

## Notice of Meeting

### CABINET

**Tuesday, 25 April 2017 - 7:00 pm**  
**Council Chamber, Town Hall, Barking**

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

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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 21 March 2017 (Pages 3 - 6)**

**4. Capital Bidding Process 2017/18 (Pages 7 - 26)**

**5. Customer Access Strategy (Pages 27 - 57)**

**6. Policy on the Discharge of the Homeless Duty with a Private Rented Sector Offer (Pages 59 - 82)**

**7. Gambling Act 2005: Draft Statement of Gambling Licensing Policy 2017 - 2020 Consultation (Pages 83 - 147)**

- 8. Contract for the Provision of Supported Accommodation for Older People (Pages 149 - 165)**
- 9. Debt Management Policy (Pages 167 - 197)**
- 10. Home Services and Traded Services Full Business Cases (Pages 199 - 242)**  
  
Appendices A and B to the report are in the exempt section of the agenda at Item 13.
- 11. Any other public items which the Chair decides are urgent**
- 12. 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 item below is in the private part of the agenda as it contains commercially confidential information which is exempt from publication under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 13. Appendices A and B: Home Services and Traded Services Full Business Cases (Pages 243 - 361)**
- 14. 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**

Our Priorities

### **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

### **Well run organisation**

- A digital Council, with appropriate services delivered online
- Promote equalities in the workforce and community
- Implement a smarter working programme, making best use of accommodation and IT
- Allow Members and staff to work flexibly to support the community
- Continue to manage finances efficiently, looking for ways to make savings and generate income
- Be innovative in service delivery

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## MINUTES OF CABINET

Tuesday, 21 March 2017  
(7:01 - 7:37 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Sade Bright, Cllr Laila M. Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

**Apologies:** Cllr Dominic Twomey

### 103. Declaration of Members' Interests

There were no declarations of interest.

### 104. Minutes (13 February 2017)

The minutes of the meeting held on 13 February 2017 were confirmed as correct.

### 105. Budget Monitoring 2016/17- April to January (Month 10)

The Cabinet Member for Community Leadership and Engagement introduced a report on the Council's capital and revenue position for the 2016/17 financial year, as at 31 January 2017.

The General Fund showed a projected end of year spend of £155.3m against the approved budget of £150.3m, which represented an increased deficit of approximately £0.5m on the previous month's position. The main budget pressures continued to be within the Children's Social Care and Homelessness services, while historical pressures within the Enforcement and Clean and Green services also contributed £1.295m to the overspend position. The Cabinet Member stressed the importance of tackling overspends to protect the level of revenue reserves going forward.

The Housing Revenue Account (HRA) continued to show a projected year end underspend which would result in a contribution of £1.92m to the HRA reserve, although it was noted that approximately £1.4m was earmarked for the Housing Transformation Programme. Expenditure on the wide range of projects within the Capital Programme was forecast to be slightly over budget at £200.028m due to several school expansion projects being ahead of schedule.

The Cabinet Member also reported on the proposed introduction of fees and charges for work undertaken by the Council's legal service, BDT Legal, in respect of contract and procurement work and planning and highways agreements.

Arising from the discussions:

- The Director of Law and Governance undertook to provide the Cabinet Member for Corporate Performance and Delivery with details of the benchmarking exercise that supported the proposed level of fees; and

- The Cabinet Member for Social Care and Health Integration advised that a report would be presented to Cabinet later in the year on the Social Care Ambition and Financial Efficiency (SAFE) Programme, including progress regarding social worker retention. On that issue, the Leader advised that Coventry University London, based at the Civic Centre, Dagenham, would be offering teaching and social work courses in its curriculum.

The Cabinet **resolved** to:

- (i) Note the projected outturn position for 2016/17 of the Council's General Fund revenue budget at 31 January 2017, as detailed in section 4 and Appendix A to the report;
- (ii) Note the overall position for the Housing Revenue Account at 31 January 2017 as detailed in section 5 of the report;
- (iii) Note the progress made on budgeted savings to date, as detailed in section 6 and Appendix B to the report;
- (iv) Note the projected outturn position for 2016/17 of the Council's capital budget as at 31 January 2017, as detailed in section 7 and Appendix C;
- (v) Approve the flat rate sliding scale (discretionary) legal fees to be charged in connection with the preparation and sealing of contracts awarded where the value of a contract exceeds £100,000, as set out in section 8 and Appendices D and E to the report; and
- (vi) Approve the hourly rate of £175 (plus VAT) to cover the Council's legal fees (operating through BDT Legal) in connection with planning and highways matters, namely agreements and undertakings under Section 106 of the Town and Country Planning Act 1990 (as amended) and highways agreements under Sections 38 and 278 of the Highways Act 1980, as set out in section 8 and Appendices D and E to the report.

## **106. Corporate Delivery Plan 2016/17 - Quarter 3 Performance Reporting**

The Cabinet Member for Corporate Performance and Delivery introduced a report under the new, evolving corporate performance framework for the third quarter of the 2016/17 financial year.

The report covered 49 key accountabilities and 40 key performance indicators (KPIs) and the Cabinet Member drew particular attention to:

- (a) Anti-Social Behaviour Incidents (KPI 9) – The data now included ward-based analysis and the Cabinet Member encouraged all Councillors to study the information. With regard to the street drinking statistics, officers were asked to provide a breakdown of the incidents;
- (b) Uptake of MMR2 (Measles, Mumps and Rubella) Vaccination at 5 years of age (KPI 18) – The Cabinet Member for Social Care and Health Integration advised on her work with the Clinical Commissioning Group (CCG) to improve performance in that and other areas which the CCG was

responsible for. The recent Mobile Breast Screening sessions around Barking Town Centre had been very successful and showed what could be achieved when the CCG took its work into the local community and the Cabinet Member would be pressing the CCG to carry out more initiatives of that nature.

The Leader referred to the local Ward plans that were being developed and the discussions on future service delivery arrangements that were taking place to ensure that the standards that local residents had come to expect were maintained in the future. The Leader also invited residents to use the “Report It” web page to inform the Council of problems such as graffiti, eyesore gardens and fly-tipping.

The Cabinet Member for Environment and Street Scene was pleased to report that approximately 4,300 households had subscribed to the Council’s new green garden waste collection service which would commence in the first week of April.

The Cabinet **resolved** to:

- (i) Note progress against the key accountabilities as detailed in Appendix 1 to the report; and
- (ii) Note performance against the KPIs as detailed in Appendix 2 to the report.

#### **107. One Oracle Successor Arrangement**

Further to Minute 86 (19 January 2016), the Cabinet Member for Community Leadership and Engagement introduced a report on the outcome of a review of options for the future hosting and support of the Council’s core finance and human resources IT system, Oracle.

The Cabinet Member advised that the current contract with Cap Gemini expired in July 2018 and at least one year’s notice should be given of an intention not to renew, to avoid potential financial risks. The review had assessed four main options and identified a commercial hosting option, procured via a G-Cloud Framework, as the most economically advantageous.

The Cabinet **resolved** to:

- (i) Agree the procurement of a contract for the provision of installation, hosting and support services of the Council’s Oracle E-Business Finance and HR system, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to award and enter into the contracts and all other necessary or ancillary agreements.

#### **108. Tri-Borough Civil Protection Service**

The Cabinet Member for Enforcement and Community Safety presented a report on a proposed tri-borough civil protection service arrangement between Barking and Dagenham, Redbridge and Waltham Forest.

By Minute 50 (2 November 2010), the Cabinet had approved arrangements for a shared service with Waltham Forest Council following a successful pilot exercise the commenced in April 2009. Last year, Redbridge Council made an approach to join the arrangement and positive discussions since that time had culminated in a business case supporting the move.

The Cabinet **resolved** to:

- (i) Agree that the Council enters into a tri-borough service arrangement with Waltham Forest and Redbridge Councils in respect of civil protection services on the terms set out in the report; and
- (ii) Authorise the Chief Operating Officer, in consultation with the Cabinet Member for Enforcement and Community Safety and the Director of Law and Governance, to enter into all necessary agreements to implement, manage and operate the shared service.

#### **109. Debt Management Performance and Write-Offs 2016/17 (Quarter 3)**

The Cabinet Member for Community Leadership and Engagement introduced the performance report for the third quarter of the 2016/17 financial year in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London.

The Cabinet Member advised that the performance of Elevate was predominantly positive against the stretched targets, with more money being collected in real terms during 2016/17 despite the challenges that many faced as a consequence of the Government's welfare reforms.

The Cabinet **resolved** to:

- (i) Note 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 2016/17.



**CABINET****25 April 2017**

<b>Title:</b> Capital Bidding Process 2017/18	
<b>Report of the Cabinet Member for Finance, Growth and Investment</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Authors:</b> Stephen Hinds, Chief Accountant Rodney Simons, Principal Accountant - Capital	<b>Contact Details:</b> Tel: 020 8227 3079 E-mail: Stephen.Hinds@lbbd.gov.uk E-mail: Rodney.Simons@lbbd.gov.uk
<b>Accountable Director:</b> Kathy Freeman, Finance Director	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<p><b>Summary</b></p> <p>At the Assembly on 22nd February 2017, Council agreed a new Budget Framework 2017/18 and Medium Term Financial Strategy (MTFS), this reflected the priorities, ambition and agreed strategies of the Council. This new investment led strategy aims to bring alive the Council's vision: "One Borough; One Community; London's Growth Opportunity". Capital investment is key to this ambition and this paper sets out the Council's detailed annual capital programme. It details the bidding process which is how the Council agrees capital projects/programmes of works and the approval process of the bids. The process excludes projects undertaken directly by schools and will only govern those projects undertaken, commissioned, managed and delivered by the Council.</p> <p>In line with the MTFS, the Council has set aside £0.900m to fund the cost of borrowing every year to invest into the Council's capital programme, which equates to an additional £10.000m per year of available funding to spend on the programme.</p> <p>In addition to the available corporate funding, services can also directly fund projects themselves with alternative sources of funding, including:</p> <ul style="list-style-type: none"> <li>• Borrowing (this will be managed corporately and requires services to fund a revenue cost of approximately 9% of the total capital budget per annum for the cost of borrowing (both the interest and repayment elements).</li> <li>• Government grants</li> <li>• Lottery funding</li> <li>• HRA funding</li> <li>• Direct revenue funding</li> <li>• Section 106 funding</li> <li>• Community Improvement Levy</li> </ul> <p>47 bids were received during this round of bidding to access the Capital Funding programme amounting to £41.915m over the next five years, and £21.057m relating directly to 2017/18. After undertaking an assessment of all bids, the amount</p>	

recommended for approval is £40.482m over the next five years, with £20.468m relating directly to 2017/18.

The full costs of the programme detailed in the document were included in the MTFS approved by Assembly in February 2017.

### **Recommendation(s)**

The Cabinet is recommended to approve the new Capital schemes for 2017/18 as detailed in section 3 and Appendix A to the report.

### **Reason(s)**

To assist the Council to achieve its priorities of:

- Encouraging civic pride
- Growing the borough

## **1. Introduction and Background**

- 1.1. The MTFS has set aside £0.900m to fund the cost of borrowing, which enables the Council to invest £10.000m in its capital programme each year. Several bids were already put forward and agreed last year against the 2017/18 programme, meaning there is £6.600m available for additional capital programme works for 2017/18.
- 1.2. Services were invited to submit bids for capital projects in October 2016. Each bid had to include an outlining description of the project, the level of funding required, the revenue implications, and identifying how the project aligned with the assessment criteria including the Councils corporate priorities.
- 1.3. 47 Bids were received during this round of bidding amounting to £41.915m over the next five years, and £21.057m relating directly to 2017/18. After undertaking an assessment of all bids, the amount recommended for approval was £40.482m over the next five years, with £20.468m relating directly to 2017/18.
- 1.4. All bids were approved by the respective finance business partner, Director and cleared by respective Strategic Director before submission to Corporate Finance.
- 1.5. Corporate Finance then reviewed and prepared an overall prioritised list of bids, using the assessment criteria, and scoring method.

<b>Criteria</b>	<b>Score</b>
1. To meet statutory requirements	5
2. To meet health and safety requirements	5
3. Meets Council priorities	5
4. To enable future revenue savings	5
5. Enables match funding (additional external funding)	5
<b>Max Score</b>	<b>25</b>

1.6 It was possible for a bid to score against more than one of the above criteria, such that if it meets all of them it could achieve a maximum score of 25. Each bid was given a total score, and prioritised in an overall list.

## **2. Current Capital Programme**

- 2.1. The Council's current capital budget for 2016/17, inclusive of the Gascoigne Estate scheme (£36.775m), is £199.086m, and Directorates have reprofiled £1.458m of work, which will be financed by bringing forward and adjusting future year budgets accordingly.
- 2.2. The 2016/17 capital programme will be funded by £79.067m worth of capital grants, £62.199m of Housing Revenue Account funding, £0.177m of Section 106, £51.783m of capital borrowing, £4.104m of contributions from reserves and revenue allocations and £0.382m of capital receipts.
- 2.3. The two most significant areas of the capital programme are the provision of school places and housing. This reflects the needs of the borough in terms of dealing with a high birth rate and high level of migration into the borough. School expansion schemes are funded by Central Government (the Education Funding Agency), and the HRA programme is self-financed by the HRA using a mixture of Government grants, capital receipts and HRA revenue funding. Therefore, they do not pose a pressure on the General Fund, in terms of needing to borrow and servicing the cost of borrowing.
- 2.4. Another significant area of the programme is the Corporate Accommodation Strategy. This has a budget of £10.37m over the next two years and will rationalise the corporate office portfolio, which will enable future capital receipts and revenue savings to be realised.
- 2.5. In February, Assembly agreed a number of new schemes to be funded from corporate borrowing made available of £5m in 2016/17 and £10m in the subsequent years up until 2021, as per the provisions made available in the MTFs. The main intention of this process was to enable the Council to meet its statutory and health and safety requirements. Therefore, bids that fulfilled these purposes were prioritised and selected. This process was also primarily aimed at the services/schemes that do not attract external funding, for example to maintain corporate property and IT, roads, and the environment.
- 2.6. The £10m made available in 2017/18 has been fully allocated to schemes, but for subsequent years the funding has only been partially allocated, and so further schemes will be put forward to Members to allocate the remaining funding in future years.
- 2.7. Due to the important nature of this round of bidding for the Capital Programme, early drawing down of capital budgets was required to ensure the programme and their benefits could be achieved. It was requested as part of the MTFs process that early draw down of funding of between £6m and £4.6m between 2017/18 and 2019/20 to support projects. This programme was approved by Assembly on 22 February 2017, and there is no budget shortfall.
- 2.8. The table below summarises the amounts agreed:

**Table 1: Five Year Capital Programme (2016/17 – 2020/21)**

	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
<b>Service Development &amp; Integration</b>	62,031,937	50,547,510	6,400,000	400,000	400,000	119,779,447
Customer, Commercial & Service Delivery	9,045,818	4,337,000	1,040,000	478,000	212,000	15,112,818
Finance & Investment	3,883,753	7,468,714	0	0	0	11,352,467
Growth & Homes	60,091,498	20,931,087	1,243,500	0	0	82,266,085
Care and Support	0	572,000	0	0	0	572,000
Community Solutions	0	3,391,000	1,614,000	477,000	0	5,482,000
Customer Access and Technology	1,374,000	1,670,000	3,992,000	0	0	7,036,000
My Place	0	217,000	0	0	0	217,000
Service Improvement	0	1,063,000	610,000	494,000	50,000	2,217,000
Parks and Open Spaces	0	145,000	555,000	155,000	145,000	1,000,000
Capital Asset and Infrastructure Improvements	0	3,770,000	3,295,000	3,550,000	600,000	11,215,000
<b>Grand Total General Fund</b>	136,427,006	94,112,311	18,749,500	5,554,000	1,407,000	256,249,817
<b>HRA Total</b>	62,659,036	80,654,000	59,440,000	57,960,000	56,000,000	316,713,036
<b>TOTAL CAPITAL PROGRAMME</b>	199,086,042	174,766,311	78,189,500	63,514,000	57,407,000	572,962,853

- 2.9. Other schemes that have external funding (e.g. government grants) can be added to the capital programme during the year and will appraised internally as and when such funding is allocated / received.

### **Flexible Use of Capital Receipts Dispensation**

- 2.10. Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) regulations 2003 made under section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure. The use of capital receipts to support revenue expenditure is not permitted by the regulations.
- 2.11. However, the Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a Direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.
- 2.12. The Council welcomes the Government’s Flexible Use of Capital Receipts dispensation and believes that if it is used judiciously and prudently, it can help the authority deliver savings while protecting revenue budgets. Working in this way will help to protect jobs and shield the tax payer. It aligns with the more commercial approach the Council is adopting to the use of its balance sheet to get the best value from its assets, in terms of both acquisitions and disposals; and also boosting our income generating asset portfolio.
- 2.13. Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is: “Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”
- 2.14. At Assembly on 22 February 2017, approval was given for the use of flexible receipts to be used for individual projects as identified in Appendix H of the MTFS

report.

### **3. 2017/18 Capital Programme Schemes**

3.1. A high-level summary for the Capital Programme is set out below:

#### **3.2. Care and Support Investing in services to help manage demand Bid Reference CAP35 & CAP01**

3.2.1. We are re-designing the services for those individuals or families who either need our continuing support or require an intervention to enable them to remain safe. Increasing demand and costs mean that our current care arrangements are no longer affordable. Our aim is to enable and support more adults to live in their own homes for longer; and more children and young people to live at home with their families. We want to offer our residents more choice; and make our services smaller, more responsive and more user-focused.

3.2.2. Care and Support is made up of three services areas:

- Redesigning Adult Social Care
- Redesigning Children's Social Care
- All Age disability service

3.2.3. Our intention is to see reduced overlap and duplication of tasks between professionals making sure all social work processes are streamlined and effective. The services will include a mix of staff to ensure best use is made of skilled social worker time which is in short supply; enabling social workers to focus on the resident, rather than costly and ineffective back office functions.

3.2.4. We also propose a single disability service working with our residents with a lifelong disability. Services to Children and Adults are currently delivered separately with significant differences in approach. This difference in approach partly reflects the differing legal positions, but are perceived by the residents as difficult and confusing. Integration will deliver a more seamless service with whole life planning. This service is intended to significantly improve the current transition arrangements from children to adult services making it easier for parents and young people to navigate.

3.2.5. Where possible we will bring together health and social care services in a way that promotes independence, reduces any gaps and overlaps and delivers savings by reducing demand and enabling joint working.

3.2.6. Care and support is intended to deliver £11.8 million savings by 20/21. Investment is required to improve the current working practices improving technology, such as enabling a modern electronic recording system to be introduced to support mobile working, enabling more time to be spent working directly with children, young people and adults. Investment is also required to review all existing processes to enable changes to current service models, contracts and provision. This service area undertakes the majority of the Council's statutory functions and works with those families requiring a safeguarding response. To make the savings it is critical that every function is examined to ensure it needs to be performed by a social care

professional, integration opportunities with health are maximised and the Council's statutory responsibilities are not affected.

- 3.2.7. The service is aiming to begin to 'go live' by May 2017, with teams joining the All Age Disability Service and with improvements being made within Adults & Children's Care & Support. This will be supported by investment made in commissioning within Care & Support, which will enable more cost-effective purchasing of services more appropriate to residents through the introduction of brokerage and more efficient and outcomes-based methods of commissioning.
- 3.2.8. Social Care IT System – Replacement of Northgate SWIFT Indicative. Due to the increase in scope and requirements discovered during the procurement phase, additional capital budget is required to ensure that the new Social Care IT system is delivered and in place as per the estimate timescales.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP01	Social Care IT System – Replacement of Northgate SWIFT	592	0	592
CAP35	Redesign Adults & Childrens Social Care	0	1,747	1,747
<b>Total - Care and Support</b>		<b>592</b>	<b>1,747</b>	<b>2,339</b>

**3.3. Community Solutions Investing in new and reformed services to help manage demand and reduce dependence**  
**Bid Reference CAP33**

- 3.3.1. At the core of our people-focused services is Community Solutions which will identify and resolve the root causes of an individual's or family's problems, by tackling the multiple needs of households in a joined-up way, and at an early stage. It will comprise multi-disciplinary and multi-agency teams that will collaborate closely with the voluntary and community sector and other partners to deliver early intervention and preventative support.
- 3.3.2. Investment will enable several services such as libraries, children's centres, housing support and employment support to be reconfigured into a single, integrated service for residents who need help. Working in this way will help our residents but also deliver efficiencies for the Council and, in time help to and reduce demand for our more expensive services.
- 3.3.3. To achieve this change and create the new service, processes will need to be redesigned and automated to ensure we deliver on the efficiencies required. The service will continue to provide face to face services to residents that require this level of support. However, to reduce costs and establish a more efficient service, several processes currently performed by staff will need to be digitised, requiring investment in technology and a complete review of the processes currently in place. Investment will be used to create a digital roadmap allowing staff to understand the needs of the household and to provide a co-ordinated single response on behalf of the Council.
- 3.3.4. Community Solutions will begin operations in April 2017 with all affected staff/teams being "lifted and shifted" under the Director of Community Solutions. During 2017/18, the staff will operate in a more co-ordinated and efficient way with a new streamlined management structure in place. The service will continue to

develop during 2018/18 and 2018/19 through testing and evaluation to ensure that the service is achieving a reduction in demand. The new fully functioning, fully coordinated service will be in place by April 2019.

- 3.3.5. Community Solutions will offer a significantly different way of delivering services to our residents. Teams will merge, new partners will come together, cultures will change as will our relationship with residents.

BID REF	Project	HRA/MRR	Borrowing	Capital Receipts	Total
CAP33	Community Solutions	1,253	4,816	1,253	7,322
<b>Total - Community Solutions</b>		<b>1,253</b>	<b>4,816</b>	<b>1,253</b>	<b>7,322</b>

### 3.4. **Customer Access and Technology Bid References CAP05, CAP06, CAP07 & CAP38**

- 3.4.1. Investment will tackle the Council's fragmented and inefficient customer contact, which in the past has entailed customers often supplying the same information on multiple occasions and repeated contacts to resolve queries. A new approach will ensure consistency across all contact channels, and streamline processes to improve efficiency.
- 3.4.2. The new Customer Access Strategy with the key aims of enhanced levels of customer service for all individuals and households by:
- Easier availability, access and delivery of services provided;
  - Utilisation of innovative technology for more efficient and cost-effective service delivery;
  - Improvements in how we engage with customers and obtain feedback;
  - Effective measurement of customer service levels and performance;
  - A targeted approach to ensure all customers get the right level of support.
- 3.4.3. Updates and improvements are required to our current technology platforms to improve system integrations and facilitate end-to-end transactions and constantly keep the customer informed about the status of their enquiries.
- 3.4.4. The Council will achieve these aims through the provision of services across a range of different touchpoints, primarily through digital, and voice channels. As part of a targeted approach, we will ensure that appropriate face-to-face support is also available for individuals and households to meet their specific needs.
- 3.4.5. The longer-term vision is for fast, easy access to council services, efficient and cost-effective service delivery, and high levels of customer satisfaction. However, it is clear we are a long way from this now and over the summer it was apparent that there were significant issues with our ability to provide good quality customer services.
- 3.4.6. A programme of improvement has been in place, clearly though there is a great deal more to do and investment is required in several areas including:

- The need to develop a new website and technical platform not only for the council but Community Solutions and My Place. This is linked to the reduction of demand by providing relevant and up-to-date information in order that residents can help themselves and so the launch of these improvements will be linked to the go live of these entities.
- Further enhancements to the contact centre including the possible creation of a Community Solutions contact centre and telephony improvements such as voice recognition and call back facilities.
- Streamlining “hand offs” between the front office and back office ensuring that the customer journey is as streamlined as possible.

3.4.7. The Smarter Working Programme has provided staff with new technology and the capability to work from any LBBD site and remotely including homeworking. there is further work required to successfully complete the IT roll out such as application upgrades, infrastructure upgrades, roll out of additional Office 365 functionality and new remote working capabilities. The property element of the programme will continue through 2017-18 but additional capital costs have been identified which includes pre-occupation works and separating costs for the north and south wing at the Civic Centre.

3.4.8. We have already significantly re-configured the strategic ‘core’ of the Council to reduce management costs, while strengthening the capacity to develop and deliver the Council’s key goals. Restructuring will continue in 2017/18, to complement the transformation of operational services. Investment in the modernisation of the Council’s IT and office estate will improve workforce productivity and reduce the size of office accommodation. Changes in the operational delivery structure of the Council will also enable the Council to make significant savings in the costs of transactional support services.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP05	Cross Cutting: Technology	1,830	0	1,830
CAP06	Customer Access Strategy (CAS)	2,817	0	2,817
CAP07	Smarter Working Programme	1,868	0	1,868
CAP38	Customer Access & Workforce Development	0	1,214	1,214
<b>Total - Customer Access and Technology</b>		<b>6,515</b>	<b>1,214</b>	<b>7,729</b>

### 3.5. **My Place** **Bid Reference CAP34**

3.5.1. In 2014, the Housing Quality Network (HQN) conducted a “Landlord Health Check” which was reported to Cabinet in June 2015, this found that performance across the core business processes within Housing that drove service delivery was generally below the average for London Boroughs and identified the improvements needed to address this. This was a critical report that showed that the service had fallen far behind the services delivered by other London authorities, in particular: -

- Rent collection was below average and the service was found to be very fragmented and ineffective
- Repairs satisfaction was low and was continuing to fall with voids re-let performance one of the worst measured.
- Tenant satisfaction with the Landlord service was also well below the London average



3.5.2. At this time, it was important that the Housing service robustly addressed what was a declining performance which had not been treated as an urgent priority in the past. Managers and staff in Housing rose to the challenge of these findings and a detailed improvement project was initiated with the aim of addressing all the shortcomings identified. This culminated in the development of the Housing Transformation programme which provided a clear focus and structure for improvement. It focused on five projects, namely:

- **Strategic Maintenance:** the need to transform the way we manage our building assets to ensure an integrated approach to investing in and maintaining our housing portfolio. This includes both capital investment and repairs and maintenance.
- **Customer Management:** improving the customer experience by understanding our customers and supporting households to be independent and successful.
- **Income & Debt Collection:** debt collection has not been good and needed to improve. Work was also required to prevent debt from arising in the first place.
- **Workforce Management:** greater productivity was needed which was led by retaining and rewarding a skilled, flexible and highly motivated workforce to deliver high levels of performance and professional behaviour at all times; it is also about communication and empowerment.
- **Strategic Housing:** a need to develop a coherent suite of our housing strategies and policies including housing advice, homelessness and temporary accommodation. Then promote them and monitor compliance.

3.5.3. This programme was absorbed in to the development of Home Services and My Place where the improvements envisaged are being built upon to create these new service delivery blocks. The costs and benefits of the creation of My Place like Home Services are in the HRA business plan report.

3.5.4. This capital bid includes the cost of the hardware such as iPad/tablets and handheld payment machines for use in the field, along with the enabling mobile phone technology; software application installation and licencing; interfaces to existing systems to information.

BID REF	Project	HRA/MRR	Borrowing	Capital Receipts	Total
CAP34	My Place	1,792	119	0	1,911
<b>Total - My Place</b>		<b>1,792</b>	<b>119</b>	<b>0</b>	<b>1,911</b>

### 3.6. **Frontline Service delivery**

**Bid References CAP02, CAP03, CAP04, CAP08, CAP09, CAP10, CAP11, CAP16, CAP18, CAP28, CAP36, CAP39, CAP40, CAP41 & CAP42**

- 3.6.1. We are bringing together all those Council services which are involved in enforcement and regulation, to provide a better service to residents and to make the workforce more productive and effective. There will also be significant improvements in the efficiency of the refuse and street cleansing services. Improved public education and enforcement will reduce waste volumes and disposal costs. The parks and open spaces service will use the assets of our parks and green spaces to support the Council's growth ambitions and attract further inward investment.
- 3.6.2. Over the years these services have become "reactive" rather than planned and we are at a point where they are not reliable nor consistent. Currently the Green and Clean service area is configured around generic services. We are proposing a move away from this approach, to create three new service blocks:
- 3.6.3. Waste Services – Cabinet agreed an updated 2016-2020 Waste Strategy last year and we now need to build an operational plan based on reduce, reuse and recycling. There will include a series of staged operational changes and service efficiencies to the refuse collection and recycling services as well as introducing a new paid for green garden waste service in the spring of 2017.
- 3.6.4. Cleaner Communities - The service will be required to create a targeted, intelligence driven and collaborative service. The new service which will bring together cleansing and the current caretaking service will have clear standards and accountability. The aim through these targets and approach is to be more cost effective. Public land will be cleaned to agreed and published standards.
- 3.6.5. Parks and Environment - The service will be required to attract external capital into parks in the next five years through creating the expertise, applying for funds, participating in regeneration, and seeking commercial opportunities. It will look to use the parks as an asset that could generate income by, for example leasing spaces. The service will also develop our parks, setting and monitoring standards, animating parks, and running cost effective contracts and services. With the responsibility of running a new expanded Chadwell Heath Cemetery there is also a need for a new commercial focus as well as developing new skills within the workforce to manage a new burial site.
- 3.6.6. Improving our environment, investing in our parks and open spaces, ensuring our children and young people have safe and well maintained play and recreation facilities, working hard to improve the maintenance of our roads and pavements and undertaking essential health and safety repairs are all priorities for the Council's executive. These investments will have an impact across the borough, as it expected that each ward will benefit in one way or another.
- 3.6.7. As well as the £9m set aside for highways repairs there is a further £5.499m of investment through the Capital programme over the MTFS period to include:
- Enforcement equipment including the purchase of 23 bikes, 55 PDAs and 40 portable CCTV cameras

- Leasing 9 new refuse fleet vehicles
- Fixed play facilities in our parks
- Park buildings

3.6.8. One of the more innovative investments is that set aside in this MTFs for the Borough's first Youth Zone. This new facility will provide programmed activities for young people in Parsloes Park in partnership with OnSide Youth Zones. The Council has already approved a £3m capital grant towards the estimated development costs of circa £6m. Thereafter the facility is designed to operate without on-going revenue funding from the Council. The first of its kind in London, the Youth Zone will contribute to the wider vision to improve and encourage greater use for formal and informal recreation and will provide a fully accessible facility for young people based on the successful Youth Zone model elsewhere in the country.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP02	Bins Rationalisation	250	0	250
CAP03	Park Infrastructure Enhancements	120	0	120
CAP04	Refuse Fleet	140	0	140
CAP08	Enforcement Equipment	1,136	0	1,136
CAP09	On-vehicle Bin Weighing System for Commercial Waste	45	0	45
CAP10	Fixed play facilities	250	0	250
CAP11	Park Buildings – Response to 2014 Building Surveys	375	0	375
CAP16	Replacement of Winter Maintenance Equipment / Gully Motors	640	0	640
CAP18	Parsloes Park regional football hub	400	0	400
CAP28	Libraries Library Management System Tender	60	0	60
CAP36	Parks & Open Spaces Commercialisation	0	210	210
CAP39	Enforcement	0	308	308
CAP40	Parks, Open Spaces & Cemeteries	0	137	137
CAP41	Refuse	0	389	389
CAP42	Street Cleansing	0	31	31
<b>Total - Frontline Service Delivery</b>		<b>3,416</b>	<b>1,075</b>	<b>4,491</b>

3.7. **Investment in infrastructure, our environment, and our heritage**  
**Bid References CAP12, CAP13, CAP14, CAP15, CAP 17, CAP 19, CAP 20, CAP 21, CAP 22, CAP 23, CAP 24, CAP 25, CAP 26, CAP 27, CAP29, CAP 30, CAP31 & CAP 32**

3.7.1. As the Borough grows, it is essential that infrastructure to support our growing population is enhanced and maintained. Some of these infrastructure requirements are outside of the Council's direct control, and so we achieve change by working closely with partners in the health service, Transport for London and the wider Greater London Authority to enable improved health provision, and improvements to our railways, roads, cycle routes, bus services and pavements.

3.7.2. In addition to the available corporate funding, directorates can also directly fund projects themselves with alternative sources of funding, including:

- Government grants
- Lottery funding
- HRA funding
- Direct revenue funding
- Section 106 funding
- Community Improvement Levy

- 3.7.3. The Council is committed to improving the Borough's Heritage offer as part our wider strategy to encourage civic pride and to guide the future development of our place. Accordingly, the Capital programme sets aside funding to enable a series of potential match funding bids to the Heritage lottery fund and other funders. Schemes in the pipeline include: Eastbury Manor House and Valence House. In July 2016, Cabinet agreed to retain the Councils heritage service and invest in its development with the intention that it vigorously promotes the Borough's past and its connection to the present and the future. Since that an improvement programme has been developed and implemented.
- 3.7.4. Valence House Museum, is a listed Grade II building, that requires further restoration to protect the historic fabric of the building from further decay and to provide a secure and environmentally stable premise for the valuable collection of artefacts that are housed in the Museum.
- 3.7.5. The Abbey: Unlocking Barking's past, securing its future is a project to conserve existing heritage features, undertake a Post Excavation Assessment (PXA), improve the landscape to provide a 'village green' and enable schools and wider community access to the early Saxon history of Barking Abbey
- 3.7.6. Cabinet in July 2016 also agreed to create a new Parks, Open Spaces and Cemeteries service with the intention of both improving the quality of our green spaces and developing their offer. As well as improving the boroughs image and wellbeing it is also anticipated that our parks and open spaces will become more commercially viable, generating more income to support their running costs. During 2017/18, Cabinet will agree a new Parks and Open Spaces Strategy – this will include targets to increase income by £133,000 by 2019/20. £279,000 of one investment to support the development and execution of this has earmarked from the pool of Flexible Capital Receipts.
- 3.7.7. The Car Park Improvement project will aide in our commitment to safer and cleaner car parks, some car parks will require capital improvements to achieve Park Mark status. London Road and Heathway Multi-Storey car parks require modernising enhancements to attract more customers and to improve security especially at night. These enhancements would include improved surface markings and signing to bring the car parks up to current industry standards
- 3.7.8. The Highways investment programme is designed to address the range of road and pavement surfacing issues that have been identified throughout the borough, and have been prioritised under the Civic Pride Agenda. It is essential that these repair issues are addressed for longevity, rather than another "patching exercise". As well as reducing reputational risk, this will contribute to the look and feel of the borough and will support other improvements planned for the public realm.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP12	Car Park Improvements	230	0	230
CAP13	Equipment to reduce Hand Arm Vibration	90	0	90
CAP14	Engineering Works (Road Safety)	385	0	385
CAP15	Highways Investment Programme	9,000	0	9,000
CAP17	Re-imagining Eastbury	400	0	400
CAP19	Meet the Fanshawes	0	0	0
CAP20	Redressing Valence	500	0	500
CAP21	Installation of New Fire Alarm System at BLC	0	0	0
CAP22	Renovation of External Space at Rear of Barking Learning Centre	0	0	0
CAP23	Upgrade & enhancement of Security & Threat Management System at BLC	45	0	45
CAP24	Upgrade of AV Equipment in Meeting & Teaching rooms at BLC	0	0	0
CAP25	Replacement of motorised window opening mechanisms at BLC	0	0	0
CAP26	Upgrade of Security & Fire Alarm System at Dagenham Library	30	0	30
CAP27	Installation of LED light panels in all areas of Barking Learning Centre	0	0	0
CAP29	Replacement of RFID equipment	0	0	0
CAP30	Community Halls	60	0	60
CAP31	The Abbey: Unlocking Barking's past, securing its future	400	0	400
CAP32	East London Industrial Heritage Museum	75	0	75
<b>Total - Investment in infrastructure, our environment, and our heritage</b>		<b>11,215</b>	<b>0</b>	<b>11,215</b>

### 3.8. Investment in new capacity: Be First Bid Reference CAP45

- 3.8.1. A significant risk to achieving our investment objectives is the Council's delivery capacity. The programme of investment being brought forward by the Council alone will require a step change in the capacity and skills necessary to deliver on this scale.
- 3.8.2. In terms of residential development, the Council's planning and regeneration department has capacity to support and regulate the development of 500-600 units per year. The aspiration of the Council's own development pipeline will require 400+ units per year just for B&D Reside. This is substantially in excess of the capacity of the Council currently – before making any allowance for the significant number of homes - expected to be brought forward and delivered by the private sector in the coming years.
- 3.8.3. It is for this reason that Cabinet in July 2016 agreed to implement Be First – a wholly owned development and regeneration company tasked with accelerating the pace and scale of physical, economic and social regeneration in the Borough. A final business case for Be First was agreed by cabinet in November 2016 and it is anticipated that the new service will go live in the Autumn of 2017.
- 3.8.4. Be First will be tasked with scaling up delivery capacity so that the development of over 2000 units per annum can be supported and regulated through the Council's planning and regeneration functions – roughly four times more per year than can currently be delivered. As well as accelerating to circa 10,000 the number of new homes that will be built in the Borough by 2020/21 Be First will also help to generate a number of significant financial benefits to the Council over and above the investment strategy income set out at 2.7, namely: additional new homes

bonus, development fees and the fiscal benefits that arise from increases in the Council tax base.

- 3.8.5. Headroom to fund these costs of circa £2.82m has been allocated from the Council's pool of flexible receipts. In its first year of operation the Council will also make available a loan of circa £3.43m for working capital to Be First. The loan will be on commercial terms and funded from the Council's treasury management arrangements with approvals sought from Cabinet as appropriate. This working capital will pump prime the increase in capacity required to deliver the aspirations of the Council's Investment and Acquisition Strategy and support a pipeline of private led schemes. Within 18-24 months it is envisaged that development fees and other income from the progression of these schemes will see Be First become self-financing.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP45	Be First	0	3,548	3,548
<b>Total for Be First</b>		<b>0</b>	<b>3,548</b>	<b>3,548</b>

### 3.9. **Leisure** **Bid Reference CAP46**

- 3.9.1. Cabinet agreed in November 2016 that bids should be invited to enable transfer of the management and operation of leisure service to a not-for-profit operator. A final decision is expected in April, which will enable the new operator to begin in October 2017. All staff who are currently involved in the delivery of the service will transfer under TUPE to the new operator.
- 3.9.2. Initial investment of £60,000 is required to cover the costs of procurement, and commercial support to ensure that the process used meets all requirements and attracts the best possible future operator.
- 3.9.3. It is expected that there will considerable efficiencies made in transferring the service to an established operator, which will have lower overhead costs, greater experience, and a capacity to market the service to attract new income. The Council will be retaining strategic influence over the services, through an outcome based specification and performance management framework.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP46	Leisure	0	108	108
<b>Total for Leisure</b>		<b>0</b>	<b>108</b>	<b>108</b>

### 3.10. **Traded Services** **Bid Reference CAP37**

- 3.10.1. The Council agreed in July 2017 to establish a trading company that offers a range of support functions initially to the family of schools in the Borough, but potentially to wider markets in the future. The trading model offers the best option to improve the delivery of services and to protect jobs.
- 3.10.2. These services must be given the flexibility to maximise income, the benefits of which would support the delivery of Council services. Retaining these services in

house would not enable the flexibility offered through commercial working, or the positive income-generating stream.

- 3.10.3. Although the principal purpose of the trading company will be to secure financial benefit for the Council, the business case also considers the improved social outcomes that could be obtained by establishing the company as a social enterprise – that is a company with a clearly defined social purpose as the main part of its remit. In this case, the remit would be to improve the skills and qualifications of the workforce. The vast majority of staff in the Catering and Cleaning Services are local residents, many have low levels of academic qualification and attainment. Establishing the company as a social enterprise, with a clear intention to invest to increase the skills and capability of its workforce would potentially bring greatly improved outcomes for many of the workforce (and therefore borough residents) and aligns closely with Council priorities, especially those of ‘Growing the Borough’.
- 3.10.4. Initial investment is required to procure specialist legal and commercial advice that will ensure the income required can be generated and that the company set up is one that is in line with the Council’s requirements. It is anticipated that this investment will be required during 17/18, and the new trading entity will go live within this year.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP37	Traded Services	0	683	683
<b>Total for Traded Services</b>	<b>Total for Traded Services</b>	<b>0</b>	<b>683</b>	<b>683</b>

**3.11. Home Services  
Bid Reference CAP47**

- 3.11.1. Home Services will be a revitalised repairs and maintenance service contracted by the Council to maintain and repair the Council’s own portfolio of properties including Corporate/ Education/ Housing/ Highways/ Leisure/ Libraries/ Parks/ Schools/ Social Services. It will compromise all the services currently within the existing repairs and maintenance service (DLO).
- 3.11.2. It was recognised that there needs to be a great deal of improvement in the current service to get it to a point where it may thrive in a commercial world and a substantial amount of fixes and improvements are being undertaken and continue to be made to get the service into an acceptable operating position, to raise service efficiencies and improve overall resident satisfaction. In this year, there has been a major restructure of the service that has reduced the number of operatives alongside developing more effective processes. There does though remain a legacy of activities that need to be addressed further, including staffing structures; operating practices, productivity and financial management.
- 3.11.3. The new company may seek to explore selling its services to the private sector once it has established cost and quality control and that it has both the ability and capacity for doing so at a profit. The aim is to create a service that, in addition to servicing the Councils housing portfolio, could offer services to local landlords; providing an opportunity for the service to generate additional income by broadening its customer base.

- 3.11.4. The new trading entity is expected to generate approximately £1.7m in savings and income by 20/21. To achieve this and preserve the jobs we have in the current repairs and maintenance service, investment is required to train staff in new ways of working; moving to more multi-disciplinary approach, improve the IT used both software and hardware, improve the customer experience, and procure specialist legal and commercial expertise to ensure that the new service would market-ready.
- 3.11.5. We would also need to invest in our staff, to develop the commercial skills they require to meet the challenges a more commercial way of working involves. This investment will come from HRA funds.

BID REF	Project	HRA/MRR	Borrowing	Capital Receipts	Total
CAP47	Home Services	782	0	0	782
<b>Total for Home Services</b>		<b>782</b>	<b>0</b>	<b>0</b>	<b>782</b>

### 3.12. **Legal Services** **Bid Reference CAP43**

- 3.12.1. BDT Legal already provides legal services to the Council and to Thurrock Council. Enhancing this existing model will enable the Council to offer its legal services to other bodies, such as other councils, public sector organisations and charities. The service would also aim to support the Council's wider regeneration agenda by aiming to be commissioned by the Council's new arms-length entities.
- 3.12.2. By taking this approach, BDT Legal would avoid incurring additional costs through having to manage an Alternative Business Structure.
- 3.12.3. There would have to be some investment in developing the current relationship with Thurrock Council through formalising sharing agreements, and establishing a representative board from both Councils to provide oversight and reassurance.

BID REF	Project	Borrowing	Capital Receipts	Total
CAP43	Legal Services	0	8	8
<b>Total for Legal Services</b>		<b>0</b>	<b>8</b>	<b>8</b>

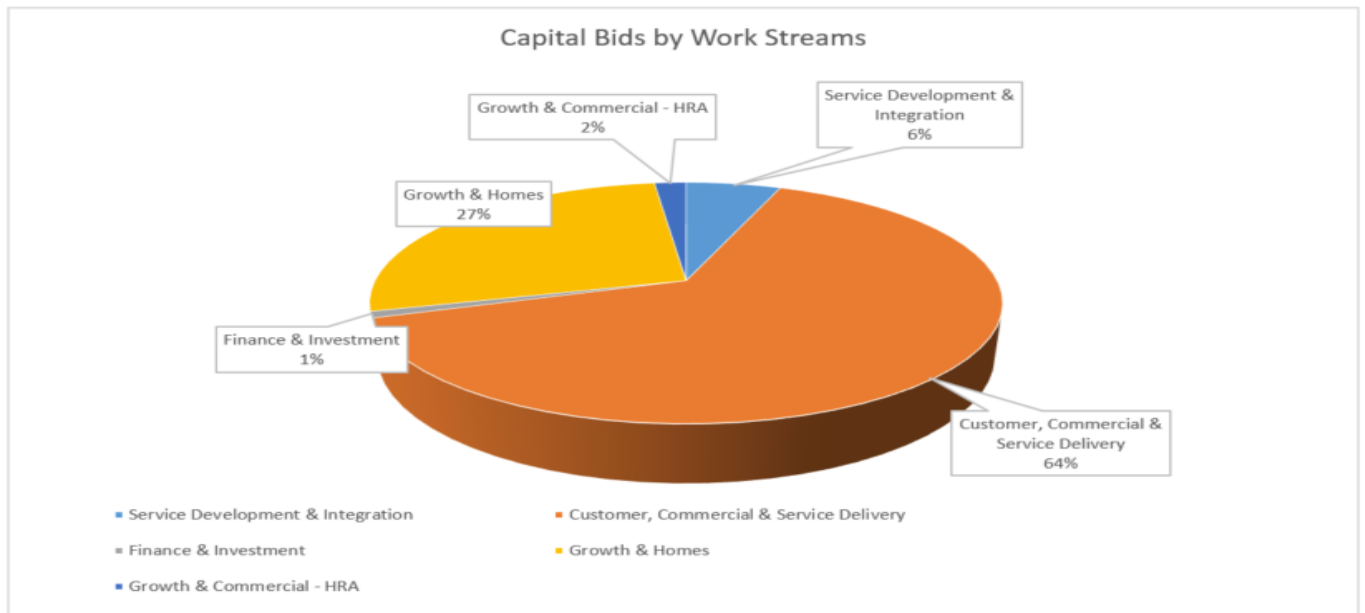
## 4. **Financial Implications**

Implications completed by: Kathy Freeman, Finance Director

- 4.1. Financial implications feature throughout this report. The table below (detailed in Appendix 1), shows the financial implications of the recommended capital programme based on this round of bids by Service Block.



Service Block	Total Bids
Service Development & Integration	2,339
Customer, Commercial & Service Delivery	26,036
Finance & Investment	346
Growth & Homes	10,978
Growth & Commercial - HRA	782



## 5. Legal Implications

Implications completed by: Dr Paul Field, Senior Governance Lawyer

- 5.1 Local authorities must distinguish between capital expenditure and revenue expenditure in their accounting. 'Capital expenditure' for this purpose is defined, in the Local Government Act 2003 (the Act), as "expenditure of the authority which falls to be capitalised in accordance with proper practices".
- 5.2 Under part 1 chapter 1 of the Act, a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs". The total amount that a local authority may borrow is governed by the requirements of CIPFA's Prudential Code for Capital Finance in Local Authorities; and by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), Each authority must set a total borrowing limit for itself in accordance with the principles of the Prudential Code. The borrowing limit will be related to the revenue streams available to the local authority, with which it can repay the debt. There is some flexibility in exactly how individual local authorities set these limits. The Prudential Code does not prescribe formulae allowing the exact calculation of prudential limits, relying instead on the judgement of the local authority chief finance officer, and on 'generally accepted accounting practices'.
- 5.3 This report explains the bid process and the methodology applied in considering whether a bid for capital funding should be sanctioned. Bids for funding must be evidence based with sound business cases, and if sanctioned, the bid item will need to be monitored over its lifetime to ensure it delivers in terms of the benefits

and value as outlined in the original submission, thus approval of the bid is only the beginning of the story.

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

**List of appendices:**

- **Appendix 1** Capital Bids 2017/18 – 2021/22 – Original bids and recommended outcomes

## Appendix 1: New Capital Proposals

BID REF		Project		ORIGINAL BIDS RECEIVED AND AMOUNTS REQUESTED						BIDS AFTER ASSESSMENT FOR APPROVAL					
				CAPITAL BUDGET						CAPITAL BUDGET					
		TOTAL £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Service Development &amp; Integration</b>															
<b>Care and Support</b>															
CAP01	Social Care IT System – Replacement of Northgate SWIFT	592	0	592	0	0	0	0	592	0	592	0	0	0	0
CAP35	Redesign Adults & Childrens Social Care	1,747	0	1,085	662	0	0	0	1,747	0	1,085	662	0	0	0
<b>Total - Care and Support</b>		<b>2,339</b>	<b>0</b>	<b>1,677</b>	<b>662</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,339</b>	<b>0</b>	<b>1,677</b>	<b>662</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Customer, Commercial &amp; Service Delivery</b>															
<b>Traded Services</b>															
CAP37	Traded Services	683	166	517	0	0	0	0	683	166	517	0	0	0	0
<b>Total for Traded Services</b>		<b>683</b>	<b>166</b>	<b>517</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>683</b>	<b>166</b>	<b>517</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Customer Access and Technology</b>															
CAP05	Cross Cutting: Technology	1,830	333	1,497	0	0	0	0	1,830	333	1,497	0	0	0	0
CAP06	Customer Access Strategy (CAS)	2,817	106	2,712	0	0	0	0	2,817	106	2,712	0	0	0	0
CAP07	Smarter Working Programme	1,868	1,374	494	0	0	0	0	1,868	1,374	494	0	0	0	0
CAP38	Customer Access & Workforce Development	1,214	1,064	150	0	0	0	0	1,214	1,064	150	0	0	0	0
<b>Total - Customer Access and Technology</b>		<b>7,729</b>	<b>2,876</b>	<b>4,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,729</b>	<b>2,876</b>	<b>4,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>My Place</b>															
CAP34	My Place	1,911	702	1,209	0	0	0	0	1,911	702	1,209	0	0	0	0
<b>Total - My Place</b>		<b>1,911</b>	<b>702</b>	<b>1,209</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,911</b>	<b>702</b>	<b>1,209</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Frontline Service Delivery</b>															
CAP02	Bins Rationalisation	270	0	70	70	70	30	30	250	0	50	50	50	50	50
CAP03	Park Infrastructure Enhancements	120	0	20	30	30	20	20	120	0	20	30	30	20	20
CAP04	Refuse Fleet	140	0	84	56	0	0	0	140	0	84	56	0	0	0
CAP08	Enforcement Equipment	1,136	0	188	504	444	0	0	1,136	0	188	504	444	0	0
CAP09	On-vehicle Bin Weighing System for Commercial Waste	45	0	45	0	0	0	0	45	0	45	0	0	0	0
CAP10	Fixed play facilities	400	0	100	75	75	75	75	250	0	50	50	50	50	50
CAP11	Park Buildings – Response to 2014 Building Surveys	600	0	162	162	92	92	92	375	0	75	75	75	75	75
CAP16	Replacement of Winter Maintenance Equipment / Gully Motors	640	0	640	0	0	0	0	640	0	640	0	0	0	0
CAP18	Parsloes Park regional football hub	400	0	0	400	0	0	0	400	0	0	400	0	0	0
CAP28	Libraries Library Management System Tender	110	0	60	50	0	0	0	60	0	60	0	0	0	0
CAP36	Parks & Open Spaces Commercialisation	210	0	170	40	0	0	0	210	0	170	40	0	0	0
CAP39	Enforcement	308	122	186	0	0	0	0	308	122	186	0	0	0	0
CAP40	Parks, Open Spaces & Cemeteries	137	88	49	0	0	0	0	137	88	49	0	0	0	0
CAP41	Refuse	389	308	81	0	0	0	0	389	308	81	0	0	0	0
CAP42	Street Cleansing	31	31	0	0	0	0	0	31	31	0	0	0	0	0
<b>Total - Frontline Service Delivery</b>		<b>4,936</b>	<b>549</b>	<b>1,855</b>	<b>1,387</b>	<b>711</b>	<b>217</b>	<b>217</b>	<b>4,491</b>	<b>549</b>	<b>1,698</b>	<b>1,205</b>	<b>649</b>	<b>195</b>	<b>195</b>
<b>Capital Asset and Infrastructure Improvements</b>															
CAP12	Car Park Improvements	300	0	300	0	0	0	0	230	0	130	100	0	0	0
CAP13	Equipment to reduce Hand Arm Vibration	90	0	45	45	0	0	0	90	0	45	45	0	0	0
CAP14	Engineering Works (Road Safety)	385	0	385	0	0	0	0	385	0	385	0	0	0	0
CAP15	Highways Investment Programme	9,000	0	3,000	3,000	3,000	0	0	9,000	0	3,000	3,000	3,000	0	0
CAP17	Re imagining Eastbury	400	0	0	100	200	100	0	400	0	0	100	200	100	0
CAP19	Meet the Fanshawes	50	0	10	40	0	0	0	0	0	0	0	0	0	0
CAP20	Redressing Valence	1,080	0	80	300	300	0	400	500	0	0	0	0	500	0
CAP21	Installation of New Fire Alarm System at BLC	25	0	25	0	0	0	0	0	0	0	0	0	0	0
CAP22	Renovation of External Space at Rear of Barking Learning Centre	28	0	28	0	0	0	0	0	0	0	0	0	0	0
CAP23	Upgrade & enhancement of Security & Threat Management System at BLC	45	0	45	0	0	0	0	45	0	45	0	0	0	0
CAP24	Upgrade of AV Equipment in Meeting & Teaching rooms at BLC	65	0	65	0	0	0	0	0	0	0	0	0	0	0
CAP25	Replacement of motorised window opening mechanisms at BLC	30	0	0	30	0	0	0	0	0	0	0	0	0	0
CAP26	Upgrade of Security & Fire Alarm System at Dagenham Library	30	0	30	0	0	0	0	30	0	30	0	0	0	0
CAP27	Installation of LED light panels in all areas of Barking Learning Centre	55	0	55	0	0	0	0	0	0	0	0	0	0	0
CAP29	Replacement of RFID equipment	86	0	0	86	0	0	0	0	0	0	0	0	0	0
CAP30	Community Halls	60	0	60	0	0	0	0	60	0	60	0	0	0	0
CAP31	The Abbey: Unlocking Barking's past, securing its future	400	0	25	25	350	0	0	400	0	25	25	350	0	0
CAP32	East London Industrial Heritage Museum	75	0	50	25	0	0	0	75	0	50	25	0	0	0
<b>Total - Capital Asset and Infrastructure Improvements</b>		<b>12,204</b>	<b>0</b>	<b>4,203</b>	<b>3,651</b>	<b>3,850</b>	<b>100</b>	<b>400</b>	<b>11,215</b>	<b>0</b>	<b>3,770</b>	<b>3,295</b>	<b>3,550</b>	<b>600</b>	<b>0</b>
<b>Legal Services</b>															
CAP43	Legal Services	8	8	0	0	0	0	0	8	8	0	0	0	0	0
<b>Total for Legal Services</b>		<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix 1: New Capital Proposals

		ORIGINAL BIDS RECEIVED AND AMOUNTS REQUESTED							BIDS AFTER ASSESSMENT FOR APPROVAL						
BID REF	Project	CAPITAL BUDGET							CAPITAL BUDGET						
		TOTAL £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Customer, Commercial &amp; Service Delivery</b>		<b>27,470</b>	<b>4,301</b>	<b>12,635</b>	<b>5,038</b>	<b>4,561</b>	<b>317</b>	<b>617</b>	<b>26,036</b>	<b>4,301</b>	<b>12,046</b>	<b>4,500</b>	<b>4,199</b>	<b>795</b>	<b>195</b>
<b>Finance &amp; Investment</b>															
<b>Investment Opportunities</b>															
CAP44	Investment Opportunities	346	83	263	0	0	0	0	346	83	263	0	0	0	0
<b>Total for Finance &amp; Investment</b>		<b>346</b>	<b>83</b>	<b>263</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>346</b>	<b>83</b>	<b>263</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Growth &amp; Homes</b>															
<b>Be First</b>															
CAP45	Be First	3,548	1,094	1,978	476	0	0	0	3,548	1,094	1,978	476	0	0	0
<b>Total for Be First</b>		<b>3,548</b>	<b>1,094</b>	<b>1,978</b>	<b>476</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,548</b>	<b>1,094</b>	<b>1,978</b>	<b>476</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Leisure</b>															
CAP46	Leisure	108	55	53	0	0	0	0	108	55	53	0	0	0	0
<b>Total for Leisure</b>		<b>108</b>	<b>55</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>108</b>	<b>55</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Solutions</b>															
CAP33	Community Solutions	7,322	1,154	3,748	1,671	400	350	0	7,322	1,154	3,748	1,671	400	350	0
<b>Total - Community Solutions</b>		<b>7,322</b>	<b>1,154</b>	<b>3,748</b>	<b>1,671</b>	<b>400</b>	<b>350</b>	<b>0</b>	<b>7,322</b>	<b>1,154</b>	<b>3,748</b>	<b>1,671</b>	<b>400</b>	<b>350</b>	<b>0</b>
<b>Total for Growth &amp; Homes</b>		<b>10,978</b>	<b>2,303</b>	<b>5,779</b>	<b>2,147</b>	<b>400</b>	<b>350</b>	<b>0</b>	<b>10,978</b>	<b>2,303</b>	<b>5,779</b>	<b>2,147</b>	<b>400</b>	<b>350</b>	<b>0</b>
<b>HRA</b>															
<b>Home Services</b>															
CAP47	Home Services	782	79	703	0	0	0	0	782	79	703	0	0	0	0
<b>Total for Home Services</b>		<b>782</b>	<b>79</b>	<b>703</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>782</b>	<b>79</b>	<b>703</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Bids received in 2016/17</b>		<b>41,915</b>	<b>6,766</b>	<b>21,057</b>	<b>7,847</b>	<b>4,961</b>	<b>667</b>	<b>617</b>	<b>40,482</b>	<b>6,766</b>	<b>20,468</b>	<b>7,309</b>	<b>4,599</b>	<b>1,145</b>	<b>195</b>

**CABINET****25 April 2017**

<b>Title:</b> Customer Access Strategy	
<b>Report of the Cabinet Member for Economic and Social Development</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Claire Symonds, Chief Operating Officer	<b>Contact Details:</b> Tel: 020 227 5513 E-mail: <a href="mailto:claire.symonds@lbbd.gov.uk">claire.symonds@lbbd.gov.uk</a>
<b>Accountable Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary</b>	
<p>The Council is looking to meet the needs of its customers against a backdrop of budget challenges, increasing demand, and raising expectations. To address these needs, as part of the Council's wider transformation programme, we have reviewed the current level of customer service provision and identified potential changes for how our customers access and experience our services. The Council will deliver these changes through a renewed approach to the implementation of high quality customer services across a range of different touch-points, primarily through digital and voice channels. Our vision is to provide excellent customer services that are easily accessible and tailored to customers' needs.</p> <p>This strategy outlines how the Council will support customers while delivering fast, easy to access council services, efficient and cost-effective service delivery and high levels of customer satisfaction. This strategy is an inward-looking document, mainly aimed at explaining how we will improve services.</p>	
<b>Recommendation(s)</b>	
The Cabinet is recommended to approve the new Customer Access Strategy at Appendix 1 to the report.	
<b>Reason(s)</b>	
In order to support our customers against a backdrop of budget challenges, increasing demand and raising expectations, we must have a strategy and delivery plan in place to ensure we can meet these diverse needs.	

**1. Introduction and Background**

- 1.1 The Council's current customer strategy was agreed at Cabinet in March 2010 and focused on the development of a range of digital services, with the majority of customer contacts being delivered by our joint venture partner, Elevate.

- 1.2 Despite a potential funding gap of £63 million by 2020, the Council continues to provide a full range of public services, offering customers a variety of contact channels. However, the authority acknowledges that the status quo is no longer possible and is embarking on a programme that proposes to balance growth and cost cutting with an innovative range of approaches to service delivery. As part of this activity we have reviewed how we provide front line services to our customers and have identified a number of changes and improvements to how, in future, these will be delivered.
- 1.3 It is acknowledged that customer expectations are ever increasing and that these have not always been met, indeed there have been some significant problems with customer services delivery over the last year. Work has been undertaken to improve this situation and the new Strategy will set a direction of travel that will enable continual improvement.

## **2. Proposal and Issues**

- 2.1 The new customer strategy recognises that improvements in Customer Services are an essential part of the wider Council transformation programme. Alongside this, in a separate improvement plan now being jointly delivered by Elevate and the Council, recent concerns over the standard of current service delivery are being addressed in detail.
- 2.2 The main focus of the new strategy will be on developing and implementing new technology, service standards and entire organisational transformation to achieve our vision to provide easily accessible excellent customer services, tailored to customers' needs. The strategy document at **Appendix 1** will be a living document that sets out our operating procedures and design principles which will then be progressed in line with our service re-design, rather than a rigid framework that prescribes in detail how we will ensure the delivery of high quality customer services.
- 2.3 The key aims for the future include enhanced levels of customer service for all individuals and households, through the delivery of:
- easier availability, access and delivery of services provided
  - utilisation of innovative technology for more efficient and cost-effective service delivery
  - improvements in how we engage with customers and obtain feedback
  - effective measurement of customer service levels and performance
  - a flexible approach to demand management that will support service delivery and income generation
  - a targeted approach to ensure all customers get the right level of support
- 2.4 The Council will achieve these aims through the provision of services across a range of different touch-points, primarily through digital and voice channels. As part of a targeted approach, we will ensure that appropriate face-to-face support is also available for individuals and households to meet their specific needs.
- 2.5 The longer-term vision is for fast, easy access to council services, efficient and cost-effective service delivery, and high levels of customer satisfaction. The

strategy document at **Appendix 1** outlines how the Council will support customers and so achieve our vision for customer access.

### **3. Options Appraisal**

- 3.1 Given the nature of the funding gap and the Council's need to transform the way it delivers services to meet this challenge, the only viable option considered was to transform our delivery of front line services to our customers.

### **4. Consultation**

- 4.1 Consultation has taken place with Members and the Council's joint venture partner, Agilysis and Elevate.

### **5. Financial Implications**

Implications completed by: Stephen Hinds, Chief Accountant

- 5.1 As part of the MTFs and budget setting process, both revenue and capital funding was allocated to supporting the Customer Access Strategy. £700k of Revenue Funding was earmarked during 2017/18, along with a number of capital schemes with funding totalling over £4m (funded from borrowing and flexible use of capital receipts).
- 5.2 It is imperative that the strategy is fully supported and the funding actively managed to ensure the success of the strategy as failure to deliver would add to the financial pressures the organisation faces.

### **6. Legal Implications**

Implications completed by: Dr Paul Field, Senior Governance Solicitor

- 6.1 As a public authority the Council is bound by the Equality Act 2010. This Act requires that we, as a local authority, must consider all individuals when carrying out our day-to-day work. This includes shaping policy, delivering services and how we treat our employees.
- 6.2 More broadly, under the Equality Act, we will ensure that we are taking steps to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and those who do not;
  - foster good relations between people who share a protected characteristic and those who do not.
- 6.3 Any move to online services will adequately ensure that access to, and the provision of, services is not reduced in such a way that disadvantages people with a protected characteristic.

6.4 An equalities impact assessment has been undertaken and the final service delivery model has been designed to take into account those sections of society with a protected characteristic, so they are not left behind.

## **7. Other Implications**

7.1 **Corporate Policy and Customer Impact** – The implementation of the customer strategy will have a major impact on the future design, development and delivery of customer services, fuller details of which are outlined in the strategy document.

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

### **List of appendices:**

- **Appendix 1** - Customer Access Strategy



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## APPENDIX 1



### **Customer Access Strategy:**

### **Delivering Excellent Customer Services**

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## 1 Executive Summary

Our vision is that all our customers will receive an excellent experience when contacting the council for a service. We want our customers to have access 24/7 to as many of our services as possible and give them the right information first time, quickly and easily. For those customers with more intensive needs, we will provide a high quality assessment and referral service.

The London Borough of Barking and Dagenham is looking to meet the needs of its customers against a backdrop of budget challenges, increasing demand, and raised expectations. To address these challenges, we have reviewed the current level of service provided and identified potential changes as part of the Council's wider transformation. The key aims for the future include enhanced levels of customer service for all individuals and households by:

- Easier availability, access and delivery of services provided
- Utilisation of innovative technology for more efficient and cost-effective service delivery
- Improvements in how we engage with customers and obtain feedback to drive satisfaction
- Effective measurement of customer service levels and performance
- A targeted approach to ensure all customers get the right level of support

The Council will achieve these aims through the provision of services across a range of different touchpoints, primarily through digital and voice channels. As part of a targeted approach, we will ensure that appropriate face-to-face support is also available for individuals and households to meet their specific needs.

The longer-term vision is for fast, easy access to council services, efficient and cost-effective service delivery, and high levels of customer satisfaction. This strategy outlines how the Council will support customers and achieve our vision for excellent Customer Access.

### Challenges and opportunities

London and east London, in particular, faces an unprecedented series of challenges and opportunities. The borough is experiencing rapid changes in demography coupled with regeneration growth in a time of increasing budget constraints. Demand for our services is increasing, as a result of:

- **High levels of population growth**, especially children requiring school places
- **High levels of new arrivals into the borough** leading to increasing demand for services
- **Significant reduction in central government grant** is driving cost reductions
- **Residents with increasingly complex needs**, many of which require the involvement of multiple agencies and services
- **Increasing expectations** amongst the general population regarding ease of access to services

Despite a **potential funding gap of £63 million by 2020**, the Council continues to provide a full range of public services. However, *the status quo is no longer possible*, so in response the council is embarking on a programme that proposes to balance growth and cost cutting with an innovative and original approach to service delivery.

**Improvements in customer services are at the heart of the programme.** New technology, service standards and organisational transformation all need to be developed and implemented whilst we *simultaneously deliver services*. This journey will take several years and it is absolutely essential that customers are supported throughout. We will ensure that no one is left behind during this period of transition. *Indeed, we also intend to achieve **Customer Service Excellence**.*

This strategy outlines how we intend to achieve this transformation.

## 2 Our customers

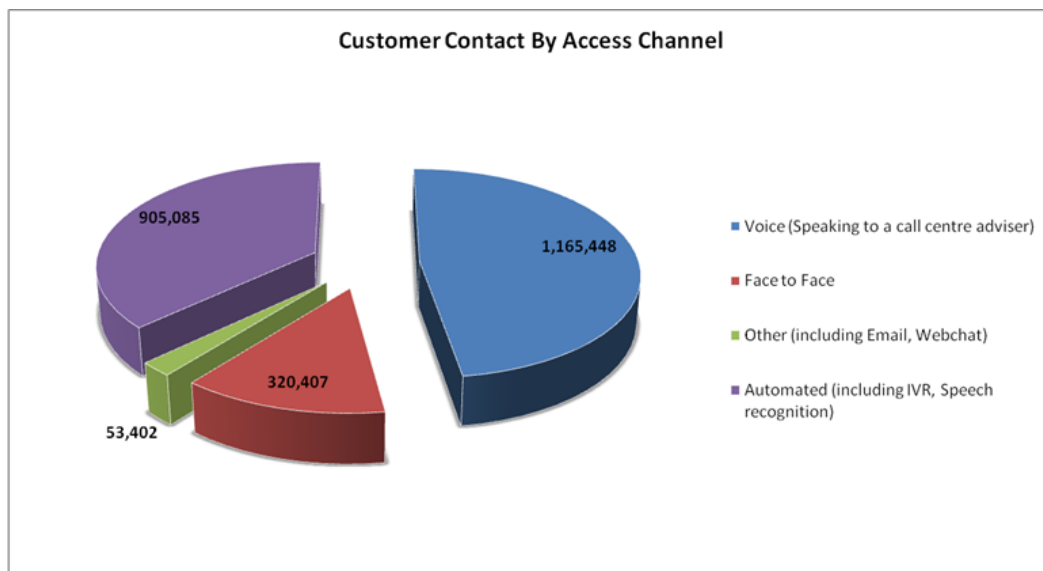
Our **Customers** are defined as those who access and consume council services and include (for example):

- **Residents:** council tax payers, people with disabilities, single parents, carers
- **Businesses:** private landlords, property developers, builders, NHS organisations
- **Voluntary / third sector organisations:** charities, religious groups
- **Partners:** Delivery Partners, voluntary sector, volunteers for teams
- **Visitors:** Tourists, those who work in the borough

### Why do we need a strategy?

#### Current Performance

There are a number of ways in which our customers contact us. The table below gives a snapshot of customer contact by contact channel.



\* The data shows contact activity over a 24-month period (April 2014-March 2016)

Voice contacts via Call Centre(s) represent 48% of the total – or 11,200 per week. The average call length varies by transaction type and can be as much as 11.5 minutes, with an average waiting time of 8 minutes. Revenues and benefits calls are more complex and take longer. The impact of Universal Credit, the *completely online Benefits claims system*, remains to be seen, but may significantly drive down call volumes. It is also *likely that call volumes will drop overall as self-service technologies are implemented.*

#### Current Customer Experience

**Our current customer model ensures that simple transactions and service requests are routed through Customer Services, whilst more complex and involved cases are generally managed directly by a variety of council departments. These arrangements have generally worked reasonably well but having multiple entry points across the Council does not always result in a joined-up customer experience. As a result, customers sometimes have difficulty accessing services smoothly, easily and in a timely way.**

Although the different ways that our customers can access our services has increased since 2010, the standard of service they receive can vary depending on the service they require. Some of the key challenges include:

1. **Inconsistent customer service quality** due to the absence of a coordinated approach to overall service design and delivery
2. **No approach to demand management and forecasting**, particularly in back office services. Therefore, managers are **unable to effectively forecast** and manage peaks and troughs in demand.
3. Limited availability and usage of customer insight data to support service delivery (partly due to a lack of internal skills and resources).
4. The speed of transformation, especially of digital services, has been slow and erratic.

#### **Current Customer Service Cost Base**

**Voice and face to-face channels are the most expensive way to serve customers** and digitisation is the only realistic way of achieving the savings needed to safeguard future service delivery. This is necessary because online transactions cost about 5% of other routes, potentially, a considerable saving that could be used to protect other council services.

**Reducing the number of telephone and face-to-face contacts will be crucial to achieving our Customer Service transformation.** Our customer service operations require significant improvement. The transformation programme is aimed at *improving customer service quality and reduce costs* at the same time.

### **3 Our Vision**

*Our vision is to provide excellent customer services that are easily accessible and tailored to customers' needs*

#### **Our Approach for Customer Access**

Our customer interactions typically fall into three key areas or tiers, each with specific requirements. Our Customer Access Approach aims to support customers in each of these categories:

##### **1 One and Done**

We will ensure that our most simple transactions, pay, report, book, will be easy to use, fully automated and optimised to work on all devices, from a mobile phone to a smart TV. These services will be delivered either online or via automated telephony and will be fully resolved at first point of contact.

##### **2 Service Order**

The customer may use an online or automated telephony route to contact the Council but a handoff to a back-office service will be required to complete the request or order; an example would be a request for a new bin or a dropped kerb. The customer will be updated on the progress of their issue until it is resolved.

##### **3 Targeted Services**

Customers who present with complex needs may use an online or automated telephony route to contact the Council but will then be assessed and then may receive services face-to-face. We will coordinate services around the customer so that the customer does not have to do this for themselves. This includes services provided by other bodies including charities and the NHS.

#### **Our Approach to Customer Complaints**

The process of making a complaint should be streamlined to make it easy for customers to report issues and concerns. Complaints will be prioritised and acknowledged quickly, providing the customer with clear information on the complaints process and service standards. Where appropriate, an apology will be issued quickly and assurance given that action is being taken to prevent the issue recurring.

## 4 Drivers for change

Our customers are becoming more demanding, expecting simple and routine transactional services to be possible 24 hours a day, 365 days a year. This reflects increasing take-up of digital services within the community, with an increasing acceptance and expectation that digital services are available “on demand”. This demand is also influenced by the increasingly complicated domestic and working arrangements of many people’s everyday life.

This means that the technological and social drivers for change in 2010 are even stronger in 2017:

- **Societal and technological change** leading to expectations that access to information is available 24 hours a day 365 days a year
- Expectations that **transactional** (‘self-serve’) **activities can be carried out at any time**
- Expectations of ever increasing **immediacy of response and routine information updates** as service requests are processed
- **Pressure to control and reduce unit costs for each contact**
- **Increasing customer competence** at carrying out increasingly complex processes online based on wider trends of internet usage
- The rapid adoption of new technology and the increasing power of social media are also driving customer expectations. However, the same opportunities for customer engagement also represent a potential risk. For example, social media allows rapid comment on both good and poor customer service and customers of all ages are increasingly tech-savvy.

### Solutions

Improvements in satisfaction and reductions in many types of contact are possible, as we address some or all of these drivers, through:

- **The provision of accurate and timely information** *at all stages and interactions*
- **Improvements in signposting** *and directing customers to all service providers that can help them*
- **Anticipating progress checking** *by providing automatic updates*
- **Publishing service levels** *to reduce unnecessary contacts and manage customer expectations*
- **Integrating systems** *to eliminate requests for information we already possess*
- **Communicating service standards** *at the initial point of contact*
- **Synchronising systems** *so that information from all sources is accurate and up to date*

Rapid prototyping and roll out will address these issues but will also require new workforce skills and consistent management.

## 5 What might the future hold?

**The world is changing and fast. We cannot predict future technological changes but we can determine our direction and approach to new innovations in customer service delivery. The focus will be on ensuring we continue to improve customer satisfaction levels, maximise efficiency, and avoid decisions that could lead to wasted investment.**

**The “Internet of Things” where many more devices are connected to the internet will mean we should be able to start to anticipate where issues may occur in the home.** Devices in household products could be alerting us that a part or whole device (e.g., a boiler) may soon need replacement. By understanding when a part may soon fail, we should be able to plan cyclical maintenance more efficiently and negotiate better purchasing discounts. From a customer perspective, this would enable us to be more proactive in our customer service approach and reduce the volume of inbound maintenance-related customer calls.

**The contact centre itself is changing.** Already one local authority (Enfield) is planning to use Artificial Intelligent (AI) for faster online resolution; looking ahead to 2020, we would expect technology like this to be more widely used by other councils to help automate and reduce the cost of certain transactions. Initially, this may be focused on internal contact centres aimed at supporting staff, i.e., to help reduce operational costs. For example, services including HR, IT and Finance. But it is anticipated that AI contact centre agents will also become more commonly used to automate other simpler external customer service transactions.

**This could lead to improvements in the level of support provided to residents.** For example, by freeing up more time to assist customers, provide services, and support through the AI agents for our 3<sup>rd</sup> sector partners etc. Potentially, where many local authorities are turning off telephone services due to the high costs involved, many of these services could be made available through an AI agent.

**Increasingly, councils are moving towards the “single view of the customer”** for targeted services. The aim is to understand all of the interactions with a customer, and the ability to predict customers’ needs. This “single view of the customer” is part of our longer-term plans, facilitated through enhanced business intelligence and predictive modelling capabilities.

Our customers are demanding more automated online services. Many customers would rather pay a bill or apply for a service at a convenient time in line with their lifestyle and circumstances. This is particularly true of our younger residents, many of whom are new to the borough.



## 6 One and Done

The majority of customer contact is for information or to or pay for a service:

- To **'Report It'**: noise complaints, graffiti, missed bins
- To **'Pay for It'**: council tax, planning applications
- To **'Apply for It'**: parking permits, housing register
- To **'Book It'**: registering births, deaths, bulky collections
- To **'Appeal It'**: parking fines

**In most cases, the council is a monopoly supplier** (e.g., paying council tax). *Consequently, our customers have no choice but to engage with us.* In other parts of their lives, (e.g. online retail and banking) customers expect to carry out transactions smoothly and efficiently. They also expect clear information service standards (e.g. delivery dates) and routine progress updates and reminders.

Engaging with the council is completely unlike other parts of their lives where many choices exist, e.g. flight bookings. Customers are obliged to use our services *regardless of the quality of customer contact*. This loss of control means that customers can become *rapidly frustrated* when our processes do not operate smoothly, efficiently and transparently. A lack of proper feedback to our customers can also lead to increases in the volume of calls to the contact centre and a reduction in customer satisfaction levels.

To address these issues, customers will be given a timely acknowledgement of their query, issue, complaint or service request with a clear indication of the follow-up action taken (what, when, how), and an invitation to provide customer service feedback, whatever channel they choose to use. *Solutions will also be designed to meet customers' expectations of a modern, easily accessible and smoothly operating customer service.*

Services will also be designed to align with the key life events of our customers to match up services where relevant. For example, where there is a birth, bereavement or marriage that requires a licence application, other related service requests will be integrated, automated, and actioned. Using this type of proactive approach will help to save time, reduce costs, and improve the customer experience. Further analysis will be needed to define how the process of identifying and triggering the delivery of "matching services" would be managed, i.e., from a technology and operational perspective.

Customers will be prompted about their transactional service needs and more efficient payment methods through outbound communications as part of the new approach. The most cost-effective methods for communications with customers will be used where feasible, i.e., email and via mobile. Reminders and prompts will also be included across all touchpoints, and within paper billing runs whilst still available. For example, promotion of the benefits of payment via Direct Debit for Council Tax, waste management, parking, business rates or other transactional services.

Similarly, where customers are required to provide specific documents or details (e.g., National Insurance Number) to complete a transaction, we should provide a prompt as a reminder on the web page or within the IVR system before they begin the process. Having completed their transaction, the customer will be given a "nudge" to remind them about related transactional services. For example, if they have received a parking ticket then we may want to remind them to renew their parking permit where relevant.

## Digital by Design

To deliver our 24/7 vision, our customer access will be web enabled *for any 'connected' device*. This will meet our customers' expectations of fully accessible, easily accessed information and services.

### Key Principles for Web Enabled Design

**Simple and Fast:** Quick and easy will be one of the key reasons customers will choose to shift online from more expensive channels, such as the telephone. Making the web services simple and fast will be the biggest benefit of going online for our customers.

*This means we will eliminate unnecessary steps and improve the customer experience.* This includes registering for My Account or not asking for information we already have.

**Integrated online first:** where possible, we will use self-service online services to help complete the customers chosen transaction. Where feasible, our online services will be, integrated into the back office systems to allow faster responses and more immediate resolution of customer issues. Mobile web services will offer location-based services (e.g. reporting of pothole or fly tipping) to enable operatives to identify exactly where the fault lies for a quick resolution.

### Principles for realising the benefits of online services:

- *Automation wherever possible:* Online services will be automated for things like address details and name suggestions to make the customer interaction faster and easier than other channels.
- *Customer insight using analysis tools:* to understand customer behaviour. For example, identifying how many customers are completing their online journey, where they struggle or stop and where they spend the most time (which could highlight issues or options for supporting the customer).
- *Location-based services are embedded in some electronic forms* (e.g. for reporting potholes)

**Relentless testing to improve the customer journey:** *The rapid testing of options directly with customers is now routine elsewhere.* The ease of collecting data, producing working solutions and modern 'Agile' management methods make this possible. In practice, this means that we are able to trial small changes, compare different solutions and identify the best ones (via **A/B testing**). Moreover, the current users of My Account provided a firm basis on which to proceed with testing.

*This continual refinement, testing and fact (data) based evaluation will reduce development costs and provide the best outcome(s).* Traditional methods are time-consuming, expensive and formal, whereas this "Test and Learn" approach is faster and directly involves the customer in the design. This method is also very cost effective.

**Trust, Privacy, Data Disclosure and Data Protection:** *Customers must have trust and confidence in what we are doing.*

- We will be clear with our customers on how we will use their data and how long we will keep it
- **Online payment** and services will always be **safe to use and secure**
- **Information** will be **secure and protected** (through data encryption)
- **We will follow national standards** (Data Protection Act, Public Sector Network) for data transfer and processing.
- **Public Services are better** if we can use data to manage demand
  
- **To ensure that customers are being routed to the right place**, we will not provide contact details or the identity of individual officers (below the top 3 tiers), to protect their personal data and ensure more efficient customer resolution.

**Online search:** *We all search the internet or organisations home pages to find services. We will review our search options and website structure to ensure customers can get straight to the service they are looking for from Google or any other page.*

**Web content:** *Less is more!* We should only ask customers to read additional information when necessary. Most transactions are straightforward and should be intuitively designed to work without additional information being required from the customer.

**MyAccount:** *Carrying out transactions easily is a key priority.* Insisting on a MyAccount registration can act as a deterrent to reporting simple issues (e.g., racist graffiti) and force users onto other more expensive channels. *Registering for MyAccount will only be requested where we can add value* (e.g. providing progress updates) or where person verification is required. Customers will not be forced to register for all requests, e.g. simple transactions such as reporting issues, making complaints or making a booking.

**Other forms of digital engagement – One Borough Live:**

We will explore the use of delivering council content in video format, via YouTube and of delivering services via Skype, especially to home-based residents with complex needs. Customer insight would be needed to define the potential appetite and uptake in advance of any future development work.

## 7 Voice-Based Contact

Telephone contact via the contact centre will become our secondary channel. We will develop a clear telephone number strategy which will create a very limited set of *core numbers* to support ease of access to services for the public. This will also facilitate the *automation* of some services in the future.

Our contact centre approach will be to:

- **Reduce the number of calls** by using digital channels.
- Use **Interactive Voice Recognition (IVR)** to provide fully automated service resolution.
- Have **standardised metrics to facilitate *effective performance management***. For example, *overall call volumes, service specific volumes, number of abandoned calls and % of repeat calls*.
- **Route calls to services not individuals**, eliminating single points of failure. However, some areas will still need direct lines (e.g., social works and disaster recovery). To ensure that customers are being routed to the right place, we will not provide contact details or the identity of individual officers (below the top 3 tiers).
- **Automate feedback**, enabling real-time management and monitoring of customer satisfaction.

## 8 Face-to-Face Contact

**This is our tertiary contact channel.** It is the most expensive though we also acknowledge that it will always be best for some customers to access services this way. Where it is not required, our strategy is to reduce face-to-face contact and improve the quality of service provided.

Currently, face-to-face is provided by the Dagenham One Stop Shop, John Smith House, Roycraft House, a number of community checkpoints and volunteer centres delivering services to residents or signposting to the relevant services.

### Assisted self-service

There are a number of our residents who have no or low-level digital skills, a recognised disability or poor internet connectivity. This limits online accessibility and requires third party support. Some people simply do not want to transact digitally. Our approach, Assisted Digital (AD), aims to support these people and groups.

**Those who are not able to transact digitally, for whatever reason, need to be supported.** This is often called 'Assisted Digital' and is provided in several ways:

- **Software support** (e.g. video relay services) for those with *sensory impairment, disabilities or where English is a second language*
- **Voice** via the *contact centre or professional staff via direct numbers*
- **Face-to-face** in *community touchpoints, partner locations or one-stop shop*
- **Third party services** such as a *Housing Association, advice agency or charity*
- **Key partners** *focussing on our priority target groups*

Our face-to-face strategy is to work with the "Community Solutions" Programme and volunteer organisations to ensure:

- **Reduced face-to-face contact** *can be achieved through less costly channels*
- **Face-to-face operatives to signpost** *residents online when appropriate*
- **Standardised data capture across locations** *enabling better demand management*
- **Customer service training for staff** *to improve the quality of customers' experience*
- **Consistent communication across all face-to-face sites** *about changes to council services so that customers are aware of all the options available to them*
- **Appointments whenever possible** *to reduce customer waiting times and facilitate effective demand management and improve customer satisfaction levels*
- **Build in Customer Feedback** *connected to management and commissioner reporting systems to support continuous improvement*

## 9 Targeted Services

**Targeted services will operate at an individual and household level:** Our focus will be to provide direct targeted support for three types of customer, those:

- At risk
- **With multiple** needs
- **With specialist** needs

**Online solutions will reduce demand through initial screening and signposting to other providers.** Customers will be directed to community resources best placed to offer support. “Community Solutions” will also have an assisted digital function for those customers unable to access online services. Further details of the vision for “Community Solutions” service can be found within the case study in Appendix 1.

**Account managers / specialists, outreach workers and specialist services** also will be able to access the same back office systems to provide support to ‘at risk’ customers and those with needs.

### By Specific Need

**Well defined and well known groups have specific or complex requirements.** *This represents a minority of customers but takes a significant level of resources to manage and support the level of service required.* Customer access and fulfilment systems will be configured to provide *preventative and early intervention support for those who are:*

- Unemployed / low paid
- Low skilled
- In debt or who have financial problems
- At risk of homelessness
- On benefits
- Engaged with low level alcohol and substance abuse
- Domestic Violence
- Anti-social behaviour
- Suffering from low level mental health needs

**A single view of the individual customer and household is essential** to make this work. Multiple agencies, including the NHS and police are also involved and partnership arrangements need to be put in place. These will conform to data protection requirements while supporting our requirement for early intervention.

**The combination of rising demands and financial pressures mean that we have to re-think our approach.** In future, we propose a single service for those who believe that they need help - whether

that concerns housing, welfare, employment, social care, or other issues, with early resolution and problem-solving to help residents to become more self-sufficient and resilient.

We intend to move from separate departments to coordinated and integrated services, with the current council services included:

- Housing allocations and determination of housing need
- Parts of adult social care providing advice and information
- Children's early intervention; family support; Early Years and Childcare
- Employment and skills and jobs brokerage
- Financial support, revenue and benefits advice
- Parts of community safety services including dealing with anti-social behaviour
- Housing advice and preventing homelessness
- Libraries

Our approach aims to ensure that accurate signposting to information resources and third party service providers is timely and targeted. We will also support early intervention by ensuring that appropriate self-assessment tools are available and reliable data and information is collected as early as possible.

## 10 Supporting digital take up

**The key aim will be to make digital accessibility to council services easier and faster so customers receive immediate *tangible* benefits.** To fully realise the financial benefits, customers will need support and self-help facilities. The council and its partners will work closely together to ensure that digital services and self-help provision is actively promoted. This is simple: *we just need to let our customers know how much quicker and easier services are online.*

**The principle objective will be to encourage take up of digital services** to support our “channel shift” ambitions. The proposed engagement and take up activities will be a key process in the continuous improvement and development of our digital offering.

**A series of activities to promote to maximise "channel shift" opportunities exist:**

- Making digital services **simple and quick** for the customer
- **Communicating the benefits** of using the digital service option during other channel interactions
- **Supporting our customers** to try digital services for the first time
- **Effective management** of staff and partner engagement
- **Overcoming barriers:** legislative, policy, operational and cultural
- **Identify and minimise security concerns**
- **Identify users’ triggers for using non-digital channels** and satisfy these needs through the digital services available
- **Setting channel shift targets**
- **Track and measure channel shift**



## 11 Performance monitoring

Some of our current performance metrics

Service Access Performance Indicators	Target	Current
<b>Generic Contact Centre</b>		
% of calls answered	80%	84%
% of Customer Enquiries resolved at first point of contact in Contact Centre	90%	97%
Call quality assurance	85%	81%
Customer satisfaction	80%	90%
Webchats delivered each month	1000	987
Missed bins by IVR (automated telephone)	65%	82%
<b>Housing Repairs</b>		
% of calls answered	95%	86%
% calls answered in 20 seconds	85%	25%
% Call quality assurance	85%	85%
Customer satisfaction	80%	100%
<b>One Stop Shop</b>		
% Average waiting time of customers in (<30 mins)	80%	97%

### How we will improve performance metrics

**We will focus on specific performance measures to improve customer service and efficiency, and deliver cost effective services.** Additional metrics will be added to provide better insight into service request response times, and to measure the success of transactional requests across the range of services. For example, % of service requests acknowledged and actioned within a given timescale, and the e-Forms service request completion rate via online. Other measures may include:

- The **call abandonment % rates** within the Contact Centre and through the Interactive Voice Recognition service. (To ensure that customers get through on their first point of contact, and their service needs are met quickly and easily.)
- Performance against the **Key Performance Indicators** defined within the service improvements plans for each key service area across the council
- **% of queries and transactional requests completed via digital touchpoints**
- **Assisted Digital** (for “Community Solutions”) metrics, e.g., % of face-to-face contact and appointments offered vs attended
- **Volumes of complaints recorded vs actioned and resolved**

### How we will measure our success

Customer service satisfaction levels will be measured through qualitative techniques including gathering customer service feedback via online surveys, and polls. In the longer-term, we may also consider setting up an Online Customer Panel to provide customer feedback on service levels and customer experience. (This is a method used by successfully by other local authorities). The Online Panel could also be used to test out new Digital services, processes or features. (Either within My Account or other areas of our website.)

Overall service delivery will also be measured by analysing performance against the service delivery metrics including the uptake of services via Digital touchpoints, and the impact of new technology in reducing costs and improving efficiency. The benefits of new technology will be assessed against the relevant metrics to determine performance and establish the return on investment.

New technology and tools will be put in place to enable better tracking and reporting of performance across council services, i.e., to enable improvements to be measured more quickly and accurately. Where appropriate and beneficial, we will collaborate with other Local Authorities via Shared Services arrangements to procure new technology and reduce costs.

## 12 Customer service standards

**Customers will understand when an issue is likely to be resolved.** This reduces avoidable contact and empowers the public to speak out or intervene if the issue is critical. If we are not able to service their need at the point of the initial interaction, then we will communicate when the service will be provided and the case resolved (the current Service Level Agreement).

### When customers contact us, we will:

- be **polite, friendly** and **helpful**
- treat them **fairly** and **respectfully**
- **greet them promptly** and **deal efficiently** with their enquiries
- tell them **how we can help, how long it will take** and **how we will keep them informed**
- try to **get things right first time**, and put them right if they go wrong
- **respect privacy**
- **listen** to their ideas, and use feedback to improve our services

### Our services will be:

- easy for everyone to use
- well promoted
- relevant and up to date

### When people call us:

- We aim to answer calls to our published numbers within **agreed service levels**

### Reception facilities:

- **Customers without appointments should wait no longer than 10 minutes** to have an initial conversation with an officer, even if it's just to make an appointment.
- If queues are evident, **reception teams will inform customers of the approximate waiting times** and arrange an appointment with an appropriate officer wherever possible.
- Reception areas will be well sign posted, clean, tidy and comfortable with provision made for children.
- Information, PC equipment for self-serve customers and signposting to services will be visible when practical.
- **Private interview facilities are available on request.** Reception staff will be given specialist training; they will be welcoming and approachable and will deal with our visitors' enquiries as soon as possible.

### Visits to customer's home or property:

- **We will make an appointment and keep to it** or contact the customer if we are delayed. *However, there are some cases when this is not practical or appropriate.*
- We will **clearly explain** our reasons for visiting.

- On arrival, we will show an **identification card**.
- Whenever possible, we will let the customer know what **follow-up action** to expect.

### Accessibility

- **Support will be offered** in community touch points, partners and specialised services will offer support to the public to facilitate access to online services
- We will **actively signpost** and direct customers with accessibility issues to account managers, officers or nominated third parties with a role in assisting the public
- **Website design** will take account of issues including dyslexia and other common learning difficulties that may affect individuals' ability to interact with online services
- **Physical accessibility** will be monitored and provided where service reconfiguration requires a physical move
- **Opening hours** for LA client facing offices, the contact centre and specific LA services will be widely promoted and available online

### Email, SMS text, website.

We will:

- **Work to eliminate unstructured forms of communication** – email, text and letters for routine activities. *This will reduce call backs and provide a faster, more efficient service.*
- **Acknowledge that we have received messages sent to our published addresses or numbers within 24 hours and aim to reply fully within 10 working days.** *Compliance will reduce unnecessary demand on our services.*
- **Communicate progress** on a given transaction / application whenever this is practical. *Ideally, this should be automatic and via email or SMS.*
- **Communicate service levels** so customers know how long to wait before they 'chase' the team responsible.
- **Communicate actual likely processing times.** In periods of **high workloads** or where an enquiry requires research, we will provide an indication of when customers should expect the issue to be resolved.
- **Not generally give out officer specific numbers.** *If an enquiry is urgent, a contact number may be given out but this will be dependent on the context*
- **Communicate in Plain English.** We will use language that is easy to read and understand, avoid the use of jargon and explain any complex or technical terms.

## **Social media**

When contacted on social media like Twitter, Facebook or Google+, responses to replies, comments and direct messages depend on the individual service. Even if we do not reply, **we should be listening and will act on or pass on comments as appropriate**. In most cases, it will be better to use our web-site to provide feedback.

## **Freedom of information requests**

We aim to respond to all formal written requests within 20 working days. Some requests can be complex and will take us this long to provide a response. Straightforward information, or information contained in the Publication Scheme will be provided much more quickly, usually within 10 working days.

## **Appendices**

**Appendix 1 Case Study – Transactional Services**

**Appendix 2 Case Study – Transactional Services**

**Appendix 3 Case Study – Community Solutions**

**Appendix 4 Design Principles**

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## Appendix 1 : Case Study : Community Solutions

**Lucy, a single mother of a child, Ben, 7 who has behavioural difficulties, separates from her partner after he is made unemployed.** Her rented house is in poor condition and she can no longer afford the rent and knows she will be evicted. She has worked occasionally as a chef but not regularly since she moved to the borough 18 months earlier. She knows she is mildly dyslexic. Her family are 2 hours away by train. As a single mum she now can't work easily due to childcare issues.

She has limited contacts in the locality. Lucy also looks for cheaper accommodation on Gumtree, locally, in Newham, through friends and shop windows but finds it difficult to afford somewhere without a partner. ***Her priority is to stay local to help Ben stay in school.***

**2015-16 – actual outcomes** (*based on an actual member of the public*)

Issues – *before* being placed in temporary accommodation

- Unemployment
- Relationship break up
- The original accommodation had cockroaches
- Ben is emotionally and physically draining
- Lucy relies on public transport, which can be unreliable
- Every visit involves at least a one to several hours wait with an unruly child
- The visit to secure temporary accommodation (TA), a studio flat takes a *full day*
- She has no option but to use commercial storage for her belongings

Issues – *after* placement:

- The temporary accommodation (TA) has no working shower facilities (council owned)
- The TA is very hot
- She suffers the emotional impact of living in one room with a challenging child
- Lucy is put on depression medication in December
- Shared areas in TA are dirty and not kept clean by other residents, so there is potential for illness – especially for Ben who is prone to illness
- Lucy has to travel to BLC from Upney to use the free wifi as hers has been cut off
- Ben has to travel to Upney to go to school
- Ben's attendance at school falls to 80%

Lucy makes *8 related visits*

1. July – visits CAB, but no useful information is given
2. August – a 'bloke' (no name) says that she is not eligible for support
3. August – 'Simone' tells her they can help – once they get an eviction notice
4. September – no eviction notice, no help offered
5. October – no eviction notice, no help
6. November – eventually secures temporary accommodation – has to wait a full day
7. November – has to visit Housing Office to sort out TA details

8. December – visits JSH specifically to see ‘Simone’ to see if anything can be done about the costs of storage which she can no longer afford

## 2020 – ideal outcomes

In June, just after her relationship breakup, Lucy visits her local GP, which shares a site with a Children’s centre. She notices that there is a poster that says Community Solutions can help with impending homelessness. She chats to the receptionist, who immediately books her a home visit with ‘Jake’. There is also an online pre-appointment checklist to complete in advance. Lucy does this and prepares a full set of documentation that includes details of her qualifications, passport and an EdPsych report on Ben.

Jake introduces himself and explains that the appointment is to map a way forward and is entirely confidential. Prior to the meeting he checked her online questionnaire, so knows what he wants to achieve in this meeting and has already created a casefile on the ‘ComSol’ system and has a tablet PC to update the case file *during* the visit. He can touch type.

Jake, the Community Solutions Account Manager:

- Reviews her finances with Lucy using an on-line calculator
- Reviews her educational achievement, work aspirations and options online
- Discusses how well she is managing (sensitively) and her anxieties
- ComSol flags that Ben is at very high risk of underachievement in school
- ComSol flags that Lucy is at risk of developing mental health issues
- They agree to a second meeting one week later after Lucy reflects on her options

After the initial meeting:

- Jake contacts the landlord to negotiate a reduced rent. She agrees, but only if Lucy and Ben leave by October.
- Jake contacts the school. Ben’s school offers some after school support and “summer school”
- Jake sits with Lucy at the Children’s Centre so that she can enrol on some food related management and H&S courses at the local college. She can do this because Ben will be in school until 5 or in Summer School in July / August.
- Community Solutions pays the fees from its ‘local lottery’ funding.
- Lucy completes the courses successfully and starts to apply for jobs.
- Jake also supports Lucy’s application for a tenancy at local new build complex built by a pension company on a social rent basis. The LA maintains the site and a named officer to contact over ‘snagging’ issues. The SLA says most issues will be resolved within 24hrs.
- Lucy moves in at the end of October, but has to sell some belongings to fit
- Ben is happy because it’s near school and continues to have good attendance
- Jake notifies environmental health about the poor condition of Lucy’s original flat but asks that any action is left until after October.
- Lucy secures a job as manager in a new chain restaurant. Promotion prospects are good and the chain has a good reputation for training and flexible working.
- Jake arranges for a 50% grant for after school childcare for the first year

Lucy makes one more visit to her local Children’s Centre. All other communication is electronic with a *response always delivered by Jake or a colleague within 24hrs*. All major issues are resolved by November **and Ben continues to be successful school.**

## Appendix 2 : Case Study : A Routine Transaction

**Geoff called the 3000 number to report a pot hole near his drive.** It appeared very quickly as it wasn't there a few days earlier, although there were some further up the road. Geoff was angry and shaken when his car chassis cracked on the ground as he drove over it. It would be easy to go over it again in the dark as he works in bar and finishes around 12 most evenings. He was furious and contacted the LA as soon as he could.

### **2016 – actual outcomes** *(based on a real story)*

He spoke to the contact centre and specifically asked them how long it would take, but the assistant couldn't tell him. He made him promise to pass on a message that someone would call back to let him know when the pothole would be filled. A couple of days passed and no call was received.

Geoff called again and left the same message. He did this *several times* and eventually gave up in disgust. He then made a corporate complaint citing that he had called 6 to 8 times over a couple of weeks and *never got a response* or the *name* of an individual member of staff who was handling it. Upon investigation, the pothole, and several others in the area *had been filled 36 hours after the call*. This met the SLA in place at the time but Geoff is *furious that the council can't even manage to return a call*.

### **2020 – ideal outcomes**

Geoff gets his phone out and pulls up the 'LBBDD report it' app. He ticks pothole and the app asks if it can use his current location. He says 'yes'. A text is then received confirming receipt and his location and that a team will be in the area the next day.

The next day he receives texts confirming that the team will be in his street between 12 and 4; then at 3.30 he is texted to confirm that the pot hole has been filled. A couple of days later he noticed that the others had been filled too. The final text, a week later, linked to a questionnaire about the quality of the service provided. It also enters him into a prize draw. *He is delighted*.



## Appendix 3 : Case Study : E-forms in Action

**Rasnee, David and their three boys move into the borough so Rasnee can be closer to her family.**

They need to find school places for their three boys aged 7, 10 and 12.

### 2016 – Actual Outcomes

Two weeks before moving, she visits the One Stop Shop and is given a very long application form. This asks for previous school(s), contact telephone numbers, addresses etc. Rasnee struggles to fill out the form. She also applies for the closest schools. She drops the form off and receives an acknowledgement letter 9 days later. No indication is given of timelines. This makes her nervous as she doesn't want to rely on her parents for childcare.

The following week, she receives a call from the local authority. They haven't been able to find details of one school. This is about Rick, who has emotional and behavioural difficulties (EBD). Rasnee realises she has given the wrong contact details then calls the school directly, asking them to provide information. A week later, she receives a letter about an interview to place Rick. She attends and is asked for documents *at* the meeting. She posts them afterwards. She receives a formal offer in writing about a week later.

Eventually, the boys are all allocated places about 3- 4 weeks after applying. This means Rasnee has to make childcare arrangements. She is also disappointed because no-one got their preferred school. Rasnee is not happy about one school in particular and makes an appeal. It is rejected.

### 2020 – Ideal outcomes (*already being delivered elsewhere in London*)

Two weeks before moving, Rasnee goes online to register for council tax. This immediately brings up a link to a 'local information pack' – a series of links to e-forms and information on the local community. This includes applications for large bins, school places etc. She follows the link to apply for school places.

When Rasnee enters her name, the eform is populated with her address. She enters the boys' details and is warned that places are limited and that the only criteria currently used to place pupils is distance from home. A distance calculator lets her check the distance from home to each of the schools currently admitting pupils. She only applies schools that are currently admitting pupils. When she enters the previous school details, she chooses from a drop-down list.

When she enters Rick's details and ticks 'EBD' she is taken to a different screen from the other boys. She also scans and attaches some extra documents – recent reports and professional assessments. When complete, she receives an email stating that the applications should be processed in 7 days and that Rick will be required to attend an interview *before* he is admitted.

Later that day, she receives an email asking her to attend a meeting with a headteacher regarding Rick. They attend a meeting a couple of days later and Rick is admitted. He and Rasnee agree to a support plan that was written using the information provided online. An email is received later the same day confirming his place and the support conditions.

Three days after the application the other two boys' places are confirmed by email, along with school contact details. Rasnee is not happy about one place but decides not to appeal when the online link takes her through a self-assessment, and she finds that she does not have sufficient grounds for appeal.

## **Appendix 4 : Design Principles**

### **A. Key Principles**

1. The needs of the customer and their household is always the starting point
2. Transactional processes (e.g. report it, pay for it etc) will be made available online. This is the default option.
3. All services will be easily accessible, intuitive and responsive
4. Service resolution targets will be clearly communicated at first contact
5. Personalised services including progress updates will be built into new processes and provided to customers
6. We will provide assistance to those with accessibility issues
7. We will use our information resources to target well-timed support for individuals and households
8. Signposting and information resources will be proportionate, accurate and relevant
9. Feedback loops will be built into new processes so as to provide timely information on satisfaction levels

### **B. Online Services**

10. Web services should take customers to their transaction page promptly whenever possible
11. Self-support tools including triage, self-assessment and checklists will be available
12. Potential to integrate certain services to improve efficiency
13. Direct email contact for routine activities will be minimised
14. Search will be optimised on the home page and the internet

### **C. Management Reporting and Performance**

15. Benchmarking against the best government and commercial providers will be applied
16. Service levels and performance targets will be reported against
17. Data on the performance of new processes will be easily available to managers after and during the service redesign
18. Staff training requirements will be identified during service development

#### **D. Technology**

19. Barriers to customer engagement will be minimised
20. Manual processes will be eliminated whenever possible
21. Off-the-shelf solutions will be used whenever cost effective
22. Seamless integration with other systems and background synchronisation will provide a faster service and more accurate information
23. Cutting edge technology will only be used when there is a low level of overall risk
24. Solutions will not be 'signed off' until user testing is completed

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**CABINET****25 April 2017**

<b>Title:</b> Policy on the Discharge of the Homeless Duty with a Private Rented Sector Offer (PRSO)	
<b>Report of the Cabinet Member for Economic and Social Development</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> James Goddard, Group Manager, Housing Strategy	<b>Contact Details:</b> Tel: 020 8794 8238 E-mail: james.goddard@lbbd.gov.uk
<b>Accountable Strategic Director:</b> John East, Strategic Director, Growth and Homes	
<p><b>Summary</b></p> <p>Housing need continues to outstrip the available supply of affordable homes. The borough currently has 1,800 households in temporary accommodation (TA). A 25% increase in private rents in the last two years has meant that alternative accommodation in the local private rented sector has become increasingly unobtainable for many residents. The retreat of landlords from the temporary accommodation market has also diminished the Council's ability to fulfil its statutory homelessness duties under Part VII Housing Act 1996.</p> <p>As a result of Government welfare reforms, the number of clients seeking advice to mitigate homelessness has been growing. With limited housing resources at its disposal, it has become ever more important for the Council to challenge the culture of expectation for social housing and ensure that households are offered the opportunity of a fresh start and an affordable housing choice as a means to support their families and sustain their budgets and tenancies.</p> <p>Barking and Dagenham therefore intends, in appropriate cases, to begin the discharge of its housing duty by way of a Private Rented Sector Offer (PRSO) ensuring that an affordable housing choice is realised for applicants.</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to approve the policy framework for the discharge of the homeless duty with a private rented sector offer, as set out at Appendix 1 to the report.</p>	
<p><b>Reason(s)</b></p> <p>To assist the Council to achieve its priorities of:</p> <ul style="list-style-type: none"> <li>• Enabling social responsibility</li> <li>• Growing the borough</li> </ul>	

## **1. Introduction and Background**

- 1.1 The Council has a statutory duty to assist households presenting as homeless where they are eligible for assistance and in priority need under the Housing Act 1996. Sourcing either temporary accommodation or securing a permanent housing solution for clients has become increasingly difficult because of rising rents in the local private rented sector, the retreat of landlords from the temporary accommodation market and the impact of Government welfare reforms on household incomes.
- 1.2 Private sector rents in the borough have increased by 25% in the last two years such that there is an average £465 a month gap between the market rent and what households can claim towards housing costs under the Local Housing Allowance. There are currently 1,200 households in temporary accommodation through either nightly lets or private landlord leases and the Council subsidises the shortfall of each household by an average of £1,460 per year. There are a further 600 households in hostel and other accommodation which tends to be cost neutral.
- 1.3 In the latest survey of letting agents in November 2016, 90% of landlords stated they were uninterested in letting to TA households and housing benefit claimants. This response needs to be seen in the light of the most recent Government reforms to welfare, including the Total Benefit Cap, which are expected to affect 700 local households, threatening tenancy sustainment and risking a new wave of evictions from the private rental market.
- 1.4 With limited housing resources it is important that the Council deals with clients' expectations realistically and honestly; that can include offering a fresh start outside of Barking and Dagenham. With lower rents, households will have a better chance of meeting their household and subsistence costs as well as sustaining their tenancies.
- 1.5 In response to the difficulty of procuring affordable local accommodation, Cabinet agreed in November 2016 to the lifting of the one hour from Barking and Dagenham travelling restriction when placing temporary accommodation households. The report also authorised the preparation of a policy which could provide a private rented sector offer outside of the capital as a means of ending the Council's housing duty to homeless clients.
- 1.6 This report sets out the policy framework (Appendix 1) in which the Council will implement the discharge of its housing duty by way of a Private Rented Sector Offer (PRSO).

## **2. Issues and Proposals**

### **The Framework**

- 2.1 The Allocations Scheme, approved by Cabinet in 2014, allows for the use of a PRSO for the discharge of the homeless duty. Under previous legislation homeless clients could be made an offer of an assured short-hold tenancy in the private rented sector as a permanent solution to their lack of accommodation but they had the right to refuse the offer. In such circumstances the Council was obliged to find an alternative in temporary accommodation or social housing. The Localism Act

2011 allows the Council to make a PRSO and if the client refuses to take it up without good reason then the Council is no longer liable to source further accommodation.

- 2.2 The policy also severs a long-standing perception that making a homeless application or obtaining temporary accommodation provides an alternative route to accessing social housing. The offer of a PRSO will also end the client's 'Reasonable Preference' on the housing register for permanent social housing by virtue of being homeless. Applicants will be expected to take the accommodation offered to them at that moment in time and therefore bring the Council's duty to an end.
- 2.3 PRSOs are widely used by London boroughs as a proactive tool in securing permanent, affordable accommodation for homeless clients. In comparison, Barking and Dagenham is behind the curve in exercising discretion in its use.
- 2.4 In deciding on an offer of a PRSO, the Council has to show regard to its obligations under section 208 Housing Act 1996 which requires the authority to do its best to source private accommodation in Barking and Dagenham. However, there will be a general presumption that the Council will discharge its duty with placements outside of London where suitable and affordable accommodation cannot be found locally.
- 2.5 Through the Localism Act 2011, the policy will only apply to households that approached as homeless cases from 9th November 2012 and will affect households who are homeless, eligible for assistance and in priority need under section 193 of the Housing Act 1996 and where the Council has accepted a main housing duty in accordance with Part VII of the Act. This will primarily affect clients housed in temporary accommodation.

### **Suitability of Accommodation**

- 2.6 The PRSO will be a minimum 12 month assured short-hold tenancy with a private landlord and made depending on the availability of accommodation and full consideration of each household's personal circumstances as set out in the Homelessness (Suitability of Accommodation) (England) Order 2012. Due to the shortage of affordable and suitable accommodation in Barking and Dagenham in general, the presumption will be that placements will be made outside of London unless mitigating circumstances mean the placement will need to be prioritised for local or near-local accommodation.
- 2.7 A summary of the factors when deciding the suitability of the offer (Section Four of the Policy and Appendix 2) are given below:
  - Property size: to ensure adequate space, room standards and compliance with Housing Health and Safety Risk System (HHSRS) requirements
  - Location: although there is a duty to try and find local accommodation, there will be a presumption of out of London relocation, subject to mitigating circumstances and referenced against an affordability matrix mapping out Local Housing Allowance areas across the country

- **Affordability:** to ensure that PRSOs are offered in areas deemed affordable when assessed against the households' entire income, costs of travel for work, education or health services where relevant
- **Health:** to ensure properties meet the needs of mobility and other health factors of the client
- **Education:** attendance at school will not be a reason to refuse accommodation although near-local priority will be assessed where households have EHC statemented children or students taking public examinations such as GCSEs
- **Employment:** consideration will be given to applicants who are in paid employment where appropriate

### **General Exemptions from Out of London placements**

- 2.8 In line with the current process of allocating temporary accommodation there are some households which will be prioritised for placements in Barking and Dagenham or near-local. In Section Six, the policy lists a series of exemptions around severe and enduring health conditions; access to specialist and localised health and social care; educational and schooling requirements of EHC pupils; employment responsibilities and children subject to Child Protection Plans.
- 2.9 Where further afield relocation is considered likely to have a detrimental impact on the client and/or the household following a robust suitability assessment then such a placement would be inappropriate. Part Six of the policy illustrates some examples of this in more detail but the list is not exhaustive.

### **Advice and Guidance on Relocation**

- 2.10 To assist the smooth relocation of clients the Council will provide training to help residents maintain their tenancies and supply a comprehensive directory of their resettlement area covering transport networks, health and educational services; community facilities and employment and training opportunities.
- 2.11 Where appropriate the Council will provide discretionary services ensuring:
- links are made with the local JobShop, training courses and where feasible employment transfer opportunities
  - signing-up clients to local income maximisation services and carry out the appropriate checks with the resettlement authority such as round Local Council Tax Support and primary care authorities where necessary
  - accompanied viewings to the properties and there will be a consideration on a case by case basis of a reasonable furniture allowance and removal costs
- 2.12 The PRSO policy will be used as another tool in tackling homelessness allowing the Council more latitude in providing a permanent housing solution for clients currently occupying temporary accommodation.



## **Implementation**

- 2.13 The policy is proposed to be operational from Autumn 2017 at which time Community Solutions and My Place will be able to use PRSOs as a tool in tackling homelessness.
- 2.14 Procurement options, including remote tenancy management matters, relocation incentives and sourcing accommodation are being appraised to support the objectives of this policy.
- 2.15 An affordability matrix has been devised by the Council for regular review. It maps out assumptions about applicants' household income levels and is compared with the Local Housing Allowance Broad Rental Market Areas (BRMA) for each region to give the Council an indication idea of which areas are affordable to the client. This will form part of the suitability assessment.

## **3. Options Appraisal**

- 3.1 Under the Homelessness Act 2002 local authorities are bound to review their homelessness services and set out a comprehensive assessment of emerging trends. Subsequently the borough is required to prepare strategic activities to tackle homelessness and has to be mindful of further duties to support households at risk of becoming homeless in the provisions of the Homeless Reduction Bill progressing through Parliament.
- 3.2 A failure to review those trends, budget pressures and the impact of new policy guidance would leave the local authority exposed to the adverse effects of increased homelessness without a broad range of tools to discharge its duties under the Housing Act 1996.
- 3.3 The one hour travelling restriction for finding temporary accommodation placements has already been removed in response to the acute shortage of affordable local housing. By introducing the flexibility to source affordable housing further afield, the Council can avoid bottle-necks in TA and hostel accommodation as new homeless cases present themselves as a result of the second phase of welfare reform.

## **4. Consultation**

- 4.1 Public consultation events and workshops on the 2015/16 Draft Homelessness Strategy were presented to various management teams within the Council and is tabled for discussion at the Health and Wellbeing Board, Community Safety Partnership, Landlords and Letting Agents Forum, Corporate Strategy Group and the Strategic Volunteers Forum. During that consultation, there was widespread recognition of the need for further afield housing placements to tackle the shortage of affordable accommodation in Barking and Dagenham.
- 4.2 As a result of those representations this policy has been drafted and the public consultation ran from 25 January to 22 March 2017 through the Council's Consultation Portal. Two responses were received which supported the policy in its entirety. A presentation on the core principles of the policy was given to the Strategic Voluntary Sector Forum on 20 January in recognition of the third sector's role in dealing and assisting with clients who are or at risk of homelessness.

## 5. Financial Implications

**Implications completed by:** Katherine Heffernan – Finance Group Manager

- 5.1 The Housing General Fund is currently forecasting a pressure of £2.9m at the year-end due to the net cost of placing people in accommodation provided by private sector landlords, which is the largest source of temporary accommodation. The income that the Council can collect from tenants is constrained by the level of Housing Benefit payable which has been frozen for several years and is now below the cost of most accommodation in the borough and neighbouring areas.
- 5.2 Around two thirds of the properties used for temporary accommodation produce a net cost to the Council, the average net cost is now calculated to be around £3 per night. Performance bonuses are also paid to agents for providing seven or more properties and are forecast at £145k for the year.
- 5.3 The impact of welfare reform is expected to result in increased levels of homelessness unless preventative measures are effective. A new phase of Welfare changes has recently come into force with the lowering of the overall benefits cap. The impact of this is not yet fully known but is likely to result in increased numbers of homelessness applications or increased levels of bad debt.
- 5.4 The November 2016 Cabinet meeting received a report on the Homelessness situation and approved the high-level strategy and an outline recovery plan. The Policy on the Discharge of the Homeless Duty with a Private Rented Sector Offer (PRSO) was an integral part of this strategy.
- 5.5 The policy, if approved by Cabinet, will enable the Authority to place homeless families in private sector accommodation further away from the local area at locations where rents are less expensive and more in line with the level of Housing Benefit payments received by the tenants. This will reduce the net cost to the Council in providing accommodation with private sector landlords and go some way to reducing the current financial pressures on the service.
- 5.6 As set out in paragraph 2.3, the adoption of the policy will enable the Authority to discharge its duty to homeless clients as the offer of a PRSO will nullify any client's reasonable preference for an allocation for social housing by virtue of being homeless. Applicants will be expected to take the accommodation offer available to them at that moment in time thus bringing the Council's duty to an end. This change in approach will help reduce the considerable demands that are currently being placed on the Housing Advice Service.
- 5.7 Financial savings will no doubt be achieved through the adoption of this policy, however, as each individual homelessness case will need to be judged on its own merits, it is not possible to quantify their magnitude at this stage.
- 5.8 There will also be some costs as a result of this policy. These include the costs involved in finding and securing accommodation outside of the borough and carrying out assessments to ensure the accommodation is suitable. In addition, the policy provides for assistance to be given to families with travel and relocation costs where appropriate. These costs should only be incurred where this is the best

overall value for money option for the council. Any costs will need to be covered within the existing resources of the Housing Advice Service.

## 6. Legal Implications

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

- 6.1 The policy has been drafted taking in to consideration the relevant legislation and recent case law on out of borough offers of accommodation as set out in paragraph 2.1 of the policy.
- 6.2 Use of the policy is likely to result in a significant increase in challenges of suitability of the accommodation offered and in turn a greater number of appeals to the County Court. Careful consideration will need to be given to the assessment of the suitability of accommodation and to the needs of the household before the offer is made.
- 6.3 When operating such a policy the Council will need to ensure appropriate terms, such as a break clause, are included in any tenancy agreements between the individuals concerned and landlords to enable agreements to be brought to an end should a review be successful.

## 7. Other Implications

- 7.1 **Risk Management** - The main purpose of this policy to allow the Council the flexibility to tackle homelessness and cease its housing duty in a way which provides a permanent and affordable housing solution for clients found to be owed a duty already and tailor the use of its temporary accommodation to manage new clients who would need to be assessed under s.188. Failure to approve this flexibility could cause a bottle-neck in accommodation, add to the problem of finding local housing and increase costs for expensive nightly lets

The use of PRSOs is likely to lead to a high volume of requests for review under section 202 Housing Act 1996. It is important, therefore, that the suitability assessments under taken by Community Solutions are robust and mindful of all recent guidance and case-law in this area. Safeguards have also been built into the draft policy which has been reviewed by Counsel and tested against recent court judgments.

- 7.2 **Contractual Issues**- Where the approach indicates a procurement or contractual solution this will be delivered with best practice and in consultation with corporate procurement services.
- 7.3 **Staffing Issues** - Any staffing related implications arising from this approach will be dealt with through the policies, procedures and consultative processes agreed between the Council and the trade unions.
- 7.4 **Corporate Policy and Customer Impact** - Homelessness is a key indicator in the JSNA's annual assessment of current and future health and social needs of the population and includes recommendations for public policy commissioners on strategic outcomes in reducing homelessness. It also meets the corporate priorities of enabling social responsibility. This essentially means assisting residents to take

responsibility for themselves, their homes and their community as well as protecting the most vulnerable, keeping adults and children healthy and safe.

The impact on clients and user groups has been highlighted in the report and where further afield placements are deemed detrimental, the policy allows for exemptions and local or near-local accommodation. Where further afield placements are considered appropriate the Council offers relocation advice and a range of discretionary services.

In compliance with the Equality Act 2010, the policy is subject to an equality impact assessment, following public consultation. An initial data trawl of the current list of temporary accommodation households suggests that 71% are comprised of women; the largest ethnic group in the list is African, constituting 37%; in terms of faith statistics 46% were Christian and 26% Muslim. Only 67% of the list offered details on sexual orientation with the remainder either being children or adults failing to disclose. Of those disclosing their orientation, 99% described themselves as heterosexual.

In formulating this policy due regard has been given to the protected characteristics and that the policy, its exemptions, safeguards and proposals to support households being relocated provide a proportionate and justifiable means of achieving the legitimate aim of the Council performing its statutory duties.

- 7.5 **Safeguarding Children and Health Issues** - Recommendations in the approach look to improve the outcomes for vulnerable persons who are homeless. All client suitability assessments will have regard to the Council's obligations under the Children Act 2004 and the Care Act 2015, including the need to safeguard and promote the welfare of children and vulnerable adults.
- 7.6 **Crime and Disorder Issues** – While there are no crime and disorder issues per se the policy could affect clients who are homeless through being victims of domestic violence, rough sleeping, suffering from substance and alcohol misuse and such circumstances will be evaluated as part of a robust suitability assessment for each applicant.
- 7.7 **Property / Asset Issues** - The paper assesses the Council's current use of accommodation, stock and assets and suggests ways to rationalise and utilise it more effectively as part of a more strategic approach to relieving homelessness and source move-on accommodation.

#### **Public Background Papers Used in the Preparation of the Report:**

- Cabinet minutes 15/11/2016: <http://moderngov.barking-dagenham.gov.uk/ieDecisionDetails.aspx?AllId=66079>

#### **List of appendices:**

- **Appendix 1** – Policy: Discharge of the Homeless Duty by Private Rented Sector Offer
- **Appendix 2** – Suitability Guidance

London Borough of Barking and Dagenham

**Discharge of the  
Statutory Homeless  
Duty within the Private  
Rented Sector Policy**

## 1. Introduction

- 1.1 The Council has a statutory duty to assist households presenting as homeless where they are eligible for assistance and in priority need under the Housing Act 1996, as amended (the Housing Act). This policy relates to those cases where the Council is satisfied that it can end its main duty under s.193(2) (the main housing duty) with an offer of accommodation in the private rented sector (PRSO).
- 1.2 The Council is dealing with an unprecedented demand for accommodation from homeless households due to the impact of welfare reform, the loss of private rented properties for temporary accommodation and the low annual turnover of social lettings.
- 1.3 The Government's implementation of welfare reforms is also applying fresh pressure to households' budgets and tenancy sustainment making local housing unaffordable for a significant number of residents. Private sector rents have increased by 25% over the last two years and the shortfall between market rents and the LHA cap is currently £465 a month for the average two-bed property.
- 1.4 Research into the impact of welfare reforms in Barking and Dagenham reported that 1,050 households who claim benefits have 4 or more children. Out of work families with 4 or more children are also being impacted by the reduction in the level of the Benefit Cap. 40% of these families currently live in the private rented sector (PRS). The research found that even working households who may see marginal rises in their income through the National Living Wage will still be 18% worse off in five years under the reforms because of inflation and rent increases. This threatens tenancy sustainment and risks a new wave of evictions.
- 1.5 Currently the DWP are implementing the reduced benefit cap and over 500 households have been affected. This is expected to rise to up to 700 by the end of 2016/17 when the exercise is complete. This means that for working families in receipt of some welfare entitlement, PRS housing in the borough will become increasingly unaffordable. The reduction in the Benefit Cap to £20,000 a year outside of London will make traditional temporary placement areas like Essex even less affordable.

- 1.6 The changing dynamics within the local PRS are also affecting the Council's ability to source affordable accommodation. Changes to tax breaks have encouraged landlords to sell their properties or make way for tenants willing to pay higher rents. Local market research recently found that 92% of letting agents were now closing their books to housing benefit claimants and renting to higher-paying in-work tenants. Last year of the number of households owed a duty to be rehoused, 47% were homeless due to eviction from their privately rented accommodation under a section 21 Notice. Ministry of Justice figures now suggest that 1 in every 45 homes in Barking and Dagenham are subject to possession order proceedings – the second highest in the UK.
- 1.7 The freezing of LHA and reduction of the Benefit Cap to £23,000 in London and £20,000 outside is severely restricting the Council's Accommodation Team's ability to procure suitable properties and planning supply for another 1,000 housing repossessions expected by 2020. The policy of relocating residents outside of Barking and Dagenham but within one hour of travelling time has already been amended as it is no longer feasible and the reduction in the Benefit Cap will make many of the Council's traditional placement areas generally unaffordable.
- 1.8 Last year the Council received 1,811 homelessness applications of which it accepted a duty to rehouse 53% (i.e. 961 households), representing one of the highest acceptance rates in the capital. As at October 2016, the borough had 1,800 households in temporary accommodation. Housing need in the borough continues to far outstrip the available supply of affordable homes. Whereas homeless households are owed a Reasonable Preference for permanent housing through the Council's housing register, this group must not be allowed to dominate the register to the detriment of other priority groups such as those with urgent medical needs.
- 1.9 Neighbouring boroughs are experiencing similar difficulties. Consequently, where out of borough placements are made by Barking & Dagenham Council, they often have to be made in accommodation situated a considerable distance outside of its area. The reality this policy both recognises and addresses is that it is not reasonably practicable for the Council to rehouse more than a few of those to whom it owes the main housing duty in its own housing stock; in its own area or even in Greater London and its immediately surrounding areas.

- 1.10 To assist it in the discharge of its statutory duties to the homeless in these circumstances, the Council intends to begin the cessation of its housing duty by way of a PRSO in all appropriate cases, ensuring that an affordable housing choice is achieved for applicants.

## 2. Legal Framework

- 2.1 The policy takes account of the statutory requirements placed upon local authorities in the discharge of its duties, including:

- Sections 193, 195A, 206, 208 and 210 Housing Act 1996
- Housing Act 2004, Parts 1-4
- Equality Act 2010, Parts 2, 3 and 11
- Homelessness (Suitability of Accommodation) Order 1996/3204; Homelessness (Suitability of Accommodation) (England) Order 2003/3326; Homelessness (Suitability of Accommodation) (England) Order 2012/2601
- Homelessness Code of Guidance 2006, especially chapters 16 and 17
- Children Acts 1989, Part 3, and 2004, Part 2
- Department of Communities & Local Government Supplementary Guidance on the Homelessness Changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012, dated November 2012
- Relevant case law including *Nzolameso v Westminster CC* [2015] UKSC 22

- 2.2 It also should be read in conjunction with the Council's corporate objectives set out in the Housing Strategy 2012/17, the Allocation Scheme 2015 and the Temporary Accommodation Placements Policy 2015, as amended (see paragraph 1.7 above).

- 2.3 This policy reflects changes in homelessness law and guidance, including the *Nzolameso* judgment, and ensures that the Council can offer sufficient and suitable accommodation in which to meet its statutory duties in a local market suffering from a chronic shortage of affordable housing. Henceforth there will be a presumption that the main housing duty, where it is owed, will be addressed by way of a PRSO compliant with s.193(7AA-7AC) of the Housing Act, as introduced by s.148 of the Localism Act 2011, for all appropriate cases. In "restricted cases" (as defined in s.193(3B) of the Housing Act), the Council will, so far as reasonably practicable, always seek to



bring its main housing duty to an end with an offer of a PRSO and this Policy applies to such cases with the necessary modifications.

- 2.4 Taking into consideration the Council's obligations under s.208 Housing Act 1996, the policy aims to deliver a clear understanding to households presenting as homeless that although the Council will continue to do its best to source private accommodation in Barking and Dagenham, placements will be made in the PRS outside of London where suitable and affordable accommodation is not available locally, whether within the Council's own or adjoining areas. This excludes households whose circumstances outlined in Section 5 may require a priority placement in or close to Barking and Dagenham.
- 2.5 For the purposes of the Council's Housing Allocations Scheme, the cessation of the homelessness duty by way of a PRSO will mean the applicant will no longer be considered to have a Reasonable Preference for an allocation of social housing by virtue of being homelessness (s.166A(3)(a), (b)).

### **3. Exercising the Discharge of the Homelessness Duty with a PRSO**

#### ***Who is affected?***

- 3.1 This policy applies to the placement of households who have presented themselves as homeless, are eligible for assistance and in priority need and where the main housing duty under s.193(2) of the Housing Act has been accepted. It applies to households who made their application under Pt 7 Housing Act 1996 from 9 November 2012.
- 3.2 Where the Council has accepted the main housing duty it has the discretion to discharge it by way of a PRSO. Its approach will now be as per sub-paragraph 2.3, above, and sub-paragraph 3.4, below).
- 3.3 It should be noted that this policy does not apply to households placed under an interim duty for accommodation through s.188 Housing Act – where homelessness enquiries are undertaken to establish their circumstances and whether the main duty should be accepted or not.

### ***Offers of accommodation***

- 3.4 Where applicants are accepted for the main housing duty under s.193 of the Housing Act the Council can make a PRSO for a 12-month assured shorthold tenancy with a private landlord. Due to the acute shortage of affordable and suitable accommodation within Barking and Dagenham and its immediately surrounding areas, the general presumption will be that such an offer will be made outside of London unless mitigating circumstances mean the placement will need to be prioritised for local or near-local accommodation.
- 3.5 The offer of a PRSO will be made depending on the availability of accommodation and a decision will be made after a full consideration of each household's personal circumstances and against the suitability criteria set out in paragraph 4 (and Annex A) below and under the relevant regulations including the Homelessness (Suitability of Accommodation) (England) Order 2012.
- 3.6 Following an assessment, applicants will be given one offer of suitable accommodation. Whereas there is no obligation upon the Council to enable applicants to view accommodation prior to acceptance, it will do what it reasonably can. Where the accommodation is situated in the area of another local housing authority, the Council will notify that other authority in writing of the applicant's name; the number and descriptions of persons who normally reside with the applicant, or might reasonably be expected to do so, the date on which the accommodation was made available to the applicant and that it was made available pursuant to the main housing duty under s.193 of the Housing Act.

### ***Repeat applications***

- 3.7 The Council may have a new duty to secure accommodation for any household to whom it has previously ceased its duty by way of a PRSO and who has subsequently lost this accommodation if it is satisfied that they are unintentionally homeless or threatened with becoming homeless and eligible for assistance, regardless of whether the household continues to have a priority need. However, if the household were accommodated outside the borough of Barking and Dagenham, the responsibility may fall instead on the local housing authority in whose area the household were so accommodated if any member of the household will, upon return to Barking and Dagenham,

run the risk of domestic violence or other violence where that has occurred and its recurrence is probable.

#### **4. Suitability of Accommodation**

4.1 In determining the offer of the PRSO the Council will satisfy itself as to the suitability of the accommodation and will take account of all relevant factors in accordance with the relevant regulations including the Homelessness (Suitability of Accommodation) (England) Order 2012. It will provide:

- A comprehensive assessment of a household's circumstances and needs
- A balanced assessment of those needs against the characteristics of the properties available at the time of application

4.2 The Council will have full regard to the distance from the borough and travel costs, size of the property, potential disruption to employment, education or caring responsibilities, accessibility of essential medical facilities and support, local amenities, services and transport.

4.3 All suitability assessments will have regard to the Council's obligations under the Children Act 2004 including the need to safeguard and promote the welfare of children.

#### ***Size and location***

4.4 The Council will provide accommodation with adequate space and room standards for the households and be fit to inhabit.

4.5 As stated at 3.4 above, due to the chronic shortage of affordable and suitable accommodation within Barking and Dagenham there will be a general presumption that a PRSO will be made outside of London unless mitigating circumstances mean the placement will need to be prioritised for local or near-local accommodation set out in Section 5 below.

4.6 In many cases, relocation out of the borough will provide a more stable and affordable housing choice for the placement in the long-

term. With lower rents, households will have a better chance of meeting their household and subsistence costs and sustaining their tenancies.

### ***Affordability***

- 4.7 Affordability decisions will be made in accordance with the relevant regulations and having due regard to the Code of Guidance, taking into consideration the household's entire income including any welfare entitlements, the cost of travel to and from the applicant's normal place of work, the cost of additional travel to and from children's school or educational institute, the cost of additional travel to access medical services for on-going treatment or aftercare and any other relevant factor.
- 4.8 PRSOs will be offered in areas deemed affordable based on the above factors.

### ***Health factors***

- 4.9 The Council will consider health factors, such as the ability to climb stairs, care and support provided by other statutory agencies or the need to access specialist medical services that are only available to them in Barking and Dagenham. The Council will determine whether the medical condition itself makes certain accommodation offered unsuitable. For example, problems such as depression, asthma, diabetes and back pain may not make a property unsuitable, as the problem may persist in any type of accommodation. The Council has the discretion to refer the case for an occupational therapy assessment to determine what type of accommodation should be provided.

### ***Education***

- 4.10 Attendance at schools will not be considered a reason to refuse accommodation though priority will be given to special educational needs and the Council will exercise discretion with regard to students close to taking public examinations in determining priority for local placements.

## ***Employment***

- 4.11 Where relevant the Council will consider the need of applicants who are in paid employment to reach their normal workplace from the accommodation that is secured. However, the Council will evaluate whether the sort of work of the client is transferable and if satisfied that it can be this will no longer be considered a barrier to the offer.

## ***Proximity to schools and services***

- 4.12 The Council will consider the proximity to schools, public transport networks, primary care services and local amenities in the resettlement areas.

## **5. General exemptions from Out of London Placements**

- 5.1 The Council already works to a policy detailing which households will be prioritised for temporary accommodation in Barking and Dagenham, out of borough and out of the capital and the criteria used to assess those households will be the same applied for the discharge of duty.
- 5.2 The following list indicates all household circumstances where a discharge into a PRSO will not be made:
- Applicants with a severe and enduring health condition requiring intensive specialist medical treatment only available in Barking and Dagenham
  - Applicants in receipt of a significant social and/or healthcare package which cannot be transferred to the area of resettlement
  - Applicants with a severe and enduring health condition and are in receipt of psychiatric treatment and aftercare package provided by local community mental health services and have an established support network where a transfer of care would be deemed to have a severely detrimental impact upon the client's ability to engage with treatment and care plans

- Households containing a child or children with special educational needs who are receiving education or educational support at a local school in Barking and Dagenham or in a neighbouring borough and where a change of schooling would be deemed to have a severely detrimental impact upon the child's continuing development
- Households with a child/children subject to a Child Protection Plan in Barking and Dagenham or families who have high social needs who are linked into local support services and where a transfer to another area would be deemed to be detrimental to their welfare
- Applicants who are currently employed in Barking and Dagenham and who have been in continuous employment for at least twelve months and where financial and suitability assessments confirms the cost of travel would render the accommodation in a further afield area, unaffordable. Each case will be assessed on its merits and on an individual basis but where that assessment confirms that the employment is transferable, this will no longer be considered a barrier to the offer.

5.3 Where the Head of Service, or other person duly authorised by her/him, considers that exceptional circumstances not covered by the foregoing arise, s/he may direct that a PRSO will not be made.

## **6. Guidance and Advice on Relocation**

- 6.1 Ensuring placements are suitable is dependent upon the suitability assessments providing relocation advice which is bespoke and tailored to the needs of each household.
- 6.2 As part of the relocation advisory service Barking and Dagenham will:
- Provide training for each client household ensuring they have the tools to maintain their AST
  - Give each household a comprehensive directory of their relocation area covering transport networks, a summary of public transport commuting costs, health and care services, school availability, listing faith and community centres and

gauging work and training opportunities in the local labour market

6.3 Where it is appropriate the Council will provide a discretionary service which will:

- Make the connections through JobShop in the relocation area enabling the household access and advice to training courses and work opportunities; where appropriate job exchange possibilities could be possible;
- offer accompanied viewings to the prospective areas, a reasonable furniture allowance and covering removal fees where it is feasible to do so;
- Sign-up households to local income maximisation and citizen's advice centres to support the relocation to the new area and carry out the appropriate checks with the resettlement authority around Local Council Tax Support;
- Where appropriate make the supported links with district, unitary, county council services and primary care authorities for clients who are deemed able to for resettlement but may have health and social care needs, to ensure a smooth transition for the households into the areas.

**End of policy**

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## Suitability Guidance

### 1. Matters for consideration

A suitable offer will only be made where the Council has fully considered;

- The Homelessness (Suitability of Accommodation) (England) Order 2012 and specifically all the statutory requirements in Part 1 which cover the suitability of the location of accommodation and Part 2 which sets out the circumstances in which accommodation is not to be regarded as suitable for a person.
- That the property is suitable in relation to existing suitability requirements that relate to space and arrangement.
- Any other subjective matters and issues that relate to the circumstances of the applicant and/or of any other household members.
- That the accommodation is affordable having fully considered the cost of the rent and any other expenditure relating to the property compared to the income available to the household with or without benefits and specifically the outgoings which are needed for necessities such as food and clothing and heating, plus any other expenditure that is essential to meet the ordinary necessities of life, plus all other reasonable living expenses.
- All existing legislation, statutory guidance and case law relating to making suitable offers of accommodation and specifically paragraphs 17.6 and 17.39-17.41 of the Homelessness Code of Guidance.

### 2. The Homelessness (Suitability of Accommodation) (England) Order 2012

2.1 The Order requires local authorities to put in place arrangements to ensure that private rented sector offer accommodation is suitable for all members of the household. Before making an offer, the accommodation will be inspected and assessment made under the Housing Health and Safety Rating System.

2.2 In making a decision on the suitability of an offer of accommodation the Council will take into consideration:

- Location
- Affordability
- The physical condition of the property
- Space and arrangement

- Landlord behaviour
- Management (including HMO licensing where relevant)
- Tenancy Deposit Protection Scheme

### **3. Location**

3.1 Legislation and guidance on the suitability of the location of accommodation is contained in the following documents:

- The Housing Act 1996 Section 208(1);
- The Homelessness Code of Guidance, paragraph 17.41
- The Homelessness (Suitability of Accommodation) (England) Order 2012

3.2 When making a decision on the suitability of the location of a private rented sector offer the circumstances of all members of the household will be considered.

3.3 The Council will continue to do its best to source accommodation locally in Barking and Dagenham but there will be a general presumption that the Council will discharge its duties with placements outside of London where suitable and affordable accommodation is not available locally.

3.4 Where it is not possible to secure accommodation within the district, the Council will take into account the distance of that accommodation from the district.

3.5 The Council will try to secure accommodation that is as close as possible to where the applicant was previously living. In all cases the significance of any disruption will be given due regard. Specific regard will be given to employment, caring responsibilities or education of members of the household.

### **4. Affordability**

4.1 Sections 17.39 and 17.40 of the Homelessness Code of Guidance will apply when making an assessment of affordability. Accordingly, an income and expenditure assessment will be carried out for each case.

4.2 The Council will not regard accommodation as affordable if the applicant would be left with a residual income which would be less than the level of income support or income-based jobseeker's allowance to which they would be entitled.

4.3 The Council will have regard for the recommendation of the Secretary of State that housing authorities avoid placing applicants in low paid employment in accommodation where they would need to claim housing benefit to meet the costs of that accommodation, and to consider opportunities to secure

accommodation at affordable rent levels where this is likely to reduce perceived or actual disincentives to work.

## **5. The physical condition of the property**

- 5.1 All electrical equipment will meet the requirements of regulations 5 and 7 of the Electrical Equipment (Safety) Regulations 1994.
- 5.2 In multi-occupied residential buildings landlords, owners or managing agents should demonstrate compliance with the Regulatory Reform (Fire Safety) Order 2005.
- 5.3 All furnishings and fittings must comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988.
- 5.4 The property must have:
  - a valid Gas Safety Certificate; and
  - a carbon monoxide alarm; and
  - a smoke alarm; and
  - an Energy Performance Certificate.

## **6. Space and arrangement**

- 6.1 Consideration will be given to the needs, requirements and circumstances of the households in regard of space and arrangements in the property. The property will not be over-crowded and reasonable special needs, such as disability, will be taken into account.

## **7. Landlord behaviour**

- 7.1 The Council must be satisfied that the landlord is a fit and proper person to act in the capacity of landlord.
- 7.2 The Council will consider any convictions in relation to:
  - landlord and tenant law
  - fraud or other dishonesty
  - violence
  - illegal drugs
  - discrimination
  - sexual offences
  - breaches of any local Additional and/or Selective Licensing regimes in operation in the resettlement area
- 7.3 The Council will carry out reasonable enquiries on the suitability of a potential landlord including checking internal records. The potential landlord will be asked to declare any relevant convictions. Where there is a suspicion that the

landlord may not be suitable the Council may seek a Disclosure and Barring Service check.

## **8. Management**

8.1 The borough must be provided with the written tenancy agreement that the landlord intends to use for the PRSO.

8.2 The Council's Housing Advice services will review the tenancy agreement to ensure that it:

- sets out the tenant's obligations, for example, clear statement of the rent and other charges; and
- sets out the responsibilities of the landlord; and
- does not contain unfair or unreasonable terms, for example, call out charges for repairs or professional cleaning at the end of the tenancy.

## **9. Tenancy Deposit Protection Scheme**

9.1 Landlords and applicants will be informed of the landlord's responsibility to use a tenancy deposit protections scheme where the Council has incentivised the procurement of the property for the client

**CABINET****25 April 2017**

<b>Title:</b> Gambling Act 2005: Draft Statement of Gambling Licensing Policy 2017 – 2020 Consultation	
<b>Report of the Cabinet Member for Enforcement and Community Safety</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> ALL	<b>Key Decision:</b> Yes
<b>Report Author:</b> Theo Lamptey, Service Manager Public Protection	<b>Contact Details:</b> Tel: 0208 227 5655 E-mail: <a href="mailto:theo.lamptey@lbbd.gov.uk">theo.lamptey@lbbd.gov.uk</a>
<b>Accountable Director:</b> Jonathon Toy, Operational Director, Enforcement Services	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary</b>	
<p>The Council, as local licensing authority for gaming and betting, is required under the Gambling Act 2005, to have in place a statement of the principles (a 'policy') by which it will abide in carrying out its licensing responsibilities and to review that policy every three years. The review of the Council's current gambling licensing policy is overdue.</p> <p>This report intends to begin the formal process of review of the policy and sets out that process. It also provides for consideration, a copy of the initial draft revised Barking and Dagenham Statement of Gambling Licensing Policy for the period 2017-2020.</p> <p>The draft revised policy establishes that this Council has serious concerns around the impact that further growth in the local gambling opportunity may have in the most vulnerable and 'at risk' areas of the borough. It confirms that, as a result, the Council considers it necessary to limit facilities for gambling in areas where its most vulnerable residents may be placed at increasing risk. It states this Council's position to be that all areas where there is high overall risk of gambling related harm are inappropriate for further gambling establishments. Operators are asked not to consider locating new premises or relocating existing premises within these areas, accordingly.</p> <p>The draft policy goes on to set out the considerations this Council will have when determining applications for gambling premises licences and details the types of controls the Council might expect to see in place at licensed gambling establishments</p>	

## **Recommendations**

The Cabinet is recommended to:

- (i) Approve the draft Barking and Dagenham Statement of Gambling Licensing Policy for 2017-2020 at Appendix A for public consultation; and
- (ii) Note that a further report will be presented to Cabinet on the outcome of the public consultation and seeking endorsement of the final Policy prior to its submission to the Assembly.

## **Reasons**

To assist the Council in meeting its statutory responsibilities and the priorities:

- Encouraging Civic Pride
- Enabling Social Responsibility

## **1. Introduction and Background**

- 1.1 The Gambling Act 2003 ('the Act') established the national licensing regime for gaming and betting (excepting the national lottery).
- 1.2 The Act provides a two-tier licensing system. The Gambling Commission is responsible for licensing both gambling operators and key industry personnel. Local licensing authorities are responsible for licensing the premises in their area where gambling activities are intended to be provided.
- 1.3 Under the Act, each licensing authority is required to publish a statement of licensing policy and to review this every three years. This Authority published its initial statement in 2007. It has been updated periodically but is now overdue for revision. Each revision of the policy must be subject to public consultation.
- 1.4 The statement of policy aims to set out how the licensing authority intends to approach its licensing responsibilities under the Act.
- 1.5 In carrying out its licensing functions, the Authority is directed by s153 of the Act to 'aim to permit the use of premises for gambling in so far as it thinks fit:
  - In accordance with any code of practice issued by the Gambling Commission;
  - In accordance with any relevant guidance issued by the Gambling Commission;
  - Reasonably consistent with the licensing objectives; and
  - In accordance with the licensing authority's own statement of policy'.
- 1.6 The three licensing objectives stated in the Act are:
  - Preventing gambling from being a source of crime and disorder, being associated with crime or disorder, or being used to support crime
  - Ensure gambling is conducted in a fair and open way
  - Protecting children and vulnerable people from harm or from being exploited by gambling.

- 1.7 Local licensing authorities are concerned with the third objective (in particular) and with the first objective also.
- 1.8 Many local licensing authorities have held long standing concerns over the directed and restricted nature of the gambling licensing regime. It is believed that this directed approach has prevented local circumstance from being properly taken into account within licensing decisions and this has led to
- Frustration within local licensing authorities over lack of discretion
  - A perceived uncontrolled growth in gambling establishments, particularly betting shops driven by their ability to install up to 4 x £500 jackpot Fixed Odds Betting Terminals
  - The perceived concentration of betting shops in high street locations in more deprived areas
  - Concern that vulnerable people are being targeted and exploited
  - Concern that children are being regularly exposed to gambling and gambling is becoming 'normalised'
- 1.9 In 2016, however, the Gambling Commission made some key changes to its Social Responsibility Code which is imposed on all Operators Licences. The new provisions of the Code require prospective and current operators to have regard within their business risk-assessments to local risks including any set out in the local authority statement of policy. This has provided a first opportunity for local issues to be considered within licence application determinations.

## **2. Proposal and Issues**

### **The Draft Revised Barking and Dagenham Statement of Gambling Licensing Policy 2017-2020**

- 2.1 A copy of the draft revised policy is provided at Appendix A to this document.
- 2.2 In addition, in recognition of the recent changes made to the Commission's Social Responsibility Code (see section 1.9 of this report), the draft revision has been supported and informed through the development of a model of local area based vulnerability to gambling related harm. This 'local area profile' has been compiled using spatial analysis techniques drawing on published, relevant and reliable socio-economic; public health and anti-social behaviour data sets. This can be found on the council intranet at <https://lbbd.sharepoint.com/sites/IntTp/HE/Pages/GamblingRelatedHarm.aspx>

### **Licensing determinations**

- 2.3 It remains the case that each application is required, by law, to be considered upon its own merits and so, this draft policy may not set out to refuse all future licence applications. However, it looks to establish a framework which best places the Council to make future licensing decisions which take into account local information and address local circumstances and concerns.
- 2.4 In the light of the findings of the analysis, the policy makes a number of important statements (section 42 of the draft policy):

- That the Council considers it necessary to limit facilities for gambling in areas where its most vulnerable residents may be placed at increasing risk.
- That areas where there is high overall risk of gambling related harm are inappropriate for further gambling establishments.
- That operators are asked not to consider locating new premises or relocating existing premises within such areas

2.5 Applicants for each category of gambling premises licences are required to review the content of the local area profile and address the concerns raised within their local business risk-assessments by way of appropriate proactive mitigation and control measures. Applicants asked to provide a copy of their local business risk-assessment as part of their application.

2.6 Each application will then be considered having regard to the following matters (section 49 of the draft policy):

- The type of premises
- The location of the premises
- The hours of operation
- The configuration and layout of the premises
- The levels and types of crime in the local area
- The levels of deprivation in the local area
- The extent to which the business risk-assessment provided by the applicant deals with the concerns raised under the local area profile
- Matters relating to children and young people
- Matters relating to vulnerable adults
- The adequacy of control measures proposed
- Whether the application proposes high levels of management
- The compliance history of the premises management, where relevant
- The views of the responsible authorities
- The views of interested parties

2.7 A number of areas of considerations are dealt with in more detail within the policy. Some of the most important issues dealt with in further detail include (with relevant sections of the draft policy document noted):

- Standards of management (sections 81-85)
- Preventing gambling from being a source of crime and disorder, being associated with crime or disorder or being used to support crime (sections 86 – 91)
- Protecting children (sections 94 – 99)
- Protecting vulnerable adults (sections 100 – 104)
- Location (sections 105 – 106)
- Access by children and young people (sections 107 – 108)
- Challenge 25 (section 109)
- Restrictions on advertising (sections 110 – 112)
- Bingo premises (sections 114 – 116)
- Betting premises (and Fixed Odds Betting Terminals (sections 117 – 124)
- Adult gaming centres (sections 128 – 131)



2.8 Beyond all of this, this draft revision also looks to ensure that the policy is consistent with current legislation and the latest Gambling Commission Guidance to Local Licensing Authorities (5th Edition September 2015). A number of updates are included for the purposes of consistency. These include latest guidance from the Commission on matters such as

- Definition of premises and split premises
- Multi-activity premises
- Provisional statements

### **3. Options Appraisal**

3.1 This report seeks authority to take the draft policy out to public consultation. The final version of the policy will be subject of a further report in due course. All options for consideration will be detailed at that time.

### **4. Consultation**

#### **Consultation process**

4.1 The draft revision must be subject of public consultation, to be carried out in accordance with the provisions of the Act. It is proposed that a full period of public consultation of 12 weeks should be allowed.

4.2 The consultation will have a number of aims, including establishing

- The level of support within the local community for the Council's proposals
- Whether the draft policy supports good responsible premises management
- Whether there are additional relevant data sets that would further improve the analysis supporting the draft policy
- Whether the draft policy can be improved by inclusion of further industry best practice

4.3 Consultation arrangements are currently under development. However, it is proposed that the consultation should comprise:

- Publication of the draft revised policy on the Council's web site, together with an electronic questionnaire
- A public notice announcing the consultation in a local newspaper
- Direct letter drops to current licence holders; other stakeholders; trade and local community representatives, intended to raise awareness around the consultation and direct interested parties to the online information or provide details where hard copies can be obtained
- Awareness raising in GP surgeries, health centres and similar facilities
- Consultation with the Licensing & Regulatory Board
- Further discussions with partner services and agencies
- Promotion of the consultation through the borough newsletter
- Promotion through social media
- Public meetings including voluntary and community sector meetings.

4.4 Post consultation, all responses received would be taken into consideration in the preparation of the final draft policy.

## **Timetable**

- 4.5 Subject to cabinet approval the policy will go out to public consultation. This would allow consultation to take place through May-July 2017. Following the consultation all responses received will be considered and appropriate amendments to the policy made.
- 4.6 The final policy will require the approval of both Cabinet and full Council Assembly before it is formally adopted. This is tentatively scheduled for Autumn 2017.
- 4.7 At the time of writing this report, the findings of a recent Department of Culture Media and Sport (DCMS) Call for Evidence around gaming machine provision are awaited. It is hoped that the outcome might provide more local discretion to limit numbers of gaming machines and stakes and that, in future, further scope for discretion will be offered.

## **5. Legal Implications**

Implications completed by Dr Paul Feild, Senior Corporate Governance Lawyer

- 5.1 Section 349 of the Gambling Act 2005 requires the Licensing Authority to prepare and publish a Statement of Gambling Licensing Policy every 3 years. Section 25 of the Gambling Act 2005 requires the Authority to have regard to the Gambling Commission's Guidance when preparing its Policy.
- 5.2 Any other legal implications relating to the Statement of Gambling Licensing Policy are detailed within the 2005 Act.

## **6. Financial Implications**

Implications completed by Katherine Heffernan, Group Manager

- 6.1 The resources devoted to the preparation of the policy are contained within the Regulatory Services budget.
- 6.2 Fees associated with this policy are reviewed and agreed by Cabinet as part of the council's standard annual Fees and Charges review process

## **7. Other Implications**

- 7.1 **Risk Management** – This review of the Council's gambling licensing policy fulfils the requirement under the Gambling Act 2005 for the Council to have and regularly review and update a statement of policy.
- 7.2 **Corporate Policy and Customer Impact** – The draft policy is intended to promote the four statutory licensing objectives. It attempts to do so in a way that acknowledges and supports the broader Council vision and priorities. The revised policy is subject of an ongoing Equalities Impact Assessment which will be further informed by the consultation responses.

- 7.3 **Safeguarding Children** - The third licensing objective specifically deals with the protection of children. As such, the policy includes detailed best practice management advice around child protection issues, compiled in conjunction with expert responsible authorities. This deals with issues such as age-verification and advertising. Child Protection are a statutory responsible authority under the Act and are consulted on all new and varied premises licence applications.
- 7.4 **Health Issues** - Although public health is not a licensing objective, the draft policy recognises the potential impacts of gambling related harm and is intended to provide adequate protections to vulnerable persons. The draft policy promotes socially responsible premises management. Public Health are a statutory responsible authority under the Act and are thereby consulted on all new and varied premises licence applications.
- 7.5 **Crime and Disorder Issues** - The first licensing objective specifically deals with the prevention of crime and disorder. As such, the draft policy considers issues such as location and local levels of crime. The development of the revised policy is being carried out in conjunction with expert responsible authorities.
- 7.6 **Property / Asset Issues** - None directly, any licensable gaming or betting activity provided on Council run venues would be subject to the same controls as other commercially run venues or facilities.

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

**List of appendices:**

- **Appendix A:** Draft Barking and Dagenham Statement of Licensing Policy for 2017-2020

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**APPENDIX A**

London Borough of Barking & Dagenham

Gambling Act 2005

**Draft Statement of Gambling Licensing  
Policy 2017-2020**

## Notes

The Gambling Act 2005 (“the Act”) came into force in 2007. It introduced a new, comprehensive system for gambling regulation in Great Britain, bringing together the vast majority of commercial gambling into a single regulatory framework.

The Act established a dedicated national regulator in the form of the Gambling Commission “the Commission”. But it also recognised the potential local impact and importance of gambling. So, it created many local regulators whose job it is to manage gambling within their area, in line with local circumstance. These are the 380 licensing authorities of England, Wales and Scotland. In doing so, the Act established a strong element of local decision-making and accountability in gambling regulation.

As licensing authority for the London Borough of Barking and Dagenham, this Council is required under s.349 of the Act to prepare and publish, every three years, a statement of the licensing principles it proposes to apply in exercising its functions under the Act. This is commonly known as the statement of licensing policy. The statement of policy can be reviewed and revised by the Council at any time, but must be produced following consultation with those bodies and persons set out in s.349 of the Act.

The Barking and Dagenham Statement of Gambling Licensing Policy sets out how this Authority intends to exercise its functions under the Act, for the next three years. First published in 2007, this latest draft revision has been prepared having regard to the Act, secondary regulations and the Commission’s Guidance to Local Licensing Authorities (5<sup>th</sup> Edition published September 2015).

It is circulated for comments. We welcome your views on its contents.

The final version of this policy statement will be compiled having had regard to any responses received. Once completed, it will be submitted for approval and adoption by the full Council Assembly.

## Executive Summary

This Authority recognises that the gambling industry, across its many component parts, makes a significant contribution to the national economy and provides considerable job opportunities. It also recognises that gaming and betting provides a legitimate leisure activity, enjoyed by many people, and that the majority of people who gamble appear to do so without exhibiting any signs of problematic behaviour.

This Authority also acknowledges that genuine efforts are being made to ensure that gaming and betting can take place in a socially responsible manner and that the industry itself contributes to this. Recent initiatives such as the national multi-operator self-exclusion scheme, which allows an individual to make a single request to self-exclude from the same type of the gambling within their area, and the continuing work on identifying harmful play on machines and mitigating this through intervention are supported. However, as the Responsible Gambling Strategy Board acknowledge, many of the new initiatives have yet to prove their significance.

It is understood that as many as 600,000 individuals nationally face deep personal consequences from their relationship with gambling. While a thriving gambling industry may be good for the economy, the success of the industry cannot be at the expense of families affected by problem gambling.

Gambling related harm is recognised as a 'co-morbidity' (i.e. one of a range of conditions existing in an individual that exacerbates pre-existing conditions and contributes toward a reduced life expectancy). It is usually observed in people who suffer from poor mental health; stress or anxiety; substance misuse; and financial difficulties.

As such, it potentially extends beyond the individual through work and study, personal, financial legal and interpersonal circumstances and affects the community around the individual and local community services. The prevalence of problem gamblers based on the Health Survey for England 2012 indicates there could be in excess of 1,400 individuals who are problem gamblers within Barking and Dagenham.

The costs to society (i.e. the excess fiscal costs caused by people who are problem gamblers beyond those that are normally incurred otherwise by members of the public) are felt through health; housing and homelessness; unemployment; and imprisonment. Using the Health Survey as a basis the total excess costs in Barking and Dagenham could be anything up to £2.2 million.

For these reasons, this Authority has set out to establish a gambling licensing policy which recognises good industry practice and intends to support responsible operators but sets out to offer adequate protections to our local community.

Integral to this has been the analysis of gambling related harm which informs Section 3 of this policy. The analysis explored local area based vulnerability to gambling related harm and, as such, provided both context to this policy and a 'local area profile'. This enables consideration to be given to local issues that must be addressed by local operators and to the extent to which any further development of a gambling offer within the borough may be appropriate.

Section 3 of this policy sets out the considerations this Authority will go through in determining gambling premises licences. All new and current operators must have regard to this section when compiling local risk assessments and should make this section their starting point when absorbing the content of this policy.

Before this, the policy opens with a more general introduction to Barking and Dagenham (Section 1), followed by detail on the principles this Authority will rely on in fulfilling its licensing responsibilities (section 2).

Sections 4 (premises licences) and 5 (other consents) go on to set out in some detail, the steps that this and other responsible authorities would wish to see given appropriate consideration within risk assessments and operating schedules. It is intended to reflect and enhance industry good practice. This section is also intended to make clear certain aspects of the applications process for the benefit of all. This includes information on consultation, responsible authorities, interested parties and relevant objections.

Section 6 deals with enforcement matters, establishing how this Authority and partner service and external agencies intend to work collaboratively together, in a fair, transparent, open and consistent manner, to provide intelligent directed regulation.

Together, we hope to support a successful industry, which can offer enjoyable leisure activities without harm to our young and most vulnerable.



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- Provisional statements and applications for premises licences requiring works or right to occupy
- The first licensing objective - Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- The second licensing objective - Ensuring that gambling is conducted in a fair and open way
- The third licensing objective - Protecting children and other vulnerable persons from being harmed or exploited by gambling
  - Protecting children
  - Protecting vulnerable people
  - Location
- Access to premises by children and young people
- Challenge 25
- Restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children
- Casinos
- Bingo
- Betting
- Track betting
- Adult gaming centres
- Licensed family entertainment centres
- Premises licence review

#### **Section Five – Other Consents**

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- Unlicensed family entertainment centres
- (Alcohol) Licensed premises gaming machine permits
- Temporary use notices
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- Gaming machines
- Premises licensed to sell alcohol
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**Associated document**

**Analysis of Gambling Related Harm / Local Area profile which can be found by visiting**  
<https://lbbd.sharepoint.com/sites/IntTp/HE/Pages/GamblingRelatedHarm.aspx>

## Section One – Introduction

### About Barking and Dagenham

1. The London Borough of Barking and Dagenham is located at heart of the Thames Gateway, just a 15-minute train journey from central London.
2. Barking and Dagenham has the seventh smallest population in London with 201,979 residents. However, the borough has a young population. The average age in Barking and Dagenham is 33, lower than the London average. The 54,912 under 16s living within the borough represent the highest proportion of residents of this age group in London and UK. Barking and Dagenham also has a diverse, multi-cultural community. The borough's BME population represents 49.3% of the total population. Nigeria is the most common birthplace of residents from outside of the UK (4.7%) followed by India and Pakistan. 18.5% of residents do not have English as their first language <sup>1</sup>.
3. Barking and Dagenham has its challenges. Both male and female life expectancy (59.5 and 54.6 respectively) are below the London average. The numbers of people who have no qualifications (15.4%); who are unemployed (10.5%); and who are DWP benefits claimants (14.9%) are all above the London average <sup>2</sup>.
4. However, with a proud history of manufacturing, industrial excellence, strategic transport links and a location to major markets in the South East (and on to Europe), Barking and Dagenham has real potential and aspires to become a destination of choice, where people stay and feel welcome.
5. With its excellent road and rail links, Barking and Dagenham is one of London's best connected boroughs. Connections are set to improve further with new transport links currently under construction and in the pipeline, all intended to support the capital's eastward growth.
  - Crossrail will operate from Chadwell Heath from 2019
  - The London Overground will be extended to Barking Riverside by 2020
  - A new C2C station will open at Beam Park in 2020
  - Proposals to improve the A13 are under active consideration
  - Plans for the new River Thames crossings serving east London are underway

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<sup>1</sup> LBBD Key demographic facts July 2016

<sup>2</sup> As above

6. The borough is increasingly a focus for house building. There are plans for over 35,000 new homes and 10,000 jobs over the next 20 years. Though house prices are rising much faster than the London average, the borough remains the cheapest in the capital.
7. As a legacy from Barking and Dagenham's involvement as a host borough in the London Olympics in 2012, there has been some significant investment in leisure, recreational and sporting facilities.
8. The borough has an incredible 530 hectares of green belt land, plus 25 parks and open spaces and tree lined streets.
9. A map of the geographic area comprising Barking and Dagenham is shown in Figure 1 on the following page.

### **Vision and priorities**

10. Our vision for the borough is "One Borough; One Community; London's Growth Opportunity".
11. Three corporate priorities support the vision. Each of the priorities has a set of objectives which define the areas of focus for the Council, partners and community.
  - 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 open 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

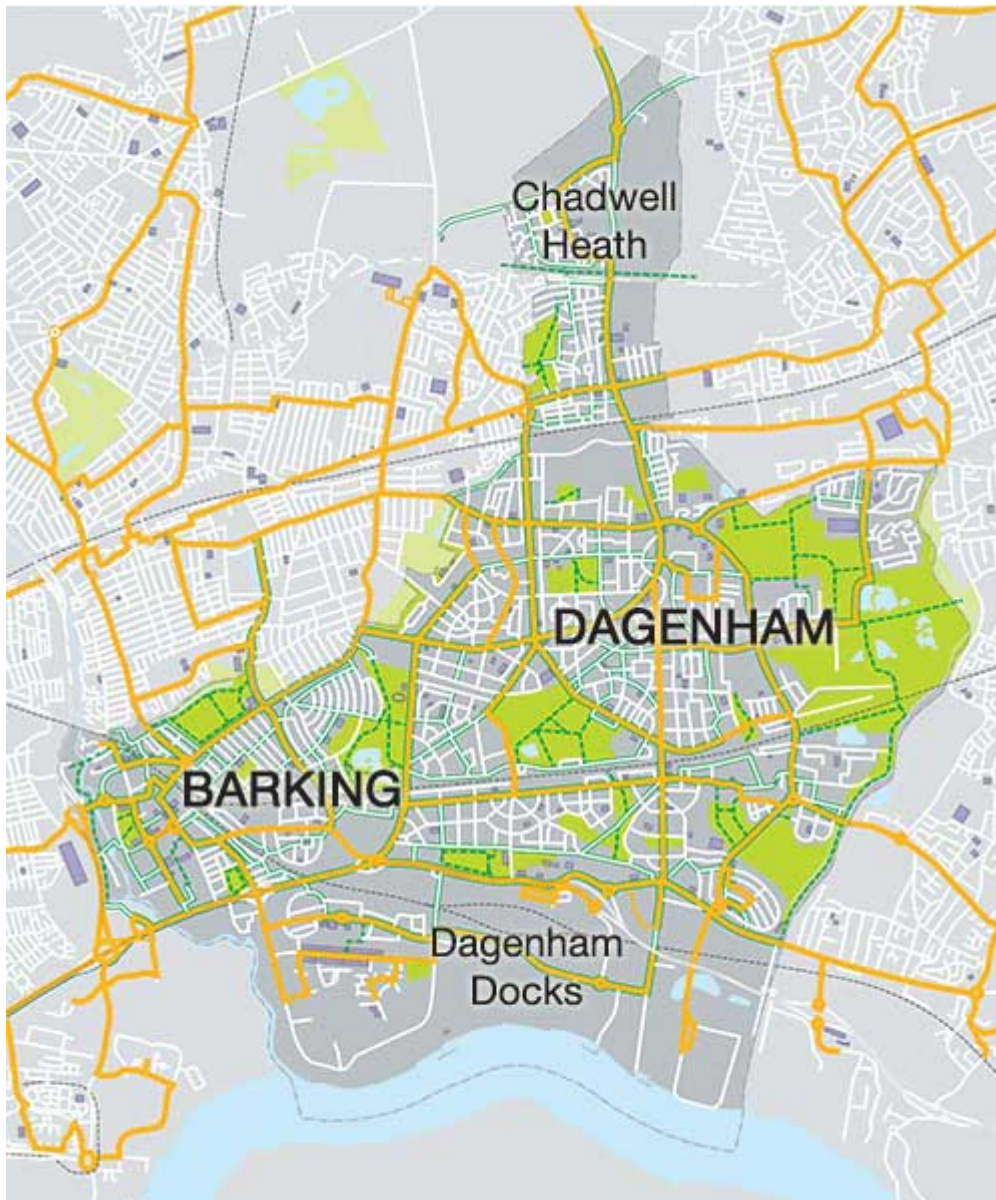


Figure 1 – Map of Barking and Dagenham

## **Section Two - Purpose and Scope of this Policy**

### **The aim of the policy**

12. The aim of this policy is -

- To reinforce to elected members on the Licensing and Regulatory Board, the powers available to the local authority as licensing authority
- To inform licence applicants how this Authority will make licensing decisions and how licensed premises are likely to be able to operate within its area
- To set out how the Authority intends to support responsible operators and take effective actions against irresponsible operators
- To inform local residents, business and licensed premises users, the protections afforded to the local community within the Act and by this Authority
- To support licensing decisions that may be challenged in a court of law.

### **Local authority functions**

13. Under the Gambling Act 2005, this Authority is responsible for local gambling regulation. This statement of policy deals with the range of regulatory functions that fall to this Authority. These are –

- Licence premises for gambling activities
- Consider notices given for the temporary use of premises for gambling
- Grant permits for gaming and gaming machines in clubs and miners' welfare institutes
- Regulate gaming and gaming machines in alcohol licensed premises
- Grant permits to family entertainment centres (FEC) for the use of certain lower stake gaming machines
- Granting permits for prize gaming
- Consider occasional use notices of betting at tracks
- Register small society lotteries that fall below certain thresholds
- Set and collect fees.

### **The licensing objectives**

14. While carrying out its functions under the Act, particularly in relation to premises licences, temporary use notices and some permits, this Authority must have regard to the licensing objectives, as set out in section 1 of the Act. These are -

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring gambling is conducted in fair and open way
- Protecting children and other vulnerable people from harm or from being exploited by gambling

### **Licensing authority discretion**

15. Licensing authorities have a broad discretion to regulate the local provision of gambling and the Act gives wide-ranging powers to do so. Those include the power:

- To issue a statement of licensing policy, setting expectations about how gambling will be regulated in the local area
- To grant, refuse and attach conditions to premises licences
- To review premises licences and attach conditions or revoke them as a result

16. In exercising its functions under the Act, s.153 states that licensing authorities shall aim to permit the use of premises for gambling, in so far as it thinks it:

- In accordance with any code of practice under s24
- In accordance with any relevant guidance issued by the Commission under s.25
- Reasonably consistent with the licensing objectives (subject to the above) and in accordance with the licensing authority's statement of licensing policy

### **Limits on local authority discretion**

17. However, licensing authorities are subject to some specific constraints in exercising their functions. A licensing authority has no discretion to grant a premises licence where that would mean taking a course of action which it did not think accorded with the Guidance issued by the Commission, any other relevant Commission code of practice, the licensing objectives or the licensing authority's own statement of policy. In the unlikely event that a licensing authority perceives a conflict between a provision of a Commission code of practice or the Guidance issued by the Commission, and its own statement of policy or view as to the application of the licensing objectives, s.153 makes it clear that the Commissions' codes and guidance take precedence.

18. In addition, the Act makes specific references to factors that must not be considered by a licensing authority in exercising its functions under s.153



- The expected demand for facilities (s.153(2))
- Whether the application is to be permitted in accordance with law relating to planning or building (s.210(1))

19. Additionally, licensing authorities should not turn down applications for premises licences where relevant objections can be dealt with through the use of conditions.

20. This Authority also understands that moral or ethical objections to gambling are not a valid reason to reject applications for premises licences.

### **Other considerations**

21. Licensing authorities should regulate gambling in the public interest.

22. While the statement of policy may set out a general approach to the exercise of functions under the Act, it should not override the right of any person to make an application and have that application considered on its own merits. Additionally, the statement must not undermine the right of any person to make representations on an application or to seek a review of a licence where provision has been made for them to do so.

23. As far as is reasonably possible, this Authority will avoid duplication with other regulatory regimes.

### **Consideration of planning permission and building regulations**

24. In particular, this Authority recognises that s210 of the Act prevents licensing authorities from taking into account the likelihood of the applicant for a premises licence obtaining planning permission or building regulations approval.

25. Equally, however, the grant of a gambling premises licence does not prejudice or prevent any decision or action that may be appropriate under planning or building control law.

26. This Authority does expect, however, applications for premises licences to be made for premises either with relevant planning permission in place or for applications for the relevant consents to be made concurrently.

## Human Rights Act 1998

27. This Authority understands that the Secretary of State has certified that the Act is compatible with the European Convention on Human Rights. In considering applications, and taking enforcement action under the Act, this Authority will bear in mind that it is subject to the Human Rights Act 1998 and in particular:

- Article 1, Protocol 1 – peaceful enjoyment of possession. A licence is considered a possession in law and people should not be deprived of their possessions except in the public interest
- Article 6 – Right to a fair hearing
- Article 8 – Respect for private and family life. In particular, removal or restriction of a licence may affect a person's private life
- Article 10 – Right to freedom of expression

## Exchange of information

28. S.29 of the Act enables the Commission to require information from licensing authorities, including the manner in which the information is compiled, collated and the form in which it is provided, providing that it:

- Forms part of a register maintained under the Act
- Is in the possession of the licensing authority in connection with a provision of the Act

29. S.350 of the Act allows licensing authorities to exchange information with other persons or bodies for use in the exercise of functions under the Act. Those persons or bodies are listed in Schedule 6 of the Act as

- A constable or police force
- An enforcement officer
- A licensing authority
- HMRC
- The First Tier Tribunal
- The Secretary of State

30. In exchanging information, this Authority will act in accordance with the relevant legislation, including that the Data Protection Act will not be breached. This Authority will also have regard to any Guidance to local licensing authorities issued by the Commission, as well as any relevant regulations issued by the Secretary of

State under the powers provided in the Act. Where the law allows, this Authority will agree secure mechanisms to share information with other regulators about gambling premises to help target resources and activities and minimise duplication.

### **Scheme of Delegation**

31. Table 1 (on the following page) sets out the scheme of delegation for this Authority.
32. The scheme of delegation is intended to support an effective and efficient licensing process, within which non-contested matters will be granted by authorised officers.
33. Where matters are subject of representations, officers will normally attempt to reach an agreed negotiated outcome through our conciliation process. This is offered to facilitate further discussion and save the time and costs associated with a public hearing. Conciliation may be attempted up to 24 hours before a hearing. If an agreed outcome, satisfactory to all concerned parties, cannot be reached then the matter will generally be determined by a sub-committee comprising three elected members of the Council's Licensing & Regulatory Board.

<b>Table 1 – Delegation of decisions and functions</b>			
<b>Matter to be dealt with</b>	<b>Assembly</b>	<b>Licensing Sub-Committee</b>	<b>Officers</b>
Final approval of three-year policy	X		
Policy not to permit casinos	X		
Fee setting (where appropriate)	X		
Application for a premises licence		Where representations have been received and not withdrawn	Where no representations have been received or representations withdrawn
Application for variation of a premises licences		Where representations have been received and not withdrawn	Where no representations have been received or representations withdrawn
Application for transfer of a premises licence		Where representations have been received from the Commission	Where no representations have been received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations have been received or representations withdrawn
Review of a premises licence		X	
Application for a club gaming / club machine permit		Where objections have been made (and not withdrawn)	Where no objections have been made / objections have not been withdrawn
Cancellation of a club gaming / club machine permit		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

## Section Three – Local Area Profile

### Background

34. The Commission's Licence Conditions and Codes of Practice (LCCP) (published February 2015) formalised the need for operators to consider local risks.
35. Specifically, Social Responsibility Code 10.1.1 requires all applicants for licences and current premises licence holders to assess the risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks. When carrying out their risk assessments, licensees are required to take into account any relevant matters identified in the licensing authority's statement of policy.
36. Licensees are required to undertake a local risk assessment when applying for a new premises licence. The risk assessment should also be updated:
  - When applying for a variation of the premises licence
  - To take account of significant changes in local circumstances, including those identified in this Authority's statement of policy
  - When there are significant changes at the licensee's premises that may affect how local risks are managed

### The local area profile

37. As has been recognised by the Responsible Gaming Strategy Board, there is evidence that some groups in the population may be more vulnerable to gambling related harm. This not only applies to people on low incomes but also people who are less able to make reasoned decisions because of poor mental health or addiction and some BME groups. Children and young people may be particularly susceptible, as their youth and inexperience may make them more inclined to risk-taking behaviour and less able to manage the consequences of those decisions.
38. To help support applicants and licence holders to better understand their local environment, an analysis of gambling related harm has been prepared as a 'local area profile'. This can be viewed at <https://lbbd.sharepoint.com/sites/IntTp/HE/Pages/GamblingRelatedHarm.aspx> . By drawing on relevant and reliable published socio-economic and public health data sets together with local police data concerning anti-social behaviour, the local area

profile uses special analysis techniques to provide a model of area based vulnerability to gambling related harm across the borough.

39. Both current operators and potential new operators to the borough are asked to consider the detail provided carefully, and should have regard to both the overall summary map and the individual mapping provided in respect of each relevant data set.
40. The general introduction to Barking and Dagenham provided in Section One of this policy demonstrates that this borough is an improving borough. However, as can be readily seen from the analysis provided under the local area profile, this Council's area compares poorly with its neighbours under the Index of Multiple Deprivation (IMD) 2015.
41. The assessment of the 37 separate indicators that make up the IMD indicates this borough is subject to widespread deprivation to which gambling related harm contributes.
42. This position gives rise to serious concerns around the impact that further growth in the local gambling opportunity may have in the most vulnerable and 'at risk' areas of the borough. Because of this, this Authority considers that it is necessary to limit facilities for gambling in areas where its most vulnerable residents may be placed at increasing risk. It is this Authority's position that all areas shown within the local area profile as being at high overall risk of gambling related harm are inappropriate for further gambling establishments. Operators are asked not to consider locating new premises or relocating existing premises within these areas.
43. Elsewhere, operators should consider, having regard to the individual mapping provided, each of the specific characteristics of their local area. Each premises specific risk-assessment should recognise these and provide appropriate proactive mitigation or control measures.
44. This Council would also recommend that operators consider the following matters when making their risk-assessment.
  - Information held by the licensee regarding self-exclusions and incidences of underage gambling
  - Gaming trends that may reflect benefit payments
  - Arrangement for localised exchange of information regarding self-exclusions and gaming trends

- The urban setting such as proximity to schools, commercial environment, factors affecting footfall
- The range of facilities in proximity to the licensed premises such as other gambling outlets, banks, post offices, refreshment and entertainment type facilities
- Known problems in the area such as problems arising from street drinkers, youths participating in anti-social behaviour, drug dealing activities, or other street related disorder.

45. The local area profile is intended to help facilitate constructive engagement between operators and licensees and a more co-ordinated response to local risks. The local area profile will be updated from time to time to ensure that the information contained within is current and relevant.

46. Licensees are required to share their risk assessment with the Authority when applying for a premises licence or for a variation of a licence, or otherwise at the request of the Authority, for instance during the course of a premises inspection conducted by authorised officers.

#### **How applications for premises licences will be assessed**

47. While it will continue to be the case that each application will be considered upon its own merits with all relevant matters taken into account, this Authority will expect that each applicant for a licence will:

- Have had regard to the content of the local area profile and to the guidance and best practice advice provided within this document.
- Have engaged in constructive discussion with the appropriate relevant responsible authorities where risks and concerns are raised
- Be able to demonstrate that the risks raised within the local area profile; this policy and through representations have been adequately addressed by submitted operating schedules
- Promote the licensing objectives

48. This Authority may require additional information where appropriate.

#### **Factors it is likely the local authority will take into account in determining applications**

49. In considering applications for new licences; variations to existing licences and licence reviews, this Authority will take into account the following matters:

- The type of premises
- The location of the premises
- The proposed or current hours of operation of the premises
- The configuration and layout of the premises
- The levels and types of crime in the local area
- The levels of deprivation in the local area
- The extent to which the risk-assessment provided by the operator acknowledges and proactively deals with local concerns as raised under the local area profile contained within this policy
- Matters relating to children and young people
- Matters relating to vulnerable adults
- The level of control measures proposed
- Whether the application establishes high levels of management
- The compliance history of the premises management, if current
- The views of the responsible authorities
- The views of interested parties

50. This list is not exhaustive. Other relevant information will be considered, determined on a case by case basis.

### **Conditions**

51. Where there are risks associated with a specific premises or class of premises, the licensing authority may consider it necessary to attach conditions.

52. Conditions may be attached to premises licences in a number of ways:

- Mandatory conditions established through the Act or secondary regulations
- Default conditions, which may be imposed upon a licence by the licensing authority under s.168 of the Act
- Conditions imposed upon licences by the local licensing authority under its discretion

53. Where its discretion has been engaged through the representations process, this Authority will impose conditions where it considers that it is necessary to address local circumstances. Conditions imposed by this Authority will be proportionate to the circumstances they are seeking to address. In particular, conditions will be:

- Relevant to the need to make a proposed building suitable as a gambling facility
- Directly related to the premises (including the locality and any identified local risks) and the type of licence applied for



- Fairly and reasonably related to the scale and type of premises
- Within the ability of the operator to comply
- Enforceable
- Reasonable in all other respects

#### **Conditions that may not be attached to premises licences by licensing authorities**

54. This Authority notes that the Act sets out certain matters that may not be the subject of conditions.

- S.169(4) prohibits a licensing authority from imposing a condition on a premises licence which makes it impossible to comply with an operating licence condition
- S.172(10) provides that conditions may not relate to gaming machine categories, numbers, or method of operation
- S.170 provides that membership of a club or body cannot be required by attaching a condition to a premises licence
- S.171 prevents a licensing authority imposing conditions in relation to stakes, fees, winnings or prizes.

#### **Compliance with Commission Licence Conditions and Codes of Practice**

55. In considering the matter of conditioning of licences this Authority will be aware of the content of the current version of the Commission's Licence Conditions and Codes of Practice (July 2016 effective from October 2016). These may be viewed in full by visiting <http://www.gamblingcommission.gov.uk/Publications-consultations/LCCP.aspx>

56. The licence conditions and codes of practice apply to all new and existing licences, including any holder of a personal or operating licence issued under the Gambling Act 2005.

## Section Four – Premises licences

57. This policy statement does not intend to explain the process and procedure for applying for a premises licence, variation or transfer. Advice on such can be obtained directly from the licensing service (see contact details in appendix A). However, this policy statement does set out for the benefit of applicants and all other interested parties, some important matters that this Authority will have regard to when determining applications.

### Types of premises licences

58. In accordance with s.150 of the Act, premises licences can authorise the provision of facilities on:

- Casino premises
- Bingo premises
- Betting premises, including tracks and premises used by the betting intermediaries
- Adult gaming centre (AGC) premises (for category B3, B4, C and D machines)
- Family entertainment centres (FEC) premises (for category C and D machines)

### Applications

59. Applications for premises licences and club premises certificates must be made on the prescribed form (available from <https://www.lbbd.gov.uk/business/licenses-and-permits/gambling-licences-and-permits/gambling-premises-licence/overview/>) and accompanied by

- The prescribed fee
- The prescribed documents, namely a plan of the premises (1:100 unless otherwise agreed with the Authority)

60. Applications must be completed in full and signed and dated. If an application is submitted incomplete it will not be processed.

61. Similarly, a licence application, and any licence subsequently issued, is not valid if the relevant 'application notices' have not been made. These include

- A notice placed outside the premises for 28 consecutive days in a place where it can be easily seen and read by passers by
- A public notice placed in a newspaper or newsletter of local relevance on at least one occasion within ten days of the application being made
- Notice provided to all of the relevant responsible authorities, including the Commission, with seven days of the application being made.

### **Responsible authorities**

62. Responsible authorities are public bodies that must be notified of applications and that are entitled to make representations to the licensing authority in relation to applications for, and in relation to, premises licences.

63. S.157 of the Act identifies the bodies that are to be treated as responsible authorities. They are:

- The licensing authority in whose area the premises is wholly or partly situated
- The Gambling Commission
- The Chief Officer of Police
- The fire and rescue authority
- The local planning authority
- The council's environmental health service
- A body designated in writing by the licensing authority, as competent to advise about the protection of children from harm
- HM Revenue and Customs
- Any other person prescribed by the Secretary of State

### **Body designated as competent to advise on the protection of children from harm**

64. This Authority has determined the local Safeguarding Children Board as the body competent to advise on the protection of children from harm.

65. The principles that this Authority has applied in designating the competent body are:

- The need for the body to be responsible for the area we cover
- The need for the body to be able to provide professional expert opinion
- The need to ensure accountability, through being answerable to elected members rather than any particular interest group

## Interested parties

66. S.158 of the Act defines interested parties. To accept a representation from an interested party, this Authority must take the view that the person:
- Lives sufficiently close to the premises to be affected by the authorised activities
  - Has business interests that might be affected by the authorised activities
  - Represents persons in either of these two groups
67. When determining whether a person ‘lives sufficiently close to the premises’ this Authority will take the following factors into account:
- The size of the premises
  - The nature of the premises
  - The distance of the premises from the location of the person making the representation
  - The potential impact of the premises such as the number of customers, routes likely to be taken by those visiting the establishment
  - The circumstances of the person who lives close to the premises. This is not their personal characteristics, but their interests which may be relevant to the distance from the premises
68. When determining whether a person has business interests that might be affected by the authorised activities this Authority will recognise that the ‘demand test’ from previous legislation does not apply and, therefore, that view that an application provides competition to an existing local business will not be considered sufficient reason for a representation. In establishing that a relevant business is likely to be affected, factors that are likely to be relevant include:
- The size of the premises
  - The ‘catchment’ area of the premises, that is, how far people travel to visit the premises
  - Whether the person making the representation has business interests in that catchment area that might be affected
69. Interested parties can be people who are democratically elected, such as councillors and MPs. Other representatives might include bodies such as trade associations, trade unions and residents’ and tenants’ associations. A school head or governor might act in the interests of pupils or parents and a community group might represent vulnerable people living near to the proposed premises.

70. Aside from democratically elected persons, this Authority will satisfy itself on a case by case basis that a person does represent interested parties, and will request written evidence to support this where necessary. A letter from the interested person being represented would be sufficient.
71. This Authority will only consider 'relevant' representations, i.e. representations that relate to the licensing objectives or to issues that are raised within this statement of policy. Any representation that is considered to be 'frivolous' or 'vexatious'. Relevant considerations in interpreting these phrases may include:
- Who is making the representation and whether there is a history of making representations that are not relevant
  - Whether or not it raises a 'relevant' issue
  - Whether it raises issues that are specifically to do with the premises that are the subject of the application under consideration

#### **Definition of premises & split premises**

72. This Authority notes that the Act defines 'premises' as including 'any place' and that s.152 of the Act prevents more than one premises licence applying to any place.
73. It is understood that there is no reason, in principle, why a single building could not be subject to more than one premises licence, provided the licences are issued in respect of different parts of a building that can be reasonably regarded as being different premises. However, this Authority will give very close attention to any application which proposes to sub-divide a single building or plot.
74. Whether different parts of premises can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the proposed division is likely to be a matter for discussion.
75. This Authority does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises. If the premises are located within a larger venue, this Authority will require a plan of the venue on which the premises should be identified as a separate unit.
76. Each application will be considered upon its own merits. However, in cases where this Authority considers that a proposal is intended to create separate premises with additional gaming machine entitlement and this impacts upon the licensing

objectives, then this Authority will not automatically grant a licence even where the mandatory conditions relating to access between premises are observed.

### **Multi-activity premises**

77. This Authority will also take particular care in considering applications for multiple premises for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular,

- Premises must be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not 'drift' into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit
- Customers should be able to participate in the activity named on the premises licence

78. In determining whether two or more proposed premises are truly separate, this Authority will consider factors which could assist in making their decision, including

- Is a separate registration for business rates in place for the premises?
- Is the premises' neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

### **Provisional statements and applications for premises licences requiring works or right to occupy**

79. A premises licence, once it comes into effect, authorises a premises to be used for gambling. Accordingly, a licence to use premises for gambling will only be issued in relation to premises that the Authority can be satisfied are going to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use. S204 of the Act provides for potential operators to apply for a provisional statement that he / she

- Expects to be constructed
- Expects to be altered; or
- Expects to acquire a right to occupy.

80. However, this Authority understands that, as the Court has held in the case of *The Queen (on the application of) Betting Shop Services Ltd Vs Southend on Sea Borough Council*, operators can apply for a full premises licence in respect of premises which have still to be constructed or altered and licensing authorities are required to determine such applications on their merits. In such cases, this Authority will consider such applications in two stages:

- Firstly, whether as a matter of substance after applying the principles in s153 of the Act, the premises ought to be permitted to be used for gambling
- Secondly, in deciding whether or not to grant the application this Authority will need to consider if appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place. This Authority is entitled to consider that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

### **Standards of management**

81. This Authority expects all licensed operators to strive to achieve the highest standards of premises management across all facilities for gaming and betting within Barking and Dagenham.

82. To this end, premises management are expected to have an excellent and in depth knowledge of relevant gambling law and regulations, and be able to demonstrate a full understanding of the importance of social responsibility provisions and the need to provide adequate protection of children and vulnerable people.

83. All customer-facing staff in licensed premises should also have sufficient understanding and knowledge to tackle risks associated with gambling and how to promote responsible gambling.

84. As working in gambling establishments can also carry risks for the staff involved, it is expected that adequate staffing provision is maintained at all times and that incidents of lone working especially late at night, should be minimised. All working practices should be covered by appropriate risk-assessments.

85. Additionally, full record of all incidents, actions and interventions should be maintained at all times and made available for inspection at the premises.

**The first licensing objective – Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime**

86. This Authority recognises that the Commission takes a lead role in preventing gambling from being a source of crime and will have investigated issues of suitability under the process for an Operators Licence.
87. However, the location of a premises is an important factor when determining a premises licence application and so this Authority will pay particular attention to the location of gambling premises and the level of local crime. Where an area has high levels of organised crime, careful consideration will be given to whether it is appropriate for gambling premises to be located there and, if so, what conditions may be necessary to minimise the risk of crime.
88. However, operators should also be aware of and take into account, issues of lower level crime and anti-social behaviour.
89. Licensees will be expected to demonstrate that they have given careful and adequate consideration to this objective. Where representations are received to premises licence applications under the crime and disorder objective, this Authority will also give appropriate consideration to issues such as:
- The configuration, design and layout of the premises, paying particular attention to steps taken to 'design out' crime
  - The arrangements in place to control access
  - Security arrangements within the premises, including whether CCTV is installed (or intended) and, if so, the standard of the CCTV and the positioning of cash registers
  - Training provided to staff around crime prevention measures
  - The level of staff intended to be provided at the premises, including whether door supervisors are employed
  - The arrangements for age verification checks
  - The provision of adequate sanitary accommodation
  - Steps proposed to be taken to redress the recurrence of any historical crime and disorder issues
  - Steps proposed to prevent anti-social behaviour associated with the premises, such as street drinking, litter and obstruction of the highway
  - The likelihood of any violence, public disorder or policing problems if the licence is granted



90. The above list is not exhaustive. Reference will also be had to issues raised by the local area profile detailed in section three of this policy.

91. This Authority notes the distinction between disorder and nuisance in the case of gambling premises and that disorder is intended to mean activity that is more serious and disruptive than mere nuisance. Factors to consider in determining whether a disturbance was serious enough to constitute disorder would include whether police assistance was required and how threatening the behaviour was to those who could see or hear it.

### **The second licensing objective – Ensuring that gambling is conducted in a fair and open way**

92. This Authority notes that the Commission does not expect licensing authorities to be dealing with issues of fairness and openness frequently, as these matters are likely to be subject to the provisions of the Commission issued operator and personal licences.

93. However, any suspicion raised that gambling is not being conducted in a fair and open way will be brought to the attention of the Commission for appropriate action.

### **The third licensing objective – Protecting children and other vulnerable persons from being harmed or exploited by gambling**

#### **(a) Protecting children**

94. The third licensing objective refers to protecting children from being harmed or exploited by gambling. This means preventing children from taking part in gambling and for there to be restrictions on advertising so that gambling products are not aimed at children in such a way that makes them attractive (excepting category D machines).

95. Licensees and applicants will be expected to demonstrate that they have given careful and appropriate consideration to measures intended to protect children. Where representations are received to premises licence applications under the child protection objective, this Authority will give appropriate consideration to issues such as:

- The location and supervision of entrances
- Security measures at the premises including the installation and maintenance of CCTV

- The provision of licensed door supervisors
- Arrangements for age verification
- Arrangements for segregation between gaming and non-gaming areas in premises where children are permitted
- Arrangements for supervision of machine areas in premises where children are permitted
- The provision of signage and notices

96. With limited exceptions, however, the intention of the Act is that children and young persons should not be permitted to gamble and should be prevented from entering premises which are adult-only environments. This Authority will consider whether staff will be able to adequately supervise the gambling premises to ensure this.

97. This Authority will also consider whether the structure or layout and configuration of a premises either inhibits adequate supervision of the premises or prohibits it. In such cases, an applicant for a licence should consider what proportional changes are required to mitigate this. Such changes might include:

- The positioning or relocation of staff or CCTV to enable direct lines of sight of entrances / machines
- The use of floor walkers to monitor use of machines

98. The Commission's general licence conditions and associated codes of practice include requirements as part of Operating Licences that licensees must have and put into effect social responsibility policies and procedures designed to prevent under age gambling and monitor the effectiveness of these.

99. In order that this Authority may make a proper informed judgement as to the effectiveness of these policies and procedures, it is requested that copies of the relevant documentation are submitted for consideration as part of any application for a new or varied premises licences. These will be considered upon their individual merits.

#### **(b) Protecting vulnerable adults**

100. The Act does not seek to prohibit groups of adults from gambling in the same way that it does children.

101. While the Commission does not seek to define 'vulnerable adults' it does, for regulatory purposes, assume that this group includes people who may gamble more

than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to mental health needs, learning disability or substance misuse relating to alcohol or drugs.

102. The Commission's general licence conditions and associated codes of practice include requirements as part of Operating Licences that licensees must have and put into effect policies and procedures that promote socially responsible gambling. In particular, the codes of practice place responsibilities on licensees

- To make information readily available to customers on how to gamble responsibly and how to access information about, and in respect of, problem gambling
- For customer interaction where they have a concern that a customer's behaviour may indicate problem gambling
- To participate in the national multi-operator self-exclusion scheme
- To take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling
- To take all reasonable steps to prevent any marketing material being sent to a self-excluded customer

103. In order that this Authority may make a proper informed judgement as to the effectiveness of these policies and procedures, it is requested that copies of the relevant documentation are submitted for consideration as part of any application for a new or varied premises licences. These will be considered upon their individual merits.

104. This Authority will also wish to understand the steps taken by the applicant to monitor the effectiveness of these policies and procedures.

**(c) Location**

105. Location of the premises has already been raised within this policy under the first licensing objective. However, location carries broader considerations that can potentially impact on each of the licensing objectives and beyond.

106. This Authority will give careful consideration to any application in respect of premises that are located in close proximity to:

- Schools;
- Parks, playgrounds and open spaces;
- Stations and transport hubs where large numbers of children may be expected to congregate;
- Leisure facilities, youth clubs and community centres;
- Hostels or other accommodation for vulnerable children, young persons and adults;
- Proximity of premises which may be frequented by vulnerable people such as hospitals, residential care homes, medical facilities, doctor's surgeries, council housing offices, addiction clinics or help centres, places where alcohol or drug dependant people may congregate, etc.;
- Faith premises and places of public worship (including churches, temples, mosques and other);
- Areas that are prone to issues of youths participating in anti-social behaviour, including such activities as graffiti / tagging, underage drinking etc.;
- Recorded instances of attempted underage gambling.

#### **Access to premises by children and young persons**

107. The Act restricts the circumstances under which children and young people may take part in gambling or be on premises where gambling takes place as follows:

- Casinos are not permitted to admit anyone under 18;
- Betting shops are not permitted to admit anyone under 18;
- Bingo clubs may admit those under 18 but must have policies to ensure that they do not play bingo, or play category B or C machines that are restricted to those over 18;
- Adult gaming centres are not permitted to admit those under 18;
- Family entertainment centres and premises with a liquor licence (for example pubs) can admit under 18s, but they must not play category C machines which are restricted to those over 18;
- Clubs with a club premises certificate can admit under 18s, but they must have policies to ensure those under 18 do not play machines other than category D machines;
- All tracks can admit under 18s, but they may only have access to gambling areas on days where races or other sporting events are taking place, or are expected to take place.

108. This Authority will expect applicants to offer their own proposals to achieve the licensing objectives. However, there are a range of general controls that this Authority together with the other responsible authorities would recommend

- The use of proof of age schemes;
- The direct supervision of entrances to the premises and the machine areas;
- The installation of CCTV systems with the 31-day library of recording maintained;
- Provision of suitable notices / signage explaining admission restrictions;
- Setting and publicising specific opening hours.

### **Challenge 25**

109. All premises should operate a proof of age compliance scheme. This Authority recommends that any proof of age scheme should be based on the principles of 'Challenge 25' and should involve

- Persons appearing to staff to be under the age of 25 attempting to enter the premises or take part in gambling activities should be required to produce valid age identification (comprising any PASS accredited card or passport or driving licence) before being admitted or being allowed to take part;
- The reinforcement of this practice by appropriate signage displayed at the entrance to the premises and upon the premises;
- All staff to be trained in the premises proof of age compliance scheme and records of the training given to be retained on the premises and made available for inspection by authorised officers;
- The use of an incident log book to record details of all age-related refusals. The log should be reviewed monthly by the nominated responsible member of staff and any actions taken recorded in the book and signed off by that member of staff. This log shall be retained on the premises and made available for inspection by authorised officers;
- Where a CCTV recording system is installed inside the premises, it should be arranged so as to monitor each entrance and exit and the gaming areas. A library of recordings taken by the system shall be maintained for 31 days and made available to authorised officers upon request.

### **Restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children**

110. This Authority notes that the Commission's Licence Conditions and Codes of Practice require all advertising of gambling products to be undertaken in a socially responsible manner. Advertising of gambling products should comply with the

advertising codes of practice issued by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) which apply to the form and media in which they advertise their gambling facilities or services. Licensees should also follow any relevant industry code of practice on advertising, notably the Gambling Industry Code for Socially Responsible Advertising.

111. This authority understands that the following general principles apply to advertising:

- Must be legal and not misleading;
- Must not encourage irresponsible or excessive gambling;
- Must take care not to exploit children and other vulnerable persons in relation to gambling activity; and
- Should not be specifically and intentionally be targeted towards people under the age of 18 through the selection of media, style of presentation, content or context in which they appear.

112. This authority may accept that further conditions on this matter should not normally be necessary, but all issues of non-compliance with the code will be rigorously investigated and reported to the relevant authorities.

### **Casinos**

113. S.166(1) of the Act states that a licensing authority may resolve not to issue casino premises licence. This Authority has not passed such a resolution but it is aware of the power to do so. Should this Authority decide in the future to pass such a resolution, this Statement of Policy will be updated. Any such decision must be taken by the full Council Assembly.

### **Bingo**

114. A holder of a bingo licence is able to offer bingo in all its forms. Children and young persons are permitted in bingo premises, but may not participate in the bingo. As children and young persons may be present upon bingo premises, careful consideration will be given to protection of children from harm issues. Social responsibility (SR) code 3.2.5(3) states that 'licensees must ensure that their policies and practices take account of the structure and layout of their gambling premises in order to prevent under-age gambling. Where category B or C machines are available for use, these must be separated from areas where children and young people are allowed.

115. To prevent a situation where a bingo premises licence is obtained primarily to benefit from the gaming machine entitlement that it provides, this Authority will wish to satisfy itself that bingo can be played in any premises for which a licence may be granted. Particular scrutiny will be given to any application for a new licence in respect of any excluded area of existing premises.
116. In addition, young persons, aged 16 and 17, may be employed in bingo premises provided their duties are not connected with the gaming or gaming machines. This Authority will not grant licences unless the applicant demonstrates how they intend to meet this licensing objective and identify appropriate measures they will take to protect young employees.

### **Betting**

117. The Act establishes a single class of licence covering betting, although there are two types of premises that require licensing. These are for 'off course' betting and track betting. Both are licensed by the local licensing authority. This section of the policy concentrates on 'off course' betting that takes place other than at a track and includes an entitlement to provide up to four gaming machines of category B2, B3, B4, C or D, and any number of betting machines.
118. This Authority has particular concerns over the use of the B2 Fixed Odds Betting Terminals (FOBTs) within betting shops. While it is appreciated that it is permissible for a betting operator to provide solely FOBTs as their allocation of gaming machines, the high prize, high stake gaming provided enables considerable sums of money to be spent in a very short period of time. In the light of this, this Authority must be satisfied that the primary use of the premises is to operate as betting premises. An applicant will be expected to demonstrate that they can offer sufficient facilities for betting.
119. Where Fixed Odds Betting Terminals (FOBTs) are provided, these gaming machines should be located within direct line sight of the supervised counter. Information leaflets and posters shall be provided in close proximity to the location of any FOBTs. These should be aimed at customers / families / friends, and provide information on how to identify signs of problem gambling and available pathways to advice and assistance (e.g. helpline numbers and online counselling services).
120. Where the local area profile identifies any relevant local risk of gambling related harm, operators should consider additional protections for the vulnerable. These could include

- Removing Automated Teller Machines (ATMs) from the betting office;
  - Restricting FOBTs to account based play.
121. Licensed betting premises are only permitted to offer gambling facilities between 0700 and 2200 hours, unless the local authority has agreed an extension of operating hours. This Authority is also concerned that longer operating hours may attract the more vulnerable, such as those who may be intoxicated or have gambling addictions. Consequently, this Authority is unlikely to grant any extension of operating hours unless it is satisfied that robust measures will be in place to protect the vulnerable.
122. Children and young persons are not permitted to enter licensed betting premises. Social Responsibility (SR) Code 3.2.7(3) in the Licence Conditions and Codes of Practice (LCCP) states that 'licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises' in order to prevent under-age gambling.
123. As per the Commission's Guidance, this Authority will wish to consider restricting the number and location of betting machines in respect of applications for betting premises licences. The council when considering the number/ nature/ circumstances of betting machines an operator wants to offer will follow the Gambling Commission's Guidance and take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines.
124. This Authority will also have regard to the local area profile set out in section three of this policy and to the risk-assessment compiled in response to it.

### **Track betting**

125. S.353 of the Act defines a track as a horse racecourse, greyhound track or other premises on any part of which a race or other sporting event takes place or is intended to take place.
126. Tracks may be subject to more than one premises licence, as long as each licence applies to a specific area of the track. Children and young people are able to enter track areas when facilities for betting are provided on days when dog racing or horse racing takes place. This exemption does not extend to other adult only areas.



127. This Authority will expect an applicant to demonstrate that they will put suitable measures in place to ensure that children do not have access to adult-only gaming facilities.

### **Adult gaming centres**

128. Adult gaming centres (AGCs) premises licences allow the holder of the licence to make gaming machines available for use on the premises. Persons operating an AGC must hold a gaming machines general operating licence from the Commission and must seek a premises licence from the licensing authority. The holder of an adult gaming centre premises licence that was issued prior to the 13th July 2011 is entitled to make available four category B3/B4 gaming machines, or 20% of the total number of gaming machines, whichever, is the greater. An AGC premises licence granted after the 13th July 2011 may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises and any number of category C or D machines.
129. Gaming machines provide a form of gambling which is attractive to children and AGC's will contain machines of a similar format to the Category D machines on which children are allowed to play. However, no-one under the age of 18 is permitted to enter an AGC and applicants must be aware of the location of and entry to AGC's to minimise the opportunities for children to gain access.
130. As gaming machines provide opportunities for solitary play and immediate payouts, they are more likely to encourage repetitive and excessive play. The council in considering premises licences will specifically have regard to the third licensing objective.
131. The council will expect applicants to offer their own measures to meet the licensing objectives; however appropriate measures / licence conditions may cover issues such as
- Proof of age schemes
  - CCTV
  - Entry control system
  - Supervision of entrances/ machine areas
  - Physical separation of areas
  - Location of entry
  - Notices/ signage
  - Specific opening hours
  - Self-barring schemes for individuals to bar themselves from premises

- Provision of information leaflets/ helpline numbers for organisations such as GamCare.

### **Licensed family entertainment centres**

132. The Act creates two classes of family entertainment centre (FEC). This part of the policy concerns licensed FECs. Unlicensed FECs are dealt with in Section 5. Persons operating a licensed FEC must hold a 'gaming machine general operating licence (Family Entertainment Centre)' from the Commission and a premises licence from the relevant licensing authority. They are able to make category C and D gaming machines available.
133. This Authority may only grant a permit if satisfied that the premises will be wholly or mainly used for making gaming machines available.
134. Children and young persons are permitted to enter an FEC and may use category D machines. They are not permitted to use category C machines and it is a requirement that there must be clear segregation between the two types of machine, so that under-18s do not have access to them. Social Responsibility (SR) code 3.2.5(3) in the Licence Conditions and Codes of Practice (LCCP) states that 'licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises' in order to prevent underage gambling. Mandatory conditions apply to FEC premises licences regarding the way in which the area containing the category C machines should be set out, detailed in Appendix C.
135. In determining any application for a permit this Authority will have regard to the licensing objectives will expect the applicant to show that there are policies and procedures in place to protect children from harm, relating not just from gambling but also wider child protection considerations, including the risk of child sexual exploitation. The efficiency of such policies and procedures will be considered on their merits. However, the Authority would anticipate these would include measures / training for staff on
- Appropriate action regarding suspected truanting school children on the premises;
  - Dealing with unsupervised very young children being on the premises, or children causing perceived problems on or around the premises;
  - Staff training on the maximum stakes and prizes.

136. SR 3.2.5(2) requires operators to ensure that employees prevent access and challenge children or young persons who attempt use category C machines. It is strongly recommended that licensing authorities ensure that staffing and supervision arrangements are in place to meet this requirement both at application stage and at subsequent inspections.

#### **Premises licence reviews**

137. S.200 of the Act provides that licensing authorities may initiate a review in relation to a particular premises licence or a class of premises licence.
138. In relation to a class of premises, a licensing authority may review the use made of premises and the arrangements that premises licence holders have made to comply with licence conditions
139. A licensing authority may review any matter connected with the use made of a premises if:
- It has reason to suspect that premises licence conditions are not being observed;
  - The premises is operating outside of the principles set out in the licensing authority's statement of policy;
  - There is evidence to suggest that compliance with the licensing objectives is at risk;
  - There is any other reason which gives cause to believe that a review may be appropriate, such as a complaint from a third party.
140. Any formal review would normally be at the end of a process of ensuring compliance by the operator(s) which might include an initial investigation by a licensing authority officer and informal mediation or dispute resolution. If the concerns are not resolved then, after a formal review, this Authority may impose additional conditions or revoke the licence.

## Section 5 – Other consents

141. The Act introduces a range of permits which are granted by licensing authorities, intended to provide a ‘light touch’ approach to low level ancillary gambling where stakes and prizes are subject to very low limits and / or gambling is not the main function of the premises.
142. This part of the policy considers the various permits that this Authority is responsible for issuing. Licensing authorities may only grant or reject an application for a permit. There is no provision for conditions to be set.

### Unlicensed family entertainment centres

143. Unlicensed family entertainment centres (uFEC) are premises which are ‘wholly or mainly’ used for making gaming machines available. UFECs are able to offer category D machines only under a gaming machine permit. Any category D machines can be made available, although other considerations, such as fire safety and health and safety, may be taken into account.
144. This Authority may only grant a permit if satisfied that the premises will be used as an uFEC and if the chief officer of the police has been consulted on the application. The permit cannot, for example, be used for an entire shopping centre.
145. In determining any application for a permit this Authority will have regard to the licensing objectives and may ask an applicant to demonstrate
- A full understanding of the maximum stakes and prizes of the gambling that is permissible in uFECs;
  - That the applicant has no relevant convictions;
  - That employees are trained to have a full understanding of the maximum stakes and prizes.
146. The Authority will also expect the applicant to show that there are policies and procedures in place to protect children from harm, relating not just from gambling but also wider child protection considerations, including the risk of child sexual exploitation. The efficiency of such policies and procedures will be considered on their merits. However, the Authority would anticipate these would include measures / training for staff on:

- Appropriate action regarding suspected truanting school children on the premises;
- Dealing with unsupervised very young children being on the premises, or children causing perceived problems on or around the premises.

**(Alcohol) Licensed premises gaming machine permits**

147. Premises licensed to sell alcohol for consumption on the premises, may automatically have 2 category C or D gaming machines. Operators only need to inform the local licensing authority.
148. This Authority may remove the automatic authorisation in respect of any particular premises in its area if
- Provision of the machine is not reasonably consistent with the pursuit of the licensing objectives;
  - Gaming has taken place on the premises that breaches a condition of s282 of the Act i.e. that
    - Written notice has been provided to the Authority
    - A fee has been paid
    - Any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with;
  - The premises are mainly used for gaming; or
  - An offence under the Gambling Act has been committed on the premises.
149. Where an operator wishes to have more than 2 gaming machines on their premises, a permit must be obtained. This Authority will consider each application based on the licensing objectives; any Guidance issued by the Commission under s25 of the Act; and 'such matters' as it thinks relevant, considered on a case by case basis.
150. This Authority will have particular regard to the need to protect children and vulnerable persons from harm or being exploited by gambling, or at risk of child sexual exploitation. This Authority will expect the applicant to satisfy it that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. As a minimum, this Authority will expect that machines are situated in sight of the bar, or within the sight of staff that are able to adequately monitor that the machines are not being used by those under 18. Notices and signage may also assist. With regard to the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for customers who may have a gambling addiction, from organisations such as GamCare.

151. The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machines.

### **Temporary use notices**

152. A Temporary Use Notice (TUN) may be used to allow premises such as hotels, conference centres or sporting venues to be used temporarily for providing facilities for gambling.
153. TUNs are controlled by s214-235 of the Act and the Gambling Act (Temporary Use Notices) Regulations 2007 and are subject to restrictions.
154. Currently, Temporary Use Notices can only be used to permit the provision of facilities for equal chance gaming, where the gaming is intended to produce a single overall winner.
155. This licensing authority, in considering applications for Temporary Use Notices, will consider whether gambling should take place, or should only take place with modifications to the TUN. In doing so, the licensing authority will consider:
- The suitability of the premises;
  - The location of the premises, paying particular attention to its proximity to any schools, hostels or other sensitive premises;
  - The CCTV coverage within the premises;
  - The ability of the premises to provide sufficient staff and/or licensed door supervisors for the notice period;
  - Whether the premises or the holder of the operating licence have given the council any cause for concern at previous events in relation to the licensing objectives, the guidance issued by the Commission, the relevant code of practice or this statement of principles.

### **Occasional use notices**

156. S39 of the Act provides that where there is betting on a track for 8 days or fewer in a calendar year, betting may be permitted by an Occasional Use Notice (OUN) without the need for a premises licence. The intention is to allow licensed betting operators with appropriate permission from the Commission to use tracks for short periods for conducting betting, where the event upon which the betting is to take place is of a temporary, infrequent nature.

157. The process for OUNs is different from TUNs. This Authority has very little discretion within the OUN process, aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded.
158. This Authority will, however, consider the definition of a “track” and will require the applicant to demonstrate that they are responsible for the administration of the “track” or are an occupier, and therefore permitted to avail themselves of the notice.

### **Prize gaming permits**

159. “Prize gaming” is where the nature and size of the prize is not determined by the number of people playing or the amount paid for or raised by the gaming. Normally the prizes are determined by the operator before play commences. Prize gaming may take place without a permit in various premises. These are casinos, bingo halls, adult gaming centres, licensed and unlicensed family entertainment centres and travelling fairs.
160. Given that the prize gaming will particularly appeal to children and young persons, this licensing authority will give weight to child protection issues. The applicant will be expected to set out the types of gaming that they are intending to offer and will also be expected to demonstrate:
- An understanding of the limits to stakes and prizes set out in regulations;
  - That the gaming offered is within the law;
  - That clear policies exist that outline the steps to be taken to protect children from harm.
161. The council will only grant a permit after consultation with the chief officer of police. This will enable the licensing authority to determine the suitability of the applicant; the suitability of the premises in relation to their location; and issues about disorder.
162. While there are conditions set out in the Act with which the permit holder must comply, the council cannot attach conditions. The Act requires that:
- The limits on participation fees, as set out in regulations, must be complied with;
  - All chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played.

### **Club gaming and club machine permits**

163. Members clubs and Miners' welfare institutes (but not commercial clubs) may apply for a club gaming permit or a club machine permit. Commercial clubs may apply for a club machine permit. The club gaming permit will enable the premises to provide gaming machines (three machines of categories B, C or D), equal chance gaming, and games of chance as set out in regulations. A club machine permit will enable the premises to provide gaming machines (three machines of categories B4, C or D).

164. A club must meet the following criteria to be considered a members' club:

- It must have at least 25 members;
- It must be established and conducted wholly or mainly for purposes other than gaming (unless the gaming is permitted by separate regulations);
- It must be permanent in nature;
- It must not be established to make a commercial profit;
- It must be controlled by its members equally.

165. Examples of these include working men's clubs, branches of the Royal British Legion and clubs with political affiliations.

166. This Authority may only refuse an application on the grounds that:

- The applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- The applicant's premises are used wholly or mainly by children and/ or young persons;
- An offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- A permit held by the applicant has been cancelled in the previous ten years; or
- An objection has been lodged by the Commission or the police.

167. There is also a "fast-track" procedure available under the Act for premises which hold a club premises certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which a council can refuse a permit are reduced. The grounds on which an application under this process may be refused are:



- That the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- That in addition to the prescribed gaming, the applicant provides facilities for other gaming;
- That a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.

168. There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

## Section 6 – Small Society Lotteries

169. Under the Act, a lottery is unlawful unless it runs with an operating licence or is an exempt lottery. The Licensing Authority will register and administer small society lotteries (as defined). Promoting or facilitating a lottery will fall within 2 categories:

- licensed lotteries (requiring an operating licence from the Gambling Commission); and
- exempt lotteries (including small society lotteries registered by the Licensing Authority)

170. Exempt lotteries are lotteries permitted to run without a licence from the Gambling Commission and these are:

- small society lotteries
- incidental non-commercial lotteries
- private lotteries
- private society lotteries
- work lotteries
- residents' lotteries
- customer lotteries

171. Societies may organise lotteries if they are licensed by the Gambling Commission or fall within the exempt category. This Authority recommends those seeking to run lotteries take their own legal advice on which type of lottery category they fall within. Guidance notes on small society lotteries, limits placed on them and information setting out financial limits can be found on the Gambling Commission web-site at:

<http://www.gamblingcommission.gov.uk/Gambling-sectors/Lotteries/Lotteries-raffles.aspx>

172. Applicants for registration of small society lotteries must apply to the Licensing Authority in the area where their principal office is located. If application is wrongly made to this Authority the Society will be informed as soon as possible and where possible, we will inform the other Licensing Authority.

173. Lotteries will be regulated through a licensing and registration scheme, conditions imposed on licences by the Gambling Commission, codes of practice and any guidance issued by the Gambling Commission. In exercising its functions with regard

to small society and exempt lotteries, this Authority will have due regard to the Gambling Commission's guidance.

174. This Authority will keep a public register of all applications and will provide information to the Gambling Commission on all registered lotteries. As soon as the entry on the register is completed, the applicant will be informed. In addition, this Authority will make available for inspection by the public the financial statements or returns submitted by societies in the preceding 18 months and will monitor the cumulative totals for each, to ensure the annual monetary limit is not breached. If there is any doubt, the Gambling Commission will be notified in writing.
175. This Authority will refuse applications for registration if in the previous five years, either an operating licence held by the applicant for registration has been revoked, or an application for an operating licence made by the applicant for registration has been refused.
176. This Authority may also refuse an application for registration if in its opinion:
- The applicant is not a non-commercial society;
  - A person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence; or
  - Information provided in or with the application for registration is false or misleading.
177. Applicants must set out the purposes for which the Society is established and will be asked to declare that they represent a bona fide non-commercial society and have no relevant convictions. Further information may be sought from the Society.
178. Where this Authority intends to refuse registration of a Society, it will give the Society an opportunity to make representations and will inform the Society of the reasons why it is minded to refuse registration, and supply evidence on which it has reached that preliminary conclusion.
179. This Authority may revoke the registered status of a Society if it thinks that it would have had to, or would be entitled to, refuse an application for registration if it were being made at that time. However, no revocations will take place unless the Society has been given the opportunity to make representations. The Society will be informed of the reasons why it is minded to revoke the registration and will provide an outline of the evidence on which it has reached that preliminary conclusion.

180. Where a Society employs an external lottery manager, it will need to satisfy itself that the manager holds an operator's licence issued by the Gambling Commission, and this Authority will expect this to be verified by the Society.

## **Section 7 – Enforcement**

### **Good practice in regulation**

181. The Legislative and Regulatory Reform Act 2006, places a legal duty on any person exercising a specified regulatory function to have regard to the statutory principles of good regulation in the exercise of the function. These provide that regulatory activities should be carried out in a way which is transparent, accountable, proportionate, and consistent and should be targeted only at cases in which action is needed.
182. This Authority will have full regard to these principles when carrying out any regulatory activity and to the requirements of the Regulators' Code. The purpose of the Code is to promote efficient and effective approaches to regulatory inspection and enforcement which improve regulatory outcomes without imposing unnecessary burdens on business.

### **Enforcement policy**

183. These principles are reflected within the Barking and Dagenham Regulatory Services' Enforcement Policy for 2016-2020, which was prepared in consultation with relevant stakeholders. The policy sets out the Council's approach to enforcement; through education, compliance and enforcement. These core standards cover all aspects of enforcement delivered by the Council. A copy of the enforcement policy may be obtained upon request to the licensing service (see contact details in appendix A).
184. As well as ensuring that all enforcement activity is proportionate, consistent, transparent and accountable, the policy also requires that activity is targeted primarily on those activities and premises which give rise to the most serious risks or where hazards are least well controlled. This will be informed by an intelligence led approach. Regard will also be had to the local area profile set out in this policy.
185. This risk-assessed approach will also be taken to inspections of premises, so as to ensure that high risk premises requiring greater levels of attention will be targeted while low risk premises will receive a lighter touch. Premises will be assessed on the basis of:
- The type and location of the premises;
  - The past operating history of the operator;
  - The confidence in management;

- The arrangements in place to promote the licensing objectives.

186. Where appropriate, this Authority will work with other responsible authorities to promote the licensing objectives through enforcement. Compliance will normally be sought through early engagement, mediation, education and advice. In cases where this is not possible, officers will seek to achieve compliance through the most appropriate route having regard to all relevant matters.

187. When a decision of whether or not to prosecute is being made then this Authority will follow the principle criteria from the Guidance in the Code for Crown Prosecutor's which requires the two main tests:

- Whether the standard of evidence is sufficient for a realistic prospect of conviction;
- Whether a prosecution is in the public interest.

## Appendix A – Contact details

### The Responsible Authorities

Responsible authority	Contact details
Licensing Department, London Borough of Barking and Dagenham	Pondfield House, 100 Wantz Road Dagenham, Essex, RM10 8PP Email: <a href="mailto:licensing@lbbd.gov.uk">licensing@lbbd.gov.uk</a>
Police Licensing	Andrew O'Connor, Corinne Holland Police Licensing Officers, Dagenham Police Station, 561 Rainham Road South, Dagenham RM10 7TU Email: <a href="mailto:andrew.o'connor@met.pnn.police.uk">andrew.o'connor@met.pnn.police.uk</a> <a href="mailto:corinne.holland@met.pnn.police.uk">corinne.holland@met.pnn.police.uk</a>
Planning and Development Control	FAO Group Manager Planning Department, Barking Town Hall, 1 Town Square, Barking IG11 7LU Email: <a href="mailto:planning@lbbd.gov.uk">planning@lbbd.gov.uk</a>
Child Protection	FAO Sonia Drozd Child Protection Team, 3rd Floor, Roycraft House, 15 Linton Road, Barking IG11 8HE Email: <a href="mailto:sonia.drozd@lbbd.gov.uk">sonia.drozd@lbbd.gov.uk</a>
Environmental Health	Noise and Environmental Protection Housing and Enforcement Services, Roycraft House, 15 Linton Road, Barking IG11 8HE Email: <a href="mailto:eyesoreandpublichealth@lbbd.gov.uk">eyesoreandpublichealth@lbbd.gov.uk</a>
Gambling Commission	Victoria Square House, Victoria Square, Birmingham B2 4BP Email: <a href="mailto:info@gamblingcommission.gov.uk">info@gamblingcommission.gov.uk</a> Tel: 0121 230 6666
HM Revenue and Customs	Greenock Accounting Centre, Custom House, Custom House Quay, Greenock PA15 1EQ
London Fire Brigade	Team Leader for Barking and Dagenham Fire Safety Regulation – North, 169 Union Street, London, SE1 0LL Email: <a href="mailto:fsr-adminsupport@london-fire.gov.uk">fsr-adminsupport@london-fire.gov.uk</a>

## **Appendix B - List of persons who were consulted in the preparation of this policy**

### **Statutory Consultees**

- The chief officer of police for the authority's area
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Act

### **Other**



## **Appendix C – Mandatory & Default Licence Conditions**

### **Mandatory conditions**

#### **A. All Premises**

The following mandatory conditions apply to all premises licences:

- The summary of the terms and conditions of the premises licence issued by the licensing authority must be displayed in a prominent place on the premises
- The layout of the premises must be maintained in accordance with the plan that forms part of the premises licence
- Neither National Lottery products nor tickets in a private or customer lottery may be sold on the premises.

#### **B. Bingo Premises**

- A notice stating that no person under the age of 18 years is permitted to play bingo on the premises shall be displayed in a prominent place at every entrance to the premises.
- No customer shall be able to enter bingo premises directly from a casino, an adult gaming centre or betting premises (other than a track).
- Over 18 areas within bingo halls that admit under-18s must be separated by a barrier with prominently displayed notices stating that under-18s are not allowed in that area and with adequate supervision in place to ensure that children and young people are not able to access these areas or the category B or C machines. Supervision may be done either by placing the terminals within the line of sight of an official of the operator or via monitored CCTV.
- Any admission charges, the charges for playing bingo games and the rules of bingo must be displayed in a prominent position on the premises. Rules can be displayed on a sign, by making available leaflets or other written material containing the rules, or running an audio-visual guide to the rules prior to any bingo game being commenced.
- Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.

### **C. Betting Premises**

- A notice shall be displayed at all entrances to the betting premises stating that no person under the age of 18 will be admitted. The notice should be clearly visible to people entering the premises.
- There must be no access to betting premises from other premises that undertake a commercial activity (except from other premises with a betting premises licence including tracks). Except where it is from other licensed betting premises, the entrance to a betting shop should be from a street (defined as including any bridge, road, lane, footway, subway, square, court, alley or passage – including passages through enclosed premises such as shopping centres – whether a thoroughfare or not).
- Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to leave any gaming machine or self-service betting terminal (SSBT) in order to do so.
- No apparatus for making information or any other material available in the form of sounds or visual images may be used on the licensed premises, except where used to communicate:
  - Information about or coverage of sporting events, including information relating to betting on such events (and incidental information including advertisements)
  - Information relating to betting (including results) on any event in connection with which bets may have been affected on the premises.
  - Betting operator-owned TV channels are permitted.
- No music, dancing or other entertainment is permitted on betting premises. This includes any form of entertainment such as apparatus producing sound or visual images which do not fall within paragraph 19.15 or machines which do not come within the categories of machine explicitly allowed in betting premises under s.172(8) of the Act.
- The consumption of alcohol on the premises is prohibited during any time which facilities for gambling are being provided on the premises.
- The only publications that may be sold or made available on the premises are racing periodicals or specialist betting publications.
- A notice setting out the terms on which a bet may be placed must be displayed in a prominent position on the premises.

### **D. Adult gaming centres**

- A notice must be displayed at all entrances to AGCs stating that no person under the age of 18 years will be admitted to the premises.

- There can be no direct access between an AGC and any other premises licensed under the Act or premises with a family entertainment centre (FEC), club gaming, club machine or alcohol licensed premises gaming machine permit. There is no definition of 'direct access' in the Act or regulations, although licensing authorities may consider that there should be an area separating the premises concerned, such as a street or cafe, which the public go to for purposes other than gambling, for there to be no direct access.
- Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.
- The consumption of alcohol in AGCs is prohibited at any time during which facilities for gambling are being provided on the premises. A notice stating this should be displayed in a prominent place at every entrance to the premises.

#### **E. Licensed family entertainment centres**

- The summary of the terms and conditions of the premises licence issued by the licensing authority under s.164(1)(c) of the Act must be displayed in a prominent place within the premises.
- The layout of the premises must be maintained in accordance with the plan.
- The premises must not be used for the sale of tickets in a private lottery or customer lottery, or the National Lottery.
- No customer shall be able to enter the premises directly from a casino, an adult gaming centre or betting premises (other than a track). There is no definition of 'direct access' in the Act or regulations, but licensing authorities may consider that there should be an area separating the premises concerned, such as a street or cafe, which the public go to for purposes other than gambling, for there to be no direct access.
- Any ATM made available for use on the premises must be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so.
- Over-18 areas within FECs that admit under-18s, must be separated by a barrier with prominently displayed notices at the entrance stating that under-18s are not allowed in that area and with adequate supervision in place to ensure that children and young persons are not able to access these areas or the category C machines. Supervision may be done either by placing the terminals within the line of sight of an official of the operator or via monitored CCTV.

- The consumption of alcohol in licensed FECs is prohibited at any time during which facilities for gambling are being provided. A notice stating this should be displayed in a prominent position on the premises.

### **Default Licence Conditions**

#### **A. Bingo Premises**

- Bingo facilities in bingo premises may not be offered between the hours of midnight and 9am. However, there are no restrictions on access to gaming machines in bingo premises.

#### **B. Betting Premises**

- Gambling facilities may not be offered in betting premises between the hours of 10pm on one day and 7am on the next day, on any day.

## Appendix D – References

### **The Gambling Act 2005 -**

[http://www.legislation.gov.uk/ukpga/2005/19/pdfs/ukpga\\_20050019\\_en.pdf](http://www.legislation.gov.uk/ukpga/2005/19/pdfs/ukpga_20050019_en.pdf)

### **The Gambling Commission’s Guidance to Local Licensing Authorities (5<sup>th</sup> Edition) -**

<http://www.gamblingcommission.gov.uk/for-licensing-authorities/GLA/Guidance-to-licensing-authorities.aspx>

### **Gambling Commission Licence Conditions and Codes of Practice (October 2016) -**

<http://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/LCCP/Licence-conditions-and-codes-of-practice.aspx>

**Health Survey for England 2015** – Published by [NHS Digital](#) (formerly the NHS Information Centre). Chapter on Gambling commissioned by the Gambling Commission. Due for publication Spring 2017. <http://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Levels-of-participation-and-problem-gambling/Levels-of-problem-gambling-in-England.aspx>

### **Barking and Dagenham Key Population and Demographic Facts 2016 -**

<https://www.lbbd.gov.uk/council/statistics-and-data/census-information/key-population-demographic-facts/>

**Human Rights Act 1998 -** <http://www.legislation.gov.uk/ukpga/1998/42/contents>

**Data Protection Act -** <https://www.gov.uk/data-protection/the-data-protection-act>

### **Betting Shop Services Ltd Vs Southend on Sea Borough Council – Royal Courts of Justice at The Strand, London (14 January 2008) -**

[http://www.licensingresource.co.uk/sites/all/files/ga2005/southend\\_on\\_sea.pdf](http://www.licensingresource.co.uk/sites/all/files/ga2005/southend_on_sea.pdf)

### **The Legislative and Regulatory Reform Act 2006 -**

<http://www.legislation.gov.uk/ukpga/2006/51/contents>

### **Regulators’ Compliance Code 2014 -**

<https://www.gov.uk/government/publications/regulators-code>

### **Barking and Dagenham Enforcement Policy 2016 -**

<https://www.lbbd.gov.uk/council/priorities-and-strategies/council-policies/regulatory-services-policies/regulatory-services-enforcement-policy/>

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## CABINET

25 April 2017

<b>Title:</b> Contract for the Provision of Supported Accommodation for Older People	
<b>Report of the Cabinet Member for Social Care and Health Integration</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> Yes
<b>Report Author:</b> Arabjan Iqbal, Integrated Commissioning Manager	<b>Contact Details:</b> Tel: 020 8227 5731 E-mail: <a href="mailto:Arabjan.iqbal@lbbd.gov.uk">Arabjan.iqbal@lbbd.gov.uk</a> .
<b>Accountable Director:</b> Mark Tyson, Commissioning Director, Adults' Care and Support.	
<b>Accountable Strategic Director:</b> Anne Bristow, Strategic Director, Service Development and Integration	
<b>Summary:</b>	
<p>'Extra Care' enables people to live as independently as possible in self-contained homes alongside communal living facilities, with access to support 24 hours per day. Extra care housing is a form of specialist housing which sits between sheltered accommodation and residential care. Sheltered accommodation does not offer the same level of care as an extra care scheme, with residents only receiving support from a warden who is usually only on-site for a limited number of hours a day. Residential and nursing care is designed for people whose care needs mean that they are unable to live independently, requiring a higher level of support, such as 24 hour, 'round the clock' care and medication administration.</p> <p>Extra care is commissioned externally as part of the council's older people's supported accommodation provision and is delivered over four schemes in the Borough, namely: Colin Pond Court, Harp House, Darcy House and Fred Tibble Court. The care and support contract at the four schemes is currently provided by Triangle Community Services. Two different Registered Social Landlords (RSLs) manage the four externally commissioned schemes, one for Colin Pond Court and a different housing association for Darcy House, Fred Tibble Court and Harp House.</p> <p>The current contract value is £1,333,980 per annum and is due to expire on 31st October 2017 with no option for extension. A saving of £70,000 has been identified against the budget for this service which it is intended to deliver through the retender process.</p>	

## Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a contract for the provision of Extra Care Accommodation in accordance with the strategy set out in the report;
- (ii) Agree, subject to the outcome of a service user and carer consultation, to procuring the Extra Care provision at either:
  - (a) three of the existing schemes (Harp House, Darcy House and Fred Tibble Court), or
  - (b) at all four schemes (Harp House, Darcy House, Fred Tibble Court and Colin Pond Court),
- (iii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Strategic Director for Growth and Homes, the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to conduct the procurement and enter into the contract with the successful bidder(s) in accordance with the strategy set out in the report.

## Reason(s)

The procurement exercise will ensure compliance with the Council's Contract Rules and EU Legislation and ensure continued service provision beyond the contract end date of 31 October 2017.

The re-tender of the service will bring the Extra Care offer in line with the Growth Commission report and the Corporate Vision. Re-commissioning of the Extra Care schemes will help to deliver the vision of "One Borough; one community; London' Growth Opportunity" in the following ways:

- i. **Encouraging Civic Pride** – Extra care services enable people to remain in a property which is their own home. This is an essential part of promoting a welcome, safe and resilient community for Barking & Dagenham residents. It should also be viewed as an integral part of helping residents to shape their quality of life. The services delivered by Extra Care schemes will help residents to take control of their own health and well-being whilst reducing their need for residential care. The successful providers will be required to organise a range of activities with the residents to help build a cohesive and respectful community amongst the schemes.
- ii. **Enable Social Responsibility** – Extra Schemes help to protect some of our most vulnerable adults, keeping them healthy and safe whilst ensuring they have access to good quality health care when required.
- iii. **Growing the Borough** – The proposed model will result in the residents of the Extra Care Schemes remaining in high quality accommodation whilst maintaining the economic sustainability of the service. The provider will also enable opportunities for local people to access employment and upskill themselves.



## **1. Introduction and Background**

- 1.1 'Extra care' are housing developments that comprise of self-contained homes with design features and support services available to enable self-care and independent living. The schemes have communal facilities such as lounges and laundry rooms and offer 24-hour care and support to those who require it, alongside an activity programme which is often co-produced with the residents. It is one form of specialist housing which sits in between sheltered accommodation, which offers some low-level support but not on a 24-hour basis, and residential care homes which cater for people with high needs who may require 'round the clock' care.
- 1.2 The role of extra care housing is important when looking at the needs of the current and future older people's population. ONS population projections show that the older people's population will remain stable until 2021, with the population of over 65s remaining at approximately 9% of the total population of the borough, (20,900 by 2021). After which there will be a progressive increase in the older population, with the Black and Minority Ethnic (BME) population making up 30% of the Older People's population by 2030. Along with the population projections consideration is also given to the low healthy life expectancy at aged 65 for residents in the borough, with men having a life expectancy of 17.2 years of which 8.1 years is the healthy life expectancy, and females over 65 who have a slightly higher life expectancy of 20.2 years but a significantly lower (as a proportion of remaining life) healthy life expectancy of 8.7 years. Extra care housing can therefore play a significant part in catering for this population, particularly in ensuring that older people can stay active, live independently and in the community for as long as possible, and prevent and delay the need for individuals to go into hospital or residential care settings.
- 1.3 A much longer-term piece of work is currently being undertaken to look at the future of older people's housing in order that the Borough can be assured that our provision is 'futureproofed' for the predicted increase in, and the needs of, the older people's population. As such, this tender sets out the Borough's approach to commissioning the current portfolio of Extra Care housing for the next three-to-five year period whilst we review this future picture.

### **Current Service**

- 1.4 The London Borough of Barking and Dagenham (LBBD) currently commission four extra care schemes across the Borough. The schemes are owned by two separate RSLs, Anchor for Colin Pond Court and Hanover for the remaining three schemes. The fact that the schemes are owned by RSLs and not the current service provider puts no restrictions on commissioning new service providers to deliver the services. Both RSLs are happy for the buildings to continue to be used as Extra Care accommodation and they will provide the housing management at the schemes.
- 1.5 Triangle Community Services (Triangle) are commissioned by the Council to provide the care and support at the schemes, 24 hours per day. These schemes are detailed in the table below and show a breakdown of the number of units along with the number of units that have residents with support needs:

Table 1: Extra Care Scheme

Extra Care Scheme	Total number of units	Number of units with support needs
<b>Fred Tibble Court</b>	32	17
<b>Colin Pond Court</b>	31	11
<b>Darcy House</b>	52 (37 units, 15 bungalows)	31
<b>Harp House</b>	36	32

- 1.6 It should be noted that Fred Tibble Court was contracted separately as a Dementia Specialist Extra Care accommodation. However, following a review of the demand for the service it was re-configured to a general Extra Care scheme. There is a separate contract for the services provided at Fred Tibble Court, however this contract has the same end date as the contract for the other three schemes so has been included in this proposed procurement process.
- 1.7 Barking and Dagenham Council make referrals to any voids in the four schemes and a waiting list is currently in operation at some of the schemes. Referrals made to the schemes are reviewed jointly between the care provider and the RSL before they are accepted. Any voids which are vacant past an agreed deadline are filled by the RSL. In the past, this has contributed to a number of residents moving into the schemes with no care needs. This will be explored in more detail below.

#### **Care Act 2014**

- 1.8 The Care Act has a number of aspects directly relevant to the delivery of extra care. These will need to be taken into consideration as the model and the specification for the future service is developed. This includes:
- **Wellbeing and prevention** - The promotion and maintaining of a person's wellbeing is now enshrined in law. As well as meeting the individual's wellbeing outcomes the service will be required to contribute to the prevention, reduction and delay of a person's needs.
  - **Person-centred, person-led processes** - Central to the wellbeing principle is the ethos that the individual is best placed to make decisions about their care and support, and that a person-centred system takes account of the individual's views, wishes and beliefs. As part of the tender the successful provider will be required to involve the service user in all aspects of their care.
  - **Personalisation** - Independence, choice and control are key themes of the Care Act which aims to complete the mainstreaming of personalisation and stimulate the proliferation of choice of services to meet different needs (and/or meet those needs differently).

## **Service Review Findings**

1.9 A service review of our extra care provision was undertaken in 2016 which made a number of recommendations. The recommendations included the following and have been used to inform the development of the extra care tender;

- **Future removal of the housing-related support element from the care and support contract**

In the current Extra Care contract, Triangle Community Services are paid to provide housing-related support to residents. On review, it was found that there were opportunities for the landlord to provide this support. This is envisaged to provide savings when the service is retendered. These will contribute to the MTFs savings for Adults.

- **Clarifying the responsibilities of all organisations involved in the Extra Care process**

The review found that it was not always clear where the responsibilities of the landlord and the care and support provider started and finished and how the landlord, provider and the local authority should be working together, particularly when this relates to referrals. The current process enables the landlords to place their own nominated tenants in vacant properties if they are not occupied by Council-nominated tenants within an appropriate period. As Table 1 shows, this means that a number of the schemes have tenants without any support needs, particularly Colin Pond Court. Within this new tender, a Service Level Agreement will be developed alongside the specification setting out the responsibilities of each of the organisations and a more streamlined referral process will be developed between Housing and Adults' Care and Support services with the landlord and the care and support provider to ensure that Barking and Dagenham tenants, with support needs, are accessing voids in Extra Care.

- **Ensuring that personalisation is improved**

The current Extra Care schemes are not adequately personalised and the review recommended that the Extra Care service should be remodeled to deliver a core and add on model of service delivery which would in theory increase personalisation of the service. This has been explored as an option in the options appraisal section of this report.

- **A surplus in extra care accommodation**

The Housing Learning and Improvement Network, (Housing LIN) in association with ADASS produced a Strategic Housing for Older People (SHOP) analysis tool. This was used to calculate the current and future older people's housing need in the Borough within the review and it was found that there was a small surplus of extra care accommodation in 2015 equating to 59 units. Population projections within the report show that the older people's population will remain stable until 2021. Given the stability in the projected population of older people in the borough and the surplus in the current provision of extra care accommodation there is justification in the approach to the future of Colin Pond Court in the options below.

## **2. Proposed Procurement Strategy**

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

2.1.1 The service being procured is the provision of extra care support for older people to live independently with the provision of care and support in place to reflect their support needs. This procurement exercise will be undertaken to award a contract to a provider for the provision of extra care services delivered at all four schemes Harp House, Darcy House, Fred Tibble Court and Colin Pond Court or three schemes excluding Colin Pond Court subject to the outcome of the consultation exercise in April 2017. Following the consultation, it will become clear which of the two options will be put forward to Cabinet for approval.

2.1.2 Due to the specialist nature of this provision, it would be generally expected that a single provider tenders for the care and support provision at the extra care schemes. However, consortium or sub-contracting bids would be welcomed as long as they could demonstrate flexibility in the use of hours across the schemes, continuity of care for service users and innovation and creativity in the way that activities are co-produced with the residents. For example, an organisation could be sub-contracted to facilitate the activities in the schemes on behalf of the main provider.

2.1.3 The successful organisation will be required to provide 24-hour care and support to the residents of the schemes, including a range of personal care and support tasks which will enable residents to live independently for as long as possible. The provider will also be required to support residents by:

- Undertaking a person-centred, person-led service;
- Preventing, reducing and delaying social care and health needs where appropriate;
- Reducing social isolation;
- Providing emotional support;
- Monitoring health and wellbeing;
- Administering, prompting and monitoring medication;
- Supporting residents in times of crisis;
- Co-ordinating the production of a varied schedule of activities, co-produced with the residents.

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

2.2.1 For four schemes, the current contract value is £1,333,980. It is estimated that the annual value of the contract to be awarded will be of a similar order, allowing for a balance of efficiencies in the deployment of staffing resources, against the natural increase in wage and other costs for providers since the previous contract award. Therefore, the five-year contract value (three years with the option of extending for

up to a further two) will be of the order of £7m. There is a potential for a pressure against the budget arising from bids which reflect rising costs of delivery, should the four-scheme option be pursued. This will have to be mitigated from General Fund resources identified to meet demographic and inflationary growth pressures. Pressures arising from retender exercises such as this are part of the reason for the provision of additional government funding for Adult Social Care and the levying of the Adult Social Care precept.

2.2.2 For three schemes, the estimated value of the contract is estimated to be of the order of £6.5m over the same period. The annual equivalent cost of this option would maintain the costs within existing budget allocation.

2.2.3 In estimating the contract values mentioned above commissioners have had regard to market increases in the hourly rate tendered by likely bidders. Since the current rate was agreed with the current provider, the National Living Wage has been introduced which saw the living wage increase by 50p to £7.20 on 1 April 2016. The National Living Wage will continue to increase to over £9 by the end of this contract and this together with the introduction of pensions enrollment and other inflationary cost increases mean that the current rate will not be sustainable over the expected life of the contract.

2.2.4 The rate used in the calculation is in line with the rates achieved for similar schemes by other London Boroughs. The estimates do not, however, allow for the expected efficiencies that bidders will be required to consider when proposing their models for delivery of the services.

### 2.3 **Duration of the contract, including any options for extension.**

2.3.1 The contract period is 5 years (3 years contract with option to extend for a further 1+1 year period).

### 2.4 **Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.4.1 The contract is subject to the (EU) Public Contracts Regulations 2015 and as a social care contract are subject to the Light Touch Regime. Because the estimated value of the contract is higher than the set threshold (currently EUR 750,000), it needs to be opened up to competition and be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations.

### 2.5 **Recommended procurement procedure and reasons for the recommendation.**

2.5.1 The Extra Care Services will be procured in line with the Public Contract Regulations 2015 through a 'light touch regime' taking into account the small number of specialist providers. The recommended procurement route is a competitive open tender procedure; the tender opportunity will be advertised on the OJEU, Contracts Finder, and the Council's website. The process will widen the competition and ensure the Council gets best value for money for this service.

2.5.2 The Council will issue the contract in line with the Public Contract Regulations for the provision of the service with a break and variation clauses. The contracts will be further tightened with service specification requirements and expected outcomes. Key performance indicators will be outlined in the service specification and agreed with the providers. Performance management will be carried out by the Council.

**2.6 The contract delivery methodology and documentation to be adopted.**

2.6.1 The contract will be for the delivery of extra care services at Harp House, Fred Tibble Court, Darcy House and Colin Pond Court (all premises are located within the borough). Colin Pond Court may not be subject to this tender following the outcome of the consultation exercise in April 2017. The extra care service will involve the provider delivering 24-hour care and support to residents of the schemes. The provider will be required to deliver both personal care and health and wellbeing support to residents. Further details of the service can be found in point 2.1 above and in Option 2 below.

2.6.2 The contract will be funded from the general fund and delivered in line with the recommended option below. Council standard terms including special terms for adult social care will be used and will include the opportunity to add clauses such as the implementation of wellbeing plans for Borough residents. A break clause will be included in the contract allowing notice to be given by either party for termination. This allows increased flexibility should a significant change in service provision be required.

2.6.3 A soft market testing event will be put in place prior to the launch of the tender.

2.6.4 The procurement timetable is as follows:

<b>Activities/ Tasks</b>	<b>Date</b>
Social Care and Health Integration Portfolio	17 Jan 2017
Procurement Board Sub Group	30 Jan 2017
Procurement Board	13 February 2017
Service user consultation – first discussion of options for the service with residents	First two weeks of April 2017
Cabinet report	25 April 2017
Service User consultation II and developing focus group for evaluation	First week of May 2017
Prepare Tender Documents (Conditions, Specification, ITT, TUPE etc)	April/May 2017 – finalised paperwork by 12 May 2017
Market Engagement Event	W/C 8 <sup>th</sup> May 2017
Issue ITT	15 May 2017
Develop Service User Questions and Evaluation criteria – focus group and workshop	1 – 15 May 2017
Deadline for clarifications	23 June 2017

<b>Activities/ Tasks</b>	<b>Date</b>
Return Tenders	30 June 2017
Tender Evaluation	3-21 July 2017
Service user evaluation	18 July 2017
Prepare award report/ get approval	24-28 July
Provisional Award (notify successful/ unsuccessful Tenderer's)	31 July 2017
Standstill period	1 – 11 August 2017
Final award	14 August 2017
Mobilisation including potential TUPE transfers	14 August – 31 October 2017
Contract commencement	1 November 2017

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

2.7.1 The contract is anticipated to bring a modest saving from the current contract value as set out in the Adult Social Care transformation proposals. This saving relates to the removal of the housing-related support element of the current contract as discussed above. This saving has been factored into the contract value available. However, the cost of care is expected to increase. The use of Extra Care is still a more cost-effective way of meeting social care needs for some individuals especially if it avoids the need for more expensive residential care provision. These efficiencies have already been built into the budget (when the schemes were set up.)

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

2.8.1 The contract will be awarded on the basis of the most economically advantageous tender with a split of 30% Quality and 70% Price. Price will be assessed on the tenderers proposed prices based on the current volume of activity within the Extra Care schemes.

2.8.2 The Quality element will be formed of two parts, the tenderers method statement response and service user evaluation. The tenderers method statement will consist of their responses to a number of questions set which will cover:

- Service delivery and quality
- Service user involvement
- Safeguarding
- Choice and control
- Innovation and creativity
- Business continuity
- Staffing model

- Social value
- Equalities and diversity in service delivery

2.8.3 The service user evaluation element will consist of a service user focus group who will develop questions on areas that are important to them in service delivery. Approximately 8 service users will be identified from the initial consultation process who can commit to the initial training for the tender and the development of the tender questions. These individuals will then be trained on the evaluation process, what answers they anticipate and how those answers will be evaluated.

2.8.4 On the day, service users will ask the tenderers to answer these questions in a 'speed dating' exercise and will evaluate and score their answers. The 'speed dating' model consists of tenderers moving around a number of different tables at which one or two service users are sat. Service users ask providers two or three questions over a five-minute period before an alarm sounds and providers move to the next area in which service users are sat. This is a tried co-production process that has been used on several occasions and works well. The marks are then collated, weighted and incorporated into the overall tender score.

2.8.5 It is anticipated that the 30% quality score will therefore be made up of:

- 25% assessment of the method statement
- 5% assessment of responses to service user questions obtained at the speed dating event with service users

2.8.6 Clarification meetings may be held with individual providers on any clarifications that are required in the method statement. This will not be scored.

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

2.9.1 Through the procurement of the Extra Care services local employment opportunities can be secured as well as training and development of local volunteers and students/trainees. There is also the opportunity of partnership working with the voluntary sector that will provide increased capacity and learning between local providers and community and voluntary sector organisations.

## 3. **Options Appraisal**

3.1 It should be noted that the options that have been developed have been costed in order that they are financially sustainable and stay within the contract envelope that is available. Financial sustainability and proper remuneration of staff is central to the Care Act. Additionally, the National Living Wage will increase to over £9 per hour for staff by 2020 and this will need to be taken into consideration within this tender.

### 3.2 **Option 1: Do nothing [NOT RECOMMENDED]**

3.2.1 The do nothing approach would be to not renew the Extra Care service contract. This is not possible as residents of the scheme require social care support and meet the eligibility criteria set out in the Care Act 2014. As the Council are bound by the duties laid out in the Act, if the current extra care services were



decommissioned, other alternative services would need to be sought. Due to the nature of extra care and the fact that the service provides care and support 24 hours a day a large proportion of the residents would, in lieu of an extra care provision not being available, require residential care. This would not represent value for money as the cost of a residential placement in Barking and Dagenham costs a minimum of £565 a week. In comparison, a week in extra care costs £212 (calculated using the estimated contract value in point 2.2 and the full capacity of the four schemes, based on the current needs of the residents).

- 3.2.2 Decommissioning the service would result in the Local Authority reviewing all service users and, for those who do not require residential care, putting in place individual care packages via direct payments or managed personal budgets in alternative arrangements. Either way, a residential care placement or an individual care package would not represent value for money in comparison to extra care for these individuals and would also not provide continuity of care to the individual. This option is not therefore recommended.
- 3.3 **Option 2: Re-commission Fred Tibble, Harp House and Darcy House while De-Registering Colin Pond Court [RECOMMENDED OPTION]**
- 3.3.1 This option separates three of the sites as extra care schemes and will see Colin Pond Court being de-registered as an extra care scheme. It is proposed that Colin Pond Court will move to a sheltered accommodation scheme with the housing manager from the RSL continuing to support the residents in terms of their housing needs. It has been proposed to de-register the scheme as only 11 of the 31 residents have care and support needs and due to extra care requiring 2 members of staff on site 24 hours a day it is not cost effective to continue to deliver the service in this way. The Housing LIN SHOP analysis tool, mentioned earlier, shows that there is a small surplus of extra care accommodation in the borough; as such there is provision for one scheme to be changed and be de-registered without a shortfall of supported housing provision for Older People.
- 3.3.2 Residents of Colin Pond Court will be assessed by Social Care staff and assigned a Personal Budget to enable them to have a bespoke package of support in accordance with their individual needs. This may raise the need for some of the residents to move to alternative accommodation. They will need to be fully supported to set up the support package, which will be reviewed regularly to ensure that it continues to work well. In the long term this will bring about a cost saving as only one third of the residents in Colin Pond Court have support needs and the Council are paying the current provider to have two members of staff on site at all times; which equates to 336 hours a week. An initial estimate has suggested that the cost of providing personal budgets would be £140,000 less than providing the extra care staffing model at Colin Pond Court. This is based on the increased hourly rate that we would expect as a result of this tender. There is an overprovision of support on the site based on the needs of the current client group.
- 3.3.3 To address potential concerns regarding night cover, the Housing Provider have a comprehensive alarm system in place and provide daily welfare calls to the residents. Additionally, the Housing Provider are currently considering whether a night-time concierge service may also be viable. Alongside this, the local authority would work with the Housing Provider to look at additional assistive and adaptive technology that could be put in place to support the residents.

- 3.3.4 The deregistering of Colin Pond Court to sheltered accommodation will require consultation with service users and carers. This is being planned for April 2017. Dependent on the outcome of the consultation, the proposals for Colin Pond Court may need to be revised or included within the tender for the extra care provision alongside Harp House, Fred Tibble and Darcy House. This has been reflected in the recommendations of this report.
- 3.3.5 Option 2 will therefore see the delivery of extra care services at Harp House, Fred Tibble Court and Darcy House. The extra care service will involve the provider delivering 24-hour care and support to residents of the schemes.
- 3.3.6 The extra care services will deliver support on a minimum and maximum hours basis. The maximum hours will be pooled for the three sites to allow the successful provider to deliver a flexible service and make the best use of the resources, address variances in demand over time and to enable them to deliver choice and control to the service users. The minimum hours to be delivered will be 336 hours per scheme, this is the equivalent of the provider having 2 members of staff on site at all times, and will be the minimum hours stipulated in the contract. The maximum hours have been calculated on the current level of need at the three schemes, taking into consideration any expected growth for the life of the contract.
- 3.3.7 Although the ambition of a fully personalised model is not viable (as outlined in Option 4), residents are exercising their choice and control by deciding to live at the extra care schemes. Prior to accepting the accommodation as suitable for them, the individual will be supported by social care professionals and families in making their choice as to whether the provider will be suitable in meeting their care and support needs. If the individual does not want care and support to be delivered by the provider but wishes to move to the scheme there is some discretion to consider personal budgets so that service users can exercise choice and control. However, this will be on a case by case basis to ensure that value for money is achieved on the contract. The individuals who receive care and support from the on-site provider will have support plans in place in which the provider will be expected to ensure that they are demonstrating choice, control and flexibility in meeting the needs of residents. Additionally, we propose that the personalisation ethos is used in the design of activities for residents. This will be achieved by allocating a percentage of the budget (as part of the hourly rate) to the design and delivery of activities which are co-produced with the residents. The provider will also be required to work with the voluntary sector and local volunteers in the delivery of the activities.
- 3.3.8 **This is the proposed procurement model.** This option addresses the majority of the recommendations in the 2016 review, as well as ensuring that the local authority remains within the budget available for the service.
- 3.4 **Option 3: Re-commission all four external Extra Care schemes [This option is considered]**
- 3.4.1 Dependent on the outcome of the consultation to be held in April 2017, this option looks to retain the four external Extra Care schemes and provide 24-hour support. This would therefore mean that Harp House, Darcy House, Fred Tibble Court and Colin Pond would be included in the tender proposal

with the current service provision reinstated. As stated previously in Option 2, a fully personalised model is not viable (as detailed in Option 4), however choice and control are asserted through the choice of accommodation on accepting the schemes and further delivered through personalised support plans, and co-produced activities.

3.4.2 To move this proposal forward discussions with Finance would need to take place regarding the budget envelope. In this scenario, it should be noted that the current rate of £14 would not be sustainable and therefore recommissioning the four schemes would mean that a pressure would be in place on the existing budget.

3.4.3 This option is dependent on the outcome of the consultation and is therefore considered.

### 3.5 **Option 4: Personalised model [NOT RECOMMENDED]**

3.5.1 To deliver a fully personalised extra care service residents would need to be provided with either a managed personal budget or direct payment which they could use to purchase their care and support from a provider of their choice.

3.5.2 The issues with this model are that:

- A provider would still need to be commissioned to provide the 24-hour presence at the schemes in order that it is still an 'extra care' service. This may only be required at night, but would require a single provider to be commissioned to provide this 'core' service.
- The resident would receive some support from the provider commissioned to deliver the 24-hour presence which could result in them receiving care from two separate care agencies and reduce the element of choice and control over the care received, as well as issues regarding handover and continuity of care.
- The schemes would have various amounts of providers and personal assistants visiting on a daily basis which could compromise security at the schemes, particularly when some of the schemes hold 50+ residents.
- The direct payments and managed personal budgets would be paid from the Adult Social Care budget and would be difficult to monitor and manage and would exceed the financial cost of the contract.

## 4. **Waiver**

4.1 Not applicable.

## 5 **Equalities and other Customer Impact**

5.1 This service will be provided in line with the Equalities Act 2010 based on an open access service for all eligible individuals irrespective of their background and lifestyle. The service also has provision for couples to move into Extra Care accommodation so that family units are not split due to one individual's ill health or when the carer can no longer provide the caring role on their own. The service provides support to carers and onward referral to specialist support as required.

5.2 An Equalities Impact Assessment has been produced as part of the production of this report and can be seen on request.

## 6. Other Considerations and Implications

### 6.1 Risk and Risk Management

Risk	Likelihood	Impact	Risk Category	Mitigation
Delay to/ failed procurement process	Medium	Medium	Medium	Set and monitor a realistic timetable. Council to negotiate a new short term contract with current provider in the case of a delayed or failed procurement
Consultation response alters Colin Pond Court proposals	Medium	High	High	Commissioning to discuss alternative costed plans prior to consultation and discuss mitigation with Finance if Colin Pond Court needs to be included as part of the tender. This may have budget implications. If consultation is delayed, then the procurement exercise will go ahead as per timetable but providers will be asked to bid on both a three or four scheme basis.
TUPE issues prevents new providers from tendering for service	Medium	Medium	Medium	Gather TUPE information early in project; get expert advice from legal services. Make information clear in ITT documents. Negotiate new contract with current provider as contingency plan for no tenders received
No tender received	Low	High	High	High level of publicity around the soft market testing and tender launch in various contract register platforms and via the Council for the Voluntary Sector. Hold market engagement event
Contract award decision challenged by unsuccessful provider(s)	Low	Low	Low	Procure contract in line with Council's contract rules and EU Public Contracts Regulations. Liaise with legal and corporate procurement departments at all stages and ensure documentation is kept.

Provider fail to meet contractual obligations	Low	High	Medium	Clear set of outcomes set out in service specification and agreed with provider. Robust and regular performance monitoring procedures, performance indicators and consequences of failure to meet them set out in service contract.
Higher than anticipated hourly rate submitted by provider	Medium	High	Medium	Current hourly rates have been compared with the local market. Further analysis against the increase in the hourly rate for the National Living Wage have also been incorporated in the projected increased hourly rate.
Re-commissioning of the four external Extra Care schemes	Medium	High	High	To provide all four schemes with 24-hour support will create significant budgetary pressures as the cost will exceed the current financial envelope. To mitigate this the option of having three schemes, Harp House, Darcy House and Fred Tibble Court with 24-hour support and de-commission Colin Pond Court.

- 6.2 **TUPE, other staffing and trade union implications** - Eligible staff currently employed in the service will, in the event of change in service provider, transfer their employment to the new provider under the Transfer of Undertakings (Protection of Employment) Regulations 2014. This may also be affected by proposals around the deregistration of Colin Pond Court, and it is a possibility that there will be fewer posts under the new contract than are included in the current arrangements.
- 6.3 **Vulnerable Adults** - The provision of extra care services supports vulnerable adults in Barking and Dagenham as outlined in the above report. An effectively procured and commissioned extra care service will enable a quality, and value for money service for service users. As part of the tender process a robust quality assessment will be made which will include safeguarding, choice and control and service user involvement.
- 6.4 **Health Issues** - The proposal is in line with the outcomes and priorities of the joint Health and Wellbeing Strategy. The award of the contract should further enhance the quality and access of services for Older People. The proposal will have a positive effect on the local community.
- 6.5 **Property / Asset Issues** - The properties are owned by registered social landlords who are committed to continuing using the schemes as Extra Care housing. There are issues around nominations which will be addressed through a nomination panel.

## **7. Consultation**

- 7.1 Consultation for this procurement has taken place through circulation of this report with relevant Members and officers. The proposals within this report were also considered and endorsed by the Corporate Procurement Board on 13 February 2017.

## **8. Corporate Procurement**

Implications completed by: Adebimpe Winjobi, Senior Procurement and Contracts Manager

- 8.1 The service being procured falls within the description of services covered by the Light Touch Regime under the Public Contracts Regulations (PCR) 2015. However, as the estimated value of the contract is higher than the set threshold (currently EUR 750,000), it needs to be opened up to competition and be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations.
- 8.2 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders. The proposed procurement route to tender this service via EU Open Procedure will widen the competition, provide best competition to get best value for money for the Council and will be compliant with the Council's Contract Rules and EU Regulations.
- 8.3 The report gives details of the procurement procedure, evaluation criteria, award criteria and the timetable for the procurement exercise. All the above show evidence of a fair tender exercise, in accordance with the PCR 2015, which must be adhered to in compliance with the Regulation.
- 8.4 Corporate procurement will provide the required support to commissioners throughout the entire process.

## **9. Financial Implications**

Implications completed by: Katherine Heffernan, Group Finance Manager.

- 9.1 There is a provision of c£1.2m to £1.3m per year for 2017/18 onwards to cover the costs of the proposed award within the existing Adults' Care & Support Commissioning budgets.
- 9.2 The budgetary provision stated above includes the A2020 P1 Adults saving (ASC 1.1.5) provision of £70,000, profiled over 2 financial years; £35,000 to be achieved in 2017/18, with a further £35,000 expected from 2018/19 onwards.
- 9.3 The proposed option is within the budgetary provision for the Extra Care Contract. This is based on three schemes remaining as Extra Care and the fourth being deregistered. It makes some provision for personal budgets for some of the residents of this fourth scheme to replace the Extra Care Provision.

- 9.4 The other option being considered would be in excess of this cost. However, it is still likely to represent better value for money than alternative ways of meeting these clients' needs such as residential care.
- 9.5 There are known pressures within the Adults Care and Support service resulting from the increasing costs of care and complexity of needs. There is some additional budget support in the MTFs from the Social Care precept and other sources but the service will need to continue to manage these pressures including any arising from this procurement.

## **10. Legal Implications**

Implications completed by: Implications completed by: Bimpe Onafuwa, Contracts and Procurement Solicitor

- 10.1 This report is seeking permission to undertake a procurement exercise for the contract for the provision of Extra Care Services.
- 10.2 The Extra Care Service can be described as falling within the Light Touch Regime (LTR). In line with this regime, the Public Contracts Regulations 2015 requires that contracts with a value above the current threshold of €750,000 (£589,148) be opened up to competition and be advertised widely enough for interested bidders to be aware of the procurement. The value of this contract is estimated to be above the LTR threshold, and as such it needs to be tendered as required by the Regulations.
- 10.3 This procurement also has to be procured in line with the Council's Contract Rules which require contracts with a value of £50,000, or more, to be advertised and opened up to competition.
- 10.4 Procurement of this contract has to show equality in the treatment of bidders, transparency as well as fairness in order to be compliant with the principles of the PCR and the Contract Rules. The proposed timetable, advertising media and evaluation criteria noted in the procurement strategy are indications of a compliant exercise.

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

**List of appendices: None**

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**CABINET****25 April 2017**

<b>Title:</b> Debt Management Policy	
<b>Report of the Cabinet Member for Finance, Growth and Investment</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> Yes
<b>Report Author:</b> Gill Hills, Head of Revenues	<b>Contact Details:</b> Tel: 020 87248615 E-mail: gill.hills@elevateeastlondon.co.uk
<b>Accountable Director:</b> Kathy Freeman, Finance Director	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary</b>	
<p>This report contains the proposed revised Debt Management Policy for the Council. This is the result of a routine, periodic review of the Policy to ensure its ongoing fitness for purpose.</p> <p>The Council has a duty to recover outstanding debts and in doing so ensure that its processes are fair to everyone, particularly in the current economic climate. The attached Policy sets out how the Council will work to minimise debt, seek to prevent debt and maximise rates of collection, be consistent in the approach to raising and recovering debt and ensure that customers who experience financial difficulty and those in difficult circumstances are supported.</p> <p>The revised policy changes are not significant. The policy attached at Appendix A now has more emphasis on prevention in section 10 and the policy has generally been updated, e.g. references to bailiffs have been replaced with references to enforcement agents.</p>	
<b>Recommendation(s)</b>	
<p>The Cabinet is asked to agree the revised Debt Management Policy as set out at Appendix A to the report.</p>	
<b>Reason(s)</b>	
<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 policy ensures good financial practice and adherence to the Council's Financial Rules on the management of debt including its write-off.</p>	

## **1. Introduction and Background**

- 1.1 The Finance Director requested that the Debt Management Policy originally agreed in October 2011 be reviewed in line with an audit recommendation.
- 1.2 The review was designed to make sure the policy remained up to date and that the approach to dealing with debt by reviewing and defining the total cycle of debt from Charging Policy to Recovery methods continued. It was also to ensure that customers continued to be assisted and clearly signposted to help deal with debt and were treated fairly when experiencing difficult circumstances. There was also a focus on debt prevention.

## **2. Proposal and Issues**

- 2.1 The policy was previously approved in October 2011 and a review was required. The revised policy changes are not significant. The policy attached at Appendix A now has more emphasis on prevention in section 10 and the policy has generally been updated, e.g. references to bailiffs have been replaced with references to enforcement agents.

## **3. Options Appraisal**

- 3.1 As the policy had been agreed in 2011 a review was required.

## **4. Consultation**

- 4.1 Consultation has taken place with relevant Members and officers across the Council and with appropriate representatives within the Council's joint venture partner, Elevate.

## **5. Financial Implications**

Implications completed by: Stephen Hinds, Chief Accountant

- 5.1 It is essential to have a robust policy on debt management to maximise the income collected by the Council. The primary aim should always be to avoid a debt being created to improve both the Council's cash flow and to avoid the cost of managing any debts. Where debt is created, all steps should be taken to ensure that debt is as easy to collect as possible and the policy specifies steps to enable that.
- 5.2 In line with required accounting policies, the Council makes provision within its accounts each year for bad and doubtful debts. Improving the collection performance and minimising debts written off will enable the Council to potentially reduce the bad debt provision and make a saving in the annual budget.
- 5.3 It is important that the management information is accurate, timely and of sufficient detail to monitor the effectiveness of each type/stage of the debt management process so officers can make an assessment of the value for money offered.

## 6. Legal Implications

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

- 6.1 This Report is seeking Cabinet's approval of a proposed new corporate debt management policy as set out in the Appendices to this report.
- 6.2 The Council, as a custodian of public money, has a duty to recover outstanding debts. 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.
- 6.3 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. The report states that the proposed debt management policy (including a write-off policy) will assist the Council to achieve its objectives of minimising debt and maximising rates of debt collection, whilst taking the circumstances of those debtors who are genuinely experiencing difficulty in maintaining their payments into consideration and maintain a managed approach to debt control.
- 6.4 The report confirms that the proposed debt management policy and write-off policy comply with the provisions of the Council's Financial Rules as set out in Part D of the Council's Constitution.

## 7. Other Implications

- 7.1 **Risk Management** – The policy will continue to ensure a robust framework for debt management
- 7.2 **Corporate Policy and Customer Impact** – An Equalities Impact Assessment has been undertaken and is set out at Appendix B. Key aims within the policy include:
  - **Those that struggle to pay** will receive appropriate assistance and support through debt management and benefit advice, helped to make and adhere to payment arrangements and understand options to minimise costs in the future.
  - **Those identified as 'Won't Pay'** will have the appropriate tools of recovery focused on them depending on individual's circumstances and the assets or income they have.

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

### List of appendices:

**Appendix A** Revised draft policy

**Appendix B** Equality Impact Assessment

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# Debt Management Policy

## London Borough of Barking and Dagenham

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## 1.0 Introduction

- 1.1 The Council has a duty to recover outstanding debts and in doing so ensure that its processes are fair to everyone. The corporate debt management policy is established so that the Council minimises debt and maximise rates of collection, is consistent in its approach and ensures that the Council assists customers who experience financial difficulty and seeks to prevent debt escalating.
- 1.2 This policy applies to all sums owing to the Council and has been developed to ensure a consistent approach to the management of debts across the Council. The main types of debt are:
- Council Tax
  - Rent for council properties including houses and flats, garages as well as leasehold charges
  - General Income – the fees and charges made for a wide range of Council Services such as adult social care. General income also includes loan repayments and salary overpayments and commercial property
  - Business Rates
  - Housing Benefit Overpayments – this occurs when benefit is paid that the claimant is not entitled to
- 1.3 The key aims of this policy are as follows:
- To maximise the level of income collected by the Council by:
    - implementation of a transparent charging policy
    - accurate and timely billing
    - reducing the level of debt arising
    - effective and timely recovery processes that seek to prevent debt escalating
    - utilising the appropriate recovery method by debt type
  - To recognise that causes of debt vary and recovery methods should be focused accordingly. Debt will be categorised and segmented so that where possible a personalised service is provided with methods of recovery focused by type, with debtors' circumstances understood identifying the larger proportion of debtors who struggle to pay as opposed to the small minority who can be classed as "won't pay" so that unsustainable debt levels are prevented.
    - *Those that struggle to pay* – will receive appropriate assistance and support through debt management and benefit advice, helped to make and adhere to payment arrangements and understand options to minimise costs in the future.

- *Those identified as 'Won't Pay'* will have the appropriate tools of recovery focused on them depending on individual's circumstances and the assets or income they have.
- To ensure that debts are managed in accordance with legislative provisions and best practice.
- To foster good financial management and control across the council
- To ensure income relating to all types of debt is to be handled in accordance with the Council's Constitution, the Financial Rules and this policy.
- To ensure performance in relation to debt recovery is reported through the relevant management structures of the Council.
- To implement a holistic approach to debtors that will ensure that each debtor can understand their overall indebtedness to the Council.

## **2.0 The principles of good practice**

2.1 There are a variety of reasons why debt is created. Putting effective processes in place; charging and invoicing accurately and speedily, ensures that debts raised are correct and do not discourage timely payment. Customers fail to make payments for a variety of reasons. Understanding the debt and the debtor can ensure targeted recovery methods are utilised. Where people genuinely have difficulty maintaining their payments; the Council will make every effort to help. Others may deliberately set out to delay or not make payments at all. In these situations, the Council will act to secure and recover payments. Where appropriate the Council will charge additional fees to cover the cost of the action and reduce the burden on those people who pay charges promptly.

2.2 The Council will follow the principles of good practice set out below:

- Utilise a holistic approach to all debts owed to the Council by individual debtors
- Utilise and promote on-line and self-service methods, with these being the default method of delivery while ensuring that vulnerable customers are not excluded or disadvantaged by this process
- Fair charging policies for community and residential care that are reviewed by the Council regularly
- Payment in advance for services where possible
- Accurate and prompt billing
- Promote Direct Debit as the default method of payment



- Provide advice on ways to prevent debt level rising, reducing bills and maximising income
- Consider special payment arrangements for those customers experiencing financial difficulties
- Keep customers informed
- Take appropriate recovery action
- Multiple debt management - where the Council is aware of more than one debt owing to the Council
- Review and write off debt where appropriate

### **3.0 Charging Policies**

3.1 The Council may charge for all services where allowable

3.2 The council will design charging policies which are coherent and cost effective. Policies will be designed to be fair and easy to understand and administer.

3.3 Charges should cover the full cost of the service unless there is an explicitly agreed subsidy or an alternative means of funding.

3.4 Individual services and departments will regularly review charging policies and fee levels to check that charges are adequate and are applied to all chargeable services.

### **4.0 The Council Payment Options**

4.1 Where payment can be taken before a service is provided these cases are to be identified and payment taken in advance, ensuring that no debt is raised in these cases.

4.2 When this is not possible and a debt is raised, the easier it is to pay the more likely it is that payment will be made. For recurring charges, Direct Debit is the easiest payment method for customers and is the most efficient for the Council helping keep the cost of collection as low as possible. For recurring debts, the Council will propose Direct Debit as the default method of payment to all customers unless they are unable to pay this way. Where a customer is unable to pay by Direct Debit or it's not appropriate (e.g. for a 'one off' bill) the Council will provide a choice of convenient methods of payment with electronic billing and payment as the default method.

- 4.3 The Council's default method will be electronic, either by Direct Debit or electronic transfer. These methods being the most convenient for the customer and cost effective for the council.
- 4.4 Services will provide a range of options to reduce the reliance on cash transactions. The current payment options are Direct Debit, Debit and Credit Cards (allowing payments to be made 24 hours a day, 7 days a week by the Council using the automated telephone line or online facility, regular transfers (standing orders), PayPoint and Post Office. Payment options are to be kept under review and where possible and cost effective further options will be utilised.

## **5.0 Prompt and Accurate Billing**

5.1 The council recognises that prompt invoicing and billing is important in reducing the debt burden. The Council will:

- produce accurate and clear bills promptly
- respond quickly to changes in circumstances and applications for exemptions, discounts, reductions, rebates and reliefs
- produce clear bills in plain English and show:
  - what the bill is for and the period of liability
  - the amount due and, where appropriate, the instalment amounts and payment due dates
  - how to make a payment or deduction from earnings or benefit
  - a contact point for enquiries - including the Council website details

5.2 Wherever reasonable, the Council will require payment before service to maximise income collection.

5.3 The Council cannot eliminate the issues arising from individuals and families on low incomes which have been increased by the greater use of "Zero Hours" contracts which add an uncertainty to the level of pay. The approach to recovery must therefore be sensitive to individual circumstances and will seek to assist in preventing debt levels from becoming unsustainable.

## **6.0 Recovery Processes and securing the debt**

6.1 The Council's approach will be consistent, transparent, firm, fair and courteous.

- 6.2 Consistency means taking a similar approach in similar circumstances to achieve similar ends. The Council aims to achieve consistency in the advice it gives, the use of its powers, and the recovery procedures used.
- 6.3 The Council recognises that consistency does not mean simple uniformity and will take account of many variables such as the individuals needs and ability to pay and the need to secure the debt on behalf of the Council
- 6.4 Transparency is important in maintaining public confidence; helping people to understand what is expected of them and what they should expect from the Council and clearly explaining the reasons for taking recovery and enforcement action.
- 6.5 Recovery action will be taken in a timely manner and wherever possible technology will be utilised to automate and expedite processes.
- 6.6 A written explanation of any rights of appeal against formal enforcement action will be given before or at the time the action is taken.

## **7.0 Range of recovery methods**

7.1 A range of recovery options will be used where arrangements to pay have broken down. The choice of recovery method will depend on a number of factors including the method available for a particular type of debt, but options can include:

- Attachment of Earnings Order
- Deductions from benefit
- Enforcement Agent action
- Charging Order
- Insolvency (bankruptcy) action
- Securing the debt by obtaining charging order against assets, repossession of Council property
- Enforced sale of assets
- Committal to prison
- Use of a Debt Collection Agency

7.2 The Council will always take recovery action where a customer does not pay and does not say they are having difficulty paying. If the customer tells us early enough that they are having problems and we agree a

special payment arrangement, we will not take any further recovery action. However, if we have started recovery action (e.g. we have sent a court summons) and subsequently make a special payment arrangement we will continue with recovery action and ask the court (magistrate or county) for an order, in order to protect the Council's position.

7.3 When a customer tells us they cannot pay the Council will offer advice on ways to reduce their bill and maximise their income. Staff involved in the recovery of debts are trained on anti-poverty and social inclusion awareness so they can:

- inform customers of their entitlement to Housing and Council Tax Benefits, discounts, reliefs and exemptions
- inform customers of the general availability of other income related benefits such as Job Seeker's Allowance, Child Tax Credits, Working Tax Credits, Pension Credits and Guarantee Credit
- refer customers to the Council's partners – Voluntary Sector Advice Services for help and advice on all benefit entitlements
- care will be taken to identify customer who are vulnerable and or struggling to pay bills and signposting them to other support schemes such as Discretionary Housing Payments (DHP), the Council Tax Support Scheme (<https://www.lbbd.gov.uk/residents/benefits-and-support/council-tax-support/>) and Discretionary Council Tax Relief (<https://www.lbbd.gov.uk/residents/council-tax/council-tax-discounts-and-disregards/discretionary-council-tax-relief/>)

7.4 The table below shows the different types of debt and stages of recovery. The table indicates which recovery method the Council is likely to use. In some circumstances the recovery method may differ because of the size of the debt or the customer's circumstances.

7.5 Council Tax has high volumes of recovery action, so reminder, final and summons notices are generated automatically. However, cases can be automatically withheld using 'hold indicators' (e.g. where a special arrangement is in place or work is outstanding). Cases at summons stage are individually checked before the summons is issued.

7.6 If a customer is vulnerable (e.g. elderly, seriously ill, mental health issues) and this makes it difficult for them to pay, the Council will try to avoid recovery action and provide the assistance they need to make payment.

The Council can only do this if the Council knows the customer's circumstances.

7.7 The Council will always ensure that the recovery method is appropriate for the amount of debt. Enforcement Agents will not be engaged to enforce for any debt less than £125.00. Debt collection agencies without enforcement powers may be engaged for lower amounts.

7.8 Where the debt is for an ongoing service provided by the Council which the Council does not have to provide (for example Trade Refuse) the Council will stop providing the service until the debt is paid or an acceptable special payment arrangement is made.

7.9 The Council will follow the principles of enforcement outlined below:

- Our approach will be consistent – with the aim of achieving consistency in the advice the Council give, the use of our powers and in the recovery methods the Council use
- Our actions will be transparent – to help customers to understand what is expected of them and to explain the reasons for taking any recovery action.
- Our action will be proportional – the Council will only use the most severe legal sanctions for the most difficult high value cases or where there is persistent non-payment
- Make additional arrangements for Social Care charging

7.10 The collection of Adult Social Care charging will take into account the vulnerable nature of many of the customers. Although the collection process will be similar to other types of sundry debt the Council will take additional steps to try and understand the customers' personal and financial circumstances so that the Council can act appropriately in the best interests of the customer, other service users and the Council.

7.11 Use of eviction from Council properties will be a last resort and is governed by legislation. Compromise agreements may be sought with Housing where possible. For example, re-locating a family into a smaller more affordable property, although this is limited due the scarce nature of suitable property.

## **8.0 Tracing**

8.1 The Council will make all necessary attempts to trace any debtor that has absconded to ensure that payment is received.

8.2 This will include checking internal and external sources of information and sharing information with other authorities and using tracing agents as appropriate. The timeliness of tracing, allowing time for the debtor to reappear will be considered before the debt is submitted for write off.

## **9.0 Enforcement Agents (EAs) and EA Management**

9.1 The ability to refer debt to enforcement agents (previously known as bailiffs) is an important tool in the recovery process. The Council appreciates the sensitivity attached to the use of enforcement agents.

9.2 The Council will seek to use enforcement agents only where it has determined that this is the most effective collection method for the debt in question.

9.3 Enforcement agents will be selected with regard to their performance and customer service standards and capabilities. The council will balance the requirement for effective debt collection with the reasonable and lawful behaviour of its enforcement agent functions and contractors.

9.4 Enforcement agent performance and contract management will be in place to ensure that compliance with codes of conduct good practice. The Council manage performance across a range of areas including charges, hours of operation, levels and accuracy of taking control of goods

9.5 Enforcement agent payments and incentives will be reviewed as part of the procurement process to align performance to council objectives, maximise income and minimise cost to the council and the customer.

9.6 Enforcement agent services will comply with the national standards for enforcement agents.

## **10.0 Debt Advice, Prevention & Multiple Debt Management**

10.1 The Council recognises that some customers will experience financial difficulty either for short or longer periods. Customers who find themselves in debt will often have multiple debts and often experience a spiral of debt that affects the whole family and life quality and becomes a way of life. All staff dealing with debtors in difficult circumstances must be cognisant of this and recognise the effect being in debt has. For example:

- A parent, recently separated may need help to ensure debt does not escalate, claim benefit and put accounts into their own name. They require help to arrange regular payments for all bills and assistance in making payment arrangements to pay off any arrears accrued

during a difficult separation, where focus had been on the children's welfare.

- 10.2 Customer Service and Recovery staff will work with colleagues and families or individuals in debt to understand their particular life circumstances and focus help around these.
- 10.3 Customers will be signposted to assistance in managing debt using the Council's own help and independent partners (Appendix 2)
- 10.4 Where a customer owes more than one debt of the same type, these debts may be amalgamated.
- 10.5 The Council will seek to deal with all debt outstanding at the same time so that a holistic approach is adopted. If the Council are aware, through discussions with the customer or systems matching, that the customer has multiple debts with the Council, the Council will review those debts in total and try to agree a special payment arrangement.
- 10.6 The arrangement will attempt to maintain ongoing payments and reduce arrears for all debts owed to the Council. See Appendix 2 for priority debt guidance.
- 10.7 Where the customer has multiple debts, it is also likely they will owe money to other organisations. The Council does not itself offer debt management advice to individuals or businesses. However, the Council recognises the valuable role of local advice agencies in providing assisting to local residents experiencing difficult in managing debt and prioritising repayments to creditors and in maximising income available to the debtor. For example, money advice for individual debtors is available through Capitalise, London's debt advice partnership. Appointments for clients can be made through Barking CAB. In addition, the Council will point residents to on-line self budgeting tools available at no charge as apps from the internet.

## **11.0 Staff in arrears**

- 11.1 It is not acceptable for Council Members, staff or those employed by Elevate to owe money to the council.
- 11.2 The council may use the information it holds on staff to assist with debt recovery and to make arrangements to clear the debt by salary deduction or Direct Debit.

## **12.0 Treatment of costs**

- 12.1 The Council will seek to levy and recover all costs and fees that are legitimately due from the debtor to the Council or its agents. Only in cases where it would not be in the public interest to pursue costs/fees will they be waived.
- 12.2 A distinction will be drawn between costs which are withdrawn because they were charged incorrectly and costs which are written off because they are considered to be irrecoverable under the guidance of this policy.
- 12.3 Where costs are considered as irrecoverable they shall be treated in the same manner as other debts for the purpose of this policy.

## **13.0 Debt Analysis and Segmentation**

- 13.1 The Council will use all available information to segment existing uncollected debts to maximise recovery before these are considered for write-off. Write offs of irrecoverable debt will be in accordance with the Council's Financial Rules set out in the Constitution as described below. Write off's will be agreed in line with the Revenues & Benefits Write Off Policy (Appendix 3) and total levels of write off each quarter will be reported to Cabinet.
- 13.2 Data will be considered from a range of sources and the Council will work with partners to develop an approach to debt recovery allowing the use of analytical software to sort and segment older debts so that it can be processed by the most appropriate specialist according to the data analysis undertaken.
- 13.3 The purpose of this approach is to take a fresh view of older debts and use specialist technical knowledge to maximise income that the Council may previously have found uncollectable.

## **14.0 Write-Off Policy (all debts)**

- 14.1 The Council will take all necessary action to recover what is due. Debts will be subject to the full recovery, collection and legal procedures as outlined in this policy.
- 14.2 The Council recognises that where a debt is irrecoverable, prompt and regular write-off of such debts is good practice.
- 14.3 Irrecoverable debts are subject to the Financial Regulations and Rules set out in the Council's Constitution. The rules are contained within the Council's constitution which is agreed from time to time by the Council, see link to the meetings that consider and agree the Financial Regulations



and Rules:<http://modern.gov.barking-dagenham.gov.uk/ieListMeetings.aspx?CIId=626&Year=0>

14.4 The Council's Financial Regulation and Rules stipulate write-off relating to revenues and benefits are to be carried out in accordance with the write-off policy as agreed from time to time by the Cabinet. The proposed write off policy relating to Revenues and Benefits is set out at Appendix 3.

14.5 In considering the approval to write off a debt the authorising staff shall give consideration to:

- This Policy
- The interest of the local community
- The Council's fiduciary duty
- The rights of the customer and the effect of continued enforcement action

14.6 Any member of staff, Member or Contractor who has an interest in any debt must not participate in the decision-making process regarding the write off of the debt and must declare their interest.

14.7 For the purposes of this policy an interest includes those in the following list, however, the list is not intended to be exhaustive. Where a member of staff is unsure whether they have an interest, they should seek advice from their line manager or internal audit.

- The debt is owed by a relative, including relatives by marriage
- The debt is owed by a relative of a current or former partner
- The debt is owed by a friend or neighbour
- The debt is owed by an organisation of which you are a member
- The debt is owed by an organisation of which a relative is a member
- The debt is owed by a company or individual with whom you have a business relationship

## **15.0 Write off Monitoring**

15.1 The Council will monitor the implementation of the process to ensure that it is effective. Monitoring will include:

- quarterly reports to Cabinet on Debt Management performance and write off levels
- rate of collection – to identify our performance against the targets set for the collection of debts
- setting targets to improve performance

15.2 Performance reporting will continue to be on an income stream and collection rate basis. The effectiveness of the policy will be seen through the levels of income that individual services achieve.

## **16.0 Review of this policy**

16.1 The Council is committed to continuous improvement and it is critical that new approaches and ways of working will be introduced. This policy will be reviewed annually to allow it to be updated and to take any service improvements or changes into account.

## Appendix 1: Table 1: Debt Types & Recovery Methods

	Request for Payment	1 <sup>st</sup> Reminder 2 <sup>nd</sup> Reminder	Claim Form or Summons	Court	Enforcement agents and taking control of goods	Attachment of Earnings or Benefit	Charging Order	Bankruptcy or Insolvency	Committal to Prison	Withdrawal of Service / Eviction
Council Tax	Annual Bill	✓	✓	Magistrate	✓	✓	✓	✓	✓	x
Business Rates	Annual Bill	✓	✓	Magistrate	✓	✓	✓	✓	x	x
Rents	Weekly Charge	✓	✓	County Court	✓	✓	✓	✓	x	✓
Parking Charge Notice (PCN)	PCN	✓	✓	County Court	✓	x	x	x	x	x
Lease-holders	Annual Bill	✓	✓	County Court	✓	x	✓	✓	x	x
Commercial Rents	Quarterly Bill	✓	✓	County Court	✓	x	✓	✓	x	x
Trade Refuse	Invoice	✓	✓	County Court	✓	x	✓	✓	x	✓
Hall Hire	Invoice	✓	✓	County Court	✓	x	✓	✓	x	x
PCT invoices	Invoice	✓	✓	County Court	✓	x	✓	✓	x	x
Nurseries	Invoice	✓	✓	County Court	✓	x	✓	✓	x	x
Care Lines	Invoice	✓	✓	County Court	✓	x	✓	✓	x	x
Fairer Charging Contribution	Invoice	✓	✓	County Court	✓	x	✓	✓	x	x

## **Appendix 2: Advice on priority debts from the Citizens Advice Bureau**

The following advice is supplied to debtors by the Citizens Advice Bureau for information. It does not override the Council's debt policies and process. The full advice can be found here: <https://www.citizensadvice.org.uk/debt-and-money/help-with-debt/>

### **Priority debts include:**

- Priority debts are generally those that can have serious consequences such as sending you to prison or losing your home, see <https://www.debtadvisorycentre.co.uk/blog/what-are-priority-and-non-priority-debts-0-4212-0>
- Mortgage or rent arrears. If you don't pay these, you could lose your home
- Gas and electricity arrears. If you don't pay these, you can have your supply disconnected
- Council tax arrears. If you don't pay these, the local authority can go to court and get a summary warrant to enforce the debt. This may include arrears for water and sewerage charges
- Court fines such as fines for driving offences. If you don't pay these, the creditor can get a court order to recover the debt direct from your pay or freeze your bank account. If, after this, you still have unpaid arrears, you can be sent to prison
- Arrears of maintenance payable to an ex-partner or children. This includes child maintenance you owe to the Child Support Agency or Child Maintenance Service. If you don't pay this, the creditor can get a court order to recover the debt from your pay or your bank account. If, after this, you still have unpaid arrears, you can be sent to prison, see Child maintenance enforcement - sanctions by the court
- Income tax or VAT arrears. You can be sent to prison for non-payment of income tax or VAT
- TV licence or TV licence arrears. It's a criminal offence to use a television without a licence. You could be fined.

### **Non-priority debts include:**

- credit debts such as overdrafts, loans, hire purchase, credit card accounts and catalogues
- student loans
- Money borrowed from friends or family.

You can't be sent to prison for not paying non-priority debts. If you don't make any offers to pay, without explaining why, your creditors may take you to court. If you still fail to pay when the court has ordered it, your creditors can take further action. For example, they can get another court order which allows them take money from your bank account or your wages.

For benefits overpayments, you may get the overpayment taken off your benefit. This is called a third-party deduction. For what to do if you have been told you have been paid too much benefit, see Benefit overpayments.

Your local Citizens Advice Bureau will be able to provide you with information and provide contact details for the relevant person(s)/Department(s) to assist with managing your debt and repayment.

If you don't keep up payments under a hire purchase agreement, the lender may be able to take back the goods. Depending on how much you have paid, the lender may not need to get a court order first.

For more information about when a lender can repossess goods on hire purchase, see Hire purchase.

## Appendix 3 Write-Off Policy

Enforcement action is to be taken prior to considering write off.

All reasonable and economical debt recovery action should be taken before consideration is given to writing off a debt. The degree of enforcement action attempted should be dependent on the amount owed, the type of debt and the customer's personal circumstances where they are known.

Debts to be written off fall into two broad categories, firstly those debts that the Council is unable to collect and secondly those debts that are deemed uneconomic to collect. The following reasons are recognised as valid reasons for the write off of debts, subject to all appropriate action to enforce payment having been attempted.

*Unable to recover:*

- The customer is deceased and has left no estate
- The customer is subject to a formal insolvency order (*in such cases any accruing debt to be written off will only be up to the date of the order*)
- The debt has been remitted by the court
- It would cause the customer hardship to enforce payment, or it is in the interests of the Council or the wider community to write off the debt. This includes the use of the Council's powers under Section 49 of the Local Government Finance Act 1988 in respect of writing off a Non-Domestic Rate on the grounds of hardship when appropriate
- The customer has absconded/gone away and cannot be traced
- The customer is living outside the jurisdiction of the English Courts and is unlikely to return.
- The Court has refused to make an order in respect of the debt
- The customer has served a prison sentence to discharge the debt
- The debt is an overpayment of Housing Benefit which is deemed to be unrecoverable in accordance with the Housing Benefit General Regulations 1987 and the Department for Work and Pensions overpayment guidance manual
- The age of the debt precludes recovery or the debt as it is statute barred.

*Uneconomic to recover*

- It is uneconomical to take action to enforce payment if the amount is a small balance (under £10) or it is in the Council's interest to agree a negotiated settlement of part of the debt
- In general, recommendation for debts to be written off should be made only where one of the above categories applies. However, it is recognised that it is difficult to anticipate all potential circumstances where write off may be justified, and that on occasion it may be appropriate to write off a debt for other reasons. Where this is the case a full written report justifying the recommendation must be provided to the appropriate authorised Officer, who will make a decision regarding the writing off of the debt.

**Authorisation to write off debts**

The Council's Financial Rules allow for debts in relation to Revenues and Benefits to be written off in accordance with the debt write off policy as agreed from time to time by the Cabinet. For Revenues and Benefits in accordance with paragraph 14.3 of the Financial Rules debt write-off may be approved in accordance with the following table:

Value of Debt / Credit	Staff Authorised to Write Off Debt
Up to £2000	Head of relevant service area, i.e. Benefits, Revenues, Rents (Elevate)
£2000.01 to £10,000	Authorised Officer of Council Client Unit
Over 10,000	Strategic Director of Finance and Investment

Authorisation may only be given by means of an original signature. A single signature may be applied to a schedule of debts of individual amounts within a single category. Signed approved documents are scanned and stored for 6 years.

**Guidelines to authorising write off of debts**

In considering the approval to write off a debt the authorising staff shall give consideration to:

- This Policy
- The interest of the local community
- The Council's fiduciary responsibilities

- The rights of the customer and the effect of continued enforcement action.

## **Appendix 4 Links to Existing Policy & Policies**

### **Overview of Council vision and priorities: -**

<https://www.lbbd.gov.uk/council/priorities-and-strategies/vision-and-priorities/overview/>

**Corporate Delivery Plan:** - <https://www.lbbd.gov.uk/council/priorities-and-strategies/corporate-plans-and-key-strategies/corporate-delivery-plan/overview/>

**Single Equality Scheme:** - <https://www.lbbd.gov.uk/council/priorities-and-strategies/council-policies/equality-and-diversity-strategies/equality-duty/>

**Fraud Prosecution Policy** – the Council holds a ‘zero tolerance to fraudulent activity’:

<https://lbbd.sharepoint.com/sites/IntTp/FR/CounterFraud/Prosecution%20Policy.pdf#search=fraud>

**Members Code of Conduct** – <https://www.lbbd.gov.uk/wp-content/uploads/2014/11/Members-Code-of-Conduct.pdf>

**Customer Service Standards** – <https://www.lbbd.gov.uk/council/priorities-and-strategies/council-policies/customer-service-standards/our-customer-promise>

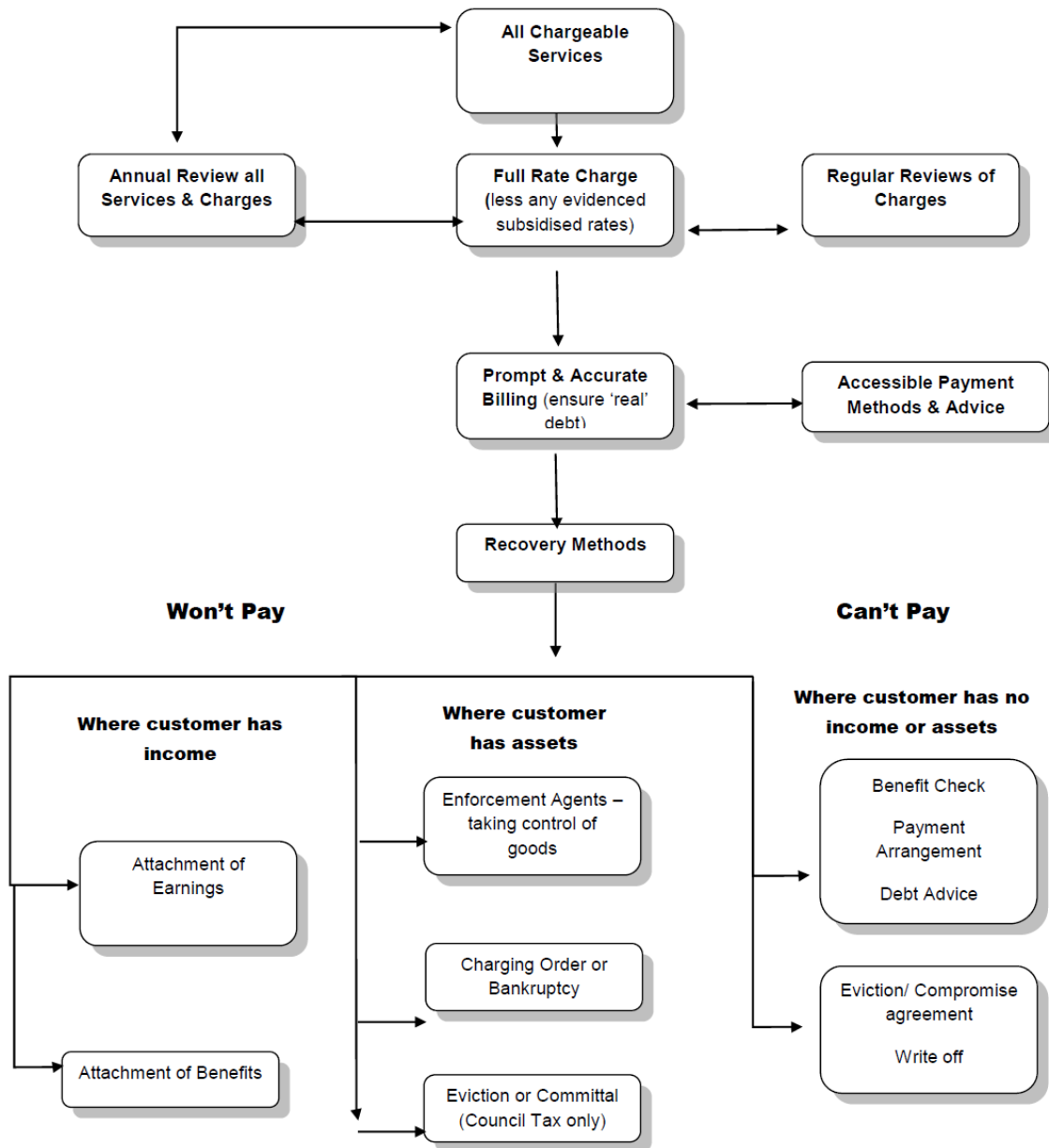
**Employee Code of conduct** – is in the constitution <http://moderngov.barking-dagenham.gov.uk/ieListMeetings.aspx?CId=626&Year=0>

**Whistle Blowing Policy:** - <https://www.lbbd.gov.uk/council/complaints-and-feedback/reporting-fraud/counter-fraud-work/>



# Appendix 5

**Appendix 5: Debt Management Flowchart**



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## Equality Impact Assessment

### Section 1: General information

1a) Name of the policy/issue – Debt Management Policy

1b) Services Area – Revenues & Benefits and other finance functions

1c) Strategic Director – Claire Symonds

1d) Name and role of officer/s completing EIA – Peter Cosgrove, General Operations Manager

### Section 2: Information about changes to the services

2a) In brief please explain the proposals and the reason for this change

The Debt Management Policy was approved by Cabinet in October 2011 and a review is required.

No fundamental changes are included in the revised policy, but changes rather focus on changes to terminology and bringing the policy up to date for 2017.

2b) What are the equality implications of your proposals:

The purpose of the policy is to provide clarity for customers, residents and officers of the council and others engaged in collecting monies owed to the Council. The policy also provides a consistent framework for the treatment of debtors by the Council while ensuring that the diversity of debtors is reflected in the approach and approaches adopted.

### Section 3: Equality Impact Assessment

With reference to the analysis above, for each of the equality strands in the table below please record and evidence your conclusions around equality impact in relation to the savings proposal

<p><b>Race</b></p> <p><i>Identify the effect of the policy on different racial groups</i></p>	<p><i>Will the change in your policy/ service have an adverse impact on specific ethnic groups? No</i></p> <p>Please describe the analysis and interpretation of the evidence to support your conclusion</p> <p>There is no change in the policy. The Debt Management Policy’s purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is</p>
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	acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.
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<p><b>Disability</b></p> <p><i>Identify the effect of the policy on different disability groups</i></p>	<p><i>Will the change in your policy/ service have an adverse impact on disabled people? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy's purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Gender</b></p> <p><i>Identify the effect of the policy on different gender(inc Trans) groups</i></p>	<p><i>Will the change in your policy/ service have an adverse impact on different gender groups? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy's purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Sexual orientation</b></p> <p><i>Identify the effect of the policy on members of the LGB community</i></p>	<p><i>Will the change in your policy /service have an adverse impact on gay, lesbian or bisexual people? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy's purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Religion and belief / those of no belief</b>  <i>Identify the effect of the policy on different religious and faith groups</i></p>	<p><i>Will the change in your policy /service have an adverse impact on people who practice a religion or belief? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy’s purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever possible, designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Age</b>  <i>Identify the effect of the policy on different age groups</i></p>	<p><i>Will the change in your policy/ service have an adverse impact on specific age groups? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy’s purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Socio- economic</b>  <i>Identify the effect of the policy in relation to socio economic inequalities</i></p>	<p><i>Will the change in your policy /service have an adverse impact on people with low incomes? No</i></p> <p><i>Will the change in your policy/ service have an adverse impact on disabled people? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy’s purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Other</b></p> <p><i>Identify if there are groups other than those already considered that may be adversely affected by the policy e.g. Carers</i></p>	<p><i>Will the change in your policy /service have an adverse impact on any other people (e.g. carers) No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy's purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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<p><b>Staff</b></p> <p><i>Identify if there are any staff groups that maybe adversely affected by the policy</i></p>	<p><i>Will the change in your policy /service have a particular adverse impact on staff from any of the equalities categories? No</i></p> <p><i>Please describe the analysis and interpretation of the evidence to support your conclusion:</i></p> <p>There is no change in the policy. The Debt Management Policy's purpose is to ensure a consistent but tailored approach to the collection of debt from all individuals and organisations who owe money to the Council. The diversity of the debtors is acknowledged within the policy so action is, wherever, possible designed for a particular debtor to minimise hardship and maximise recovery.</p>
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**Section 4: Equality Impact Assessment Action Plan**

Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact.

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered at least one alternative way of delivering the change which has less of an adverse impact. You will be required to provide updates on the actions until they are completed, so it is important they are SMART.

<b>Adverse impact</b>	<b>Please describe the actions that will be taken to mitigate impact</b>	<b>Outcomes</b>
None		

## **Section 5: Future Review and Monitoring.**

### **Please explain how and when the impact of these changes will be reviewed**

The existing practice is for Cabinet to receive a quarterly report on debt management in the borough. This practice is to continue and will report on any adverse impacts that may be unforeseen at this stage.

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**CABINET****25 April 2017**

<b>Title:</b> Home Services and Traded Services Full Business Cases	
<b>Report of the Cabinet Member for Finance, Growth and Investment</b>	
<b>Open Report with Exempt Appendices A and B</b> (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> Yes
<b>Report Authors:</b> Home Services: Kain Roach, Head of Repairs and Maintenance  Traded Services: Tony Sargeant, Group Manager, Service Development and Integration	<b>Contact Details:</b> Tel: 0208 227 3032 E-mail: <a href="mailto:Kain.Roach@lbbd.gov.uk">Kain.Roach@lbbd.gov.uk</a>  Tel: 0208 227 3390 E-mail: <a href="mailto:Tony.Sargeant@lbbd.gov.uk">Tony.Sargeant@lbbd.gov.uk</a>
<b>Accountable Directors:</b> Home Services: Hakeem Osinaike, Operational Director, Housing Management Traded Services: Chris Bush, Commissioning Director	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary</b>	
<p>The Council set out an ambitious vision that seeks to establish the borough as London's growth opportunity, forge a new deal with residents, and provide a fit-for-purpose organisation that gets the basics right. The overarching savings requirement presents a significant challenge, but with strong political leadership in place, there is an acknowledgement that new approaches are required.</p> <p>In response to these challenges, the Ambition 2020 Programme was formed. As part of this Programme it was decided that the Council will no longer have separate functional departments or directorates, rather that the organisation would be shaped around the needs of people, the place, and our goals. As a result, the delivery of services will be undertaken by a range of 'Service Delivery Blocks'.</p> <p>This approach formed part of public a consultation, "We all have a part to play" which was undertaken last summer. In July 2016 Cabinet approved for the Ambition 2020 Programme to move into the next stage of detailed design for each Service Block.</p> <p>In line with what was agreed by Cabinet, two business cases have been developed proposing the existing (a) repairs and maintenance functions and (b) Catering and Building Cleaning (including sub teams for Information &amp; Data Management, Management Information System Support, ParentPay and Critical Incidents Service) are transferred to a Council wholly owned company, in order that the Council meet its commercial and social objectives. It is proposed that Home Services and Traded Services will be two distinct commercial arms of a larger trading venture. This will allow for the</p>	

sharing of support arrangements and brings advantages of economies of scale.

**Recommendation(s)**

The Cabinet is recommended to:

- (i) Approve the Home Services Full Business Case at Appendix A to the report;
- (ii) Approve the Traded Services Full Business Case at Appendix B to the report;
- (iii) Agree the establishment of a new wholly owned Council Company in accordance with the proposals set out in the report to manage both Home Services and Traded Services;
- (iv) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Investment and Growth and the Director of Law and Governance, to implement all steps leading to the establishment of the new company in line with the proposals;
- (v) Delegate authority to the Director of Law and Governance to execute all the legal agreements, contracts and any other documents on behalf of the Council to implement the setting up of the new company; and
- (vi) Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to nominate the individuals to be appointed to the Shareholder Executive Board of the new company.

**Reason(s)**

The proposals detailed as part of this report have been developed to:

- Home Services – generate profit through greater focus on delivering value for money, effective financial control, and leadership to take advantage of trading opportunities and achieve consistently high customer satisfaction.
- Traded Services - will bring both financial and non-financial benefits many of which are only achievable through the creation of an arms-length organisation. This will also support the Council in achieving its social objectives by investing in staff (literacy and numeracy training) and maintaining jobs.
- Single Company – Each sub division, Home Services and Traded Services, will benefit from the cost efficiency of one management structure with additional efficiencies and commercial opportunities from joint marketing, cross selling and coordination of focus.

## **1. Overarching Introduction and Background**

- 1.1 The Council has set out an ambitious vision that seeks to establish the borough as London's growth opportunity, forge a new deal with residents, and provide a fit-for-purpose organisation that gets the basics right.
- 1.2 The overarching savings requirement presents a significant challenge, but with strong political leadership in place, there is an acknowledgement that new approaches are required.
- 1.3 In response to these challenges, the Ambition 2020 Programme was formed. As part of this Programme it was decided that the Council will no longer have separate functional departments or directorates, rather that the organisation would be shaped around the needs of people, the place, and our goals. As a result, the delivery of services will be undertaken by a range of 'Service Delivery Blocks'.
- 1.4 This approach formed part of public a consultation, "We all have a part to play" undertaken last summer. In July 2016 Cabinet approved for the Ambition 2020 Programme to move into the next stage of detailed design for each Service Block.
- 1.5 Two of the Service Blocks agreed at July's Cabinet are "Home Service" and Traded Services". This report details the business case for each and proposed single governance structure.

## **2. Home Services Business Case**

### **Introduction and Background - Home Services**

- 2.1 The provision of a good repairs and maintenance service is crucial to the on-going sustainability and optimisation of the underlying physical assets of the borough and through this the Council aims to meet its legislative and statutory obligations. However, there is also an opportunity to move from effective asset management to developing a commercial entity that can sell its services. "Home Services" expects to provide a competitive and high quality repairs and maintenance service capable of adapting to the expectations of both current and future customers.
- 2.2 In preparation for "Home Services", significant improvements have been made as part of the Repairs and Maintenance Service Improvement Programme - 'Fix the Basics'. This has included a restructure, end-to-end process redesign and technology improvements. Despite there being a period of significant change and reorganisation, a consistent level of performance has been maintained and in some areas improved. This exercise has also mitigated a service overspend of £1.4m in 2015/16 and additionally deliver a saving of £700k in 2016/17.
- 2.3 There is still a need to increase commercial acumen and effect further cultural change, addressing further historic working patterns and behaviours, if the service is to continue to improve and therefore compete effectively.

### **Proposal and Issues - Home Services**

- 2.4 There is a constant deliberation within the sector over whether repairs (and other asset management related services) are best delivered through an in-house (in

sourced) or externally delivered (out sourced) contract. Indeed, the Council's service has previously been externally provided (transferred back to the Council from Enterprise in 2013).

- 2.5 Many organisations have existing Direct Labour Organisations that, with the necessary levels of investment and commercial management, are delivering services that offer excellent value for money. Other organisations have decided to outsource their repairs service with an external contractor, with mixed levels of quality and customer satisfaction.
- 2.6 Over the past few years, a third way has emerged. New hybrid models are being formed to deliver asset management and repair services that are wholly owned by the local contracting authority.
- 2.7 As part of the July 2016 cabinet report it was agreed to develop a business case to explore options to establish whether there is a case for the current repairs and maintenance service (including DLO) to evolve into a standalone commercial entity delivering an improved service to existing customers, and generating revenue from new ones.
- 2.8 This approach fits well with the Council's corporate objectives to transform the borough as a high growth, high performing place to live and work.
- 2.9 It is proposed that this single repairs and maintenance solution capable of delivery across all service functions and disciplines including; Corporate/ Education/ Housing/ Highways/ Leisure/ Libraries/ Parks/ Schools/ Social Services is implemented. The new company would seek to explore selling its services to the private sector once it has established cost and quality control and when it has both the ability and capacity for doing so at a profit.
- 2.10 Significantly, the Council's strong brand should be used to leverage support towards trading. The objective for the service is to start small, and grow the business by extending out in the London Borough of Barking and Dagenham's own operating environment.
- 2.11 It is proposed that Home Services will be a distinct commercial arm of a larger trading venture that also embraces the more social objectives of Traded Services.
- 2.12 Together, these two arms demonstrate a new commercialism in the Borough's approach to trading, and with the interests of the residents of LBBD at the heart of the venture, its ethos and delivery arrangements.
- 2.13 This will allow for the sharing of support arrangements and brings advantages of economies of scale. The development of a single trading company covering both Home and Traded services fits very well with the strategic direction of the Council. There is a clear and consistent operating model, and the opportunity for synergy across these related functions in the future.
- 2.14 It must be noted that despite being under a single company the trajectory of either commercial arm will not hinder the success of the other.

## Options Appraisal - Home Services

2.15 There are a range of established commercial models available to the Council that cut across the spectrum of risk and reward; from retaining the DLO as an in-house operation, to full outsourcing with several options in between.

2.16 The 3 options that were considered as part of this business case were:

No.	Option	Description
1	In House DLO	<p>Under this model, the housing repairs and maintenance remains an in-house Direct Labour Organisation.</p> <p>As with the current model, housing repairs and maintenance works are carried out by an internal workforce directly employed by the local authority.</p> <p>An internal management team is responsible for delivering performance standards, targets and outcomes agreed and set by the local authority.</p> <p>Under this option, changes and improvements would be made to the service through a transformation programme targeting improvements, inefficiency and quality, and changes to processes, technology and staffing model.</p>
2	Wholly Owned Company (Subsidiary)	<p>Under this model, LBBD establishes a subsidiary or wholly owned company over which it retains ownership and control. This company employs all of the operatives and most of the staff needed to provide the service.</p> <p>Under this model, the subsidiary is responsible for service management and delivery through a contract mechanism.</p>
3	Outsource	<p>Under this model, LBBD invites competitive external bids for the delivery of its repairs and maintenance service through a formal OJEU procurement process. Bidding organisations are scored on a range of factors including quality and price, with criteria and weightings reflecting the commissioning authority's priorities. LBBD uses a contract management function to manage or 'client' the contract against agreed standards, targets and outcomes. In practice, organisations delivering outsourced housing repairs and maintenance services are predominantly private sector contractors (e.g. Axis Mears, Mitie, Kier, Willmott Dixon). This model can involve outsourcing to one organisation, a partnership or a consortium and can be whole service or parts.</p>

2.17 A detailed analysis was completed for each of the 3 options.

2.18 Overall, Option 2 - a private limited company wholly owned by the Council - is considered to be the optimum approach for achieving the Target Operating Model

and service improvements. The detailed options analysis can be found in the Home Services Full Business Case at Appendix A - this document is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

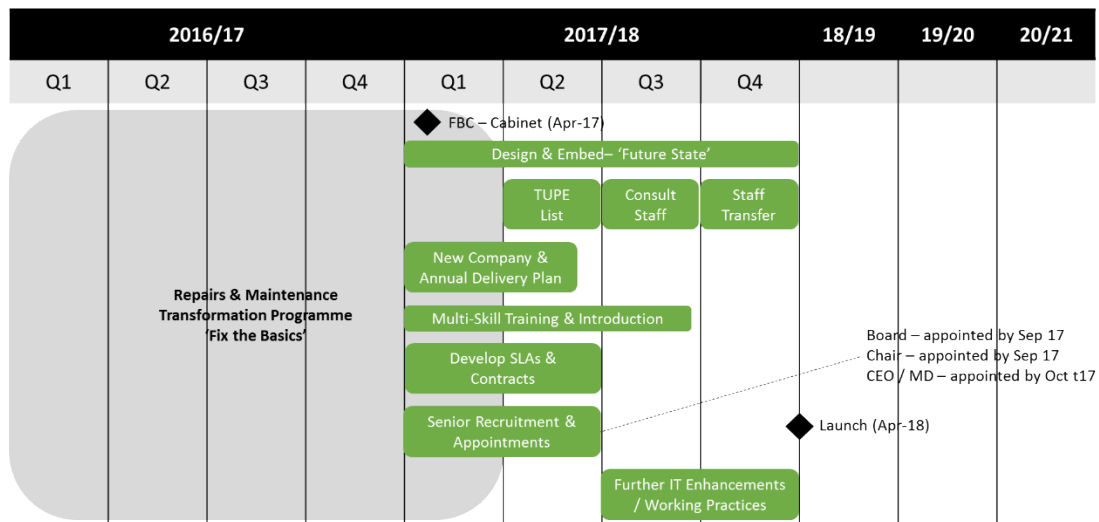
- 2.19 The primary advantage of the wholly owned model is that the Council will maintain strategic direction of the company and receive full return on investment, and further profit, through dividend payments. In addition to providing a legal separation from the Council, the company will provide a vehicle through which the Council may take profit from trading and respond flexibly to market opportunities.
- 2.20 Although owned by the Council as shareholder, the company will be an entity independent of the Council and able to operate commercially without some of the restrictions of the public service environment.
- 2.21 Using this strategy, the potential turnover and profit are estimated at approximately £22m and £1.1m, respectively, by 2022/23.
- 2.22 The Cost / Benefit Analysis for Home Services proposed in the Full Business Case is detailed below:

<b>Cost/ Benefit Analysis</b>						
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
Total Annual Cost	£118,150	£477,350	£0	£0	£0	£595,500
Total Annual Financial Benefits	£0	£0	£942,380	£80,221	£66,769	£1,089,370
<b>Net cost / benefit</b>	<b>-£118,150</b>	<b>-£477,350</b>	<b>£942,380</b>	<b>£80,221</b>	<b>£66,769</b>	<b>£493,870</b>

- 2.23 All costs detailed above were included in February's Council Budget Report and MTFS.
- 2.24 In the light of the analysis completed as part of the Full Business Case, it is recommended the Council establish a company limited by shares and wholly owned by the London Borough of Barking and Dagenham.

### **High Level Implementation Plan - Home Services**

- 2.25 A high-level implementation plan for Home Services is shown below. Following Cabinet approval of this proposal, substantial work will be conducted to set up the new company.



### 3. Traded Services Business Case

#### Proposal and Issues - Traded Services

- 3.1 The Council has a long history of providing services to schools in the borough. LBBDD is one of a very few Councils that has maintained a significant level of in-house provision and it has enjoyed a very good relationship with schools and a high buy-back of services.
- 3.2 School spending with the Council amounts to some £15m per year across 73 different services. These services vary considerably in scale and type and are managed in different directorates of the Council, but the largest service areas traded to schools are catering and cleaning.
- 3.3 Over the past few years, the level of buy-back of services has started to diminish. The increase in the number of Academies and Free Schools, as well as dwindling school budgets, has led to schools choosing other suppliers or reducing the volumes of services they buy from the Council. If this trend continues, and school revenues no longer meet the cost of delivery, the Council is likely to cease delivering the services altogether with an associated loss of employment for staff.
- 3.4 It is against this backdrop and the Council's need for significant savings, £63m by 2020, that the case for establishing a trading company is being made.
- 3.5 As part of the FBC development an options analysis was completed and demonstrated that establishing a new trading company for the delivery of catering, cleaning and some other smaller traded services is the most advantageous option for the Council when compared to maintaining the status quo or ceasing to deliver these services altogether.

#### Options Appraisal - Traded Services

- 3.6 This business case considers three options for a range of in scope services – 6 of the 73 Traded Services including the two largest – catering and cleaning – in terms of turnover (£13.65m) and staff numbers (837).
- 3.7 The six services in scope for the new Trading Company are:

- Catering
- Building Cleaning
- Information & Data Management
- Management Information System Support
- ParentPay
- Critical Incidents Service

3.8 These services have been included further to a detailed scoping exercise as they are deemed to have the highest potential to generate surplus and form a sustainable commercial business.

3.9 As requested by Schools, traded service that are currently out of scope will continue to be offered to schools as a brokered service through the new traded company.

3.10 The 3 options that were considered as part of this business case were:

No.	Option	Description
1	Business As Usual (BAU)	The Do Nothing / BAU option is based on the current operation of the in scope traded services. In this model, the Council will continue to deliver the services, by owning, operating and maintaining the assets and employing all staff directly. The Council retains full responsibility for income generation, all expenditure, service delivery and the day to day and long term maintenance of the assets. For modelling purposes, it assumes that service take-up will decline steadily over the next 4 years with the consequent reductions in revenue and costs of redundancies. LBBD will continue to retain all operational and trading risks but is unable to benefit from any surplus generated.
2	Cease Trading	The Cease Trading option is based on the current operation of the in scope traded services but with all services ending by 31 March 2019.  The estimated schedule of closure would be: <ul style="list-style-type: none"> <li>• Catering – 31 March 2019</li> <li>• Cleaning – 30 September 2018</li> <li>• Other Traded Services - 31 March 2018</li> </ul> The above would be dependent on any statutory and contractual obligations pertaining at the time, especially with Catering and Cleaning.
3	New Operating Model (NewCo)	The New Operating Model (NewCo) option is based on the current operation of the in scope traded services. In this model, a newly established operating company, wholly owned by the Council, will deliver the services, by owning, operating and maintaining the assets and employing all staff directly. The NewCo will retain full responsibility for income generation, all expenditure, service delivery and the day to day and long term maintenance of the assets. The NewCo will retain all the operational and trading risks.



- 3.11 The three options have been evaluated and scored against a robust set of criteria.
- 3.12 The results of the options evaluation exercise show that Option 3, the establishment of a trading company, is the recommended approach. The detailed options analysis can be found in the Traded Services Full Business Case Appendix B - this document is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 3.13 This approach will provide the Council with an ongoing, and potentially growing, source of revenue that is not realisable under the other options (neither option 1 or option 2 allows the Council to take profit from trading).
- 3.14 Contribution to wider corporate objectives including protecting local staff as well as helping the Council to align itself with one of the longer-term Ambition 2020 objectives, i.e. that of becoming a commissioning authority rather than a direct provider of services.
- 3.15 The new company will have some core social objectives to invest in the staff who currently deliver these services. The success of the company and its growth in the future are closely linked with having a well-qualified, dedicated workforce that see themselves as an integral part of an organisation with which their future success is closely aligned. As well as offering the chance of longer-term employment for staff compared with the strong likelihood of a declining workforce and redundancies if they remained in the local authority, the new entity will commit to raising the skills and qualifications of its predominantly local workforce through a comprehensive programme of job-related skills training. In addition to this type of training the company will also seek to address the more basic problems of staff with poor levels of literacy and numeracy – the basic skills needed for everyday life – by providing or assisting with the necessary training and support.
- 3.16 The BAU model runs the risk of having business erode over time. The new trading entity will have the ability to improve the offering and continue to maintain current business / customers.
- 3.17 Establishment of the company will provide the ability to generate 'new' business including contract catering, commercial cleaning, catering and cleaning to care homes. Further areas of external revenue will continue to be developed.
- 3.18 Financial robustness due to improved pricing mechanisms and improved margins.
- 3.19 A successful traded entity will avoid the redundancies that would occur if the services are ceased.
- 3.20 The table below provides a summary of the net spend/(surplus) for each of the main elements within the new company: Catering, Cleaning and Other Traded Services

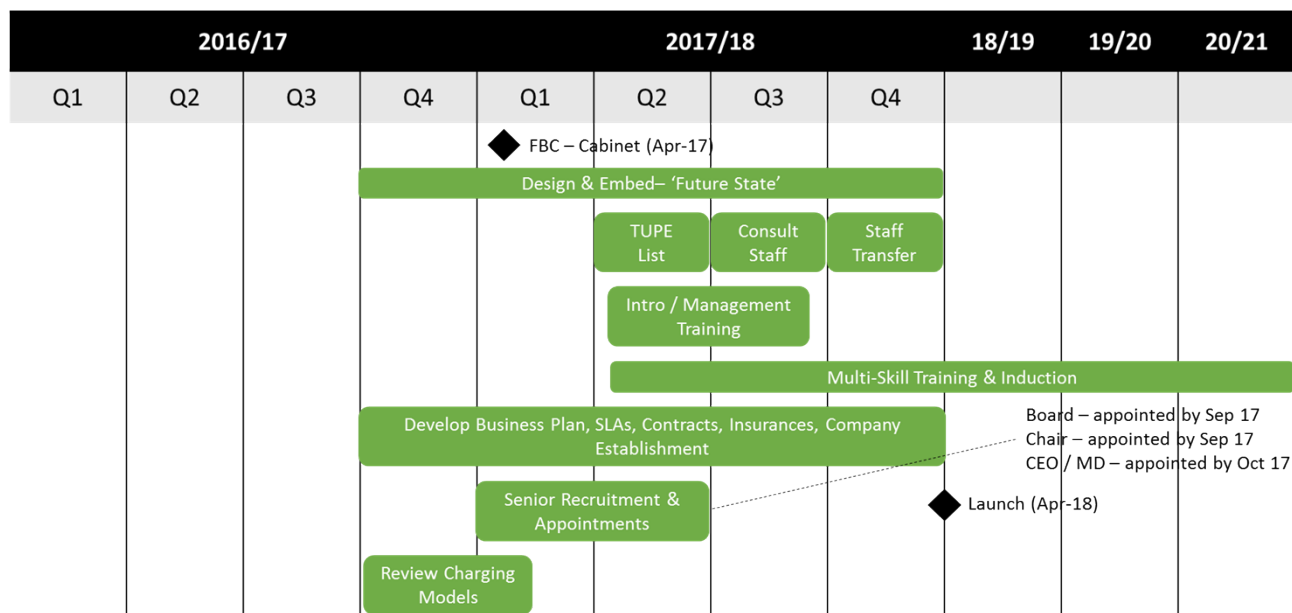
Summary Spend/Surplus	16/17 Forecast £000	17/18 Forecast £000	18/19 Forecast £000	19/20 Forecast £000	20/21 Forecast £000
Catering (inc. ParentPay)	-£126	£482	£437	£337	£475
Cleaning	-£26	£0	£0	£0	£37
Data and MI Services	-£26	£12	£14	£17	£19
Central Costs (inc. management & training)	-£116	-£295	-£296	-£297	-£298
Specific Company Implementation Costs	£0	-£496	£0	£0	£0
<b>Total</b>	<b>-£294</b>	<b>-£297</b>	<b>£155</b>	<b>£57</b>	<b>£233</b>

3.21 All costs detailed above were included in February’s Council Budget Report and MTFS.

3.22 In the light of the analysis completed as part of the Full Business Case, it is recommended the Council establish a company limited by shares and wholly owned by the London Borough of Barking and Dagenham.

### High Level Implementation Plan - Traded Services

3.23 A high-level implementation plan for Traded Services is shown below. Following Cabinet approval of this proposal, substantial work will be conducted to set up the new company.



## 4. Single Wholly Owned Commercial Entity

4.1 It is proposed that a new single commercial entity be created that has initially two sub divisions. Each sub division, Home Services and Traded Services, will benefit from the cost efficiency of one management structure with additional efficiencies and commercial opportunities from joint marketing, cross selling and coordination of focus.

## **LBB Shareholder Panel**

- 4.2 It is proposed to implement a Shareholder Panel to manage the Council's Shareholding interests from proposed commercial entities, protect the delivery of its strategic objectives and take decisions to deliver against the Council's Investment Strategy.
- 4.3 Following the expected creation of a number of new commercial entities, the Council will have a number of shareholder interests including the proposed vehicle to encompass both the Home Services and Traded Services divisions. As the principle owner/investor in each of these entities, the Council will need to have a governance structure in place to exercise its shareholder rights as well as to demonstrate compliance with Teckal<sup>1</sup>.
- 4.4 The composition, delegated rights and remit of the Shareholder Panel will be critical to providing strategic direction and oversight of company performance in a measured and balanced way. This will include, at the very least, the shareholder approving the Company's Business Plan; reviewing Company Performance; and approving the Company's Auditors. This governance framework will be developed further during the transition phase, prior to company launch.

## **Commissioning and Contract Management**

- 4.5 The Shareholder Panel is not the mechanism to resolve operational or contractual performance issues unless they are sufficiently serious as to undermine the Company performance. Operational performance of the company against their contractual requirements should be overseen outside of the Shareholder Panel.
- 4.6 My Place will become the main commissioning and contract management arm for the Council and the working relationship / partnership it builds will be fundamental to the future success of Home Services.
- 4.7 My Place will be the main commissioning and contract management arm for Council Building Cleaning under Traded Services. Schools will continue to commission and contract manage their own cleaning services and other Traded Services purchased from the new company.
- 4.8 There are a number of management arrangements that can be adopted, however, in principle it is viewed that there will be an in-house client approach with intelligent commissioning of the service and clear KPIs linked to an annual delivery plan. This is currently being designed at a corporate level.
- 4.9 It is proposed that a unit cost model approach will be beneficial to the success of the arrangement, providing that demand management can be controlled. This will support contract management arrangements by allowing there to be clear SLAs and scope of works in place.

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<sup>1</sup> Regulation 12 of the Public Contracts Regulations 2015 sets out the Teckal exemption. It provides that where the Council exerts control over an entity which is similar to that which it exercises over its own department ("the control test") and where more than 80% of the activities of the entity are carried out in performance of tasks entrusted to the entity by the Council ("the activities test") then the Council can award a contract to the new company without following normal procurement rules (i.e. competitive tendering).

4.10 The introduction of this approach will also allow the Services to manage their costs and cash flow. As part of the development of the business plan it is anticipated that the maintenance unit cost will reduce annually.

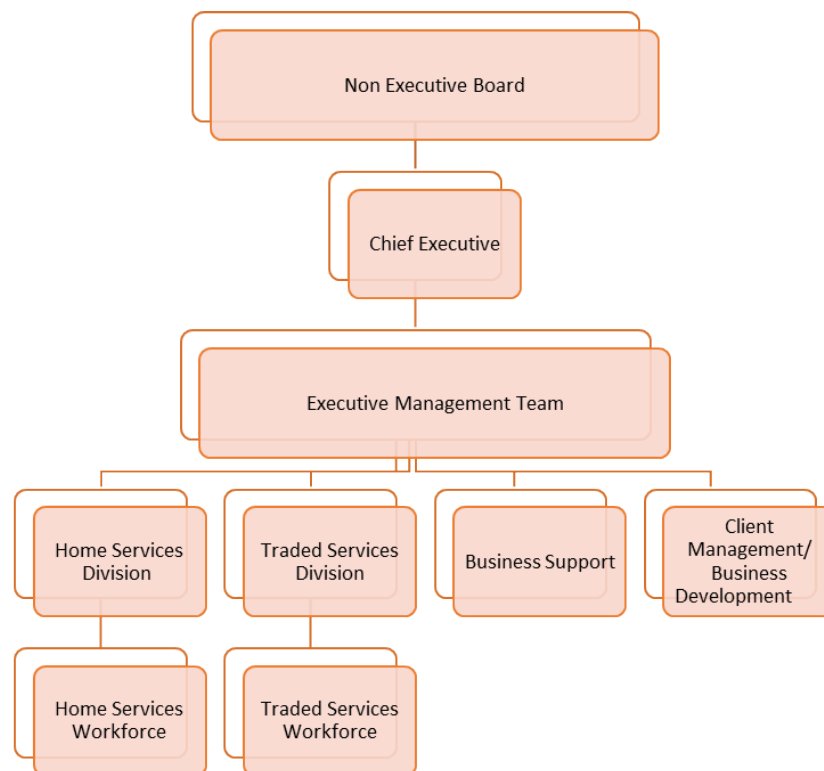
### **Governance**

4.11 With the formation of the company there needs to be a new management structure with clear roles, responsibilities and the capacity and capability for strong leadership and management.

4.12 The company's management will need to ensure that the services are being delivered and accounted for properly and also provide strategic direction for the services – both Home Services and Traded Services – to develop and grow, especially into areas outside of their current portfolios.

4.13 There will also be statutory and governance requirements to be fulfilled that the management structure will need to comply with.

4.14 The following diagrams highlight the proposed company structure:



## **5. Consultation**

5.1 A Public Consultation was undertaken prior to the detailed design/business case development of “Home Services” and “Traded Services”. This was approved by Cabinet in July 2016.

5.2 A full staff consultation will occur ahead of the creation of Home Services and Traded Services including the details of the TUPE process and pension

implications. Additionally, a review of the existing bonus scheme will be consulted on for Home Services.

- 5.3 Draft Equalities Impact Statements have been developed (Appendix C and D). These will be further developed as part of the staff consultation exercise, incorporating feedback ahead of the implementation and TUPE process required to create the new company.

## 6. Financial Implications

Implications completed by: Richard Tyler, Interim Senior Accountant

- 6.1 The HRA business plan and budget, agreed by Cabinet in February 2017, includes a 2017/18 base revenue budget for Repairs & Maintenance of £16.5m. The budget assumes significant cost savings across several years from 2017/18 onwards. The achievement of these savings is paramount to the successful implementation and delivery of the Home Services Business Case.
- 6.2 The 2017/18 HRA Repairs & Maintenance base budget will be used as the baseline for the development of a detailed Home Services budget. The continued maximisation of in-house labour and other resources over the use of sub-contractors is critical to the financial viability of Home Services.
- 6.3 In order to achieve both the production of a financial trading account and the level income proposed in the Home Services business case it will require the full implementation of all the relevant IT systems (e.g. Open Contractor for Job Costing & Charging Runs processes) and the associated interfaces to Oracle.
- 6.4 The full business case for Traded Services is set out in Appendix B of this report. The business case anticipates that the move to a company arrangement will generate savings of £233k per annum by 2020/21. The main financial assumptions are set out in section 6 of the business case (Appendix B) and assume savings from increased revenue and reduced support costs.
- 6.5 There are assumed implementation costs in 2017/18 of £496k to cover both the project management support of implementation and reorganisation and also the required marketing and communication to support the new company.

## 7. Legal Implications

Implications completed by: Paul O'Reilly, Contracts & Procurement Project Lawyer

- 7.1 This report is seeking approval to establish a wholly owned Teckal company to manage the delivery of the Home Services and Traded Services as part of the Ambition 2020 Programme.
- 7.2 The power to establish an arm's length new company is available by virtue of the "general power of competence" as set out in Section 1 of the Localism Act 2011. This section gives the local authority the power "...to do anything that individuals generally may do". Therefore, providing that there is no other reason which would make this unlawful, the Council is able to set up a new company pursuant to the

general power of competence. This power is not limited by the need to evidence a benefit accruing to the local authority's area, nor is it limited in geographical scope.

- 7.3 The establishment of this new company will require careful consideration and structuring of the relevant documentation, including the nature and composition of the Council's ownership and compliance with the requirements of Teckal, namely the control and activities tests which require that 80% of the activity of the new company relates to the work of the Council or functions or work entrusted to it (please see 4.3 above). If the establishment and operation of the new company is in line with the Teckal tests, then it will not have to comply with procurement rules in awarding contracts to the Council or vice versa. As such, the new company is enabled to derive full legal and procurement protection and benefit and the ability to achieve its commercial and social objectives, including trading onwards with external customers and suppliers. BDT Legal will assist in drafting the necessary documentation to facilitate this, together with finalising the agreement between the Council and the new company through which the latter is managed and achieves its service and commercial objectives.
- 7.4 The migration of the current in-house workforce into the new company will necessitate an exercise in relation to TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006 and related legislation), including employee consultation, consideration of employment contracts (including any changes to terms), skills training set up and management (as mentioned in 8.3 below), and which have considerable legal implications.
- 7.5 In addition, the proposals must be compliant with the EU state aid rules. State aid rules ensure competition and regulate any selective advantage granted by public authorities through state resources to any organisations that could potentially distort competition and trade in the European Union (EU). The definition of state aid is very broad because 'an advantage' can take many forms. Therefore, any funding by the Council to the new company will need to be identified and structured in such a way as to be compatible with State Aid rules. The grant of a loan repayable on commercial terms is, in principle, generally State Aid compatible.

## 8. Other Implications

- 8.1 **Risk Management** - Risk management implications are covered in the Full Business Cases attached at Appendix A and B.
- 8.2 **Contractual Issues** - If approved, Home Services and Traded Services will operate under a long-term contract with LBBB. This will be prepared during the implementation phase with advice from both internal and external lawyers.
- 8.3 **Staffing Issues** - The establishment of Home Services and Traded Services will involve TUPE transfer of council staff into the new organisation on their current terms and conditions, the recruitment of a board of directors and CEO, and the recruitment of additional staff to fill capacity and capability gaps. A consultation with staff will be completed and unions will be engaged immediately following the approval of this proposal. Consultation will continue through the TUPE process. External support from recruitment agencies specialising in relevant resources will be engaged to support the recruitment of the new company's Board members and additional staff.

- 8.4 **Corporate Policy and Customer Impact** - The proposal to establish Home Services and Traded Services is in line with the Ambition 2020 strategy. The proposal is aligned to the Council's overall vision as the organisation seeks to consider alternative and innovative methods of service delivery in order to improve services and respond to the financial challenge.

There are no anticipated negative impacts on residents or any of the protected characteristics as a result of the proposals. Draft Equalities Impact Assessments (EIA) that identify the impact of this change on staff are attached as Appendix C and D. These will be further developed as part of the staff consultation exercise, incorporating feedback ahead of the implementation and TUPE process required to create the new company.

- 8.5 **Property / Asset Issues** – The improvements, both delivered and planned, within Home Services will enable the Council to better maintain its housing stock through an enhance and efficient responsive repairs and planned maintenance scheme.

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

**List of appendices:**

- **Appendix A:** Home Services Full Business Case, March 2017 (Exempt document)
- **Appendix B:** Traded Services Full Business Case, March 2017 (Exempt document)
- **Appendix C:** DRAFT - Home Services Equalities Impact Statement, March 2016
- **Appendix D:** DRAFT - Traded Services Equalities Impact Statement, March 2016

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## Community and Equality Impact Assessment

As an authority, we have made a commitment to apply a systematic equalities and diversity screening process to both new policy development or changes to services.

This is to determine whether the proposals are likely to have significant positive, negative or adverse impacts on the different groups in our community.

This process has been developed, together with **full guidance** to support officers in meeting our duties under the:

- Equality Act 2010.
- The Best Value Guidance
- The Public Services (Social Value) 2012 Act

**About the service or policy development**

Name of service or policy	Home Services
Lead Officer	Claire Symonds, Chief Operating Officer
Contact Details	

<p><b>Why is this service or policy development/review needed?</b></p> <p>The creation of a new Home Services block is proposed for the following reasons:</p> <ul style="list-style-type: none"> <li>• The provision of a good repairs and maintenance service is crucial to the on-going sustainability and optimisation of the underlying physical assets and through this the Council aims to meet its legislative and statutory obligations. Home Services also expects to provide a competitive and high quality repairs and maintenance service capable of adapting to the expectations of both current and future customers.</li> <li>• Significantly, the Council’s strong brand should be used to leverage support towards trading. The objective for the service is to start small, and grow the business by extending out in the London Borough of Barking and Dagenham’s (LBBB) own operating environment.</li> </ul> <p>It is proposed that Home Services will be:</p> <ul style="list-style-type: none"> <li>• A focused delivery model where all existing planned maintenance and major works delivery functions and responsive repairs are brought together into a newly created division.</li> <li>• A service model that can best manage its own supply chain, materials and components.</li> <li>• Services that are delivered in accordance with performance criteria set out by My Place and contained within a 5-year management agreement.</li> <li>• A service that is capable of operating as a standalone commercial unit capable of selling services to the private sector.</li> </ul> <p>It is anticipated that Home Services itself will not have any impacts on communities or protected groups.</p>
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**1. Community impact (this can be used to assess impact on staff although a cumulative impact should be considered).**

<p>What impacts will this service or policy development have on communities? Look at what you know? What does your research tell you?</p> <p><i>Consider:</i></p> <ul style="list-style-type: none"> <li>• National &amp; local data sets</li> <li>• Complaints</li> <li>• Consultation and service monitoring information</li> <li>• Voluntary and Community Organisations</li> <li>• The Equality Act places a specific duty on people with ‘protected characteristics’. The table below details these groups and helps you to consider the impact on these groups.</li> </ul>
<p><b>Demographics</b></p> <p>The creation of My Place will focus on all Council assets and their users/occupants. It is</p>

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

anticipated that Home Services will be commissioned to complete works on these assets which will include:

- 17,941 Council tenanted properties
- 20,975 tenants/joint tenants
- 3,478 (leaseholders)
- 654 corporate/commercial assets e.g shops, schools, Council administrative buildings.
- 201,979 borough residents

In the future, it is proposed that Home Services will also offers its services to the private sector. The services offered will potentially be available to any one of the borough's residents and/or businesses. As such, general demographic information that is available to the Council is considered the appropriate data set on which to base this EQIA.

ONS 2015 mid-year estimate shows that 51% of Barking & Dagenham's population of 202,000 is female and 49% male. No information is available on transgender numbers. Age distribution data is available from ONS 2015 mid-year estimate and ONS 2014 Sub National Population Projections. See Annex 1, which also includes data from the 2011 census on ethnicity, disability and religion/belief.

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
<b>Local communities in general</b>	X			Improved service delivery and therefore customer satisfaction	Work has been undertaken (as detailed in the Full Business Case) to improve the delivery of the service. An improvement in customer satisfaction has been achieved to date and is anticipated to increase further with the introduction of a more commercially minded leadership and robust reporting processes.
<b>Age</b>	X			To invest in the workforce and increase education opportunities, thereby benefitting younger members of the population.	To invest in the workforce and increase education opportunities, including apprenticeships targeting apprenticeships within the organisation that represent 7% of the operational workforce by 2018/19 year.
<b>Disability</b>		X			
<b>Gender reassignment</b>		X			
<b>Marriage and civil partnership</b>		X			

<b>COMMUNITY AND EQUALITY IMPACT ASSESSMENT</b>	
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<b>Pregnancy and maternity</b>		X			
<b>Race (including Gypsies, Roma and Travellers)</b>		X			
<b>Religion or belief</b>		X			
<b>Gender</b>		X			
<b>Sexual orientation</b>		X			
<b>Any community issues identified for this location?</b>		X			
<b>Staff</b>		X			<p>It is envisaged that existing staff in the Council will transfer to the new Home Services entity under TUPE legislation. Whilst this will ensure that staff terms and conditions in the new organisation are broadly equivalent to those in the Council, individual members of staff may be affected by the transfer in different ways dependent on their specific circumstances. In addition, new recruits may be engaged on different terms and conditions, leading to a 'two tier workforce', which may lead to perceptions of unequal treatment from some. A separate EQIA will be developed about how the TUPE process will impact staff ahead of, and will form part of, any consultation exercise.</p>

**2. Consultation.**

Provide details of what steps you have taken or plan to take to consult the whole community or specific groups affected by the service or policy development e.g. on-line consultation, focus groups, consultation with representative groups?

In April and July 2016 reports were presented to the Council's Cabinet about the Ambition 2020 programme – the reports detailed plans for reshaping the Council – moving away from the current structures. The reports also described a number of service design principles/proposals one of which was Home Services.

Following the first report in April, a 3-month public consultation exercise took place which culminated in a second report back to Cabinet in July 2016 detailing the outcome/results of the consultation. After considering the results, Cabinet gave officers the mandate to proceed with the detailed design, and pending further Cabinet approval, the implementation of Home Services.

It is proposed a full staff consultation exercise is undertaken in 2017/early 2018 following Cabinet approval of the proposal ahead of any TUPE exercise. This will include the development of a separate EQIA for the impact that this may have on staff.

### 3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented?

*These actions should be developed using the information gathered in **Section 1 and 2** and should be picked up in your departmental/service business plans.*

Action	By when?	By who?
Formal governance of the build up to and launch of the service in 2018 via a programme which will identify any emerging equality issues from the design and implementation – monthly Programme Boards and CPG assurance Board meetings continue through post launch.	May 2018	Project Sponsor
Statutory reporting and KPIs are in place which will be monitored through agreed channels.	Monthly	Chief Executive, Traded Services & Home Services
Regular meetings with the service commissioner to ensure that of performance against agreed standards are being achieved.	Quarterly	Chief Executive, Traded Services & Home Services

### 4. Next steps

It is important the information gathered is used to inform any Council reports that are presented to Cabinet or appropriate committees. This will allow Members to be furnished with all the facts in relation to the impact their decisions will have on different equality groups and the wider community.

Take some time to précis your findings below. This can then be added to your report template for sign off by the Strategy Team at the consultation stage of the report cycle.

Implications/ Customer Impact

It is anticipated that Home Services itself will not have any impacts on communities or protected groups. However, it is expected that customer satisfaction will improve as a result of the changes made in creating the entity. Some work has been done in anticipation for the creation of Home Services, “fixing the basics”. The improvements made are detailed below.

No.	Tangible Benefit	Quarter 1 April – June 16	Quarter 3 October – Dec 16
1	Number of days to complete a repair	6.36	5.72
2	% jobs completed on time	96%	96%
3	Customer satisfaction survey	90%	92%

It is anticipated that these levels will be improved further as a result of creating Home Services.

In addition to improving customer satisfaction, it is anticipated that Home Services will support the Council in meeting the following objectives:

**Financial/Commercial Objectives**

- To maximise the financial benefits to the Council from trading in scope services with external organisations in particular through:
  - increasing revenues/turnover
  - reducing operating costs as a proportion of turnover
  - generating profits/surplus
- To establish and deliver a commercially sustainable offer of services that is competitive in the marketplace and, once embedded, to grow business and then gradually increase the customer base
- To contribute to Council savings targets through the Ambition 2020 programme

**Social Objectives**

- To invest in the workforce and increase literacy, education and skills levels by providing access to training and education opportunities, including apprenticeships targeting apprenticeships within the organisation that represent 7% of the operational workforce by 2018/19 year. An education and skills audit will be carried out in order to establish a baseline and set an improvement target for education and skills levels
- To provide a positive, encouraging work environment for all staff leading to higher levels of productivity, reduced sickness absence and reduced staff turnover targeting a reduction on current levels of sickness absence (2016/17 average of 10.8 days per employee per annum) by 1.8 days by 2019/20 year

**5. Sign off**

The information contained in this template should be authorised by the relevant project sponsor or Divisional Director who will be responsible for the accuracy of the information now provided and delivery of actions detailed.

Name	Role (e.g. project sponsor, head of service)	Date
Kain Roach	Head of Repairs & Maintenance (Service Lead)	29.03.17
Claire Symonds	Chief Operating Officer (Sponsor)	29.03.17



**Annex 1: Borough-wide demographic data**

**Table 1: Population by age and gender**

<b>Estimated Population Barking and Dagenham</b>			
<b>Age</b>	<b>Female</b>	<b>Male</b>	<b>Grand Total</b>
00-04	9,499	10,137	19,636
05-09	9,067	9,650	18,717
10-14	6,757	7,236	13,993
15-19	6,134	6,782	12,916
20-24	6,378	6,604	12,982
25-29	8,196	7,530	15,726
30-34	8,834	7,951	16,785
35-39	8,351	7,306	15,657
40-44	7,495	7,280	14,775
45-49	6,918	6,374	13,292
50-54	6,093	5,639	11,732
55-59	4,480	4,728	9,208
60-64	3,559	3,395	6,954
65-69	3,078	2,739	5,817
70-74	2,262	1,912	4,174
75-79	2,107	1,537	3,644
80-84	1,717	1,147	2,864
85-89	1,276	700	1,976
90+	812	319	1,131
<b>Grand Total</b>	<b>103,013</b>	<b>98,966</b>	<b>201,979</b>

Source: ONS Mid Year Estimates 2015

**Table 2: Population forecast by age (ONS 2014 Sub National Population Projections)**

Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90+	Total
2014	19,661	17,984	13,352	12,971	12,974	15,493	16,456	15,368	14,499	12,954	11,401	8,720	6,805	5,738	4,119	3,721	3,000	1,951	1,127	198,294
2015	19,777	18,724	13,930	13,029	13,300	15,811	16,861	15,846	14,755	13,222	11,746	9,178	6,922	5,846	4,169	3,644	2,905	1,974	1,114	202,753
2016	19,973	19,173	14,612	13,242	13,362	16,177	17,123	16,398	14,902	13,462	12,087	9,571	7,064	5,953	4,368	3,527	2,850	1,957	1,134	206,934
2017	19,950	19,555	15,660	13,200	13,604	16,423	17,418	16,801	15,292	13,593	12,312	9,958	7,343	5,834	4,671	3,522	2,778	1,951	1,138	211,002
2018	19,987	19,899	16,670	13,211	13,781	16,534	17,708	17,402	15,538	13,810	12,456	10,444	7,555	5,930	4,799	3,457	2,844	1,903	1,164	215,092
2019	20,296	20,033	17,548	13,493	13,618	16,833	17,826	17,861	15,823	14,078	12,617	10,775	7,903	5,995	4,986	3,457	2,849	1,883	1,158	219,032
2020	20,623	20,143	18,180	13,954	13,563	16,885	17,975	18,187	16,295	14,272	12,832	11,087	8,300	6,097	5,095	3,514	2,818	1,858	1,196	222,875
2021	20,903	20,317	18,581	14,552	13,612	16,824	18,217	18,405	16,827	14,406	13,032	11,396	8,643	6,226	5,195	3,690	2,743	1,846	1,212	226,625
2022	21,135	20,283	18,967	15,458	13,502	16,922	18,361	18,632	17,252	14,738	13,142	11,610	8,980	6,468	5,102	3,958	2,752	1,824	1,231	230,317
2023	21,327	20,330	19,275	16,331	13,449	16,968	18,371	18,860	17,811	14,980	13,310	11,748	9,401	6,656	5,188	4,084	2,724	1,889	1,239	233,941
2024	21,499	20,616	19,418	17,060	13,588	16,795	18,536	18,967	18,219	15,285	13,524	11,897	9,701	6,954	5,256	4,249	2,741	1,907	1,245	237,457
2025	21,642	20,926	19,533	17,589	13,885	16,694	18,519	19,071	18,517	15,749	13,687	12,085	9,979	7,295	5,350	4,356	2,801	1,904	1,275	240,857
2026	21,756	21,190	19,695	17,920	14,305	16,646	18,425	19,267	18,724	16,255	13,813	12,262	10,251	7,595	5,472	4,450	2,949	1,864	1,300	244,139
2027	21,844	21,407	19,657	18,297	14,955	16,484	18,458	19,380	18,924	16,674	14,104	12,360	10,448	7,888	5,684	4,385	3,181	1,881	1,320	247,330
2028	21,920	21,584	19,706	18,593	15,574	16,416	18,447	19,358	19,129	17,191	14,335	12,497	10,577	8,251	5,856	4,463	3,294	1,884	1,379	250,453
2029	21,994	21,737	19,968	18,737	16,096	16,494	18,290	19,463	19,236	17,554	14,644	12,670	10,712	8,517	6,117	4,531	3,432	1,909	1,409	253,510
2030	22,075	21,857	20,255	18,844	16,507	16,720	18,174	19,418	19,322	17,826	15,090	12,812	10,873	8,763	6,415	4,619	3,526	1,964	1,439	256,497
2031	22,170	21,948	20,499	18,956	16,785	17,090	18,068	19,311	19,498	18,016	15,568	12,926	11,027	9,002	6,680	4,733	3,609	2,075	1,442	259,403
2032	22,280	22,012	20,698	18,922	17,112	17,651	17,876	19,304	19,597	18,193	15,975	13,181	11,112	9,180	6,938	4,920	3,569	2,255	1,475	262,251
2033	22,406	22,063	20,859	18,997	17,337	18,198	17,790	19,261	19,563	18,380	16,457	13,398	11,223	9,299	7,257	5,076	3,637	2,347	1,523	265,071
2034	22,546	22,112	20,996	19,238	17,460	18,648	17,826	19,114	19,639	18,482	16,787	13,699	11,364	9,420	7,498	5,305	3,701	2,448	1,567	267,851
2035	22,702	22,167	21,101	19,496	17,542	19,024	18,002	18,988	19,580	18,558	17,038	14,122	11,487	9,558	7,719	5,566	3,780	2,521	1,626	270,576
2036	22,872	22,235	21,177	19,713	17,629	19,294	18,329	18,849	19,468	18,716	17,215	14,568	11,589	9,692	7,933	5,801	3,883	2,584	1,699	273,246
2037	23,056	22,319	21,228	19,890	17,578	19,620	18,820	18,637	19,442	18,804	17,376	14,952	11,809	9,769	8,097	6,029	4,042	2,567	1,834	275,867
2038	23,250	22,417	21,266	20,035	17,618	19,813	19,316	18,537	19,383	18,767	17,548	15,393	12,006	9,862	8,208	6,308	4,178	2,623	1,919	278,447
2039	23,451	22,532	21,301	20,155	17,793	19,915	19,720	18,552	19,242	18,825	17,647	15,690	12,285	9,978	8,319	6,526	4,372	2,678	2,001	280,983

# COMMUNITY AND EQUALITY IMPACT ASSESSMENT

**Table 3: Disability**

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Confidence	95% confidence interval of percent figure (+/-)			
Date	Apr 2015-Mar 2016			
	<b>Barking and Dagenham</b>			
<b>Variable</b>	<b>E09000002</b>			
	<b>numerator</b>	<b>denominator</b>	<b>percent</b>	<b>conf</b>
% aged 16-64 who are EA core or work-limiting disabled	20,700	128,300	16.1	3.0
% of males aged 16-64 who are EA core or work-limiting disabled	9,100	62,800	14.4	4.3
% of females aged 16-64 who are EA core or work-limiting disabled	11,600	65,500	17.7	4.2
% aged 16-64 who are EA core disabled	18,300	128,300	14.3	2.9
% of males aged 16-64 who are EA core disabled	8,000	62,800	12.7	4.0
% of females aged 16-64 who are EA core disabled	10,300	65,500	15.8	4.0
% aged 16-64 who are work-limited core disabled	17,100	128,300	13.3	2.8
% of males aged 16-64 who are work-limited disabled	7,300	62,800	11.6	3.9
% of females aged 16-64 who are work-limited disabled	9,800	65,500	14.9	3.9
% aged 16-64 who are not disabled	106,700	128,300	83.2	3.1
% of males aged 16-64 who are not EA core or work-limiting disabled	53,300	62,800	84.8	4.4
% of females aged 16-64 who are not EA core or work-limiting disabled	53,400	65,500	81.6	4.3

20/07/2016 Data has been reweighted in line with the latest ONS estimates.

# COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Table 4: Ethnicity

2011 Table Title	LBBB (Number)		number Increase / Decrease	% Increase / Decrease	LBBB (%)		London (2011)	England (2011)
	2011	2001			2011	2001		
<b>Ethnic Groups</b>	All Residents	185,911	163,944	21,967	13.4%			
	White British	91,949	132,566	-40,617	-30.6%	49.5%	80.9%	44.9%
	White Irish	1,730	2,753	-1,023	-37.2%	0.9%	1.7%	2.2%
	White Gypsy or Irish Traveller	182	na			0.1%	n/a	0.1%
	White Other	14,525	4,348	10,177	234.1%	7.8%	2.7%	12.6%
	Mixed / multiple ethnic groups: White and Black Caribbean	2,669	1,420	1,249	88.0%	1.4%	0.9%	1.5%
	Mixed / multiple ethnic groups: White and Black African	2,128	572	1,556	272.0%	1.1%	0.3%	0.8%
	Mixed / multiple ethnic groups: White and Asian	1,246	534	712	133.3%	0.7%	0.3%	1.2%
	Other mixed	1,835	550	1,285	233.6%	1.0%	0.3%	1.5%
	Asian / Asian British: Indian	7,436	3,681	3,755	102.0%	4.0%	2.2%	6.6%
	Asian / Asian British: Pakistani	8,007	3,055	4,952	162.1%	4.3%	1.9%	2.7%
	Asian / Asian British: Bangladeshi	7,701	673	7,028	1044.3%	4.1%	0.4%	2.7%
	Asian/Asian British: Chinese	1,315	775	540	69.7%	0.7%	0.5%	1.5%
	Asian / Asian British: Other Asian	5,135	877	4,258	485.5%	2.8%	0.5%	4.9%
	Black/African/Caribbean/Black British: African	28,685	7,284	21,401	293.8%	15.4%	4.4%	7.0%
	Black/African/Caribbean/Black British: Caribbean	5,227	3,434	1,793	52.2%	2.8%	2.1%	4.2%
	Black/African/Caribbean/Black British: Other Black	3,228	722	2,506	347.1%	1.7%	0.4%	2.1%
	Other Ethnic group: Arab	973	na		n/a	0.5%	n/a	1.3%
	Other Ethnic Group: Any other ethnic group	1,940	700	1,240	177.1%	1.0%	0.4%	2.1%

**COMMUNITY AND EQUALITY IMPACT ASSESSMENT**

Table 5: Religion

2011 Table Title		LBBD (Number)		number Increase / Decrease	% Increase / Decrease	LBBD (%)		London (2011)	England (2011)
		2011	2001			2011	2001		
<b>Religion</b>	Christian	104,101	113,111	-9,010	-7.97%	56.0%	69.0%	48.4%	59.4%
	Buddhist	842	366	476	130.05%	0.5%	0.2%	1.0%	0.5%
	Hindu	4,464	1,867	2,597	139.10%	2.4%	1.1%	5.0%	1.5%
	Jewish	425	547	-122	-22.30%	0.2%	0.3%	1.8%	0.5%
	Muslim	25,520	7,148	18,372	257.02%	13.7%	4.4%	12.4%	5.0%
	Sikh	2,952	1,754	1,198	68.30%	1.6%	1.1%	1.5%	0.8%
	Other Religion	533	308	225	73.05%	0.3%	0.2%	0.6%	0.4%
	No Religion	35,106	25,075	10,031	40.00%	18.9%	15.3%	20.7%	24.7%
	Religion not stated	11,968	13,768	-1,800	-13.07%	6.4%	8.4%	8.5%	7.2%

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## Community and Equality Impact Assessment

As an authority, we have made a commitment to apply a systematic equalities and diversity screening process to both new policy development or changes to services.

This is to determine whether the proposals are likely to have significant positive, negative or adverse impacts on the different groups in our community.

This process has been developed, together with **full guidance** to support officers in meeting our duties under the:

- Equality Act 2010.
- The Best Value Guidance
- The Public Services (Social Value) 2012 Act

**About the service or policy development**

Name of service or policy	Traded Services
Lead Officer	Claire Symonds, Chief Operating Officer
Contact Details	

Why is this service or policy development/review needed?
<p>The creation of a new Traded Services company is required for the following reasons:</p> <ul style="list-style-type: none"> <li>• School spending with the Council amounts to some £15m per year across 73 different services. These services vary considerably in scale and type and are managed in different directorates of the Council, but the largest service areas traded to schools are catering and cleaning.</li> <li>• Over the past few years, the level of buy-back of services has started to diminish. The increase in the number of Academies and Free Schools, as well as dwindling school budgets, has led to schools choosing other suppliers or reducing the volumes of services they buy from the Council.</li> <li>• If this trend continues, and school revenues no longer meet the cost of delivery, the Council is likely to cease delivering the services altogether with an associated loss of employment for staff.</li> </ul> <p>It is proposed that Traded Services will be:</p> <ul style="list-style-type: none"> <li>• This business case considers three options for a range of in scope services – 6 of the 73 Traded Services including the two largest in terms of turnover and staff numbers – catering and cleaning. These services have been included further to a detailed scoping exercise as they are deemed to have the highest potential to generate surplus and form a sustainable commercial business.</li> <li>• The business case sets out the options analysis and demonstrates that establishing a trading company for the delivery of catering, cleaning and some other smaller traded services is the most advantageous option for the Council.</li> <li>• The proposed company will become the employer of more than 800 former Council staff, reducing the Council’s headcount by some 25%. Improving the education and skill base of local residents is also a key priority for the Council as is enhancing the borough’s image to attract investment and growth and improving employment opportunities. The new entity will have core social objectives to invest in the staff who currently deliver services, many of whom are residents.</li> </ul> <p>It is anticipated that Traded Services itself will not have any impacts on communities or protected groups.</p>

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

<p>What impacts will this service or policy development have on communities? Look at what you know? What does your research tell you?</p> <p><i>Consider:</i></p> <ul style="list-style-type: none"> <li>• National &amp; local data sets</li> </ul>
--



- Complaints
- Consultation and service monitoring information
- Voluntary and Community Organisations
- The Equality Act places a specific duty on people with ‘protected characteristics’. The table below details these groups and helps you to consider the impact on these groups.

**Demographics**

The Council currently provide one or more Traded Services to every school in the borough.

The business case for the establishment of a wholly Council-owned trading company is based on the delivery of six services in the first instance. These services are:

<b>Service</b>	<b>No. of staff</b>	<b>No. of Clients</b>	<b>% schools buyback</b>
Catering	426 (92% part time or temporary)	50 schools 5 Academies	92%
Building Cleaning	428 (98% part time or temporary)	23 schools 4 Academies 74 Council locations (9 of which are corporate contract)	45%
Information & Data Management	3	49 schools 6 Academies	92%
Management Information System Support	Included in above	42 schools 4 Academies	77%
ParentPay	2	52 schools 5 Academies	95%
Critical Incidents Service	Included in above	19 schools 1 Academies	33%
<b>TOTALS</b>	<b>859</b>		

Traded Services is a large local employer in its own right, with over 800 staff, the vast majority of whom are local residents (72% across all of Traded Services). Many of the borough’s residents are, or may in future be, one of the following:

- An employee of one of the borough’s schools
- Employed by the Council
- Attend a school in the borough
- Visit one of the Council’s buildings

Any of these individuals may be impacted by the one or more of the Traded Services in scope. As such, general demographic information that is available to the Council is considered the appropriate data set on which to base this EQIA.

ONS 2015 mid-year estimate shows that 51% of Barking & Dagenham’s population of

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

202,000 is female and 49% male. No information is available on transgender numbers. Age distribution data is available from ONS 2015 mid-year estimate and ONS 2014 Sub National Population Projections. See Annex 1, which also includes data from the 2011 census on ethnicity, disability and religion/belief.

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
<b>Local communities in general</b>	X			The creation of a new wholly owned Council company with a social purpose will ensure investment in the workforce and therefore local residents	<ul style="list-style-type: none"> <li>To increase job and wealth creation for the local community and economy through the employment of local people and use of local suppliers by undertaking local recruitment activity and local supplier workshops targeting 75% of the workforce in the Catering and Cleaning to be locally employed by 2020 compared to a current baseline of 72%</li> </ul>
<b>Age</b>	X			To invest in the workforce and increase literacy, education and skills levels	<ul style="list-style-type: none"> <li>Part of the vision is to support the improvement in the levels of educational achievement and skills, thereby benefitting adults in the borough.</li> <li>To invest in the workforce and increase literacy, education and skills levels by providing access to training and education opportunities – an education and skills audit will be carried out in order to establish a baseline and set an improvement target</li> </ul>
<b>Disability</b>		X			
<b>Gender reassignment</b>		X			
<b>Marriage and civil partnership</b>		X			
<b>Pregnancy and maternity</b>		X			
<b>Race (including Gypsies, Roma and Travellers)</b>		X			
<b>Religion or belief</b>		X			
<b>Gender</b>	X			Ensuring opportunities are available	To continue to provide often marginalised and excluded groups, for example, parents seeking part time hours around childcare,

## COMMUNITY AND EQUALITY IMPACT ASSESSMENT

			for parents to work around childcare arrangements	increased opportunities for employment. (Currently 92% of catering staff and 98% of cleaning staff are on part-time or temporary working arrangements and c.95% of catering staff are female and c85% of cleaning staff are female). Where business increases, additional hours will also be made available to these staff.
<b>Sexual orientation</b>		X		
<b>Any community issues identified for this location?</b>		X		
<b>Staff</b>		X		It is envisaged that existing staff in the Council will transfer to the new Traded Services entity under TUPE legislation. Whilst this will ensure that staff terms and conditions in the new organisation are broadly equivalent to those in the Council, individual members of staff may be affected by the transfer in different ways dependent on their specific circumstances. In addition, new recruits may be engaged on different terms and conditions, leading to a 'two tier workforce', which may lead to perceptions of unequal treatment from some. A separate EQIA will be developed about how the TUPE process will impact staff ahead of, and will form part of, any consultation exercise.

**2. Consultation.**

Provide details of what steps you have taken or plan to take to consult the whole community or specific groups affected by the service or policy development e.g. on-line consultation, focus groups, consultation with representative groups?

In April and July 2016 reports were presented to the Council's Cabinet about the Ambition 2020 programme – the reports detailed plans for reshaping the Council – moving away from the current structures. The reports also described a number of service design principles/proposals one of which was Traded Services.

Following the first report in April, a 3-month public consultation exercise took place which culminated in a second report back to Cabinet in July 2016 detailing the outcome/results of the consultation. After considering the results, Cabinet gave officers the mandate to proceed with the detailed design, and pending further Cabinet approval, the implementation of Traded Services.

It is proposed a full staff consultation exercise is undertaken in 2017/early 2018 following Cabinet approval of the proposal ahead of any TUPE exercise. This will include the development of a separate EQIA for the impact that this may have on staff.

### 3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented? <i>These actions should be developed using the information gathered in Section 1 and 2 and should be picked up in your departmental/service business plans.</i>		
Action	By when?	By who?
Formal governance of the build up to and launch of the service in 2018 via a programme which will identify any emerging equality issues from the design and implementation – monthly Programme Boards and CPG assurance Board meetings continue through post launch.	May 2018	Project Sponsor
Statutory reporting and KPIs are in place which will be monitored through agreed channels.	Monthly	Chief Executive, Traded Services & Home Services
Regular meetings with the service commissioner to ensure that of performance against agreed standards are being achieved.	Quarterly	Chief Executive, Traded Services & Home Services

### 4. Next steps

It is important the information gathered is used to inform any Council reports that are presented to Cabinet or appropriate committees. This will allow Members to be furnished with all the facts in relation to the impact their decisions will have on different equality groups and the wider community.

Take some time to précis your findings below. This can then be added to your report template for sign off by the Strategy Team at the consultation stage of the report cycle.

Implications/ Customer Impact
<p>A school survey was carried out during February 2017 to gather views on the current support services provided to schools by the Council. 22 out of 60 schools responded – a 37% response rate. Overall, LBBB schools are generally more satisfied than dissatisfied except in a few areas. Catering and information management services received some of the highest satisfaction ratings. Schools see LBBB as easy to contract with but have concerns about value for money, service quality and consistency. These points are to be addressed as part of the creation of Traded Services. As a result, it is anticipated that customer satisfaction and buy back rate should increase in time (but not immediately).</p> <p>In addition to improving customer satisfaction, it is anticipated that Traded Services is expected to</p>

have a positive impact on the borough, through maintaining jobs and investing in its staff (of which many are residents). It will support the Council in meeting the following objectives:

**Financial Objectives**

- To maximise the financial benefits to the Council from trading in scope services with external organisations in particular through:
  - increasing revenues/turnover
  - reducing operating costs as a proportion of turnover
  - generating profits/surplus
- To contribute to Council savings targets through the Ambition 2020 programme

**Commercial Objectives**

- To provide continued excellent services and secure the continued business of local schools and the Council – to be demonstrated by maintaining current buyback levels and through overall satisfaction to be measured by an annual survey
- To establish and deliver a commercially sustainable offer of traded services that is competitive in the marketplace and, once embedded, to grow business into surrounding areas – to be demonstrated through maintaining and then gradually increasing the customer base
- To develop new service lines and additional revenue sources, particularly in the areas of cleaning and catering

**Social Objectives**

- To invest in the workforce and increase literacy, education and skills levels by providing access to training and education opportunities – an education and skills audit will be carried out in order to establish a baseline and set an improvement target
- To increase job and wealth creation for the local community and economy through the employment of local people and use of local suppliers by undertaking local recruitment activity and local supplier workshops targeting 75% of the workforce in the Catering and Cleaning to be locally employed by 2020 compared to a current baseline of 72%.
- To continue to provide often marginalised and excluded groups, for example, parents seeking part time hours around childcare, increased opportunities for employment. (Currently 92% of catering staff and 98% of cleaning staff are on part-time or temporary working arrangements and c.95% of catering staff are female and c85% of cleaning staff are female)
- To continue to provide a positive, encouraging work environment for all staff leading to higher levels of productivity, reduced sickness absence and reduced staff turnover targeting a reduction on current levels of sickness absence – 2016/17 average of 10.64 per employee (average for catering and cleaning services) per annum – to below the Council average (currently 9.63) by 2020.

**5. Sign off**

The information contained in this template should be authorised by the relevant project sponsor or Divisional Director who will be responsible for the accuracy of the information now provided and delivery of actions detailed.

Name	Role (e.g. project sponsor, head of service)	Date
Kevin Taggart	Service Lead	29.03.17
Claire Symonds	Chief Operating Officer (Sponsor)	29.03.17

**Annex 1: Borough-wide demographic data**

**Table 1: Population by age and gender**

<b>Estimated Population Barking and Dagenham</b>			
<b>Age</b>	<b>Female</b>	<b>Male</b>	<b>Grand Total</b>
00-04	9,499	10,137	19,636
05-09	9,067	9,650	18,717
10-14	6,757	7,236	13,993
15-19	6,134	6,782	12,916
20-24	6,378	6,604	12,982
25-29	8,196	7,530	15,726
30-34	8,834	7,951	16,785
35-39	8,351	7,306	15,657
40-44	7,495	7,280	14,775
45-49	6,918	6,374	13,292
50-54	6,093	5,639	11,732
55-59	4,480	4,728	9,208
60-64	3,559	3,395	6,954
65-69	3,078	2,739	5,817
70-74	2,262	1,912	4,174
75-79	2,107	1,537	3,644
80-84	1,717	1,147	2,864
85-89	1,276	700	1,976
90+	812	319	1,131
<b>Grand Total</b>	<b>103,013</b>	<b>98,966</b>	<b>201,979</b>

Source: ONS Mid Year Estimates 2015



**Table 2: Population forecast by age (ONS 2014 Sub National Population Projections)**

Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 to 84	85 to 89	90+	Total
2014	19,661	17,984	13,352	12,971	12,974	15,493	16,456	15,368	14,499	12,954	11,401	8,720	6,805	5,738	4,119	3,721	3,000	1,951	1,127	198,294
2015	19,777	18,724	13,930	13,029	13,300	15,811	16,861	15,846	14,755	13,222	11,746	9,178	6,922	5,846	4,169	3,644	2,905	1,974	1,114	202,753
2016	19,973	19,173	14,612	13,242	13,362	16,177	17,123	16,398	14,902	13,462	12,087	9,571	7,064	5,953	4,368	3,527	2,850	1,957	1,134	206,934
2017	19,950	19,555	15,660	13,200	13,604	16,423	17,418	16,801	15,292	13,593	12,312	9,958	7,343	5,834	4,671	3,522	2,778	1,951	1,138	211,002
2018	19,987	19,899	16,670	13,211	13,781	16,534	17,708	17,402	15,538	13,810	12,456	10,444	7,555	5,930	4,799	3,457	2,844	1,903	1,164	215,092
2019	20,296	20,033	17,548	13,493	13,618	16,833	17,826	17,861	15,823	14,078	12,617	10,775	7,903	5,995	4,986	3,457	2,849	1,883	1,158	219,032
2020	20,623	20,143	18,180	13,954	13,563	16,885	17,975	18,187	16,295	14,272	12,832	11,087	8,300	6,097	5,095	3,514	2,818	1,858	1,196	222,875
2021	20,903	20,317	18,581	14,552	13,612	16,824	18,217	18,405	16,827	14,406	13,032	11,396	8,643	6,226	5,195	3,690	2,743	1,846	1,212	226,625
2022	21,135	20,283	18,967	15,458	13,502	16,922	18,361	18,632	17,252	14,738	13,142	11,610	8,980	6,468	5,102	3,958	2,752	1,824	1,231	230,317
2023	21,327	20,330	19,275	16,331	13,449	16,968	18,371	18,860	17,811	14,980	13,310	11,748	9,401	6,656	5,188	4,084	2,724	1,889	1,239	233,941
2024	21,499	20,616	19,418	17,060	13,588	16,795	18,536	18,967	18,219	15,285	13,524	11,897	9,701	6,954	5,256	4,249	2,741	1,907	1,245	237,457
2025	21,642	20,926	19,533	17,589	13,885	16,694	18,519	19,071	18,517	15,749	13,687	12,085	9,979	7,295	5,350	4,356	2,801	1,904	1,275	240,857
2026	21,756	21,190	19,695	17,920	14,305	16,646	18,425	19,267	18,724	16,255	13,813	12,262	10,251	7,595	5,472	4,450	2,949	1,864	1,300	244,139
2027	21,844	21,407	19,657	18,297	14,955	16,484	18,458	19,380	18,924	16,674	14,104	12,360	10,448	7,888	5,684	4,385	3,181	1,881	1,320	247,330
2028	21,920	21,584	19,706	18,593	15,574	16,416	18,447	19,358	19,129	17,191	14,335	12,497	10,577	8,251	5,856	4,463	3,294	1,884	1,379	250,453
2029	21,994	21,737	19,968	18,737	16,096	16,494	18,290	19,463	19,236	17,554	14,644	12,670	10,712	8,517	6,117	4,531	3,432	1,909	1,409	253,510
2030	22,075	21,857	20,255	18,844	16,507	16,720	18,174	19,418	19,322	17,826	15,090	12,812	10,873	8,763	6,415	4,619	3,526	1,964	1,439	256,497
2031	22,170	21,948	20,499	18,956	16,785	17,090	18,068	19,311	19,498	18,016	15,568	12,926	11,027	9,002	6,680	4,733	3,609	2,075	1,442	259,403
2032	22,280	22,012	20,698	18,922	17,112	17,651	17,876	19,304	19,597	18,193	15,975	13,181	11,112	9,180	6,938	4,920	3,569	2,255	1,475	262,251
2033	22,406	22,063	20,859	18,997	17,337	18,198	17,790	19,261	19,563	18,380	16,457	13,398	11,223	9,299	7,257	5,076	3,637	2,347	1,523	265,071
2034	22,546	22,112	20,996	19,238	17,460	18,648	17,826	19,114	19,639	18,482	16,787	13,699	11,364	9,420	7,498	5,305	3,701	2,448	1,567	267,851
2035	22,702	22,167	21,101	19,496	17,542	19,024	18,002	18,988	19,580	18,558	17,038	14,122	11,487	9,558	7,719	5,566	3,780	2,521	1,626	270,576
2036	22,872	22,235	21,177	19,713	17,629	19,294	18,329	18,849	19,468	18,716	17,215	14,568	11,589	9,692	7,933	5,801	3,883	2,584	1,699	273,246
2037	23,056	22,319	21,228	19,890	17,578	19,620	18,820	18,637	19,442	18,804	17,376	14,952	11,809	9,769	8,097	6,029	4,042	2,567	1,834	275,867
2038	23,250	22,417	21,266	20,035	17,618	19,813	19,316	18,537	19,383	18,767	17,548	15,393	12,006	9,862	8,208	6,308	4,178	2,623	1,919	278,447
2039	23,451	22,532	21,301	20,155	17,793	19,915	19,720	18,552	19,242	18,825	17,647	15,690	12,285	9,978	8,319	6,526	4,372	2,678	2,001	280,983

# COMMUNITY AND EQUALITY IMPACT ASSESSMENT

**Table 3: Disability**

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Confidence	95% confidence interval of percent figure (+/-)			
Date	Apr 2015-Mar 2016			
	<b>Barking and Dagenham</b>			
<b>Variable</b>	<b>E09000002</b>			
	<b>numerator</b>	<b>denominator</b>	<b>percent</b>	<b>conf</b>
% aged 16-64 who are EA core or work-limiting disabled	20,700	128,300	16.1	3.0
% of males aged 16-64 who are EA core or work-limiting disabled	9,100	62,800	14.4	4.3
% of females aged 16-64 who are EA core or work-limiting disabled	11,600	65,500	17.7	4.2
% aged 16-64 who are EA core disabled	18,300	128,300	14.3	2.9
% of males aged 16-64 who are EA core disabled	8,000	62,800	12.7	4.0
% of females aged 16-64 who are EA core disabled	10,300	65,500	15.8	4.0
% aged 16-64 who are work-limited core disabled	17,100	128,300	13.3	2.8
% of males aged 16-64 who are work-limited disabled	7,300	62,800	11.6	3.9
% of females aged 16-64 who are work-limited disabled	9,800	65,500	14.9	3.9
% aged 16-64 who are not disabled	106,700	128,300	83.2	3.1
% of males aged 16-64 who are not EA core or work-limiting disabled	53,300	62,800	84.8	4.4
% of females aged 16-64 who are not EA core or work-limiting disabled	53,400	65,500	81.6	4.3

20/07/2016 Data has been reweighted in line with the latest ONS estimates.

# COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Table 4: Ethnicity

2011 Table Title	LBBB (Number)		number Increase / Decrease	% Increase / Decrease	LBBB (%)		London (2011)	England (2011)
	2011	2001			2011	2001		
<b>Ethnic Groups</b>	All Residents	185,911	163,944	21,967	13.4%			
	White British	91,949	132,566	-40,617	-30.6%	49.5%	80.9%	44.9%
	White Irish	1,730	2,753	-1,023	-37.2%	0.9%	1.7%	2.2%
	White Gypsy or Irish Traveller	182	na			0.1%	n/a	0.1%
	White Other	14,525	4,348	10,177	234.1%	7.8%	2.7%	12.6%
	Mixed / multiple ethnic groups: White and Black Caribbean	2,669	1,420	1,249	88.0%	1.4%	0.9%	1.5%
	Mixed / multiple ethnic groups: White and Black African	2,128	572	1,556	272.0%	1.1%	0.3%	0.8%
	Mixed / multiple ethnic groups: White and Asian	1,246	534	712	133.3%	0.7%	0.3%	1.2%
	Other mixed	1,835	550	1,285	233.6%	1.0%	0.3%	1.5%
	Asian / Asian British: Indian	7,436	3,681	3,755	102.0%	4.0%	2.2%	6.6%
	Asian / Asian British: Pakistani	8,007	3,055	4,952	162.1%	4.3%	1.9%	2.7%
	Asian / Asian British: Bangladeshi	7,701	673	7,028	1044.3%	4.1%	0.4%	2.7%
	Asian/Asian British: Chinese	1,315	775	540	69.7%	0.7%	0.5%	1.5%
	Asian / Asian British: Other Asian	5,135	877	4,258	485.5%	2.8%	0.5%	4.9%
	Black/African/Caribbean/Black British: African	28,685	7,284	21,401	293.8%	15.4%	4.4%	7.0%
	Black/African/Caribbean/Black British: Caribbean	5,227	3,434	1,793	52.2%	2.8%	2.1%	4.2%
	Black/African/Caribbean/Black British: Other Black	3,228	722	2,506	347.1%	1.7%	0.4%	2.1%
	Other Ethnic group: Arab	973	na		n/a	0.5%	n/a	1.3%
	Other Ethnic Group: Any other ethnic group	1,940	700	1,240	177.1%	1.0%	0.4%	2.1%

**COMMUNITY AND EQUALITY IMPACT ASSESSMENT**

Table 5: Religion

2011 Table Title		LBBD (Number)		number Increase / Decrease	% Increase / Decrease	LBBD (%)		London (2011)	England (2011)
		2011	2001			2011	2001		
<b>Religion</b>	Christian	104,101	113,111	-9,010	-7.97%	56.0%	69.0%	48.4%	59.4%
	Buddhist	842	366	476	130.05%	0.5%	0.2%	1.0%	0.5%
	Hindu	4,464	1,867	2,597	139.10%	2.4%	1.1%	5.0%	1.5%
	Jewish	425	547	-122	-22.30%	0.2%	0.3%	1.8%	0.5%
	Muslim	25,520	7,148	18,372	257.02%	13.7%	4.4%	12.4%	5.0%
	Sikh	2,952	1,754	1,198	68.30%	1.6%	1.1%	1.5%	0.8%
	Other Religion	533	308	225	73.05%	0.3%	0.2%	0.6%	0.4%
	No Religion	35,106	25,075	10,031	40.00%	18.9%	15.3%	20.7%	24.7%
	Religion not stated	11,968	13,768	-1,800	-13.07%	6.4%	8.4%	8.5%	7.2%

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