a revised budget of £27.110m in 2015/16. Current forecasts indicate a variance of £3.768m – an increase of £0.304m to that reported in December. This variance is mostly due to Barking Riverside Secondary Free School (£2.500m). There were initial delays in the project as a result of land issues with BRL, which led to the budget being profiled back into latter years during the mid-year re-profile. However these issues have now been overcome and the project is accelerating again, back to the position where it had originally been planned to be at this point in time. Additionally there is accelerated spend on Marsh Green Primary (£0.400m), Barking Riverside City Farm (£0.160m), and Jo Richardson Expansion (£0.383m). This month is also

reporting accelerated spend against the School Modernisation Fund of £0.272m, which has been used to undertake remedial works at schools. Over and underspends are drawn from or returned to the available funding, and re-profiled between years where necessary, such that the overall programme is completed within the total funding available.

2.13.6 Environmental Services

Environmental Services has a budget for 2015/16 of £4.005m, and is forecasting an in year underspend of £0.181m, consistent with last month, largely as a result of the following:

- **Street lighting replacement (£0.025m overspend)** – due to increased contractor costs. This will be met from the 2016/17 budget allocation (currently £0.5m, per the Budget Strategy Report).
- **Structural Repairs and Bridge Maintenance (£0.051m underspend)** – due to the requirement for structural testing to be undertaken on Kennedy Road and Salisbury Avenue Rail Bridge; this is currently out for tender and is not expected to be delivered until quarter two of 2016.
- **Fleet Management and Depots (£0.060m underspend)** – due to the delays in the completion of the washbay part of the scheme and a requirement for further exploratory works to be carried out.
- **BMX Track (£0.065m underspend)** – this will now be delivered in 2016/17, due to additional costs over and above the available budget. A capital bid for additional funding was agreed in January 2016 in order to fully complete the works.
- **Strategic Parks (£0.030m underspend)** - due to the delays in the Millennium Centre cafe improvement proposal which will not commence until June 2016.

2.13.7 Chief Executive

The Chief Executive Department has an overall budget for 2015/16 of £10.669m and is currently forecasting to exceed this by £0.895m. This is due to overspends within Regeneration on the Merry Fiddlers junction improvements (£0.070m), which will be funded by additional S106 money, and the bus stop accessibility improvements (£0.045m), which will be funded from TfL money, both of which were reported last month. Plus there is now additionally an underspend of £0.026m forecast against the Barking Town Centre TfL scheme. These variances will be reported once there is more certainty.

2.13.8 Housing General Fund (European Investment Bank)

The Housing General Fund (EIB) schemes have a budget for 2015/16 of £9.2m, and are forecasting to exceed this by £1.530m. This is as a result of accelerated spend, and future years budgets will be adjusted and brought forward accordingly.

2.13.9 Housing Revenue Account (HRA)

The HRA has a capital budget of £81.492m; and is forecasting to overspend by £1.493m overall, an improvement of approximately £0.5m on last month.

Estate Renewal – This project is now forecast to spend £11.980m in the current year against a revised budget of £9.730m which represents an accelerated spend of £2.250m. This results from a substantial increase in the number of completed leasehold buybacks and advanced progress on demolition works.

New Build Programme - The New Build schemes are currently projected to slip/underspend by £1.3m. This includes slippage of £1.4m for The Leys (including phase 2), and an £0.1m overspend for the Marks Gate Open Gateway scheme.

Investment in Stock – The revised budget for Investment in Stock is £44.845m, and it is forecasting an overall overspend of £0.543m. This is a net position and includes a number of offsetting over and underspends.

Slippage is forecast in respect of the following schemes due to various reasons including delays around retendering and delays in contractors starting on site:

- Roof replacement (£0.075m);
- Asbestos removal (£0.111m);
- Decent homes north (£0.173m);
- Window replacement (£0.761m);
- External fabrics – blocks (£0.091m);
- Fire safety works (£0.200m);
- Conversions (£0.006m).

The above underspends are more than offset by the following projects with accelerated spends:

- Voids (£0.350m);
- Central heating installation (£0.450m);
- Block and estate modernisation (£0.306m);
- Decent homes (blocks) (£0.151m);
- Energy efficiency (£0.018m).

All variances are drawn from or returned to the overall funds available within the HRA business plan.

The detailed scheme breakdown is shown in Appendix D.

3. Financial Control

- 3.1 At the end of January, the majority of key reconciliations have been prepared and reviewed. All are scheduled to be completed by the end of the financial year.

4 Options Appraisal

- 4.1 The report provides a summary of the projected financial position at the relevant year end and as such no other option is applicable for appraisal or review.

5 Consultation

- 5.1 The relevant elements of the report have been circulated to appropriate Divisional Directors for review and comment. Individual Directorate elements have been subject to scrutiny and discussion at their respective Directorate Management Team meetings.

6 Financial Implications

- 6.1 This report details the financial position of the Council.

7 Legal Issues

- 7.1 Local authorities are required by law to set a balanced budget for each financial year. During the year there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This does mean as a legal requirement there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

Background Papers Used in the Preparation of the Report:

Oracle monitoring reports

List of Appendices

- **Appendix A** – General Fund expenditure by Directorate
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GENERAL FUND REVENUE MONITORING STATEMENT

January 2015/16

Directorate	Outturn 2014/15	Revised Budget	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000
<u>Adult & Community Services</u>				
Adult Social Care	31,072	29,097	30,791	1,694
Commissioning & Partnership	10,084	11,198	11,049	(149)
Culture & Sport	6,429	5,343	5,904	561
Mental Health	3,956	3,584	3,861	277
Public Health	785	15,688	15,688	-
Public Health grant	-	(15,688)	(15,688)	-
Management & Central Services	1,699	1,852	(531)	(2,383)
	54,025	51,074	51,074	-
<u>Children's Services</u>				
Education	4,660	4,688	4,388	(300)
Complex Needs and Social Care	42,564	39,205	45,005	5,800
Commissioning and Safeguarding	9,166	9,372	9,372	-
Other Management and Programme Costs	10,969	9,485	9,485	-
SAFE programme expenditure	-	-	811	811
	67,359	62,750	69,061	6,311
<u>Children's Services - DSG</u>				
Schools	176,960	182,336	182,336	-
Early Years	19,329	16,549	16,549	-
High Needs	28,807	28,087	28,087	-
Non Delegated	737	918	918	-
Growth Fund	2,375	3,250	3,250	-
School Contingencies	-	(22)	(22)	-
DSG/Funding	(228,208)	(231,118)	(231,118)	-
	-	-	-	-
<u>Environmental Services</u>	19,687	19,562	19,862	300
<u>Housing General Fund</u>	3,417	1,512	1,702	190
<u>Chief Executive Services</u>				
Chief Executive Office	12	(10)	(10)	-
Strategy & Communication	(2)	1,187	1,125	(62)
Legal & Democratic Services	(192)	470	440	(30)
Human Resources	(89)	562	692	130
Corporate Finance & Assets	16,384	14,405	14,217	(188)
Regeneration & Economic Development	2,603	1,262	1,262	-
	18,716	17,876	17,726	(150)
<u>Other</u>				
Central Expenses	(6,579)	(12,604)	(13,804)	(1,200)
Levies	9,809	10,755	10,755	-
Budgeted Reserve Drawdown	(1,044)	-	-	-
Contingency	-	519	519	-
	2,186	(1,330)	(2,530)	(1,200)
TOTAL	165,390	151,444	156,895	5,451

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Directorate Savings Targets: Progress at Period 10 (January 2016)

Adult and Community Services

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
ACS/SAV/01	Workforce remodelling	On track to be delivered.	584	584	0
ACS/SAV/02a	Safeguarding adults - quality assurance and protection of property	Achieved	104	104	0
ACS/SAV/02b	Safeguarding adults - Domestic Violence and Hate Crime	Achieved	22	22	0
ACS/SAV/03a	Older People accommodation based services - review of Kallar Lodge	Achieved	100	100	0
ACS/SAV/06a	Personalisation of Learning Disability Day Services and consequential closure of The Maples.	The Maples closed in September 2015. Delays occurred due to the process required to identify solutions with individual service users and their families.	257	166	91
ACS/SAV/06b	Staffing efficiencies at 80 Gascoigne Road.	Achieved	70	70	0
ACS/SAV/07	Withdraw subsidy from Relish café.	Achieved	120	120	0
ACS/SAV/10	Care and support in the home focused on people with doubling up of care staff as a result of high needs	On track to be delivered.	85	85	0
ACS/SAV/12d	Community Interest Company delivering a range of services using creative arts	Achieved	16	16	0
ACS/SAV/12f	The Foyer Supported Living for 18-24 year olds	On track to be delivered.	275	275	0
ACS/SAV/12h	Summerfield House supported living for mothers aged 16-24 and their babies	Achieved	143	143	0
ACS/SAV/12i	Bevan House supported living for vulnerable families	On track to be delivered.	98	98	0

Appendix B

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
ACS/SAV/13b	Increase in social care income budget.	Expected to be delivered	300	300	0
ACS/SAV/15a	Integration and Commissioning and Directorate Support teams	Achieved	200	200	0
ACS/SAV/16	Alcohol Services for adults and young people - to fund from Public Health grant	Achieved	495	495	0
ACS/SAV/17	Reduce range of crime and Anti Social Behaviour interventions - Victim Offender Location Time work	Achieved	47	47	0
ACS/SAV/18	Community Safety and IOM work - fund the Anti Social Behaviour Team from a range of funding streams rather than the GF	Achieved	75	75	0
ACS/SAV/19	Youth Offending Service reduction in Out of Court work	Achieved	92	92	0
ACS/SAV/24	School library service to be full cost recovery and Home Library Service to be delivered by volunteers.	On track to be delivered.	56	56	0
ACS/SAV/26	Delete Libraries casual staffing budget and transfer of centrally controlled costs	On track to be delivered.	35	35	0
ACS/SAV/23a	Reduce book fund	Achieved	10	10	0
ACS/SAV/29a	Broadway Theatre - transfer to College	Achieved	200	200	0
ACS/SAV/30	Community Halls - community managed or close	Achieved	52	52	0
ACS/SAV/31	Leisure centres - Management and reception staff	On track to be delivered	47	47	0

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Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
ACS/SAV/32	Leisure centres - extraordinary increase in net income	Savings currently not achieved due to income pressures as a result of the delayed opening of the Abbey Sports Centre.	40	0	40
ACS/SAV/34	Sport & Physical Activity team management cost reduction.	Achieved	152	152	0
ACS/SAV/36	Leisure and cultural services trust proposal	Risk to delivery this financial year as outcome of the review will not take effect in this financial year. Pressure to be managed corporately.	250	0	250
ACS/SAV/39	Active Age Centres income	On track to be delivered.	120	120	0
EH001	Food Safety Team Funding - Transfer of funding liability from General Fund to Public Health Grant	Achieved	100	100	0
Total			4,145	3,764	381

Children's Services

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CHS/SAV/23	Significant reduction in improvement support for education	Alternative saving identified via capitalisation of revenue expenditure	100	100	0
CHS/SAV/25b	Childcare and early years - move to DSG	Achieved saving on general fund by utilisation of legitimate expenditure to grant	455	455	0
CHS/SAV/26	Children's Centres, part of policy paper re frontline service delivery (use of libraries, developing hubs approach etc. and use of assets Closure of a number of centres	On target by reducing activities for young children and their parents and seeking alternative funding for the play and communications (language development work)	400	400	0
CHS/SAV/27	Youth Service - reconfigure to voluntary sector provision with £100k budget	On target by reducing the number of youth sessions provided across the borough via youth centres, StreetBase Local community youth clubs and the youth bus	100	100	0
CHS/SAV/28b	Educational psychology - provision using DSG only	On target through implementation of plans to achieve savings and through additional monies available to address the Education Act requirement to provide Education Health and Care (EHC) plans.	440	440	0
CHS/SAV/34	Reduction in CIN (c20 year 1, c120 year 2, c60 year 3) due to impact of Troubles Families agenda	On target with utilisation of the grant funding to reduce CIN numbers through impact of the Troubled Families agenda	50	50	0
CHS/SAV/30	CAMHS - reduce to statutory minimum for year 1 and then delete service	On target but high risk at tier 2 but achievable by reducing Primary Mental Health Workers from 6 to 3 in 15/16	100	100	0
CHS/SAV/31	Limited support to Local Safeguarding Children's Board (LSCB). Reduce Child Death Overview Panel (CDOP) Manager to 0.5	On target but this is demand and risk driven. Demand on LSCB will be monitored. The CDOP manager is responsible for overseeing all child deaths that take place in B&D. The role is statutory and is part funded by the CCG for the	15	15	0

Appendix B

		rapid response function. Saving is to reduce this support.			
CHS/SAV/37	Reduce GF contribution to Information & Statistics team	On target and achievable by removing general fund contribution to the team	30	30	0
CHS/SAV/25a	Reduction in support to quality Childcare and early years provision	Saving delivered through reduction in saving and training costs.	200	200	0
CHS/SAV/28a	Social care learning and development	Expected to be delivered.	125	125	0
CHS/SAV/29	Access and connect - reduction in rewards available to young people to incentivise healthy behaviours	Saving to be delivered by reducing rewards to young people who use cashless card for catering.	50	50	0
Total			2,065	2,065	0

Environment

Ref	Detail	Current Position (please state if project is required to deliver savings)	Target	Forecast	Variance
			£000	£000	£000
ES001	Loss of proactive drainage clearance	Saving has been delivered	80	80	0
ES002	Changes to winter maintenance of highway network	Saving has been delivered	35	35	0
ES007	Increase Parking Charges for all parking locations	New charges implemented. We are monitoring activity to assess purchasing trends and any impact on demand which may affect delivery of saving – hence amber rating.	190	190	0
ES008	Restructure Facilities Management - Building Services Officers - post deletions	Awaiting redundancy sign off	101	101	0
ES009A	Streamlining Building Cleaning	Saving has been delivered	49	49	0
ES009B	Building Cleaning - removal of Living Wage subsidy to school contracts	Saving cannot be delivered until 2016/17. Schools have contracts limiting any price increase in 2015/16. Increased income from ad-hoc activity and new contracts is expected to mitigate the pressure in 2015/16.	96	96	0
ES010B	Prestart payment to drivers	Expected to take effect from November 2015. Will not deliver full year savings.	53	22	31
ES012	Cease green garden waste collection	Saving based upon fully chargeable service being in place from September 2015. Now postponed until 2016/17.	110	0	110
ES014	Market Management	Transfer is from 25 April 2015. Achieved	281	281	0
ES015	Redesign of street cleansing operations	Service redesign is in place already.	243	243	0
ES016	Income generation in cemeteries	Concessions and extension of burial/memorial offer will not be fully achieved in 2015. Will require a programme to deliver future ambitions for income growth	30	10	20
ES019	Use of Public Health Grant to	Grant arrangements agreed for yr 1, but	65	65	0

Ref	Detail	Current Position (please state if project is required to deliver savings)	Target £000	Forecast £000	Variance £000
	incentivise Council priorities through sports participation	sustaining this will require all clubs/teams to develop significant capacity to deliver to club standard. Requires a programme to also pick up outcomes of playing pitch strategy			
ES020	Increases in income expected from future regulatory activity.	Trajectory of enforcement actions is positive and expected to deliver.	125	125	0
ES021	Increase income from staff parking charges	New charges implemented. We are monitoring buying patterns as reduced demand may impact delivery – hence amber rating.	30	30	0
ES022	Marketing in the public realm	Existing strategies for selling advertising space are providing limited income. Review of corporate arrangements is required.	70	0	70
ES025	Domestic bins rental	Achieved. Recharge agreed	17	17	0
ES026	Recycling bins rental – Recharge to HRA	Achieved. Recharge agreed	135	135	0
Total	Environment		1,710	1,479	231

Housing General Fund

Ref	Detail	Current Position (please state if project is required to deliver savings)	Target	Forecast	Variance
			£000	£000	£000
HGF001	Expand Council hostel portfolio to accommodate temporary placements instead of using expensive B&B accommodation.	Saving expected to be delivered. YTD average below budget assumption and the provision of additional hostel units being made available. Additional units to be provided within 50 Wakering Road and Butler Court – although delays would impact this position. It should be noted that unforeseen increases in TA demand may impact ability to delivery saving.	900	900	0
HGF002	Housing Advice & Temporary Accommodation	Charges implemented - saving delivered	74	74	0
HGF003	Housing Strategy	Controls on non mandatory spend in place therefore saving delivered	31	31	0
Total			1,005	1,005	0

Chief Executive's

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/01	Staff reduction Sustainable Communities and Economic Development	Posts currently vacant	99	99	0
CEX/SAV/02	Increase Income in Strategic Transport area	LIP budget for 2015/16 already allocated with increased level of top slice.	63	63	0
CEX/SAV/03	Stop all business support activity e.g. business enterprise centre (move to no cost from 2015-16)	Stakeholders informed with regard to ceasing of funding. Employee to leave at end of March	224	224	0
CEX/SAV/04	Increase income in Development Planning area	Budget increased, current income levels suggest this enhanced target is achievable	85	85	0
CEX/SAV/05	Reduction in planning policy posts and amalgamation of Planning Policy Manager post and Strategic transport post	Savings on target to be delivered.	24	24	0
CEX/SAV/06	Reduction in supplies and services budget	Budgets reduced and savings on target to be delivered.	45	45	0
CEX/SAV/07	Increase in income from Capital Programme	Recharges agreed	20	20	0
CEX/SAV/7b	Reduction of costs in Sustainable Communities area	This would be delivered through recharges to Capital. This is on target to be delivered.	200	200	0
CEX/SAV/08	Increase in income employment and skills	Budget increased to reflect previous years levels of income	100	100	0
CEX/SAV/08a	Recharge to the HRA in respect of supporting Housing Tenants into permanent employment.	Budget increased to reflect previous years levels of income	200	200	0
CEX/SAV/08b	Capital Commissioning & Delivery Group – To generate an annual surplus of £50k through additional framework contract income and	Savings on target to be delivered	140	140	0

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Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
	reduce General Fund recharges by £90k.				
CEX/SAV/09	Reduce democratic services structure dependant on moving towards a shared service and reducing the number and frequency of statutory meetings	Savings on target to be delivered but Leader may request that the post is put back into the structure.	47	47	0
CEX/SAV/10	Increase Legal trading income	Savings on target to be delivered	135	135	0
CEX/SAV/11	General Fund reduction in supplies and services budget for legal services	Savings on target to be delivered	75	75	0
CEX/SAV/12a	Member training stopped with exception of the training required for members to serve and operate on the quasi-judicial meetings	Remaining training to be funded from corporate L&D fund, which is already under pressure.	55	55	0
CEX/SAV/12b	Members Pension Contribution	Savings on target to be delivered	100	100	0
CEX/SAV/13	Residents Survey - no postal survey but online	Savings on target to be delivered	15	15	0
CEX/SAV/14	Centralise and top slice marketing and publicity budgets across Council	Consolidated M&C budgets are not sufficient to cover commitments and statutory obligations.	300	300	0
CEX/SAV/14a	Centralisation and top slicing of marketing and publicity budgets across the Council	Consolidated M&C budgets are not sufficient to cover commitments and statutory obligations	100	100	0
CEX/SAV/15	Remodel marketing and communications service - core minimum team and consider shared service with Thurrock	Shared M&C service is no longer possible with Thurrock.	250	250	0
CEX/SAV/15a	Further remodelling of marketing and comms	Shared M&C service is no longer possible with Thurrock	50	50	0
CEX/SAV/17	Develop a Research and Intelligence Hub	Saving requires consultation with Children's services and Public health to determine a	100	100	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
		forecast.			
CEX/SAV/18	Centralise training and development budgets to improve efficiency of use and make saving	Departments are reducing the amount of budgets initially identified as budgets to be centralised. This has reduced the amount of budget available for training and development needs across the Council.	475	475	0
CEX/SAV/21	Reduce health and safety provision, but must meet statutory responsibilities	Increased Income target should be achievable given current rate of HR and OH income generation	100	100	0
CEX/SAV/22	Look to provide employee relations advice in a different way	Savings on target to be delivered.	47	47	0
CEX/SAV/22a	Reduce the size of the HR Business Partner Team	Savings on target to be delivered.	60	60	0
CEX/SAV/23a	Additional savings to be delivered through centralising training and development budgets to improve efficiency of use	Departments are reducing the amount of budgets initially identified as budgets to be centralised. This has reduced the amount of budget available for training and development needs across the Council.	175	175	0
CEX/SAV/23b	Reduction in Business Change team staff	Savings on target to be delivered.	22	22	0
CEX/SAV/24	Remove Invest to Save budget	Savings on target to be delivered.	1,000	1,000	0
CEX/SAV/25	Debt interest payments	No issues as there is expected to be no further borrowing required in 2015/16 based on the current debt interest budget.	250	250	0
CEX/SAV/26	Minimum Revenue Provision (MRP) accounting	On target to be delivered	2,700	2,700	0
CEX/SAV/27	Investment income - rate change	Although the expected rate change has not occurred the Council is positioned to make the agreed savings for 2015/16	500	500	0
CEX/SAV/29	Investment income - increase risk appetite	The investment strategy have been amended to allow the required the Council to achieve	250	250	0

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Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
		this target.			
CEX/SAV/30a	Shared accountancy service	Shared service did not proceed, however, a restructure has been implemented to produce the required level of saving. Due to delayed implementation however, the full year effect has not been achieved.. Pressure could be reduced as a result of a number of vacant posts.	500	450	50
CEX/SAV/31	Capital Programme Management Office (CPMO)	Recharge to HRA has been agreed	25	25	0
CEX/SAV/33	Treasury recharge to Pensions	Recharges agreed	20	20	0
CEX/SAV/34	Project Manager/Accountant	Recharge to HRA from Innovation & Funding has been agreed.	30	30	0
CEX/SAV/35	Innovation & Funding consultancy budget	Budget referred to was used to fund costs in respect of the BSF programme which has now ended – savings therefore achieved	150	150	0
CEX/SAV/36	External treasury management	Savings delivered.	75	75	0
CEX/SAV/37	Card transaction costs	This has been implemented. No Issues.	35	35	0
CEX/SAV/38	Introduce credit card charging	Due to the complexity of setting up the charging mechanism for credit cards it is likely that this will only be fully implemented by May 2015. Despite the delay it is expected that the savings target will be achieved.	40	40	0
CEX/SAV/39	Benchmarking clubs	Expected to be delivered	40	40	0
CEX/SAV/40	Corporate sponsorship	Dagenham & Redbridge FC has been informed that this funding will cease.	30	30	0
CEX/SAV/41	Audit fees	Corporate Management saving – achieved in 2014/15	100	100	0
CEX/SAV/42	Energy team	Issues with where this saving will be realised from - potential double counting with Facilities saving	25	0	25
CEX/SAV/43	Compliance team	No issues, savings delivered	55	55	0

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Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/45	Maritime House	No issues, savings on target to be delivered	115	115	0
CEX/SAV/46	Internal audit days - reduce plan	Audit plan reduced	45	45	0
CEX/SAV/48	Client team restructure	An officer's post will now not be deleted until 30 June 2015. This creates a pressure on this saving which will be mitigated from within the service.	100	100	0
CEX/SAV/49	Registrars Cost/Income	Savings target will not be delivered.	50	25	25
CEX/SAV/50	Taxicard Scheme	No issues savings on target to be delivered.	160	160	0
CEX/SAV/52a	Reduce council tax exemptions	The saving has been included in the Council Tax base for 2015/16. The level of Council Tax income will be monitored throughout the year to ensure it remains on budget.	200	200	0
CEX/SAV/52b	Amend council tax support scheme	The proposal to change the Local Council Tax support scheme, reducing the level of support from 85% to 75% was expected to generate additional Council Tax revenue of £0.7m. At period 4, the forecast for year end collection is estimated to be £0.25m which is significantly under target. This position will be monitored closely to assess the ongoing impact of the support scheme reduction.	700	250	450
CEX/SAV/54	Shared insurance service	Saving still to be determined / agreed with Thurrock	18	18	0
CEX/SAV/54a	Additional recharge to the HRA - Innovation & Funding	Recharge agreed	25	25	0
CEX/SAV/54c	Reduction in Council Tax bad debt provision	The saving has been included in the Council Tax base for 2015/16. The level of Council Tax collection will be monitored throughout the year to ensure it remains on budget.	100	100	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/54d	Reduction in Temporary Accommodation bad debt provision	Expected to be delivered based upon current position and delivery of Housing TA savings.	250	250	0
CEX/SAV/54e	Increase duration risk on external investments	The investment strategy have been amended to allow the required the Council to achieve this target.	100	100	0
CEX/SAV/54f	Pay Pension Fund contributions on 1 April instead of monthly	This is on target. No Issues.	60	60	0
CEX/SAV/54g	Increase saving from centralisation of Fol/Complaints	Team restructure now completed	110	110	0
CEX/SAV/55	Elevate Overheads	Removal of overhead contribution to be negotiated as part of wider contract changes. Terms agreed but not formally contracted.	488	488	0
CEX/SAV/56	B&Ddirect - Customer Services Channel Shift	Elevate – Savings to be addressed as part of the overall new contractual deal.	64	64	0
CEX/SAV/58	Withdrawal of the Benefits Direct service at One Stop Shops.	Bens Direct closed at the end of February with resources transferring to the back office.	259	259	0
CEX/SAV/60	Automation of Inbound Email/Post Processing	Elevate – Savings to be addressed as part of the overall new contractual deal.	270	120	150
CEX/SAV/61	Council Tax - invest to collect more	Change notice agreed for additional resource along with commensurate change in collection target. Will be monitored monthly.	369	369	0
CEX/SAV/62	Property Services	Creates a pressure on repairs agenda on commercial portfolio but will be mitigated by increased income and whole business review being carried out by group manager.	138	138	0

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/63a	ICT End User Technologies	Initial service proposal agreed between Agilisys and ICT Client. Design workshops scheduled. Target cost payable to Elevate for the service has been reduced.	135	135	0
CEX/SAV/63b	ICT Service Management fulfilment		41	41	0
CEX/SAV/63c	ICT Infrastructure Applications		254	254	0
CEX/SAV/64	Client Team reduction	No issues savings on target to be delivered.	45	45	0
CEX/SAV/65	Returning services - management fee	No issues savings on target to be delivered.	136	136	0
CEX/SAV/66	Private Finance Initiative Monitoring efficiency	No issues savings on target to be delivered.	50	50	0
CEX/SAV/67	PMO efficiency	Redundancy of client side role agreed and non ICT PMO service returned to the Council but without resource.	90	90	0
CEX/SAV/68	Review of complaints/FoI	Savings unachievable because manager believes this saving was superseded by CEX/SAV/54g	40	0	40
CEX/SAV/69	HR/Payroll	The cost of the staff transferring is £1.33m by our calculations, against a budget available (taking into account savings expectations) of £1.288m. There are no plans in place to deliver any savings for the start of the financial year.	100	100	0
CEX/SAV/70	Revenues Services Restructure	Management restructure of Revenues agreed and implemented by Elevate.	92	92	0
CEX/SAV/77	Business Support review	Saving based on PwC management review – requires action to take forward and deliver saving	60	0	60
CEX/SAV/78	Reduction in middle management	Saving based on PwC management review – requires action to take forward and deliver saving	300	178	122

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/79	Corporate Procurement Saving	Ongoing corporate gainshare from Adecco contract. High agency rates in Children's Services will enable delivery of the saving.	500	500	0
Total			14,595	13,673	922

HOUSING REVENUE ACCOUNT MONITORING STATEMENT
January 2015-16

Appendix C

	Budget	Forecast	Variance
	£'000	£'000	£'000
Dwelling Rents	(90,512)	(91,530)	(1,018)
Non Dwelling Rents	(737)	(717)	20
Other Income	(16,921)	(17,807)	(886)
Interest received	(336)	(336)	0
Total Income	(108,506)	(110,390)	(1,884)
Repairs & Maintenance	17,205	18,563	1,358
Supervision & Management	39,056	39,635	579
Rents, Rates and Other	700	500	(200)
Revenue Contribution to Capital	37,131	39,033	1,902
Bad Debt Provision	2,670	1,680	(990)
Interest Charges	10,059	9,294	(765)
Corporate & Democratic Core	685	685	0
Pension Contribution	1,000	1,000	0
Total	108,506	110,390	1,884

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2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
Adult & Community Services					
Adult Social Care					
FC00106	Private Sector HouseHolds	818,718	505,257	818,718	0
FC02888	Direct Payment Adaptations Grant	200,000	103,308	200,000	0
Culture & Sport					
FC02855	Mayesbrook Park Athletics Arena	74,899	11,486	74,899	0
FC02870	Barking Leisure Centre 2012-14	888,628	486,444	888,628	0
FC03029	Broadway Theatre	150,000	-	150,000	0
FC03032	Parsloes Park - Artificial Turf Pitches & Master Planning	60,000	13,860	60,000	0
Total for Adult & Community Services		2,192,245	1,120,355	2,192,245	0

2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
Children's Services					
Primary Schools					
FC02736	Roding Primary School (Cannington Road Annex)	130,349	560	130,349	0
FC02745	George Carey CofE (formerly Barking Riverside) Primary School	23,826	450	23,826	0
FC02759	Beam Primary Expansion	78,268	91,617	130,268	52,000
FC02784	Manor Longbridge (former UEL Site) Primary School	303,310	-	303,310	0
FC02799	St Joseph's Primary - expansion	16,321	16,321	16,321	0
FC02860	Monteagle Primary (Quadrangle Infill)	35,000	29,351	35,000	0
FC02861	Eastbury Primary (Expansion)	50,000	2,544	50,000	0
FC02865	William Bellamy Primary (Expansion)	199,117	9,026	199,117	0
FC02919	Richard Alibon Expansion	74,278	-	74,278	0
FC02920	Warren/Furze Expansion	240,000	21,321	240,000	0
FC02921	Manor Infants Jnr Expansion	73,429	55,459	73,429	0
FC02923	Rush Green Expansion	110,000	15,511	110,000	0
FC02924	St Joseph's Primary(Barking) Extn 13-14	15,072	-	15,072	0
FC02956	Marsh Green Primary 13-15	150,000	385,173	550,000	400,000
FC02957	John Perry School Expansion 13-15	40,364	21,846	40,364	0
FC02960	Sydney Russell (Fanshawe) Primary Expansion	1,000,000	697,814	1,000,000	0
FC02979	Gascoigne Primary -Abbey Road Depot	5,500,000	3,390,578	5,500,000	0
FC02998	Marks Gate Junior Sch 2014-15	633,128	508,748	633,128	0
FC03014	Barking Riverside City Farm Phase II	4,054,377	4,157,706	4,214,377	160,000
FC03041	Village Infants - Additional Pupil Places	500,000	82,165	500,000	0
					0

2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
Secondary Schools					0
FC02953	All Saints Expansion 13-15	245,351	80,827	245,351	0
FC02954	Jo Richardson expansion	1,692,960	1,698,275	2,076,440	383,480
FC02959	Robert Clack Expansion 13-15	1,000,000	484,528	1,000,000	0
FC02977	Barking Riverside Secondary Free School (Front Funding)	5,500,000	6,459,231	8,000,000	2,500,000
FC03018	Eastbury Secondary		270,879	-	0
FC03020	Dagenham Park	-	6,029	-	0
					0
Other Schemes					0
FC02826	Conversion of Heathway to Family Resource Centre	19,513	190	19,513	0
FC02906	School Expansion SEN projects	400,000	351,130	400,000	0
FC02909	School Expansion Minor projects	344,464	323,708	344,464	0
FC02929	School Maintenance Fund 2012/13		21,909	-	0
FC02972	Implementation of early education for 2 year olds	509,090	482,928	509,090	0
FC02975	Barking Abbey Artificial Football Pitch	67,385	11,970	67,385	0
FC02978	Schools Modernisation Fund 2013-14	227,108	162,716	227,108	0
FC03010	SMF 2014-16	2,477,918	2,607,128	2,750,000	272,082
FC03013	Universal infant Free School Meals Project	33,687	27,825	33,687	0
FC03043	Pupil Intervention Project (PIP)	125,000	-	125,000	0
9999	Devolved Capital Formula	925,109	322,003	925,109	0
					0
Children Centres					0
FC03033	Upgrade of Children Centres	300,000	3,231	300,000	0
FC02217	John Perry Children's	9,619	4,496	9,619	0
FC02310	William Bellamy Children Centre	6,458	-	6,458	0
Total for Children's Services		27,110,501	22,805,193	30,878,063	3,767,562

2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
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Environmental Services

FC02764	Street Light Replacing	678,215	597,204	703,215	25,000
FC02873	Environmental Improvements and Enhancements	93,481	94,863	93,481	0
FC02964	Road Safety Impv 2013-14 (TFL)	428,280	278,828	428,280	0
FC02886	Parking Strategy Imp	51,770	1,097	51,770	0
FC02542	Backlog Capital Improvements	368,366	221,293	368,366	0
FC02930	Highways Improvement Programme	185,940	223,593	185,940	0
FC02982	Controlled Parking Zones (CPZ's) 2013-15	233,439	75,231	233,439	0
FC02999	Rippleside Cmtry prov 2014-15	11,895	1,974	11,895	0
FC03011	Structural Repairs & Bridge Maintenance	200,956	62,018	150,000	(50,956)
FC03012	Environmental Asset Database Expansion	147,508	142,096	147,508	0
FC03030	Fleet Management & Depots	290,160	42,895	230,160	(60,000)
FC03031	Highways & Environmental Design	1,049,840	988,705	1,049,840	0
PGSS					
FC03026	BMX Track	80,000	7,664	15,000	(65,000)
FC03034	Strategic Parks (Parks Infra £160k and Play facility £20k)	184,807	72,231	154,807	(30,000)
Total for Environment Services		4,004,657	2,809,692	3,823,701	(180,956)

2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
Chief Executive (CEO)					
Asset Strategy					
FC02587	Energy Efficiency Programme	15,500	112,553	15,500	0
FC02565	Implement Corporate Accommodation Strategy	1,777,000	1,174,815	1,777,000	0
ICT					
FC02738	Modernisation and Improvement Capital Fund (formerly One B & D	550,535	605,883	550,535	0
FC02877	Oracle R12 Joint Services	373,435	25,880	373,435	0
FC03035	ICT Design Transformation	377,955	-	377,955	0
FC03016	Agilisys Connect Website Development	7,980	7,980	7,980	0
Regeneration					
FC03027	Establishment of Council Owned Energy Services Company	125,000	10,050	125,000	0
FC02458	New Dagenham Library & One Stop Shop Church Elm Lane	129,245	112,024	129,245	0
FC02596	LEGI Business Centres	376,978	254,095	376,978	0
FC02969	Creative Industries	11,630	1,044	11,630	0
FC02901	Creekmouth Arts & Heritage Trail	74,360	61,654	74,360	0
FC02902	Short Blue Place (New Market Square Barking - Phase II)	226,000	30,687	226,000	0
FC02891	Merry Fiddlers junction Year 2	170,000	240,118	240,118	70,118
FC02898	Local Transport Plans (TFL)	83,837	83,907	83,837	0
FC02962	Principal Road Resurfacing 2013-14 TfL	529,000	225,130	529,000	0
FC02963	Mayesbrook Neighbourhood Improvements (DIY Streets) 2013-14	304,511	70,360	304,511	0
FC02994	Renwick Road/Choats Road 2014/15	314,877	323,759	314,877	0
FC02995	Ballards Road/ New Road 2014/15	427,231	179,449	427,231	0
FC02996	Barking Town Centre 2014/15 (TfL)	901,374	666,983	875,748	(25,626)
FC02997	A12 / Whalebone Lane (TfL)	323,209	295,672	323,209	0
FC03000	MAQF Green Wall (TfL)	53,116	22,588	53,116	0
FC03015	Demolition of the Former	45,648	40,733	45,648	0
FC03023	Bus Stop Accessibility Improvements	97,000	103,600	142,000	45,000

2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
FC03025	Gale St Corridor Improvements	47,000	-	47,000	0
FC03028	Chadwell Heath Crossrail Complementary Measures (CCM)	147,000	13,967	147,000	0
	Clockhouse Avenue - Freehold Purchase	3,180,000		3,180,000	0
Total for the Chief Executive Department		10,669,421	4,662,931	10,758,913	89,492

Housing General Fund Schemes - EIB

FC02990	Abbey Road Phase II New Build	6,222,000	6,507,423	6,550,000	328,000
FC02986	Gascoigne Estate	3,000,000	3,162,708	4,202,000	1,202,000
Total for Housing General Fund Schems		9,222,000	9,670,131	10,752,000	1,530,000

Grand Total General Fund		53,198,824	41,068,302	58,404,922	5,206,098
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2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
HRA					
Estate Renewal					
FC02820	Boroughwide Estate Renewal	9,730,000	10,630,674	11,980,000	2,250,000
New Builds					
FC02823	New Council Housing Phase 3	-	-	-	0
FC02916	Lawns & Wood Lane Development	142,752	31,792	142,752	0
FC02917	Abbey Road CIQ	327,244	278,182	327,244	0
FC02931	Leys New Build Dev (HRA)	10,620,355	7,045,690	9,620,355	(1,000,000)
FC03009	Leys Phase II	500,000	59,815	100,000	(400,000)
FC02961	Goresbrook Village Housing Development 13-15	1,736,464	1,570,728	1,736,464	0
FC02970	Marks Gate Open Gateway Regen Scheme	5,552,454	6,065,972	5,652,454	100,000
FC02988	Margaret Bondfield New Build	7,738,054	6,566,510	7,738,054	0
FC02989	Ilchester Road New Built	150,000	127,982	150,000	0
FC02991	North Street	150,000	176,728	150,000	0
	Sun-Total: New Builds	26,917,323	21,923,399	25,617,323	(1,300,000)
Investment in Stock					
FC00100	Aids & Adaptations	940,000	417,836	940,000	0
FC02933	Voids	4,600,000	4,268,526	4,950,000	350,000
FC02934	Roof Replacement Project	120,000	4,516	45,000	(75,000)
FC02938	Fire Safety Works	1,520,000	580,498	1,320,000	(200,000)
FC02943	Asbestos Removal (Communal Areas only)	1,014,000	308,476	903,000	(111,000)
FC02950	Central Heating Installation Inc. Communal Boiler Replacement	1,453,788	1,416,197	1,903,788	450,000
FC02983	Decent Homes Central	8,800,000	8,559,082	8,800,000	0

2015/16 CAPITAL PROGRAMME - as at the end of January 2016

Project No.	Project Name	Revised Budget 2015/16	Actual Expenditure	2015/16 Forecast	Forecast Variance
FC02984	Block & Estate Modernisation	362,393	538,577	668,000	305,607
FC02939	Conversions	180,000	5,450	174,000	(6,000)
FC03001	Decent Homes (North)	11,145,139	7,929,769	10,972,121	(173,018)
FC03002	Decent Homes (South)	7,911,065	5,634,677	7,911,065	0
FC03003	Decent Homes (Blocks)	3,058,753	3,111,055	3,210,000	151,247
FC03004	Decent Homes (Sheltered)	1,944,665	1,738,949	1,944,665	0
FC03005	Decent Homes Small Contractors	6,538	(1,300)	6,538	0
FC03007	Windows	270,000	189,478	193,878	(76,122)
FC03036	Decent Homes Support - Liaison Teams/Surveys	378,000	189,000	378,000	0
FC03037	Energy Efficiency	50,000	30,544	68,000	18,000
FC03038	Garages	300,000	3,503	300,000	0
FC03039	Estate Roads & Environmental	150,000	-	150,000	0
FC03040	Communal Repairs & Upgrades	430,000	320,177	430,000	0
FC03044	Fire Safety Works (R&M)	70,000	-	70,000	0
FC03045	External Fabrics - Blocks	141,000	24,067	50,000	(91,000)
	Sub-Total: Investment in Stock	44,845,341	35,269,077	45,388,055	542,714
Grand Total HRA		81,492,664	67,823,150	82,985,378	1,492,714
TOTAL CAPITAL PROGRAMME		134,691,488	108,891,452	141,390,300	6,698,812

CABINET

9 March 2016

Title: Corporate Delivery Plan 2015/16 - Quarter 3 Update	
Report of the Leader of the Council	
Open Report	
Wards Affected: All	Key Decision: No
Report Author: Sal Asghar, Interim Strategy and Performance Manager	Contact Details: Tel: 020 8227 3734 E-mail: salauoddin.asghar@lbbd.gov.uk
Accountable Divisional Director: Tom Hook, Divisional Director of Strategy and Programmes	
Accountable Director: Jonathan Bunt, Strategic Director for Finance and Investment	
<p>Summary:</p> <p>This report provides an update on progress of the key performance indicators agreed as part of the Corporate Delivery Plan by Cabinet in October 2014.</p> <p>The Corporate Delivery Plan is a key document to ensure the Council has a co-ordinated approach to delivering the vision and priorities, and makes best use of the resources available. Key Performance Indicators (KPIs) have been developed to monitor performance against the priorities and frontline services.</p> <p>Progress is reported quarterly to CMT and Cabinet and every six months to the Public Accounts and Audit Select Committee (PAASC).</p>	
<p>Recommendation(s)</p> <p>Cabinet is asked to note the performance against the KPIs, agreeing any actions to address areas of deteriorating performance.</p>	
<p>Reason(s)</p> <p>The vision and priorities were agreed by Assembly in September 2014. They reflect the changing relationship between the Council, partners and the community, and the Council's role in place shaping and enabling community leadership within the context of a significantly reducing budget.</p> <p>The Corporate Delivery Plan update provides Members with the opportunity to monitor progress towards achieving the vision and priorities, consider organisational performance, celebrate improvements, tackle areas of poor performance, and learn lessons from areas of good practice.</p>	

1. Introduction

- 1.1 The new vision and priorities were agreed by Assembly in September 2014. Following this, the Council produced a Corporate Delivery Plan which was agreed by Cabinet in October. The Delivery Plan is an important part of ensuring the Council has a clear focus on delivering the vision and priorities for Barking and Dagenham. The Plan allows the Council to make best use of limited resources in areas that will make the greatest difference in achieving the overall vision and priorities.
- 1.2 The Delivery Plan is a key part of the Council's overall performance framework and 'golden thread' which links the vision and priorities through to the corporate priority projects and indicators, business plans, team work programmes and individual objectives in appraisals. It has been developed in order to ensure that the Council's contribution to achieving the priorities is proactive, co-ordinated, resourced in line with the MTFS and monitored so that Members and residents can see progress.
- 1.3 The Strategy team co-ordinates the business planning process. All business plans have been completed and detail key service priorities linked to the corporate priorities, deliverables, actions services will take (with timescales) and resources to take forward the priorities in the delivery plan.
- 1.4 To complete the golden thread, all staff have an annual appraisal (with a formal six monthly review). Through this process performance in the last year is reviewed and objectives set for the year ahead. Individual objectives will be set based on business plans, thereby ensuring all staff are focused on priorities. Staff are also assessed against competencies based on the values, on the basis that success depends on the way they go about their job as much as what they do. Individual learning and development needs are also identified through this process.
- 1.5 Alongside a formal appraisal, all staff should have regular supervision or one-to-ones. This enables performance to be monitored and issues addressed. The aim is to help people maximise their performance, but there are formal capability processes should there be consistent under-performance.

2 A co-ordinated approach to organisational performance

- 2.1 This report provides an update on the key performance indicators for Quarter 3 2015/16, with additional commentary for those indicators which have been allocated a Red RAG rating according to their performance against target.
- 2.2 This report is divided into two sections:
 - Update on the Key Performance Indicators (Appendix 1)
 - Key Performance Indicators – Commentary on Red RAG (Appendix 2)
- 2.3 We also know that despite aiming to set a balanced budget for 2015/16 and 2016/17, there are further savings required and although we believe we have the resources available to deliver the priorities at present we must look forward to ensure we are as efficient as we can be by maximising the opportunities to be digital by design, manage demand for services, generate income and adopt new ways of working through community hubs and a new relationship with the voluntary

sector and the community. This is in line with the direction of travel of many local authorities.

2.4 The Council has now made significant progress to define its future operating model and to clarify how we align the ambitions set out in the vision and priorities with the resources available to deliver them. The Ambition 2020 programme will be integral to the Council meeting the financial challenge whilst continuing to protect frontline services and delivering outstanding customer service. The strategy team will be working on developing a new performance framework for 2016/17 which reflects the priorities for the organisation for the year ahead.

3 Performance Summary - Key performance Indicators

3.1 The key performance indicators focus on high-level areas of interest and allow Members and officers to monitor performance. In addition to these corporate indicators, services may have service level indicators which provide a more detailed picture of performance monitored locally.

3.2 A detailed breakdown of performance for Quarter 3 is provided in Appendix 1.

3.3 A number of indicators which have seen a significant improvement or may be an area of concern have been included in the body of this report. Commentary on all indicators which are RAG rated Red is provided in Appendix 2.

3.4 In order to report the latest performance in a concise manner, a number of symbols have been incorporated in the report. Please refer to the table below for a summary of each symbol and an explanation of their meaning.

Symbol	Detail
↑	Performance has improved when compared to the previous quarter and against the same quarter last year
↔	Performance has remained static when compared to the previous quarter and against the same quarter last year
↓	Performance has deteriorated when compared to the previous quarter and against the same quarter last year
G	Performance is expected to achieve or has exceeded the target
A	Performance is within 10% of the target
R	Performance is 10% or more off the target

3.5 Of all the corporate priority indicators which are reported on a quarterly basis, the following table provides a summary of performance. The table provides the direction of travel over the last quarter and the direction of travel since the same period last year (2014/15). This should be considered in the context of significant budget reductions and our continuation to improve services.

Direction of travel against last quarter				Direction of travel against the same quarter in 2014/15			
↑	↔	↓	N/A	↑	↔	↓	N/A
32 (54.2%)	3 (5.1%)	17 (28.8%)	7 (11.9%)	24 (40.7%)	21 (3.4%)	27 (45.7%)	6 (10.2%)

The following table provides a summary of the number of indicators with either a Red, Amber or Green rating, according to their performance against target.

G	A	R	N/A
19 (32.2%)	8 (13.6%)	22 (37.3%)	10 (16.9%)

* Please note that RAG rating performance indicators is not possible or appropriate where no target has been supplied by the service area or where the KPI is for monitoring only. The above table shows 10 indicators under the N/A category. These include 4 indicators that are for monitoring only and 6 that are not applicable due the data being released at a later date.

4 Corporate Priority Performance – Focus on Performance

4.1 For Quarter 3 performance reporting, focus has been given to a small selection of indicators where performance has either greatly improved or has shown a deterioration. It is hoped that by focusing on specific indicators, senior management and Members will be able to challenge performance and identify where action is required.

4.2 Improved Performance

8. The number of active volunteers

Active volunteers are those that have volunteered the last three months (and are registered with the Council as volunteers).

In Quarter 3 the cumulative total is 741 active volunteers. This is an increase of 11.60% over the quarter 2 figure of 655. The target of an average of 150 volunteers per month is currently being exceeded as over quarter 3 (October to December) this was averaging 247 per month. This is 164.7% of the target figure.

During Quarter 3 of 2014/15 the average number of volunteers per month was 172.1. The average for the same quarter in 2015/16 is 247. The figure for 2015 is 43.52% higher than corresponding period in 2014/15.

The success in achieving these figures is partly due to the 50th anniversary of the borough events programme which has provided many volunteering opportunities throughout the year. There are also a number of public health funded projects up and running including Healthy Lifestyles, Change for Life programme and Volunteer Drivers Scheme which are attracting regular volunteer numbers. In addition two Libraries are also now community run providing volunteer opportunities. Ranger

Service volunteers now are included in this count. Volunteers regularly receive a newsletter which helps to keep volunteers informed and engaged.

35. The number of long-term empty properties

At Q3 there were 174 long term empty homes recorded in B&D. The target is for a maximum of 300 long term empty homes in LBB&D. Performance against this target has been excellent with B&D in the top five local authorities in London and the UK. Our aim is to achieve one of the best performances in the UK in holding down empty properties to some of the lowest stock proportion in the UK.

Long term empty properties are defined as residential dwellings which have been vacant for more than six months. Empty properties have the potential to negatively impact house prices of neighbouring properties, can attract anti social behaviour, and can pose a public health risk as they fall into dilapidation.

Bringing empty homes back into use is a key contributor to our Housing Strategy objective to increase housing supply and reduce homelessness in the borough. We also achieve income from the New Homes Bonus (NHB) scheme when bringing long term empty properties back into use. On 03 February 2016 it was confirmed that the LBB&D won 57 NHBs for reducing the number of long term empty properties in the borough between October 2014 and October 2015. The bonus is around £1440.00 for each property. It is paid for six years so this generates a future income for the Council of around £492,280.00.

The Empty Homes Unit undertakes a number of initiatives to reduce the number of empty homes. These include:

- Advice and support on how to make an empty property a home instead of a wasting resource
- Support we offer owners of empty properties - grants of up to £20,000 (funded by the GLA programme) to assist them in making an empty property a home.
- Long term empties are inspected monthly

Our approach is that we will not tolerate empty homes in B&D. When advice and support has failed we undertake enforcement action to bring property back into use. Enforcement can include compulsory purchase and interim empty dwelling management orders.

53. The percentage of staff who are satisfied working for the Council

Quarter 3 shows an increase from 73.20% to 75.80% on the previous temperature check undertaken in June 2016 and is above the target of 70%. This reflects the positive increase in a number of the temperature check results relating to employee engagement.

Given the amount of change currently taking place across the Council this is a very positive result. There have been efforts to keep staff informed of changes and actively engage with staff. The Chief Executive and Leader have been communicating with staff using a number of methods including face to face meetings, regular staff briefings, Ambition2020 road shows, Top 200 managers

event, staff updates, the CEs blog, and regular thank you messages. There is also a dedicated Ambition 2020 intranet page keeping staff up to date with changes.

The survey has recently closed, and focus groups will be arranged shortly to discuss findings in more detail with staff.

4.3 **Areas for Improvement**

7. The number of Active Age (over 60's) memberships

At the end of quarter 3 there are 1,859 Ageing Well memberships. This equates to 74.36% of the target of 2,500. This is - 6.16% (122) lower than at the end of quarter 2 when the membership level was 1,981. Q3 in 2014/15 was 4,381 (+500 in the quarter) .

A policy decision to introduce a membership charge for the programme was introduced in April 2015. Although members can choose how to pay for the service either annually, twice a year or quarterly this is impacting on the actual number of members. The data is more accurate than previous information as the membership reflects only active members and users of the services omitting lapsed users.

Although the number of members is lower than before the membership charge was introduced, the number of overall visits is higher. This suggests that there were a lot of people holding memberships who were not using the service. The introduction of a charge has rectified this position and the current membership level is a true reflection of active members.

The visit target of 96,720 is on schedule to be met as at the end of Q3 86.82% of the target has been achieved. This indicates that the members of the programme are actively using their membership across the Ageing Well programme

23. The weight of waste recycled per household

The weight of waste recycled per household continues to fall, with 51kg recycled per household during Quarter 3, which is below the quarterly target of 81.25kg. In 2015/16, each household has recycled on average 176kg, compared to 241kg at the same point last year.

It is normal to see a reduction in recycling rates at Quarter 3, due to the shift in season and the reduced tonnage of green waste collected in the third quarter. However, the overall reduction throughout the year is attributable to the industrial action by drivers of the GMB Union in March, April, May and June 2015 which has had a significant impact on performance. During the strike period, there was no collection of recyclable materials as the recycled materials (brown bin) and general waste (grey bin), including side waste, were collected in the same vehicles. After the strike action, some customer behaviour to separating waste has become very challenging, leading to high levels of contaminations of the brown bins.

As a result of the fire in August 2015, no recycling was delivered out of the Frog Island BioMRF, resulting in reduced recycling performance for both London Boroughs of Barking and Dagenham and Havering. The Frog Island BioMRF is

back in operation and is expected to slightly increase recycling performance, but it is unlikely to help LBBB meet its recycling target at year end. However, the Waste Minimisation Team will continue to support residents to reduce waste, promote recycling and address the issue of contamination of the recycling brown bins.

Although the actions taken are expected to result in a marginal improvement, the year-end target of 325kg per household will not be met.

39. Number of families in Bed & Breakfast accommodation for over 6 weeks (DCLG Criteria)

The Q3 figure of 16 is above the target of 5 however it should be noted that the increase from the previous quarter was temporarily inflated due to the impending completion of a new Council owned hostel.

Butler Court has been refurbished as a Council owned hostel and opened on 25 January 2016. This is now being used to house families as an alternative to B&B accommodation. Aside to this new pan-London capped rates have been set for temporary accommodation and this has meant that more self contained properties within the borough are being procured by the Council, rather than being let to other boroughs where the Council has been out bid.

As of 07 February 2016 the number of households in B&B accommodation over 6 weeks was reduced to 7 and this is likely to reduce even further over the next few weeks.

5 Consultation

- 5.1 Corporate Performance Group (CPG) and departments (through Departmental Management Teams) have informed the approach, data and commentary in this report.

6 Financial Implications

Implications completed by: Carl Tomlinson, Finance Manager

- 6.1 There are no specific financial implications as a result of this report; however in light of current financial constraints it is imperative that Officers ensure that these key performance indicators are delivered within existing budgets. These budgets will be monitored through the existing monitoring process to identify and address potential issues and also any benefits as a result of improved performance on a timely basis.

7 Legal Implications

Implications completed by: Dr. Paul Feild Senior Corporate Governance Solicitor

- 7.1 Assembly agreed the vision and priorities in September 2014. The responsibility for implementing them rests with Cabinet. The delivery of these will be achieved through the projects set out in the delivery plan and monitored quarterly. As this report is for noting, there are no legal implications.

8 Other Implications

- 8.1 **Risk Management** – There are no specific risks associated with this report. The delivery plan and ongoing monitoring will enable the Council to identify risks early and initiate any mitigating action. The Council's business planning process describes how risks are mitigated by linking with the corporate risk register.
- 8.2 **Contractual Issues** – Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt with in individual project plans.
- 8.3 **Staffing Issues** – There are no specific staffing implications.
- 8.4 **Customer Impact** – The vision and priorities give a clear and consistent message to residents and partners in Barking and Dagenham about the Council's role in place shaping and providing community leadership.
- 8.5 **Safeguarding Children** - The priority **Enabling social responsibility** encompasses activities to safeguard children in the borough and is delivered through the Local Safeguarding Children Board and Children's Trust.
- 8.6 **Health Issues** - The priority **Enabling social responsibility** encompasses activities to support the prevention and resolution of health issues in the borough and is delivered through the Health and Wellbeing Board.
- 8.7 **Crime and Disorder Issues** - The priority **Encouraging civic pride** encompasses activities to tackle crime and disorder issues and will be delivered through the Community Safety Partnership.

Background Papers Used in the Preparation of the Report:

Corporate Delivery Plan 2015/16 - 2016/17

List of appendices:

- **Appendix 1:** Key Performance Indicators Update
- **Appendix 2:** Key Performance Indicators – Commentary on Red RAG indicators

Priority Performance 2015/16 -2016/17 Quarterly Indicators																	
Ref. No.	Key Performance Measure	Performance Contact	2014/15: Last years performance				2015/16: Current Performance Results				2015/16 Target	Performance Against Target	Target RAG	Direction of Travel		Benchmarking	
			Qtr 1	Qtr 2	Qtr 3	End Of Year 2014/15	Qtr 1	Qtr 2	Qtr 3	Qtr 4				Compared to previous quarter	Compared to same quarter last year	London Average	National Average
1	Repeat incidents of domestic violence (MARAC) - (Definition reviewed in Q2)	Adult and Community Services Dan James	26%	22%	21%	20%	26%	27%	24%		No more than 28%	Exceeding Target	G	↑	↓	19%	25%
2	Total ASB incidents logged across all services (ASB Team, Housing, Environmental and Enforcement and Police)		3,950	3,376 (7,326)	2,279 (9,604)	2,224 (Q4) (11,828 YTD) - 32% reduction	2,652 (-33% compared to same qtr last year due to seasonal changes)	2,791 (5,443 YTD) -26%	2441 (7884 YTD) - 18% reduction based on YTD figures		Reduction	Exceeding Target	G	↑	↑	N/A	N/A
3	The % of victims who are satisfied with the way their ASB complaint is dealt with (accumulative)		50% (1/2 Surveys)	75% (6/8 Surveys)	73% (8/11 Surveys)	87% (13 of 15 surveys)	98.8% (173 of 175 surveys)	100% for the Qtr (182 of 182) 99% YTD (355 of 357 surveys)	100% for the Qtr (469 of 465) 99% YTD surveys)		No Target - Monitoring Only			□	↑	N/A	N/A
4a	PHOF: Indicator 2.15 (opiate users)– Proportion of all in treatment, who successfully completed treatment and did not re-present within 6 months. There is a time lag with this indicator. E.g. figures released for April 2015 represents the completion period 01/11/2013 to 31/10/2014 and re-presentations up to 30/04/2015.		14.8% (Jan 13 - Jun 14)	14.4% (Apr 13 - Sep 14)	13.7% (Jul 13 - Dec 14)	11.4% (Oct 13 - Mar 15)	10.4%, (Dec 13 - May 15)	11.5%, (Mar 14 - Feb 15)	Opiates 9.0% (Completions between 01/7/2014 to 30/06/2015 and representations up to 31/12/2015)		Top quartile for comparator LAs	Exceeding Target	G	↓	↓	8.86% - 13.52%	
4b	PHOF: Indicator 2.15 (non-opiate) – Proportion of all in treatment, who successfully completed treatment and did not re-present within 6 months. There is a time lag with this indicator. E.g. figures released for April 2015 represents the completion period 01/11/2013 to 31/10/2014 and re-presentations up to 30/04/2015.		44.9% (Jan 13 - Jun 14)	51.1% (Apr 13 - Sep 14)	54.6% (Jul 13 - Dec 14)	49.4% (Oct 13 - Mar 15)	47.2% (Dec 13 - May 15)	43.7% (Mar 14 - Feb 15)	Non-opiates 39.6% (Completions between 01/7/2014 to 30/06/2015 and representations up to 31/12/2015)		3rd quartile for comparator Las (just outside top quartile performance)	Below Target	A	↓	↓	44.04% - 52.32%	
5	Total Priority Neighbourhood Crimes (MOPAC 7 - Burglary, Robbery, Criminal Damage, Theft from Person, Theft of Motor Vehicle, Theft From Motor Vehicle, Violence With Injury) 20% reduction on baseline year (11/12) = 10,398	Adult and Community Services Paul Hogan	8,274 (Jul 13 - Jun 14)	8,138 (Oct 13 - Sep 14)	8,091 (Jan 14 - Dec 14)	7,888 (Apr 14 - Mar 15) (-24.1% from 2011/12 baseline)	7,915 (Jul 14 - Jun 15) (10,398) (-24% from 2011/12 baseline)	8,147 (Oct 14 - Sept 15) (10,549) (-23% from 2011/12 baseline)	8,241 (January 15 to December 15) (-21% reduction on Baseline (10399))		20% reduction (on baseline year 2011/12) by April 2016	Exceeding Target	G	↓	↓	MPS Down 15.07%	N/A
6	The number of leisure centre visits		332,838	327,109 (659,947)	297,092 (957,039)	325,391 (1,282,430)	375,388 (inc spa visits)	368,949 (744,287) (inc spa visits)	340,178 (1,084,465) (inc spa visits)		1,420,000	On Target	G	↓	↑	Local Measure	
7	The number of Active Age (over 60's) memberships		3,649	3,881 (+ 232)	4,381 (+500)	4,838 (+457)	1,783	1,981 (+198)	1,859 (-122)		2,500	Below Target	R	↓	↓	Local Measure	
8	The number of active volunteers	344 (Average per month 114.7)	565 (909) (Average per month 151.5)	640 (1,549) (Average per month 172.1)	713 (2,262) (Average per month 189)	576 (Average per month 192)	655 (1,231) (Average per month 218)	741 (1,972) (Average per month 247)		150 average per month	Exceeding Target	G	↑	↑	Local Measure		

Ref. No.	Key Performance Measure	Performance Contact	2014/15: Last years performance				2015/16: Current Performance Results				2015/16 Target	Performance Against Target	Target RAG	Direction of Travel		Benchmarking	
			Qtr 1	Qtr 2	Qtr 3	End Of Year 2014/15	Qtr 1	Qtr 2	Qtr 3	Qtr 4				Compared to previous quarter	Compared to same quarter last year	London Average	National Average
9	Total number of volunteer hours		6,335	6,838 (13,173)	6,725 (19,898)	5,951 (25,849)	5,861.75	9,358.25 (15,220)	8,835.5 (24,055.5)		20,500	Exceeding Target	G	↓	↑	Local Measure	
10	The proportion of social care clients accessing care and support in the home via direct payments	Adult and Community Services Natalie Woods	74.7%	75.2%	76.2%	75.7% (76.77% Q4)	76.60%	75.11%	74.37%		Ongoing improvement	Below Target	A	↓	↓	Local Measure	
11	The total Delayed Transfer of Care (DTC) Days in month (per 100,000) (Better Care Fund Indicator)		121.88	163.07	122.85	129.31	158.03	197.53	213.66		Below England Average 319.64	Exceeding Target	G	↓	↓	N/A	319.64
12	Number of successful smoking quitters aged 16 and over through cessation service	Public Health Mark Tyrie	141	157 (298)	125 (423)	166 (603)	121	89 (210)	126 (336)		3000 (750 per Qtr)	Below Target	R	↑	↓	Local Measure	
13	Percentage uptake of MMR (measles, mumps and rubella) vaccination (2 doses) at 5 years old		82.2%	82.2%	78.8%	83.4%	81.00%	81.20%	Data available 24 March 2016		95%	N/A	N/A	N/A	N/A	80.5%	87.9%
14	Percentage uptake of DTaP/IPV (diphtheria, tetanus, whooping cough and polio) vaccination at age 5		82.8%	83.3%	80.9%	86.2%	84.40%	83.80%	Data available 24 March 2016		95%	N/A	N/A	N/A	N/A	79.8%	87.9%
15	The number of child weight referrals		92	85 (177)	0 (177)	55 (232)	56	68 (124)	104 (266)		480	Below Target	R	↑	↑	Local Measure	
16	The number of child weight referrals completed	64	0 (64)	48 (122)	73 (185)	7	17 (24)	44 (88)		288	Below Target	R	↑	↓	Local Measure		
17	The percentage of land that has unacceptable levels of litter (3 surveys conducted during the year)	1%	2%	2%	2%	1%	2%	N/A		2%	On Target	G	↓	□	Local Measure		
18	ELWA waste diversion from landfill	80%	67%	75%	74%	73%	71%	78%		74%	On Target	G	↑	↑	Local Measure		
19	The number of applications received for private rented sector licensing	483	7,372 (7,855)	330 (8,185)	377 (8,562)	678	1,198 (1,876)	632 (2,508)		2100	Exceeding Target	G	↓	↓	Local Measure		
20	The number of properties brought to compliance by private rented sector licensing	161	816 (977)	1,482 (2,459)	1,954 (4,413)	909	1,076 (1,985)	1,205 (3,190)		4000	On Target	G	↑	↑	Local Measure		
21	Number of fixed penalty notices issued for environmental crimes	193	263 (456)	293 (749)	302 (1,051)	419	412 (831)	357 (1,188)		1900	Below Target	R	↓	↑	Local Measure		
22	The weight of fly tipped material collected	401 tonnes	151 (552) tonnes	63 (615) tonnes	94 (709) tonnes	221 tonnes	136 (363) tonnes	106 (469) tonnes		Below 1300 tonnes	On Target	G	↑	↓	Local Measure		
23	The weight of waste recycled per household	94kg	84kg (178kg)	63kg (241kg)	50kg (291kg)	64kg	61kg (125kg)	51kg (176kg)		325kg	Below Target	R	↓	↓	Local Measure		
24	The weight of waste arising per household	253kg	245kg (498kg)	229kg (727kg)	225kg (952kg)	257kg	212kg (469kg)	193kg (662kg)		916kg	On Target	G	↑	↑	Local Measure		
25	Care leavers in employment, education or training (aged 19 -21)	51.2%	54.4%	53.1%	54.7%	52.0%	43.3%	45.2%		55%	Below Target	A	↑	↓	53%	45%	

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			Qtr 1	Qtr 2	Qtr 3	End Of Year 2014/15	Qtr 1	Qtr 2	Qtr 3	Qtr 4				Compared to previous quarter	Compared to same quarter last year	London Average	National Average	
26	Children's Social Care Assessments completed within timescales (45 days)	Children's Services Vikki Rix	70.0%	76.0%	72.9%	70.9%	62%	69%	75.4%		79%	On Target	G	↑	↑	79%	82%	
27	16 to 18 year olds who are not in education, employment or training (NEET)		6.5%	7.2%	5.4%	6.0%	5.90%	6.2% (Jul & Aug)	5.10%		At National Average	Below Target	R	↑	↑	2.9%	4.2%	
28	The percentage of primary schools rated as outstanding or good		67%	71%	73%	73%	75%	76%	78%		100% by Dec 2015	Below Target	R	↑	↑	88.0%	85.0%	
29	The percentage of secondary schools rated as outstanding or good		67%	75%	75%	75%	78%	78%	78%		100% by Dec 2015	Below Target	A	□	↑	85.0%	74.0%	
30	The number of Common Assessment Frameworks / Family Common Assessment Frameworks (CAFs/fCAFs) initiated		303	250 (553)	317 (870)	247 (1,135)	398	231 (629)	321 (960)		No Target - Monitoring Only			↑	↑	N/A	N/A	
31	The percentage of children referred to Children's Social Care with Common Assessment Frameworks / Family Common Assessment Frameworks (CAFs/fCAFs) in place		7%	6%	6%	4.40%	18.4%	19.9%	15.3%		25%	Below Target	A	↓	↑	N/A	N/A	
32	Looked After Children with up to date Health Checks		86.5%	72.8%	76.4%	92%	82.0%	73.0%	74.0%		>90%	Below Target	R	↑	↓	89.7%	88.4%	
33	Percentage of working age residents claiming Jobseeker Allowance		Employment & Skills Terry Regan	3.8%	3.5%	3.0%	2.9%	2.60%	2.60%	2.40%		2.6%	Below Target	A	↑	↑	1.9% LBBG Gap +0.5%	1.8% LBBG Gap +0.6%
34	Percentage of working age residents claiming health-related benefits	7.2% Gap with London +1.7%		7.2% Gap with London +1.7%	7.3% Gap with London +1.8%	7.1% Gap with London +1.7%	6.9%	Data Available May 2016	Data Available August 2016		2017 LBBG Gap +1.3% (or less)	N/A	N/A	N/A	N/A	5.3% LBBG Gap +1.6%	0.6% LBBG gap +0.6%	
35	The number of long-term empty properties	Housing Services Steve Lockwood	Not Available	292	245	258	254	219	174		<300	Exceeding Target	G	↑	↑	Local Measure		
36	Average time taken to re-let local authority housing (calendar days)		70 days	65 days	58 days	43 days (58 days)	46.6 days	44.75 days	42.29 days		30 days	Below Target	R	↑	↑	Local Measure		
37	Percentage of eligible repair jobs where appointments were made and kept		73.24%	89.44%	96.50%	88.24%	90.70%	91.08%	92.66%		96.1%	Below Target	A	↑	↓	Local Measure		
38	Average number of households in Bed & Breakfast accommodation over the year		80	82	70	72	53	72	81		68	Below Target	R	↓	↓	Local Measure		
39	Number of families in Bed & Breakfast accommodation for over 6 weeks		12	3	1	4	4	6	16		5	Below Target	R	↓	↓	Local Measure		
40	The percentage of Homeless Temporary Accommodation rent collected (Includes Previous Arrears)		94.50%	97.08%	99.04%	95%	96.30%	97.63%	98.81%		95%	Exceeding Target	G	↑	↓	Local Measure		
41	Total number of new affordable homes developed in the Financial Year		---				274	Annually reported				324	Annual performance indicator				Local Measure	
42	Total number of Shared Ownership homes developed in the Financial Year		* 0 Homes Have Been Built To Date. It Is Anticipated That Homes Will Be Developed In 2018				Annually reported				No Target determined	Annual performance indicator				Local Measure		
43	The percentage of Council Housing rent collected	Finance am)	97.16%	96.80%	96.51%	96.21%	98.34%	98.16%	98.30%		99.24%	Below Target	R	↑	↑	Local Measure		
44	The percentage of Council Tax collected		29.50%	55.70%	81.40%	94.40%	29.40%	55.50%	81.40%		95.00%	On Target	G	N/A	□	N/A	N/A	

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45	The time taken to process Housing Benefit / Council Tax benefit new claims	Eveline Carly Peat (Client Tel)	23 days	23 days	24 days	25 days	64 days	57 days	55 Days		25 Days	Below Target	R	↑	↓	N/A	N/A
46	The time taken to process Housing Benefit / Council Tax benefit change events		10 days	11 days	12 days	9 days	20 days	24 days	23 Days		14 Days	Below Target	R	↑	↓	N/A	N/A
47	The percentage of Stage 1 complaints responded to within deadline	Chief Executives Nick Lane	97%	93% (95% YTD)	89% (93% YTD)	84% (92% YTD)	77%	69%	80%		100%	Below Target	R	↑	↓	Local Measure	
48	The percentage of Stage 2 complaints responded to within deadline		69%	64% (67% YTD)	48% (63% YTD)	54% (61% YTD)	60%	50%	60%		100%	Below Target	R	↑	↓	Local Measure	
49	The percentage of Stage 3 complaints responded to within deadline		100%	70% (77% YTD)	75% (76% YTD)	71% (74% YTD)	79%	80%	87%		100%	Below Target	R	↑	↑	Local Measure	
50	The percentage of complaints upheld		41%	47% (45% YTD)	45% (45% YTD)	37% (43% YTD)	62%	32%	30%		No Target - Monitoring Only			N/A	N/A	N/A	N/A
51	The percentage of member enquiries responded to within deadline		99%	89% (94% YTD)	81% (91% YTD)	77% (88% YTD)	87%	91%	78%		100%	Below Target	R	↓	↓	Local Measure	
52	The average number of days lost due to sickness absence		8 days	7.28 days	7.31 days	7.51 days	9.52 days	10.38 days	9.8 days		8 days (Apr 16)	Below Target	R	↑	↓	7.54 days (27 Lbs)	N/A
53	The percentage of staff who are satisfied working for the Council	Human Resources Mike Lincker/Gail Clark	72%	No Survey	69%	No Survey	73.20%	No survey	75.80%		70%	Exceeding Target	G	↑	↑	Local Measure	
54	The percentage of staff who believe change is managed well in the Council		31%	No Survey	24%	No Survey	30.60%	No survey	33.64%		50%	Below Target	R	↑	↑	Local Measure	
55	The percentage of staff who believe our IT systems meet the needs of the business		37%	No Survey	31%	No Survey	32.60%	No survey	28.94%		45%	Below Target	R	↓	↓	Local Measure	
56	The percentage of Council employees from BME communities		27.25%	28.98%	29.12%	28.40%	28.17%	28.47%	29.07%		10% increase per year (29.98%)	Below Target	A	↑	↓	Local Measure	
57	The current revenue budget account position (over or under spend)	Finance and Resources Steve Pearson	£2.5m Over Spend	£2.9m Over Spend	£1.6m Over Spend	£0.07m Over Spend	£7.2m Over Spend	£6.1m Over Spend	£5.7m Over Spend		No Target - Monitoring Only			↑	↓	Local Measure	
58	The percentage of the planned in year capital programme delivered in year		99% Forecast	93% Forecast	94% Forecast	90%	99% Forecast	100% Forecast	100% Forecast		No Target - Monitoring Only			□	↑	Local Measure	

**Commentary on Red RAG KPIs
Quarter 3 2015/2016**

Performance Indicator	7. The number of Active Age (over 60's) memberships
Reasons for poor performance/decline	<p>At the end of quarter 3 there are 1,859 Ageing Well memberships. This equates to 74.36% of the target of 2,500. This is - 6.16% (122) lower than at the end of quarter 2 when the membership level was 1,981.</p> <p>A policy decision to introduce a membership charge for the programme was introduced in April 2015. Although members can choose how to pay for the service either annually, twice a year or quarterly this is impacting on the actual number of members. The data is more accurate than previously as the membership reflects only active members and users of the services omitting lapsed users</p> <p>Although the number of members is lower than before the membership charge was introduced, the number of overall visits is higher. This suggests that there were a lot of people holding memberships who were not using the service. The introduction of a charge has rectified this position and the current membership level is a true reflection of active members.</p>
Actions being taken to improve performance	<p>More accurate and robust data of actual members is now available and reported.</p> <p>The visit target of 96,720 is on schedule to be met as at the end of Q3 86.82% of the target has been achieved. This indicates that the members of the programme are actively using their membership across the Ageing Well programme</p>
Improvements in performance that are anticipated as a result of the actions taken	Performance is in line with profiled target over 1 st year of charging

Performance Indicator	Indicator 12. Number of successful smoking quitters aged 16 and over through cessation service
Reasons for poor performance/decline	<p>Between April and December 2015/16, 803 people set a quit date, which is a 7.5% increase on the 2014/15 figure of 747 people. However, between April and December 2015/16, 336 people have successfully quit, which is a 13.6% decrease on the same period in 2014/15, when 389 people quit. Quarter 3 has seen more quitters than in the same quarter last year though, with 126 quitters this year compared with 125 last year.</p> <p>Although the number of people setting a quit date has increased</p>

	<p>compared to the previous financial year, the number of successful four-week quitters has decreased.</p> <p>This reflects the downward trend in the number of successful quitters in Barking and Dagenham. This is mirrored to some degree nationally and across London.</p>
<p>Actions being taken to improve performance</p>	<p>In September 2015 an improvement plan was implemented to improve uptake in both Level 2* and 3* services, with proactive measures to identify and support GPs with the highest number of registered smokers and unplanned hospital admissions for chronic obstructive pulmonary disease (COPD), as well as targeted approaches for high-risk groups including young people, pregnant women, routine and manual workers and those with mental health problems. The outcomes of the following actions will be monitored over the next year:</p> <ul style="list-style-type: none"> • Increase service capacity within the community to deliver stop smoking services to priority groups (by October 2016) – Leisure services started delivering Level 3 smoking cessation services from 1 October 2015. Six advisors have been recruited to operate the telephone helpline and coordinate community-based smoking cessation activities. The number of community venues offering face-to-face support to quitters will be increased, with the advisors being based in Barking Learning Centre, Queens Hospital, tenancy support services, mental health and other community venues. This includes delivery of peer-led support groups via the Community Health Champions, local faith / community leaders and voluntary organisations. • Review of existing stop smoking service provision to develop a cost-effective evidence-based service model (Jan – March 2016) – this includes benchmarking service models commissioned within neighbouring and statistically similar boroughs to identify approaches and interventions that have proven successful in improving smoking quit rates, and appraise options for implementing these in Barking and Dagenham. The options appraisal is to be presented to the Portfolio Holder’s meeting in February 2016. • Promotion of local smoking cessation services (ongoing) - to encourage more quitters, £15,000 has been budgeted for locally defined and national promotional campaigns (including Stoptober and No Smoking Day) to raise the profile of stop smoking services in the local community and ensure that services are visible and accessible to the ethnically diverse range of smokers in line with local prevalence. For example, the January Health Harms national campaign has been launched locally; distributed primary care quit packs, newsletter, series of roadshows and free lung test covering Dagenham Station, Queens Hospital, Barking Market, Becontree Leisure Centre and Abbey Leisure.

- **Preventing initiation of smoking (ongoing)** – preventing people from smoking has been identified as a priority by the Health and Wellbeing Board. Local health promotion campaigns will focus on preventing initiation of smoking by young people and vulnerable adults. While schools fund prevention initiatives as part of the PHSE curriculum, Barking and Dagenham will continue to invest £60,000 in prevention via tobacco control initiatives and £15,000 towards marketing as well as the other investment across the Council in environmental protection and schools as part of the Healthy Schools bronze award programme. The entry criteria into Level 3 services have also been widened from a lower age limit of 18 years to 12 years in order to provide specialist support to young smokers.
- **Refresh of the tobacco control strategy and implement delivery plan (by June 2016)** - a local Tobacco Alliance was established in 2015, bringing together Public Health, leisure, environmental health, licensing, planning, mental health services, primary and acute care, fire services, stop smoking providers and community organisations. The Alliance is collaborating to refresh the local smoking strategy (including actions to reduce the import and local distribution of illegal cigarettes and development of smoke-free policies (in vehicles, homes, work places and public places). A tobacco control coordinator was recruited in January 2016 to oversee the delivery of the local tobacco control strategy action plan.
- **Increase the number of primary care providers delivering Level 2 services (by March 2017)** – to drive smoking quit performance, a survey was conducted in August 2015 to understand gaps in service and gain expressions of interest from new primary care providers. To date, two GP practices have been recruited and a further six that expressed an interest have been written to. Proposed changes to the smoking tariff for 2016/17 is likely to be a motivating factor. In addition, all primary care providers with reported smoking activity (29 pharmacies and 11 GPs) have been visited by the Public Health Primary Care Engagement Officer over the last four months. Action plans to improve performance (number of CO validated quits) have been developed and agreed with each provider, and areas of underperformance are addressed in subsequent visits.
- **Identify GPs with the highest prevalence of smokers to deliver universal and targeted approaches (ongoing)** - the top ten GP surgeries with the highest number of registered smokers in the borough (and patients with unplanned hospital admissions for COPD) have been identified. Led by a dedicated worker, all patients who are registered as smokers are invited to stop-smoking clinics at the surgeries, using a ‘call and recall’ approach and provided with face-to-face sessions and advice. Enhanced support is provided for priority groups (e.g. young people, pregnant women, those with concurrent mental health problems,

and those in routine and manual jobs) to engage them into specialist smoking cessation services as appropriate.

- **Engaging smokers in acute settings (ongoing)** - to target smokers accessing services at Barking, Havering and Redbridge University Hospitals NHS Trust (BHRUT), from July 2015 the Trust has provided a stop smoking advisor is available to offer up to 21-hours' support per week across both the King George and Queen's hospital sites and referral to specialist stop smoking services.
- **Supporting pregnant smokers via the BabyClear programme (with the ambition is to reduce smoking at time of pregnancy to >10% in Barking and Dagenham by October 2018)** – Barking and Dagenham was successful in obtaining 36% co-funding from Public Health England to implement a full BabyClear programme, which offers a standardised approach to identifying pregnant smokers with the aim to reduce/stop smoking in pregnancy and referral to smoking cessation services. In August and September 2015 all midwives at Queens and King George's Hospitals were trained to undertake CO monitor readings and provide smoking cessation advice to pregnant women. Nicotine replacement therapy is also available on all maternity wards. From September to December 2015, 273 women reported that they were smoking at their first maternity booking appointment, with 193 (71%) requesting support to stop smoking.
- **Increasing opportunities to engage smokers in smoking cessation services (ongoing)** – Following the announcement by the Government in November 2015 that the first e-cigarette device (e-Voke) has been licensed by the Medicines and Healthcare Regulatory Agency for use as a smoking cessation device on prescription, both Level 2 and 3 services can now prescribe the licensed product to service users. Public Health is currently putting clinical governance arrangements in place for such provision.

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- Level 1 is very brief advice eg handing out a leaflet could be considered level 1, as could asking someone of their smoking status or if they are interested in stopping smoking. Providing information and signposting.
- Level 2 is aimed at everyone. These services are provided by GPs and Pharmacies.
- Level 3 is specialised (specialist service) and aimed at those with complex needs e.g. pregnant women, young people, those with mental illness, long term conditions, and people who are in occupations considered routine and manual. People who are entrenched in their smoking and have failed attempts at quitting.

<p>Improvements in performance that are anticipated as a result of the actions taken</p>	<p>The actions being taken to improve performance should help increase uptake of smoking cessation services, particularly amongst groups that are known to have a higher smoking prevalence.</p> <p>There will be increased service provision within the local community by March 2016 which will result in increased numbers of people setting a quit date.</p> <p>The coordination of local and national promotional campaigns will increase the awareness of stop smoking services.</p>
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<p>Performance Indicator</p>	<p>Indicators 15 & 16. The number of tier 2 child weight management referrals, and the number of tier 2 child weight management referrals that completed.</p>
<p>Reasons for poor performance/decline</p>	<p>The number of tier 2* courses on offer has not been as high as planned due to a number of tutors (One permanent member of staff, others are casual or external) not committing to continuing to running courses due to other work commitments, and the starting of university courses. The Community Sports and Physical Activity Team have advertised twice for new casual tutors; the first time they did not receive any suitable applications. They will be short listing from the second job advert in mid-late Feb.</p>
<p>Actions being taken to improve performance</p>	<p>The data capture of referral sources was improved in October and some of those recorded as parent referrals were actually from professionals. Processes have been put in place to ensure that all referrers are documented and referrers are fed back to with regards to the individual referred.</p> <p>With the measurements taken during the Summer programme and now subsequently at Community Games, families are being contacted to increase the number of participants for programmes being run in the next reporting period.</p> <p>Ensure that programme delivery is staggered so that there are not long gaps between programmes starting.</p> <p>Everyone on the Schools out programme database (over 1,000 families) will be emailed about the programme.</p> <p>* Tier 2 is designed to support Barking and Dagenham children and young people aged 0-19 who are overweight (>91st centile) or obese (>98th centile) to achieve a healthy body weight. In promotional material it is referred to the Change4Life programme – it is a programme over 12 weeks where children and parent/carer + siblings (5-12 years) and teenagers (13-17 years) learn about healthy eating, fats and sugars, label reading, attend a cooking class and taking part in tailored physical activity.</p>

Improvements in performance that are anticipated as a result of the actions taken	<p>The recruitment of more tutors will take place in the next quarter for the courses due to commence in January. This will enable an increase to the number of programmes delivered each term.</p> <p>The other actions will increase awareness of the programme and should result in increased numbers of referrals. The improved data capture and feedback to referrers should also ensure that those being referred are more likely to complete.</p>
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Performance Indicator	21. Number of fixed penalty notices issued for environmental crime
Reasons for poor performance/decline	The performance for this quarter indicates that the team is slightly below the target level of activity. However, the direction of travel for this indicator is very positive when compared to the same period last year. There remain a number of employees who are off with illness that has impacted on performance. These staffing issues are being addressed through the Council's sickness absence procedures.
Actions being taken to improve performance	Recently recruited agency staff has brought the service up to full staffing levels which will improve performance.
Improvements in performance that are anticipated as a result of the actions taken	It is hoped that staff training and recently recruited agency staff will improve performance for this indicator and will have a positive on output.

Performance Indicator	23. The weight waste recycled per household
Reasons for poor performance/decline	<p>The weight of waste recycled per household in Quarter 3 is 51kg which is below the quarterly target of 81.25kg.</p> <p>The reduction of recycling at Quarter 3, is attributed to:</p> <ul style="list-style-type: none"> ▪ The shift in season and the reduced tonnage of green waste collected in the third quarter ▪ The industrial action by drivers of the GMB Union in March, April, May and June 2015 has had a significant impact on performance. During the strike period, there was no collection of recyclable materials as the recycled materials (brown bin) and general waste (grey bin), including side waste, were collected in the same vehicles. After the strike action, some customer behaviour to separating waste has become very challenging, leading to high levels of contaminations of the brown bins. ▪ As a result of the fire in August 2015, no recycling was delivered out of the Frog Island BioMRF, resulting in reduced recycling performance for both London Boroughs of Barking and Dagenham and Havering.

Actions being taken to improve performance	The Frog Island BioMRF is back in operation and is expected to slightly increase recycling performance, but it is unlikely to help LBBD meet its recycling target at year end. However, the Waste Minimisation Team will continue to support residents to reduce waste, promote recycling and address the issue of contamination of the recycling brown bins.
Improvements in performance that are anticipated as a result of the actions taken	There would be marginal improvement, but year-end target of 325kg per household will not be met.

Performance Indicator	27. 16 to 18 year olds who are not in education, employment or training (NEET)
Reasons for poor performance/decline	The gap with national is closing. The proportion of unknowns, which is being tackled as a priority, fell faster than national in December and is now 1.4% below the London figure. Whilst LBBD is still above national for NEETs, the effect of the reduction in Unknowns has necessarily inflated the current NEET figure. The overall NEETs + Unknowns combined figure is improving and almost at London and National averages.
Actions being taken to improve performance	14-19 Participation Plan to be reviewed in April to provide support to actions that have made a difference and to include new actions to drive down NEETs. Access Europe Programmes (ESF) to result in significant extra investment into NEET prevention and reduction from May 2016 across 8 different strands for two years. LBBD closely engaged with potential programme providers to ensure optimum local delivery, and may well be a delivery partner for some strands, resulting in income for the Local Authority.
Improvements in performance that are anticipated as a result of the actions taken	NEET figures to fall below 5% whilst sustaining stable Unknown figures over the next 6 months.

Performance Indicator	28. The percentage of primary schools rated as outstanding or good
Reasons for poor performance/decline	An increased percentage of children are attending good or better schools in Barking and Dagenham and school inspection outcomes at primary have improved. In Q3, 78% of primary schools are currently rated as 'good' or 'outstanding' compared to 67% as at end of August 2014. Despite improvement, we are RAG rated red due to progress against our ambitious target set at 100% by December 2015. After 2 years of very heavy inspections, there were only 7 primary

	<p>schools inspected during 2014/15 academic year and as Ofsted has implemented the Common Inspection Framework from September 2015 inspections have further decreased with only one full inspection in the Autumn Term 2015.</p> <p>Of the remaining 7 RI (Require improvement) schools, the Local Authority judges 2 as securely good now. This would increase the primary inspection outcomes to 84%, just 1% below the national average. A further 2 primary schools are close to good and the 3 remaining schools have monitoring boards in place and are all being strongly supported by schools with outstanding leadership.</p>
Actions being taken to improve performance	<p>Barking and Dagenham primary school inspection outcomes are closing on national average of 85%, but this remains a key area of improvement as outlined in the Education Strategy 2014-17.</p> <p>Intensive Local Authority support is being provided to vulnerable schools and supporting the new Requires Improvement monitoring processes.</p> <p>The Education Strategy 2014-17 sets out the key actions to improve primary school inspection outcomes – please refer to https://www.lbbd.gov.uk/council/priorities-and-strategies/corporate-plans-and-key-strategies/education-strategy/overview/</p>
Improvements in performance that are anticipated as a result of the actions taken	<p>Primary schools move from 'requires improvement' to 'good'.</p>

Performance Indicator	32. Looked After Children (LAC) with up to date Health Checks
Reasons for poor performance/decline	<p>In Q3 2015/16, the percentage of looked after children in care for a year or more with an up to date health check increased to 74% compared to 73% in Q2. Performance on LAC health checks fluctuates throughout the year as new children come into care. By the end of the financial year, performance is expected to increase to 90% or above exceeding national and London averages.</p> <p>A review of LAC medicals out of time is routinely undertaken and fluctuations in performance are due to:</p> <ol style="list-style-type: none"> 1. Social Workers are not completing the required forms in a timely fashion to pass to Health, despite Health Business Support Officer chasing them regularly. 2. Delays in receiving the Health Care Plan following the health check also contribute to health checks being out of time.

	Performance on health has also been included in performance dashboards for each team across social care. Performance is on track to reach 90% plus at the end of March 2015/16.
Actions being taken to improve performance	<p>Actions taken to improve performance are:</p> <ul style="list-style-type: none"> ▪ New option has been added to the Integrated Children's System (ICS) to record the status of "Paperwork completed and sent to Health" to enable better reporting on delays and problems with paperwork. This will enable improved tracking and escalation points to senior managers. ▪ An action plan is in place to improve performance, monitored at monthly meetings between the Local Authority and Designated LAC nurse to review progress and address any issues. ▪ Regular meetings to review progress and address any issues have been implemented to improve performance. ▪ Continued regular communication to all staff and Health BSO to attend the Team Meetings regularly.
Improvements in performance that are anticipated as a result of the actions taken	Performance to increase to 90% plus by end of March 2015/16 as reported in each quarter and based on previous years. Targets set to ensure there is no end-of-year clean up.

Performance Indicator	34. Percentage of working age residents claiming health-related benefits
Reasons for poor performance/decline	<p>A total of 8,680 residents were claiming either Employment & Support Allowance (ESA, 8,080) or Incapacity Benefit (IB, 600, this is being phased out and people moved onto ESA) as at August 2015.</p> <p>The biggest cause by far is mental ill health (43% of ESA claimants). Key issues:</p> <ol style="list-style-type: none"> 1. There is very limited resource devoted to assisting this client group into work by DWP/JCP, Work Programme or other services. 2. The links between employment services and health provision, especially mental health, are still not well enough developed. 3. Only 110 residents on ESA out of 1,310 referred onto the Work Programme have secured employment of 13 weeks or more over June 2011-September 2015. 4. There is a big backlog in Work Capability Assessments across London following the ending of the contract with ATOS and transfer to Maximus.

<p>Actions being taken to improve performance</p>	<p>The 2015/16 Barking & Dagenham Employability Partnership Agreement with DWP/JCP, Work Programme Providers and FE Providers has a proposed target of helping 90 IB/ESA claimants into work through non-mainstream provision. NELFT have now signed up to this Partnership. The following actions are proposed:</p> <ul style="list-style-type: none"> • Improving Access to Psychological Therapies (IAPT) service co-location with Work Programme and Jobcentre Plus and joint working arrangements are being put in place. • 10 borough ESF bid has been submitted to Big Lottery to support people with common mental health problems into work. Discussions underway with CCG and NELFT on local provision. • Additional resource within Employment & Skills Group to be targeted to work with this client group using ESF funding already secured through the Growth Boroughs. <p>Meetings are taking place with Public Health, NELFT, Barking & Dagenham CCG and the Council's Employment and Skills Team to discuss input into the devolution agenda, specifically the proposed Work & Health Programme (replacing the Work Programme from April 2017).</p>
<p>Improvements in performance that are anticipated as a result of the actions taken</p>	<p>Limited improvements are expected in this indicator in 2015/16, with numbers rising both with the borough and nationally. ESF-funded provision is unlikely to have any delivery impact until 2016/17 on.</p>

<p>Performance Indicator</p>	<p>36. Average time taken to re-let local authority housing (calendar days)</p>
<p>Reasons for poor performance/decline</p>	<p>Although below target, the Q3 performance continues to show a steady improvement when compared to the first two quarters: Q1 average of 46.6 days Q2 average of 44.75 days Q3 average of 42.29 days Reasons for poor performance have been identified in the areas for improvement detailed below.</p>
<p>Actions being taken to improve performance</p>	<p>We continue to identify areas for improvement such as:</p> <ol style="list-style-type: none"> 1. Fluctuations in workload – consider demand with process for additional resources via subcontracting and / or additional work via internal refurbishment works. 2. Review size of team. Isolate plastering and electrical work other than for small works. 3. Consider a rip out gang. Perhaps clean out labourers also removing plaster and possibly installing plasterboard. 4. Initial preparation is too lengthy. Identify the cause. 5. Very little use is made of pre-termination visits. Discuss with Housing Management.

	<p>6. Condition of void properties could be better. More strict enforcement of the recharge policy.</p> <p>7. Proper dedication of gas engineers to voids.</p> <p>8. Dedicated asbestos surveyor – but issues with visibility of property until clean out is carried out.</p>
Improvements in performance that are anticipated as a result of the actions taken	Performance is expected to continue to improve month on month with confidence that the 30 day target will be achieved.

Performance Indicator	38. Average number of households in Bed & Breakfast accommodation over the year
Reasons for poor performance/decline	The Q3 figure of 81 is below the target of 68 however it should be noted that the increase from the previous quarter was temporarily inflated due to the impending completion of a new Council owned hostel, as detailed below.
Actions being taken to improve performance	Butler Court has been refurbished as a Council owned hostel and opened on 25 January 2016. This is now being used to house families as an alternative to B&B accommodation. Aside to this new pan-London capped rates have been set for temporary accommodation and this has meant that more self contained properties within the borough are being procured by us, rather than being let to other boroughs where we have been out bid.
Improvements in performance that are anticipated as a result of the actions taken	As of 07 February 2016 the number of households in B&B was reduced to 32, as many households have now been moved over to Butler Court.

Performance Indicator	39. Number of families in Bed & Breakfast accommodation for over 6 weeks (DCLG Criteria)
Reasons for poor performance/decline	The Q3 figure of 16 is below the target of 5 however it should be noted that the increase from the previous quarter was temporarily inflated due to the impending completion of a new Council owned hostel, as detailed above in PI 38.
Actions being taken to improve performance	Linked to PI 38 – please see above
Improvements in performance that are anticipated as a result of the actions taken	As of 07 February 2016 the number of households in B&B accommodation over 6 weeks was reduced to 7 and this is likely to reduce even further over the next few weeks.

Performance Indicator	43. The percentage of Council Housing rent collected
Reasons for poor performance/decline	<p>Although below the 99.24% target, the Q3 figure of 98.30% shows a marked improvement compared to the Q2 figure of 98.16%.</p> <p>The gap associated with the changes to welfare benefits has seen Housing Benefit as a proportion of the rent debit fall by 2.3% (over £2m). With the significant challenges presented to us by Welfare reform it is expected that the agreed target may not be achieved.</p>
Actions being taken to improve performance	<p>A more proactive stance is being taken on debts including contacting new tenants regarding rental payments, arrears and Direct Debit promotion, “monthly arrears blitz” involving targeted contact based on arrears profiles and levels of rent arrears and the deployment of ARC. By the end of January 2016 Agilisys Revenue Collection (ARC) had collected £45,519.</p> <p>While the above measures will reduce the effect of welfare benefit changes by more than 50%, we do expect to see further changes in this area as the roll out of Universal Credit takes place. Elevate will continue to work with the Strategic Welfare Reform Group going forward to understand the full implications of these changes.</p>
Improvements in performance that are anticipated as a result of the actions taken	<p>Monthly variations in collection are largely explained by the payment variations caused by the first of the month direct debit cycle which means a month may have two, one or no first of the month direct debits. February has two so collection is expected to improve for the end of February but will drop back again by year end.</p>

Performance Indicator	<p>45. Time taken to process Housing Benefit/Council Tax Benefit New Claims</p> <p>46. Time taken to process Housing Benefit/Council Tax Benefit Change Events</p>
Reasons for poor performance/decline	<p>There was pressure on these KPI's due to the age of the oldest work outstanding. The revised backlog clearance plan has now been undertaken including the use of agency staff; all work has been cleared and is now under 20 days old.</p> <p>These indicators are being closely managed and monitored on a daily basis and are being reported weekly to LBBB.</p>
Actions being taken to improve performance	<p>Recovery plan is now completed and achieved with the back log of work now cleared apart from the remaining pending cases that are currently in a process awaiting customer response. Work is now within 20 days old and reducing.</p> <p>Outstanding 'New claims' are currently at 109 with the oldest batched untouched now being 02.02.2016 and only 6 left over cases</p>

	<p>dated prior to this date. There are some claims in 'pending' awaiting information dated 05.01.2016 onwards but this is now only 132 claims in total across all dates.</p> <p>Outstanding batched 'Change in Circumstances' (Change Events) work is now dated 27.01.2016 with 37 cases dated prior to this over odd dates. All work dated to the 04.02.2016 inclusive is allocated across the team and being worked on.</p>
Improvements in performance that are anticipated as a result of the actions taken	'Change in Circumstances' (Change Events) are anticipated to reach the target by year end, however 'New Claims' year to date outcomes will prove challenging despite the best efforts of late to improve in month performance.

Performance Indicator	<p>47. The percentage of Stage 1 complaints responded to within deadline</p> <p>48. The percentage of Stage 2 complaints responded to within deadline</p> <p>49. The percentage of Stage 3 complaints responded to within deadline</p> <p>51. The percentage of member enquiries responded to within deadline</p>
Reasons for poor performance/decline	Current performance is unsatisfactory.
Actions being taken to improve performance	<p>A major re-modelling of the complaints process and that of member casework is currently underway.</p> <p>This will introduce both: new governance; revised targets; a new software system; better insight through improved reporting; and a performance dashboard and a new officer working group.</p> <p>The new governance structures currently being introduced across the council are designed, in part, to ensure that a more customer focused approach to resolving complaints and casework will be embedded within the organisation. Going forward, a renewed focus on lessons learned will ensure that performance improves.</p>
Improvements in performance that are anticipated as a result of the actions taken	A clear improvement in the percentage of complaints and member enquiries responded to within deadline.

Performance Indicator	52. The average number of days lost due to sickness absence
Reasons for poor performance/decline	<p>The Quarter 3 sickness levels have seen a decrease in average sickness levels. Although we are not meeting our target, it is an encouraging improvement, reflecting the impact of a range of interventions.</p> <p>It will take some additional time for the target to be met and maintained.</p>

<p>Actions being taken to improve performance</p>	<p>An HR project group meets weekly to review data, highlight issues and review improvements in absence levels.</p> <p>Hotpots have been identified and have had an opportunity to review data and trends. Improvement plans are in place, and there is an ongoing review. 'Bradford Factor' monitoring and costs of absence have been provided to help managers to prioritise.</p> <p>Manager Briefings have been used to address particular issues and problems which have an impact on reducing absence, such as closing down open ended absence, and recording reasons for absence.</p> <p>Improvements have been made to reporting, and dashboards now include trigger reports and other data that managers can run themselves. Dashboards will continue to be improved and kept under review.</p> <p>Plans are now in place for trigger related mandatory health and wellbeing checks. This has initially been targeted at those who have recently reached the trigger of more than three occasions, rather than those with longer term absence.</p> <p>A project looking at issues surrounding muscular-skeletal absence will be undertaken shortly.</p> <p>A review of escalation routes "star chamber" is being undertaken and should be agreed and in place before the next quarter.</p> <p>The average performance in London is 7.54 days (across 27 authorities which collect data through LAPS (London Authority Performance System).) A number of the Councils included have small numbers of 'blue collar' workers and sickness levels tend to be lower in these authorities, which will therefore influence the overall average.</p>
<p>Improvements in performance that are anticipated as a result of the actions taken</p>	<p>It is expected that average absence will reduce to 9 days or less by the next quarter.</p>

<p>Performance Indicator</p>	<p>54. The percentage of staff who believe change is managed well in the Council</p>
<p>Commentary</p>	<p>There has been a small increase on the previous survey results. This response is the highest so far, albeit it is still below our target. Very high numbers of staff are saying that they understand the need and reason for change in the Council (93.7%) which demonstrates the improvements in communication approaches.</p> <p>This is a key priority for us and the staff focus groups will provide a</p>

	greater opportunity to understand whether the low scores for managing change relate to large organisational change, restructures/reviews or smaller scale individual changes. This work will inform our change management plans.
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Performance Indicator,	55. The percentage of staff who believe our IT systems meet the needs of the business
Commentary	<p>This is the lowest percentage since this question was introduced in the All Staff Survey in April 2014.</p> <p>The percentage of staff that 'agree' has reduced from 37% in Q1 2014/14 to 28.94%, whilst those that 'disagree' rose from 34% to 60.43%. This may in part be due to respondents now being more willing to express a view i.e. the percentage of 'don't knows' has reduced from 28% to 10.64% over the same period.</p> <p>Staff focus groups will be used to identify and understand some of the specific causes for this. There are significant opportunities to communicate and engage with staff on our ICT plans this year and it is anticipated that as a result there should be a marked improvement seen in the next survey results.</p> <p>Note: The level of satisfaction for IT self-service, (such as booking leave on Oracle and finding information on the intranet), increased to 73.73% this period, the highest since this question was introduced in 2015 from 64.6%.</p>

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CABINET

9 March 2016

Title: School Alliances	
Report of the Cabinet Member for Education and Schools	
Open Report	For Decision
Wards Affected: Becontree, Heath, Gascoigne, Parsloes and Valence	Key Decision: Yes
Report Author: Jane Hargreaves, Divisional Director Education, Youth and Childcare	Contact Details: Tel: 020 8227 2686 E-mail: jane.hargreaves@lbbd.gov.uk
Accountable Divisional Director: Jane Hargreaves, Divisional Director Education, Youth and Childcare	
Accountable Director: Helen Jenner, Corporate Director Children's Services	
Summary	
<p>This report seeks Cabinet approval for an alliance of eight primary schools known as the Primary Alliance for Collaborative Engagement (PACE) Network to formalise their partnership by setting up a school company.</p> <p>The Schools are responding to the government agenda to promote school to school support and enter into formal partnerships. They approached the Council to request support for identifying a model which would give the partnership legal status. The school company will not affect each school's individual status and they will continue to remain local authority community schools. However, it will give them some of the benefits of a larger organisation such as economies of scale and improved purchasing power to procure goods and services alongside the ability to appoint staff to the Company.</p> <p>The Council will be a member of the company and is requested to give its consent for the setting up of the Company.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <p>(i) Approve and provide consent to the formal establishment of a school company as set out in this report including the appointment of two Council members of the company, subject to the relevant statutory requirements;</p> <p>(ii) Agree that the Council's two Member representatives on the School Company shall be one councillor and one senior officer, to be nominated by the Cabinet Member for Education and Schools and the Corporate Director of Children's Services respectively.</p>	

- (iii) Delegate authority to the Corporate Director of Children’s Services, in consultation with the Cabinet Member for Education and Schools, the Director of Law and Governance and the Strategic Director of Finance and Investment, to negotiate and approve on behalf of the Council the constitution of the proposed school company in order to discharge its responsibility as the supervising authority under the regulations; and
- (iv) Delegate authority to the Corporate Director of Children’s Services, in consultation with the Director of Law and Governance and the Strategic Director of Finance and Investment, to enter into any contracts, agreements and documents necessary to implement the above recommendations.

Reason(s)

The proposal strengthens the collective capacity of the eight schools to support each other’s improvement and development. Also, involvement of the local authority in the development of the school company may have wider benefits as the model is likely to be of interest to other groups of schools.

1. Introduction and Background

1.1 this proposal sets out an innovative response by a group of local schools to two themes in national policy for education:

- a) Schools should support each other and schools themselves should lead and drive school improvement – as set out in the White Paper “The Importance of Teaching” November 2010;
- b) Schools should organise themselves in formal partnerships. The new government has stated categorically that any school which gets into difficulty must become a sponsored academy as part of a Multi-Academy Trust.

1.2 In Barking and Dagenham schools have been encouraged to form local networks and the alliance is an established group of eight primary schools:

- Becontree Primary School
- Five Elms Primary School
- Gascoigne Primary School
- Grafton Primary School
- Henry Green Primary School
- Southwood Primary School
- Valence Primary School
- William Bellamy Primary School

1.3 The schools approached the local authority in summer 2015 for support in identifying the best way to give their partnership a formal legal status without changing the status for the individual community schools. All are strong and active members of the local authority family of schools and wish to remain community schools so long as that is permissible.

1.4 They do, however, wish to benefit from some of the opportunities which a formal partnership can bring. LBBB Legal Services and senior Education officers are working with the alliance to develop a model which meets their needs.

2. Proposal and Issues

2.1 The proposal to form a school company as permitted by the Education Act 2002 allows the group to give their alliance legal standing. It fulfils two important objectives for the group:

- To retain their status as local authority community schools and the strong partnerships that exist;
- To move forward as eight equal partners, (no chief executive but a Chair of the Board which could be rotated around the schools).

2.2 The timeline for setting up the school company is set out in Table 1 below.

Development – Timeline and Key Actions	
Action	Timeline
Governing bodies set out and agree the basis for the partnership and the framework for the alliance. This provides the basis for future developments including setting up a school company.	
Each GB to agree Memorandum of Understanding	End Dec 2015
The alliance agrees a constitution for the partnership to allow it to set up a school company.	
Each GB agrees to enter into a school company based on the constitution set out in the articles of association	Mid Feb 2016
Council to approve through Cabinet	March 2016
The company goes live	1 April 2016

2.3 The timetable is on course to meet the 1 April 2016 implementation date.

2.4 The Education Act 2002 gives school companies the power to undertake the following activities:

- To provide services or facilities for any schools;
- To exercise relevant local education authority functions or
- To make or facilitate the making of arrangements under which facilities or services are produced for any school by other persons.

2.5 However, a school company cannot be set up without the consent of the Local Authority. The local authority can refuse consent only in circumstances as outlined in Part 3 of the School Companies Regulation 2002. These are set out in the legal implications section.

- 2.6 When a school sets up a School company the Local Authority is designated as the “Supervising Authority” the purpose of which again is outlined in the legal implications.
- 2.7 The eight schools have been clear from the start – that they wish to work with the local authority and have the Council as part of the Company. The local authority should support the alliance as this represents a sensible opportunity for schools and the local authority to work together.

3. Options Appraisal

3.1 Four options were considered by the schools as set out below.

Option	Benefits	Risks
1. No change	<ul style="list-style-type: none"> • Maintains status quo. Schools can wait for possible government direction about the type of partnership required. 	<ul style="list-style-type: none"> • Possible loss of control over the schools’ destiny • Loss of opportunities to make savings/efficiencies through increased purchasing power of company. • Loss of the opportunity to innovate and share resources. • Reduced opportunity to support each other in a tough context for schools which get into difficulties.
2. Form a multi-academy trust (MAT)	<ul style="list-style-type: none"> • Brings the benefits of increased purchasing power and economies of scale. • Can provide strong and effective direction for a weak school. 	<ul style="list-style-type: none"> • Does not meet the objectives of the partnership as follows: • Individual governing bodies lack autonomy. • No longer eight equal partners as Chief Executive model is the norm. • Schools lose status as LA community schools.
3. Form a Trust with Cooperative Society	<ul style="list-style-type: none"> • Brings strength from a formal partnership with recognised values. • Schools remain local authority Trust Schools. 	<ul style="list-style-type: none"> • Loss of autonomy to umbrella organisation. • Land is held by the Trust rather than the local authority.
4. Schools form their own School Company	<ul style="list-style-type: none"> • No change to the status of each individual school • The legal framework of the company sets out what the company will achieve – to include economies of scale, shared resources and shared approaches to 	<ul style="list-style-type: none"> • Model of equal partners may not be robust enough where there are weak schools. However, 7 of the 8 are already good and the 8th the LA judges good pending inspection. • There is already evidence of schools improving through the

Option	Benefits	Risks
	school improvement.	partnership – hence the proposed model is not seen as a risk.

4. Consultation

- 4.1 The individual schools have consulted with their respective governing bodies and gained approval to the principles of setting up a school company.

5. Financial Implications

Implications completed by: Richard Tyler, Interim Group Finance Manager

- 5.1 This report requests approval for the formation of a school company and delegate authority to the Director of Children’s Services, in consultation with the Cabinet Member for Education and Schools, the Director of Law and Governance and the Strategic Director of Finance and Investment, to:

- negotiate and approve on behalf of the Council the constitution of the proposed company; and
- enter into contracts and agreements to form the company.

- 5.2 The eight schools who wish to be part of the partnership will continue to be a local authority maintained school and will be funded as part of the schools formula funding. Each of the schools will make a contribution from their delegated budgets to fund the company and the Local Authority will continue to undertake regular financial monitoring of the schools’ delegated budgets and highlight any risks. Seven out of the eight schools have managed within their delegated budgets without additional financial support from the local authority. One school received Schools Facing Financial Difficulties funding in 2012/13 (£60,000) and 2013/14 (£80,000).

- 5.3 A detailed business case will need to be produced and approved by the local authority to ensure that it is financially viable.

- 5.4 The Local Authority will be a Supervising Authority and also have participation in the company as two members of the company. This will provide oversight on the management of the company.

6. Legal Implications

Implications completed by: Assaf Chaudry, Major Projects Solicitor

- 6.1 This report seeks Cabinet approval for the Council to participate in an outside external organisation namely the Primary Alliance for Collaborative Engagement (PACE) a network of eight primary schools who have decided to formalise its partnership by setting up a school company in the form of a company limited by guarantee. The Council is participating in this school company by appointing two members.

- 6.2 Any local authority Maintained Schools can set up a school company by exercising their statutory powers under section 11-13 of the Education Act 2002, School Companies Regulation 2002 and the School Companies (Amended) Regulation 2014. However the schools can only set up such a company with the consent of the local educational authority. The local authority can only refuse to provide consent to a school(s) becoming a member as outlined in Part 3 of the School Companies Regulation 2002, which in summary are as follows:
- a) the school is subject to special measures;
 - b) the school has serious weaknesses;
 - c) the LEA considers that the school is likely to become subject to special measures or be assessed as having serious weaknesses within the next year;
 - d) the school has a deficit budget;
 - e) the Governing Body of the school has within the last 3 years been a member of a school company which became insolvent at a time when the Governing Body was a member or
 - f) the Governing Body of the school has been a member of a company which failed to act in accordance with these regulations within the last 3 years.
- 6.3 Under the School Companies Regulation 2002 each school(s) company must have a local education authority designated as its Supervising Authority. This role means that the supervising authority has a duty to monitor the management and finance of the school company and ensure that the company is not poorly managed or there is a risk of the company becoming insolvent.
- 6.4 The participation of the Council to the external organisation means that it is able to appoint two members. Although the Council does not own the entire company it would be considered as an 'influenced company' under Part V of the Local Government and Housing Act 1989 because the Council will have two members(which gives the Council 20% ownership) in which case it will be subject to financial and propriety controls of the Council . The relevant extracts from Part V of the Local Government and Housing Act 1989 state that:

"A company is subject to the influence of a local authority if **all** of the following conditions are met:

- It is not a controlled company.
- There is a business relationship between the company and the authority.
- There is a "personnel association" between the company and the authority. A personnel association exists when:
 - at least 20% of the total voting rights at a general meeting are held by persons associated with the authority; or
 - at least 20% of the directors are persons associated with the authority; or
 - at least 20% of the total voting rights at a directors' meeting are held by persons so associated.
 - A person is at any time **"associated" with an authority** if they are at that time a member or officer of the authority, or both an employee and a director, manager, secretary or similar officer of the company under the authority's control, or if they have been a member of the authority within the preceding four years....."

6.5 The Council does have the power to appoint to an outside body members or officers under section 111 of the Local Government Act 1972 and under section 1 of the Localism Act.

7. Other Implications

7.1 **Risk Management** - This proposal represents a sensible and measured response by the schools to a challenging financial context and to a national policy context of reducing local authority resources to support education. In order to maximise the benefit for all schools and minimise any risks the report proposes that the Council takes an active interest and role in the development of the Company through taking membership and a seat on the Board in order to ensure that it is fulfilling its obligations as a “Supervising Authority”

7.2 **Contractual Issues** - There are no direct contractual issues arising from the recommendations.

7.3 **Staffing Issues** - The status of staff employed by the individual schools will not be affected. However, the School Company will have the power without approval of the Council to appoint staff directly to the School Company and to set its own terms and conditions of employment. All the schools intend to employ any staff appointed in line with nationally and locally agreed terms and conditions.

7.4 **Corporate Policy and Customer Impact** - This proposal supports the Council’s vision of “One Borough; One Community; London’s Growth Opportunity” by showing a group of schools actively taking charge of their own future and responsibility for their own improvement, whilst working with and remaining part of the local authority community of schools.

The proposal supports the Education Strategy’s two overarching objectives. The framework of shared objectives for the alliance and the increased powers should support their collective drive to become outstanding schools, providing an excellent rounded education for their children.

7.5 **Safeguarding Children** - The proposal has no particular implications for safeguarding children. It does, however, allow the eight schools to improve their support for children’s well being for example through joint funding of additional posts, clubs and activities.

7.6 **Health Issues** - The proposal has no particular implications for children’s health. However, it does allow for the schools to improve their health offer through joint funding of posts, clubs and activities should they choose to do so.

7.7 **Property / Asset Issues** - Matters of land and property for the individual schools will remain unchanged. The Company will have the power to bid for resources to develop land and property – for example if they decided to apply to set up a free school.

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

List of appendices: None

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CABINET**9 March 2016**

Title: Delivery of Low Cost Homes for Sale on the Gurdwara Way / Whiting Avenue site - Barking Town Centre Housing Zone	
Report of the Cabinet Member for Regeneration	
Open Report	For Decision
Wards Affected: Abbey	Key Decision: Yes
Report Author: David Harley, Group Manager Economic Development and Sustainable Communities	Contact Details: Tel: 020 8227 5316 E-mail: david.harley@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director of Regeneration	
Accountable Director: John East, Strategic Director of Growth and Homes	
Summary	
<p>This report sets out proposals to secure the delivery of a pilot low cost home ownership scheme under the Government's Starter Home initiative on the Gurdwara Way/Whiting Avenue site within the Barking Town Centre Housing Zone. The initiative aims to secure the delivery of at least 44 new 1-bed flats to be sold to first time buying young (under 40 years old) households at no less than 20% under market value. Restrictions will secure the 20%+ discount on all future re-sales in perpetuity and a restriction on owners letting the properties. It is envisaged that initial sales will be targeted at households who are resident in Barking & Dagenham and, subject to approval of appropriate categories, key workers.</p> <p>The site, which currently forms part of a wider open space bordering Gurdwara Way, needs significant civil engineering and remediation works to facilitate development. The Council has recently secured up to £854,000 from the GLA in grant funding in 2015/16 to off-set some of these exceptional costs. The report describes the planned activities to maximise application of the grant funding.</p> <p>The report also examines options for disposal of the site and securing a private development partner whilst meeting the over-riding obligation on the Council, as a public authority, to achieve best value whilst also complying with EU regulations relating to State Aid.</p> <p>The recommended option is to enter negotiations to transfer the site to Pocket Living, as a specialist provider of Starter Homes with a proven track record. A future report to Cabinet will detail the outcome of a public consultation exercise as required under Section 122 (2A) of the Local Government Act 1972 and the outcome of negotiations with Pocket Living.</p>	
Recommendation(s)	
The Cabinet is recommended to:	

- (i) Authorise the Strategic Director of Growth and Homes, in consultation with the Strategic Director of Finance and Investment, to approve grant funded expenditure for site remediation and facilitation works up to £854,718, which represents the maximum grant funding available for the works under the Grant Funding Agreement with the Greater London Authority;
- (ii) Authorise the Strategic Director of Growth and Homes, in consultation with the Cabinet Member for Regeneration, the Strategic Director of Finance and Investment and the Director of Law and Governance, to enter negotiations with Pocket Living for the potential freehold transfer of the site for the delivery of low cost home ownership with the precise value to be ascertained following the specification of remediation costs, the amount of defrayed eligible expenditure on remediation works under the Funding Agreement with the GLA and the results of an independent valuation; and
- (iii) Note that a further report shall be presented to Cabinet detailing any representations received following the publication of a public notice under Section 122 (2A) of the Local Government Act 1972 on the proposed appropriation of land for planning purposes and future disposal pursuant to Section 233 of the Town and Country Planning Act 1990 of the site shown hatched on the plan at Appendix 1 to the report, the outcome of negotiations with Pocket Living and the proposed residency criteria and key worker categories.

Reason(s)

The initiative will contribute to the Council Priority of 'Growing the Borough'. It is consistent with the specific Objectives of: (i) building new housing and sustainable communities;(ii) working with London partners to deliver housing in our growth hubs and (iii) supporting investment in housing and open spaces to enhance the environment.

1. Introduction and Background

- 1.1 At its meeting held on the 21 July 2015 (Minute 26 refers), Cabinet considered a report on the establishment of the Barking Town Centre Housing Zone and agreed the recommendation to enter into an Overarching Borough Agreement with the Greater London Authority which formed the basis for the Housing Zone arrangements with the Council. Cabinet approved a number of other recommendations, each setting out the in principle development ambitions and delivery routes for initial, key sites within the Zone.
- 1.2 By Minute 26 (x), Cabinet agreed in principle to the Gurdwara Way/Whiting Avenue site being used to provide low cost home ownership or custom (self) build. The approval was subject to a future report to Cabinet setting out further detail on delivery. This report aims to provide this information on the proposed scheme content, site issues and the preferred delivery mechanism with a private sector partner.
- 1.3 The July report set out the socio-economic benefits of revitalising Barking Town Centre through housing growth and its contribution to creating a more sustainable and resilient town centre. As the report noted, key to this aim is the need to diversify the tenure mix of the existing housing stock, provide housing products that

reduce transience together with ensuring that all new developments are built to the highest standards of architectural and urban design.

- 1.4 Low cost home ownership was identified in the report as a comparatively small but important means of enabling existing residents to have a stronger stake in their community and be provided with assistance to get a foot on the housing ladder that they otherwise could not afford.
- 1.5 The Gurdwara Way/Whiting Avenue site was identified as a suitable site to pilot low cost home ownership in Barking given that it is relatively small (1.3 acres) and it is in Council ownership. It is also an 'exception site' or 'white land' under the Local Plan i.e. it has no formal allocation for a new use (residential or other).
- 1.6 The site is currently incidental open space, mainly laid to grass, and lies between the eastern end of the Whiting's Estate and the western edge of Gurdwara Way (formerly known as the Northern Relief Road). The 0.54 hectare (1.33 acre) landscaped area was created as part of the works to build the Northern Relief Road in the 1980's. It is approximately 2m above the adjacent highway and the road and pedestrian network in the neighbouring Whiting's Estate. The topography of the site is due to it being 'made ground' from retained spoil from the construction works of the building of the Northern Relief Road. Previous industrial uses on the land and the route of Relief Road would indicate that within the bunding, below the topsoil and grassed level, there will be a significant amount of 'action-class' contaminated material.
- 1.7 The land needs re-grading to create a level site suitable for residential development. The amount of re-grading means that excavation works are likely to reach layers of contaminated material which will involve the disposal of material to an authorised waste disposal site and the provision of a new capping/sealing layer. These necessary civil engineering and remediation works add significant and exceptional costs to any residential development on the site, regardless of tenure.

2. Proposal and Issues

- 2.1 The overall strategy is retain and improve the landscape and ecological quality of approximately 60% of the existing open space, with the remaining 40% (0.24 hectares – or just over ½ acre) being developed for residential use, specifically for a low cost home ownership scheme.
- 2.2 Ground conditions and associated high development costs would point to three storeys of flatted accommodation being the most cost effective development form for such a compact site.

Starter Homes (Low Cost Home Ownership)

- 2.3 It is proposed that the site is developed to provide at least 44 one bedroom flats as 'Starter Homes'. Members will be aware that the Government has introduced the Help to Buy Scheme aimed at helping people buy new build properties with an initial deposit as low as 5% and a low cost equity loan of up to 40% of the property's value in London (20% elsewhere). This scheme would be eligible for Help to Buy. Unlike the Help to Buy Scheme, the Starter Homes initiative is specifically aimed at

providing additional help for younger (under 40 yrs old), first time buyer households of new build properties.

- 2.4 The broad definition of Starter Homes is included in the Housing and Planning Bill 2015 which reached its Committee Stage in the House of Lords in February 2016. Starter Homes must be new build properties. To qualify purchasers must be first time buyers under the age of 40. Properties must be offered for sale at a discounted rate (see below) with a price cap of £450,000 in Greater London (£250,000 elsewhere). The precise discounted rate, and restrictions on sales and lettings, is not included in the Bill which provides for these to be specified by the Secretary of State in detailed regulations at a future date. However, based on previous Ministerial Statements, the discounted rate is likely to be no less than 20% of similar properties in the area, and purchasers will be prevented from re-selling or letting the properties within five years (private sector schemes) of acquisition at the discounted rate. As explained later in this report (Para. 2.12), as a Council owned site, terms for the proposed scheme on the Gurdwara way site will secure the discounted rate and restriction on lettings in perpetuity.
- 2.5 Not in the Bill, but expected within the forthcoming Regulations from the Secretary of State and consistent with previous Ministerial statements, Starter Homes are likely to be classified as 'Affordable Housing' and LPA's will not be able to seek S106 affordable housing or tariff-style contributions for affordable housing on Starter Homes. It is also possible that the Regulations will exempt Starter Homes from Community Infrastructure Levy (CIL) charges. It is unlikely that the New Homes Bonus (£7,500) that the Council receives on each net new home will be affected. Previous Ministerial Statements have also signalled that the Government will encourage and support Starter Homes schemes on 'exception sites' i.e. sites without a formal designation in Local Plans for residential use.

Grant Funded Remediation Works

- 2.6 Due to the exceptional development costs associated with ground conditions and contamination, the Council has secured up to £854,718 within 2015/16 of grant funding from the GLA for remediation and landscaping works. Under conditions of grant within the Funding Agreement, planning consent for the residential development must be secured, and an unconditional contract entered into by the Council with a developer by no later than the end of March 2017 with the 44 new Starter Homes completed by no later than the end of March 2019.
- 2.7 The grant funding approval was received in December 2015. There is no explicit provision in the Funding Agreement for roll-forward of the grant allocation into 2016-17. Officers' immediate priority is therefore to ensure as much of the grant funding allocation as possible is defrayed within the current financial year. An initial ground investigation and soil analysis has been completed. Consultants are due to be appointed to specify a ground formation works package for tender and to prepare and submit a planning application for the engineering works. Provided that the timing is acceptable to the GLA under its conditions of grant, it is intended that the main ground works and landscaping package will be competitively tendered via the e-Delta Portal.
- 2.8 The value of the remediation and landscaping contract is above the £500,000 limit under the existing Scheme of Delegation. Cabinet is recommended to approve

authorising an extension of this limit up to £854,718 in this instance for approval by the Strategic Director of Growth and Homes, in consultation with the Strategic Director of Finance and Investment.

Delivery Partner

- 2.9 It is proposed to enter negotiations with Pocket Living London for the potential disposal of the housing site and to deliver a low cost home ownership scheme on the site. Pocket Living is a specialist and established low cost home provider, having completed or progressing a number of schemes in the Boroughs of Hackney, Westminster, Hammersmith & Fulham, Lewisham, Waltham Forest and Redbridge.
- 2.10 Its low cost home ownership model is based on sales at 20% below market values. Part of the mechanism to achieve this discount is to build 1-person, 1xbedroom units that meet London Plan space standards (38m²). However, with an emphasis on careful design and layout to maximise efficiency and sense of space, these are not studios. Two person households purchase and occupy many of Pocket Living's completed schemes. The high specification of internal and external construction, finish and fit-out is central to its model. Its schemes provide low cost housing but not of low value.
- 2.11 Pocket Living London is a major player in low cost home ownership and specialise in 1-bed homes. The London Mayor has approved their model of affordable housing on the basis of it providing owner occupied housing at below market price in perpetuity.
- 2.12 All Pocket Living's schemes secure the 20% discount on sales for both initial purchasers and subsequent buyers in perpetuity and place restrictions on owners letting and sub-letting their properties. Other than the key qualification criteria under the Housing and Planning Bill of Starter Homes being only available to young (under 40) first time buyers, officers consider that negotiations with Pocket Living should secure further qualification criteria to maximise local benefit. These include a Borough residency qualification and a key worker qualification. The precise length of residency and key worker classifications have yet to be specified, but will be drafted as part of the negotiation process and reported to a future meeting of Cabinet for approval

Disposal and Land Value

- 2.13 An initial development appraisal of the opportunity in Barking Town Centre Housing Zone would indicate that the 44 1-bedroom flats could be developed on the site. Pocket Living's Red Book Appraisal indicates that, with a discount of 20% and sales values of each unit at approximately £150,000, and taking into account exceptional site development costs, the land would have a nil residual value.
- 2.14 It must be noted that Pocket Living's residual valuation assumes that the full cost all re-grading, remediation and landscaping works will be borne by the developer. Over the coming weeks, the precise value of remediation and landscaping works that can be off-set with GLA grant funding will be finalised. The value of works that can be funded through this mechanism will therefore increase the potential receipt to the Council from its transfer of the site to Pocket Living.

- 2.15 The Council will be commissioning an independent franking valuation to test the income and cost assumptions in Pocket Living's valuation. This will inform negotiations on disposal and help ensure terms to be agreed deliver best value for the Council.
- 2.16 In addition, Pocket Living has agreed to the inclusion of overage clauses in the agreement. This mechanism will ensure that the Council shares in futures sales values should they rise significantly above development costs.
- 2.17 For illustrative purposes, assuming a sale value of £150,000 at the 20% discounted rate, initial purchasers using the Help to Buy scheme with a minimum deposit of 5% and a maximum 40% equity loan would require a gross household income of approximately £27,500 to secure a mortgage on 55% of the property's value (£82,500).
- 2.18 For those not using Help to Buy, and assuming a 15% deposit (the national average for first time buyers is 17%), a gross household income of between £37,000 - £42,500 would be required to take out a 25 year repayment mortgage on 85% of the assumed initial sale value.

3. Options Appraisal

- 3.1 The original recommendation approved by Cabinet at its meeting in July 2015 referred to both low cost home ownership and custom build (self build) as possible low cost home ownership models for the site. Given the costs of remediation and the need for a relatively high density of flatted accommodation on the compact site, it is considered that the site would not be suitable for a custom build scheme. Custom build remains a useful way of assisting households in securing a home of their choice. Officers will therefore continue to investigate alternative opportunities and development sites in the Barking Town Centre Housing Zone (and elsewhere in the Borough) for, at least, a pilot custom build scheme.
- 3.2 The proposed Starter Home scheme for the site will deliver 44 1xbedroom flats at an assumed sales value of approximately £150,000. This represents a 20% (or approximately £37,000) discount on market values for similar properties in the area for initial buyers and all future buyers in perpetuity. The value of the Council's contribution to assisting the initial 44 first time buyers, and all future first buyers getting a foothold on the housing ladder that would otherwise be out of reach to them, is around £1.6m (£37,000 x44). The 20% discount is a fundamental assumption in Pocket Living's residual valuation of the land - as it will be in the Council's yet to be commissioned franking valuation. It should be noted, however, that it is not axiomatic that an unrestricted sale of the land for housing would deliver a £1.6m receipt. The site is not allocated for housing in the Local Plan and the low cost home ownership scheme is considered realistic only due to the previously signalled Government encouragement and support for Starter Home schemes on 'exception sites'. In short, an unrestricted transfer of this particular site for general market housing is not a realistic option.
- 3.3 The proposed strategy is to develop approximately 40% of an existing open space to provide a low cost home ownership scheme. The strategy also involves retaining and improving the residual 60% of open space. An alternative option would be to

develop a higher proportion of the site for housing and reduce the amount of retained open space. The 40/60 balance is considered the most appropriate option for the land for the following reasons. With no grant funding to off-set remediation costs on a larger site, additional units are unlikely to deliver positive land values. The new housing site can only be serviced from an access road off Whiting Avenue. The 44 unit development is considered to be the maximum that can be reasonably serviced from the existing estate network. Development values from a larger scheme would be insufficient to fund a new junction onto Gurdwara Way. Furthermore, such a junction would be unacceptable in highway management terms, not least because it would create a rat-run between North Street, through the Whittings Estate, to Gurdwara Way. Finally, the retained and improved open space is considered of benefit in terms of amenity, ecology and softening what is a major thoroughfare in Barking Town Centre.

- 3.4 The proposed way forward is to seek Cabinet approval for officers to enter negotiations with Pocket Living regarding potential transfer of the land subject to the delivery of the low cost home ownership scheme under terms to be specified in a S106 Agreement. This option is the preferred way forward, rather than going out to the market and seeking a development partner through a competitive tender process for a contract for services, and the award of contract in the form of a Development Agreement. Due to the value of the scheme, the tender process would need to comply with OJEU requirements and timescales. Pocket Living have stated that they will conduct negotiations on an open book basis. A franking valuation will be commissioned by the Council to provide an independent view that eventual terms reflect market value for the scheme. In the circumstances, it is considered that the time and expense of a procurement exercise would not be recouped by the Council and would need to be met from existing budgets..
- 3.5 A Joint Venture delivery model has also been discounted as a suitable option for this particular scheme. Partner selection would have a similar time and administrative burden as the competitive tender route. The Joint Venture route would also involve additional officer time and costs associated with the legal, governance and administrative costs of the joint delivery vehicle. As set out in the July 2015 Report to Cabinet, there are much larger and more complex housing schemes in the Barking Housing Zone that need and justify the allocation of limited staff resources to establish and administer partnering delivery vehicles to accelerate and optimise the regeneration of the Barking Town Centre Housing Zone.

4. Consultation

- 4.1 The proposal involves the potential loss of part of an existing area of land classified as open space. As required under Section 122 (2A) of the Local Government Act 1972 a public notice must be placed in the local press for two consecutive weeks inviting representations from the public. The results of the consultation exercise will be reported to a future meeting of Cabinet for consideration as part of its wider decision to potentially dispose of the site for an alternative use, in this case a scheme for Starter Homes.
- 4.2 Should Cabinet decide to approve the disposal, both the planning application for the initial site remediation and landscape improvement works and the subsequent application for the housing scheme itself will be the subject of statutory public consultation exercises.

5. Financial Implications:

Implications completed by: Richard Tyler, Interim Finance Group Manager

- 5.1 The site in its current use and configuration as a landscaped strip has an annual maintenance revenue cost to the Council. Under the proposed scheme this area will be reduced to 60% of its current size and improved as part of the GLA grant funded works. The aim is to deliver an improved, but reduced area of open space, with an annual maintenance cost of no more than the maintenance cost of the site in its current configuration.
- 5.2 The proposal is to transfer approximately 40% the open space to a developer for the provision of Starter Homes for sale at 20% below market values for new buyers in perpetuity. At this stage it is not possible to provide detailed figures on the potential value to the Council from the disposal. The precise land value will be established as the result of negotiations and, at the time of writing, will be largely determined by the amount of GLA grant funding that can be defrayed in 2015/16 on remediation works. The Council would secure an independent valuation of the site based on the development proposals with proposed draft terms to be reported to Cabinet at a future date for a decision in the context of the results of the public consultation exercise.
- 5.3 There is no indication from previous Ministerial Statements or within the Housing and Planning Bill 2015 currently before Parliament that the Council will not receive New Homes Bonus (£7,500 per unit) on the new properties. The New Homes Bonus on the scheme as currently proposed is estimated to generate £330,000 for the Council.

6. Legal Implications

Implications completed by: Evonne Obasuyi, Senior Lawyer and Angela Willis, Major Projects Solicitor

- 6.1 The report seeks approval for officers to commence negotiations for potential disposal of the Council's freehold interest in the site subject to planning to a special purchaser Pocket Living to facilitate the delivery of low cost home ownership on the terms of the report. It is intended that the decision to sell will be made at a future Cabinet meeting following outcome of negotiations, independent valuation, and public consultation on proposed disposal.
- 6.2 The Council has powers to effect disposal pursuant to section 123 Local Government Act 1972 which enables local authorities to dispose of land held by it in any manner it wishes providing it is not for a consideration less than the best that can reasonably be obtained, unless the Secretary of State consents to the disposal or the transaction is to further local social and economic well-being.
- 6.3 The report indicates the scheme will enable the Council to meet its priority of growing the borough and building new housing and sustainable communities. Initial site appraisal suggests land value likely to be impacted by site remediation and facilitation works required. Council will seek to off-set some of these costs using grant funding. An independent valuation should be obtained to support disposal.

Overage provisions will apply to protect the Council should there be a future uplift in value above build costs.

- 6.4 Furthermore, the report refers to the land being used as open space. In view of the proposed redevelopment for housing, the Council may seek to appropriate the land under section 122 LGA 1972 unless the land is currently held for planning purposes in which case section 233 Town and Country Planning Act 1990 will apply. Both sections 122(2A) LGA 1972 and 233(4) TCPA 1990 require such sites to be advertised for two consecutive weeks in a local newspaper and any objections considered prior to decision to dispose. If the site is designated as open space or considered to have public value the above steps will need to be undertaken to comply with statutory requirements.
- 6.5 The Council's contract rules and UK procurement regime do not apply to disposals of land, and are therefore not relevant to the proposal detailed in the report.
- 6.6 The disposal of land for nil value raises the issue of State Aid, which makes it illegal for the State, which includes public authorities, to give financial aid to an undertaking in a way which could distort fair competition. This would include the sale of Council land and/or buildings at less than market value.
- 6.7 An open and unconditional bidding procedure would ensure sale at market value; however, an authority can sell without a bidding procedure by commissioning an independent valuation, on the basis of generally accepted market indicators and valuation standards. The report states that officers intends to obtain an independent site valuation. This should be done before the sale is concluded, in order to confirm whether the proposed sale is at an undervalue.
- 6.8 Even if the sale takes place at less than market value, it will still comply with State aid rules if the amount of the undervalue is no more than either:
- €500,000, if it falls within the EU's special exemption for services of general economic interest, which includes the provision of social housing or
 - €200,000, if it falls within the EU's general de minimis regulation.
- 6.9 It should be noted that the application of either of these exemptions does not rule out the possibility of a court challenge by a third party.
- 6.10 If these conditions are not met, the Council will need to notify the Commission, for a determination of whether State aid exists, and if so, to assess its compatibility with the common market .

7. Other Implications

- 7.1 **Risk Management** –The proposal will be subject to a public consultation exercise as required under the terms of the Local Government Act (1972). The results of the exercise will be reported to a future meeting of Cabinet.

The Funding Agreement with the GLA for grant assistance for remediation works and delivery of the Starter Homes includes conditions for claw- back of funding for under-performance. The report seeks Cabinet's approval to enter negotiations with Pocket Living for transfer of the site and to act as the Council's delivery partner.

There is a risk that these negotiations may not result in final terms that are acceptable to the Council. In this event, the Council will have no option than to go out to the market to seek a suitable alternative, non-specialist development partner through a competitive tender process.

- 7.2 **Contractual Issues** – The Council will be procuring consultants to specify the remediation and landscape improvement works and submit a planning application for the works. The main remediation and landscape works package will be tendered through the e-Delta Portal.

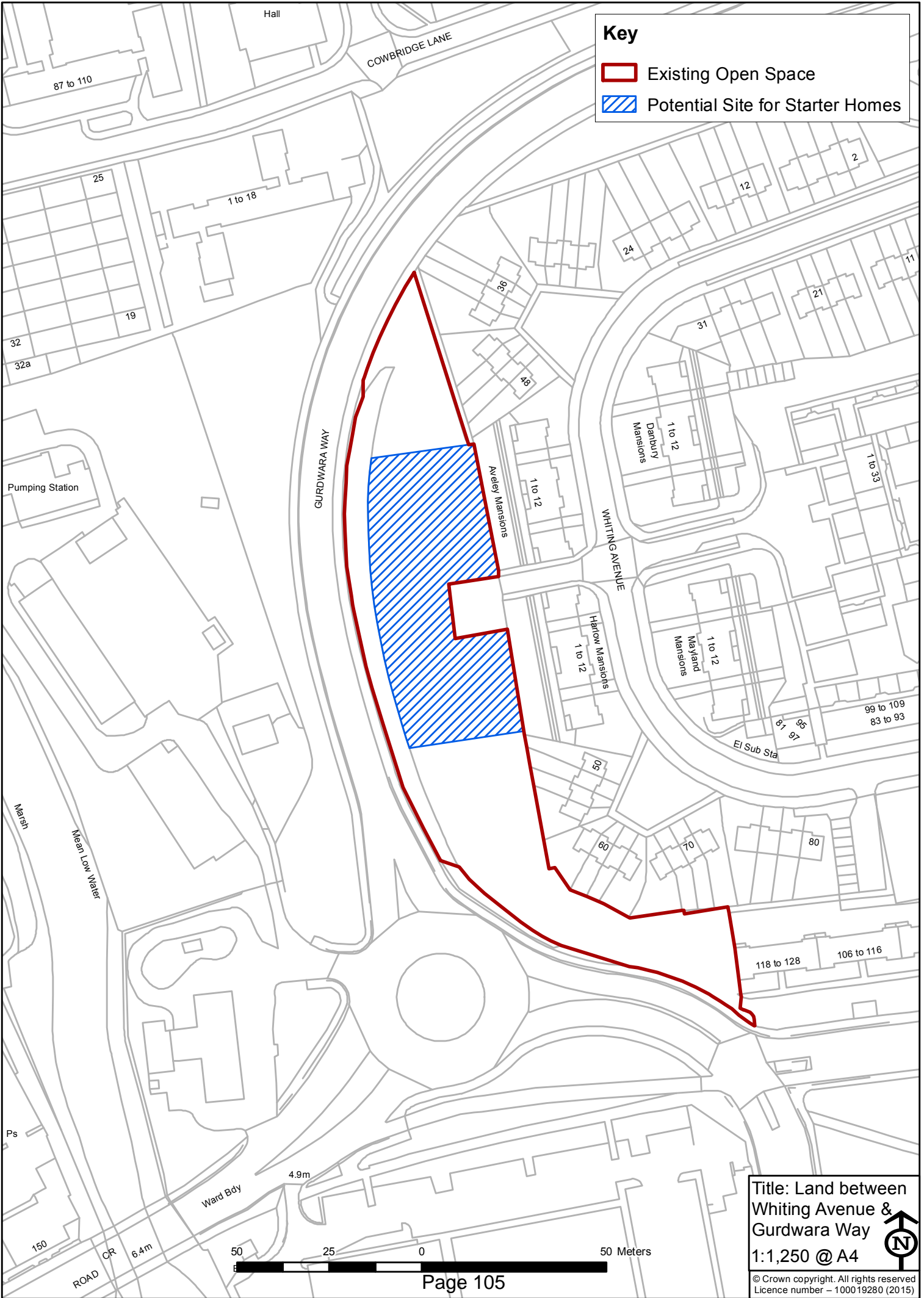
The form of disposal to Pocket Living is examined in Section 6 (legal Issues) of this report.

- 7.3 **Staffing Issues** - The project will be resourced from a combination of existing internal staff resources and, where necessary, external consultant support. This will be procured due to the specialist and short-term nature of the services required (i.e. the civil engineering design team for the remediation works) or due to the need for a service that provides independent advice to the Council (in this case – Valuers for the independent franking valuation).
- 7.4 **Corporate Policy and Customer Impact** - – The initiative will contribute to the Council Priorities of ‘Encouraging Civic Pride’ and ‘Growing the Borough’. With reference to the latter Priority – the initiative is consistent with the specific Objectives of building new housing and sustainable communities; working with London partners to deliver housing in our growth hubs and supporting investment in housing and open spaces to enhance the environment
- 7.5 **Safeguarding Children** - None specific. However, it should be noted that the scheme will comprise starter home 1-bed flats for one or two person households. The scheme will not therefore place significant extra pressures on school places in Barking.
- 7.6 **Health Issues** - The remediation scheme and works will be specified to minimise any risk to public health. Dust suppression measures during construction will minimise airborne risks. Wheel washing facilities at the construction site exit will minimise transfer of contaminated material off-site from construction vehicles. Method statements will be approved by Environmental Health and enforced through site monitoring and conditions attached to planning consents.
- 7.7 **Crime and Disorder Issues** - The housing scheme will be designed to meet ‘Safer through Design’ guidance and standards.
- 7.8 **Property / Asset Issues** - The proposal will create a new housing development on approximately 40% of an Council owned existing landscaped area, with the landscape and ecological value of the residual 60% improved.


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

List of appendices:

- **Appendix 1** - Site Plan



Title: Land between Whiting Avenue & Gurdwara Way
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CABINET**9 March 2016**

Title: Tenant Shared Ownership Scheme	
Report of the Cabinet Member for Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Andrew Key, Affordable Homeownership Project Manager	Contact Details: Tel: 020 8227 8228 E-mail: Andrew.key@lbbd.gov.uk
Accountable Divisional Director: Hakeem Osinaike, Divisional Director of Housing Management	
Accountable Director: John East, Strategic Director, Growth and Homes	
<p>Summary</p> <p>This report sets out proposals to establish a new and innovative Tenant Shared Ownership scheme in the Borough using existing housing stock. The scheme aims to provide an affordable home ownership option for tenants on lower incomes meeting their aspirations to become home owners. The scheme would be open to all tenants who meet qualifying requirements providing that they pass an affordability test.</p> <p>There would be a share ceiling that would prevent the shared owners from acquiring 100% ownership. This ceiling would fulfil two functions: it would help ensure that the property remains an affordable home ownership housing option for those on lower incomes wishing to own a stake in a home; and, it would be used to prevent sub letting.</p> <p>This scheme is intended to be part of a wider offer of affordable home ownership products provided or facilitated by the Council, the aims of which are to provide opportunities for those who live in the borough a chance to own and invest in their homes.</p> <p>If approved, the proposals would be the subject of public consultation for a minimum period of six weeks. A further report would then be presented to Cabinet advising on any amendments to the proposals as a result of the public consultation and asking the Cabinet to approve the final policy and its implementation date.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Approve the proposals for the introduction of a Tenant Shared Ownership Scheme as detailed in the report; (ii) Agree that the proposals be subject to public consultation for a minimum six week period; and 	

(iii) Note that a report advising on the outcome of the public consultation and proposing the final policy and implementation date shall be presented to the Cabinet in due course.

Reason(s)

This housing option would help the Council to achieve its vision of more stable and sustainable communities by enabling those on lower incomes to share with the Council in ownership of their home.

1. Introduction

- 1.1. There are about 25 million homes in the UK, of which seven out of 10 are owner-occupied. The number of home owners has risen by more than one million since 1997 alone. Britain is a nation of home owners and it is an aspiration of many to own their own home.
- 1.2. The complexion of the housing market in Barking and Dagenham is in stark contrast to the national picture. Here, over the last decade, there has been a significant growth in the private rented sector. Owner occupation in Barking & Dagenham has fallen in the last fifteen years and at 44%, is the lowest level of owner occupation in London. Over the same period there has been a substantial growth in the private rented sector to around 16,000 tenancies which is proportionately the fastest growth in London.
- 1.3. The rise in private rental tenancies in the Borough has given rise to a growing transient population. This characteristic is an impediment to the development of a stable community and benefits that this can bring to the Borough. Families renting in the private sector can be faced with the unsettling reality of bringing up children in a cycle of short-term private lets, without the stability they need to put down roots and get on in life.
- 1.4. It is accepted that where provided, shared ownership which is a less expensive option than paying market rent provides long term security of tenure and can help to bring some stability to the housing market by encouraging some of this transient population to set down roots.
- 1.5. The Council's affordable housing options include secure council rent and Barking and Dagenham Reside sub market rent. In the current housing supply climate the Council is committed to expanding the available and genuinely affordable housing options to include shared ownership. The aim of which is to provide those on low incomes the chance to get a foothold on the property ladder.
- 1.6. A more detailed report regarding the Council's affordable housing planning policy will come forward as part of the Local Plan review and Growth Commission work. In the meantime, the proposal for a Council run Shared Ownership scheme aims to address a part of the Council's medium term ambition to establish a programme which enables 1,000 households to take up Shared Ownership in Barking and Dagenham by 2018. This scheme will constitute part of that target.

- 1.7. The statutory Right to Buy (RTB) scheme is reducing the Council's housing stock. When a property is sold under the RTB, not only does the housing stock decrease but the Council's control over sub-letting is greatly diminished. The lease for a flat granted under a RTB can include a condition that requires a leaseholder to obtain consent to sublet. In practice the denial of this consent or any application to it of stringent conditions would be challengeable. As such a high proportion of ex RTB leased property is now privately rented. Over 42% of our managed RTB leases have an alternative billing/correspondence address and it is highly probable that these properties are sub-let.
- 1.8. Under the proposed Tenant Shared Ownership scheme properties would be sold under a shared ownership lease with conditions that allow the Council to retain equity in the property and gives it control over re-sales and sub-letting so that the property may be retained as a long lasting affordable housing option allocated according to the Council's priorities. Properties sold under this scheme would therefore remain part of the Council's housing stock in contrast to properties sold under the RTB scheme.
- 1.9. The average income in the Borough is one of the lowest in London. This means that many residents, even those eligible to purchase under the RTB scheme, are unable to aspire to outright home ownership.
- 1.10. The proposed new Tenant Shared Ownership scheme should appeal to those who wish to get on the property ladder but who cannot afford outright purchase. Last year about 200 RTB applicants did not proceed to purchase following receipt of their offer notice giving them details of their discount and purchase price.
- 1.11. The Tenant Shared Ownership scheme would provide an option to help lower income households into homeownership and encourage them to invest and improve their homes. Improvements they make as a shared owner would be discounted when determining the value of the property, should they decide to buy more equity in it.
- 1.12. At a time when security of tenure and the right of succession are subject to major changes, tenant shared ownership would provide long term security of tenure with the ability to pass on the property through inheritance to family members so in the longer term they too may benefit from the property investment.
- 1.13. Rents for higher earning social tenants are to increase in 2017 to rent levels nearer to market rents. It is suggested that the implementation of the 'pay to stay' policy would make higher earners consider their housing options and the Tenant Shared Ownership scheme may not only provide an alternative affordable option for 'pay to stay' tenants, it could meet their longer term aspirations to own a property.
- 1.14. The examples in Appendix 1, demonstrate how Tenant Shared Ownership can provide an affordable option for a household on a lower income. The calculations assume an interest rate of 5% and a mortgage prepayment term of 25 years. The deposit is the proportion of usable discount.
- 1.15. In the first year, the number of accepted applications would be limited to 200.

- 1.16. This scheme is not just a lifestyle choice but also about building stable communities and allowing those who invest in their community to pass on their investment to their families.

2. Context

- 2.1. Shared ownership is a term used to describe a variety of home ownership products that provide a means for those who cannot afford to buy a property outright, the opportunity to buy a leasehold share in a home on a part buy, part rent basis.
- 2.2. Following purchase of an initial share the leaseholder may then acquire additional shares in the property by a process known as “staircasing”. The amount of rent payable to the landlord decreases as the shared owner’s share increases.
- 2.3. A shared owner has the responsibilities of a leaseholder and in addition to rent, must pay service charges if they live in a property that receives landlord provided services. Some houses on estates may receive services, for example grounds maintenance and road maintenance.
- 2.4. Properties sold on a shared ownership basis provide the landlord with greater control of the property than outright sale. The shared ownership leases for both houses and flats can contain covenants to prohibit sub-letting in whole.
- 2.5. Studies have shown that shared ownership leaseholders tend to stay put for longer compared to leaseholders with full equity. (*Understanding the second hand market for shared ownership properties, Cambridge Centre for Housing and Planning Research 2012*). The development and promotion of shared ownership schemes can therefore help in achieving our growth agenda for people to stay and invest in our Borough.
- 2.6. Mortgage funding for shared ownership is restricted to tried and tested products that are supported by IT infrastructure with set and familiar administrative processes for which the level of risk is perceived to be low. Any scheme requiring mortgage funding must necessarily take account of lender requirements (*Promoting mortgage access for affordable housing - A joint good practice note issued by the Chartered Institute of Housing and the Homes and Communities Agency*).

3. The Main Features of Tenant Shared Ownership Scheme

- 3.1. The proposed Tenant Shared Ownership scheme is offered as a non-statutory scheme allowing the Council discretion to stipulate terms and conditions for eligibility and the terms of the shared ownership lease.
- 3.2. The Tenant Shared Ownership scheme would allow a secure tenant who qualifies for the RTB scheme, the opportunity to opt for Tenant Shared Ownership and use a proportion (commensurate with the percentage share of the property they are purchasing) of their discount to buy a share in the property that they are renting instead of purchasing outright.
- 3.3. Conversion to shared ownership would release a share of the RTB discount in proportion to the share that is purchased. For example, if a RTB applicant is eligible for a discount under the RTB of £100,000 but chooses to buy a 50% share under

the Tenant Shared Ownership Scheme they would receive a discount of £50,000 (£100,000 x 50%). Appendix 2 compares the cost of outright purchase under RTB and purchase of a 25% share under Tenant Shared Ownership.

- 3.4. Additional discount would be released if and when the shared owner decides to purchase additional shares in the property.
- 3.5. The Tenant Shared Ownership resident would be able to sell on the lease with the potential to gain from any increase in value. The property must first be offered for sale back to the Council. The Council can elect to purchase the property or may nominate a purchaser.
- 3.6. There would be a share ceiling so that the maximum share that the shared owner may acquire in the property is 70%.
- 3.7. The Council would provide help to owners who encounter financial problems. In some exceptional cases the Council may permit downward staircasing allowing the shared owner to sell back a percentage or even all the equity they hold in the property to release funds to help with mortgage debt.

4. The Tenant Shared Ownership Process

- 4.1. The scheme would only be available to tenants who qualify for RTB. The scheme would therefore be offered to them either separately or when they apply for RTB. They would have a choice as to which option to pursue.
- 4.2. If the tenant chooses to follow the Tenant Shared Ownership route they would then be subject to an affordability test, based upon the Homes and Communities/Greater London Authority formula. This is to ensure that applicants have the financial capacity to take on responsibility of home ownership. The HCA/GLA formula requires the net annual income to be at least 4.5 times the mortgage amount. . The monthly repayment must be less than 45% of the net monthly salary. If the tenant fails the test they would not be considered for the scheme.
- 4.3. If the tenant passes the affordability test they would then have to cancel their RTB application to proceed with this option. It is a legal requirement that the tenant must be informed that they would lose their RTB if they follow the Tenant Shared Ownership option.
- 4.4. At any point up to completion, the tenant may cancel their Tenant Shared Ownership application. However, they would then need to submit a new RTB application if they wish to revert to RTB.
- 4.5. The proposed scheme is a non-statutory and non-grant funded scheme and tenants would be sign posted to independent advice.

5. Tenant Shared Ownership - Rent

- 5.1. A shared owner would be required to pay rent on the share owned by the Council.
- 5.2. Rent charged would be set in proportion to the equity held, so that as the leaseholder's share in the property increases, their rent share decreases.

- 5.3. Rent increases would be set in line with inflation by applying an annual increase of RPI + ½%. Based on this formula, rent would have increased by about 1.3% between April 2015 and March 2016.

6. Tenant Shared Ownership - Staircasing

- 6.1. Initial share purchase would be based on a minimum starting share of between 25% and 50%. The shared owner would be able to staircase by purchasing additional shares with a minimum step up of 10% up to a maximum of 70%. The Council would retain a 30% share of the property.
- 6.2. Additional shares would be purchased based on current market valuation but excluding improvements that the shared owner has carried out to the property or any deterioration in the property arising from the leaseholder's failure to maintain. Giving full benefit of improvement value should encourage the shared owner to make improvements and so help to increase their sense of ownership. Valuation would be undertaken by a RICS qualified valuer, as agreed between the shared owner and the Council or if agreement cannot be reached by referral to the District Valuer.
- 6.3. Each party would pay its own costs relating to the initial purchase.
- 6.4. The costs of staircasing including the reasonable costs incurred by the Council would be born by the shared owner.

7. Re-sales

- 7.1. The lease would require the shared owner to offer the Council the first option to re-purchase the property or nominate a buyer. This provision in the lease would enable the Council the opportunity to influence the future allocation of the property.
- 7.2. The Council would maintain a list of suitable nominees for Tenant Shared Ownership re-sales. It is expected that in the majority of cases the Council would nominate a potential purchaser and thereafter it would be for the purchaser and existing shared owner to proceed to completion of the transaction. Should there be no interested nominee the Council may decide to allow the re-sale on the open market. Alternatively, the Council may decide that it is in its interest to re-purchase the property. The property would remain subject to the maximum share and lease conditions including the requirement for the owner to obtain permission before sub-letting or assignment.
- 7.3. When a Tenant Shared Ownership property lease becomes available for resale it is proposed that, subject to the HCA/GLA affordability test and income cap, that the cascade already adopted for applicants to Affordable Reside tenancies '*to achieve mixed income communities living in affordable and sustainable housing*' is applied. Therefore, the selection of buyer would be made according to the following cascade:
- Council and housing association tenants living in the Borough and in employment.
 - Housing waiting list applicants living in the Borough and in employment.

- Residents of the Borough in employment.
- People in employment in the Borough but who are not currently resident.
- People in employment from outside the Borough.

7.4. An active waiting list would be maintained of potential applicants for the purchase of second hand shared ownership leases.

7.5. The decision as to whether the Council buys back a shared ownership home, nominates a purchaser or allows resale on the open market would take into account the merits of each case, bearing in mind the cost of each of the options, the funding available and the legal power to re-acquire the property.

8. Lenders

8.1. We would include a mortgage indemnity clause in the lease designed to minimise risk to lenders and encourage mortgage availability. Restrictions to re-sale and the 70% share ceiling would be flexible mechanisms that allow sensitive management to reflect market conditions and the needs of lenders.

8.2. Initial feedback from lenders is positive with two providers indicating that they would fund mortgages.

9. Shared Owner Responsibilities

9.1. When a tenant buys a lease under the Tenant Shared Ownership scheme their responsibilities and relationship to the Council as their landlord would change.

9.2. The former tenant would have become a long leaseholder with the right to occupy the property for the length of the lease providing that they adhere to its terms and conditions.

9.3. The shared owner would still be responsible for paying rent although these payments would be less to reflect their percentage share in the property. The rent would be payable monthly instead of weekly as they would no longer occupy as a periodic weekly secure tenant.

9.4. During the lease term the shared owner would be responsible for the internal upkeep of the property. They would be responsible for repairs and replacement of all fitting and fixtures, for example, if the bath needed replacing it would no longer be a responsibility of the Council.

9.5. If the leased property is a house the Council would no longer be responsible for the exterior or structure. This responsibility for all repairs and maintenance would sit with the shared owner.

9.6. If the leased property is a flat the Council, as landlord, would remain responsible for the exterior and structure of the property and the upkeep and maintenance of common parts. The leaseholder would be expected to contribute a full share of service costs such as cleaning. However, major works charges would be payable in proportion to the percentage share owned to reflect the landlords interest in the property.

10. Review

- 10.1. When the Tenant Shared Ownership scheme is in place we would monitor demand and would determine and implement changes that may be necessary to ensure the success of the scheme.

11. Risk Management

- 11.1 Mortgage funding is not guaranteed - a change in lending policy could restrict funds and thereby restrict sales. Initial contact with lenders has indicated that there would be support for Tenant Shared Ownership from two major lenders. The lease would be drafted and matched to lender requirements before the scheme goes live.
- 11.2 The appeal of any shared ownership scheme would be subject to market conditions. Some house price inflation may increase the attraction of Tenant Shared Ownership so that current conditions could be favourable to its success. A reduction in the price of housing could make outright purchase more affordable and affect demand for shared ownership although this looks unlikely given high demand for and shortage of housing supply.
- 11.3 A significant increase to the discount provisions would affect demand for Tenant Shared Ownership. The Government has not announced any more plans to make changes to discount arrangements which are currently planned to increase only by inflation.
- 11.4 A project team, involving subject matter experts, has been invited to comment and provide advice and assistance regarding implementation of Tenant Shared Ownership.
- 11.5 Under the mortgage indemnity clause the landlord is required to pay the lender's costs if they have to re-possess a property. Sensitive management of arrears with provision of advice and assistance should reduce but cannot eliminate this risk altogether. Under the terms of the indemnity the lender has an obligation to advise the Council if the leaseholder falls into mortgage arrears. Whilst there remains a possibility that some funds could be needed this risk is considered low. If a repossession of a Tenant Shared Ownership lease does occur the costs could be met from HRA reserves.

12 Options Appraisal

- 12.1. It should be appreciated that mortgage availability is critical to the success of any shared ownership scheme. Lenders look for schemes that fit within their existing administrative and IT systems and that support their mortgage portfolio. They are reluctant to support wholly bespoke products with uncertain or low levels of demand. This factor has limited the extent to which the Council could realistically deviate from general shared ownership models. For this reason it is proposed that the lease for Tenant Shared Ownership would adhere to most features of the Social Homebuy lease that already has support from lenders.
- 12.2. The minimum share proposal is 25%. Higher and lower starting points have been considered. The 25% initial share is in keeping with shared ownership products generally and the Social Homebuy lease. A lower starting point is unlikely to receive

lender support. The 25% ceiling should also provide an appealing and affordable option to tenants on lower incomes.

- 12.3. The minimum step for staircasing is set at 10%. Percentages below this incur disproportionate administrative, legal and valuation fees and would not be in the interests of the applicant.
- 12.4. A share ceiling could affect market appeal so some risk is attached to this. However, a 100% ceiling offers less control for the Council. By retaining a share of the equity the Council can continue to recover some rent and the property always sells at a discount against the full market price. The share ceiling enables the landlord to maintain controls over sub-letting. The share ceiling is therefore an important element of Tenant Shared Ownership as it is a device that can help retain local affordability and offers greater control over the management and allocation of the property.
- 12.5. Various levels of initial rent were considered. A market rent option inflates the rental by 20-25% compared to Barking and Dagenham secure rent levels. The basis of the scheme, however, is that it should be appealing and affordable to lower income households and this would not be achievable with much higher market rent. Our secure rents levels are about 10% lower than target rents. Using current rents as the basis for the apportioned shared ownership rent instead of target rent provides for lower costs incurred for these properties. The option of removing rental responsibility at the 70% ceiling was also considered. Although this would give an incentive to staircase from say 50% to 70% it would also further reduce HRA income.
- 12.6. Tenant Shared Ownership is a non grant funded scheme and, therefore, we are not strictly tied to the GLA/HCA lease. However, the proposed rent review formula of RPI + ½% follows the shared ownership industry norm and as such is a condition that lenders are already familiar with. Although Consumer Price Index (CPI) could be used it does not have this benefit. The use of CPI to determine rent increases would currently be advantageous to shared owners as it is lower than RPI but there is no certainty that CPI increases would not surpass RPI in the future.
- 12.7. The capital receipt from staircasing reduces when improvements carried out by the shared owner are excluded from the valuation. However, discounting improvement value should help to encourage a sense of ownership and provide incentive for the shared owner to carry out improvements to the property.
- 12.8. We have proposed not to charge the full cost of major works. This would mean that the Council would have to contribute more of the costs. The reason for proposing to share major works costs is that the Tenant Shared Ownership resident would be buying a share of an ageing property without the immediate benefit of a reserve fund so could be faced with unreasonably high charges. Sharing costs would help reduce this risk and also reflect the equity benefit that the Council retains in the property.
- 12.9. The option of sharing service costs in proportion to equity was considered but the provision of services is wholly to the benefit of residents and the Landlord receives no benefit itself from the provision of these services.

12.10. Consideration has been given to lowering the affordability threshold to widen access to shared ownership but mortgage funding would be problematic for applicants on very low incomes and could pose an unreasonable financial risk for such purchasers.

13. Financial Implications

Implications completed by: Carl Tomlinson, Finance Group Manager

13.1. The introduction of the Tenant Shared Ownership scheme would have implications for HRA income, expenditure and capital financing. Due to the nature of the scheme, assumptions have to be made in respect of demand levels, level of initial share purchased, timing of staircasing purchases, property type and property value. The modelling of potential scenarios is being conducted alongside wider Business Plan modelling incorporating recent Government announcements that would significantly change the HRA Business Plan. As a result, this paper does not cover full Business Plan impact but sets out an indicative position.

13.2. The analysis below sets out an indicative position for a single dwelling based upon an initial purchase of 25% and 50% share. This is then multiplied to show the impact for 150 units on a full year effect basis. The analysis is based on actual RTB sales completed in the first 6 months of 2015/16: 103 sales were made with 56% houses and 44% flats. It is assumed that demand for the Shared Ownership scheme is in addition to current assumptions within the HRA Business Plan in respect of RTB sales.

	25% (single unit)	50% (single unit)	25% (150 units)	50% (150 units)
Loss of income	£1,200	£2,400	£180k	£360k
R&M saving	(950)	(950)	(£143k)	(£143k)
Net revenue pressure	250	1,450	£37k	£217k
Capital receipt	£21k	£43k	£3.15m	£6.45m

13.3. Rental income – The scheme would result in a growing reduction in rental income over time, though as a proportion of rent collected this is a small amount. As the scheme progresses and staircasing purchases take place, the level of income due to the HRA would further reduce. Using the 2016/17 all stock average rent (£94 pw) as a guide, the loss of income for a single dwelling equates to £1,200 per annum based on the sale of a 25% share. The sale of a 50% share would result in £2,400 per annum loss of income. The full year effect of 150 sales would be £180k and £360k respectively. As staircasing purchases are made the level of income received would continue to reduce. However, the 70% ceiling on staircasing secures an ongoing income stream, albeit by forfeiting further capital receipts. Annual rent increases would mitigate part of the loss, however this would be marginal.

- 13.4. Service charges – there would be no effect on service charge income relating to day to day provision of services as shared owners would continue to pay service charges as leaseholders. Major works would be charged to the shared owner based on the percentage share they have acquired.
- 13.5. Expenditure – Once a share in a property has been sold, the property is treated as a leasehold property with responsibility for internal repairs and maintenance transferring to the shared owner. Using the repairs and maintenance budget for 2016/17 and total stock number, the indicative cost per dwelling is £950 per year. This would be a saving to the council from the initial sale of a share. When combined with the lost income the net position is a loss of £250 for a 25% share and loss of £1,450 for a 50% share. Based on 150 sales the full year effect would be in the region of £37k net pressure based upon 25% share and £217k for a 50% share.
- 13.6. Capital – in the first 6 months of 2015/16, the average value of properties sold through RTB was £169k with an average discount of £84k, resulting in average receipt of £85k. On this basis, the sale of a 25% share would yield a receipt of £21k and a 50% sale would yield £43k. Sales of 150 dwellings would result in a receipt in the region of £3.15m based upon 25% share and £22.5m for 50%. Capital receipts would continue to be received as staircasing purchases are made up to the 70% ceiling, however, would vary depending on mix of dwellings and share percentages. Movements in property prices would change the value of receipts received.
- 13.7. Capital receipts from shared ownership sales are not typically classed as RTB receipts. This provides greater flexibility over the use of shared ownership receipts providing that the shared owner does not purchase over 50% within the first 2 years. The Council has signed up to the national one-for-one RTB replacement scheme which requires us to use RTB receipts to fund new build spend with a significant Council match fund element. Guidance issued by CLG in this respect states “where the buyer receives an equity share that does not exceed 50% of the market value, then neither are these receipts treated as RTB, but instead the authority may retain them for any capital purpose. Furthermore, an authority that sold an equity share of 50% may sell off the remaining interest with no pooling implications provided that two years have elapsed since the initial sale.”
- 13.8. From a financial perspective, the cost of exceeding a 50% share by just 1% in the first two years for a single ‘average’ dwelling based on the numbers above is in the region of £60k. This would be the contribution the Council would have to make on top of the receipt to fund new build construction. By remaining under 50% the full receipt could be used more flexibly and the Council would not be obligated to match fund.
- 13.9. A specific reserve would be required in the event of downstaircasing and buy back. However, such cost is likely to be very low in the early years of the scheme.
- 13.10. It is proposed that capital receipts arising from this scheme should be used primarily for estate renewal funding with some set aside for a buy back contingency.

14. Legal Implications

Implications completed by: Manson Kendall, Property Lawyer

- 14.1. The General Housing Consents 2013 describes the terms under which a Local Authority may sell property on a shared ownership basis and following upon Counsel's advice it appears that the provisions of the scheme are permitted by the General Consents.
- 14.2. Counsel has advised that to comply with the terms of the General Housing Consent 2013 the Council must fully explain the terms of the scheme to the tenant applicant and the fact that by choosing Tenant Shared Ownership they would lose their Right to Buy.

15. Other Implications

- 15.1. **Staffing Issues for the Council** - The initial sales process for Tenant Shared Ownership would be administered by our experienced Home Ownership Team, together with Legal Services. Some additional resources may be needed to operate the scheme subject to demand.
- 15.2. **Property/Asset Issues** - There would be a partial loss of equity in our residential portfolio but we would retain certain rights and obligations over the property as defined in the lease.

There would be a reduction in repair and management costs particularly in regard to Tenant Shared Ownership for houses although this is dependent on how many choose to take up the scheme.

There would be ongoing management responsibilities regarding provision of services for shared ownership flats and houses including recovery of rent and also service charges for flats where applicable.

- 15.3. **Customer Impact** - Tenant Shared Ownership would increase housing options for our secure tenants and create a stock of more affordable homes for sale in the Borough.
- 15.4. **Consultation** - A project team involving subject matter experts has been invited to comment and provide advice and assistance regarding Tenant Shared Ownership and its implementation. To date only internal consultation has taken place. Tenants would be consulted prior to the scheme being launched, as part of their right to be consulted on any changes to their tenancy conditions or the way their homes are managed. This scheme forms part of the Local plan which would be subject to further consultation.
- 15.5. **Equality Assessment** – An Equality Impact Assessment has been carried out and is attached at Appendix 3.
- 15.6. **Contractual arrangements** - Some changes would be required to IT services to manage Shared Ownership and Officers are in dialogue with Elevate about this.

- 15.7. **Safeguarding Children** - Tenant Shared Ownership property can provide the basis for families to put down roots in the Borough providing a more secure and stable environment for the wellbeing of children.
- 15.8. **Corporate Policy and Impact** - This housing option is aimed at Encouraging Civic Pride by helping to create a more sustainable community.

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

List of appendices:

- Appendix 1 - Assessment of Affordability Test
- Appendix 2 - Monthly Cost Comparison
- Appendix 3 - Equality Impact Assessment

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**How Tenant Shared Ownership enables mortgage applicants
to pass an affordability test**

	Example 1	Example 2	Example 3	Example 4
Open Market Value	£235,000	£235,000	£240,000	£240,000
Net Annual Income of applicant	£30,000	£30,000	£30,000	£30,000
Transferable Discount	£84,145	£84,145	£51,020	£51,020
Share	100%	25%	100%	25%
Property Share Value	£235,000	£58,750	£240,000	£60,000
Discount available pro rata equity	£84,145	£21,036	£51,020	£12,755
Mortgage required	£150,855	£37,714	£188,980	£47,245
Mortgage payments monthly	£882	£220	£1,105	£276
Current Monthly Net Rent	£446	£446	£446	£446
Monthly Rent Based on share	£0	£334	£0	£334
Service Charge Monthly	£0	£0	£0	£0
Total Monthly	£882	£554	£1,105	£611
% of net income	0.35	0.22	0.44	0.24
Additional monthly v rental	£436	£109	£659	£165
Test 1 Mortgage > 4.5 times Net annual earnings	Fail	Pass	Fail	Pass
Test 2 ratio of mortgage and rent outgoings to income test	Pass	Pass	Pass	Pass
Outcome to Test 1 & 2	Fail	Pass	Fail	Pass

Example 1, applicant to purchase house outright under the right to buy

Example 2, applicant to purchase house 50% under TSO

Example 3, applicant to purchase house outright under the right to buy but cost floor limits to discount

Example 4, applicant to purchase house 50% under the TSOI with cost floor limits to discount

Note: £84,145 is the average right to buy discount for a house in Barking and Dagenham (May 2015).

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Housing Costs Tenure Comparison: Showing how monthly costs differ between outright purchase under RTB and Tenant Shared Ownership

	RTB Outright Purchase	Tenants Shared Ownership 25%Share
Open Market Value	£240,000	£240,000
Discount available	£84,000	£21,036
Mortgage required	£156,000	£38,964
Mortgage payments	£912	£228
Monthly Net Rent	N/A	£334 (75% of full rent)
Total Monthly Payments	£912	£562

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Equality Impact Assessment

Version Control				
Doc. Name	Equalities Impact Assessment – Tenant Shared Ownership			
Doc. location:				
Author:	Owner:	Approving Officer		
A Key	A Key	Tom Hart		
Date:	Version:	Amended by:	Change / Reason for Change:	Approval status:
12/01/2016	0.1			

Signing off when assessment is completed

Sign off by Divisional Director Date

Review

<p>Review date A date for review is required for this EIA to be refreshed and reviewed.</p> <ul style="list-style-type: none"> • This date will be captured corporately • You must ensure that this review is carried out in time to meet this date 	<p>Please indicate date below EIA to be reviewed 8th April 2017.</p>
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Stage 1 – Scope of the equality Impact Assessments about your piece of work

1 Directorate	Housing Management
2. Policy / Strategy / Service to be assessed:	Provision by the Home Ownership Team of a Tenant Shared Ownership Scheme.
3. Lead Officer:	Hakeem Osinaike
4. Equality Impact Assessment Person / Team:	Andrew Key
5. Date of Assessment:	12 January 2016

<p>6. The main purpose and outcomes of policy/strategy / service to be assessed</p>	<p>The Council is to offer Tenant Shared Ownership as part of a wider offer of affordable home ownership products to improve the social and economic outlook for residents of the Borough..</p> <p>The purpose and outcomes to be achieved in this assessment is to gauge the potential impact that introduction of this policy may have to ensure that it supports the Council's aim of promoting and demonstrating equality.</p>
<p>7. Groups who the piece of work should benefit or apply to, for example:</p> <ul style="list-style-type: none"> - Service users - Staff - Other internal or external stakeholder <p>(Will the piece of work be delivered in partnership with another agency?)</p>	<p>The assessment will benefit the intended target group for the policy: secure council tenants who aspire to home ownership but cannot afford to buy their property outright under the Right to Buy.</p> <p>The scheme will be delivered by the Home Ownership Team</p>
<p>8. Any associated strategies or guidelines i.e. legal/ national /statutory</p>	<p>The proposed policy will be set within the context of a Local Plan review with revised policy regarding discounted for sale and built by others to come forward to Cabinet in due course.</p>

Step 2. Gathering Information

1. Who should be served by the policy / strategy / piece of work?

The policy assessed in this report will provide an alternative affordable home ownership option for Council tenants for whom outright ownership is unsuitable because their income is insufficient. Shared ownership property created through this policy may subsequently be sold on as affordable home ownership to the wider community of the Borough and beyond.

2. What relevant information do you have about the people who this piece of work is aimed at? (Please complete the boxes below)

Equality Groups	Information (research / data)	Known or potential inequalities
Ethnicity	<p>Every Right to Buy (RTB) pack contains a questionnaire to determine the ethnicity, age, sexuality and disability of applicants but completion of the form is not obligatory. Few applicants proceeding to the offer stage of their RTB returned a fully completed questionnaire and so this is considered an unreliable source of information .</p> <p>More complete information is held against tenancy records within the housing management system. By cross referencing these records with RTB applicant and cancelled RTB cases we are able to obtain information about ethnicity and other equality characteristics.</p> <p>This method for extrapolating data returned cross referenced details against</p>	<p>The proposed scheme is only available to secure tenants with 3 or more years tenancy history. Discount increases with the number of years tenancy.</p> <p>The Right to Buy scheme is a popular scheme and there is no indication that there are issues with the way it is promoted by Government to the community .</p> <p>There are tenants for whom Right to Buy is not affordable and this scheme is intended to reach some of these tenants. Although White British were found to be proportionately under represented with around 36% of RTB applications. White other slightly over represented relative to the ethnicity of tenants at just over 8% of RTB applications. Caribbean statistically being the most under represented in</p>

	<p>55% of cancelled RTBs. This is considered to be a representative sample and one from which it is possible to draw some broad conclusions regarding the policy target group.</p> <p>About 50% of tenants are White British and around 12% African. Other White represent 4% of tenants and just under 2% Caribbean and Pakistani 1.5%.</p> <p>Although white British comprise around 50% of tenants just over a 1/3rd of Right to Buy applications are from this group. There is also a higher drop out rate from White British representing over 60% of all RTB cancellations.</p>	<p>proportion to their number with just .76% of RTB applications but around 2% of all tenants.</p> <p>The next largest grouping is African representation around 13% of all tenants and around 11% of RTB applicants</p> <p>We will be targeting current applicants and those who have cancelled their application in the past 18 months to ensure that we have every chance to capture those most likely to be interested in the scheme.</p> <p>Based on the statistical return proportionately more White British will be contacted than other ethnic groups.</p>
Gender (including Transgender)	<p>Amongst all tenants females outnumber males with females making up about 62 % of the tenants population. Females also submit most RTB applications. Unfortunately we were unable to ascertain a clear picture of gender orientation with all cancellations and RTBs recorded heterosexual.</p>	<p>A slightly higher proportion of females cancel as compared to males.</p> <p>We do know that generally females have lower income compared to males but it does not appear to be a significant factor in this respect of RTB applications or cancellations.</p>
Disability	<p>One cancelled Right to Buy was received from a tenant who declared a disability</p>	<p>Those with disability tend to be on lower incomes and may therefore find this scheme to be of particular assistance.</p>
Age	<p>Nearly all tenants sit within 3 age bands: 26-44, 37%; 45-59, 30% and 60+, 28%.</p>	<p>The most economically active age groups between the ages of 26 and 59 make up</p>

	The majority of Right to Buy applications, 57% come from the 26-44 age band and proportionately less from 60+ at just under 14%.	84% of all Right to Buy applications and about 77% of cancellations. Although the cancellation rate does tend to increase with age with 21% coming from the 60+age range.
Religion and Belief	54% of all tenants are recorded as Christian and 8% recorded as Muslim. Over 30% are recorded as having no religion or unstated.	Right to Buy is relatively more popular amongst Muslims representing over 16% of applicants compared to the number of tenants recorded as Muslim who make up about 8% of out tenant population. Most applications come from those recorded as Christian at 44%
Sexual Orientation	No valid data was returned from Right to Buy applicants.	None Known
Maternity and Nursing Mothers	Not available	None known
You may also wish to consider Carers	Not available	None known
Do you have enough information about the different groups to inform an equality impact assessment? No If not, this area should be addressed in your action plan		
3 . Do you have monitoring data or consultation findings specific to your area of work? If yes list the sources of evidence here & go to Step 3, if No list the actions required to get more data.(which should be included in the action plan)		
<ul style="list-style-type: none"> • BI Query Analysis Report – available on SharePoint via Adrian Mulcahy, Business Services. • Survey of tenants who cancelled their Right to Buy application 		
We have surveyed applicants who have cancelled their right to Buy to find out the reasons for the cancellation and if they would be interested in applying for Tenant Shared Ownership.		

The majority of respondents said that affordability was a big factor in their decision not to purchase under the Right to Buy. Following implementation of the scheme we will be contacting this group again to invite them to apply.

All applicants must pass an affordability test to determine their ability to sustain themselves in shared ownership before being accepted to the scheme. The information we receive during interviews will provide us with a very detailed view of their circumstances to help us inform and shape future affordable housing policy.

Step 3. Assessing Impact

1.	<p>What does your monitoring data on your service users tell you?</p> <p>Are any groups under or over represented compared to what you would expect to see. Please give details below.</p>	
Ethnicity	<p>Less White British are currently pursuing Right to Buy as a proportion of tenants. It is likely that this reflects the higher age profile and economic circumstances.</p>	
Gender (including transgender)	<p>A slightly higher proportion of females cancel as compared to males. This may reflect their lower incomes or type of employment but we do not have detailed information at this stage upon which to form a view</p>	
Age	<p>The majority of Right to Buy applications, 57% come from the 26-44 age band and proportionately less from 60+ at just under 14%. This is likely the result of 26-44 year olds having the most favourable economic circumstances and outlook.</p>	
Disability	<p>Too limited data available to make assessment.</p>	
Sexual Orientation	<p>Too limited data available to make assessment.</p>	
Religion and belief	<p>54% of all tenants are recorded as Christian and 8% recorded as Muslim. Right to Buy is relatively more popular amongst Muslims representing over 16% of applicants compared to the number of tenants recorded as Muslim who make up about 8% of our tenant population. Most applications come from those recorded as Christian at 44%</p>	

	Pregnant and Nursing Mothers	No data available to make assessment.	
	Socio economic	<p>Affordability testing will provide detailed information but until this is done we do not have sufficient data to make an assessment.</p> <p>From a survey of applicants who cancelled the majority of respondents sited affordability as the main reason for cancellation.</p> <p>Just over half of those who responded to the question indicated that they would be interested in a tenant Shared Ownership scheme if it were to become available.</p>	
	You may also wish to consider Carers	No data available to make assessment.	
2.	<p>Based on the evidence gathered have you identified any potential differential impact for any of the equality groups?</p> <p>Step 2. What are the potential access issues or barriers for people in each of the equality groups</p>		
		Positive	Negative
	Ethnicity	White British submit less Right to Buy applications and cancel a higher proportion of thos applications than other groups.	This group could potentially benefit from the focus of this scheme but the higher age profile of this group is likely to still be an impediment to access.
	Gender (including transgender)	The propensity to cancel a Right to Buy application is a little higher for women than men.	
	Disability	Insufficient data	Insufficient data
	Age	The affoprtdability of this scheme compared to outright purchase could	It is likely that over 60s will be les interested in owning their home than

		assist those in higher age groups into home ownership	younger groups.
Religion and Belief		Right to Buy is relatively more popular amongst Muslims representing over 16% of applicants compared to the number of tenants recorded as Muslim who make up about 8% of out tenant population. Most applications come from those recorded as Christian at 44%	No negative impact identified in regard to religious beliefs.
Sexual Orientation		Insufficient data available	Insufficient data available
Pregnant and nursing mothers		N/A	N/A
Socio economic		N/A	N/A
You may also wish to consider Carers		N/A	N/A
Is the differential impact as a result of indirect or direct discrimination? Yes..... / No.....			
Can any differential impact be justified or proportionate in meeting a legitimate aim if yes please provide details			

4. Promoting Equality

1.	<p>What has been done to promote equality in this piece of work? This includes any measures you've put in place to:</p> <p><input type="checkbox"/> Improve the accessibility of your service</p> <p><input type="checkbox"/> Improve the quality of outcomes for people from different groups</p> <p><input type="checkbox"/> Make your service/policy/strategy more inclusive</p> <p><input type="checkbox"/> Ensure staff are trained appropriately</p> <p><input type="checkbox"/> Promote community cohesion or good relationships between different groups of people. (Think about physical access, communications needs, staff awareness, partnership working)</p>	
	Ethnicity	The policy applies to all Council tenants regardless of ethnicity.
	Gender	Policy applies to all Council tenants regardless of gender.
	Disability	The scheme will be communicated in a variety of formats and home interview will be available for those who require it.
	Age	Policy applies to all Council tenants regardless of age.
	Religion and belief	Policy applies to all Council tenants regardless of religious belief.
	Sexual orientation	Policy applies to all Council tenants regardless of sexual orientation.
	Socio economic	N/A
	Pregnant and Nursing Mothers	N/A
	You may also wish to consider Carers	N/A
2.	<p>What further actions are required? please ensure that these are</p> <p>None</p>	
3.	<p>How have you consulted on this Equality Impact Assessment?</p>	
	<p>Internal resources consulted.</p>	

4.	How will the outcomes from this EIA be managed and monitored - all of the proposed equality outcome should be managed through the service plans
	To be managed and monitored in service plans

Action plan template

Improvement Required	Priority	Key Actions	Timescale	Outputs demonstrating progress	Resources	Outcome	Lead
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Summary

Please provide a summary document / storyboard of the findings of your EIA (including best practice what we do well, our challenges , our opportunities and what we planned to do This will be used for publication on the internet

The policy assessed in this EIA will help Council tenants who cannot afford outright home ownership to purchase a stake in their home thus helping to raise aspirations and life chances .

CABINET

9 March 2016

Title: Kingsbridge Site Residential Development	
Report of the Cabinet Members for Housing and Regeneration	
Open Report	For Decision
Wards Affected: Gascoigne	Key Decision: Yes
Report Authors: Jennie Coombs – Housing Regeneration Manager Andrew Sivess – Group Manager Assets & Investment	Contact Details: Tel: 020 8227 5736 E-mail: jennie.coombs@lbbd.gov.uk Tel 020 8227 5732 E-mail andrew.sivess@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director of Regeneration	
Accountable Director: John East, Strategic Director of Growth and Homes	
Summary <p>Cabinet approved two previous reports in June and August 2014 (minutes 13 and 128 respectively) that set out the Masterplan objectives for the Gascoigne East Regeneration area and the delivery and funding arrangements for Gascoigne Phase 1.</p> <p>The construction of Phase 1 started in November 2015 and is progressing well; we anticipate that all the sub-phases will be in contract and under construction by early 2017. A report will subsequently be presented to Cabinet seeking approval for the delivery and funding arrangements for the Phase 2 residential scheme. However, in advance of this the opportunity has arisen to bring forward the vacant Kingsbridge site at the Southern end of the Estate to provide 27 Shared Ownership Homes in line with the approved Masterplan.</p> <p>This report seeks approval to deliver this scheme as the Councils first Barking and Dagenham Reside (B&D Reside) Shared Ownership scheme and sets out the delivery and funding options. It proposes that the site is delivered directly, for B&D Reside, by the Council, appointing the relevant consultants and main Contractors from our existing Framework Panels. The Shared Ownership homes will be developed, held and managed within the existing B&D Reside delivery structure with funding to be provided from the General Fund. The project has been allocated grant funding via GLA Housing Zone agreement for 27 units at £24,000 per unit.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <p>(i) Agree the tenure and unit mix for the development of 27 shared ownership units on the vacant Kingsbridge site shown edged in red at Appendix 1 to the report, as detailed in paragraph 2.2 of the report;</p>	

- (ii) Agree to use an existing entity within the B&D Reside structure (or the establishment, if required, of a new Special Purpose Vehicle within that structure) to develop, sell, own and procure the construction, management and maintenance of common parts and structure of the 27 shared ownership units on the Kingsbridge site;
- (iii) Agree the principle of borrowing up to £6.75m within the General Fund to finance the development and ownership of the shared ownership homes unsold equity via a loan agreement made between the Council and the shared ownership Special Purpose Vehicle;
- (iv) Delegate authority to the Chief Executive, in consultation with the Director of Law and Governance, the Strategic Director of Finance and Investment and the Cabinet Members for Finance, Housing and Regeneration, to negotiate terms and agree the contract documents to fully implement and effect the Kingsbridge project; and
- (v) Authorise the Director of Law and Governance, or an authorised delegate on their behalf, to execute all of the legal agreements, contracts and other documents on behalf of the Council.

1. Introduction and Background

- 1.1. A comprehensive borough-wide estate renewal programme was approved by Cabinet (6 July 2010) to initially redevelop three estates: Gascoigne Estate (East), Goresbrook Village and Birdbrook Close and Wellington Drive at the Leys. The selection of these estates was to help deliver the objectives of the HRA Business Plan and Housing Asset Management Strategy whereby uneconomic and obsolete estates would be redeveloped to provide new affordable housing, in a number of tenures, that better meet the needs of the community and to support the long-term financial sustainability of the Council.
- 1.2. Cabinet approved two subsequent reports on 30th June and 4th August 2014 that set out the Masterplan objectives, delivery and funding arrangements for phase 1 of the Gascoigne East Regeneration area.
- 1.3. Cabinet approved the delivery of the Secondary school within the Masterplan proposals as part of the Cabinet Member for Education and Schools 10th November 2015 report: *'Review of school places and capital investment – update Nov 2015'*. The recommendation agreed to support the procurement of the new Greatfields School as set out in the report, subject to the Education Funding Agency (EFA) settling all allocations and agreeing a funding agreement. The EFA has subsequently approved the funding and the procurement route via the Council's Local Education Partnership joint venture vehicle.
- 1.4. The Gascoigne regeneration project has gained momentum with delivery now on site and tenant decants and leaseholder buybacks continuing in the Phase 2 areas. A report will subsequently be presented to cabinet setting out the delivery proposals and funding options for the Phase 2 residential scheme.
- 1.5. The Kingsbridge site is located at the southern end of the Gascoigne estate on the corner of Wheelers Cross and King Edwards Road. It is the site of the former

Kingsbridge House; this provided older person's accommodation and was decommissioned and demolished in 2011. The site has since been used for temporary depot accommodation by contractors but is now vacant. This vacant site represents an opportunity to quickly bring forward a further part of the approved Masterplan quickly.

- 1.6. The Masterplan architects under the terms of their existing appointment have been requested to work up the detail for this scheme which could, subject to planning permission, provide 27 mews houses and duplexes apartments. The overall Masterplan tenure mix aims to provide 512 Shared Ownership units.
- 1.7. Whilst vacant the site has been subjected to vandalism and the fly tipping of hazardous waste and whilst measures have been taken to secure the site it remains vulnerable whilst empty awaiting redevelopment. The early delivery of this site will enable the community to see the development of a site situated in the lower density area of the Masterplan area. The scheme will be designed to fully integrate into the agreed street and massing pattern so that later phases of development will not be compromised.
- 1.8. The provision of shared ownership units presents the opportunity to offer a number of these as decant units to existing Gascoigne leaseholders whose current homes are due for demolition. The proposal would be that they use their existing equity to buy an equity stake in the new homes to be developed at Kingsbridge.
- 1.9. Shared ownership was introduced in the late 1970s to help people unable to afford a home on the open market get on to the property ladder. It allows the purchase of a share in a property (typically between 25 and 75 per cent). B&D Reside will own the remaining share, on which the shared owner pays a subsidised rent which increase by inflation plus up to 2% each year. However, most shared ownership providers increase rents at RPI plus 0.5% each year; this level of uplift is in line with Greater London Authority Guidelines and is the level of indexation proposed in this report. Repairs and maintenance are carried out by the shared owner apart from structural repairs, maintenance and cleaning which are recovered through service charges (in flatted properties only).
- 1.10. Over time, the shared owner can purchase additional shares up to 100 per cent of the equity, a process known as 'staircasing'. Shares can be sold on to a new owner when the shared owner wishes to move.

2. Proposal and Issues

- 2.1. The existing outline consent for this area of the Masterplan consists of a lower density traditional street pattern layout. The original Masterplan Architects (Allies and Morrison) have under their existing appointment designed a scheme for this area that delivers 27 family sized units in a mixture of houses and duplex units. The design is true to the aims of the Masterplan and ensures that later phases of delivery in adjacent areas are not compromised. The layout plan in Appendix 2 shows the scheme and associated landscaping.
- 2.2. The indicative mix for the scheme is set out below:

Unit type	Unit size	Units
Terrace type 1	3 bed 6 person	9
Terrace type 2	3 bed 6 person	6
Lower maisonette	2 bed 5 person	6
Upper maisonette	2 bed 4 person	6
Total		27

2.3 Kingsbridge units prices and affordability

Unit type	Unit size	Units	OMV*	25% share
Terrace type 1	3 bed 6 person	9	£350k	£87k
Terrace type 2	3 bed 6 person	6	£350k	£87k
Lower maisonette	2 bed 4 person	6	£275k	£65k
Upper maisonette	2 bed 4 person	6	£265k	£67k
Total		27		

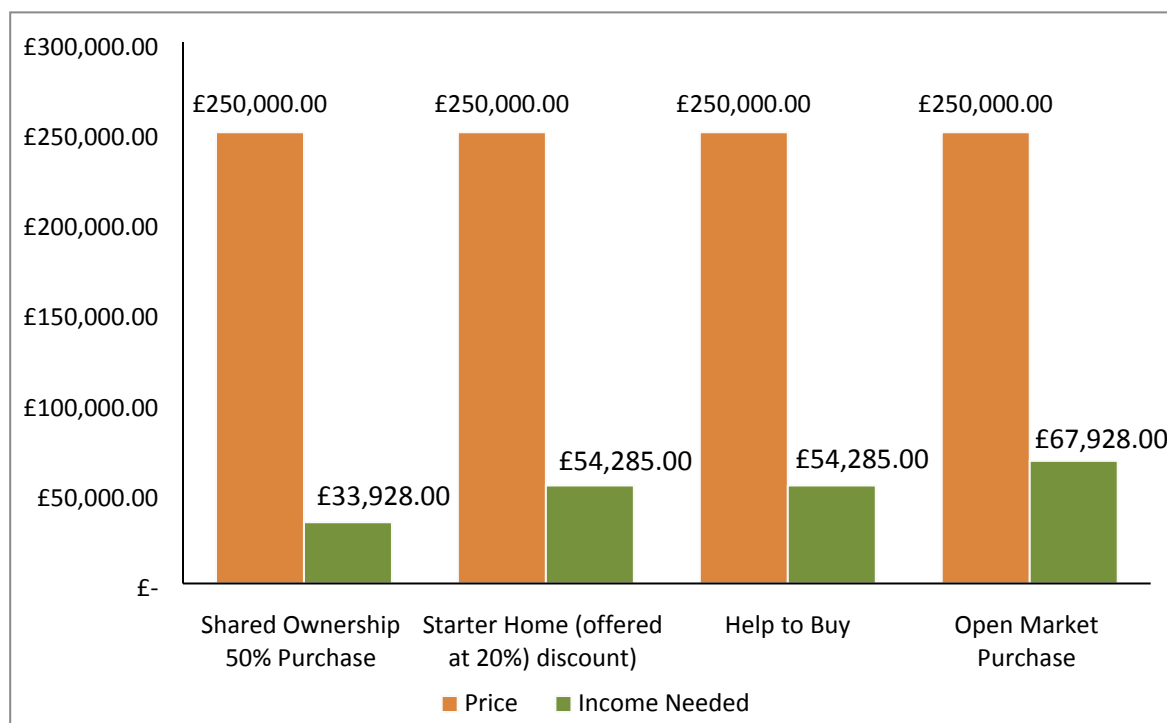
* Subject to updated valuation report

2.4 The table below sets out typical costs of a shared ownership home compared with a similar home rented on the private rental market.

Lower 2 bed maisonette example	Income required	Deposit required	Rent on unsold equity pm (2.75% of unsold equity)	Total monthly costs (mortgage and rent)	Comparable private rented costs per month
25% share	£25,000	£6,500	£446	c£890 pm	c£1300
50% share	£39,000	£13,000	£297	c£1000 pm	c£1300

Source: Newlon Housing and Nationwide Shared ownership and mortgage calculators

2.5 The table below shows the income required for shared ownership in comparison to other home ownership options available in the market for an assumed 50% initial share.



3. Delivery Structure

- 3.1. It is proposed that, subject to tax and structuring advice, the delivery mechanism for Kingsbridge will be similar to the arrangements for the shared ownership units within Gascoigne Phase 1. This will require that either the existing B&D Reside entity is used or a new Special Purpose Vehicle (SPV) be established and held within the B&D Reside structure; the relevant entity would then develop, hold and manage the shared ownership units. The SPV would be financed by means of a loan agreement between the Council and SPV.
- 3.2. The proposed SPV would be a body corporate (either an English limited company or an English limited liability partnership) and would be the landlord of the dwellings once constructed. The SPV would be responsible for the development, sales, management and maintenance of the shared ownership units and for compliance with all loan terms. These loan terms and their related security provisions will in turn limit the freedom of the SPV to materially change any of these arrangements without lender consent; the lender for these purposes is effectively the Council. The SPV would need to be governed by a board. The role of the board would be to undertake all activities required to fulfil the SPVs contractual obligations particularly with respect to:
- Effective sales and management of the homes and estate management
 - Discharge the contractual obligations of the SPV to the Council and/or to the funder in respect of sales lettings, maintenance and rent payment guarantees if these are required
 - Effective risk management
- 3.3. The Council would act as funder to the Special Purpose Vehicle. The SPV would therefore be subject to contractual funding terms set out within the loan agreement between the Council and SPV for this project. It is important that the loan agreement is on arms-length terms and the Council maintains all of the rights that a normal lender would have. The loan agreement would therefore provide exactly how the units would be sold, managed and maintained and would prevent the SPV from being refinanced or having their assets charged in any way, other than with the consent of the Council as lender. If the SPV defaulted on its obligations to the Council as funder then the Council would be able to exercise security over the assets i.e. potentially either take possession. At the end of the funding term the Council will have the ability to collapse the structure with full ownership reverting back to the Council subject to shared ownership leases.

4. Options Appraisal

Option	Description	Comments
1	Do nothing – until the surrounding areas are decanted and cleared for development	<ul style="list-style-type: none">• A delay in development would not help to meet the Council's objectives to provide more mixed tenure housing in the or in developing income producing assets
2 (The preferred)	Develop the site in accordance with the Masterplan to provide	<ul style="list-style-type: none">• It is considered that this site is suitable for home ownership. This would contribute to increasing housing choice in the area and

option)	Shared Ownership units	could help decanting on other parts of the estate
3	Develop the site in accordance with the Masterplan to provide affordable rent units	<ul style="list-style-type: none"> • Developing the site for affordable rent only would not contribute to increasing housing choice in the area • Developing the site solely for affordable housing would be financially unviable without cross-subsidy from other tenures or significant capital subsidy
4	Sell the site to a developer to be built out in accordance with the Outline Planning Permission	<ul style="list-style-type: none"> • Would generate a capital receipt which could be used to reduce corporate borrowing or invested in income generating assets • The Council would lose the ability to control development other than through its role as Local Planning Authority • The Council would lose the potential to earn investment income and long-term value capture from direct development of the site

5. Consultation

- 5.1. Due to the scale of the proposed development and the number of residents directly affected, the Council has engaged in extensive consultation with the local community since the project first received approval in 2011. Resident meetings, newsletters and specific development and planning events have been held. Before the planning application was made in 2013 three separate consultation meetings were held including an all day event - Gascoigne Community Fun Day in September. Each meeting had an attendance of over 100 residents with the community day attended by over 200 people. Emerging development proposals were also presented at the Council's Residents led Urban Design Forum (RUDF) in October 2013 and reviewed by the Urban Design London (UDL) design panel in November 2013. In addition to the above, residents preplanning briefing was held to enable residents to view detailed proposals for Phase 1 and outline masterplan before the application is submitted to the Council.
- 5.2. The Cabinet Members for Housing, Regeneration and Finance and the Gascoigne Ward members have been consulted on the Gascoigne scheme.
- 5.3. The Regeneration team attend the Quarterly Gascoigne Action Group meetings to give residents a full update on the progress of the relocation of tenants and Leaseholders and more recently these meetings are also attended by a representative of the Contractor Bougyues UK. The residents receive newsletters and Bougyues have recently recruited a local resident as their Resident Liaison Officer.

6. Financial Implications

Implications completed by: Jonathan Bunt, Strategic Director

Funding options

- 6.1 It is assumed that the SPV will be funded by the Council borrowing from the Public Works Loan Board (PWLB). Alternatively, the Council may be able to access

funding from the European Investment Bank (EIB) on potentially more advantageous terms. Borrowing from the EIB will require the formulation of a larger programme of investment as the EIB has a minimum investment requirement.

Ownership structure

- 6.2 The funding and ownership structures set out in this report involve the establishment of a Special Purpose Vehicle owned by the Council's Barking and Dagenham Reside housing subsidiary. The SPVs would own and be responsible for development, sales, management and maintenance of the shared ownership units. This would ensure that the Council retains control of the units in the long-term (including any rental surplus on unsold equity and stair-casing receipts generated by sale of the SO units) which would flow to the Council either as a variable lease payment or a distribution of surplus income by the SPVs. Under these options all management, maintenance and life cycle costs are included in the financial appraisal. It should be noted that maintenance and repairs to the interior of shared ownership properties is the responsibility of the shared ownership tenant.
- 6.3 The SPV delivery structure will be established within the Barking & Dagenham structure to provide housing which is in the general economic interest. This provides the Council with greater flexibility to help meet wider housing need and to assist generally in the regeneration and economic well-being of the area.

Financial model

- 6.4 A financial model has been produced by the Council's external financial advisors which will be used to assess the viability and value for money of the proposals contained in this report.

Key Financial Model Assumptions

- 6.5 The table below sets out the assumptions that have been used in the financial model. The key appraisal assumptions are:

Key assumption	Details	Comments
Appraisal term	50 years	<ul style="list-style-type: none"> Savills research shows that average staircasing increased from year 25 to year 50 during the financial crisis Considered prudent to adopt a 50 year term and assume 20% unsold equity at end of appraisal term
Initial sales tranche	<ul style="list-style-type: none"> 25% to 50% Higher initial tranches may be taken by existing Gascoigne leaseholders on the estate 	Can be varied in accordance with market conditions and purchase requirements
Staircasing (purchase of remaining tranches of equity until full ownership)	<ul style="list-style-type: none"> 1.5% staircasing per annum assumed over 50 year appraisal period 20% assumed unsold equity at year 50 	This assumption reflects that some households will not staircase and will continue to pay rent on unsold equity
House Price Inflation	3.5%	This is considered a prudent long-term average for modelling purposes and allows for short-term house price volatility
Rent on unsold equity	2.75% of unsold equity	In line with most Shared ownership

		providers
Rental indexation	RPI plus 0.5%	Market normative and in line with GLA guidelines
Repairs and maintenance	<ul style="list-style-type: none"> Service charge contribution for structural maintenance and common parts SO tenants responsible for all internal non-structural repairs and maintenance within flatted dwellings 	Design of scheme minimises service charges
Cost of Finance	<ul style="list-style-type: none"> PWLB @ 3.0% 	This the assumed cost of finance for this project.
Amortisation	<ul style="list-style-type: none"> 50 years 	<ul style="list-style-type: none"> Assumes borrowing is for 50 years on full repayment basis

6.6 Key financial results

The table below sets out the expected key financial results using the assumptions set out above.

Indicator	Nominal net return	NPV	IRR (post debt service)	1 st year net cash	Cumulative net cash at year 5
25% initial sales tranche					
2.5% PWLB	£11.7m	£2.59m	3.51%	£70k	£403k
3.0% PWLB	£10.9m	£2.34m	3.17%	£65K	£325k
3.5% PWLB	£10.1m	£2.07m	2.80%	£38k	£243k

Indicator	Nominal net return	NPV	IRR (post debt service)	1 st year net cash	Cumulative net cash at year 5
50% initial sales tranche					
2.5% PWLB	£8.9m	£2.12m	5.56%	£71k	£388k
3.0% PWLB	£8.6m	£1.99m	5.25%	£63k	£348k
3.5% PWLB	£8.2m	£1.85m	4.93%	£55k	£306k

6.7 Sensitivity analysis on expected NPV

3.0% PWLB 25% initial sales	Build costs	Sales values	RPI	HPI
-10%	£2.8m	£1.7m	£2.2m	£2.2m
-5%	£2.6m	£2.0m	£2.3m	£2.3m
<i>Expected NPV and IRR</i>	<i>NPV =£2.34m</i>			
+5%	£2.1m	£2.7m	£2.4m	£2.4m
+10%	£1.9m	£3.0m	£2.5m	£2.5m

3.0% PWLB 50% initial sales	Build costs	Sales values	RPI	HPI
-10%	£2.4m	£1.38m	£1.9m	£1.9m
-5%	£2.2m	£1.7m	£2.0m	£1.9m
<i>Expected NPV and IRR</i>	<i>NPV = £1.99m</i>			
+5%	£1.8m	£2.3m	£2.0m	£2.1m
+10%	£1.6m	£2.6m	£2.1m	£2.1m

7. Legal Implications

Implications completed by: Evonne Obasuyi, Senior Lawyer, Housing and Regeneration

- 7.1 The report seeks approval for delivery of a shared ownership housing scheme using similar delivery structure to the Gascoigne Estate (East) Phase 1 involving use of special purchasing vehicle(s) to own, develop, manage, etc the new units. The Council's external lawyers K&L Gates provided advice on Council's powers for entering into the Gascoigne Estate regeneration scheme and their advice is considered to apply to this scheme and is summarised below. . The Council has powers to enter into the transaction as proposed provided it satisfies any legislative requirements as advised below.
- 7.2 Council Powers - The two principal sources of the Council's power to participate in the transaction as set out above are section 1 of the Localism Act 2011 and section 111 of the Local Government Act 1972.
- 7.3 The general power of competence under section 1 of the Localism Act 2011 provides the Council with the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power. The use of this power in section 1 of the Localism Act 2011 is, like the use of any power, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.
- 7.4 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to participate in the transaction as per the steps in paragraph 3.2 and enter into the relevant project documents, additional power is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
- 7.5 Provision of Units through a Special Purpose Vehicle (SPV) - The general power of competence under Section 1 of the Localism Act 2011 (the 2011 Act) provides the Council with a power to both establish the SPV and to provide the units through it. The Council would nonetheless be required to provide reasonable justification for using the general power of competence rather than other powers (such as Section 9 of the Housing Act 1985) which might seem more obvious and the report identifies the regeneration and economic benefits which the Council believes will be facilitated by acquiring the units through a SPV.

- 7.6 In exercising the power the Council must have regard to its fiduciary duty to tax payers of the Borough and must exercise the power for a proper purpose, Members will need to be satisfied that the justifications for acquiring the units through the SPV are reasonable and appropriate.
- 7.7 Where the Council provides financial assistance to the SPV by (a) granting or loaning it money, (b) acquiring share or loan capital in the SPV, (c) guaranteeing the performance of any obligations owed to or by the SPV, or (d) indemnifying the SPV in relation to any liabilities, losses or damages and the financial assistance is in connection with the provision of housing accommodation to be let by the SPV, the Council must use its power under section 24 of the Local Government Act 1988 (the 1988 Act) to do so. The exercise of this power is subject to Secretary of State Consent.
- 7.8 General Consent C ("the General Consent under Section 25 of the Local Government Act 1988 for the Financial Assistance to any Person 2010") states that "a local authority may provide any person with any financial assistance (other than the disposal of an interest in land or property)."
- 7.9 This General Consent could apply where the Council grants or loans money to the SPV, purchases shares in the SPV or guarantees the SPV's obligations where this financial assistance is to be provided in connection with the acquisition and construction of property which is intended to be privately let as housing accommodation by the SPV, in which case no specific consent of the Secretary of State would be required.
- 7.10 Section 25(1) of the 1988 Act provides that a local authority should not exercise the power conferred in section 24 so as to provide financial assistance and gratuitous benefit except with the consent of the Secretary of State. Section 25 (5) of the 1988 Act defined gratuitous benefit to include a benefit consisting of a disposal of any land or other property and the benefit to be provided is either for no consideration or for a consideration which has a value in money or monies worth which is significantly less than the value in money or monies worth, of the benefit which is or is to be provided by the Authority. Section 25(6) of the 1988 Act provides that when determining the value of consideration being provided in return to the local authority there shall be disregarded amongst other things so much of the consideration as consists in the carrying out of any works by any person for the purposes of the construction or conversion, rehabilitation, improvement or maintenance of any such property or a promise that any works will be carried out by any person for any such purposes and the grant of a right to nominate persons or occupiers of any such properties to be disregarded.
- 7.11 The Council will need to obtain a valuation confirming that having disregarded those matters required to be disregarded under section 25(6) of the 1988 Act, the restrictive value of the Property exceeds the unrestricted value of the property and no gratuitous benefit is being provided by the Council in connection with the disposal based upon the content of the Valuation and therefore no specific consent of the Secretary of State under section 25 of the 1988 Act is required.

8. Other Issues

- 8.1. **Risk Management** - The risks associated with the construction of the new development fully scoped and managed through the building contracts. The affordable housing elements of construction risk will be managed and minimised by a capped price build contract, the overall project risk register is jointly held by the Employers Agent and project partners and includes the financial, commercial and programme risks.
- 8.2. **Contractual Issues** - The carrying out of works would need to be compliant with the European Tendering Regime and in addition in accordance with the Public Contract Regulations. The LBBB Housing Contractor Framework would be used to Tender for and appoint a main contractor and all associated design consultants via a Design and Build contract arrangement.
- 8.3 **Corporate Policy and Customer Impact** – The development of this under utilised site will contribute to the Council Priorities of ‘Encouraging Civic Pride’ and ‘Growing the Borough’. With reference to the latter the proposals in this report are consistent with the objectives for building new housing and sustainable communities.

The design, layout and massing of this new homes are consistent with the approved Masterplan which has been subject to detailed consultation and resident engagement both pre and post planning. The impact on the local residents has been received as positive as this scheme develops an under utilised site that is often subject to fly tipping and anti social behaviour,

The Estate Renewal Decant, Leasehold buyback and new developments have all been the subject of a full Equalities Impact Assessment (EIA). This was completed at the beginning of the programme and has been fully reviewed including a survey of tenants and to gauge their views on the process to review the Decant and Leaseholder Charter for future programmes.

- 8.4 **Safeguarding Children** - The Masterplan and detailed designs for both schemes have taken into consideration the needs of the local community and has focused on creating accessible and safe spaces that will benefit the local community including children. The Gascoigne proposals design includes active play for all ages as well as safe walking routes to the local school, community centre and public transport.

The masterplan design and development process focused on exploring opportunities to introduce new and improved play facilities in the area while rationalising overall open space ensuring there are no underused, difficult to access spaces.

- 8.5 **Health Issues** - There is a large body of evidence that improvements to housing quality can improve health and wellbeing outcomes for its residents. Gascoigne design proposals will effect substantial improvement in the quality of the housing stock and include new high quality energy efficient homes and an overall reduction in the number of high-rises on the estate which will have a positive impact on health.

The link between poor housing and ill health has long been established and this is now clearly acknowledged by central government in their vision for the future of Public Health in England. This regeneration plan will help improve access to

primary care services as well as to help improve the health, safety and wellbeing of residents that are affected by poor housing standards, particularly if they are disadvantaged through social deprivation, disability, age, vulnerability or infirmity. Poor access to and quality of primary care services as well as unsuitable housing conditions, overcrowding or unaffordable housing will all have an adverse affect on public health in an area of the borough experiencing significant demographic change.

The plan will help to remove the risk of ill health or injury to an individual or household. Making modifications to improve a home can lead to an enhanced health and well being that not only benefits the individual but also brings wider social and economic benefits and reduces the cost burden for the NHS. For example in relation to excess cold could be removed through improved home insulation and heating, the cost savings to the NHS and social care, in not having to treat cold related illnesses. A similar saving could also be achieved if category 1 hazards for falls in the home could be removed.

- 8.6 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 places a responsibility on councils to consider the crime and disorder implications of any proposals. The redevelopment of the Gascoigne estate will help make the areas safer by improving the quality of the environment, creating safer more natural surveillance for public areas and pedestrian routes.

In decanting the site it is important that this is done in a measured and timely way, not creating the opportunity for small numbers of people to remain on site, which could increase vulnerability of those residents and also of the site itself. In demolition and rebuild, contractors must be sure to adequately secure the site so as to ensure that any asset of the Council is protected and that the site does not become 'attractive' to criminals, for example by the removal of all piping and boiler work/electrical cable as soon as possible, as this can often be attractive to thieves due to its resale value. Contractors should be required to ensure that all equipment and resources at the site should be sufficiently secured so as to not increase the opportunity for crime which would possibly impact on Council, Police and Fire services' resources.

Design of family housing can impact positively on certain crime types, for example specific types of violence such as domestic violence can be reduced by social aspects of any development such as better quality housing, sufficient space for families to live and for children to learn and through better access to services based in local community facilities.

Improved facilities for young people within the new development will also provide new opportunities for education, recreation and employment directing them away from crime and disorder. Proposals for new recreational facilities are aimed at both very young children and also teenagers and new community facilities will be enhanced and designed to bring all the community together.

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

List of appendices:

- **Appendix 1:** Kingsbridge red line boundary on the existing plan
- **Appendix 2:** Proposed layout for 27 units

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SITE PLAN

UNIT MIX

Overall Unit Mix Schedule:
OPTION 1

Type	Unit mix	No. of units	Percentage	Notes
Terraces	Terrace House Type 1	7	26%	
	Terrace House Type 2	5	19%	
	Terrace House Corner Type	1	4%	Wheelchair unit
	Terrace House Bridge Type	1	4%	Wheelchair unit
	Terrace House End Type	1	4%	
	Total:		15	56%
Stacked Maisonette	Lower maisonette	6	22%	
	Upper maisonette	6	22%	
	Total:	12	44%	
OVERALL TOTAL:		27		

Unit size summary:

Unit mix	No. of units	Percentage
3 bed	21	78%
2 bed	6	22%
Total:	27	

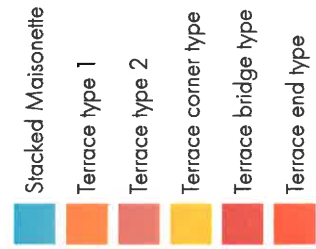
General notes:

100% Shared ownership

Unit mix follows masterplans vision of having larger family dwellings in the southern locations as opposed to smaller units that are intended in the northern masterplan.

Number of wheelchair units to be confirmed by LB88.

Unit type key:



Scale 1: 400 @ A3

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CABINET**9 March 2016**

Title: Review of Tenancy Management Policies	
Report of the Cabinet Member for Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Hakeem Osinaike Divisional Director of Housing Management	Contact Details: Tel: 020 8227 3820 E-mail: hakeem.osinaike@lbbd.gov.uk
Accountable Divisional Director: Hakeem Osinaike, Divisional Director of Housing Management	
Accountable Director: Claire Symonds, Strategic Director, Customer, Commercial & Service Delivery	
Summary	
<p>The Council's landlord service operates under a number of policies which inform the decisions made in managing tenancies and tenants' homes. Some of these policies were adopted at a time when the Council had abundant properties to allocate. The current situation is such that the demand for social housing is very high and still increasing, meanwhile supply continues to diminish.</p> <p>In line with good practice, it is appropriate to review all policies and to ensure that they meet the Council's needs as well as meet industry standards</p>	
Recommendation(s)	
The Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Adopt the revised Succession Policy as set out at Appendix 1 to the report; (ii) Adopt the revised Management Transfer Policy as set out at Appendix 2 to the report; (iii) Adopt the revised Keeping Dogs and Other Pets Policy as set out at Appendix 3 to the report; (iv) Adopt the new Relationship Breakdown Policy as set out at Appendix 4 to the report; and (v) Authorise the Strategic Director of Customer, Commercial and Service Delivery, in consultation with the Cabinet Member for Housing, to agree the implementation date of the policies and any minor changes considered appropriate following the statutory consultation with tenants. 	

Reason(s)

To ensure that best use is made of Council stock and to ensure that properties are allocated to those with a recognised housing need. This should help the Council to 'enable social responsibility'.

1. Introduction and Background

1.1 The Council's landlord service (Housing Management Service) currently operates under a number of policies, which guide decision making on key tenancy issues. These policies were written at a time when the Council's stock was almost double what currently exists. They are also complicated, leaving allowance for misinterpretation and misapplication. As a result, they no longer meet current housing situation and needs.

1.2 Bearing in mind the current level of the Council's housing stock, the general housing situation and the fact that the policies are simply outdated, it is necessary that they are brought up to date and brought in line with good practice and prevailing housing conditions.

1.3 The policies that have been reviewed are:

- Succession of Tenancy;
- Management Transfer ; and
- Domesticated Animals (now to be called "Keeping Dogs and other Pets").

1.4 It is also proposed that a new policy on Relationship Breakdown be introduced.

2. Proposal and Issues

2.1 The issues, as they relate to the current policies, and the proposed changes are as follows:

2.2 Succession of Tenancy Policy

2.2.1 Relevant housing legislation allows for tenancies to be transferred by tenants to specified family members or relatives (Assignment) or for such a transfer to happen upon the death of the tenant (Succession). The legislation only allows for this to happen once but until now, the Council has gone over and above the requirements of the legislation by offering secondary successions and this has sometimes led to single people left occupying 3 or 4 bed houses. This report is proposing to limit this.

2.2.2 The main differences in the current and proposed policies are as follows:

Issues	Current Policy	Proposed Policy
Who can succeed?	As stated by law.	No changes.
Second succession (concessionary offer)	Allowed to all those to whom the law allows a first succession and makes	Only allowed where the original succession was between spouses, who were

	allowance for lodgers to be considered.	joint tenants.
No right to succeed but in occupation of the property upon the death of tenant.	As above.	A concessionary offer would only be made in very exceptional circumstances e.g. where the applicant would qualify for a duty under homelessness legislation and the property is a type and size they would have been allocated in fulfilment of that duty.
Under occupation.	Under occupation by one bedroom in houses and low rise flats or for any number of bedrooms in high rise flats (regardless of floor).	Only allowed where the successor was the spouse of the tenant, to facilitate continuation of living in the matrimonial home. This will only apply if the under occupation is not by more than one bedroom and the property was not adapted (for the deceased tenant).

2.2.3 The revised Succession Policy is attached at Appendix 1. Details of the Equalities Impact Assessment (EIA) undertaken into the impact of the proposed changes are included at Appendix 5.

2.3 Management Transfer Policy

2.3.1 There are occasions where it is no longer reasonable and/or safe for a tenant to continue occupying our property. Under such circumstances, the Council should be able to move them quickly and efficiently.

2.3.2 The main differences in the current and proposed policies are as follows:

Issues	Current Policy	Proposed Policy
Circumstances to be met?	Threats to life and limb, escalating threats and property in need of major works.	Plus Council's interest as defined in the allocations policy.
Supporting evidence.	Tenant required to prove qualification.	Onus is on officers to investigate and obtain necessary evidence to make a decision. This would be similar to investigations into homelessness applications.
Timeline	None. Tenants often remain in property for years after a management transfer has been agreed.	Tenant is moved out immediately into temporary accommodation with a plan to re-house permanently within 6 months.

Priority status.	Management transfer status.	Decant status is awarded, which enables quick re-housing.
Method of Re-housing.	Direct offer.	Can bid on MCIL but one reasonable offer to be made after 6 months, should bids be unreasonable or unsuccessful.
Type of property.	Like for like i.e. property of the same type and size.	A property that meets their needs.
Action against reason for move.	Not required.	Clear action plan against perpetrator must be provided.
Rent arrears.	Not stated, except where there is an ongoing possession proceedings.	Will not stop a management transfer being agreed. Possession proceedings issue remain the same.

2.3.3 The revised Management Transfer Policy is attached at Appendix 2. Details of the Equalities Impact Assessment (EIA) undertaken into the impact of the proposed changes are included at Appendix 5.

2.4 **Keeping Dogs and Other Pets Policy (previously referred to as Domestic Animals Policy)**

2.4.1 It is a common human nature to want to keep pets. As a good landlord, the Council should be able to facilitate and support this rather than be a barrier. There are a number of legislations guiding which animals can be kept as pets. This policy ensures that the requirements set out in these legislations are met.

2.4.2 The Council has introduced a pilot dog registration scheme. It is necessary that tenancy conditions are aligned to Council policy, so all dog owners will be asked to be part of any scheme the Council agrees.

2.4.3 The main objective of this policy is to support reasonable and responsible pet owners and to prevent anti social behaviour e.g. flats being overrun with cats or large animals kept in balconies. Enforcement of this policy will be proportional to support this objective.

2.4.4 The main differences in the current and proposed policies are as follows:

Issues	Current Policy	Proposed Policy
Who can keep a dog?	Tenants who live in houses or ground floor flats.	All tenants.
What type of animal(s) can be kept?	As stated by law.	No changes.
Is landlord permission required?	Yes.	No changes.
Is dog registration required?	No.	Yes.

2.4.5 The revised Keeping Dogs and Other Pets Policy is attached at Appendix 3. The Equalities Impact Assessment (EIA) undertaken into the impact of the proposed changes is included at Appendix 6.

2.5 Relationship Breakdown Policy

2.5.1 It is not uncommon for relationships between tenants, who are joint tenants, to breakdown. When this happens, both parties often look to the Council to re-house them. In addition, there are other circumstances where the Courts may decide to award a tenancy that was previously held jointly or held by one partner, to one partner, a child or another adult.

2.5.2 The main issues introduced by the policy are as follows:

- Applying the tests according to homelessness legislation to determine which partner should be re-housed.
- To take into account the circumstances of each partner, with a view to providing appropriate support for them, with the backdrop of ensure the most appropriate use of Council accommodation.

2.5.3 The new Relationship Breakdown Policy is attached at Appendix 4. Details of the Equalities Impact Assessment (EIA) undertaken into the impact of the proposals are included at Appendix 5.

3. Options Appraisal

3.1 The only other option to consider, apart from making these changes, is to do nothing. This is not a reasonable option as the current policies are outdated and no longer meet the industry standard and good practice.

4. Consultation

4.1 All managers and team leaders in the Housing department were consulted on the proposals at a dedicated session.

4.2 The proposals were presented to and endorsed by the Living and Working Select Committee at its meeting on 3 November 2015 and the Corporate Strategy Group on 21 January 2016.

4.4 As these are proposals that affect tenancy conditions, housing legislation requires that tenants are consulted. This report seeks the agreement of Cabinet to proceed with this consultation.

5. Financial Implications

Implications completed by: Carl Tomlinson, Group Accountant

5.1 There are no financial implication resulting from the introduction of a relationship breakdown policy and the changes to the existing tenancy management policies proposed in this report.

5.2 Any administrative costs associated with these policies will be contained within the existing the HRA budget.

6. Legal Implications

Implications completed by: Martin Hall, Housing Solicitor/Team Leader

6.1 The report recognises the need to review existing policies both in the context of recent developments in legislation, but also in view of the prevailing housing conditions.

6.2 The report reflects changes in the entitlement of potential successors following the Localism Act and consideration may want to be given as to whether additional family members will be given the right to succeed under the terms of the Tenancy Conditions.

6.3 The report notes the need to consult with tenants regarding the changes, and I would recommend this proposal be agreed by cabinet.

7. Other Implications

7.1 **Contractual Issues** – Tenancy law requires that tenants are consulted on any changes that affect the management of their homes. This consultation will be carried out, should this proposal be agreed by Cabinet.

7.2 **Staffing Issues** – Should the proposals be agreed by Cabinet, staff procedure manuals will be updated and staff will be given appropriate training to implement.

7.3 **Corporate Policy and Customer Impact** – The proposals in this report, align tenancy policies with the Council's homelessness management and allocations policy. An equality impact assessment has been carried out.

7.4 **Safeguarding Children** – the proposals in this report, ensures the needs of children, as it relates to their family homes, are prioritised.

7.5 **Health Issues** – the proposals in the report, facilitates health and wellbeing of tenants by extending the capacity to keep dogs to those who live in flats.

7.6 **Crime and Disorder Issues** – the proposals in this report addresses crime and disorder issues in a number of ways. These are:

- Ensuring that tenancy action is taken against perpetrators of domestic violence and
- Ensuring that all dogs kept in homes meets legislation and social acceptable standards by requiring them to be registered under the Council's dog registration scheme.

Public Background Papers Used in the Preparation of the Report:

- The current Succession of Tenancy, Management Transfer and Domesticated Animals policies (<http://moderngov.barking-dagenham.gov.uk/ieListDocuments.aspx?CId=180&MId=8152&Ver=4>)

List of appendices:

- Appendix 1 – Succession Policy
- Appendix 2 – Management Transfer Policy
- Appendix 3 – Keeping Dogs and Other Pets Policy
- Appendix 4 – Relationship Breakdown Policy
- Appendix 5 – EIA Change in Circumstances
- Appendix 6 – EIA Keeping dogs and other pets

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Succession of Tenancy

Introduction

A tenancy does not automatically end when the tenant dies. A tenancy is regarded as a property and can therefore be passed on to a family member through the process of succession.

For full provisions and definitions, please see s.87 & s.88 of the Housing Act 1985 (as amended).

The Barking and Dagenham Tenancy Conditions provide that succession to a tenancy will be dealt with in accordance with the law, it does not define exactly who may succeed.

In the circumstances, it is important to note that tenancies granted after 1st April 2012 now have different succession rights, which have been introduced by the Localism Act 2011. In the circumstances, consideration needs to be given as to when the tenancy started to determine who the potential successors to the tenancy could be.

If the tenancy commenced before 1st April 2012, upon the tenant's death the tenancy will pass to their spouse or civil partner, provided that he/she was occupying the Property as his/her only or principal home at the time of the tenant's death. If the tenant did not have a spouse or civil partner, the tenancy will pass to a member of their family who resided with them throughout the period of twelve months prior to their death.

If the tenancy commenced on or after 1st April 2012, upon the tenant's death the tenancy will pass to their spouse or civil partner, provided that he/she was occupying the Property as his/her only or principal home at the time of their death. A person who was living with the tenant as if they were a spouse or civil partner will be treated as such. No other person is legally entitled to succeed to the tenancy.

Consequently, the following factors must be taken into consideration when assessing whether or not the applicant is entitled to succeed.

1. If there is more than one person entitled to succeed, the spouse will be preferred, or in the case of two or more members of the tenant's family, if they cannot agree, it is up to the landlord to select the successor. Please use the following criteria:-
 1. Partner
 2. Son or Daughter
 - a) Length of occupancy and then, if necessary,
 - b) Age as a criteria.
 3. Brother or Sister
 4. Parents
 5. Grandparents/Grandchildren
 6. Uncle or Aunt or Nephew or Niece.

Where there is no person entitled to succeed, the secure tenancy comes to an end, although the tenancy still legally has to be ended by service of a Notice to Quit on a next of kin; or the Office of the Public Trustee, where there is no Will or next of kin (section 18 of the Law of Property (Miscellaneous Provisions) Act 1994).

2. Right to Succeed but property is under occupied

Social housing is a scarce resource it is therefore important that wherever possible there is not significant under occupation of properties. Therefore, where a succession right has been accepted

but by doing so, the property will be under occupied, we will take steps to repossess the property and offer an alternative property to the successor. In such cases, a Notice of Seeking Possession will be served as required by law, at least 6 months after the Council is made aware of the tenant's death, but within 12 months. The Notice of Seeking Possession will specify Ground 15A, as well as any other Grounds, which may be relevant. Please see the Housing Act 1985 for appropriate grounds for seeking possession.

Given the extent of demand for larger and adapted or accessible homes, the Council may ask those other than partners who succeed to or are granted a tenancy to move to more suitable accommodation where:

- the home is larger than the Council's allocations scheme assesses their household needs; and/or
- the home is designed or adapted to be accessible to a disabled person and nobody in the household succeeding to or being granted a tenancy needs this sort of accommodation.

Exceptions:

The following exceptions will apply:

- The successor was the spouse of the tenant. This exception only applies if the underoccupation is not by more than one room and the property was not adapted for the deceased tenant.

3. Assignments

The same principles, as described above, governing successions, apply to assignments in the same way except that the tenant wishing to pass on their tenancy remains alive. Decisions on such applications are therefore to be made according to the principles stated above.

As above, it is important to note the recent change in legislation and entitlement of those to succeed when considering assignments, particularly if the tenancy commenced after 1 April 2012.

4. No Right to Succeed - There Already Having Been One Succession

The Housing Act 1985 only allows for one succession. This includes cases where the tenancy passed from husband to wife or vice versa even though they were joint tenants. Barking and Dagenham will however permit a second succession in cases where the first succession was between spouses who were joint tenants. This would be by way of a concessionary offer.

Please note that in these cases, the new tenant must be signed up as a successor so that there are no further successions to the tenancy.

Applications under this heading, are to be treated in the same way as succession applications and therefore the same criteria and conditions as set out above are to be applied. Concessionary offers would not normally be considered in circumstances where the person was under 18 as this would give rise to legal and H/B issues.

5. Concessionary Offers – where there is no first or second succession

Where there is a person or family in occupation of a property upon the tenant's death and they do not possess a right to succeed nor do they meet the criteria for a second succession, a concessionary offer may still be considered in circumstances where it is in the council's best interests to do so. This decision would only be made in exceptional circumstances and in line with

meeting the council's duties in respect of crime and disorder, promoting health and wellbeing, making the best use of stock and/or where a homelessness duty may otherwise arise. The reason(s) for reaching this decision must be clearly stated. The decisions will be made by the Divisional Director of Housing Management through a delegated authority.

Concessionary offers would not normally be considered in circumstances where the person was under 18 as this would give rise to legal and H/B issues.

6. Decisions/Appeals

For decisions and appeals, please see the Housing scheme of delegation.

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Management Transfer

1. Introduction

Management transfer is a procedure that awards a high priority transfer status to a council tenant because of the tenant's exceptional circumstances which requires the tenant to move urgently out of their home and/or the area.

It is not designed as an alternative route to the transfer process and tenants need to be aware of this and that there are alternative remedies.

1.1 Policy

There are three circumstances where a management transfer would apply:-

- **Threats to life and limb:** A threat to life or limb occurs when a tenant, or member of the tenant's family who lives at the same address, is the victim of a threat of physical harm. A threat would be considered where it can be demonstrated that perpetrators have been physically engaged in actions aimed at causing personal injury to either the tenant or other persons residing with them and that a move is required. This can include physical damage to their property or belongings. In deciding if the threat is credible, we will consider any current or previous actions or patterns of behaviour displayed by the perpetrators. We will also consider where there is a continuous and escalating pattern of more severe threats to the tenant. In these situations, the combination of all previous incidents suggest that a serious threat, assault or other forms of physical harm is more likely to be carried out against the tenant or one or more members of the tenant's family who live at the same address.
- **Properties in need of major work:** This is when a property is in need of major work that cannot be reasonably carried out with the tenant in occupation. The tenant's individual circumstances will determine whether they could be expected to occupy the premises whilst the works are carried out.

At present, there are no permanent decants for works purposes as the Department retains a number of flats scheduled for demolition that are used for the purposes of temporary accommodation.

- **Council's interest** – Please refer to the Allocations Policy for applications under this part.

In all the above, the decision to award a management transfer status must be based on the principle of 'reasonableness to continue to occupy' as established in homelessness assessments.

Supporting Evidence

Where the tenant is able to supply supporting information and/or evidence to support their request, officers are required to give due consideration to them. However, the onus must not be placed on the tenant to supply the information required to assess the request for management transfer.

Officers are required to use all available resources to obtain relevant information needed to carry out adequate assessment of the request. In so doing, they should liaise with all relevant agencies e.g. Police, Adult/Children Services etc, where relevant.

Timeline

Bearing in mind that management transfer is only awarded upon acknowledgement that it is unsafe for a tenant to remain in their property and that an urgent move is required, a lengthy delay in securing alternative accommodation, calls into question the reason for the award in the first place. In addition, once the application has been approved, it should be clear that the tenant will not be returning to that property.

As a result, immediate temporary accommodation should be offered to the tenant, except where they can and are willing to make their own arrangements, and they should be required to submit an NTQ (four weeks), which closes the tenancy of their previous home.

All management transfer cases must be reviewed every month by the Housing Officer and their line manager. This ensures any change in circumstances is monitored and taken into account.

Areas of Choice

Tenants should be given the opportunity to choose their preferred areas and within reason, exclude certain areas where they might feel threatened. Where the choices and exclusions significantly reduce the possibility of re-housing within six months, officers should use their discretion and add other areas.

The safety of tenants is of paramount importance and they should not be re housed within the same area where there is a risk of violence. If a tenant insists on being offered alternative accommodation in the same area, then the reason for a management transfer is questionable and in these instances, they should be advised and assisted to obtain the legal remedies available to ensure their safety in their current home.

Rent Arrears/History of Arrears

The safety of the tenant and their household is of paramount importance and should supersede any arrears issues. This should not therefore be a reason to refuse a management transfer request. Having said that, an arrangement must be reached with the tenant on paying whatever arrears they have before they move.

Action against the cause of the move

With every decision made to award a management transfer status, there should be a clear action plan against perpetrator/s because, unless the problem is resolved, new tenants could be subjected to the same violence/harassment. In cases of domestic violence and where the victim is a joint tenant of the property, a notice to quit should be required from the victim which automatically brings the tenancy to an end. The perpetrator then becomes a trespasser and recovery of the property is obtained by a Possession Order.

Transfer Options

Priority – management transfer status awardees should be given priority equivalent to decants. This helps fulfil the urgent need to re-house.

Offers – with their priority status, management transfer awardees will be registered on MCIL and asked to bid in order to obtain a property of their choice. At the end of a six month period, a final offer should be made if the tenant has failed to secure a successful bid and/or has been bidding unreasonably.

Property Type – management transfer awardees are to be registered for a property that meets their needs. i.e. not like for like based on their current home.

Moves out of the Borough – we cannot offer applicants a transfer out of the Borough under the management transfer policy. Where a move out of the borough is requested or considered to be required, officers should consult with Housing Advice as to whether a reciprocal move can be arranged with the authority for the area that they wish to move to. For a reciprocal arrangement to be considered, the case must be determined to have merited a management transfer.

Decision Making

The decision to award a management transfer must be taken with regard to the Housing scheme of delegation.

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Keeping of dogs and other pets

A tenant or leaseholder, may wish to care for an animal in their home. It is the intention of the Council to accommodate this within reason and this policy sets out under what circumstances it will be accommodated.

Under this policy, a tenant or leaseholder will be required to ask the Council's permission to keep a dog.

There are a number of Acts of Government that we need to know about.

- **Dangerous Wild Animals Act 1976** – a tenant is not allowed to keep any animal that is classed as dangerous under this Act. (Dangerous Wild Animals List)
 - <http://www.legislation.gov.uk/ukpga/1976/38>
- **Dangerous Dogs Act 1991** – a tenant is not allowed to keep any dog which is classed as a dangerous dog under this Act. (Dangerous Dog Information sheet)
 - <http://www.legislation.gov.uk/ukpga/1991/65/contents>
- **Animal Welfare Act 2007** – This Act refers to the legal responsibility of the tenant for the basic welfare of an animal. (Description of 5 basic needs of a pet)
 - <http://www.legislation.gov.uk/ukpga/2006/45/contents>

The conditions of tenancy states that:-

- If council believes that an animal is unsuitable or the tenant does not request permission for the animal we can ask the tenant to remove the animal.
- If the animal causes a nuisance for example fouling in shared areas, making a lot of noise or roaming the estate or shared areas we can ask the animal to be removed.
- If the tenant keeps more than a reasonable number of pets we can ask for some to be removed. If the animals are causing a nuisance or if the tenant is unable to meet the five basic welfare needs of the pets (see Animal Welfare Act 2007) we can ask the tenant to remove the animals and or we may refer them to Environmental Health and/or RSPCA.
- The tenant cannot keep any livestock in the property such as cows, sheep, chickens, pigs, goats, horses or any other animal that could be classed as livestock.

Tenants living in houses

Tenants living in houses can keep a wider range of animals, where they have direct access to a garden. However, the following points must be taken into account:

- A tenant can keep one small domesticated animal such as a cat or an animal that requires a small cage or glass tank. If a tenant would like to keep a dog or more than one animal, the tenant must ask the Council for permission;

- A tenant can keep fish in a tank up to the size of 3ft long and 1ft wide and 1ft high. If the tenant wishes to keep a tank bigger than this, they must request permission and may be asked to pay for a structural report to make sure that the floor can support the weight;
- A tenant can keep pigeons and other birds in a pigeon loft or an aviary but they must ask for the Council's permission to do this. If however the birds cause a nuisance then we can withdraw permission and ask the tenant to remove the bird(s).
- In certain circumstances the food for the animal may cause a nuisance. The tenant or lessee is responsible for everything associated with the animal. For example a tenant may have a lizard that requires live food the tenant is responsible for keeping the food in a safe and secure environment and ensure that it cannot escape. If the food does escape and causes a nuisance such as an infestation the tenant will be responsible for the costs to remedy the nuisance.

Tenants & leaseholders living in flats

The guidelines for a flat are different to a house because of close proximity to other properties. The following points must be taken into account:

- If a tenant/lessee would like to keep a dog in their flat, they should ask for permission from the Council. The permission will not be given, if the dog is considered to be on the Dangerous Dogs Act 1991 or has not been registered under the Council's dog registration scheme;
- If the tenant has direct access to a garden then the same conditions apply as if the tenant lived in a house except for the keeping of birds in an aviary which is not permitted.

Dogs

In order for permission to be granted the following criteria must be met:

- The owner must register their dog through the Council's dog registration scheme which aims to tackle and prevent dog fouling issues as well as ensuring the basic welfare of dogs in this borough;
- The dog has not been known to cause nuisance or annoyance;
- The tenant has not previously had permission withdrawn from them for owning a pet.

Permission will only be granted to a tenant or leaseholder on the following conditions:-

- Permission will only be granted for one dog, for tenants and leaseholders in a flat.
- The council will withdraw permission to keep a dog if it is causing a nuisance or annoyance to neighbours or it is continually allowed to roam free on the estate.
- The tenant/lessee has a responsibility to make sure that their fence is adequate to stop a dog from escaping into a neighbour's garden.

Where the Council gives permission for a dog, it will be given for the life of the dog only.

The tenant/leaseholder has the right of appeal, but only because new information is provided that shows that permission can be granted as an exception (e.g. medical grounds). The appeal will be considered by the Group Manager Housing Management.

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Relationship breakdown

Tenancies are often held jointly between partners, either because they were signed up at the same time or the original sole tenant requested that their partner be added to their tenancy at a later date.

In some cases, the relationship breaks down and the joint tenants can no longer live together. When this happens, either one or both parties may approach the council to be re-housed.

Orders from the Courts

- Property Adjustment Order - the court's powers to transfer ownership/tenancies from one party to the other or from joint names into sole names. Please see Family Law Act 1996.
- Occupation Order - Where accommodation is shared the court can make orders to regulate rights of occupation by issuing an Occupation Order. This order may give a person a right to occupy and/or prevent a person from occupying that property. These orders are normally a short term solution following issues of domestic violence.
- Under the Children Act 1989 the court can order one party to transfer property to a child or to another adult for the benefit of the child

For all of the above, both a secure and an introductory tenancy, can be so transferred if the court order is made under the Matrimonial Causes Act 1973, the Children Act 1989 or the Civil Partnership Act 2004, this has the effect of assigning the tenancy, which is only transferred when the actual assignment takes place. An assignment has to be by deed i.e. in writing and signed by both parties.

When a tenancy is transferred, whether by court order or assignment, the new tenant takes the tenancy subject to any restrictions or limits on the tenancy e.g. if the tenancy was a tenancy by succession, the new tenant will be treated as if s/he is a tenant by succession.

Where an application is made as a result of a breakdown in relationship, the following will apply (please note, all cases are to be treated on their own merits):

- A concessionary offer should be considered in circumstances where the care of children is to be shared by two parents living in different places. Any such offer would need to satisfy the tests of homelessness and a court order in respect of the childcare arrangements would normally be required. Voluntary arrangements will not be acceptable.
- No concessionary offer to be made to any adult leaving a relationship, except in circumstances where a homeless duty would arise as a consequence of vulnerability.
- In all circumstances where an adult has left the family home with all children, and where a homeless duty would arise, that all appropriate action (depending on the tenancy arrangements and the circumstances involved) is taken to enable the family to occupy the property, should this be the most appropriate home for them. Otherwise, the Council will seek to re-house them elsewhere. Except where

assessed to be inappropriate, it is expected that possession proceedings will be taken against the partner left behind.

- In cases of domestic violence, where the victim has been re-housed, immediate action must commence to re-possess the property from the perpetrator.

Where there are rent arrears on the property, even though this will not be a reason to not award the tenancy, the person to whom the tenancy is being awarded must enter into an agreement to pay the arrears.

Decision making

For decisions and appeals, please see the Housing scheme of delegation.

Equality Impact Assessment

Changes in circumstances for Council Tenants

Signing off when assessment is completed

Sign off by GM Cohesion and Equalities Date

Sign off by OMT/Chair Departmental Equality GroupDate

Date published on the internet

Review

<p>Review date</p> <p>A date for review is required for this EIA to be refreshed and reviewed.</p> <ul style="list-style-type: none"> • This date will be captured corporately • You must ensure that this review is carried out in time to meet this date 	<p>Please indicate date below</p>
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Stage 1 – Scope of the equality Impact Assessments about your piece of work

1 Directorate	Housing Management
2. Policy / Strategy / Service to be assessed:	<p><u>Changes in Circumstances for Council Tenants</u></p> <ul style="list-style-type: none"> • Management Transfers • Relationship breakdown • Succession of Tenancy
3. Lead Officer:	Hakeem Osinaike
4. Equality Impact Assessment Person / Team:	Andrew Walkinshaw
5. Date of Assessment:	22 September 2015
6. The main purpose and outcomes of	The council is committed to re-assessing its

<p>policy/strategy / service to be assessed</p>	<p>policies, strategies, functions and services, usually within a three year cycle, and it is committed to publishing its findings.</p> <p>A review of key housing management policy and procedures in relation to changes in circumstances for Council tenants started in 2014. The purpose and outcomes to be achieved in this assessment is to ensure all functions and business processes of the council are able to demonstrate the way in which they promote equality.</p>
<p>7. Groups who the piece of work should benefit or apply to, for example:</p> <ul style="list-style-type: none"> - Service users - Staff - Other internal or external stakeholder <p>(Will the piece of work be delivered in partnership with another agency?)</p>	<p>This equality impact assessment should benefit and apply to the following groups:</p> <ul style="list-style-type: none"> • Council tenants • Housing Officers • Support Service Officers • Adults & Childrens Services • Metropolitan Police Service
<p>8. Any associated strategies or guidelines i.e. legal/ national /statutory</p>	<p>The statutory legislation associated with this review includes:</p> <p>Matrimonial Causes Act 1973 Housing Act 1985 The Children Act 1989 Family Law Act 1996 The Civil Partnership Act 2004 Localism Act 2011</p> <p>Associated startegies include</p>

Step 2. Gathering Information

<p>1. Who should be served by the policy / strategy / piece of work?</p> <p>The policies assessed in this report contribute to helping all Council tenants to have more opportunities in life. It may also improve relationships in communities as the actions detailed aim to achieve better awareness of these policies so that Council tenants are able to seek help at the earliest stage to prevent avoidable rent arrears and achieve tenancy sustainment objectives. The purpose of this equality impact assessment is to draw attention to this positive effect and see if it can be strengthened so that other groups in the community may benefit.</p>
<p>2 .What relevant information do you have about the people who this piece of work is aimed at? (Please complete the boxes below)</p>

Equality Groups	Information (research / data)	Known or potential inequalities
Ethnicity	<p>Analysis of the housing management system found 51% of those requesting a service were White British. Approximately 24% did not state their ethnicity. Succession of tenancy cases had the highest proportion of White British (57%) and for management transfer cases this was lower (52%). No disproportionate trends were found in the analysis when comparing this with the profiling data of all council tenants and leaseholders (49% White British)</p>	<p>Awareness of policy limited in all community groups as historic complaints data shows that customers often appeal when a decision does meet their original expectations. Therefore, additional training for housing officers and pro-active approach to advertise policy with wider community (web, marketing materials) to be considered in the action plan.</p>
Gender (including Transgender)	<p>Analysis of the housing management system found that of those experiencing a breakdown in relationship, 57% of applicants were female and 43% male. For succession of tenancy cases 48% of cases were female and 52% male.</p> <p>However, 71% of those whose succession of tenancy request was approved were female which is high considering only 48% of applicants are female. For management transfer cases 79% of applicants were female and 21% were male.</p>	<p>Awareness of policy limited in all community groups as historic complaints data shows that customers often appeal when a decision does meet their original expectations. Therefore, additional training for housing officers and pro-active approach to advertise policy with wider community (web, marketing materials) to be considered in the action plan.</p> <p>Potential inequality with gender data not being available to analyse those who were accepted as a management transfer request because "Start Reason" field in system does not have option of "Management Transfer". Recommend ICT to update field options in system.</p>
Disability	<p>No disability data/information available.</p>	<p>Awareness of policy could be limited in wider community.</p>

Age	<p>Analysis of the housing management system found that for succession of tenancy cases 69% of applicants were over 60 whereas for management transfers this was only 4% and Relationship Breakdowns was also lower at 18%. For management transfer requests 59% were in the age category 26-44.</p>	<p>There are no known inequalities identified in the analysis of system data. However, awareness of policy could be limited in wider community and understanding that a large majority of management transfer cases (59%) are in the 26-44 age category, targeted approach could be taken.</p>
Religion and Belief	<p>Analysis of the housing management system found that for succession of tenancy cases 45% of applicants are Christian whereas for management transfers this was 28% and relationship breakdowns this was 25%. On all cases approximately 27% declined to state their religion.</p> <p>No disproportionate trends were found in the analysis when comparing this with the profiling data of all council tenants and leaseholders (65% Christian).</p>	<p>Awareness of policy limited in all community groups as historic complaints data shows that customers often appeal when a decision does meet their original expectations. Therefore, additional training for housing officers and proactive approach to advertise policy with wider community (web, marketing materials) to be considered in the action plan.</p>
Sexual Orientation	<p>Analysis of the housing management system found that for succession of tenancy and management transfer cases between 63 and 69% of applicants are heterosexual with the remaining applicants declining to say. For relationship breakdowns 62% are heterosexual, 1% homosexual with the remaining declining to say. No disproportionate trends were found in the analysis when comparing this with the</p>	<p>Awareness of policy and procedures limited in LGBTQ forum?</p>

	profiling data of all council tenants and leaseholders (88% heterosexual).	
Maternity and Nursing Mothers	Not available	None known
You may also wish to consider Carers	Not available	None known
Do you have enough information about the different groups to inform an equality impact assessment? Yes/ No If not, this area should be addressed in your action plan		
3 . Do you have monitoring data or consultation findings specific to your area of work? If yes list the sources of evidence here & go to Step 3, if No list the actions required to get more data.(which should be included in the action plan)		
<ul style="list-style-type: none"> • BI Query Analysis Report – available on SharePoint via Andrew Walkinshaw, Business Officer, Housing Business Services 		
What consultation activity has taken place / will be taking place on this piece of work and the Equality Impact Assessment?		
<ul style="list-style-type: none"> • Action plan to address need to undertake consultation with community groups to increase awareness of existing policies. • Consultation and policy changes to follow with resident groups. 		

Step 3. Assessing Impact

1.	What does your monitoring data on your service users tell you?	
	Are any groups under or over represented compared to what you would expect to see. Please give details below.	
	Ethnicity	No groups under or over represented in monitoring data.
	Gender (including transgender)	71% of those whose succession of tenancy request was approved were female which is high considering only 48% of applicants are female. No transgender data available.

	Age	No groups under or over represented in monitoring data.	
	Disability	Limited data available to make assessment.	
	Sexual Orientation	Approximately 30% of respondents declined to record their sexual orientation. Comparisons have been made with national figures and this is consistent.	
	Religion and belief	No groups under or over represented in monitoring data.	
	Pregnant and Nursing Mothers	No data available to make assessment.	
	Socio economic	No socio-economic impact	
	You may also wish to consider Carers	No data available to make assessment.	
2.	Based on the evidence gathered have you identified any potential differential impact for any of the equality groups? Step 2. What are the potential access issues or barriers for people in each of the equality groups		
		Positive	Negative
	Ethnicity	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
	Gender (including transgender)	No groups under or over represented in monitoring data.	Potential inequality with gender data not being available to analyse those who were accepted as a management transfer.
	Disability	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
	Age	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
	Religion and Belief	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.

	Sexual Orientation	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
	Pregnant and nursing mothers	N/A	N/A
	Socio economic	N/A	N/A
	You may also wish to consider Carers	N/A	N/A
	Is the differential impact as a result of indirect or direct discrimination? Yes..... / No.....		
	Can any differential impact be justified or proportionate in meeting a legitimate aim if yes please provide details		

4. Promoting Equality

1.	<p>What has been done to promote equality in this piece of work? This includes any measures you've put in place to:</p> <p><input type="checkbox"/> Improve the accessibility of your service <input type="checkbox"/> Improve the quality of outcomes for people from different groups <input type="checkbox"/> Make your service/policy/strategy more inclusive <input type="checkbox"/> Ensure staff are trained appropriately <input type="checkbox"/> Promote community cohesion or good relationships between different groups of people. (Think about physical access, communications needs, staff awareness, partnership working)</p>		
	Ethnicity	Policy documentation is available in a number of formats (e.g. Web, Conditions of Tenancy). Policy applies to all Council tenants regardless of ethnicity.	
	Gender	Policy applies to all Council tenants regardless of gender.	
	Disability	Housing Officers communicate with tenants in a variety of formats (visits, email, telephone) and ensure accessibility of service is not adversely affected. Policy documentation is available in a number of formats (e.g. Web, Conditions of Tenancy).	
	Age	Policy applies to all Council tenants regardless of age.	
	Religion and belief	Policy applies to all Council tenants regardless of religious belief.	

	Sexual orientation	Policy applies to all Council tenants regardless of sexual orientation.
	Socio economic	N/A
	Pregnant and Nursing Mothers	N/A
	You may also wish to consider Carers	N/A
2.	What further actions are required? please ensure that these are	
	None	
3.	How have you consulted on this Equality Impact Assessment?	
	Internal resources consulted.	
4.	How will the outcomes from this EIA be managed and monitored - all of the proposed equality outcome should be managed through the service plans	
	To be managed and monitored in service plans	

Action plan template

Improvement Required	Priority	Key Actions	Timescale	Outputs demonstrating progress	Resources	Outcome	Lead
Improving awareness of Management Transfers policy	High	Frontline Staff briefing to increase policy knowledge FAQ's page to be developed for web	31 October 2015	Less appeals on refusals Increase in web page hits	TBC	Reduced number of appeals	TBC
Improving awareness of Relationship Breakdown policy	High	Frontline Staff briefing to increase policy knowledge FAQ's page to be developed for web	31 October 2015	Less appeals on refusals Increase in web page hits	TBC	Reduced number of appeals	TBC
Improving awareness of Succession of Tenancy policy	High	Frontline Staff briefing to increase policy knowledge FAQ's page to be developed for web	31 October 2015	Less appeals on refusals Increase in web page hits	TBC	Reduced number of appeals	TBC
Improving data collection and evidence	Medium	"Start Reason" field in Capita does not have option of "Management Transfer". ICT to update field options in system	15 October 2015	Better reporting on management transfer outcomes.	ICT	Better reporting on management transfer outcomes.	TBC

Summary

Please provide a summary document / storyboard of the findings of your EIA (including best practice what we do well, our challenges , our opportunities and what we planned to do This will be used for publication on the internet

The policies assessed in this EIA will contribute to helping all Council tenants to have more opportunities in life.

The action plan will improve relationships in communities as the actions aim to achieve better awareness of these policies so that Council tenants are able to seek help at the earliest stage to prevent avoidable rent arrears and achieve tenancy sustainment objectives.

Although there were no disproportionate trends found in the analysis, challenges include ensuring that the wider community is aware of these policies so that they can seek assistance when required.

Equality Impact Assessment

Keeping of dogs and other pets

Signing off when assessment is completed

Sign off by GM Cohesion and Equalities Date

Sign off by OMT/Chair Departmental Equality GroupDate

Date published on the internet

Review

<p>Review date</p> <p>A date for review is required for this EIA to be refreshed and reviewed.</p> <ul style="list-style-type: none"> • This date will be captured corporately • You must ensure that this review is carried out in time to meet this date 	<p>Please indicate date below</p>
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Stage 1 – Scope of the equality Impact Assessments about your piece of work

1 Directorate	Housing Management
2. Policy / Strategy / Service to be assessed:	Keeping of dogs and other pets
3. Lead Officer:	Hakeem Osinaike
4. Equality Impact Assessment Person / Team:	Andrew Walkinshaw
5. Date of Assessment:	22 September 2015
6. The main purpose and outcomes of policy/strategy / service to be assessed	The council is committed to re-assessing its policies, strategies, functions and services, usually within a three year cycle, and it is committed to publishing its findings.

	<p>A review of key housing management policy and procedures in relation to keeping of dogs and other pets started in 2014. The purpose and outcomes to be achieved in this assessment is to ensure all functions and business processes of the council are able to demonstrate the way in which they promote equality.</p>
<p>7. Groups who the piece of work should benefit or apply to, for example:</p> <ul style="list-style-type: none"> - Service users - Staff - Other internal or external stakeholder <p>(Will the piece of work be delivered in partnership with another agency?)</p>	<p>This equality impact assessment should benefit and apply to the following groups:</p> <ul style="list-style-type: none"> • Council tenants and leaseholders • Housing Officers • Support Service Officers • Noise Abatement Team
<p>8. Any associated strategies or guidelines i.e. legal/national /statutory</p>	<p>There are a number of Acts of Government that we need to know about.</p> <ul style="list-style-type: none"> • Dangerous Wild Animals Act 1976 – a tenant is not allowed to keep any animal that is classed as dangerous under this Act. (Dangerous Wild Animals List) http://www.legislation.gov.uk/ukpga/1976/38 • Dangerous Dogs Act 1991 – a tenant is not allowed to keep any dog which is classed as a dangerous dog under this Act. (Dangerous Dog Information sheet) http://www.legislation.gov.uk/ukpga/1991/65/contents • Animal Welfare Act 2007 – This Act refers to the legal responsibility of the tenant for the basic welfare of an animal. (Description of 5 basic needs of a pet) http://www.legislation.gov.uk/ukpga/2006/45/contents <p>A key document also associated with this review includes the Conditions of Tenancy.</p>

Step 2. Gathering Information

<p>1. Who should be served by the policy / strategy / piece of work?</p>
<p>The policies assessed in this report contribute to helping all Council tenants to have more opportunities in life. It may also improve relationships in communities as the actions detailed aim to</p>

<p>achieve better awareness of these policies so that Council tenants are able to seek help and report anti-social behaviour (ASB) issues such as noise from dogs living in unsuitable accommodation. The purpose of this equality impact assessment is to draw attention to this positive effect and see if it can be strengthened so that other groups in the community may benefit.</p>		
<p>2 .What relevant information do you have about the people who this piece of work is aimed at? (Please complete the boxes below)</p>		
Equality Groups	Information (research / data)	Known or potential inequalities
Ethnicity	Analysis of the housing management system found 68% of those requesting permission to have a pet or reporting problems with a neighbour having a pet were White British. Only 7% did not state their ethnicity. No disproportionate trends were found in the analysis when comparing this with the profiling data of all council tenants and leaseholders (49% White British)	Awareness of policy potentially limited in all community groups. Additional training for housing officers and pro-active approach to market policy with wider community (web, marketing materials) to be considered in the action plan.
Gender (including Transgender)	Analysis of the housing management system found that 73% of applicants were female and 27% male. No disproportionate trends were found in the analysis.	Awareness of policy potentially limited in all community groups. Additional training for housing officers and pro-active approach to advertise policy with wider community (web, marketing materials) to be considered in the action plan.
Disability	No disability data/information available.	Awareness of policy could be limited in wider community.
Age	Analysis of the housing management system found 59% of applicants were in the age category of 26-44.	There are no known inequalities identified in the analysis of system data. However, awareness of policy could be limited in wider community and understanding that a large majority of management transfer cases (59%) are in the 26-44 age category,

		targeted approach could be taken.
Religion and Belief	Analysis of the housing management system found that 30% of applicants are Christian. 70% declined to state their religion. Disproportionate trends were found in the analysis when comparing this with the profiling data of all council tenants and leaseholders (65% Christian).	Awareness of policy could be limited in wider community.
Sexual Orientation	Analysis of the housing management system found that 66% of applicants are heterosexual with the remaining applicants declining to say. No disproportionate trends were found in the analysis when comparing this with the profiling data of all council tenants and leaseholders (88% heterosexual).	Awareness of policy limited in LGBTQ forum?
Maternity and Nursing Mothers	Not available	None known
You may also wish to consider Carers	Not available	None known
Do you have enough information about the different groups to inform an equality impact assessment? Yes/ No If not, this area should be addressed in your action plan		
3 . Do you have monitoring data or consultation findings specific to your area of work? If yes list the sources of evidence here & go to Step 3, if No list the actions required to get more data.(which should be included in the action plan)		
<ul style="list-style-type: none"> • BI Query Analysis Report – available on SharePoint via Andrew Walkinshaw, Business Officer, Housing Business Services 		
What consultation activity has taken place / will be taking place on this piece of work and the Equality Impact Assessment?		
<ul style="list-style-type: none"> • Action plan to address need to undertake consultation with community groups to increase awareness of existing policies. 		

- Consultation and policy changes to follow with resident groups.

Step 3. Assessing Impact

1.	What does your monitoring data on your service users tell you? Are any groups under or over represented compared to what you would expect to see. Please give details below.		
	Ethnicity	No groups under or over represented in monitoring data.	
	Gender (including transgender)	73% of all requests for service were from females. No MI available for transgender	
	Age	No groups under or over represented in monitoring data.	
	Disability	Limited data available to make assessment.	
	Sexual Orientation	34% of respondents declined to record their sexual orientation. Comparisons have been made with national figures and this is consistent.	
	Religion and belief	No groups under or over represented in monitoring data.	
	Pregnant and Nursing Mothers	No data available to make assessment.	
	Socio economic	No socio-economic impact.	
	You may also wish to consider Carers	No data available to make assessment.	
2.	Based on the evidence gathered have you identified any potential differential impact for any of the equality groups? Step 2. What are the potential access issues or barriers for people in each of the equality groups		
		Positive	Negative
	Ethnicity	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.

Gender (including transgender)		73% of all requests for service were from females. No MI available for transgender.
Disability	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
Age	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
Religion and Belief	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
Sexual Orientation	No groups under or over represented in monitoring data.	Awareness of policy could be limited in wider community.
Pregnant and nursing mothers	N/A	N/A
Socio economic	N/A	N/A
You may also wish to consider Carers	N/A	N/A
<p>Is the differential impact as a result of indirect or direct discrimination? Yes..... / No.....</p> <p>Can any differential impact be justified or proportionate in meeting a legitimate aim if yes please provide details</p>		

4. Promoting Equality

1.	<p>What has been done to promote equality in this piece of work? This includes any measures you've put in place to:</p> <p><input type="checkbox"/> Improve the accessibility of your service</p> <p><input type="checkbox"/> Improve the quality of outcomes for people from different groups</p> <p><input type="checkbox"/> Make your service/policy/strategy more inclusive</p> <p><input type="checkbox"/> Ensure staff are trained appropriately</p> <p><input type="checkbox"/> Promote community cohesion or good relationships between different groups of people.</p> <p>(Think about physical access, communications needs, staff awareness, partnership working)</p>	
	Ethnicity	Policy documentation is available in a number of formats (e.g. Web, Conditions of Tenancy). Policy applies to all Council tenants regardless of ethnicity.
	Gender	Policy applies to all Council tenants regardless of gender.

	Disability	Housing Officers communicate with tenants in a variety of formats (visits, email, telephone) and ensure accessibility of service is not adversely affected. Policy documentation is available in a number of formats (e.g. Web, Conditions of Tenancy).
	Age	Policy applies to all Council tenants regardless of age.
	Religion and belief	Policy applies to all Council tenants regardless of religious belief.
	Sexual orientation	Policy applies to all Council tenants regardless of sexual orientation.
	Socio economic	N/A
	Pregnant and Nursing Mothers	N/A
	You may also wish to consider Carers	N/A
2.	What further actions are required? please ensure that these are None.	
3.	How have you consulted on this Equality Impact Assessment? Internal resources consulted.	
4.	How will the outcomes from this EIA be managed and monitored - all of the proposed equality outcome should be managed through the service plans To be managed and monitored in service plans.	

Action plan template

Improvement Required	Priority	Key Actions	Timescale	Outputs demonstrating progress	Resources	Outcome	Lead
Improving awareness of policy	High	Frontline Staff briefing to increase policy knowledge FAQ's page to be developed for web	31 October 2015	Less appeals on refusals Increase in web page hits	TBC	Reduced number of appeals	TBC
Improving data collection and evidence	Medium	Frontline Staff briefing to improve focus on completing profiling data (e.g. disability)	15 October 2015	Better reporting on disability data	ICT	Better reporting of case management outcomes.	TBC

Summary

Please provide a summary document / storyboard of the findings of your EIA (including best practice what we do well, our challenges , our opportunities and what we planned to do This will be used for publication on the internet

The policy assessed in this EIA will contribute to helping all Council tenants to have more opportunities in life.

The action plan will improve relationships in communities as the actions aim to achieve better awareness of this policy so that Council tenants are able to seek help and report anti-social behaviour (ASB) issues such as noise from dogs living in unsuitable accommodation.

Although there were no disproportionate trends found in the analysis, challenges include ensuring that the wider community is aware of this policy so that they can seek assistance when required.

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CABINET**9 March 2016**

Title: Future Management Arrangements for Fanshawe, Galleon and Hedgecock Community Facilities	
Report of the Leader of the Council	
Open Report	For Decision
Wards Affected: Parsloes, Gascoigne and Longbridge	Key Decision: Yes
Report Author: Paul Hogan, Divisional Director for Culture and Sport	Contact Details: Tel: 020 8227 3576 E-mail: paul.hogan@lbbd.gov.uk
Accountable Divisional Director: Paul Hogan, Divisional Director for Culture and Sport	
Accountable Director: Anne Bristow, Strategic Director of Service Development and Integration	
<p>Summary:</p> <p>This report seeks approval to grant leases for the following properties: Fanshawe Community Centre; Hedgecock Community Centre; and the Galleon Centre.</p> <p>Cabinet has previously approved (21 December 2010; minute 76 refers) the transfer of several community centres into community management via the award of a long term lease.</p> <p>Also as part of the 2015/16 budget round Cabinet agreed (16 December 2014; minute 71 refers) a saving of £52,000 to be achieved by transferring the remaining community halls operated by the Council into community management arrangements.</p> <p>Accordingly it is proposed to transfer the management of the Fanshawe and Hedgecock Community Centres to independent community associations (which have been established for this purpose) via long term lease arrangements.</p> <p>The report also seeks approval to grant a lease to Studio 3 Arts for the Galleon Centre, which has been their base for a number of years.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
<p>(i) Authorise the Chief Executive, in consultation with the Director of Law and Governance and Strategic Director of Finance and Investment, to negotiate final terms, enter into a management agreement and grant a 30 year lease for the Fanshawe Community Centre to the Fanshawe Community Association on a commercial rent and full repairing and insuring basis, and for the lease to include</p>	

provision permitting the tenant to grant a sub-lease to the Dagenham Islamic Welfare Association to regularise its current occupation of part of the premises;

- (ii) Authorise the Chief Executive, in consultation with the Director of Law and Governance and Strategic Director of Finance and Investment, to negotiate final terms, enter into a management agreement and grant a 30 year lease on a commercial rent and full repairing and insuring basis for the new Hedgecock Community Centre to the Hedgecock Community Association, which will be established by the Council to manage the facility; and
- (iii) Authorise the Chief Executive, in consultation with the Director of Law and Governance and Strategic Director of Finance and Investment, to negotiate final terms, enter into a management agreement and grant a 30 year lease for the Galleon Centre to Studio 3 Arts on a commercial rent and full repairing and insuring basis.

Reason(s)

The proposal will assist the Council in making better use of its resources and assets and supports the achievement of the Council's priorities of "Encouraging Civic Pride", and "Enabling social responsibility".

1. Introduction and Background

Governance arrangements for community halls

- 1.1 A policy was established in Barking and Dagenham in 1986 permitting local community associations to manage Community Centres under a management agreement on weekdays. A 2003 report to Cabinet considered the possibility of formally leasing premises to these community groups with the Council retaining responsibility for the maintenance of the centres. In 2005 a further report to the Cabinet recommended that an asset transfer take place under full repairing and insuring leases.
- 1.2 Following the Government's endorsement of the value of asset transfer as detailed above, a report to Cabinet (9 September 2008; minute 38 refers) restated the case for asset transfer in this Borough and the Cabinet agreed a policy which included:

"Community Halls may be transferred on a long lease to voluntary sector organisations where a business case has demonstrated social or community benefits which would arise from such a transfer and where the management capacity of the organisation has been demonstrated to be sufficiently robust."
- 1.3 By Minute 76 (21 December 2010), Cabinet agreed to grant a registrable long lease for several of the community centres in the Borough to their respective Community Associations.
- 1.4 At the Cabinet meeting on 16 December 2014 (minute 71 refers), Members agreed to transfer the remaining community halls operated by the Council into community management arrangements.

Current position

- 1.5 Fanshawe Community Centre has been operated successfully for a number of years by the Fanshawe Community Association under the terms of a management agreement with the Council. This enables the Association to manage the hall on a day to day basis and to retain the income generated from lettings and other activity they programme. However, they are also responsible for all expenditure associated with the operation of the community centre.
- 1.6 The Dagenham Islamic Welfare Association is based in a separate part of the Fanshawe Community Centre complex. They had a licence to occupy their premises, which has now expired.
- 1.7 The new Hedgecock Community Centre is being built on Upney Lane in Barking as part of a s106 agreement with the developer of a new housing scheme. It is expected that the centre will be handed over to the Council in spring 2016.
- 1.8 Studio 3 Arts has been based at the Galleon Centre for a number of years and runs a varied programme of participatory arts activities for local people. In a similar arrangement to the one currently in place for the Fanshawe Centre, Studio 3 Arts has managed the Galleon Centre via a standard Council management agreement.
- 1.9 Studio 3 Arts is the only arts organisation in the Borough that is revenue funded by Arts Council England. They provide a wide ranging and unique programme of opportunities at the Galleon Centre for local people to see and participate in the arts.
- 1.10 Studio 3 Arts is the accountable body for the Creative Barking and Dagenham programme, which is also based at the Galleon Centre.
- 1.11 A site plan for the Fanshawe Community Centre and the Galleon Centre is attached at appendix one and two respectively. The Hedgecock Community Centre is still under construction and is located within a new housing development that will be completed shortly. As a result it is not possible, at the time of writing, to provide Members with a copy of the site plan that shows the footprint for the centre.

2. Proposals and issues

Fanshawe and Hedgecock Community Centres

- 2.1 Transferring the Community Centres as an asset to the community can have the following benefits:
 - To be of no financial burden to the Council while still enabling valued community services to be available to the community;
 - To provide a stable and accessible community hub where local people of all ages can meet, socialise and participate in a varied programme of educational and recreational activities;
 - To increase the capacity of local groups to manage and deliver diverse programmes to meet local needs and interests, and to contribute to wider partnership objectives such as building a strong community; and

- To enable Community Associations to leverage funding from other sources (not available to the Council) to enable continued investment in the facilities, delivering continuous modernisation, upgrading and maintenance of the community centre's infrastructure.

- 2.2 It is proposed to transfer the Fanshawe and Hedgecock community centres to their respective community associations via a 30 year lease on a commercial rent and full repairing and insuring basis.
- 2.3 Arrangements are in hand to establish a new community association to take on responsibility for the management of the Hedgecock community centre when it is handed over by the developer. To ensure the centre is being managed effectively before a long term lease is granted, it is intended that a management agreement rather than a lease will be put in place for the first twelve months of operation of the centre. If at the end of this period it is considered that the centre is being managed effectively then a lease will be granted.
- 2.4 The Fanshawe Community Association has been in existence for a number of years and already manages the Fanshawe Community Centre on a day to day basis but with no lease agreement in place. The intention would be to enter into a lease with the Fanshawe Community Association at the earliest opportunity with a sub-lease to the Dagenham Islamic Welfare Association.

Galleon Centre

- 2.5 It is proposed to transfer the management of the Galleon Centre to Studio 3 Arts via a 30 year lease on a commercial rent and full repairing and insuring basis.

3. Options appraisal

Fanshawe and Hedgecock Community Centres

- 3.1 Cabinet has already made a decision about the preferred option for the future management of the community centres as part of the 2015/16 budget round and so it is not appropriate or necessary to re-visit this decision.
- 3.2 However, it is a requirement set out in the Council constitution that any long term lease agreements (over 20 years) must be formally approved by Cabinet.

Galleon Centre

- 3.3 The options available to Cabinet in relation to the Galleon Centre focus on identifying the most efficient and effective management arrangement. There are considered to be two options:

Option A - Formalise the existing management agreement with Studio 3 Arts by providing the opportunity for them to take on the operation of the centre via a long term lease. This option is recommended as providing the best balance of providing value for money to the Council whilst retaining facilities for the community and providing security of tenure for one of the Borough's key cultural organisations.

Option B - Let the building through the Council's normal commercial letting procedures. The geographic isolation of the area will limit the level of interest that this opportunity would generate. Experience suggests that it is likely that the building would attract offers from faith groups; however, it is not considered that this would provide the best outcome for local residents in terms of the range of activities and services that would be available to them at the centre. Also, and most importantly, if this option were pursued it would make Studio 3 Arts and Creative Barking and Dagenham homeless.

- 3.4 This report recommends that option A should be implemented but if this does not prove feasible then option B should be pursued.

4. Consultation

- 4.1 The proposals in relation to the community centres were consulted on as part of the scrutiny process for the 2015/16 budget round.
- 4.2 Since then Longbridge Ward Councillors have been directly involved in shaping the development of the new Hedgecock Community Association, which it is proposed will manage the Hedgecock Community Centre.
- 4.3 Public meetings have been held to inform local people about the proposals for the future operation of the Hedgecock Community Centre and to encourage interested people to become directly involved in its operation.
- 4.4 Relevant Ward Councillors have been consulted on the proposed assignment of the leases for the Fanshawe Community Centre and Galleon Centre.
- 4.5 The proposals have also been reviewed by the Council's Assets and Capital Board.

5. Financial Implications

Implications completed by: Richard Tyler, Interim Group Finance Manager

- 5.1 The preferred option to transfer the facilities from the Council's management via a long term 30 year lease which would see the facilities function at no cost to the Council run by independent community organisations. They would take responsibility for the repair maintenance, insurance and all running costs for the facilities. This option would also enable the service achieve its savings target of £52,000 agreed at Cabinet (Dec 2014).
- 5.2 It should be noted that if the relevant organisation fails to meet the terms of the lease the facilities would revert to the Council, which would lead to a cost pressure against the revenue budgets until a new management arrangement can be organised.

6. Legal Implications

Implications completed by: Evonne Obasuyi, Senior Lawyer

- 6.1 The report seeks approval for the grant of long leasehold interests to the Community Associations to facilitate their management, use and occupation of the

named sites in the freehold ownership of the Council. The proposed leases will be for a term of 30 years and at a commercial rent and will be let on full repairing and insuring basis. The leases will be co-terminous with the management agreements.

6.2 The Council has powers to enter into the proposed transactions pursuant to section 123 Local Government Act 1972 which enables local authorities to dispose of land held by it in any manner it wishes providing it is not for a consideration less than the best that can reasonably be obtained, unless the Secretary of State consents to the disposal or the transaction is to further local social and economic well-being.

6.3 The disposal will be in compliance with the Council's acquisition and land disposal rules.

7. Other Implications

7.1 **Risk Management** - The key risks that have been identified in relation to this proposal relate primarily to the leases for the Fanshawe and Hedgecock Community Centres:

- i) The relevant organisations do not have the necessary skills or capacity to successfully manage the facilities to be leased. This risk is mitigated by the provision of advice and support to enable the Fanshawe and Hedgecock Community Associations to get appropriately constituted, and to build capacity. This is not considered to be an issue for the Galleon Centre.
- ii) The community centres become used exclusively by one group in the community, without achieving the wider social objectives for which they were designed. This risk will be mitigated by the insertion of a requirement in the lease's management agreement that the facility must remain fully accessible to all in the community. Failure to comply would constitute a breach of the lease agreement.
- iii) In these times of austerity the Community Association may not be able to secure funding to enable them to undertake the necessary works to their premises that may arise over the life of the lease. Support and advice is available to Community Associations to enable them to bid to all relevant funding bodies. It is also anticipated that the Association may wish to use the skills of local people where appropriate to complete works with the aim of increasing their affordability.
- iv) There may be an impact on the affordability and accessibility of space available to groups using the community centres, as the Associations reviews pricing policies to ensure that they reflect the need to cover repairs and maintenance costs, and seek to fill them at all times. The Council may need to rationalise provision if this becomes an issue for any services which it provides.
- v) The organisation holding the lease folds for some reason. It is recognised that many groups have been run ably by individuals for many years but they will not be able to do so for ever. If one of the Community Associations was to fold, or Studio 3 Arts lost its revenue funding from Arts Council England, the lease would be terminated, and the property would return to the control of the Council.

There would then be another opportunity to re-advertise it to the community to seek another managing organisation for a long lease.

- vi) The organisation holding the lease chooses to activate the lease break clause. In this case, the Council would need to consider its position at the time, and again could proceed to re-advertise, but the continued availability of the Centre to the community could not be guaranteed.
- vii) If the organisation does fold and / or the lease is terminated, charges on the property and / or external funding obligations may remain unfulfilled. The drafting of the lease will seek to ensure that any obligations entered into by the Community Association remain the legal duty of the leaseholder and do not revert to the Council in the case of termination.

7.2 Customer Impact - Provisions will be inserted into the lease with the community associations to ensure that the community centres remains accessible by all groups in the community. This should mitigate the risk of impacts on equality groups and customers. Similar provisions will be included in the lease with Studio 3 Arts for the Galleon Centre.

The transfer of these facilities has the potential to positively impact on customers and community cohesion, since the facilities will remain open for community use, activities will continue to run which bring people from different backgrounds together, and there will be the potential to secure funds not available to the Council to enable their further development.

7.3 Safeguarding Vulnerable Adults and Children - It is expected that all of the facilities will provide programmes of positive and diversionary activities for young people, older people and disabled people. Officers will work with the leaseholders to establish a robust safeguarding policy and procedures.

7.4 Health issues - the venues will provide safe, comfortable and accessible spaces where local people can meet, socialise and participate in a range of activities including those that will support health and wellbeing.

7.5 Crime and Disorder Issues - The Council has a statutory duty to consider crime and disorder implications in all its decision making. The venues will provide a wide range of activities and quality facilities, which will provide positive activities the local residents.

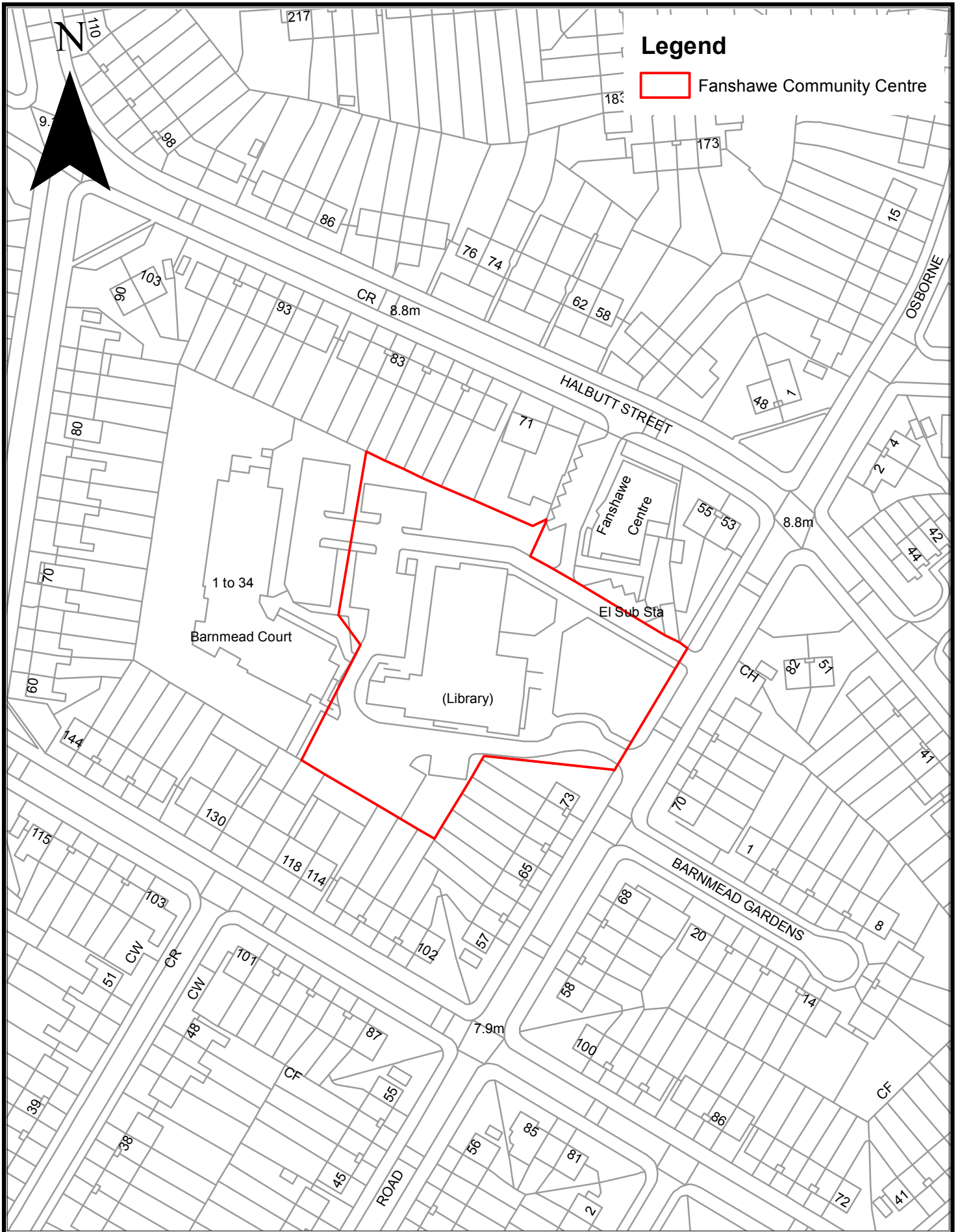
7.6 Property / Asset Issues - It is intended that the terms of the lease will require the leaseholder to repair, maintain and insure the facilities. Regular monitoring by Property Services will ensure that the leaseholders are complying with the lease conditions, enabling action to be taken as appropriate if any are in breach.

Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix 1** Site plan for Fanshawe Community Centre
- **Appendix 2** Site plan for Galleon Centre

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Fanshawe Community Centre, Barnmead Road, Dagenham

Property Services, Barking Town Hall, Barking, IG11 7LU

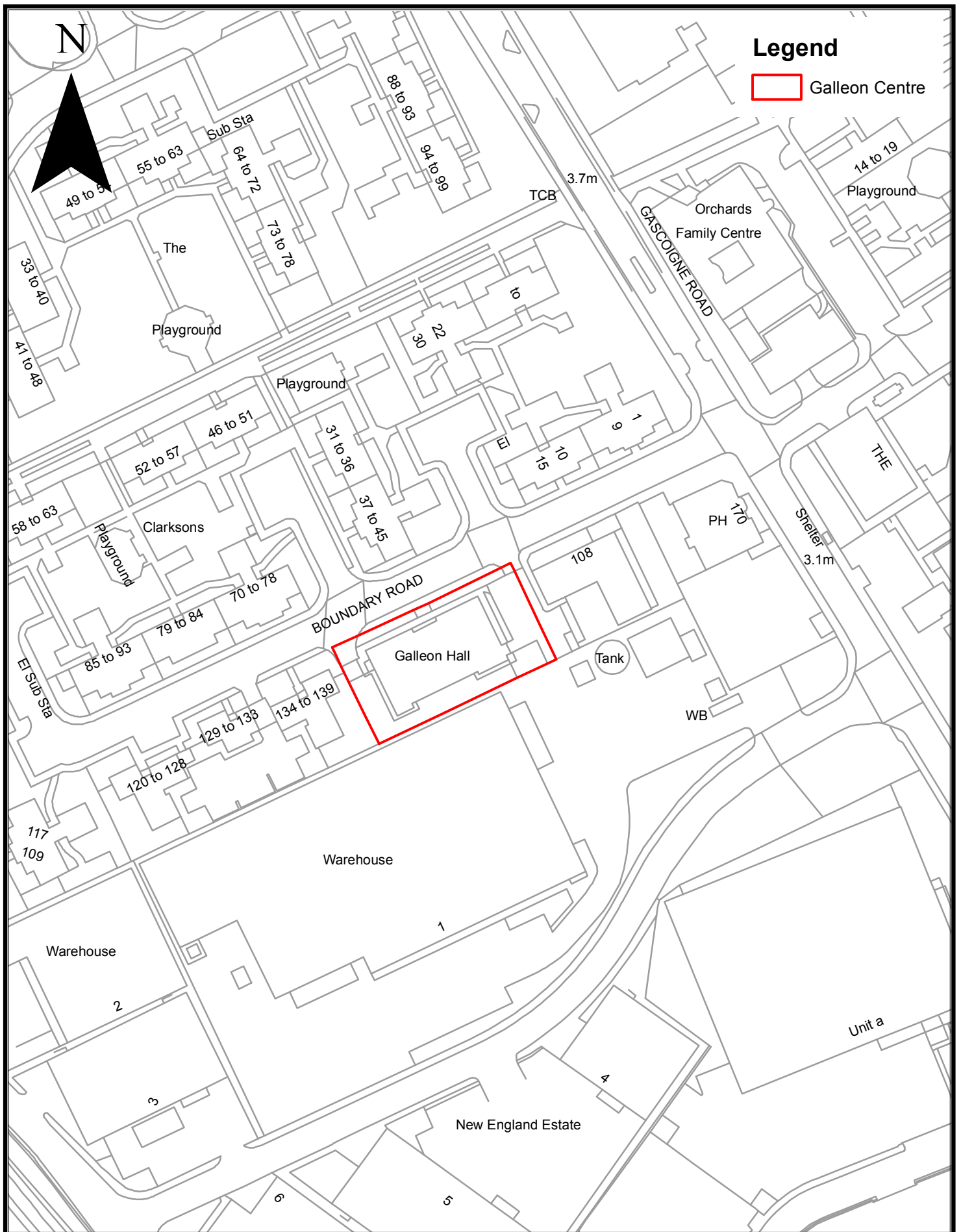
Date Produced: 16.02.2016 - Produced By N.Blackie

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Galleon Centre, Boundary Road, Barking, IG11 7JR

Property Services, Barking Town Hall, Barking, IG11 7LU

Date Produced: 16.02.2016 - Produced By N.Blackie

Scale (based A4 Paper):-1:1,250



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CABINET

9 March 2016

Title: Land Acquisition and Lease (Royal British Legion) - Rectory Road, Dagenham	
Report of the Cabinet Member for Finance	
Open Report with exempt Appendix C (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as amended)	For Decision
Wards Affected: Village	Key Decision: Yes
Report Author: Andy Bere, Asset Strategy Manager, Finance & Investments	Contact Details: Tel: 020 8227 3047 E-mail: Andy.bere@lbbd.gov.uk
Accountable Director: Jonathan Bunt, Strategic Director Finance & Investments	
<p>Summary:</p> <p>This report outlines the proposal to enter into negotiations with the Royal British Legion (RBL) to lease the former library in Rectory Road, Dagenham at market rent and at the same time for the Council to acquire the site in Rectory Road currently owned by the RBL with the possibility of combining the site with adjacent Council owned sites in order to redevelop the wider area for residential purposes.</p> <p>The Council currently own the car park area that forms part of the current RBL site, which is leased to the RBL on a 999 year lease from December 2001 and is the subject of a restrictive user clause.</p> <p>Both transactions would be subject to confirmation of the market valuation for the land value and discussions with the Planning Team.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Approve the granting of a 10 year lease to the Royal British Legion on market terms of the former Library site in Rectory Road as shown in Appendix B to the report and, in doing so, amend its decision made by Cabinet under Minute 17 (25 June 2013); (ii) Approve the acquisition of the Royal British Legion site in Rectory Road as shown in Appendix A to the report following formal valuation and consultation with Planning officers, in line with the arrangements set out in section 4 of the report; (iii) Delegate authority to the Chief Executive, in consultation with the Director of Law and Governance, the Strategic Director of Finance and Investment and the Cabinet Members for Finance and Regeneration, to agree terms and negotiate the contract documents to fully implement and effect the sale and lease of the sites; 	

and

- (iv) Delegate authority to the Director of Law and Governance, or an authorised delegate on her behalf, to execute all of the legal agreements, contracts and other documents on behalf of the Council.

Reason(s)

To assist the Council in achieving its corporate priorities of 'encouraging civic pride' and 'growing the borough' by disposing of surplus Council owned land to facilitate development.

1. Background

- 1.1 As part of the Council's regeneration agenda, a number of sites are currently being explored regarding their suitability for future redevelopment by the Council for wider estate regeneration and residential purposes. The Council have been made aware of the Royal British Legion (RBL) site in Rectory Road which as owners, the RBL is looking to dispose, following an approach by the RBL to take a lease on the former Rectory Road Library in order to relocate their social & community activities.
- 1.2 The former library at Rectory Road has been vacant for many years, with various previous proposals having been considered. There is currently a Cabinet decision in place from 25 June 2013 (Minute no 17) agreeing to the leasing of the building to the Territorial Army in order for them to establish a TA unit in the Borough. Subsequent discussions and several recruiting evenings resulted in this option not being pursued by the TA who are no longer interested in the site.
- 1.3 The building is currently being temporarily used by the 'Leaping Toads' children's and young persons educational group, who were required to leave their previous location within the grounds of Eastbrook School. The timing of their current occupation would not adversely impact on the proposals set out in this report and they are developing alternative premises close to Valence Library.

2. Royal British Legion (RBL) Site

- 2.1 The site currently occupied by the RBL is shown on the attached plan (Appendix A) and comprises an area owned by the RBL on which the building stands and the car parking are (shown as shaded), which is the subject of a 999 year lease from the Council from 21 December 2001 at a pepper corn rent. The leased area is the subject of a restrictive user clause limiting use to social and recreational use in connection with the adjoining RLB club.
- 2.2 The site is bordered to the North by Jervis Court, a Council owned low rise flatted development, to the East by a Council owned public car park accessed via Vicarage Road and fronts Rectory Road to the West.
- 2.3 The RBL building is in poor repair and membership is such that their current site is too big for their purposes. They are therefore proposing to down size and have been exploring options for relocating their social & community activities into the Council owned library on a leasehold basis and disposing of their current site to

fund the relocation. This raises issues of the lease and the restrictive user on the land owned by the Council.

- 2.4 In approaching the Council to relocate their service to the former Rectory Road Library by way of a lease, their intention is to dispose of their freehold site for development which will require the grant of permission and the relaxation of the restrictive user or termination of the lease with the Council to allow the car park site to be included within any overall development scheme.
- 2.5 Having looked at the opportunities with the site and given its adjacency to other Council owned sites, the RBL site could either be developed by the Council in isolation for around 14-18 residential units or combined into a larger scheme with neighbouring Council owned land.
- 2.6 If the site were to be acquired by the Council and before development takes place, the existing buildings could readily be let out in their current condition for D1 use on market terms to cover both the annual holding costs and generate a surplus income to the Council.

3. Former Library Rectory Road

- 3.1 The former Rectory Road library is currently occupied by the Leaping Toads young persons on a license to occupy, the Leaping Toads were previously located on the site of the Eastbrook School which they were required to vacate due to the redevelopment of the school. The organisation have open ended occupation and are aware that the Council are seeking alternative longer term use for this building and are preparing their own long term plans.
- 3.2 A market rental valuation of the site has been obtained and valued on the basis of a 10 year FRI lease. Indicative heads of terms have been issued to RBL on this basis.
- 3.3 The RBL have had some initial surveys undertaken and refurbishment plans costed. They propose to use part of the proceeds from the sale of their own site in Rectory Road to fund the required works and have expressed an interest in taking a 10 year lease on the terms set out in 3.2 above.

4. Site Acquisition

- 4.1 In expressing interest in the former library site, the RBL would be required to dispose of their existing site in Rectory Road. Whilst the site has not been advertised to the market, the RBL have been approached by an interested party who have indicated that they would make an offer to the RBL in order to acquire the site for short term office use with longer term possible residential purposes. The market valuation received for the site is set out in Appendix C (which is in the exempt section of the agenda due to the commercially sensitive nature of the information) and would be subject to a formal valuation. No formal discussion has yet taken place with the Planning Department.
- 4.2 If the site was acquired by others then some control on the development of the site would be retained through the planning process, but would have less control on the end use of the properties (ie buy-to-let etc)

- 4.3 The RBL's legal representative has had several discussions with the Council and is aware of the restrictive user in the lease by which RBL hold part of the site
- 4.4 The Council would seek a financial premium for either relaxing the user clause in the lease to enable the RBL's buyers to develop the site or selling the freehold interest unencumbered.
- 4.5 With the Council owning a number of other sites in the area, the RBL site has been identified as a possible acquisition opportunity to either develop the site for residential purposes or seek wider regeneration of the immediate area.
- 4.6 Acquiring the site therefore, provides the Council with an opportunity to develop the site itself and retain greater control over its end use and it recommended as a way forward for this site.

5. Financial Implications

Implications completed by: Tasleem Kazmi, Group Accountant

- 5.1 The report has implications for three areas of land in Rectory Road, Dagenham:
- The land and buildings owned by the Royal British Legion (RBL).
 - The adjacent car parking area which is owned by the Council but currently leased to the RBL for 999 years with effect from 21 December 2001 at a peppercorn rent.
 - The former Rectory Road Library which is also owned by Authority but is currently in use by the Leaping Toads group, on a short term licence.
- 5.2 The Council currently incurs no costs and receives only negligible income in respect of the RBL sites but under the terms of the short term licence is responsible for the structural maintenance of the former Rectory Road Library. The Leaping Toads group pay for the day to day running costs of the site via a service charge.
- 5.3 If the RBL move to the former Rectory Road Library on the basis of a 10 year FRI lease, then the Authority will receive an annual market rent of which will be credited to the Commercial Property Portfolio.
- 5.4 The report recommends that the Council purchase the land and Buildings currently owned by the RBL and also buys back the lease in respect of the adjacent car park. A financial model is being drafted to ensure that the capital investment and cost of borrowing represents value for money. Once acquired, the Authority will incur some revenue costs in respect of the site such as NNDR, energy standing charges, insurance, building maintenance and security and these will be included within the financial model of acquisition.
- 5.5 If the Council opted to let out the RBL site prior to its redevelopment or sale, then the minimum annual rental income will need to be set at a level that is sufficient to cover the cost of the borrowing plus the cost of any revenue expenses that remain the responsibility of the Authority.

- 5.6 If the RBL site is acquired as recommended, any future disposal or redevelopment would need to be the subject of a further report to Cabinet. These proposals may be expanded to include the disposal or redevelopment of other adjacent area of Council owned land.

6. Legal Implications

Implications completed by: Evonne Obasuyi, Senior Lawyer

- 6.1 The report is seeking approval for the grant of a ten year lease to the Royal British Legion at market rent and the acquisition of other land owned by the Royal British Legion. The grant of the lease will be a disposal and the Council is required to obtain best consideration in the disposal of its assets.
- 6.2 The Council has the power to enter into the proposed transaction but must do so in compliance with law and the Council's acquisition and land disposal rules.
- 6.3 The Council's disposal powers are contained in section 123 of the Local Government Act 1972, and Section 1 of the Localism Act 2011 also provides local authorities with a general power of competence. The Council's constitutional rules require the consideration payable for the acquisition to be supported by valuation.
- 6.4 The Legal Practice should be consulted for advice and assistance with the preparation and completion of the necessary legal agreements.

7. Other Implications

- 7.1 **Risk Management** – There will be a delay between the Council acquiring the site and the site being developed with the risk of anti-social behaviour and/or vandalism. This would be mitigated by either seeking a temporary user for the building (short lease) or early demolition of the site.
- 7.2 **Contractual Issues** – The proposed transactions include a lease and a site acquisition. Legal Services will be instructed to prepare the various legal documents.
- 7.3 **Safeguarding Children** – Residential developments could increase the child population and will have an impact on school places and health resources.
- 7.4 **Health Issues** – Sites left vacant for prolonged periods of time can have an adverse impact on health such as vermin and flytipping or those seeking to illegally enter a secured site. It is proposed not to leave this acquired site unoccupied for any length of time
- 7.5 **Crime & Disorder Issues** – A vacant site is vulnerable to illegal occupation. It is proposed not to leave this acquired site unoccupied for any length of time
- 7.6 **Property / Asset Issues** – These transactions enables the Council to acquire and regenerate a site and lease a property that currently has no long term proposal. Where appropriate, and in accordance with delivering the corporate objectives and Corporate Asset Management Strategy objectives, acquisitions and lease arrangements are considered ways that make the best use of Council assets and achieve value for money outcomes for the community.

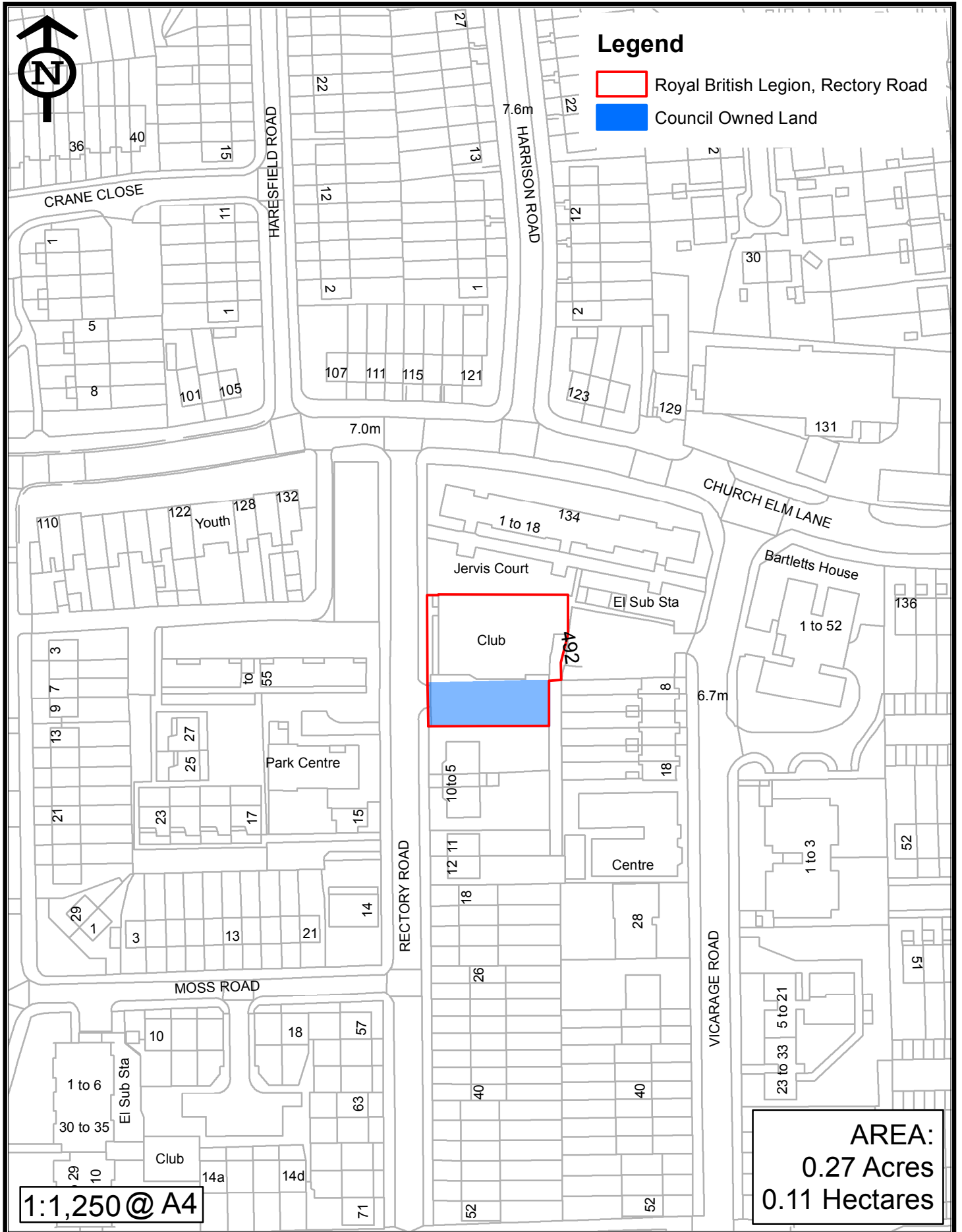
7.7 **Planning Issues** – The transaction will be subject to compliance with Council Planning Policies.

7.8 **Equality Issues** – These transactions have no specific equality issues but will generate additional residential accommodation and produce income for the Council; that could support other Council initiatives.

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

List of appendices:

- **Appendix A** – Site plan – Royal British Legion site at Rectory Road
- **Appendix B** - Lease Plan – Former Library at Rectory Road
- **Appendix C** – Land valuation (exempt information)

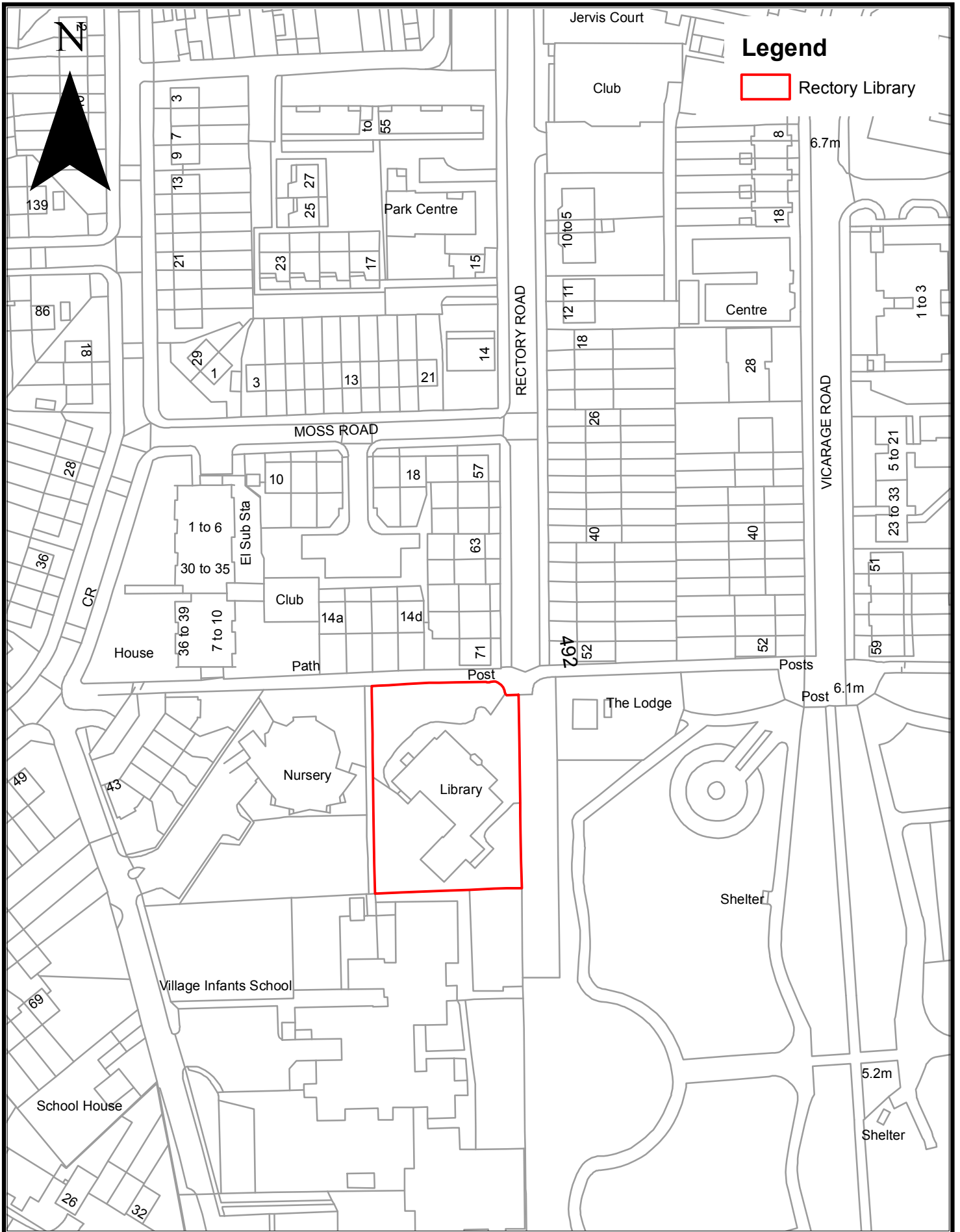


Royal British Legion, Rectory Road, Dagenham
 Date Produced: 22/05/2015



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Rectory Library, Rectory Road, Dagenham, RM10 9SA

Property Services, Barking Town Hall, Barking, IG11 7LU

Date Produced: 26.10.2015 - Produced By N.Blackie

Scale (based A4 Paper):-1:1,250



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CABINET**9 March 2016**

Title: Debt Management Performance and Write-Offs 2015/16 (Quarter 3)	
Report of the Cabinet Member for Finance	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Andrew Kupusarevic, Interim Revenue and Benefits Delivery Director	Contact Details: Tel: 07890 615893 E-mail: andrew.kupusarevic@elevateeastlondon.co.uk
Accountable Director: Jonathan Bunt, Strategic Director of Finance and Investment	
Summary	
<p>This report sets out the performance of the Council's partner, Elevate East London, in carrying out the contractual debt management function on behalf of the Council. This report covers the third quarter of the financial year 2015/16. The report also includes details of debt written off in accordance with the write off policy that was approved by Cabinet on 18th October 2011.</p>	
Recommendation(s)	
Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; and (ii) Note the debt write-offs for the third quarter of 2015/16 and that a number of these debts will be published in accordance with the policy agreed by Cabinet. 	
Reason	
<p>Assisting in the Council's Policy aim of ensuring an efficient organisation delivering its statutory duties in the most practical and cost-effective way. This ensures good financial practice and adherence to the Council's Financial Rules on the reporting of debt management performance and the total amounts of debt written-off each financial quarter.</p>	

1. Introduction and Background

- 1.1 The Council's Revenues, Benefits, General Income and Rents Service is operated by the Council's joint venture company, Elevate East London LLP (Elevate). The service is responsible for the management of the Council's debt falling due by way of statutory levies and chargeable services. It also collects rent on behalf of

Barking and Dagenham Reside. Council debts not collected by Elevate are not included in this report, for example parking and road traffic debt prior to warrants being granted and hostel and private sector leasing debt.

- 1.2 This report sets out performance for the third quarter of the 2015/16 municipal and financial year and covers the overall progress of each element of the service since April 2015. In addition it summarises debts that have been agreed for write off in accordance with the Council's Financial Rules. All write offs are processed in accordance with the Council's debt management policy agreed on 18th October 2011.

2. Performance and Issues

- 2.1 Set out in Table 1 below is the performance for quarter three of 2015/16 achieved for the main areas of debt managed by Elevate.

Table 1: Collection Rate Performance – 2015-2016 Quarter 3

Type of Debt	Quarter 3 Target	Performance	Variance	Actual collected £m
Council Tax	81.5%	81.4%	-0.1%	51.557
NNDR	79.9%	78.2%	-1.7%	44.753
Rent	73.70%	73.53%	-0.17%	75.289
Leaseholders	73.00%	73.08%	+0.08%	2.887
General Income	95.00%	95.94%	+0.94%	69.519

Council Tax Collection Performance

- 2.2 Council Tax collection ended the quarter 0.1% below the profile target.
- 2.3 The collection rate from those in receipt of Council Tax Support (CTS) has improved since the end of the last quarter. The collection rate for these residents in 2015/16 is 65.6% compared to 65.3% in the third quarter of 2014/15.
- 2.4 Given that Council Tax was increased by 1.99% in April and the minimum amount payable by those of working age rose due to the change in the CTS scheme, the amount of cash collected for CTS accounts has increased by £907k compared to last year. However, the decrease in the CTS scheme from 85% to 75% has resulted in approximately 2,000 former claimants not qualifying for any CTS at all and the full charge has become payable. This is because the drop in the maximum Council Tax Support that can be claimed. Council Tax payers no longer qualified as their income was too high for the new lower level of eligible liability. Comparisons made with previous performance are therefore less accurate as there are 2,000 less residents classified as "CTS payers". An additional resource has been applied to arrears collection leading to an increase by £0.556m when compared with last year. The tax increase and decrease in the CTS scheme has seen current year collection increase by £2.8m. Therefore, overall collection, in cash terms, comparing cash collected in 2015/16 to that in 2014/15 has increased by £4.4m as a result of these changes.

Council Tax Arrears

- 2.6 By the end of quarter three £1.837m had been collected which means the annual target of £1.827 has been achieved. At the end of quarter 3 in 2014/15, by comparison, arrears collection stood at £1.278m.
- 2.7 It is the never the case that all the Council Tax for a particular year is collected in that year. Therefore the work to collect unpaid Council Tax continues in the years that follow. The table below (table 2) sets out how the percentage collected improves in the years that follow. For example on 31 March 2010 92.9% of the council tax due for the financial year 2009/10 had been collected. Collection work continued so that by 31 March 2015 the collection rate reached 96.7% an increase of 3.8%.

Table 2:

Year	Charge year	Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 %
2009/10	92.9	95.0	95.7	96.1	96.4	96.6	96.7
2010/11	92.9	95.0	95.7	96.1	96.3	96.5	
2011/12	94.1	95.7	96.3	96.6	96.8		
2012/13	94.6	96.2	96.6	96.9			
2013/14	94.1	96.0	96.5				
2014/15	94.3	95.8					

- 2.8 During 2015/16 enforcement action continues against those with arrears from 2014/15 and earlier years. Where appropriate, attachments to earnings or benefit are applied to a debtor's account. These are identified via a segmentation process which identifies those debtors receiving benefit or where employer's details are held and this process is always followed prior to referral for enforcement agent action. This ensures that only cases where there is no alternative to "other" enforcement action are referred to the enforcement agent.
- 2.9 The payment arrangement procedure ensures that those requiring more time to pay are managed appropriately. Those that fail to adhere to the terms of the arrangement are quickly identified and recovery action is continued via the use of attachments to benefit or earnings, enforcement agents and in more extreme cases bankruptcy and committal. For example, although too late for the last report, two council tax payers were committed to prison for non-payment in September 2015.

Business Rates (NNDR) Collection Performance

- 2.10 The NNDR collection rate reached 78.2% by the end of the third quarter. This was 1.7% below the profiled target for the quarter. The collection rate has been affected by more rate payers electing to pay over 12 rather than 10 instalments and the collection profile/target was updated after the first quarter to reflect that change. A Large decrease in the debt due to rateable value changes in December 2014 were

not mirrored in December 2015 so that the profile target did not reflect current performance.

- 2.11 The financial climate continues to have a detrimental effect upon businesses within the Borough making collection of Business Rates increasingly challenging.
- 2.12 Ratepayers are contacted as soon as they fall behind with payments in order to try and stop them slipping further into arrears and therefore avoid recovery action and additional costs.
- 2.13 Where recovery is required, debts are now being placed with enforcement agents to try and affect recovery where the first placement of debts is unsuccessful.
- 2.14 There are three main factors affecting collection:
- i. As stated in 2.10 changes in payment profiles continue to affect NNDR. Instalments due in February and March 2016 have increased by £809k. This is due to payers requesting 12 months of instalments. Ratepayers have been able to request the change to 12 from 10 instalments since April 2014. The monthly collection profile was amended to reflect this in July 2015.
 - ii. Changes during the year with properties leaving and entering the rating list. In February 2015 Barking Power stopped trading, with a rateable value of £9.27m; this reduced the amount to be collected by £5m (as the rate set by government is 48p for every pound of the rateable value), almost 10% of the total, for 2014/15 and subsequent years. Such changes of premises with a significant rateable value make collection harder. This is because such hereditaments are usually occupied by large companies who pay their business rates regularly. The loss of such properties increases the reliance for high collection rate on a larger number of smaller premises where the payment of rates can be less reliable and also require more staff effort to secure collection.
 - iii. Rates avoidance activity by certain companies continues to affect the collection rate during the year. At the end of the third quarter 2015/16, £0.55m debt was identified as being subject to avoidance and therefore potentially uncollectable. These companies are claiming that empty properties they own are being let for short periods of time and then vacated again, allowing them to claim empty exemptions. Elevate visit empty properties on a regular basis to ensure that evidence of avoidance can be obtained and the correct company held liable.

Rent Collection Performance

- 2.15 As at the end of quarter 3, the actual cash collection is around £0.600m lower than the profile target. There are a number of contributing factors to this shortfall, the predominant one being that Housing benefit income to the HRA has reduced. The proportion of the rent paid by HB was 51.33% last year but only 49.17% this year, equivalent to around £2.274m lost income for the full year. This has come about because:
- Welfare reform, including measures such as the bedroom tax and benefit cap.

- There has also been a 37% reduction in the budget for Discretionary Housing Payment (DHP). Some residents were becoming reliant on the scheme for short term support and the reduction in budget has meant that there is a greater requirement to demonstrate financial hardship and show reasonable steps taken to improve your financial situation. This has reduced a potential source of short term support to tenants and therefore income for the HRA.
- The HB caseload for council tenants fell by 0.91% from April to December which means a greater level of debt becomes collectable from the resident

2.16 Initiatives are in place to narrow the gap over the last quarter of the year including, as noted above, further promoting DHP, monthly door step campaigns and utilising an external outbound calling debt recovery service. In addition additional support through outbound calling is being made to tenant's in arrears and will continue to be made for the remainder of the year.

Reside Collection Performance

2.17 In addition to collecting rent owed on Council tenancies, Elevate also collect the rent for the Barking & Dagenham Reside portfolio on behalf of the Housing Management who are the managing agent.

2.18 Rent collection including former tenant arrears is stable with a collection rate of 97.03%.

Leaseholders' Debt Collection Performance

2.19 At the end of the second quarter collection reached 73.08%, which was 0.08% above profile, with a total £2.887m having been collected so far this year. Elevate has achieved this ongoing improvement by maintaining a rigorous recovery timetable throughout the year ensuring late payers are consistently reminded to pay as early as possible. This means that the team issue reminders without delay and also use outbound calling and email to help leaseholders stay up to date. Nevertheless collection needs to continue to improve to hit this year's target and an additional set of reminders will be issued in March and additional outbound calling will take place in February and March.

General Income Collection Performance

2.20 General Income is the term used to describe the ancillary sources of income available to the Council which support the cost of local service provision. Examples of areas from which the Council derives income collected by Elevate include: social care charges; rechargeable works for housing; nursery fees; trade refuse; hire of halls and football pitches. The Oracle financial system is used for the billing and collection of these debts and is also used to measure Elevate's performance.

2.21 At the end of quarter three collection in this area remained strong reaching 95.94%.

A&CS Homes and A&CS Residential – Collection of Social Care Charges (home and residential)

- 2.22 The Council introduced a new Care and Support Charging policy for 2015/16 following the government introduction of the Care Act 2014.
- 2.23 Collection of debt for Home and Residential Care is reported separately. The agreed measure for 2015/16 is the amount collected against the in-year debt that has been invoiced.
- 2.24 Residential care debt which the Council has secured with a charging order against the client's assets, usually their property, is not included in these figures.
- 2.25 The collection rate for Home Care by the end of quarter three reached 77.20% which was 2.20% above the profile target.
- 2.26 As with General Income the profile used is based on last year's collection. As the year progresses a clearer pattern will be established as the debit raised and collection rate will be less susceptible to variation.
- 2.27 The debt recovery process for these debts is similar to that of other debts, but with extra recognition given to particular circumstances. In order to ensure that the action taken is appropriate and to maximise payments, each case is considered on its own merits at each stage of the recovery process and wherever possible payment arrangements are agreed. In addition a further financial reassessment of a client's contribution is undertaken where there is extraordinary expenditure associated with the care of the service user. The relevant procedures have been updated to take account of the Care Act.

Penalty Charge Notices (PCN) – Road Traffic Enforcement

- 2.28 This recovery work only includes debts due to Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements once a warrant has been obtained by Environmental and Enforcement Services (Parking Services) from the Traffic Enforcement Centre (TEC). Elevate enforce these warrants through enforcement agents acting on behalf of the Council and closely monitor the performance of these companies. Overall collection rates on PCNs would be reported by Parking Services. Elevate's collection performance is measured only once a batch of warrants has expired, i.e. after 12 months. Since April 2015, 19 batches of warrants have expired for which the collection rate was 14.20% an improvement on the figure reported for the first quarter of 12.71%.
- 2.29 Effective collection of warrants is affected by how long it takes to obtain the warrant after the PCN is issued. On average Elevate receives warrants from Parking Services around 7 months after the PCN was issued. Consequently Enforcement Agents' "propensity to pay" analysis of warrants classified most of them either 'poor' or 'hopeless' because older, aged debt is much harder to collect. This has adversely affected the overall success of collection against the target and a review of the end to end process for parking is underway to improve the overall collection of monies due.

- 2.30 The total amount of cash collected through enforcement of road traffic warrants was £432,984 by the end of the third quarter.

Housing Benefit Overpayments

- 2.31 By the end of the third quarter of 2015/16 collection totalled £3.751m. So far this year £9.992m has been raised, compared to £5.753m in the first 9 months of 2014/15. The rise is largely due to the delays in HB processing experienced in the first 8 months of the year from April to November 2015.
- 2.32 During the first quarter of 2015/16 central government confirmed the continuation of the “Real Time Information (RTI)” process. This means HMRC data will continue to be made available to the Department of Works and Pensions and shared with local authorities enabling data matching against Council records. This data will continue to ensure that the information used to assess claims for Housing Benefit and CTS, is accurate. This will result in additional overpayments and underpayments being raised.

Enforcement Agent (Bailiff) Performance

- 2.33 Enforcement agent action is a key tool for the Council to recover overdue debts but is only one area of collection work and is always the action of last resort. The introduction of the CTS scheme in 2013/14 meant around 13,000 additional households became liable to pay a proportion of Council Tax. This number increased again in April 2015 with the revised CTS scheme meaning that there has been additional debt recovery action. The affected group of residents are working age but their circumstances vary as they move in and out of work. Elevate’s ability to collect all sums due on behalf of the Council continues to be made progressively more challenging as welfare reforms take effect. This is alongside the cumulative yearly effect of CTS on arrears which is increasing overall indebtedness. This position will continue in 2015/16.
- 2.34 Information on the performance of the enforcement agents is set out in the table below by type of debt for the third quarter of 2015/16. It should be noted the debt recovery process via enforcement agents only began at the end of quarter one for NNDR and Council Tax: Compared to the same point last year Council Tax is up 10%, Business Rates is at the same level and General Income is up 13%.

Table 3: Enforcement Agent Collection Rates – 2015/16

Service	Value sent to enforcement agents £	Total collected by enforcement agents £	Collection rate %
Council Tax	£3,584,750	£576,213	16.07%
NNDR	£499,979.05	£99,923.06	19.99%
Commercial rent	£22,563	£20,728	91.87%
General Income	£19,820.56	£4,688.14	23.65%

Debt Write-Offs: Quarter 3 2015/16

- 2.35 All debt deemed suitable for write off has been through all the recovery processes and is recommended for write off in accordance with the Council's policy. The authority to "write off" debt remains with the Council. The value of debt recommended to the Strategic Director, Finance & Investment and subsequently approved for write off during the third quarter of 2015/16 totalled £368,971. The value and number of cases written off in quarter three is provided in Appendix A.
- 2.36 497 debts were "written off" in quarter three for which the reasons are set out below. The percentage relates to the proportion of write offs by value:

Table 4: Write off numbers – 2015/16 Quarter 3

Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Deceased	Other reasons
243	154	47	22	31
£161,196	£45,425	£46,825	£14,912	£100,612

Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Deceased	Other reasons
48.9%	31.0%	9.5%	4.4%	6.2%

(The 'other reasons' category includes examples such as: where the debt liability is removed by the Court or the debtor is living outside the jurisdiction of the English Courts and is unlikely to return).

- 2.37 The figures in Appendix B show the total write-offs for 2011/12, 2012/13, 2013/14 and for 2014/15.

Publication of Individual Details of Debts Written Off (Appendix C)

- 2.38 In line with Council policy established in 2007, due to the difficulties of finding absconding debtors, a list showing the details of some debtors who have had debts written off is attached to this report at Appendix C. The list has been limited to the ten largest debts only and can be used in the public domain. Debts not included are listed below:

- a) Debts that have been written off following a corporate complaint being upheld;
- b) Debts that have been written off due to the debtor falling within one of the vulnerable groups (e.g. elderly, disabled, infirm etc.);
- c) Where the original debt was raised in error;
- d) Where debts have been written off, but no legal action has been taken to prove that the debt was legally and properly due;
- e) Where the debt has been written off following bankruptcy or insolvency action (the majority of these cases will be individually publicised).

3. Financial Implications

Implications completed by: Kathy Freeman, Divisional Director of Finance

- 3.1 Collecting all sums due is critical to the Council's ability to function. In view of this, monitoring performance is a key part of the monthly meetings with Elevate.
- 3.2 The monthly meetings between Elevate and the Council focus on the areas where the targets are not being achieved and discuss other possibilities to improve collection.
- 3.3 At the end of quarter 2, Elevate have exceeded profiled collection targets for leaseholders, general income and NNDR. The profile on general income has been significantly overachieved due to a large invoice to the GLA of £10m being raised and paid in the same quarter.
- 3.4 The Council wrote off debts of £222,892 in the first quarter of 2015/16 with the majority within Council Tax. In quarter two, the Council is writing off £262,259 with the majority of the write off focused on NNDR.
- 3.5 It is important that bad debts are written off promptly for budgeting purposes so the Council can maintain appropriate bad debt provision.

4. Legal Implications

Implications completed by: Paul Feild, Senior Governance Lawyer

- 4.1 Monies owed to the Council in the form of debts are a form of asset that is the prospect of a payment sometime in the future. The decision not to pursue a debt carries a cost and so a decision not to pursue a debt is not taken lightly.
- 4.2 The Council holds a fiduciary duty to the ratepayers and the government to make sure money is spent wisely and to recover debts owed to it. If requests for payment are not complied with then the Council seeks to recover money owed to it by way of court action once all other options are exhausted. While a consistent message that the Council is not a soft touch is sent out with Court actions there can come a time where a pragmatic approach has to be taken with debts as on occasion they are uneconomical to recover in terms of the cost of process and the means of the debtor to pay. The maxim *no good throwing good money after bad* applies. In the case of rent arrears, the court proceedings will be for a possession and money judgement for arrears. However a possession order and subsequent eviction order is a discretionary remedy and the courts will more often than not suspend the possession order on condition the tenant makes a contribution to their arrears.
- 4.3 Whilst the recent use of Introductory Tenancies as a form of trial tenancy may have some impact as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy, the best approach is to maintain a dialogue with tenants and highlight the importance that payment of rent and Council tax ought to be considered as priority debts rather than credit loans as without a roof over their heads it will be very difficult to access support and employment.

4.4 The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

5. Other Implications

5.1 **Risk Management** - No specific implications save that this report acts as an early warning system to any problems in the area of write offs.

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

List of appendices:

- **Appendix A** – Debt Write Off Table for Quarter 1, Quarter 2 and Quarter 3 2015/16.
- **Appendix B** – Total debts written off in 2011/12, 2012/13, 2013/14 and 2014/15.
- **Appendix C** – Ten Largest Debts Written Off in Quarter 3, 2015/16

Table 1: Debts Written Off during Qtr 1 2015/16

Write-offs		Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
Apr-15	Under 2k	1,968	6,184	0	0	0	4,298	12,450
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	1,968	6,184	0	0	0	4,298	12,450
May-15	Under 2k	11,167	671	0	0	38,751	22,185	72,774
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	11,167	671	0	0	38,751	22,185	72,774
Jun-15	Under 2k	14,681	22,825	15,185	0	58,830	0	111,521
	Over 2k	15,784	5,489		4,874	0	0	26,147
	Over 10k	0	0	0	0	0	0	0
	Total	30,465	28,314	15,185	4,874	58,830	0	137,668
Quarter 1 Totals		43,600	35,169	15,185	4,8740	97,581	26,483	222,892

Table 2

COUNT for Quarter 1 for 2015/16

Write-offs		Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
Apr-15	Under 2k	86	41	0	0	0	11	138
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	86	41	0	0	0	11	138
May-15	Under 2k	34	5	0	0	189	38	266
	Over 2k	0	0	0	0	0	0	0
	Over 10k	0	0	0	0	0	0	0
	Total	34	5	0	0	189	38	266
Jun-15	Under 2k	13	76	78	0	192	0	359
	Over 2k	0	1	1	0	0	0	2
	Over 10k	0	0	0	0	0	0	0
	Total	13	77	79	0	192	0	361
Quarter 1 Totals		133	123	79	0	381	49	765

Table 3: Debts Written Off during Qtr 2 2015/16

Write-offs		Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
Jul-15	Under 2k	13,632	115	0	0	0	0	13,747
	Over 2k	0	5,489	0	0	0	0	5,489
	Over 10k	0	0	0	0	0	0	0
	Total	13,632	5,604	0	0	0	0	19,236
Aug-15	Under 2k	2,031	0	0	0	0	0	2,031
	Over 2k	36,198	4,333	0	0	0	0	40,531
	Over 10k	0	0	0	0	0	0	0
	Total	38,229	4,333	0	0	0	0	42,563
Sep-15	Under 2k	7,359	10,554	0	0	0	113,562	131,475
	Over 2k	0	0	0	0	0	71,985	71,985
	Over 10k	0	0	0	0	0	0	0
	Total	7,359	10,554	0	0	0	185,547	203,460
Quarter 2 Totals		59,221	20,491	0	0	0	185,547	265,259

Table 4

COUNT for Quarter 2 2015/16

Write-offs		Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
Jul-15	Under 2k	41	1	0	0	0	0	42
	Over 2k	0	1	0	0	0	0	1
	Over 10k	0	0	0	0	0	0	0
	Total	41	2	0	0	0	0	43
Aug-15	Under 2k	8	0	0	0	0	0	8
	Over 2k	4	2	0	0	0	0	6
	Over 10k	0	0	0	0	0	0	0
	Total	12	2	0	0	0	0	14
Sep-15	Under 2k	35	32	0	0	0	182	249
	Over 2k	0	0	0	0	0	16	16
	Over 10k	0	0	0	0	0	0	0
	Total	35	32	0	0	0	198	265
Quarter 2 Totals		88	36	0	0	0	198	322

Table 5: Debts Written Off during Quarter 3 2015/16

Write-offs		Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
Oct-15	Under 2k	5,153	2,128	0	0	0	1,424	8,705
	Over 2k	0	5,973	0	0	0	0	5,973
	Over 10k	0	0	0	0	0	0	0
	Total	5,153	8,101	0	0	0	1,424	14,678
Nov-15	Under 2k	1,990	5,281	0	0	126,484	10,056	143,811
	Over 2k	0	15,459	0	0	0	0	15,459
	Over 10k	0		0	0	0	0	0
	Total	1,990	20,740	0	0	126,484	10,056	159,270
Dec-15	Under 2k	7	1,314	0	0	112,984	68,184	182,488
	Over 2k	0	0	0	0	0	0	0
	Over 10k	12,535	0	0	0	0	0	12,535
	Total	12,542	1,314	0	0	112,984	68,184	195,023
Quarter 3 Totals		19,684	30,156	0	0	239,468	79,663	368,971

Table 6

COUNT for Quarter 3 for 2015/16

Write-offs		Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
Oct-15	Under 2k	13	6	0	0	0	2	21
	Over 2k	0	2	0	0	0	0	2
	Over 10k	0	0	0	0	0	0	0
	Total	13	8	0	0	0	2	23
Nov-15	Under 2k	8	28	0	0	150	11	197
	Over 2k	0	4	0	0	0	0	4
	Over 10k	0	0	0	0	0	0	0
	Total	8	32	0	0	150	11	201
Dec-15	Under 2k	6	16	0	0	249	1	272
	Over 2k	0	0	0	0	0	0	0
	Over 10k	1	0	0	0	0	0	1
	Total	7	16	0	0	249	1	273
Quarter 3 Totals		28	56	0	0	399	14	497

Table 1: Debts written off during 2011/12

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2011/12 Totals	£260,487	£145,284	£987,383	£2,808	£205,789	£772,683	£2,374,434

Table 2: Debts written off during 2012/13

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2012/13 Totals	£110,876	£141,896	£886,890	£23,360	£1,015,408	£569,842	£2,748,272

Table 3: Debts written off during 2013/14

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2013/14 Totals	£141,147	£256,804	£806,989	£8,681	£80,755	£221,380	£1,515,756

Table 4: Debts written off during 2014/15

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NNDR	TOTAL
2014/15 Totals	£291,469	£88,675	£1,163,134	£3,166	£205,007	£517,201	£2,268,652

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APPENDIX C

NAME	AMOUNT	DEPT	REASON
Miss Mpolokeng Evonne Mogoreg	£1,934.14	CTAX	The account was created for this tenant on the 23 rd January 2015. The period of liability was as per the tenancy agreement from 27 th January 2011 to 13 th December 2012. During the liability period, the previous tenant remained liable until revised tenancy agreements were received. The case, under the previous tenant, was referred to the bailiffs as no payments were being made leading to the receipt of the new tenancy agreement to correct person liable retrospectively. The landlord had no forwarding address to contact regarding the tenant and all notices were issued to the property. Reminder notices were issued on the 27 th March 2015 and searches were carried out on the 27 th March 2015 however no new address was found, with both internal and external systems checked. The debt was therefore passed to be written off as absconded/gone away
Mr Robert Maciej Mojek & Miss Malwina Malgorzata	£1,903.80	CTAX	The account was set up for these tenants on the 24 th July 2015. The liability period was as per the tenancy agreement provided for 16 th March 2013 to 23 rd January 2015. During this time, the previous tenant continued to be billed and the case was referred to the bailiffs who returned it in June 2014 as unable to collect. The account was reviewed again in February 2015 in preparation for second placement with bailiffs when the agents provided tenancy agreements for the new tenants. No forwarding address was known by the Managing Agents in respect of the tenant therefore the bill was issued to the property. Name searches were carried out, most recently on 15 th August 2015, on internal and external systems but were unsuccessful. The debt was therefore passed to be written off as absconded/gone away.
Mr Brian Kuhiri	£1,852.53	NNDR	This account balance was written off as the Council was unable to locate the ratepayer. The debt was for 2011/12 financial year it was deemed uneconomical to pursue after the recovery actions were already completed. Between 2012 and 2014, a returned bill was received in April 2012 so there were attempts to contact the ratepayer directly by email on the following day. Further attempts to trace Mr Kuhiri through LoCTA and Experian during April and September 2012 and again in May 2013, located an address due to the debtor being linked to a limited company in 2014. Following this the outstanding amount was issued to the enforcement agents. The enforcement agents subsequently returned this 5 months later in September 2014. Further traces were unsuccessful and additional Experian checks were conducted in October 2014 with no success leading to the recommendation to write off.

Mrs Susan A Dack	£1,769.27	CTAX	The tenant was liable for the period 1 st April 1999 to 6 th September 2004. Liability Orders were obtained and passed to the Enforcement Agent. Upon the return of a Warrant with Bail in 2004 it was noted on the Housing Records that the charge payer had absconded also leaving behind high rent arrears. The account was closed and passed for tracing. A forwarding address was located and an Attachment of Benefits Order was issued to the Department of Works and Pensions on the 27 th May 2004. Deductions of £11.40 were received every 4 weeks to reduce the balance. However they stopped on the 29 th January 2007. Following further reviews, the account was and sent to the bailiffs in 2012 who were unsuccessful in collecting the debt and the Liability Orders were returned to the Council in 2014. Final checks with the employer in December 2014 to consider an Attachment of Earnings Order were unsuccessful and therefore due to the age of the debt it was decided to pass the balance for write off as uneconomical to pursue. After a final review, the debt was referred for write off.
Mr Muhammad Sarwar	£1,739.15	CTAX	This tenant was liable for the period 10 th January 2013 to 6 th May 2014. An anonymous telephone call was received on the 10 th June 2013 to advise that Mr Sarwar had been in Pakistan for the previous 3-4 months as his father had passed away. The caller was asked to put this information in writing to the Council, but this was not done. No payments were received therefore the account was passed to the bailiffs in June 2013 who had the case until December 2013 but were unable to collect. A visit was made to the property by the Council Tax Visiting Officer to see if the property was a HMO. This was not apparent from the visit. The landlord contacted the Council on the 11 th August 2014 to advise they had evicted the tenant on the 6 th May 2014. No forwarding address was known. Final internal and external checks carried out in February 2015, proved unsuccessful. Therefore the balance was passed for write off as absconded/gone away.
Mr M Ashiru	£1,691.54	CTAX	This tenant was liable for the period 24 th October 2012 to 3 rd April 2014. No contact or payment was made by the tenant. The Landlord, Circle Anglia, was informed on 24 th July 2014 that the tenant had absconded giving no notice to quit his tenancy. Internal and external checks, in September 2014, were unsuccessful. The last checks were done in June 2015, including a credit reference check and internal system checks. No evidence to support the collection of the debt found so it was passed for write off as absconded/gone away.
Mr Anthony Elliot	£1,609.52	CTAX	This tenant was liable for the period 6 th October 2006 to 29 th August 2008. Managing Agents were contacted on 12 th March 2007 to see if he was still resident as no payments had been received, they confirmed he was still in occupation. Recovery taken and issued to

			<p>Enforcement Agent, however they returned the Liability Order as no contact. A visit made on the 12th September 2007, someone was in occupation but refused to open the door. Landlord was contacted on the 13th September 2007, and the landlord confirmed he believed Mr Elliot to still be in occupation. Mr Elliot made contact to state he was a student but never provided a student certificate. Another visit was carried out on 1st March 2008 and 8th March 2008 but no contact was made with debtor. Subsequently the managing agent informed the Council that Mr Elliot had left and the account was closed. The account was subject of further tracing, both internal and external, but all were unsuccessful so the debt was finally passed for write off as absconded/gone away.</p>
Mr Petras Puzonas & Mr Rytis Abramabicius	£1,557.46	CTAX	<p>These tenants were registered from 22nd February 2013 following a call to the Managing Agents to obtain the occupation details on the 18th March 2013. Account closed as per letter from Managing Agents advising that Mr Puzonas had gone to Lithuania. No forwarding address known for Mr Abramabicius. Tracing commenced on the 13th October 2014 however nothing was found and the final traces through 2015 were unsuccessful. The debt was passed for write off as debtor had left UK.</p>
Miss Pamela Elimo	£1,546.75	CTAX	<p>This tenant was registered from 21st August 2006 to 19th April 2010 as per information from the Council's Housing Department.</p> <p>Miss Elimo had been issued with a Liability Order every year of her occupation. An attachment of earnings order was issued in December 2007, and a second one in September 2008. Payments were received until November 2009. Part of the arrears were referred to the bailiffs in September 2008, but they were unsuccessful in collecting. The account was then sent to the bailiffs again in February 2010 but they were, again unsuccessful. The account was subject of further tracing by multiple bailiffs between 2010 and 2015.</p> <p>The bailiffs were unsuccessful in collecting and we conducted a final trace in 2015 and then passed the debt for write off as absconded/gone away</p> <p>The debt on Miss Elimo's rent account was passed for write off and £3,916.50 rent arrears were written off in April 2014.</p>

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