

Notice of Meeting

CABINET

Monday, 18 February 2019 - 7:00 pm
Council Chamber, Town Hall, Barking

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

Date of publication: 8 February 2019

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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. Members are reminded that the provisions of paragraph 9.3 and 9.4 of Chapter 1, Part 5 of the Constitution, in relation to Council Tax and Council house rent arrears apply to agenda items 5 and 6 respectively.

3. Minutes - To confirm as correct the minutes of the meeting held on 22 January 2019 (Pages 3 - 14)

4. Budget Monitoring 2018/19 - April to December (Month 9) (Pages 15 - 38)

5. **Budget Framework 2019/20 and Medium Term Financial Strategy 2019/20 - 2020/21 (Pages 39 - 95)**
6. **Housing Revenue Account: Estimates and Review of Rents and Other Charges 2019/20 and 30 Year Business Plan (Pages 97 - 149)**
7. **'Transforming London Riverside' Housing Infrastructure Fund Bid and Castle Green Development Strategy (Pages 151 - 169)**
8. **Voluntary, Community and Social Enterprise Sector Strategy (Pages 171 - 240)**
9. **East London Regional Adoption Agency - Business Case (Pages 241 - 321)**
10. **Growth Commission Stocktake (Pages 323 - 360)**
11. **Treasury Management Strategy Statement 2019/20 (Pages 361 - 413)**
12. **Pay Policy Statement 2019/20 (Pages 415 - 424)**
13. **Corporate Plan 2018-2022 - Quarter 3 Performance Reporting (Pages 425 - 507)**
14. **Any other public items which the Chair decides are urgent**
15. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

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

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



Our Vision for Barking and Dagenham

ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND

Our Priorities

A New Kind of Council

- Build a well-run organisation
- Ensure relentlessly reliable services
- Develop place-based partnerships

Empowering People

- Enable greater independence whilst protecting the most vulnerable
- Strengthen our services for all
- Intervene earlier

Inclusive Growth

- Develop our aspirational and affordable housing offer
- Shape great places and strong communities through regeneration
- Encourage enterprise and enable employment

Citizenship and Participation

- Harness culture and increase opportunity
- Encourage civic pride and social responsibility
- Strengthen partnerships, participation and a place-based approach

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MINUTES OF CABINET

Tuesday, 22 January 2019
(7:00 - 8:56 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Margaret Mullane, Cllr Lynda Rice and Cllr Maureen Worby

Apologies: Cllr Saima Ashraf

72. Declaration of Members' Interests

There were no declarations of interest.

73. Minutes (11 December 2018)

The minutes of the meeting held on 11 December 2018 were confirmed as correct.

74. Budget Monitoring 2018/19 - April to November (Month 8)

The Cabinet Member for Finance, Performance and Core Services presented a report on the Council's General Fund revenue budget monitoring position for the 2018/19 financial year as at 30 November (Month 8), together with details of a proposed virement to the Children's and Disabilities services to fund the creation of 19 new permanent posts in order to maintain reasonable caseloads for social workers and reduce the reliance on agency staff.

The forecast outturn position for the General Fund showed a similar position to that at the end of October 2018, with a projected year-end overspend of £3.857m against the budget of £145.368m. The Cabinet Member referred to the significant pressures within the People and Resilience directorate and confirmed that the projection took into account a £2.5m reduction in spend based on the delivery of the People and Resilience Action Plan that had been developed in response to the pressures.

In response to a question regarding the provisional Local Government Finance Settlement for 2019/20, the Cabinet Member for Finance, Performance and Core Services commented that the Government's austerity programme continued to have a detrimental impact on areas such as Barking and Dagenham while marginal, Conservative-led Councils in the shire districts were being treated much more favourably.

The Cabinet **resolved** to:

- (i) Note the current forecast outturn position for 2018/19 of the Council's General Fund revenue budget, as detailed in section 2 and Appendix A to the report; and
- (ii) Approve a virement of £1.37m from the Central Expenses budget to increase the staffing budget for Children's and Disabilities services, as

detailed in paragraph 3.27 of the report.

75. Homelessness Strategy 2019-2023

The Cabinet Member for Regeneration and Social Housing presented the Homelessness Strategy 2019 - 2023 which set out the Council's plans for tackling and preventing homelessness, in accordance with the requirements of the Homelessness Act 2002 and the Homelessness Reduction Act 2017.

The Cabinet Member advised that the level of homelessness and reliance on temporary accommodation in the Borough had increased to unprecedented levels between 2012 and 2017, mainly due to the impact of the Government's welfare reforms and changes in the local housing market. A number of new activities and initiatives since 2017, principally led by the Council's new Community Solutions service and with a significant focus on early intervention, had seen a decline in the demand for temporary accommodation as well as an increase in those being found permanent housing solutions.

The Cabinet Member referred to the main aims of the new Strategy, which were to:

- Reduce the incidence of homelessness in the borough through prevention, including new tenancy sustainment, mediation and support activities – aimed at creating an exemplar service in tackling homelessness leading to the Council achieving a Gold Standard accreditation;
- Bring down the number of households in temporary accommodation through a combination of reductions in demand plus securing sustainable long-term housing solutions for clients from a range of sources, as well as reducing reliance on higher cost, lower quality accommodation (working towards a cost-neutral service); and
- Eliminate rough sleeping through increased partnership working and employing a 'No Second Night' model of rapid assessment and rehousing.

The Council currently housed 1,767 individuals/families in temporary accommodation, the majority of which were in private sector licenced properties. The aim was to reduce that number to 500 by 2023 by improving pathways towards permanent housing in the private rented sector and by increasing accessibility to social housing, such as that managed by Barking and Dagenham Reside. The Cabinet was particularly pleased to note that no placements had been made in bed and breakfast accommodation in the Borough in the past year.

The Cabinet Member for Employment, Skills and Aspiration, who joint led the development of the new Strategy, spoke on the challenges faced by the Council with regard to homelessness and pointed to improved health outcomes, greater awareness and better employment opportunities as being some of the most important factors to the successful delivery of the Strategy.

Cabinet Members spoke in support of the new Strategy and particular reference was made to the following:

- a) The creation of a new post to support the 'No Second Night' project and further

- funding bids to the Government's Private Rented Sector Access Fund to support the delivery of the Strategy;
- b) The success of the Council's Prevention Fund, which was available to support those under threat of being made homeless;
 - c) The dangers associated with the Government's Universal Credit welfare reforms, which were already pushing more and more people into debt;
 - d) The important role that schools would play in helping to raise awareness;
 - e) The range of prevention measures that had helped almost 2,000 individuals/families remain in the home during 2017/18. With regard to the Sanctuary Scheme which supported victims of domestic violence, the Cabinet Member for Regeneration and Social Housing undertook to provide his colleagues with further details of the reduction that had occurred between 2013/14 and 2017/18;
 - f) The importance of recognising the plight of the 'hidden homeless' and 'sofa surfers' when considering homelessness issues;
 - g) The role of other Council services, such as the Street Cleansing and Enforcement teams, in helping to identify and engage with the homeless and point them towards the support available to them.

The Cabinet **resolved** to approve the Homelessness Strategy 2019-2023, setting out the Council's strategic direction for tackling homelessness, reducing temporary accommodation and eliminating rough sleeping, as at Appendix 1 to the report.

76. Review of the Housing Allocations Policy

The Cabinet Member for Regeneration and Social Housing introduced a report on the outcome of a review of the Council's Housing Allocations Policy, which had last been reviewed in 2014.

The Cabinet Member advised that the main drivers behind the review were:

- To meet the Council's statutory obligations to help those in housing need;
- To make the best use of the scarce resources available;
- To ensure that the Council used its housing stock to assist in meeting the needs of the whole community, including those supported by Children's and Adult Social Care services;
- To ensure that the housing stock was used effectively to reduce costs; and
- To reinforce the positive characteristics of local people to engage in finding their own solutions to problems and to become independent and resilient;

With those aspects in mind, an analysis of current lettings and engagement with front-line staff had identified a number of proposed modifications covering the following:

- 1) Some aspects of who may register with the applicant as a member of their household;
- 2) The arrangements for dealing with cases referred to the Housing Options team for assistance from internal and external partners, to establish more collaborative working between the relevant parties so that vulnerable households could be dealt with in a transparent and well-planned way;
- 3) Creating a smooth pathway that assisted older and vulnerable people's access to the right accommodation for their housing and support needs;

- 4) Giving Under Occupiers a higher degree of priority in order to release much needed family housing;
- 5) Ensure that exceptional cases were dealt with in a transparent and equitable way; and
- 6) Improve the access to B&D Reside homes, both rented and shared ownership, for local working residents on moderate incomes.

The Cabinet Member confirmed that the proposals would be subject to an extensive 12-week consultation with local residents, Housing Association partners and other stakeholders, following which the final proposals would be brought back to Cabinet for formal approval. It was also noted that the new Allocations Policy would be applied to properties held within the B&D Reside portfolio.

Cabinet Members spoke in support of the proposed changes and the format of the consultation document, which they felt was easy to follow and understand. The Cabinet Member for Social Care and Health Integration highlighted in particular the Council's longstanding record of providing a good quality housing offer for its elderly and vulnerable population, while the Leader advised that Barking and Dagenham was the only Council in London to still be building new bungalows for its tenants.

The Cabinet **resolved** to:

- (i) Approve the proposed changes to the Housing Allocations Policy for consultation with those affected, and relevant partners;
- (ii) Note that a further report setting out the results of the consultation and proposing a new Allocations Policy shall be brought back to Cabinet for final approval; and
- (iii) Delegate authority to the Director of Law and Governance, in consultation with the Cabinet Member for Regeneration and Social Housing and the Director of Inclusive Growth, to approve any variations to Reside documents that are necessary to ensure that Reside adheres to the allocation policies as approved by the Council.

77. Lease of Mayesbrook Park Football Stadium

The Cabinet received a report on the proposed terms of a 30-year lease of the Mayesbrook Park football stadium to Barking Football Club.

The Cabinet Member for Regeneration and Social Housing referred to the Council's Parks and Open Spaces Strategy which encouraged local clubs and groups to take on responsibility for local sports and leisure assets. Over the past 10 years, the new management of Barking Football Club had made considerable improvements to the running of the business and hosted a range of community-based projects, including the Education in Sports programme. The Cabinet Member pointed out, however, that without security of tenure it would not be possible for the Club to continue to meet its aspirations or secure sufficient external funding for much-needed upgrades to facilities to support the development of women's, boys' and girls' football. The Club would also be in a stronger position to fulfil the requirements of the Football League in terms of

governance and facilities should the men's team be eligible for promotion in the future.

Cabinet Members commended the considerable progress made by the new management over the past 10 years, with particular reference made to its support of the Council's Healthy Living campaign, the range of activities on offer to children and young people and its Outreach work. The Council's very best wishes for the future were conveyed to everyone involved with the Club.

The Cabinet **resolved** to:

- (i) Authorise the Chief Executive, in consultation with the Cabinet Member for Community Leadership and Engagement and the Director of Law and Governance, to enter into a 30-year lease for the Mayesbrook Park football stadium with Barking Football Club, subject to satisfactory negotiation of the lease terms and associated requirements; and
- (ii) Authorise the Chief Executive, in the event of it not being possible to enter into a lease agreement with Barking Football Club, to enter into a lease on the same terms with another sports club for the operation of the Mayesbrook Park football stadium.

78. Update on the Reinvigoration of Barking and Dagenham Reside

Further to Minute 79 (23 January 2018), the Cabinet Member for Regeneration and Social Housing presented an update on the reinvigoration of Barking and Dagenham Reside Regeneration Limited (B&D Reside).

The housing portfolio managed by B&D Reside was expected to increase from the current level of circa 800 properties to approximately 4,000 properties over the next five years. Since the January 2018 report, a review of the structure and Articles of B&D Reside had been undertaken and a new Board and Managing Director had been appointed. A Shareholder Agreement had also been drafted and was appended to the report, setting out the business arrangements, obligations and relationship between the Council and B&D Reside. In respect of the Council's role on the Board of Directors, the Cabinet Member advised that the current wording in the draft document was to be revised to reflect that the Council, as Shareholder, would be entitled to nominate an observer (without voting rights) to the new Board.

Other work that was ongoing included the preparation of a business case for the creation of a Registered Provider and the associated requirements within the B&D Reside structure, the drafting of a commissioning mandate and the development of a medium-term business plan, which would also clarify the role of B&D Reside in the development process, alongside the Council and Be First.

The Cabinet **resolved** to:

- (i) Approve the Shareholder Agreement between the Council and Barking and Dagenham Reside Regeneration Limited as set out at Appendix A to the report, subject to the revision of clause 10.4 to reflect that the Council's nominee to the new Board shall be in an observer-only capacity;

- (ii) Approve in principle the creation of a new Reside Registered Provider company/entity;
- (iii) Delegate authority to the Director of Inclusive Growth, in consultation with the Chief Operating Officer, the Director of Law and Governance and the Cabinet Member for Finance, Performance and Core Services, to prepare an options appraisal and business case for the most effective mechanism or form of Registered Provider(s) to deliver the Council's objectives of increasing the supply of, access to and affordability of housing in the Borough;
- (iv) Agree that further work be undertaken, on the emergence of a preferred option and approval of a business case, to register any company/entity as Registered Provider(s) with the Regulator of Social Housing, and
- (v) Delegate authority to the Director of Law and Governance to prepare and execute any relevant articles of association, partnership agreements, loans or and any other relevant legal documents on behalf of the Council to implement the creation and registration of new Reside Registered Provider(s).

79. Participation in West London Alliance for Children's Care and Support Services

The Cabinet Member for Social Care and Health Integration introduced a report on the proposal for the Council to join an existing commissioning partnership, known as the West London Alliance (WLA), for the provision of Independent Fostering Agency services and Children's Residential Home placements.

The WLA was an existing partnership between the seven West London Councils of Barnet, Brent, Ealing, Hammersmith and Fulham, Harrow, Hounslow and Hillingdon. One of the key pillars of collaboration in the WLA was the Children's Programme which related to strategic commissioning, procurement and contract management services, aimed at providing a more efficient and effective approach to service delivery and market engagement.

It was noted that the Council's budget for residential and agency foster care placements in 2018/19 was circa £6.3m, with the majority of residential placements made by Barking and Dagenham being spot-purchased at an average cost was £3,800 per week.

In response to a question from the Cabinet Member for Equalities and Diversity regarding the level of saving expected to be achieved under the WLA arrangements, the Cabinet Member for Social Care and Health Integration commented that while the level of saving was not expected to be significant, due to the scarcity of suitable accommodation, joining the WLA would help to drive up quality standards and achieve some efficiencies as a consequence of being part of a larger commissioning body.

The Cabinet **resolved** to:

- (i) Approve the entering into of an Access Agreement with the West London Alliance (WLA) and call-off from the WLA Dynamic Purchasing Vehicle, in accordance with the Council's Contract Rules and the strategy detailed in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the Access Agreement and all other ancillary call-off agreements upon conclusion of the procurement process when required.

80. Private Rented Property Licensing (PRPL) Scheme 2019 - 2024

The Cabinet Member for Enforcement and Community Safety presented a report on a proposed five-year, Borough-wide Private Rented Property Licensing (PRPL) Scheme to commence from September 2019.

By Minute 54 (19 February 2014), the Council adopted a Borough-wide PRPL scheme that covered the five-year period ending August 2019. The Cabinet Member advised that the key principles of the original scheme were to reduce anti-social behaviour (ASB) associated with private rented accommodation and to provide greater protections for private tenants, many of whom were regarded as economically vulnerable individuals and families. One measure of the success of the current scheme was the greater reduction in ASB across the private rented sector over the course of a study that covered the period 2014/15 to 2016/17, notwithstanding that the level of privately let properties in the Borough had grown from 5.2% in 2001 to 27% in 2017.

The Cabinet Member referred to the comprehensive package of evidence at Appendix 1 to the report which had been compiled in support of the Council's application. The evidence showed that the Borough had 20,115 privately rented properties in the Borough in 2017 and that figure was expected to increase towards 25,000 by 2022. Every ward in the Borough had over 20% of privately rented accommodation, which exceeded the Government's indicator of 19% contained in guidance issued in 2015 as being 'a high proportion of privately rented properties' against which applications would be assessed. An extensive consultation exercise had also been undertaken and the feedback showed that the majority of local residents wished the scheme to continue on a Borough-wide basis.

The Cabinet Member stated that she was confident that the Council's proposed scheme met all of the criteria set by Ministry of Housing, Communities and Local Government (MHCLG) for a Borough-wide scheme under the discretionary licensing provisions of the Housing Act 2004. However, in order to ensure that the local community continued to benefit from a PRPL scheme beyond August 2019, it was proposed that the relevant Director, in consultation with the Cabinet Member, have authority to agree any modifications to the scheme that may be required by MHCLG should the Council's case for a Borough-wide scheme be declined.

Cabinet Members spoke on the significant improvements that the current scheme had brought to the Borough in terms of enhancing the living conditions of tenants as well as the benefits to the whole community from reduced anti-social behaviour,

reduced deprivation and the responsible disposal of household waste. The point was also made that the Government should be actively encouraging local authorities to implement PRPL schemes wherever they are considered necessary and not to make the process so onerous solely to protect the financial interests of private landlords.

On the issue of the fees to be charged under the new scheme, the Cabinet Member confirmed that the 'Part A' fee of £470 related to the cost of processing an application, while the 'Part B' fee of £430 would only apply to successful applications. There would, however, be a reduction of 50% to the Part B fee for responsible landlords who met certain basic criteria and the Cabinet Member confirmed that approximately 80% of landlords were expected to benefit from that discount.

The Cabinet **resolved** to:

- (i) Agree the licensing designation and proposal for a five-year Borough-wide scheme for submission to the Secretary of State for approval by the Ministry of Housing, Communities and Local Government (MHCLG);
- (ii) Delegate authority to the Director of Law and Governance, in consultation with the Cabinet Member for Enforcement and Community Safety, to determine any mitigation options should the proposed scheme be declined by MHCLG; and
- (iii) Delegate authority to the Director of Law and Governance, in consultation with the Cabinet Member for Enforcement and Community Safety, to determine the fees and charges to be applied for 2019/20.

81. Review of School Places and Capital Investment - Update January 2019

Further to Minute 18 (17 July 2018), the Cabinet Member for Educational Attainment and School Improvement presented an update report in respect of the various school expansion and improvement projects aimed at addressing the current and future demand for places in the Borough, as well as the latest funding issues.

The Cabinet Member advised that pupil numbers at primary and secondary level were predicted to increase by a combined 23.8% to 50,520 by 2022/23 (from the level at May 2018). The latest plans to meet that increased demand included a new 630-place primary school in Thames ward and a new secondary school in the Beam Park / Dagenham East area. It was also noted that the Council's Infrastructure Group would be looking longer-term at the need for new school provision for Barking Town Centre in view of the significant regeneration plans for the area.

The report also set out the proposed procurement arrangements for the permanent replacement of buildings at Roding Primary School, Hewitt Road, which were destroyed by a major fire on 4 September 2018. The Cabinet Member placed on record the Council's appreciation to all those involved in dealing with the fire and the resultant clean-up operation, which allowed the school to reopen for all year groups, apart from Reception, on 10 September. Since that time, temporary

classrooms had been brought in to enable the School to function as normal while plans for the replacement works were developed by the Council in conjunction with the School and the Local Education Partnership (LEP).

The Cabinet Member spoke on the Council's significant investment in recent years across the entire family of schools and conveyed the Council's disappointment at the apparent decision by the Diocese of Brentwood to transfer all of the Catholic Schools in the Borough into a multi-academy Trust in the near future. The matter was first discussed by the Cabinet on 13 November 2018 (Minute 50 refers) and despite the Council's attempts to engage with the Diocese on the issue and a lack of support for the proposal from parents, the Diocese appeared to be pressing ahead with its plans

The Cabinet **resolved** to:

- (i) Approve the 'Future Planning Programme to meet Basic Need 2018 to 2027 - Revised January 2019' as set out in Appendix A to the report;
- (ii) Note the latest position of the forecast pupil roll within the next five years based on a range of factors including birth, migration, regeneration and proposed housing developments, and that some 10,000 pupil places would need to be created in that period;
- (iii) Approve the Procurement Strategy in respect of the fire damaged building at Roding Primary as set out in paragraph 3.11 of the report, for the use of the LEP to replace the damaged building and enter into a contract for the design and construction of the replacement building; and
- (iv) Delegate Authority to the Director of People and Resilience, in consultation with the Cabinet Member for Educational Attainment and School Improvement, the Chief Operating Officer and the Director of Law and Governance, to carry out the procurement and award the respective project contracts.

82. Council Tax Support Scheme 2019/20

The Cabinet Member for Finance, Performance and Core Services introduced a report on the local Council Tax Support (CTS) Reduction Scheme for 2019/20.

It was noted that that while the fundamentals of the scheme would be unchanged from 2018/19, some amendments were necessary in order to align with the latest Government welfare reforms, such as Universal Credit. The Cabinet Member confirmed that the proposed changes were intended to make it easier for local residents to access the range of benefits available to them and reduce the bureaucracy associated with the Universal Credit regime.

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

- (i) Agree that the CTS Reduction Scheme implemented for 2018/19 be retained for 2019/20, subject to the following minor amendments:
 - Treat Universal Credit Award Notifications as an Intention to Claim CTS

providing that a valid claim form for CTS is made within a month of the decision to award Universal Credit.

- Adopt a shortened claim form for the purposes of claiming CTS when Universal Credit has been awarded.
- Accept Universal Credit as a “passport” benefit when claiming within a month of a new liability for CTS purposes.
- Amend the capital threshold for CTS purposes to £10,000 for working age persons to align it with Pension Age capital limits.
- Re-introduce backdate on CTS of up to four weeks, subject to good cause to align it with the Housing Benefit scheme.

83. Calculation and Setting of the Council Tax Base for 2019/20

The Cabinet Member for Finance, Performance and Core Services introduced the annual Council Tax Base setting report for the 2019/20 financial year.

The number of Band D equivalent properties in the Borough had increased by over 1,000 compared to 2018/19, which would generate an additional £1.5m of income based on the current rate of Council Tax. The Cabinet Member also referred to recent changes to legislation which allowed local authorities to increase the premium applied to the Council Tax charge for long term empty properties. The Cabinet Member suggested that the Council should do all that it could to discourage owners from leaving their properties empty for any length of time and, with that in mind, it was proposed that the Council should apply the maximum premiums permissible.

The Cabinet **resolved** to:

- (i) Agree that, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by the London Borough of Barking and Dagenham Council as its Tax Base for the year 2019/20 shall be 50,008.54 Band ‘D’ properties; and
- (ii) Agree the higher rate premiums for long term empty dwellings as detailed in paragraph 4.2 of the report, to be charged to homes unoccupied and substantially unfurnished for at least two years and to be in addition to the usual Council Tax charge applied to the property.

84. Final Third Local Implementation Plan Submission

Further to Minute 42 (16 October 2018), the Cabinet Member for Regeneration and Social Housing introduced a report on the Council’s third Local Implementation Plan (LIP3), which set out the Council’s long-term, overarching objectives for improving the transport network and services in the Borough.

The draft LIP3 had been subject to a five-week consultation with Transport for London (TfL) and other statutory and local stakeholders. The Cabinet Member referred to the consultation response summary at Appendix 1 to the report and confirmed that some minor changes had been made to the final LIP3 as a result of the feedback received.

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

- (i) Note the minor changes to the draft third Local Implementation Plan (LIP3) following the formal consultation period; and
- (ii) Approve the final draft version of the LIP3 for submission to Transport for London and sign-off by the Mayor of London.

85. Core Support Services post-Elevate - Design Options Appraisal

The Cabinet Member for Finance, Performance and Core Services presented a report on the outcome of a review into the future provision of a range of core Council services, which had been undertaken in the context of the Elevate East London contract ending in 2020 and changes to the Council's operating model as a consequence of its ongoing transformation programme.

The Council had entered into a joint venture arrangement with Agilisys in 2010 which led to the formation of Elevate East London. The initial seven-year service contract had been extended for a further three years, however no further extensions were permissible and the contract would end in December 2020. The Cabinet Member referred to the significant improvements that Elevate had made to the services that had transferred, the savings that had been achieved under the arrangement and other benefits that had accrued, such as the creation of 400 new jobs, and placed on record the Council's appreciation to the management and staff at Elevate for all of their hard work.

The end of the contract in 2020 did, however, present the Council with an opportunity to reassess the delivery of the services that would be returning from Elevate, alongside other core services that had been retained within the Council. In that respect, the Cabinet Member referred to the detailed business case that was included as an exempt appendix to the report and advised that of the five potential service delivery model options that had been assessed, the preferred solution at the present time was to bring the majority of services back in-house, with only certain specialist services to be outsourced.

The Cabinet Member advised on the anticipated costs that would be incurred by the Council to transition to the new service delivery arrangements and the savings projections once the new arrangements were fully implemented and operational.

Cabinet Members spoke on the positive contribution that the Elevate arrangements had made to the Borough. In concurring with those sentiments, the Leader also welcomed the opportunity for the Council to meet its pledge to provide as many services as possible via in-house arrangements and confirm Barking and Dagenham's status as a leader across London.

The Cabinet **resolved** to:

- (i) Agree that ICT services be delivered by an in-house provision for strategic ICT, policy and specialist applications support and that other packaged ICT services be delivered via outsourced arrangements;
- (ii) Agree that Customer Services be delivered primarily by an in-house provision with the option that specialist areas, such as the out-of-hours and

Careline services, can be delivered via an outsourced arrangement;

- (iii) Agree that all other Elevate services (procurement, accounts payable, revenues and benefits, including financial assessments) be delivered in-house;
- (iv) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to agree the terms for an orderly planned exit of the Elevate East London joint venture and the timescales for and potential phasing of services being transitioned to agreed new arrangements;
- (v) Approve a budget of £9.7m for the proposed exit of the Elevate contract and the implementation of the new operating models for all Core Support Services, noting that anticipated savings from implementation of changes were a minimum of £7.8m per annum from 2021/22 and a positive return on investment was forecast; and
- (vi) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to undertake all steps to implement the above recommendations including negotiations and to conduct the procurement and enter into any deeds of variations / contracts / agreements and all other necessary or ancillary agreements with any successful bidder(s) and/or other related parties in accordance with the strategy set out in the report.

CABINET

18 February 2019

Title: Budget Monitoring 2018/19 - April to December (Month 9)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision Yes
Wards Affected: All	Key Decision: Yes
Report Author: Katherine Heffernan, Group Manager – Service Finance	Contact Details: Tel: 020 8227 3262 E-mail: katherine.heffernan@lbbd.gov.uk
Accountable Director: Helen Seechurn, Interim Finance Director	
Accountable Strategic Leadership Director: Claire Symonds – Chief Operating Officer	
Summary	
<p>This report shows the updated forecast based on financial performance in the first nine months of the year. The forecast outturn position has slightly worsened since last month's forecast and is now a forecast of £149.616 total net expenditure against the approved budget of £145.368m which is an overspend of £4.248m. It should be noted that this is dependent on the successful delivery of the People and Resilience Action Plan which is now expected to achieve a £2.161m reduction in spend from their current trajectory.</p> <p>Before the impact of the action plan there is an overspend of just under £10.745m across People and Resilience. This is a lower figure since last month reflecting the provision of additional funding for staffing.</p> <p>In addition to the overspends in Care and Support there are small overspend variances in Culture and Heritage, Community Solutions and Public Realm being offset by underspends in Enforcement, My Place, central expenses and contingency. This brings the overall variance to £4.248m.</p> <p>This report also provides an update on the Capital Programme. The overall capital programme is now £284.758m of which £186.612m is General Fund, £90.352m is HRA and £7.793m is Transformation. Spend against the programme is forecast to be £193.386m – an apparent overspend which is largely the result of accelerated spend on some School expansion programmes. Funding can therefore be brought forward from future years to cover this.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
(i) Note the current forecast outturn position for 2018/19 of the Council's General Fund revenue budget, as detailed in sections 2 and 3 and Appendix A to the report; and	

- (ii) Note the current forecast outturn position for 2018/19 of the Council's Capital Programme as detailed in section 4 and Appendix C to the report.

Reason(s)

As a matter of good financial practice, the Cabinet should be informed about the Council's spending performance and its financial position. This will assist the Cabinet in holding officers to account and in making future financial decisions.

1 Introduction and Background

- 1.1 This report provides a summary of the forecast outturn for the Council's General Fund revenue budget and the quarterly update on the Capital Programme

2 Overall Revenue Position

- 2.1 The overall position is currently forecast to total net expenditure of £149.616 which would result in an overspend against the expenditure budget of £4.248m. If this is the year-end position, it would require a further drawdown from the Council's budget support reserve. There is sufficient funding in this reserve to cover this amount.
- 2.2 There are potential overspends across Care and Support, offset by an action plan within People and Resilience Commissioning and, at Council level, by underspends in Central Services and the use of risk contingencies written into the budget as part of the planning process. In many ways this could be regarded as a worst case forecast that should be reduced by further management action. However, it should also be noted that new pressures and risks may yet emerge. The position will be closely monitored and reported on a monthly basis.

3. More Information on the Main Variances

Children's Care and Support – potential overspend of £5.352m

- 3.1 As previously reported the top three elements of the overspend are staffing, (£1.6m), placements (£3.2), and the costs associated with legal proceedings (£0.367m including costs of Counsel, expert witnesses and court mandated assessments and investigations – shown within Supplies and Services.). Although there have been some variations in year the pattern of expenditure has been consistent.

Subjective	2018/19 Annual Budget	Forecast (December)	December Variance against Budget	November Variance against Budget	Movement	Reason for Variance
Income	(2,228,000)	(2,897,858)	(669,858)	(658,809)	(11,049)	Review of HB income for YP in the L2L service
Employees	11,773,950	13,384,643	1,610,693	2,865,647	(1,254,954)	Funding to cover previously unfunded post
Premises	78,300	371,312	293,012	293,147	(135)	-
Transport	261,400	249,434	(11,966)	(21,058)	9,092	Client transport costs
Supplies & Services	1,015,840	1,922,680	906,840	845,695	61,145	Language empire historic order and higher increase in subsistence payments and accommodation costs for clients
Third Party Payments	19,422,980	22,652,965	3,229,985	3,131,925	98,060	Placement costs increasing in line with demand
Transfer Payments	71,000	216,270	145,270	67,854	77,415	Increase in looked after costs
Support Costs	1,216,300	1,064,640	(151,660)	(151,660)	0	
Grand Total	31,611,770	36,964,085	5,352,315	6,372,741	(1,020,426)	

3.2 Last month the Cabinet approved a virement of £1.2m of staffing budget to support an increase to the Children's establishment to reflect the high level of activity and keep caseloads in line with agreed ratios. The staffing forecast however is still an overspend of £1.611m which is largely the result of high numbers of agency staff. There are currently 52 agency staff (from a total of 249 FTE positions.) This is expected to improve significantly over the next few months as the result of a successful recruitment campaign – including recruitment from overseas. This will not reduce the pressure in this financial year but will be greatly beneficial in the next financial year – both reducing costs and improving the consistency of the service through achieving a more permanent workforce.

3.3 The forecast pressures on Children's Placements has increased this month by £0.18m. This is despite a reduction in the total number of Looked After Children and is the result of a small number of very expensive placements in residential care and two new cases in Family Assessment units. The breakdown of cost by placement type is shown below.

Placement Type	2018/19 Net Budget	December Forecast	Variance against budget	October Forecast	Previous months Variance	Movement between Months	Reason for variance
INTERNAL FOSTERING PLACEMENT COSTS	£4,957,320	£4,608,436	-£348,884	£4,604,648	-£330,304	-£18,581	A reduction of 10 LAC
PRIVATE AND VOL. RES. HOMES WITH EDUCATION	£3,750,010	£5,383,894	£1,633,884	£5,079,024	£1,461,606	£172,277	2 high costs placements
ADOPTION PLACEMENT COSTS	£3,595,830	£3,914,772	£318,942	£3,888,275	£318,942	£0	No change reported this month
SPECIALIST AGENCY FOSTERING	£2,605,600	£3,227,677	£622,077	£3,357,546	£639,778	-£17,701	Reduction in forecast for
LEAVING CARE SERVICE	£1,125,870	£1,878,987	£753,117	£1,984,861	£797,314	-£44,196	Various income streams reviewed
ASYLUM SEEKERS	£893,000	£509,834	-£383,166	£587,764	-£409,934	£26,767	2 new UASC
SECURE UNITS	£440,700	£337,561	-£103,139	£74,972	-£104,195	£1,056	Net increase of 1 YP
FAMILY ASSESSMENT UNITS	£93,700	£445,673	£351,973	£227,299	£291,868	£60,105	2 new cases in December
	£17,462,030	£20,306,832	£2,844,802	£19,804,390	£2,665,074	£179,728	
S17/20 Support to families							
CARE MANAGEMENT S17	£127,300	£155,467	£28,167	£162,042	£13,567	£14,600	Increase in accomodation cost
CARE MANAGEMENT S20 LAC	£77,000	£68,385	-£8,615	£70,376	-£11,470	£2,854	Higher cost of support for S20 cases
ASSESSMENT S17 CIN	£72,200	£57,700	-£14,500	£72,200	-£14,500	£0	
	£276,500	£281,552	£5,052	£304,618	-£12,403	£17,455	

- 3.4 The projected spend on Counsel fees (Legal) has reduced by **£0.020m** to **£0.637m** against a budget of **£0.482m**. The reduction is based on the current trend on the legal costs related to the assessments team. The cost of court applications is forecast to spend **£0.462m** against a budget of **£0.250m**. The actual expenditure on court related costs to end of month 9 is **£0.368m** so there is a risk that the current forecast may be exceeded.
- 3.5 The budget pressures within this service are long standing and reflect the demography of the borough with a very young population and high levels of deprivation and need. The pressures reached a high point in 2015/16 when the SAFE programme was set up and successfully reduced the overspend down from over £9m to under £3m. However, this residual pressure which is in large part the result of recruitment and staffing pressures common throughout the sector and our locally high levels of need has persisted.

Disabilities Care and Support – forecast overspend of £3.372m,

- 3.6 The All Age Disability Service is forecasting to spend £19.315m which is £3.732m over budget (M7-£3.622m). This is after the inclusion of £0.158m additional funding for staffing agreed by Cabinet in January. The forecast includes a reduction made last month on placements from increased continuing healthcare funding as a result of the P&R action plan.
- 3.7 Aside from the additional funding, the forecast has remained broadly stable with overspends on **Learning Disabilities (£2.017m)**, **Transport (£0.639m)** and **Children with Disabilities Social Care (£0.7m)**. In all cases the underlying cause of the overspend is the high level of demand (reflective of our growing Child and Young Adult population) and the high costs of Social Care Support services.

Adults Care and Support – Overspend of £2.020m,

- 3.8 The Adults forecast has been maintained this month at an overspend of just over £2m based on current information. The service has put into place an ambitious action plan to reduce spend so the forecast should start to come down in future months. However, it must be noted that winter can have a significant but not straightforwardly predictable impact on the level of social care need.
- 3.9 Within this overall forecast there are overspends on Mental Health (£0.3m), Adult care packages (£1.78m – offset by action plan measures) and Adults Homes and Centres.
- 3.10 As previously reported there is clear evidence in of increased numbers of people requiring services. For example we are currently paying for around 17,000 hours of home care compared with 21,000 this time last year, there are 712 Direct Payments users compared with 563 last year and there are 65 more residential and nursing placements. In addition it has been necessary to agree fee uplifts for Residential care and Direct Payments in order to fund increased employment costs. This increase has been part funded from the IBCF and the Adult Social Care precept. However together with slippage on some of the originally agreed savings programme it has contributed to the forecast pressures.

- 3.11 In addition there is a pressure at Kallar Lodge where there has been a delay in bringing the additional rooms into use and in the Relish café.

People and Resilience Commissioning and Action Plan

- 3.12 There is a net underspend across People and Resilience Commissioning of £0.179m mostly relating to staffing vacancies.
- 3.13 In addition the People and Resilience Management team have committed to meeting these targets set by the Council's strategic management team as follows:
- To reduce the Adults Operations pressure to under £1m
 - To contain all future growth in Children's and Disability and ensure that the variance in those areas do not increase further from the end of August position
 - To find £2.5m of in year reductions from across all budgets including Public Health Grant, Children's and Adults Commissioning and Education, Youth and Childcare.
- 3.14 It is not clear, given the high level of demand that the Adults pressure can be kept to under £1m. A forecast of £2m is included in the overall totals.
- 3.15 The service has delivered or has a high degree of confidence that it will deliver £2.161m of the action plan from a range of actions including further savings within Commissioning and Education. The remaining £0.339m is still being developed and verified but may not be achieved in year.

Enforcement –underspend of £0.460m

- 3.16 Enforcement began the year with a forecast overspend in Parking but strong management action and the revised fees and charges have produced a huge improvement in the position. This is mainly attributable to overachievement of income target across two particular income streams, PCN and Non-Staff Permit charges.

Trading Entities – overspend of £0.3m

- 3.17 The MTFs includes expected dividends from the Home Services/We Fix division of the Barking and Dagenham Trading Partnership and development activity income from Be First. This was based on the best information last summer about the expected performance of the company and the date upon which it would start trading. The Trading Partnership has now submitted its quarter two shareholder report which shows an expected dividend to the Council of £0.632m against the target of £0.942m. On this basis an improved position is now being reported in the budget monitoring. It should be noted that the shortfall against the target is in large part the result of the delayed start and different structure of the company.

Elevate Contract and Customer Services

- 3.18 There has previously been a pressure in this area related to the recovery of court costs. This was rebased in the MTFs and is not expected to recur. However, there is a pressure of £0.2m on the IT budget which is being investigated and may be possible to resolve from the Corporate Infrastructure reserve. There is an expected

saving of £0.52m for the Customer Access Strategy. The programme has achieved some channel shift and a reduction in call volumes – discussions are underway as to how far this will translate into a cashable saving, so this is currently shown as a pressure.

My Place and Public Realm

- 3.19 A underspend of £0.147m is being reported against this service area. There are significant underspends within My Place from staffing vacancies and improved efficiency. However, this is offset by pressures within Public Realm and Passenger Transport.

Community Solutions – net variance of £0.07m

- 3.20 Community Solutions has been formed by bringing together a range of budgets including some budgets that have faced pressures in recent years including Homelessness and MASH/NRPF from Children's services. The Temporary Accommodation pressure has been mitigated by additional MTFS growth funding and the service has also been very successful in working more effectively with families to avoid the need for accommodation. However, there are voids in some of the homeless hostels which is creating an income pressure. The service is working to ensure that the hostels are used as effectively as possible including for families with no recourse to public funds.
- 3.21 In addition the service has inherited high levels of agency staffing in Triage (inherited from Children's services) and pressures on the legal budget. This is being managed down by the service but remains a risk.
- 3.22 The service is able to mitigate these pressures through use of one-off income including a brought forward grant resulting in a small net variance this year.

Central Expenses

- 3.23 Currently there is a projected underspend of £1.7m on Central Expenses. Central Expenses contains the budget for the Apprenticeship levy which is forecast to underspend this year (as Council staffing has reduced since the modelling was first carried out) and the rebate on agency usage.
- 3.24 In addition two risk provisions were written into the MTFS this year for non-achievement of savings (£2m) and non-achievement of parking income (£1m.)

4. Capital Programme 2018/19

- 4.1 The Council's current capital budget for 2018/19 is £284.758m, made up of the GF capital programme of £186.613m, the HRA capital programme of £90.352m and the Transformation Programme of £7.793m. More information is provided in the text below and in Appendix B.
- 4.2 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 (via the Education and Skills 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.

4.3 A total of £2.175m of additional small funded schemes have been added to the programme since the last report at quarter two. These are as follows:

- Additional DFG of £0.187m has been allocated by MHCLG.
- Schools Condition Allocation 2018-19 (FC04072); This is an allocation of £1,000k for 2018/19 and is a government grant that is to be used for maintaining and improving the condition of the education estate within the Council.
- Vehicle Fleet Replacement (FC04070); This is rolling replacement cycle of the Council's aging front-line vehicles. The fleet is unreliable with increased down time and costs for maintenance and repairs. This cycle is for the procurement of 21 refuse vehicles with a budget of £306k in 2018/19 and £3,075k in 2019/20 and will be funded from borrowing.
- Children's Play Spaces and Facilities (CIL) (FC04080); This project aims to ensure that every residential area in the borough has a variety of high-quality play spaces for all children, regardless of their circumstances, to play safely and free of charge. The budget will be £275k over 5 years (£55k per year for 2018-23) and will be funded from the Community Infrastructure Levy.
- Parks and Open Spaces Strategy 2017 Implementation (FC04081); for parks projects that will include a 'quick wins' programme, and ongoing works to refurbish and upgrade the borough's green spaces and to use as match funding resources to support applications for external funding. The budget will be £500k over 5 years (£100k per year for 2018-23) and will be funded from the Community Infrastructure Levy.
- Tantony Green Play Area (FC04082); This is for the regeneration of the green area that has become worn, tired and uninspiring and the facilities are life expired. The budget will be £197k for 2018/19 and will be grant funded.
- Central Park Masterplan Implementation (FC04084); This is for the design and build contract for landscaping and sports facilities within Central Park. The budget for 2018/19 will be £100k and £1,100k in 2019/20 and will be funded from borrowing.
- Play Facility at Valence Park (FC04085); This is for the design and build of a bespoke play facility at Valence Park. The quality of the park landscape is poor, and its play facilities are life expired and no longer fit for purpose. The budget for the project will be £230k for 2018/19 and will be grant funded.

4.4 There has also been some realignment of schemes between Enforcement, Public Realm, Culture and Heritage and My Place to better reflect the project management responsibilities.

4.5 In addition £13.7m of Investment Strategy funding for Be First schemes has now

been included in the programme. In addition, a number of Investment Strategy Council schemes are expected to fall in this financial year including Londoneast / The Cube, Welbeck Steel, Transport House and 17 Thames Road. These together amount to £54m of spend which has been added to the programme.

- 4.6 The Adults Care and Support Programme is forecasting a underspend variance of £0.438m. This is largely due to the suspension of the Direct Payment Adaptations scheme for new applications while the scheme is reviewed.
- 4.7 The Schools budget although large is well managed and most programmes are on target or showing accelerated progress. This has resulted in an apparent overspend of £6m – however this mostly relates to three expansion schemes which are ahead of schedule and will be funded by bringing forward funding from future years.
- 4.8 The Street Purchasing scheme has also been suspended and it is expected that we will spend £8.3m this year on this scheme.
- 4.9 Although most programmes are not currently forecasting an underspend in some areas actual spend to date appears low and so there is a risk of slippage at year end. In most cases this will be carried forward.
- 4.10 Two high profile programmes brought forward from last year: Youthzone and the demountable swimming pool at Beacontree Heath have made good progress and are forecast to be fully spent.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance.

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

6. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

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

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

List of Appendices

- **Appendix A** – General Fund Revenue budgets and forecasts.
- **Appendix B** – Changes to the Capital Programme
- **Appendix C** – Detailed Capital Monitoring

APPENDIX A

Strategic Function	Revised 18/19 BUD	Actuals YTD	Revised Forecast	Variance
TRADING ENTITIES	-	4,653,208	310,000	310,000
DISABILITIES	15,942,508	16,372,429	19,314,932	3,372,424
ADULT'S CARE & SUPPORT	17,096,830	18,176,098	19,117,789	2,020,959
CHILDREN'S CARE & SUPPORT	31,611,770	25,811,406	36,964,085	5,352,315
CARE & SUPPORT	64,651,108	60,359,933	75,396,806	10,745,698
CENTRAL	7,245,907	20,943,164	2,506,558	-4,739,349
COMMUNITY SOLUTIONS	12,718,510	8,333,865	12,788,510	70,000
CONTRACTED SERVICES	6,652,970	16,059,220	7,172,970	520,000
STRATEGIC LEADERSHIP	0	57,120	0	0
FINANCE	5,649,880	3,978,646	5,649,880	0
ELEVATE CLIENT TEAM	6,112,080	4,304,877	6,321,080	209,000
INNOVATION AND INVESTMENT	-1,801,000	302,043	-1,801,000	0
TRANSFORMATION	367,270	2,481,014	367,270	0
CORE	10,328,230	11,123,701	10,537,230	209,000
EDUCATION, YOUTH & CHILDCARE	14,359,970	10,913,852	14,359,970	0
INCLUSIVE GROWTH	-46,270	691,840	-92,164	-45,894
			0	
LAW & GOVERNANCE	434,910	-2,462,239	461,160	26,250
ENFORCEMENT	-1,763,956	-607,592	-2,227,028	-463,072
LAW, GOVERNANCE & HR	- 1,329,046	- 3,069,831	-1,765,868	-436,822
MY PLACE	9,596,163	-16,200,824	8,959,333	-636,830
PUBLIC REALM	8,733,698	6,958,089	9,221,522	487,824
MY PLACE	18,329,861	- 9,242,735	18,180,855	-149,006
CULTURE & RECREATION	2,336,520	1,875,820	2,448,391	111,871
STRATEGY & PROGRAMMES	913,580	-212,896	905,460	-8,120
POLICY & PARTICIPATION	3,250,100	1,662,924	3,353,851	103,751
ADULTS COMMISSIONING	5,440,640	5,362,563	5,521,601	80,961
PUBLIC HEALTH	-700,000	-6,012,970	-700,000	0
LEISURE	293,390	-208,043	293,390	0
CHILDREN'S COMMISSIONING	4,172,990	5,100,294	3,914,057	-258,933
SDI COMMISSIONING	9,207,020	4,241,843	9,029,048	-177,972
P&R ACTION PLAN			-2,161,000	-2,161,000
Net Budget (Underspend)/Overspend	145,368,360	118,043,703	149,616,766	4,248,406

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Changes to the Capital Programme 2018/19

The GF capital programme total was £157.489m as per the Cabinet report in September 2018 and has been revised to £194.405m for 2018/19. The HRA capital programme has not changed since September 2018.

This is broken down as follows:

Service	Sep 2018 Cabinet Budget £000	Jan 2019 Revised Budget £000	Comments
Care and Support	£1,618	£1,805	MHCLG provided an additional £187k towards the Disabled Facilities Grant for 2018/19. The service has spent 17% of the annual budget allocation in 2018/19.
Community Solutions	£349	£349	No change in budget since the Q2 report. The service has spent 16% of the annual budget allocation in 2018/19.
Core	£2,652	£2,652	No change in budget since the Q2 report. The service has spent 60% of the annual budget allocation in 2018/19.
Education, Youth & Childcare	£52,572	£53,572	The revised budget is because of the Schools Conditions Grant allocation reported to Cabinet in July 2018. The service has spent 86% of the annual budget allocation in 2018/19.
Enforcement	£7,916	£1,314	The revised budget decrease is as a result of some of the budget allocations being moved to My Place. The service has spent 42% of the annual budget allocation in 2018/19.
Culture, Heritage & Recreation	£4,480	£6,261	The revised budget increase is as a result of budget allocations being moved from Enforcement and Public Realm. Several new capital projects relating to parks regeneration that will be funded by grant, have been added to this service. The service has spent 56% of the annual budget allocation in 2018/19.
Investment Strategy	£693	£58,129	The Land Acquisition Programme budget has been revised to include the acquisition of Axa Land, The Cube and Welbeck Steel. The service has spent 11% of the annual budget allocation in 2018/19.

Service	Sep 2018 Cabinet Budget £000	Jan 2019 Revised Budget £000	Comments
Growth & Homes & Regeneration	£74,645	£38,160	The Street Purchasing Programme has been put on hold and this has led to a revised budget of £6,000k. The service has spent 64% of the annual budget allocation in 2018/19.
My Place	£0	£6,496	The revised budget increase is as a result of budgets being moved from Enforcement. The service has spent 64% of the annual budget allocation in 2018/19.
Public Realm	£1,581	£935	The revised budget decrease is as a result of budget allocations being moved to Culture, Heritage and Recreation. The service has spent 40% of the annual budget allocation in 2018/19.
SDI Commissioning	£3,190	£3,190	No change in budget since the Q2 report. The service has spent 92% of the annual budget allocation in 2018/19.
Investment & Acquisition Strategy	£0	£13,749	New to the capital program monitoring and relates to Be First projects. The service has spent 12% of the annual budget allocation in 2018/19.
Total GF	£149,969	£186,613	
HRA	£90,352	£90,352	No change in budget since the Q2 report. The service has spent 51% of the annual budget allocation in 2018/19.
Transformation	£7,793	£7,793	No change in budget since the Q2 report. The service has spent 19% of the annual budget allocation in 2018/19.

2018/2019 CAPITAL PROGRAMME

APPENDIX C

Project No.	Project Name	Budget	Spend		Forecast		Future Year Budgets	
		Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
Adults Care & Support								
	Disabled Facilities Grant	1,380,236	240,170	219,323	1,192,848	(187,388)	0	1,380,236
	Direct Pymt Adaptations	400,000	52,343	0	150,000	(250,000)	400,000	1,600,000
	Adult Social Care Grant	25,000	21,163	1,200	25,000		0	25,000
Total for Adults Care & Support		1,805,236	313,676	220,523	1,367,848	(437,388)	400,000	3,005,236
Community Solutions								
	Barking Learning Centre Works	214,407	24,330	29,208	214,407		0	214,407
	Libraries Library Management System Tender	60,000	31,469	27,976	60,000		0	60,000
	Upgrade & enhancement of Security & Threat Management System at BLC	75,000	0	24,698	75,000		0	75,000
Total for Community Solutions		349,407	55,799	81,882	349,407		0	349,407
			16%					
Core								
	Modernisation & Imp Cap Fund		11,681	297,684				0
	Elevate ICT investment	907,036	320,426	146,077	907,036		1,710,000	4,567,036
	ICT End User Computing		0	21,917			438,000	610,000
	Oracle R12 Joint Services	190,273	9,268	6,351	190,273		0	190,273
	Customer Services Channel Shift	106,884	0	0	106,884		0	106,884
	Implement Corporate Accommodation Strategy	1,317,519	1,251,944	80,672	1,317,519		0	1,317,519
	Woodlands Repairs	130,000	2,250	56,515	130,000		47,000	177,000
Total for Core		2,651,712	1,595,569	609,216	2,651,712		2,195,000	6,968,712
			60%					
Education, Youth & Childcare								

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
Primary Schools								
	Manor Longbridge (Former UEL Site)	0	0	0			0	0
	William Bellamy Infants/Juniors (Expansion)	10,000	68,881	201	10,000		0	10,000
	Warren / Furze Expansion	750,000	480,102	341,270	750,000		102,589	852,589
	St Joseph's Primary(Barking) Extn 13-14	15,072	15,072	0	15,072		0	15,072
	Marsh Green Primary 13-15	50,000	27,538	11,825	50,000		0	50,000
	Sydney Russell (Fanshawe) Primary Expansion	20,657	39,455	10,947	40,000	19,343	0	20,657
	Gascoigne primary	50,000	49,274	1,299	51,000	1,000	0	50,000
	Village Infants - additional pupil places	30,000	102,041	1,247	102,041	72,041	0	30,000
	Gascoigne Prmy 5forms to 4 forms	200,000	145,175	86,638	229,824	29,824	404,182	604,182
	Marks Gate Infants & Juniors 2018-20	25,000	0	0	25,000		500,000	3,000,000
	Chadwell Heath - Additional Capacity		0	0			0	7,000,000
Secondary Schools								
	Jo Richardson expansion	614,881	4,572	0	614,881		0	614,881
	Robert Clack Expansion 13-15	8,000,000	8,929,964	521,584	9,000,000	1,000,000	1,059,213	9,059,213
	Lymington Fields New School	6,000,000	5,676,810	20,292,929	8,000,000	2,000,000	13,000,000	27,449,926
	Riverside Secondary Free School	101,410	533,397	1,378	550,000	448,590	0	101,410
	Eastbury Secondary	650,000	4,318	83,960	650,000		267,460	917,460
	Eastbrook School	106,718	131,486	0	131,486	24,768	0	106,718
	Dagenham Park	100,000	62,258	0	100,000		0	100,000
	New Gascoigne Secondary School	16,000,000	9,491,423	8,686,533	16,000,000		13,582,802	29,582,802
	Barking Abbey Expansion 2016-18	12,000,000	14,303,813	1,882,510	15,000,000	3,000,000	5,500,000	18,425,740
Children Centres								
FC03063	Extension of Abbey children's centre nursery	125,842	124,000	0	125,842		0	125,842

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
Other Schemes								
	School Expansion SEN projects		10,375	0			0	0
	SMF 2012/13		29,401	0			0	0
	SMF 2014-16		10,688	0			0	0
	SMF 2015-17		24,756	0			0	0
	School Expansion Minor projects	312,285	21,319	18,782	312,285		0	312,285
	Implementation of early education for 2 year olds	196,708	91,708	34,008	196,708		200,000	396,708
	School Conditions Allocation 2017-19	477,882	1,045,346	81,635	477,882		0	477,882
	Additional SEN Provision	396,485	49,767	22,599	396,485		0	396,485
	Pupil Intervention Project (PIP)	451,605	339,641	37,447	451,605		450,000	901,605
	SEND 2018-21	645,716	651,605	50,280	645,716		1,245,716	2,837,148
	School Conditions Allocation 2018-20	3,000,000	2,732,224	113,851	3,000,000		966,761	3,966,761
	Additional Works - Expanded Schools	250,000	0	0	50,000	(200,000)	250,000	500,000
	Place Demand - Contingency		0	0			250,000	500,000
	Roding Primary Classroom Reinstatement	1,500,000	644,704	675,928	1,500,000		1,000,000	2,500,000
	School Condition Alctns 18-19	1,000,000	246,794	276,270	800,000	(200,000)	2,862,230	3,862,230
9999	Devolved Capital Formula	491,702	153,178	17,480	437,561	(54,141)	0	491,702
Total For Education, Youth & Childcare		53,571,963	46,241,085	33,250,601	59,713,388	6,141,425	41,640,953	115,259,298
			86%					

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
Enforcement								
FC02982	Consolidation & Expansion of CPZ	487,420	174,762	46,750	487,420		300,000	1,087,420
FC03012	Environmental Asset Database		6,861	0				0
FC04015	Enforcement Equipment	512,650	309,272	5,841	512,650		444,000	956,650
FC03066	Parking ICT System	3,537	0	0	3,537		0	3,537
FC04027	Car Park Improvements	146,398	60,236	25,855	146,398		0	146,398
FC04063	Flood Risk Management	164,000	0	0	164,000		167,000	331,000
Total for Enforcement		1,314,005	551,131	78,446	1,314,005		911,000	2,525,005
			42%					
Growth & Homes								
Culture, Heritage & Recreation								
FC03029	Broadway Theatre	500,000	355,960	4,540	500,000		0	500,000
FC03032	3G football pitches in Parsloes Park	822,384	74,287	19,166	822,384		0	822,384
FC03057	Youth Zone	2,834,000	2,750,442	0	2,834,000		0	2,834,000
FC03093	Eastbury Manor House - Access and egress improvements	75,078	46,693	16,473	75,078		0	75,078
FC04033	Redressing Valence		0	0			0	500,000
FC04031	Reimagining Eastbury	100,000	0	0	100,000		200,000	400,000
FC03090	Lakes	102,118	12,145	3,500	102,118		40,000	182,118
FC03067	Abbey Green Restoration/Works	3,541	0	0	3,541		0	3,541
FC04042	Community Halls	23,991	9,986	0	23,991		0	23,991
FC04043	The Abbey: Unlocking Barking's past, securing its future	50,000	4,790	0	50,000		350,000	400,000
FC04044	East London Industrial Heritage Museum	75,000	65,000	0	75,000		0	75,000
FC04017	Fixed play facilities	93,105	92,390	4,977	93,105		50,000	243,105
FC03034	Strategic Parks - Park Infrastructure	59,230	3,801	12,686	59,230		0	59,230
FC03026	Old Dagenham Park BMX Track	252,991	2,006	0	212,991	(40,000)	0	252,991

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
FC04018	Park Buildings – Response to 2014 Building Surveys	139,658	108,631	8,855	139,658		75,000	364,658
FC04020	Parsloes Park regional football hub	400,000	0	0	400,000		0	400,000
FC04013	Park Infrastructure Enhancements	47,242	900	2,025	47,242		30,000	117,242
FC04080	Children's Play Spcs & Fac	55,000	0	0			55,000	275,000
FC04081	Parks & Open Spcs Strat 17	100,000	0	0			100,000	500,000
FC04082	Tantony Green Play Area	197,455	0	197,455			0	197,455
FC04084	Central Park Masterplan Implementation	100,000	0	70,750			1,000,000	1,100,000
FC04085	Valence Park Play Facility	230,000	0	0			0	230,000
Total for Culture, Heritage & Recreation		6,260,793	3,527,031	340,427	5,538,338	(40,000)	1,900,000	9,555,793
			56%					
Investment Strategy								
FC02587	Energy Efficiency Programme	128,753	126,704	0	128,753		0	128,753
FC03081	Land Acquisitions 2016-18	47,450,500	3,706,859	250,355	58,000,000	10,549,500	0	47,450,500
FC03027	Establishment of Council Owned Energy Services Company		1,467,743	890,016			1,000,000	1,000,000
FC04083	The Cube	10,549,500	1,000,000	0		(10,549,500)	0	10,549,500
Total for Investment Strategy		58,128,753	6,301,306	1,140,371	58,128,753		1,000,000	59,128,753
			11%					

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
Growth & Homes & Regeneration								
	Local Transport Plans	96,900	2,736	42,531	96,900		0	96,900
	Creative Industry (formerly Barking Bathouse)	292,064	0	0	292,064		0	292,064
	Gascoigne West (Housing Zone)		3,974,922	1,036,998			0	0
	Renwick Road/ Choats Road 2014/15 (TfL)	317,400	128,620	377,840	317,400		0	317,400
	Barking Town Centre 2014/15 (TfL)	272,100	282,354	50,404	272,100		0	272,100
	Barking Riverside Trans link	325,021	20,510	178,778	171,858	(153,163)	0	325,021
	Bus Stop Accessibility Improvements	60,000	50,000	0	60,000			60,000
	Kingsbridge Development	4,892,418	3,505,214	365,219	4,892,418		0	4,892,418
	Boundary Road Hostel: Critical Needs Homelessness Assessment and Support Centre	234,879	27,911	58,633	234,879		0	234,879
	Conversion & Redevelopment of Former Sacred Heart Convent, 191 Goresbrook Road, Dagenham - to convert to homeless provision	8,407,180	131,653	171,555	8,407,180		0	8,407,180
	Gurdwara Way - Land Rmdiation	122,435	23,026	497	31,052	(91,383)	0	122,435
	Sebastian Court - Redevelop	3,526,723	103,073	3,505,964	3,526,723		0	3,526,723
	Becontree Heath New Build	12,457,491	6,983,527	10,178,494	12,457,491		3,915,979	16,373,470
	Abbey Green & Barking Town Centre Conservation Area Townscape HLF Project	263,000	11,318	677	263,000		0	263,000
	Land at BEC - live work scheme	16,937	82,093	62,918	16,937		0	16,937
	Principal Rd Resurfcing 2013-14	0	12,500	11,941	12,500	12,500	0	0
	Mayesbrook Nghbrhd Imprv 13-14	0	1,800	21,738	1,800	1,800	0	0
	Abbey Road Infrastructure	0	535,442	23,529	140,306	140,306	0	0
	Thames View Cycle/Walking Link Improvements	90,700	167,187	58,858	90,700		0	90,700
	Cycle Schemes - Quietway CS3X	99,800	93,820	2,430	99,800		0	99,800

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
	Gale Street Corridor Improvements	385,400	940	164,550	385,400		0	385,400
	Street Property Acquisition 2017-19	6,000,000	8,290,040	200	8,290,000	2,290,000	0	6,000,000
	Bridges and Structures	300,000	0	0	100,000	(200,000)	300,000	1,500,000
Total for Growth & Homes & Regeneration		38,160,448	24,428,686	16,313,754	40,160,508	2,000,060	4,215,979	43,276,427
			64%					
My Place								
	Frizlands Phase 2 Asbestos Replacement	2,136	0	611	2,136		0	2,136
	HIP 2016-17 Footways & Carriageways	2,161,093	1,836,952	1,078,135	2,161,093		4,000,000	6,161,093
	Street Lighting 2016-2019 : Expired Lighting Column Replacement	2,608,876	3,027,220	147,970	2,608,876		0	2,608,876
	Structural Repairs & Bridge Maintenance	639,262	2,987	27,415	639,262		0	639,262
	Capital Improvements	65,755	53,656	1,836	65,755		0	65,755
	Road Safety Improvements Programme (Various Locations)	272,100	23,708	390	272,100		0	272,100
	Replacement of Winter Maintenance Equipment / Gully Motors	421,155	429,432	3,785	421,155		0	421,155
	Engineering Works (Road Safety)	325,926	57,759	195,237	325,926		0	325,926
Total for My Place		6,496,303	5,431,714	1,455,379	6,496,303	0	4,000,000	10,496,303
			64%					
Public Realm								
	Chadwell Heath Cemetry Ext	298,254	0	0	298,254		0	298,254
	Bins Rationalisation	100,000	0	21,949	100,000		50,000	250,000
	Refuse Fleet	95,823	71,814	27,784	95,823		0	95,823
	On-vehicle Bin Weighing System for Commercial Waste	45,000	0	0	45,000		0	45,000
	Equipment to reduce Hand Arm Vibration	90,000	0	0	90,000		0	90,000

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
HRA								
CC&D	Investment In Stock							
FC02939	Conversions	0	351,313	302,698				0
FC03039	Estate Roads Resurfacing	400,000	64,266	344,219	400,000			400,000
FC03045	External Fabric inc EWI- Blocks	0	742,647	2,487,547				0
FC03046	Decent Homes North 2017-19	10,920,000	7,836,587	2,785,332	10,920,000			10,920,000
FC03047	Decent Homes South 2017-19	10,920,000	8,992,151	945,768	10,920,000			10,920,000
FC02983	Decent Homes Central 2017-19	6,562,500	7,148,357	5,172,491	6,562,500			6,562,500
FC04054	DH R&M Service	11,306,400	5,262,418	850,546	11,306,400			11,306,400
FC03036	Decent Homes Support - Liaison Surveys	0	0	0				0
FC04001	Electrical Lateral Replacement	1,571,000	0	2,000	1,571,000			1,571,000
FC0XX13	Decent Homes 2016-22 Programme							0
Asset Man	Investment In Stock							
FC02934	Communal Roof Replacements	0	112,166	96,331				0
FC02950	Communal Heating Replacement	1,300,000	131,625	451,998	1,300,000			1,300,000
FC04003	Domestic Heating Replacement	500,000	578,848	521,952	500,000			500,000
FC04004	Box-Bathroom Refurbs (Apprenticeships)	444,000	169,052	1,024,619	444,000			444,000
FC03048	Fire Safety Improvement Works	2,194,500	302,108	2,126,020	2,194,500			2,194,500
FC04002	Lift Replacement Programme	500,000	1,760	79,402	500,000			500,000
Housing S	Investment In Stock							
FC03037	Energy Efficiency inc Green Street	0	643	2,609				0
Disability S	Investment In Stock							
FC00100	Aids And Adaptations	1,100,000	512,405	270,722	1,100,000			1,100,000
FC0XX14	ESCO							0

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
Property Maintenance Investment In Stock								
FC02943	Compliance (Asbestos, Tanks, Rewires)	1,800,000	4,577	30,539	1,800,000			1,800,000
FC03038	Garages	0	119,342	16,179				0
FC04000	Estate Environment Improvement	0	0	0				0
FC04005	Public Realm Improvements	130,000	298,548	1,572	130,000			130,000
R&M Investment In Stock								
FC02933	Voids	2,000,000	0	23,349	2,000,000			2,000,000
FC03074	Estate Public Realm Imp	0	0	0				0
FC03075	Door Entry Systems	50,000	0	0	50,000			50,000
FC04006	Minor Works & Replacements	150,000	14,023	0	150,000			150,000
FC03007	Windows & Door Replacements	0	28,065	36,658				0
TBA	Internals						2,300,000	22,500,000
TBA	Externals						14,750,000	40,250,000
TBA	Communal / Compliance						12,630,000	45,550,000
TBA	Estate Environmental Works						800,000	2,500,000
TBA	Landlord Works						7,200,000	24,800,000
Investment In Stock								
FC03040	Communal Repairs & Upgrades	0	334,552	750,408				0
FC02984	Block & Estate Modernisation	0	5,216	36,648				0
FC03003	Decent Homes (Blocks)	0	47,708	43,450				0
FC03004	Decent Homes (Sheltered)	0	0	0				0
FC03001	Decent Homes (North)	0	12,994	14,186				0
FC03002	Decent Homes (South)	0	0	0				0
FC03005	Decent Homes Small Contactors	0	0	306				0
FC02938	Fire Safety Improvement Works	2,500,000	0	1,718	2,500,000			2,500,000
TBA2	To be allocated							0
	Total	54,348,400	33,071,371	18,419,267	54,348,400	0	37,680,000	189,948,400
Estate Renewal								

Project No.	Project Name	Revised Budget	Actual Expenditure	Commitments	Forecast	Over / (Under) spend to date	2019/20	Total
FC02820	Estate Renewal	13,250,000	4,332,069	1,300,615	13,250,000		11,500,000	42,750,000
	Total	13,250,000	4,332,069	1,300,615	13,250,000	0	11,500,000	42,750,000
	New Build schemes							
FC02823	Council Housing Phase III		0	49,723			0	0
FC02916	Lawns & Wood Lane		51,751	0			0	0
FC02931	Leys Phase 1	226,058	116	352,259	226,058		0	226,058
FC03009	Leys Phase 2	3,879,000	5,090,263	1,142,074	3,879,000		0	3,879,000
FC03071	Modular Programme	4,499,000	667,192	5,204,860	4,499,000		0	4,499,000
FC02970	Marks Gate	0	0	1,577,466			0	0
FC02973	Infill Sites	13,700,000	100,648	116,667	13,700,000		0	13,700,000
FC02988	Bungalows (Stansgate, Mrgt Bon)		16,242	332,013			0	0
FC02989	Ilchestr Rd / North St New Build		2,299,235	1,099,642			0	0
FC02991	North St		37,390	7,050			0	0
FC03056	Burford Close		280,682	50,507			0	0
TBA	To Be Allocated						20,000,000	80,000,000
	Total	22,304,058	8,543,519	9,932,261	22,304,058	0	20,000,000	102,304,058
FC03073	Housing Transformation	450,000	0	0	450,000		0	450,000
	TOTAL HRA CAPITAL PROGRAMME	90,352,458	45,946,959	29,652,143	90,352,458	0	69,180,000	335,452,458
			51%					
	TOTAL CAPITAL PROGRAMME 2018/19	276,964,918	139,422,070	85,098,410	269,971,597	(6,004,964)	221,407,932	1,020,538,232
	Transformation Schemes 2018-19							
FC04047	Be First	80,846	0	0	80,846		0	80,846
FC04049	Community Solutions	2,008,100	957,642	55,658	2,008,100		400,000	2,758,100
FC04009	Smarter Working Programme	1,137,088	382,397	421,407	1,137,088		0	1,137,088

CABINET**18 February 2019**

Title: Budget Framework 2019/20 and Medium Term Financial Strategy 2019/20-2020/21	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Claire Symonds, Chief Operating Officer	Contact Details: Tel: 020 227 5513 E-mail: claire.symonds@lbbd.gov.uk
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary:	
<p>This report sets out the:</p> <ul style="list-style-type: none"> • Medium Term Financial Strategy (MTFS) for 2019/20 to 2020/21; • Proposed General Fund budget for 2019/20; • Proposed level of Council Tax for 2019/20; • Draft capital investment programme 2019/20 to 2022/23. • Update on the Dedicated Schools Grant and Local Funding Formula for Schools. • Update on the Flexible use of capital receipts to support transformation <p>The General Fund net budget for 2019/20 is £148.820m and the proposed net budget for 2020/21 is £148.023m. The budget for 2019/20 incorporates decisions previously approved by Members in the Medium Term Financial Strategy including the savings approved by the Cabinet in February 2017 and February 2018 together with changes in government grants and other financial adjustments.</p> <p>The Council proposes to increase Council Tax by 2.99%. This includes 1.99% for general spending and a further 1% that is specifically ringfenced as a decision by this Authority for Social Care and Support for Children and Disabled People. This will increase the level of Council Tax from £1,199.63 to £1,235.50, (£35.87) for a band D property.</p> <p>The Mayor of the Greater London Authority (GLA) is proposing to increase the GLA element of Council Tax by 8.9% (£26.28) for a Band D property, changing the charge from £294.23 in 2018/19 to £320.51 in 2019/20, of this £24 relates to the Police Precept. The combined amount payable for a Band D property will therefore be £1,556.01 for 2019/20, compared to £1,493.86 in 2018/19. This is a total change of £62.15 for the Council Tax bill for 2019/20. At its meeting on 22nd January 2019, the Cabinet agreed an enhanced Council Tax Support Scheme in order to continue to support local residents on very low incomes.</p> <p>The proposed draft 4-year capital programme is £744.323m for 2019/20 to 2021/22, including £245.100m for HRA schemes. Details of the schemes included in the draft capital programme are at Appendix E.</p>	

Recommendation(s)

The Cabinet is asked to recommend the Assembly to:

- (i) Approve a base revenue budget for 2019/20 of £148.820m, as detailed in Appendix A to the report.
- (ii) Approve the adjusted Medium Term Financial Strategy (MTFS) position for 2019/20 to 2020/21 allowing for other known pressures and risks at this time, as detailed in Appendix B to the report, including the additional cost of borrowing to accommodate the capital costs associated with the implementation of the MTFS;
- (iii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to finalise any contribution required to or from reserves in respect of the 2019/20 budget, pending confirmation of levies and further changes to Government grants prior to 1 April 2019;
- (iv) Approve the Statutory Budget Determination for 2019/20 as set out at Appendix C to the report, which reflects an increase of 2.99% on the amount of Council Tax levied by the Council and the final Council Tax proposed by the Greater London Assembly (8.9% increase), as detailed in Appendix D to the report;
- (v) Note the update on the current projects, issues and risks in relation to Council services, as detailed in section 4 of the report.
- (vi) Approve the Council's draft Capital Programme for 2019/20 to 2022/23 totalling £744.323m of which £498.473m are general fund schemes, as detailed in Appendix E to the report;
- (vii) Approve the Flexible Use of Capital Receipts Strategy as set out in Appendix F to the report;
- (viii) Note the briefing on the potential implications of Brexit for the Council as set out in Appendix G to the report;
- (ix) Note the Chief Finance Officer's Statutory finance report as set out in section 10 of the report, which includes a recommended minimum level of reserves of £12m; and
- (x) Approve the updated Dedicated Schools Budget for 2019/20 including the hourly rate payable to Early Years providers (3-4 year olds.) as set out in section 11 and Appendix H to the report.

Reasons

The setting of a robust and balanced budget for 2019/20 will enable the Council to provide and deliver services within its overall corporate and financial planning framework. The Medium Term Financial Strategy underpins the delivery of the Council's vision of One borough; one community; London's growth opportunity and delivery of the priorities within available resources.

1. Introduction and Background

- 1.1 The purpose of this report is to provide Cabinet with an update on our financial position and to seek agreement to proposals for the revenue budget for 2019/20 of £148.820m.
- 1.2 The report also sets out the Medium Term Financial Strategy (MTFS) for 2019/20 to 2020/21 and the Council Tax level for 2019/20.
- 1.3 Local Government as a whole faces unprecedented financial challenges with year on year cuts to the funding from central government while the demand for services is rising. Councils can respond to this level of challenge in a variety of ways that reflect the scale of their ambition for their residents. This Council has chosen to take a bold, new and ambitious approach based on investing in services, maximising economic growth and the consequent opportunities and transforming the way the council runs.

2. Our Medium Term Financial Strategy

Our Challenges

- 2.1 Under the government's policy of austerity, funding for public services has been reducing steadily since 2010/11 with Local Government funding being particularly deeply reduced – by around 40% over this period. This has been a challenge for the whole sector but especially for those authorities who serve communities with higher levels of need and those which were more dependent on central government funding due to their lower tax base.
- 2.2 Barking and Dagenham is such a Council – we are a fast growing borough with a young population and many of our citizens face a range of challenges and disadvantages that mean that they may need help and support from the Council at some point. In many cases population growth is a direct driver of demand for services - for example, recent evidence from the National Audit Office (NAO) regarding children's social care spend, found that growth in child populations equate to similar levels of increases in referrals to children's social care.
- 2.3 We are also a borough that is ambitious and sees the opportunities that are there for a place that can rightly be called "London's Growth Opportunity." We have therefore responded to the challenge of austerity not merely with a range of ever deeper budget cuts, but with a medium term strategy that is based on transforming the Council and maximising housing, business and economic growth.
- 2.4 This includes the creation of an investment portfolio, the establishment of subsidiary companies to deliver services more efficiently and generate additional income and the redesign of all Council services into a New Kind of Council. The funding for the programme that delivered this scale of transformation has been largely drawn from the Flexible Use of Capital Receipts and further information on this can be found in an appendix to this report.
- 2.5 We are now just half way through the Transformation programme. This report provides an update on our progress to date and the forthcoming work in 2019/20. As might be expected with a programme of such size and complexity there have

been many achievements but in some areas we have come across further challenges that have delayed or changed the level of saving that may be achieved.

- 2.6 The area of greatest concern for us financially is Care and Support. These are very important services providing vital help to our most vulnerable citizens at their times of greatest need – from home care that helps a frail and elderly person stay in their own home or return there after a stay in hospital, to support that means a severely disabled young person can lead a fulfilling life in the community or the social work that protects a child from serious harm. People in need of these services have both a statutory and moral right to them which means that the Council cannot restrict access to them. The numbers in need of assistance tend to grow at least in line with demographic trends but funding has not been increased to match, and recent experience suggests that demand has significantly outstripped demographic predictions. This is not just an issue for Barking and Dagenham – it is a matter of serious national concern that the Government is beginning to recognise. Additional national funding has been provided as a result and we have increased our local funding as far as possible. The services are adapting their transformation programmes to reflect improved understanding of the impact of past changes and the new policy context that the Council has developed. As new pressures become evident, it is important that we invest our resources in a balance of transforming and developing services and meeting the immediate pressures in budgets. This will give us the best long-term chance to establish a sustainable social care service for our residents.
- 2.7 The Council's Medium Term Financial Strategy for 2017/18 to 2020/21 was established and approved in February 2017. This set out the overall strategy for the period including a savings and income programme of £48m over the four years. This was updated in February 2018 which made a number of corrections and adjustments and added a further £9.646m of savings.
- 2.8 Since then there have been two update reports this year in July and November which confirmed the direction of travel. In November there was a gap between our planned expenditure and income of £0.570m which would be covered by a drawdown on the Collection Fund surplus or from the budget support reserve.
- 2.9 Since that report was written the Provisional Local Government report has been published which made a number of changes to our funding. In summary an additional £2.229m has become available. Once the small funding gap has been offset effectively this means that there is £1.7m additional funding. It is proposed that this should be used to provide further support to Care and Support – primarily for Children and Disabilities Care and Support services. (This is in addition to the £2.4m additional grant funding and the increased IBCF.)
- 2.10 There are still a number of risks and unknowns to this position. The area of greatest uncertainty remains the impact of Brexit. At the time of writing (30th Jan) there is little clarity about what form this will take or what it means for the people of Barking and Dagenham and for the Council. However, we have set our assessment of the possibilities in an appendix to this report.

3. Changes to Funding and Business Rates

- 3.1 In 2018/19, Barking and Dagenham entered into the London wide business rates pilot and in 2019/20 the Council will continue to be part of this, however the Government have changed how this will operate. The new arrangements will see London authorities now retain 75% of any business rates growth across the City. This was previously set at 100% growth in business rates. However, the amount guaranteed to the Council under the “no worse off” arrangements has been increased to compensate. Overall, we estimate that we will receive £79.16m from this pool – which is approximately £0.5m higher than the previous estimate. However, it should be noted that £2m of this depends on estimates of business rates growth in London and so is at risk in the event of economic downturn.
- 3.2 The Council no longer receives any Revenue Support Grant as this has been replaced by the Business Rates pooling arrangements. Government grants such as the Public Health grant, Housing Benefit Administration grant and the Local Council Tax Support grant have continued to witness cuts in allocation placing additional burdens to the Council.
- 3.3 On a positive note the Council has seen increases in the New Homes Bonus for 2019/20 due to the acceleration of housing developments across the Borough. In addition, the Council Tax Base as set in January is £0.291m higher than estimated in the November report.
- 3.4 One-off additional funding for Adults’ and Children’s Social Care has been made available by the government to enable the Council to help towards the growing demand for support to both vulnerable and elderly adults, as well as children needing statutory social care support. £0.913m will be allocated to the Adults’ Commissioner to distribute as appropriate and the remaining £1.56m will be allocated to the Director of People & Resilience, with the purpose to drive innovation in practice approaches that better impact on outcomes and seek to reduce demand, such as interventions which address Adverse Childhood Experiences.
- 3.5 This is the 3rd year of the allocation of Improved Better Care Fund (iBCF) so in 2019/20 an additional amount of £1.976m is available to spend to help meet adult social care pressures and work with NHS partners on reducing demand in the system.
- 3.6 In addition the November report proposed a 2.99% Council Tax increase with a third of this being ring fenced to Care and Support. This will raise an additional £0.6m which will be allocated to the Children’s Commissioner for distribution.
- 3.7 A summary of the grant funding is shown in the table below:

Grant	Changes in Funding 2019/20
Housing Benefit Admin Grant	(£0.115m)
Local Council Tax Support Grant	(£0.011m)
Public Health Grant	(£0.446m)
Winter Pressures (Adults) Grant	£0.913m
IBCF funding increase	£1.976m
Adult and Children Social Care Grant	£1.560m
New Homes Bonus	£0.741m
Business Rates Income	£0.502m

3.8 In addition the Government has allocated a further £0.871m Business Rates Levy surplus. This funding will be received in 2018/19 and will be carried forward to 2019/20 as a one off. The table below shows the additional funding that has become available since the November report was written.

Changes	
Additional Council Tax income from tax base	-0.291
Additional Council Tax income from 2.99% increase	-0.600
Revised Business Rates Pilot (75%)	-0.502
New Homes Bonus	-0.741
Winter Pressures Grant	-0.913
Adult Social Care Support Grant	-1.56
Business Rates Levy Account Surplus	-0.871
Housing Benefit Admin Grant	0.115
Local Council Support Administration Subsidy	0.011
Net changes to MTFS funding	-5.352
Previous MTFS gap	0.570
Allocated to	
Adults	0.913
Childrens	3.869
	5.352

4 Update on Current Projects, Issues and Risks for Council Services.

4.1 The Council is now half way through its Transformation programme and much progress has been made. This section provides an update on the main Council services and programmes, the risks and issues and any particular challenges being faced.

Be First

4.2 The Council's wholly owned development company Be First, came into existence in February 2017 and started trading as an independent entity in October 2017. It is now fully established and projects that it will soon become fully profitable as an independent entity. It reports regularly to the Council as its main shareholder.

- 4.3 Cabinet will receive at its March meeting an updated business plan. It is expected that this will state that the company is projecting that it will start to secure significant returns on investment and bring profits to the Council in the next few years.

Investment Strategy

- 4.4 Overall, the Investment Strategy is scored medium risk and the overall Investment Strategy financial model is being reviewed. However, the Sponsor is confident that the target income can be delivered and that the programme will achieve its main financial targets and service objectives through its larger projects and working with Reside.

Customer Experience & Digital

- 4.5 This programme has made good progress on redesign of the website and the automation of digital processes. It has also achieved a significant channel shift through opening up other routes to access services that are more cost effective and flexible for customers. It has taken some time to translate this into cashable savings but the programme is confident that these will start to be delivered shortly and will contribute to the 2019/20 savings programme.

Core Support Services

- 4.6 The Core Support Services Programme savings are due to be delivered in 2020/21. These savings will be achieved through the renewal of the current Support and Customer services contract and right-sizing core services to support the new organisational structure. Work is progressing well with an initial report having been brought to Cabinet last month on the first phase. The future design of the core services is currently being developed.

Enforcement

- 4.7 The Council brought forward a new Parking strategy last year and improved the effectiveness of its parking enforcement service. This has increased the level of Parking income being achieved back in line with targets. In 2019/20 the Enforcement Service will introduce a new Private Sector Landlord Licensing Scheme to drive up housing quality and standards and tackle poor accommodation and rogue landlords.

Community Solutions

- 4.8 Community Solutions is the Council's innovative service to work with people in need of early help and support to get back on track. It offers joined up support with a wide range of issues including housing, employment and childcare. The service has an ambitious set of savings but has achieved its 2017/18 and 2018/19 targets and has made good progress on plans for future savings. However, the scale of the savings means there are some risks, particularly the impact on demand on social care services, and by default the 'downstream' social care budgets which are already under significant pressure. Some budget realignment will be required – including the release of some centrally held provisions for loss of HRA income and other pressures in Homelessness.

Children's Care and Support

- 4.9 The Children's Care and Support service has a set of long-standing financial challenges especially in recruitment and retention of staff and the high cost of placements. Although it can be demonstrated that it has made progress in reducing costs in some areas these challenges have led to large overspends in 2018/19 and

there has been slow progress on some savings. This is not uncommon and the most recent report by NAO on social care pressures, cites 91% of the 152 upper tier local authorities continuing to overspend in children's social care.

- 4.10 Within our MTFs there are a further £1.1m of savings to be made in 2019/20. The service has a range of proposals to deliver these reductions. However, the current pace of growth in demand, places this at significant risk. In recognition of this, and as set out above, the Council will provide a £2.3m of additional funding from its general resources (including a third of the additional Council tax increase for 2019/20) and will pass through the £1.5m of Social Care grant funding to the Director of People & Resilience to allocate between service blocks.
- 4.11 In order to ensure a sustainable care system is in place for the longer-term, the service is developing a new target operating model to strengthen the local practice and intervention model. This will review resource requirements to support a reduction in caseload levels. This will need to sit alongside practice transformation that tackles underlying causes of higher cost services such as residential care and improving permanency to support reductions in overspend.

Disabilities Care and Support

- 4.12 This service has been established as part of the Transformation programme to provide a more seamless service for people with Disabilities across all ages. Proportionately, this is the most challenging part of the Care and Support budget as the increasing population, improved medical care and longer life expectancies for people with severe disabilities leads to year on year growth. This service is overspent in 2018/19 and, whilst it has proposals to meet its saving target of £0.5m, it has been subject to a full review to consider how the delivery model can be enhanced further to deliver improved outcomes, better efficiencies and more collaborative approaches to residents and partners alike, that build on strengths and community assets. This work will guide the deployment of some of the £4.7m allocated to People & Resilience to support these services, and as in other cases will need a balance of direct investment in the delivery of care to mitigate overspends and transformation investment to ensure that the service is based on a sustainable long-term plan.

Redesign Adults' Social Care

- 4.13 The transformation programme to redesign Adults' Care and Support is forecasting a savings shortfall in 2018/19 that is contributing, along with high levels of demand, particularly on the hospital discharge pathway, to an overspend. This has been the first year that the service has overspent to any significant degree. However, there are no further savings targets in the MTFs, since the programme was frontloaded. There is still work underway which when complete is expected to deliver on some of those planned savings.
- 4.14 In addition, Adults will receive £1.9m of new IBCF funding and £0.9m of extra grant funding from Central Government to manage winter pressures. Projecting forward to 2020/21, there is not as yet confirmation from Government that the Better Care Fund and other short-term grant allocations will continue. However, in the absence of the Green Paper on the long-term sustainable funding for adult social care, the precedent is now well set to support the delivery of these services by means of these grants. On this basis, the assumption is made that grants continue. In the interim, the service is drawing up further proposals to strengthen its practice model

to increase independence and extend further the use of community assets including the voluntary sector and Community Solutions.

- 4.15 In addition, work to make every pound count continues through improvements to brokerage, commissioning and financial management processes. The additional resources will support some investment in further transformation, alongside containment of current spending pressure and better management of escalating needs against budget pressures.

5. Council Tax

5. The 2019/20 Budget

- 5.1 The net impact of the adjustments outlined together with previously agreed savings and growth is shown in appendix A and B. The Council's net budget for 2019/20 will be £148.820m.
- 5.2 Details of the levies (Environment Agency, East London Waste Authority, Lee Valley Park, London Pension Fund Authority) the Council is required to pay in 2019/20 are yet to be confirmed. The budget includes an increased provision for the cost of levies of £0.685m in respect of the ELWA levy.
- 5.3 It is proposed that authority is delegated to the Chief Operating Officer in consultation with the Cabinet Member for Finance, Performance and Core to make the necessary adjustments using the funding provision or from reserves following confirmation of levy and final funding announcements.
- 5.4 The report does not include any estimate for the use of Collection Fund surplus. It is proposed that any surpluses on the Collection Fund should be transferred to the Budget Support reserve.

6. Council tax

- 6.1 Barking and Dagenham maintained a council tax freeze from 2008/09 until Assembly approved an increase for the 2015/16 budget. The impact of not increasing council tax is cumulative over many years and this freeze has resulted in a tax base that is now £15m lower than it would have been had it risen by 1.99% every year.
- 6.2 Given that government funding is reducing in real terms every year while the Council's costs are increasing the Chief Financial Officer strongly advises council tax should as a minimum keep pace with inflation to ensure that the council can continue to meet the demands placed upon it.
- 6.3 The Local Government Financial Settlement for 2019/20 sets a maximum increase of Council Tax of 2.99% without incurring any penalties or being required to hold a referendum. It is therefore proposed that the general council tax increase should be 2.99%. This is expected to provide £1.794m of additional funding that will be used for the investments in services outlined above. In particular £0.6m will be made available to the Director of People and Resilience for Care and Support services.
- 6.4 This increase equates to an additional £35.87 on the level of Council Tax applied by

the Council for a band D property for 2019/20 (from £1,199.63 to £1,235.50.)

- 6.5 The Mayor of the Greater London Authority is proposing to increase the GLA element of Council Tax by 8.9% (£26.28) for a Band D property, changing the charge from £294.23 in 2018/19 to £320.51 in 2019/20. £24 of this is the Police Precept.
- 6.6 The combined amount payable for a Band D property will therefore be £1556.01 for 2019/20, compared to £1493.86 in 2018/19. This is a total change of £62.15 in comparison to the Council Tax bill for 2018/19. As always there will be a Council Tax Support Scheme to help the poorest tax payers.
- 6.7 The calculation of the proposed Council Tax for 2019/20 is shown in Appendix D.
- 6.8 Under the Local Government Finance Act 1992, Council Tax must be set before 11th March of the preceding financial year.

7 Consultation

- 7.1 A consultation exercise on the budget was agreed by Cabinet in November. In acknowledging that there were no new specific savings proposals for 19/20 and so no new changes to public facing services, there was no explicit requirement to consult on these proposals, however, the Council was interested to hear residents' views on the proposed social care precept and their views on the type of services that will need to be delivered in the future.
- 7.2 The exercise comprised a number of events as follows
- An online budget consultation which will run for 6 weeks commencing in November;
 - Facebook events enable real time comments from residents;
 - Face to Face events in Dagenham and Barking to which we will invite resident groups;
 - A specific event for the Chamber of Commerce.
- 7.3 The results of each exercise are below:
- 7.3.1 **Social media posts from 14 November to 10 January**
8 posts across Facebook (16) and Twitter (42) were posted. In total the content generated 60 likes, 58 shares and 153 comments (this is excluding the Facebook Live). In addition, there were 710 clicks through to the budget page and/or consultation page. Work will be undertaken to gather data from the website and review consultation portal analytics to establish the point at which we "lost" engaged residents, so we can improve the conversion next year.
- 7.3.2 **Facebook Live 18 December 6pm**
The live video has appeared in 2,474 Facebook feeds and has achieved 921 views, 10 reactions (likes and smiley faces), 2 shares, and 43 comments in total. The core audience demographic was women aged 35 to 44. The majority of questions coming in were about potholes and road conditions. Comments here:
<https://www.facebook.com/barkinganddagenham/videos/280615465984466/>

7.3.3 Face to Face Events

One element of the consultation exercise was a series of face to face events; one held in Barking, another in Dagenham and a third held at the Town Hall specifically for representatives of the Business community. Although the turnout was not high with less than 30 attendees in total, the sessions provided some useful insights, with questions on the future aims of the Council, concerns regarding the ability to maintain current and new facilities in the way that residents would want them to and concerns that services are not performing well enough.

7.3.4 Online consultation

An online survey was undertaken which had 70 responses. The survey asked what should the Council reduce its spending on, what it should remove spending on and what it could charge residents for. There was a wide range of responses, though a number of comments were focused on the number of councillors, their allowances and senior officer pay.

7.4 In answer to the specific question on the proposed Council tax increase, 38% agreed or strongly agreed with increasing the council tax by 2.99%. A public consultation was carried out in the spring of 2016 with regards to the A2020 programme and the council's future operating model - 89% of those who completed the consultation were supportive of the proposals.

8 Capital Programme

8.1 The Council's current capital budget for 2018/19 is £284,758k. The General Fund capital programme has increased as a result of additional grant funding (as in the Disabled Facilities Grant). The HRA capital programme is £90,352k. More information is provided in the text below and in Appendix A.

8.2 The budgets for the following five years are indicative and may change as a result of budget roll-forward from the 2018/19 financial year, for example if there has been programme slippage. A summary of these budgets is shown in the tables that follow. The HRA capital programme has been updated in relation to the HRA January 2019 Business Plan.

8.3 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 (via the Education and Skills 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.

8.4 The 2019/20 onwards Schools Programme is under discussion and negotiation and is likely to expand from the figures shown below.

8.5 The table below summarises the position on the currently approved capital programme updated for any changes to profiling or estimates. A full breakdown is also given as an appendix to this report (Appendix C). Cabinet are asked to approve this restatement of the programme.

Table 1: Five Year Capital Programme (2018/19 – 2022/23)

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Care & Support	£1,805	£400	£400	£400	£0	£3,005
Community Solutions	£349	£0	£0	£0	£0	£349
Core	£2,652	£2,195	£2,122	£0	£0	£6,969
Education, Youth & Childcare	£53,572	£41,641	£12,621	£7,425	£0	£115,259
Enforcement	£1,314	£911	£300	£0	£0	£2,525
Culture, Heritage & Recreation	£6,261	£1,900	£940	£300	£155	£9,556
Investment Strategy	£58,129	£1,000	£0	£0	£0	£59,129
Growth & Homes & Regeneration	£38,160	£4,216	£300	£300	£300	£43,276
My Place	£6,496	£4,000	£0	£0	£0	£10,496
Public Realm	£935	£3,125	£50	£50	£0	£4,160
SDI Commissioning	£3,190	£480	£0	£0	£0	£3,670
Investment & Acquisition Strategy	£13,749	£92,360	£213,930	£146,269	£-39,617	£426,691
General Fund Total	£186,612	£152,228	£230,663	£154,744	-£39,162	£685,085
HRA Total	£90,352	£69,180	£58,710	£58,510	£58,700	£335,452
Transformation	£7,793	£400	£350	£0	£0	£8,543
Total Capital Programme	£284,758	£221,808	£289,723	£213,254	£19,538	£1,029,081

Financed By:

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Grant	£60,307	£41,796	£12,776	£7,580	£155	£122,614
HRA/MRR	£90,352	£69,180	£58,710	£58,510	£58,700	£335,452
Borrowing	£133,036	£110,432	£217,837	£146,764	-£39,317	£568,752
Revenue	£900	£400	£400	£400	£0	£2,100
Capital Receipts	£163	£0	£0	£0	£0	£163
Total	£284,758	£221,808	£289,723	£213,254	£19,538	£1,029,081

8.6 Cabinet has approved seven new schemes to be undertaken to support regeneration of the borough. The overall budget of £6.8m relating to the new schemes has been added to the programme to fund these strategic projects. These will be funded from borrowing and grants. These new schemes have now been added to the capital programme and are shown in appendix B of the budget monitoring report (presented to this same meeting.)

9. Flexible Use of Capital Receipts

9.1 The Council intends to make further use of the flexibility provided by the

Government to use capital receipts for the specific purpose of investment in transformation. Further information on the Council's approach is set out in Appendix F.

10. **Statutory report of the Chief Finance Officer**

- 10.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the budget estimates and the adequacy of financial reserves. The Act also requires the Authority to which the report is made to have regard to the report when making decisions about the budget.
- 10.2 In this context, the reference to the Chief Finance Officer is defined in Section 151 of the Local Government Act 1972. This statutory role is fulfilled in this authority by the Chief Operating Officer.
- 10.3 In summary, the Chief Finance Officer considers the budget proposals to establish a net budget requirement of £148.820m and council tax requirement of £61.785m for 2019/20 as set out in this report as robust. The level of reserves is sufficient to mitigate known risks during the forthcoming financial year taking account of the Council's financial management framework. However, the financial outlook over the medium term remains challenging with increasing cost pressures and uncertainty due to planned changes to the national local government funding framework from 2020/21. The council will be required to remain proactive in delivering sustainable council transformation to ensure a balanced budget position can be maintained for 2020/21 and beyond.
- 10.4 The robustness of the underpinning financial planning assumptions on which the budget has been determined:
- Financial resources are appropriately aligned to the strategic priorities of the council with appropriate investment to meet priorities and respond to changes in demand.
 - Savings have been identified in line with the Council's transformation programme and action plans are in place for their delivery.
 - Contingency budgets are held centrally to mitigate unforeseen cost pressures in the event they arise during the course of the year. This could be used to meet unexpected increases in demand led services or potential impact of a no-deal Exit from the EU.
 - Employee budgets are based on the appropriate scale point although the cost of annual pay rises is expected to be absorbed within service budgets.
 - Assumptions about future inflation and interest rates are realistic.
 - Income estimates are based on updated forecasts against trend.
 - Capital and revenue budgeting are integrated with the revenue consequences of the capital programme considered as part of the overall budget process.

In preparing this budget, assumptions and calculations have been subject to scrutiny by the Council's officers. Proposals have been scrutinised by staff in the relevant service and endorsed by the relevant Strategic Director.

- 10.5 Appropriate governance arrangements are in place to manage financial resource throughout 2019/20:

- Financial management is delegated appropriately, and commitments are entered into in compliance with Financial Regulations and Contract Rules as contained in the Council's Constitution.
- Effective governance arrangements are in place for budget monitoring and reporting during the financial year with corrective action taken to mitigate overspends where necessary.
- A risk assessment has been carried out on the revenue budget and this is provided in para 5.7. Of concern is the possible impact of a no deal Exit from the EU on the financial position, whose impact cannot be quantified at this stage.

10.6 An assessment of the funding framework for local government:

- The settlement figures provided in the budget are based on the provisional settlement. Any variations in the final settlement will be reported as part of quarter 1 budget monitoring 2019/20.
- The Cabinet's proposals do not breach the "excessiveness" principle for 2018/19, where local referendum is required. The threshold for 2019/20 for general council tax if it rises by 3% or more, alongside a maximum 2% social care precept. The setting of the social care precept must not exceed a rise of 6% over three years, 2017/18 to 2019/20.
- Appropriate assessment has been made of the council tax and business rate base 2019/20 and the likely levels of recovery.

10.7 In assessing the adequacy of reserves, the Chief Finance Officer has considered the current level of reserves and undertaken a risk-based approach to assessing the minimum level of balances. For 2019/20 and 2020/21, this revised approach has resulted in the minimum level of General Fund Reserves to be recommended at £12.0m, some £3m below the previous assessment of £15m. The current level of General Fund balance however is £17m.

10.8 Earmarked reserves are available to provide financing for future expenditure plans. Earmarked reserves (excluding those held by schools under delegation) stood at £43m as at 31 March 2018. These are forecast to be £37.5m by 31 March 2019.

10.9 Of relevance to budget setting, the Council's Budget Support Reserve intended to provide short term support and to pump prime efficiencies is forecast to be £9.4m by 31 March 2019. The underlying budget 2019/20 does not place undue reliance on reserves as general budget support.

10.10 Of relevance to budget setting, the Council's Budget Support Reserve intended to provide short term support and to pump prime efficiencies is forecast to be £9.4m by 31 March 2019. The underlying budget 2019/20 does not place undue reliance on reserves as general budget support.

10.11 The Council continues to be financially challenged over the medium term facing a budget gap of c£10m by 2020/21 (c.7%) reflecting locally known demands for services. In addition, local government finance is faced with a significant period of uncertainty beyond 2019/20, when the current funding arrangements will cease. The Comprehensive Spending Review along with a Fair Funding Review will be completed to take effect from 2020/21. The status of the social care precept and Improved Better Care Funding is also unknown. The Council continues to be

focussed in maintaining its financial health by maintaining pace and embedding current transformations within the heart of the council but will also be required to remain proactive in its activity to deliver sustainable savings for the longer term.

11 Update on Dedicated Schools Budget

- 11.1 A report was presented to Cabinet in December setting out the principles for the Dedicated Schools Budget for 2019/20. Subsequently the DfE have published the expected DSG amounts. Following the publication of this information and further modelling of the expected impact a number of changes to the DSB and the funding formula are proposed.
- 11.2 The December report proposed a transfer of £1.1m from the Schools block to the High Needs block in order to meet pressures in this area. This is still expected to be required.
- 11.3. The December report set out a commitment to offer funding floor protection to schools and work to maintain a funding ratio of 1:1.34 between primary and secondary schools. Modelling carried out on updated data shows that it is not possible to do both. With the consent of schools forum it is proposed to maintain the funding floor protection. This gives rise to a ratio of 1:1.31. The revised funding formula factors are set out in Appendix H to this report. Cabinet are asked to approve these factors which are in line with the principles previously agreed.
- 11.4 The allocation of the Early Years block has also been announced. Following this the Finance team have modelled the impact for Barking and Dagenham and it is proposed that the base funding rate for 3 and 4 year olds is maintained at £4.70 per hour. It is proposed that the deprivation rates remain at the same levels of between £0.22 and £0.30 per hour based on IDACI bandings. It is also proposed that the formula remains at £0.21 per hour for a flexibility factor for Private, Voluntary and Independent sector providers. There has been no increase in funding for 2 Year Olds, therefore no change is proposed to the funding rate of £5.35 per hour to settings with eligible 2 year olds.

12. Financial Implications

Implications completed by: Helen Seechurn, Finance Director

- 12.1 The detailed financial implications have been covered throughout the report. In considering this report, members are asked to note the CFO opinion as outlined in section 10 above.

13. Legal Implications

Implications completed by Dr Paul Feild, Corporate Governance Lawyer

- 13.1 As has been explained in paragraph 10 above the Local Government Finance Act 20103 requires the Chief Finance Officer to report on the robustness of the estimates for calculations and the adequacy of reserves to the Authority and that the Authority must take these matters into account when making decisions on the matters before it in this report. By law a local authority is required under the Local Government Finance Act 1992 to produce a 'balanced budget'. The current budget

setting takes place in the context of significant and widely known reductions in public funding to local authorities. Where there are reductions or changes in service provision as a result of changes in the financial position the local authority is free to vary its policy and consequent service provision but at the same time must have regard to public law considerations in making any decision lawfully as any decision eventually taken is also subject to judicial review. Members would also wish in any event to ensure adherence as part of good governance. Specific legal advice may be required on the detailed implementation of agreed savings options. Relevant legal considerations are identified below.

13.2 Whenever there are proposals for the closure or discontinuance of a service or services, there will be a need for appropriate consultation, so for example if savings proposals will affect staffing then it will require consultation with Unions and staff. In addition to that Members will need to be satisfied that Equality Impact Assessments have been carried out before the proposals are decided by Cabinet.

- If at any point resort to constricting expenditure is required, it is important that due regard is given to statutory duties and responsibilities. The Council must have regard to:
- any existing contractual obligations covering current service provision. Such contractual obligations where they exist must be fulfilled or varied with agreement of current providers;
- any legitimate expectations that persons already receiving a service (due to be cut) may have to either continue to receive the service or to be consulted directly before the service is withdrawn;
- any rights which statute may have conferred on individuals and as a result of which the council may be bound to continue its provision. This could be where an assessment has been carried out for example for special educational needs statement of special educational needs in the education context);
- the impact on different groups affected by any changes to service provision as informed by relevant equality impact assessments;
- to any responses from stakeholders to consultation undertaken.

13.3 In relation to the impact on different groups, it should be noted that the Equality Act 2010 provides that a public authority must in the exercise of its functions have due regard to the need to eliminate discrimination and to advance equality of opportunity between persons who do and those who do not share a relevant 'protected characteristic'. This means an assessment needs to be carried out of the impact and a decision taken in the light of such information.

14. Corporate Policy and Equality Impact

14.1 The Equality Act 2010 requires a public authority, in the exercise of its functions, to have due regard to the need to eliminate discrimination and to advance equality of opportunity between persons who do and those who do not share a relevant protected characteristic. As well as complying with legislation, assessing the equality implications can help to design services that are customer focussed, in turn leading to improved service delivery and customer satisfaction.

- 14.2 The Council's Equality and Diversity strategy commits the Council to ensuring fair and open service delivery, making best use of data and insight and reflecting the needs of the service users. Equality Impact Assessments allow for a structured, evidence based and consistent approach to considering the equality implications of proposals and should be considered at the early stages of planning.
- 14.3 There are no new savings proposals that put forward and EIAs have also been carried out for all existing saving to ensure the Council properly considers any impact of the proposal. The Council's transformation programme aims to redesign services to make them more person-centred and focussing on improving outcomes for residents. Therefore, in most cases the proposals have either a positive or neutral impact. However, where a negative impact has been identified, the Council will ensure appropriate mitigations are considered and relevant affected groups are consulted.

Public Background Papers Used in the Preparation of the Report:

- Local Government Finance Settlement 2019/20
<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2019-to-2020>

List of appendices

- Appendix A – Revenue Budget
- Appendix B – MTFs
- Appendix C – The Statutory Budget Determination
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REVENUE BUDGET 2019/20

APPENDIX A

	Initial Base	1 Capital Charges	2 MTFS growth	3 Leisure & Capital Strategy	4 iBCF Grant	5 MTFS savings	6 Other adjusts	7 Funding and saving adi	8 Recharges	TOTAL
CARE & SUPPORT	58,405,028	1,261,670	6,011,000	0	(375,000)	(1,626,290)	3,067,400	0	5,547,700	72,291,508
CENTRAL	33,461,700	(35,521,570)	4,037,000	591,500	0	(3,181,680)	(4,498,223)	2,791,000	2,513,280	193,007
COMMUNITY SOLUTIONS	6,340,020	3,704,510	0	0	0	(876,220)	840,000	0	2,096,180	12,104,490
CONTRACTED SERVICES	11,759,400	446,130	0	0	0	(341,000)	(520,000)	0	(5,959,480)	5,385,050
CORE	10,221,870	128,000	0	0	0	(1,368,000)	185,000	0	27,390	9,194,260
EDUCATION, YOUTH & CHILDCARE	1,984,450	17,036,410	0	0	0	0	0	0	1,952,450	20,973,310
INCLUSIVE GROWTH	(437,610)	112,970	0	0	0	0	0	0	352,730	28,090
LAW, GOVERNANCE & HR	1,557,761	267,370	138,000	0	0	(1,458,500)	822,483	0	(3,339,350)	(2,012,236)
MY PLACE	10,700,591	11,375,920	0	0	0	(517,660)	0	0	(2,962,000)	18,596,851
POLICY & PARTICIPATION	4,048,230	294,710	0	0	0	(426,000)	100,000	0	(1,348,200)	2,668,740
SDI COMMISSIONING	7,330,260	893,880	270,000	(591,500)	375,000	0	0	0	1,119,300	9,396,940
TOTAL GENERAL FUND	145,371,700	0	10,456,000	0	0	(9,795,350)	(3,340)	2,791,000	0	148,820,010

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	MTFS 2019/20	MTFS 2020/21
LBBB Net General Fund Base Budget	148.159	148.820
Pressures		
Current Budget Pressures	10.456	12.922
Savings		
Current Savings	-9.795	-13.718
Total Expenditure	148.820	148.024
Funding		
Retained Business Rates Pilot (Formula Grant-Baseline Funding Level)	-77.064	-72.408
Retained Business Rates Pilot (Surplus)	-2.097	0.000
Council Tax based 0% increase in Council tax	-59.992	-61.500
Specific Grant	-7.873	-1.059
	-147.026	-134.967
Budget Gap before increase in Council Tax and use of Reserves	1.794	13.057
Use of General Reserves	0.000	0.000
Council Tax Increase at 2.99%	-1.794	-2.418
Budget Gap	0.000	10.639

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STATUTORY BUDGET DETERMINATIONS

SETTING THE AMOUNT OF COUNCIL TAX FOR THE LONDON BOROUGH OF BARKING AND DAGENHAM

1. At its meeting on 22 January 2019 the Council approved the Council Tax Base 2018/19 calculation for the whole Council area as 50,008.54 [Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended ("the Act")]

2. The following amounts have been calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:-

(a)	£699,086,541	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£637,301,043	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£61,785,498	being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (i.e. Item R in the formula in Section 31A(4) of the Act).
(d)	£1,235.50	being the amount at 2(c) above (i.e. "Item R), divided by Item T (shown at 1 above), calculated by the Council, in accordance with Section 31B(1) of the Act as the basic amount of its Council Tax for the year. Refer below for further detail.

Valuation Bands

A	B	C	D	E	F	G	H
£823.67	£960.94	£1,098.22	£1,235.50	£1,510.05	£1,784.61	£2,059.16	£2,471.00

being the amounts given by multiplying the amount at 2(d) above by the number which, in the proportion set out in Section 5(2) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band 'D' calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2019/20 the Greater London Authority has indicated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:-

Precepting Authority: Greater London Authority

Valuation Bands

A	B	C	D	E	F	G	H
£213.67	£249.29	£284.90	£320.51	£391.73	£462.96	£534.18	£641.02

4. That, having calculated the aggregate in each case of the amounts at 2 and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:-

Valuation Bands

A	B	C	D	E	F	G	H
£1,037.34	£1,210.23	£1,383.12	£1,556.01	£1,901.79	£2,247.57	£2,593.35	£3,112.02

Appendix D

Calculation of the Proposed Council Tax for 2019/20

		£000
Revised 2018/19 Budget before reserves usage		148,159
Roll forward of last year's surplus	0	
New MTFS Items	10,456	
Approved A2020 Savings	(9,795)	
Use of one-off reserves	0	
Total Adjustments		661
Base Budget Requirement for 2019/20		148,820
Funded By:		
Retained Business Rates Income	(77,064)	
Business Rates Pilot Surplus	(2,097)	
Specific Grants	(7,873)	
Total Funding		(87,034)
Council Tax Requirement		61,786
Council Tax Base (Equivalent Band D properties)		50,008.54
Council Tax:		
London Borough of Barking & Dagenham		1,235.50 TBC
Greater London Authority		320.51 TBC
Overall Council Tax - Band D equivalent		£1,556.01

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		Budget	Future Year Budgets				
Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Adults Care & Support							
FC00106	Disabled Facilities Grant	1,380,236	0	0	0	0	1,380,236
FC02888	Direct Pymt Adaptations	400,000	400,000	400,000	400,000	0	1,600,000
FC03049	Adult Social Care Grant	25,000	0	0	0	0	25,000
Total for Adults Care & Support							
		1,805,236	400,000	400,000	400,000	0	3,005,236
Community Solutions							
FC03060	Barking Learning Centre Works	214,407	0	0	0	0	214,407
FC04021	Libraries Library Management System Tender	60,000	0	0	0	0	60,000
FC04036	Upgrade & enhancement of Security & Threat Mana	75,000	0	0	0	0	75,000
Total for Community Solutions							
		349,407	0	0	0	0	349,407
Core							
FC02738	Modernisation & Imp Cap Fund						0
FC03052	Elevate ICT investment	907,036	1,710,000	1,950,000	0	0	4,567,036
FC03068	ICT End User Computing		438,000	172,000	0	0	610,000
FC02877	Oracle R12 Joint Services	190,273	0	0	0	0	190,273
FC03059	Customer Services Channel Shift	106,884	0	0	0	0	106,884
FC02565	Implement Corporate Accommodation Strategy	1,317,519	0	0	0	0	1,317,519
FC04055	Woodlands Repairs	130,000	47,000	0	0	0	177,000
Total for Core							
		2,651,712	2,195,000	2,122,000	0	0	6,968,712
Education, Youth & Childcare							

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Primary Schools							
FC02784	Manor Longbridge (Former UEL Site)	0	0	0	0	0	0
FC02865	William Bellamy Infants/Juniors (Expansion)	10,000	0	0	0	0	10,000
FC02920	Warren / Furze Expansion	750,000	102,589	0	0	0	852,589
FC02924	St Joseph's Primary(Barking) Extn 13-14	15,072	0	0	0	0	15,072
FC02956	Marsh Green Primary 13-15	50,000	0	0	0	0	50,000
FC02960	Sydney Russell (Fanshawe) Primary Expansion	20,657	0	0	0	0	20,657
FC02979	Gascoigne primary	50,000	0	0	0	0	50,000
FC03041	Village Infants - additional pupil places	30,000	0	0	0	0	30,000
FC03053	Gascoigne Prmy 5forms to 4 forms	200,000	404,182	0	0	0	604,182
FC04058	Marks Gate Infants & Juniors 2018-20	25,000	500,000	2,475,000	0	0	3,000,000
FC04059	Chadwell Heath - Additional Capacity		0	25,000	6,975,000	0	7,000,000
Secondary Schools							
FC02954	Jo Richardson expansion	614,881	0	0	0	0	614,881
FC02959	Robert Clack Expansion 13-15	8,000,000	1,059,213	0	0	0	9,059,213
FC03054	Lymington Fields New School	6,000,000	13,000,000	8,000,000	449,926	0	27,449,926
FC02977	Riverside Secondary Free School	101,410	0	0	0	0	101,410
FC03018	Eastbury Secondary	650,000	267,460	0	0	0	917,460
FC03019	Eastbrook School	106,718	0	0	0	0	106,718
FC03020	Dagenham Park	100,000	0	0	0	0	100,000
FC03022	New Gascoigne Secondary School	16,000,000	13,582,802	0	0	0	29,582,802
FC03078	Barking Abbey Expansion 2016-18	12,000,000	5,500,000	925,740	0	0	18,425,740

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Children Centres							
FC03063	Extension of Abbey children's centre nursery	125,842	0	0	0	0	125,842
Other Schemes							
FC02906	School Expansion SEN projects		0	0	0	0	0
FC02929	SMF 2012/13		0	0	0	0	0
FC03010	SMF 2014-16		0	0	0	0	0
FC03051	SMF 2015-17		0	0	0	0	0
FC02909	School Expansion Minor projects	312,285	0	0	0	0	312,285
FC02972	Implementation of early education for 2 year olds	196,708	200,000	0	0	0	396,708
FC03085	School Conditions Allocation 2017-19	477,882	0	0	0	0	477,882
FC03042	Additional SEN Provision	396,485	0	0	0	0	396,485
FC03043	Pupil Intervention Project (PIP)	451,605	450,000	0	0	0	901,605
FC04052	SEND 2018-21	645,716	1,245,716	945,716	0	0	2,837,148
FC04053	School Conditions Allocation 2018-20	3,000,000	966,761	0	0	0	3,966,761
FC04060	Additional Works - Expanded Schools	250,000	250,000	0	0	0	500,000
FC04061	Place Demand - Contingency		250,000	250,000	0	0	500,000
FC04071	Roding Primary Classroom Reinstatement	1,500,000	1,000,000	0	0	0	2,500,000
FC04072	School Condition Alctns 18-19	1,000,000	2,862,230	0	0	0	3,862,230
9999	Devolved Capital Formula	491,702	0	0	0	0	491,702
Total For Education, Youth & Childcare		53,571,963	41,640,953	12,621,456	7,424,926	0	115,259,298

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Enforcement							
FC02982	Consolidation & Expansion of CPZ	487,420	300,000	300,000	0	0	1,087,420
FC03012	Environmental Asset Database						0
FC04015	Enforcement Equipment	512,650	444,000	0	0	0	956,650
FC03066	Parking ICT System	3,537	0	0	0	0	3,537
FC04027	Car Park Improvements	146,398	0	0	0	0	146,398
FC04063	Flood Risk Management	164,000	167,000	0	0	0	331,000
Total for Enforcement		1,314,005	911,000	300,000	0	0	2,525,005
Growth & Homes							
Culture, Heritage & Recreation							
FC03029	Broadway Theatre	500,000	0	0	0	0	500,000
FC03032	3G football pitches in Parsloes Park	822,384	0	0	0	0	822,384
FC03057	Youth Zone	2,834,000	0	0	0	0	2,834,000
FC03093	Eastbury Manor House - Access and egress improv	75,078	0	0	0	0	75,078
FC04033	Redressing Valence		0	500,000	0	0	500,000
FC04031	Reimagining Eastbury	100,000	200,000	100,000	0	0	400,000
FC03090	Lakes	102,118	40,000	40,000	0	0	182,118
FC03067	Abbey Green Restoration/Works	3,541	0	0	0	0	3,541
FC04042	Community Halls	23,991	0	0	0	0	23,991
FC04043	The Abbey: Unlocking Barking's past, securing its fu	50,000	350,000	0	0	0	400,000
FC04044	East London Industrial Heritage Museum	75,000	0	0	0	0	75,000
FC04017	Fixed play facilities	93,105	50,000	50,000	50,000	0	243,105

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
FC03034	Strategic Parks - Park Infrastructure	59,230	0	0	0	0	59,230
FC03026	Old Dagenham Park BMX Track	252,991	0	0	0	0	252,991
FC04018	Park Buildings – Response to 2014 Building Survey	139,658	75,000	75,000	75,000	0	364,658
FC04020	Parsloes Park regional football hub	400,000	0	0	0	0	400,000
FC04013	Park Infrastructure Enhancements	47,242	30,000	20,000	20,000	0	117,242
FC04080	Children's Play Spcs & Fac	55,000	55,000	55,000	55,000	55,000	275,000
FC04081	Parks & Open Spcs Strat 17	100,000	100,000	100,000	100,000	100,000	500,000
FC04082	Tantony Green Play Area	197,455	0	0	0	0	197,455
FC04084	Central Park Masterplan Implementation	100,000	1,000,000	0	0	0	1,100,000
FC04085	Valence Park Play Facility	230,000	0	0	0	0	230,000
Total for Culture, Heritage & Recreation		6,260,793	1,900,000	940,000	300,000	155,000	9,555,793
Investment Strategy							
FC02587	Energy Efficiency Programme	128,753	0	0	0	0	128,753
FC03081	Land Acquisitions 2016-18	47,450,500	0	0	0	0	47,450,500
FC03027	Establishment of Council Owned Energy Services Company		1,000,000	0	0	0	1,000,000
FC04083	The Cube	10,549,500	0	0	0	0	10,549,500
Total for Investment Strategy		58,128,753	1,000,000	0	0	0	59,128,753

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Growth & Homes & Regeneration							
FC02898	Local Transport Plans	96,900	0	0	0	0	96,900
FC02969	Creative Industry (formerly Barking Bathouse)	292,064	0	0	0	0	292,064
FC02994	Renwick Road/ Choats Road 2014/15 (TfL)	317,400	0	0	0	0	317,400
FC02996	Barking Town Centre 2014/15 (TfL)	272,100	0	0	0	0	272,100
FC03055	Barking Riverside Trans link	325,021	0	0	0	0	325,021
FC03023	Bus Stop Accessibility Improvements	60,000					60,000
FC03058	Kingsbridge Development	4,892,418	0	0	0	0	4,892,418
FC03070	Boundary Road Hostel: Critical Needs Homelessness Assessment and Support Centre	234,879	0	0	0	0	234,879
FC03072	Conversion & Redevelopment of Former Sacred Heart Convent, 191 Goresbrook Road, Dagenham - to convert to homeless provision	8,407,180	0	0	0	0	8,407,180
FC03082	Gurdwara Way - Land Rmdiation	122,435	0	0	0	0	122,435
FC03084	Sebastian Court - Redevelop	3,526,723	0	0	0	0	3,526,723
FC03089	Becontree Heath New Build	12,457,491	3,915,979	0	0	0	16,373,470
FC03099	Abbey Green & Barking Town Centre Conservation	263,000	0	0	0	0	263,000
FC03086	Land at BEC - live work scheme	16,937	0	0	0	0	16,937
FC03097	Thames View Cycle/Walking Link Improvements	90,700	0	0	0	0	90,700
FC03098	Cycle Schemes - Quietway CS3X	99,800	0	0	0	0	99,800
FC03025	Gale Street Corridor Improvements	385,400	0	0	0	0	385,400
FC04051	Street Property Acquisition 2017-19	6,000,000	0	0	0	0	6,000,000
FC04064	Bridges and Structures	300,000	300,000	300,000	300,000	300,000	1,500,000
Total for Growth & Homes & Regeneration		38,160,448	4,215,979	300,000	300,000	300,000	43,276,427

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
My Place							
FC03030	Frizlands Phase 2 Asbestos Replacement	2,136	0	0	0	0	2,136
FC03065	HIP 2016-17 Footways & Carriageways	2,161,093	4,000,000	0	0	0	6,161,093
FC03064	Street Lighting 2016-2019 : Expired Lighting Column	2,608,876	0	0	0	0	2,608,876
FC03011	Structural Repairs & Bridge Maintenance	639,262	0	0	0	0	639,262
FC02542	Capital Improvements	65,755	0	0	0	0	65,755
FC02964	Road Safety Improvements Programme (Various Locations)	272,100	0	0	0	0	272,100
FC04019	Replacement of Winter Maintenance Equipment / G	421,155	0	0	0	0	421,155
FC04029	Engineering Works (Road Safety)	325,926	0	0	0	0	325,926
Total for My Place		6,496,303	4,000,000	0	0	0	10,496,303
Public Realm							
FC03083	Chadwell Heath Cemetry Ext	298,254	0	0	0	0	298,254
FC04012	Bins Rationalisation	100,000	50,000	50,000	50,000	0	250,000
FC04014	Refuse Fleet	95,823	0	0	0	0	95,823
FC04016	On-vehicle Bin Weighing System for Commercial W	45,000	0	0	0	0	45,000
FC04028	Equipment to reduce Hand Arm Vibration	90,000	0	0	0	0	90,000
FC04070	Vehicle Fleet Replacement	305,902	3,075,000	0	0	0	3,380,902
Total for Public Realm		934,979	3,125,000	50,000	50,000	0	4,159,979
SDI Commissioning							
FC02826	Conversion of Heathway to Family Resource Centre	2,661	0	0	0	0	2,661
FC03061	Social Care IT Replacement System	747,546	0	0	0	0	747,546
FC03062	50m Demountable Swimming Pool	2,439,654	480,000	0	0	0	2,919,654
Total for SDI Commissioning		3,189,861	480,000	0	0	0	3,669,861

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Investment and Acquisition Strategy							
FC04062	Gascoigne East Ph2						0
FC04067	12 Thames Road						0
FC04065	200 Becontree Avenue						0
FC04068	Oxlow Lane						0
FC04066	Roxwell Road						0
FC04069	Crown House						0
FC04057	Travelodge Dagenham						0
FC04073	Church Street, RM10 9AX						0
FC04XXX	To be allocated	13,749,000	92,360,000	213,930,000	146,269,000	-39,617,000	426,691,000
Total for Investment and Acquisition Strategy		13,749,000	92,360,000	213,930,000	146,269,000	-39,617,000	426,691,000
TOTAL GENERAL FUND CAPITAL PROGRAMME		186,612,460	152,227,932	230,663,456	154,743,926	-39,162,000	685,085,774

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
HRA							
CC&D	Investment In Stock						
FC03039	Estate Roads Resurfacing	400,000					400,000
FC03046	Decent Homes North 2017-19	10,920,000					10,920,000
FC03047	Decent Homes South 2017-19	10,920,000					10,920,000
FC02983	Decent Homes Central 2017-19	6,562,500					6,562,500
FC04054	DH R&M Service	11,306,400					11,306,400
FC04001	Electrical Lateral Replacement	1,571,000					1,571,000
et Managen	Investment In Stock						
FC02950	Communal Heating Replacement	1,300,000					1,300,000
FC04003	Domestic Heating Replacement	500,000					500,000
FC04004	Box-Bathroom Refurbs (Apprenticeships)	444,000					444,000
FC03048	Fire Safety Improvement Works	2,194,500					2,194,500
FC04002	Lift Replacement Programme	500,000					500,000
using Strate	Investment In Stock						
FC03037	Energy Efficiency inc Green Street	0					0
ability Serv	Investment In Stock						
FC00100	Aids And Adaptations	1,100,000					1,100,000
FC0XX14	ESCO						0

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Property Management	Investment In Stock						
FC02943	Compliance (Asbestos, Tanks, Rewires)	1,800,000					1,800,000
FC04005	Public Realm Improvements	130,000					130,000
R&M	Investment In Stock						
FC02933	Voids	2,000,000					2,000,000
FC03075	Door Entry Systems	50,000					50,000
FC04006	Minor Works & Replacements	150,000					150,000
FC03007	Windows & Door Replacements	0					0
TBA	Internals		2,300,000	4,200,000	8,000,000	8,000,000	22,500,000
TBA	Externals		14,750,000	10,500,000	7,500,000	7,500,000	40,250,000
TBA	Communal / Compliance		12,630,000	11,110,000	10,810,000	11,000,000	45,550,000
TBA	Estate Environmental Works		800,000	700,000	500,000	500,000	2,500,000
TBA	Landlord Works		7,200,000	6,200,000	5,700,000	5,700,000	24,800,000
	Investment In Stock						
FC02938	Fire Safety Improvement Works	2,500,000					2,500,000
TBA2	To be allocated						0
	Total	54,348,400	37,680,000	32,710,000	32,510,000	32,700,000	189,948,400
	Estate Renewal						
FC02820	Estate Renewal	13,250,000	11,500,000	6,000,000	6,000,000	6,000,000	42,750,000
	Total	13,250,000	11,500,000	6,000,000	6,000,000	6,000,000	42,750,000

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
	<u>New Build schemes</u>						
FC02931	Leys Phase 1	226,058	0	0	0	0	226,058
FC03009	Leys Phase 2	3,879,000	0	0	0	0	3,879,000
FC03071	Modular Programme	4,499,000	0	0	0	0	4,499,000
FC02973	Infill Sites	13,700,000	0	0	0	0	13,700,000
TBA	To Be Allocated		20,000,000	20,000,000	20,000,000	20,000,000	80,000,000
	Total	22,304,058	20,000,000	20,000,000	20,000,000	20,000,000	102,304,058
FC03073	Housing Transformation	450,000	0	0	0	0	450,000
	TOTAL HRA CAPITAL PROGRAMME	90,352,458	69,180,000	58,710,000	58,510,000	58,700,000	335,452,458
	TOTAL CAPITAL PROGRAMME 2018/19	276,964,918	221,407,932	289,373,456	213,253,926	19,538,000	1,020,538,232

Project No.	Project Name	2018/19 Revised Budget	2019/20	2020/21	2021/22	2022/23	Total
Transformation Schemes 2018-19							
FC04047	Be First	80,846	0	0	0	0	80,846
FC04049	Community Solutions	2,008,100	400,000	350,000	0	0	2,758,100
FC04009	Smarter Working Programme	1,137,088	0	0	0	0	1,137,088
FC04007	Cross Cutting: Technology	1,280,482	0	0	0	0	1,280,482
FC04008	Customer Access Strategy (CAS)	971,324	0	0	0	0	971,324
FC04010	Customer Access & Workforce Development		0	0	0	0	0
FC04023	Enforcement	82,498	0	0	0	0	82,498
FC04022	Parks & Open Spaces Commercialisation	164,352	0	0	0	0	164,352
FC04024	Parks, Open Spaces & Cemeteries	3,286	0	0	0	0	3,286
FC04046	Investment Opportunities	79,963	0	0	0	0	79,963
FC04011	My Place	517,114	0	0	0	0	517,114
FC04025	Refuse	5,432	0	0	0	0	5,432
FC03087	Redesign Adults & Childrens Social Care	659,252	0	0	0	0	659,252
FC04048	Leisure		0	0	0	0	0
FC03091	Traded Services	350,483	0	0	0	0	350,483
FC04050	Home Services	452,620	0	0	0	0	452,620
FC04045	Legal Services	0	0	0	0	0	0
TOTAL TRANSFORMATION CAPITAL PROGRAMME		7,792,840	400,000	350,000	0	0	8,542,840

Strategy for the flexible use of Capital Receipts

Background

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.

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.

For a number of years the local government sector has been lobbying central government to provide councils with greater freedoms and flexibilities in relation to the use of Capital Receipts to support the delivery of savings and efficiencies. In 2013, the Local Government Association argued that freedoms should be given to Councils to “release value currently residing on council’s balance sheets without the need for further funding from taxation; the sale of assets generates economic activity, as does transformational revenue expenditure”¹.

In response, the Secretary of State for Communities and Local Government issued guidance in March 2016², giving local authorities greater freedoms in relation to how capital receipts can be used to finance expenditure. This Direction allows for the following expenditure to be treated as capital:

“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.*”

This was extended in an amended direction² in December 2017 by a further three years up to and including 2021/22 to allow the continued flexible use of capital receipts for the above purposes.

To benefit from this dispensation and comply with the Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a ‘Flexible Use of Capital Receipts Strategy’. The guidance also requires that each authority should disclose the individual projects that will be funded or part funded through capital receipts

¹ LGA Consultation Response “Proposals for the use of capital receipts from asset sales: 24th September 2013.

² Statutory Guidance on the Flexible Use of Capital Receipts (Updated) DCLG March 2016, amended by extension Direction in December 2017

flexibility to full Council or the equivalent. It goes on to say that this requirement can be satisfied as part of the annual budget setting process, through the Medium-Term Financial Plan or equivalent, or for those authorities that sign up to a four-year settlement deal, as part of the required Efficiency Plan. Accordingly this strategy sets out how the flexible use of Capital Receipts will be utilised in 2019/20 and for the remainder of the medium term strategy that falls within the qualifying period. Updates will be included in the Budget and MTFS reports to Assembly in future years or earlier if required.

There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects.

The Statutory Guidance for the Flexible Use of Capital Receipts Strategy states that the Strategy should include a list of each project where it is intended capital receipts will be used, together with the expected savings that the project will deliver. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.

The Flexible Use of Capital Receipts Strategy is set out below

Flexible Use of Capital Receipts Strategy

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.

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.”

In 2019/20, £1.4m capital receipts are forecast and will be available to provide funding for transformation. New transformation work agreed by Cabinet in January 2019 on Core Services also requires flexible use of receipts. The estimated costs and savings profile is as below:

	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	Total £000
Total Cost	(663)	(4,356)	(2,892)	(1,824)	0	0	0	(9,736)
Savings	0	0	4,949	7,853	8,480	9,057	9,634	39,973
Net Savings	(663)	(4,356)	2,057	6,029	8,480	9,057	9,634	30,237

Note: Figures in brackets represent costs/shortfall

Impact on Prudential Indicators

The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. There will be no impact on the Council's prudential indicators as a result of the implementation of this strategy because none of the assets in question have currently been allocated to the for use in the Council's capital programme

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<p>Title: Preparing for the UK’s exit from the EU – Local Implications</p>
<p>Report Author: Sarah Myers (Policy and Partnerships Officer) Tel: 020 8227 2253 E-mail: sarah.myers@lbbd.gov.uk</p>
<p>Accountable Director: Tom Hook, Director of Policy and Participation</p>
<p>Summary</p> <p>Brexit is the most significant political and economic event for a generation, affecting every individual, company and local authority. More than two years have passed since the referendum of June 2016, but time has brought little clarity to what will happen next and there remains three possible outcomes – no deal Brexit, deal (with variations of the proposed Withdrawal Agreement as agreed by the Prime Minister and the EU, or a softer Brexit including staying within the customs union and/or the single market) and no Brexit (as the result of a general election, second referendum or UK Parliament unilaterally withdrawing Article 50).</p> <p>The political situation at the time of writing this report remains fluid, and until the final agreement is known it will be hard to determine its exact impact. However, the council will need to be prepared for all eventualities (including a no deal Brexit) and keep up-to-date with developments, regularly reviewing the areas of highest potential impact.</p> <p>This report considers the potential impacts of Brexit for the London Borough of Barking and Dagenham, grouped under seven headings; EU funding, revenues and demand, supplier risk, staffing, community impact, contractual risks and capital investment.</p> <p>The report assesses risk and identifies opportunities associated with each theme. It summarises what the council is doing, or could do, to ensure any potential adverse effects on our residents and services are minimized whilst any opportunities are maximised.</p> <p>It summarises our initial assessment of impact. This will be developed in the coming months as further clarity emerges about the nature of the UK’s withdrawal agreement.</p>
<p>Recommendation(s)</p> <p>The Group is asked to:</p> <ul style="list-style-type: none"> (i) Note the potential impacts and responses to Brexit as set out in this report. (ii) Continue to monitor the impact as the situation unfolds and carryout a more detailed scenario planning for each of the headings in this report (iii) To agree that a risk log be created, with RAG rated risks and mitigating actions, to be updated on a fortnightly basis by Leadership Group.

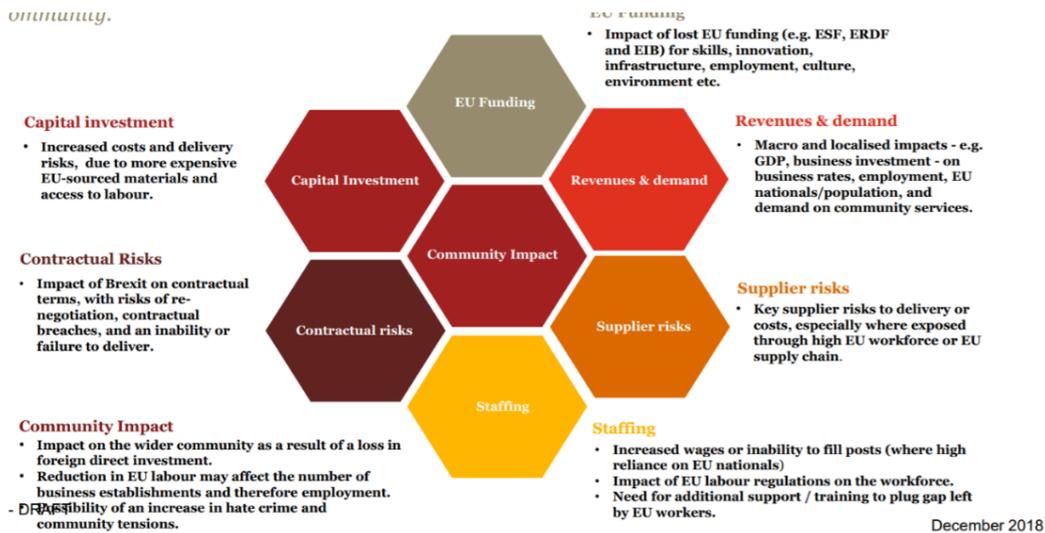
1. Introduction and Background

- 1.1. Brexit is the most significant political and economic event for a generation, affecting every individual, company and local authority. More than two years have passed since the referendum of June 2016, but time has brought little clarity to what will happen next. The UK is scheduled to leave the EU at 11pm UK time on Friday 29th March 2019.
- 1.2. Negotiations on the terms of the UK's withdrawal have now concluded. The UK and the EU have agreed a draft Withdrawal Agreement, which was rejected by the UK Parliament on Tuesday 15th January, by 230 votes.
- 1.3. In light of the latest developments, there remains three possible scenarios.
 - **No deal** – no final agreement on citizen's right, the Irish Border or other critical issues. Whilst an extreme form of no deal (e.g. no agreement on aviation) ought to be avoided, this outcome would mean very significant change e.g. traffic on all goods at WTO rates, loss of access to all EU funding, no agreed facilitation of free movement, no transition period etc. Preparations would need to be in place by 29th March 2019.
 - **Deal** – agreed exit terms, trade framework and transition period with continuation of trade talks – effectively means no change until end of 2020 with a number of options after that. There is also a possibility that now the proposed Withdrawal Agreement has been defeated, and an alternative, "softer" Brexit deal could be agreed (i.e. staying in the single market, including free movement of goods, services, capital and labour, or staying in the customs union to ensure frictionless trade with the EU).
 - **No Brexit** – no parliamentary agreement leads to a second referendum or a general election, EU agrees to extension of Article 50 and remain wins, or the UK Parliament unilaterally decides to withdraw Article 50. Continued uncertainty until legally settled, but in the longer-term, no change.
- 1.4. Until the final agreement is known it will be hard to determine its exact impact. However, the council will need to be prepared for all eventualities (including a no deal Brexit) and keep up-to-date with developments, regularly reviewing the areas of highest potential impact, including the local economy, workforce and skills, community cohesion, demand for public services, the Council's finances and regulatory framework.
- 1.5. Brexit will affect each area differently and so it is important to recognise the impact of Brexit at a local level. Barking and Dagenham voted to leave the EU, with 62.5% of the voters supporting leave. It was one of only five London boroughs to do so. The political viewpoint, however, within the Council is generally pro-remain and the Leader was active in supporting staying in the EU in the run up to the referendum.
- 1.6. Whatever view is taken towards Brexit, it is likely to have significant implications for Barking and Dagenham Council, the local economy and our residents. We are a borough with rapid population change, acute deprivation and inequality of outcomes compared to the rest of London, meaning that any negative economic outcome as a result of Brexit is likely to have a large impact. Historic data shows that our employment rates are more sensitive to changes in the economy – and that when there is a reduction in London-wide employment, ours sees a significantly larger decrease which may be a result of the nature of prominent local jobs and skills.

- 1.7. The Borough Manifesto targets set out our aspirations to improve the lives and outcomes for our residents – including through lowering unemployment rates, increasing earnings. The unknown impact of Brexit, and the historic data showing our sensitivity to economic downturns, could affect our ability to achieve these aspirations.
- 1.8. Another key context to consider is the borough’s substantial growth potential – as London’s growth opportunity – and the targets of building 50,000 new homes and 20,000 new jobs over the next 20 years. This is a priority for the Council.
- 1.9. Changes to immigration to the UK post-Brexit, as outlined in the Government’s White Paper may impact local people and the delivery of public services. The proposals include a £30,000 minimum salary threshold for EU and non-EU immigrants. This could directly impact important local sectors, including construction, health and social care, and hospitality.
- 1.10. It is important to consider the societal, community impact of Brexit as well as the economic. In the year following the referendum, there was a 5% rise in reported racist hate crime in Barking and Dagenham compared to the 12 months up to June 2016. It is not possible to confirm that this is attributable to the referendum itself, though the increased discussion and emotion surrounding the issue of immigration can likely be viewed as a factor. EU citizens living in Barking and Dagenham may feel unwelcome and uncertain of their future. The tensions and uncertainty around Brexit mean that communities remain deeply divided. Recently, reports that suggest a second referendum would further threaten social cohesion, with Brexit voters seeing it as a betrayal of democracy and a dismissal of their views, leading to the potential for a rise in extremist views.
- 1.11. Councils play a leading role in bringing communities together and this will be important in the context of Brexit. There remains considerable uncertainty for everyone and the Council will continue to work with residents, partners, local businesses to prepare for change and mitigate negative impacts.
- 1.12. This report summarises our initial assessment of impact. This will be developed in the coming months as further clarity emerges about the nature of the UK’s withdrawal agreement.

2. Potential Impact

- 2.1. This report considers the potential impacts of Brexit for the London Borough of Barking and Dagenham, grouped under seven headings (as below). These themes emerged from a workshop with PWC held in December 2018. The report assesses likely risks and identifies potential opportunities associated with each theme. It summarises what the council is doing, or could do, to ensure any potential adverse effects on our residents and services are minimized whilst any opportunities are maximised.



Funding (Helen Seechurn, Interim Director of Finance)

- 2.2. This section considers the impact of the loss of EU Funding. Whilst the Council initially borrowed £89m from the European Investment Bank in 2015/16 repayable on an annuity basis until 2044, the Council can confirm there are no call back provisions within the loan agreement. Whilst the Council's Treasury Management Strategy permits borrowing from the European Investment Bank, it is not restricted to it with other borrowing routes available such as Public Works Loan Board (PWLB)
- 2.3. Interest rate forecasts suggests in the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effect of this situation. This is also likely to cause short to medium term gilt yields to fall. If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly.
- 2.4. Although permitted under the Treasury Management Statement, the Council does not currently have treasury investments in any European country, any decision to invest will be considered on a case by case basis taking into account the prevailing climate of the Exit arrangements.
- 2.5. The Council's current capital programme does not include any existing scheme in receipt of EU funding.
- 2.6. The European Social Fund (ESF) focuses on improving the employment opportunities, promoting social inclusion and investing in skills. The borough's Work and Health Programme is funded by the Department for Work and Pensions and the ESF. The government has said the UK will continue to participate in the ESF programme and that communities would continue to receive the same levels of funding until the end of the 2014-2020 programme period. The government has also pledged to create a UK Shared Prosperity Fund (UKSPF), designed to serve a similar purpose to current EU funding. However, to date no information is available on the criteria, or the overall amount of funding, which could be less than that currently available.

Revenues and Demand (Helen Seechurn, Interim Director of Finance and Mark Tyson, Commissioning Director, Adults Care and Support)

- 2.7. It is difficult to predict any adverse impact in terms of revenue loss. Collection rates for council tax and business rates for 2017/18 stood at 96% and 98% respectively. Each 1% reduction will result in losses of £0.6m and £0.8m respectively.
- 2.8. Currently there are 4,443 business in the borough being charge Business Rates. The estimated total Business Rates charge for 18/19 is £62m. Shops make up the largest number of businesses in the borough with 1,370 (31%), however this makes up only 4% (£6m) of the total charged. Warehouses represent 11% of all properties in the borough but have a total charge of £17m or 31% of the total charge. Fords engine plant makes up £3m whilst the 7 superstores in the borough make up £4.5m in Business Rates between them.
- 2.9. The direct effect of a poor outcome from Brexit is dependent upon which sectors are affected. Any hindrance to movement of goods will in the first instance effect factories and warehouses and eventually move to superstores and small shops.
- 2.10. If importing and exporting of goods is not affected by Brexit but the country enters a recession, Business rates collection in the first year is not likely to drastically reduce. This is because smaller businesses are unable to continue trading for the length of time that bigger companies can without a consistent cash flow. That's said dependent upon how deep and long the recession is would then start to affect the larger businesses which if lead to closure will have a significant effect on collection. If for instance Fords closed their engine plant, £3m of Business Rates would be lost.
- 2.11. The knock-on effect upon the borough in terms of employment will result increases applications for Universal Credit, rent and Council Tax arrears. This will put additional pressure upon the service to provide a collection service as contact and action to recovery unpaid debts increases. In addition, as has been seen on a number of occasions, the government may introduce national reduction schemes. These schemes are often put together quickly and often result in additional work for the service.
- 2.12. The cost of living crisis could be exacerbated by Brexit. According to a JRF report, 'How could Brexit affect poverty in the UK?', the cost of living for the average UK household has increased by over £400 a year since the EU referendum (through the fall in sterling and rise in interest rates). Real wages would fall by 1.0% in the event of 'no-deal', with prices rising by up to 3%, increasing vulnerability to debt and homelessness. This could increase the need for homelessness prevention, budgeting support, discretionary housing payments, as well as temporary accommodation. It could also increase the amount rent and council tax arrears.
- 2.13. It has also been suggested that a no deal Brexit may result in UK citizens living in the EU to return to the UK, and this could be expected to increase demand for adult social care and NHS care. However, it is not possible to know how many will return to Barking and Dagenham and how many would have any care and support needs.
- 2.14. Planning for school places uses GLA's birth data for their demand projections. This source does not make any allowances for the impact of Brexit, as it such an unknown at the moment and it is too early to see any patterns in the two years since the referendum. Current projections show the demand for primary and secondary school places continuing to rise year on year up to 2026/27.

- 2.15. Brexit has the potential to change the nature and level of demand for services in a number of areas. However, given the ongoing uncertainty, it is not possible to predict the scale of the change. The effect of Brexit on demand for services may complicate the management of necessary spending reductions to meet savings targets.

Suppliers (Hilary Morris, Commercial Lead)

- 2.16. In terms of corporate contracts (those that span multiple services), we have identified the contracts that we consider most likely to be impacted.
- 2.17. Utilities – Laser have confirmed they do not expect to see an impact on existing customers in the short term, or any impact on supply. However, costs are likely to rise if tariffs are implemented following a no deal.
- 2.18. Temporary Labour – Corporate Procurement are engaging directly with Adecco to assess whether it is likely we will see an impact, but we have not yet received that assessment.
- 2.19. Translation Service – We do not have a view as to the likely impact from our current provider, but we have commenced discussions with them.
- 2.20. This does not discount that there may be other suppliers that might be affected. The Council has been discussing mitigations with areas that are most likely to see immediate impacts in the event of a no deal such as catering. We are looking at the products that could be impacted, because they are produced in the EU, and following that we are looking at replacement UK-made products. This conversation is ongoing.
- 2.21. Brexit is listed as a standard agenda item on the Procurement Board so will be regularly discussed and likely impacts reviewed.

Contractual (Robert Overall, Director of My Place, Hilary Morris, Commercial Lead & Mark Tyson, Director of Adults Care and Support)

- 2.22. Discussions taken place with suppliers in My Place and Public Realm and they have given assurances that the risk to supply chain is minimal. They have either increased their own stock levels to mitigate any issues or have advised that their products are predominantly sourced from within the UK. There is, however, a risk that costs may increase if demand starts to outweigh supply.
- 2.23. Regarding vehicles, we have assurance that all quotes for supply of new vehicles obtained before the date and orders placed will be honoured until delivery of the vehicles are fulfilled.
- 2.24. The fleet department have been instructed to monitor the fuel levels and ensure that all tanks and vehicles are kept topped up, this will mitigate the risk in case of a supply issue. Fuel Contract is due to be re-procured post go-live, it is likely that the cost of fuel may increase post Brexit and therefore the cost to procure like for like will be higher.
- 2.25. Initial discussions with Care and Support providers have not revealed any significant concerns regarding Brexit, although we will start having more formal discussions with them all about contingency planning and their workforce. We have put Brexit on the agenda for each of our next Provider Forums (these will take place over the next quarter) and any market engagement events. We will also have Brexit as an item at the launch of our next Market Position Statement in March/April (TBC). This is a joint event with Children's colleagues as we launch our two Adults and Children's MPSs.

Additionally, the Quality Assurance team are making Brexit a topic at all visits and inspections over the coming months.

- 2.26. Our colleagues in Care and Support training have also had discussions with networks and have not had anything significant reported regarding the Care and Support market.
- 2.27. If there were ramifications with providers of staff, it may produce a capacity issue or would push the hourly rate not the local authority pay up, but we would need to do some more analysis of this through the actions above.
- 2.28. We have had discussions with the CCG around Brexit regarding clinical MH staff within the Trust. The NHS are currently auditing their vacancies to assess the impact and looking at the pay of some of their workers (particularly Community Psychiatric Nurses), as those that earn less than £30,000 may not qualify for skilled worker status, as outlined in the Government's White Paper on immigration.

Staffing (Gail Clark, Head of Workforce Change)

- 2.29. A data verification exercise will be undertaken in February 2019 with all staff, and we will include a question on nationality. The reason for collecting this will be sensitively explained.
- 2.30. A communication plan is in place for EU settlement scheme and support for our workforce. Confirmation is required from CSG on whether the council will pay the fees for the individual and their children. With 3 million EU workers affected in the UK, there will be a pressing need to maximise communication and reassure. There is a risk of employment of illegal workers if time runs out, or there are system glitches caused by high-volume applications towards the deadline.
- 2.31. Nationality information is collected for the children's social care workforce, and Adecco have been asked to include for all agency workers. National Minimum Data Set (annual return <https://www.nmds-sc-online.org.uk/content/About.aspx>) has been reviewed to identify any potential issues for adult care workforce including directly employed staff and we have concluded that the Council does not have significant issues in terms of workforce ramifications. For our local adult social care workforce, we are seeing:
 - Percentage British Nationality – 53%
 - Percentage of the Workforce EEA – 13%
 - Percentage of the Workforce from outside the EEA – 34%
- 2.32. EU recruitment has taken place for social workers in two phases, the first group will start in February and apart from ensuring that the EU settlement scheme applies, it is unlikely to be problematic. A no deal Brexit may cause difficulties with the April recruitment and this is being urgently reviewed for risk and resolution.
- 2.33. Grow our own schemes are in place through apprenticeship and other routes for some professional staff (e.g. CIPFA, legal) and will be expanded for social workers and potentially for teachers. It is difficult to say at this stage whether we have significant reliance on EU nationals in this group, until the data verification exercise has been completed.
- 2.34. Our focus is to continue to recruit and retain talent, by setting out the benefits of working for the council, providing good management, leadership and direction. Temperature checks and Investors in People Reviews will provide insight into areas

we need to address. Exit interviews and new starter surveys are undertaken to provide additional insight.

Community and Cohesion Impact (Tom Hook, Director of Policy and Participation)

- 2.35. Brexit represents a delicate balancing act for the council. Barking and Dagenham is a borough that voted to leave the EU (62.5% of voters). These voters may feel that a soft Brexit (e.g. retaining free movement of people) does not deliver on what they voted for, resulting in a loss of trust in democracy, effecting trust in the Council and voter turn out at future elections. There is also the belief that if a second referendum was held, this could lead to extremist views, as Leave voters could interpret this as a dismissal of their views.
- 2.36. However, we also want to communicate to the EU nationals who live in Barking and Dagenham and reassure them that they are welcome and valued in our borough. We will communicate with them about their rights to stay and try to overcome any perception of a hostile environment.
- 2.37. As part of the Connected Communities Programme and in preparation of the Cohesion Strategy, we have been analysing change in communities. Both this programme and the strategy deliver products that manage community tension and migration related issues and are therefore pre-emptive risk management strategies for community consequences of Brexit.
- 2.38. Current work includes a Place and Behaviour Change Project, providing
- Insights into changing community composition, including European nations, using Origins
 - Insight into community cohesion through quantitative and qualitative methods with insights on resentment around specific communities
 - Three interventions, designed in response to emerging need and research - possibly focused on resolving issues of community cohesion in specific localities
- 2.39. Origins analysis shows that there have been significant increases in Romanian, Baltic (Lithuanian), Bulgarian and Polish communities in Barking and Dagenham. In 2011, the Eastern European adult population made up about 4% of the population. In 2018, this is 8%, showing a 100% increase in the size of the population. However, this figure could be higher as the School Census (2009-2015) shows a significant increase in primary school age children (4.5%). A map showing the distribution of Eastern European residents in Barking and Dagenham can be found in **Appendix One**, which could be used for a targeted communications approach.
- 2.40. The council has bid for further resource from MHCLG under the Controlling Migration Fund to specifically support regularisation of citizenship, and integration of Eastern European migrants. MHCLG were due to inform local authorities before Christmas with regard to this funding, however this has been delayed and so we are still waiting to hear the outcome. Excerpts of relevant activity are below in Box 1.

Box 1: Bid to MHCLG for further resource, of assistance in response to Brexit

Accelerating Regularisation and Citizenship

Taking a systems wide approach to prevention of crisis situations, we will accelerate migrant regularisation, settlement and citizenship locally through a collaboration between Community Solutions Universal Lifecycle (LBBD), BDCAB, and our faith communities.

This will be achieved through:

- Updating training for 120 frontline ComSol staff in early immigration advice
- Identifying those in need at earliest point of contact
- Service user journey mapping for NRPF clients (learning to be shared with Bexley) to understand what leads members of the community to present themselves as destitute and identify how immigration advice interventions at different points in the system could be a preventative of this.
- Employing one full time BDCAB Level 1 and Level 2 immigration advisor to ensure people do not fall out of status and make good initial applications to the home office
- Employing one part time (0.5FTE) Level 3 immigration advisor to deal with more complex cases
- Outreach to faith groups, building a team of 20 Residency Advisors to improve quality of community advice and quality of applications to the Home Office, intervening before families reach a state of destitution
- Outreach to migrant staff working in frontline care, to prevent falling out of status and loss of staff
- Working collaboratively, new advice and referral pathways will be developed between Community Solutions, our single front door, and BDCAB.
- For those who have leave to remain, our community residency/settlement advisors will work with the Community Solutions Universal Lifecycle team to support those with Leave to Remain to practice and complete the 'Life in the UK' citizenship course, available for free in our libraries.

Wider Eastern European Outreach

Eastern European Resource Centre will principally deliver an outreach project to build bridge-networks with and between different communities locally. This work will take three phases:

- General community outreach through churches, deli shops, Saturday schools, and digital channels.
- Discovering 'hidden' exploitation of staff in nail bars, brothels, labourers waiting outside Wickes. Where mapping work discovers Albanian communities in need, referrals will pass back to Shpresa for support and advocacy.
- Advice and guidance on a variety of challenges including regularising settled status, exploitation in work; modern slavery; domestic violence; worklessness, employment vulnerability, precarious housing and homelessness. Specialist resource will also be used to support families affected by the PRS strand providing language-based support to residents dealing with difficult landlord situations.

2.41. Where communications with the community are required the team have established relationships with VSCE partners which could be used for messaging when needed. These would sit alongside the broader community communications strategy of the council.

2.42. With regard to the community tensions that might emerge the communications strategy of the council and the community tension monitoring arrangements would be key in supporting the management of community issues.

Capital (Graeme Cooke, Director of Inclusive Growth)

2.43. The council has a very significant capital investment programme – over £700m over the next five years via Be First to support a programme of building around 2,700 new homes and a c.£30m a year capital investment programme to maintain and improve the council's existing stock of 17,000 homes.

2.44. The key risks arising from Brexit in relation to our programme of capital investment are:

- Labour shortages in the construction sector.
- Increased costs from imported materials (in the event of tariffs or customs delays)
- A wider economic slow-down hitting demand in the housing market, pushing up interest rates or weakening sterling.

The potential impacts of these risks would be to increase build costs and reduce housing demand (especially damaging if it slowed third party development, which generates significant income for the council such as from New Homes Bonus and Council Tax).

2.45. In response, it is challenging for Be First to analysis the potential scale of these risks as each development scheme is different and requires components from different countries (and Be First are only now in the process of signing construction contracts for key schemes).

2.46. However, Be First have been undertaking planning activity to give itself and the council the maximum level of preparedness possible, given all the uncertainties. This includes:

- Allocating 5% of marks in its construction framework procurement exercise to how contractors were approaching the Brexit risk. This highlighted that some have done significant analysis through their supply chains to analyse where product is sourced and where alternatives might come from.
- Exploring how the company could allow contractors to stockpile product to ensure continuity of supply.
- Assessing the likelihood of labour shortages, revealing that this is probably a limited short-term risk as EU workers already here are likely to stay. The harder to forecast risk is what impact Brexit will have on the future supply of labour from the EU.

In summary, the big risks from Be First's perspective is disruption to supply, which it is helping mitigate, and increased costs, which is very difficult to avoid.

2.47. It should be noted that Be First's own development programme is significantly protected from the broader economic risks associated with Brexit given its use of council land and finance and given that its core residential product is pitched to the discounted sector of the housing market (though there could be greater resistance to leaseholders selling back to the council if prices are fluctuating).

2.48. There are also some opportunities for LBB/Be First in a falling market, given the scope to act counter-cyclically (for instance investing in the land market when demand is low).

Elections

2.49. Given the uncertain and fluid political situation at the time of writing this report, there is the potential for a number of elections to be held in the next 6 to 12 months - a general election, if Theresa May were to lose a vote of no confidence, a second referendum or a European Parliament election in May 2019, if Article 50 is extended.

2.50. It is anticipated that a general election would have a minimum of 6 weeks' notice and that a second referendum would have a minimum of 7 months' notice as this will require legislation to be passed through parliament and the ballot paper question to be agreed upon.

- 2.51. The European Parliament elections would take place on Thursday 23rd May 2019. If the UK leaves the EU on 29th March, as scheduled, the European Parliament elections would not take place. However, if Article 50 is extended beyond March, there may be a requirement to hold the election. The regulations requiring this election have not yet been revoked. Electoral Services are liaising with the Association of Electoral Administrators for advice on this potential outcome of current negotiations.
- 2.52. The Electoral Services team have a tried and tested project plan for any election, which can be updated and put into use at the time of a date for a general election or second referendum being announced or confirmation of extension of Article 50. As with during the previous snap general election, the Electoral Services team will pull in resources from other areas, including staff who support committees, to support delivery.
- 2.53. EU citizens living in the UK can currently vote in local government elections. Government guidance currently states that there will be no change to the rights and status of EU citizens living in the UK until 2021. It has raised questions about whether EU citizens will continue to be able to vote, where other nationals are excluded. Lawyers of Local Government (LLG) have called for specific advice on when EU nationals will cease to be eligible to vote if at all and what the position is regarding those eligible or applying for settled status.

3. Regional and National Preparations

EU Settlement Scheme Grant Funding

- 3.1. The Home Office has made £9 million of grant funding available to voluntary and community sector (VCS) organisations to help vulnerable or at-risk EU citizens needing additional support when applying for the EU Settlement Scheme. The Home Office aims to create a network of funded organisations to ensure that a range of services are mobilised across the UK, so that support and assistance is available to those who require it. There are two levels of funding available (Level One £5,000 to £39,999 and Level Two £40,000 to £750,000). The application period for bids closes at 12pm on 1st February 2019. BDCVS has shared this funding opportunity for local CVS organisations.

Central Government Funding

- 3.2. A £35m fund allocated to the Ministry of Housing, Communities and Local Government (MHCLG) will be distributed among councils to help them prepare for Brexit. The funding is for 2019-20 and it is to be specifically used for core Brexit activity including deal and no deal preparations. MHCLG will shortly announce the allocation of this funding.

Ministerial Brexit & Local Government Delivery Board

- 3.3. The Ministerial Brexit & Local Government Delivery Board provides a forum for national and local government representatives to discuss the preparedness of councils for the UK's exit from the EU. It comprises of representatives from the LGA, County Council Network, District Council Network, London Council and the Core Cities who meet with ministers from MHCLG, Department for Exiting the EU (DExEU), Department for Business, Energy, Industrial Strategy (BEIS) and the Cabinet Office.

Pan-London Coordination

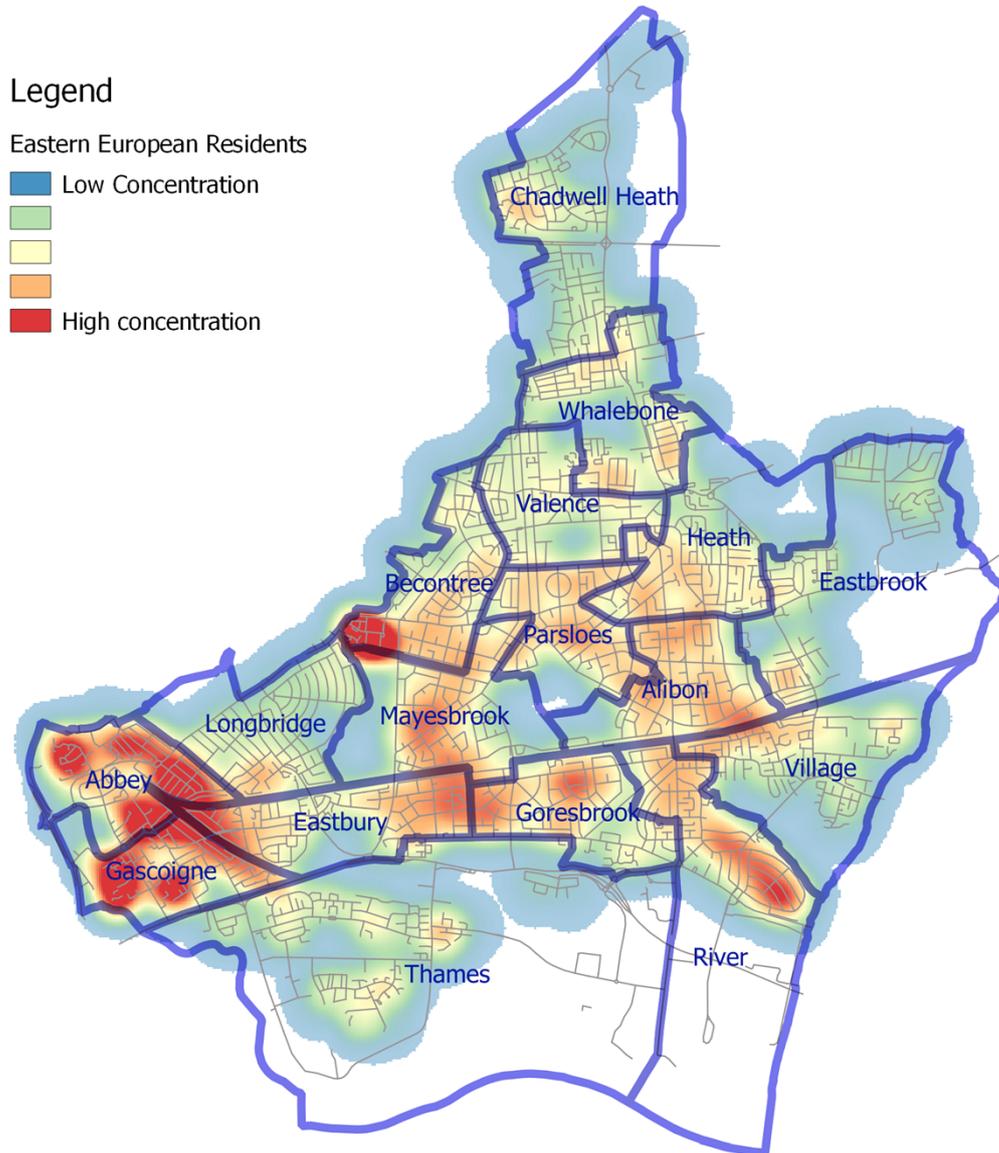
- 3.4. London Councils is actively engaging with the Government, Mayor of London and LGA to ensure that London's particular needs in relation to leaving the EU are heard. The Chair of London Councils and the London Councils Executive Member for Business, Europe and Good Growth sit on the MHCLG Ministerial Brexit & Local Government Delivery Board.
- 3.5. They are also working closely with boroughs and relevant professional networks to co-ordinate pan-London preparation activity and promote the exchange of local insight and intelligence. Each borough has nominated an officer as point of contact for communication and reports in relation to Brexit. Barking and Dagenham's point of contact officer is Tom Hook, Director of Policy and Participation. The nominated officer will be asked to provide information and intelligence at regular intervals to contribute to the London-wide assessments of any developing impacts. A call for information went out in January 2019 and a report showing the initial feedback will be presented to London Council's Executive, of which Cllr Rodwell is a member, in February 2019.
- 3.6. A report is also due at the London Council's Executive meeting in February 2019, which details the costs relating to Brexit preparations, including direct, quantifiable costs to each council incurred or anticipated and the types of cost pressure they think might arise.
- 3.7. London Councils continues to support borough Heads of Communications in relation to communicating with the public on settled status and has facilitated engagement between the network and the Home Office. The Home Office has produced a suite of material for stakeholders to distribute to EU citizens in their network, which aim to raise awareness of the EU Settlement Scheme and what EU citizens need to know and do.

4. Next Steps

- 4.1. This report outlines the Council's initial assessment of impact. However, as there remains much uncertainty about the nature of the UK's exit from the EU, it will be important to regularly review this assessment as further clarity emerges, to keep up-to-date with Government announcements, and to work with regional partners to minimise risks to Barking and Dagenham.
- 4.2. A risk log will be created of the key risks associated with the UK leaving the EU, with each risk RAG rated (based on likelihood and impact) with mitigating actions to be monitored. This risk log will be updated on a fortnightly basis by the Leadership Group.

Appendix 1: Distribution of Eastern European Residents 2018

Distribution of Eastern European Residents 2018
London Borough of Barking and Dagenham



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2019/20 with FF Protection

2018/19 Model with 0% MFG

Description	2019/20 NFF Rates with ACA	2019/20 APT rates	Units	Rate (£s)	Total (£s)	Units	Rate (£s)	Total (£s)	Movt in Units	Movt in Rates	Movt
Primary:											
Primary (Years R-6)	3,101	3,060	25,026	3,060	76,583,942	25,418	3,315	84,260,670	(392)	(255)	(7,676,728)
FSM	497	497	3,918	497	1,945,608	3,718	496	1,844,274	199	1	101,334
FSM6	610	610	6,896	610	4,203,460	7,523	609	4,579,296	(626)	1	(375,835)
IDACI Band F	226	226	1,733	226	391,169	1,694	225	381,841	39	0	9,328
IDACI Band E	271	271	6,843	271	1,853,669	6,920	271	1,872,182	(77)	0	(18,513)
IDACI Band D	406	406	6,053	406	2,459,644	6,155	406	2,497,693	(101)	1	(38,049)
IDACI Band C	440	440	5,657	440	2,490,340	5,834	440	2,564,996	(177)	1	(74,656)
IDACI Band B	474	474	3,045	474	1,443,643	3,092	473	1,464,106	(47)	1	(20,462)
IDACI Band A	649	649	4	649	2,598	3	648	1,946	1	1	652
EAL 3 Primary	581	581	8,142	581	4,732,968	8,405	580.6	4,879,481	(263)	1	(146,513)
Primary Low Attainment	1,154	1,154	8,624	1,154	9,948,790	8,611	1,184	10,192,587	13	(30)	(243,796)
Mobility		422	731	422	308,428	908	422	383,013	(177)	-	(74,585)
Secondary:											
Key Stage 3 (Years 7-9)	4,360	4,303	8,689	4,303	37,393,714	8,252	4,235	34,947,220	437	68	2,446,494
Key Stage 4 (Years 10-11)	4,951	4,886	5,202	4,886	25,416,881	4,767	4,925	23,477,475	435	(39)	1,939,406
FSM	497	497	2,388	497	1,185,923	2,200	496	1,091,436	187	1	94,487
FSM6	886	886	5,722	886	5,069,564	5,553	885	4,914,068	169	1	155,496
IDACI Band F	327	327	1,003	327	328,444	930	327	303,944	74	0	24,500
IDACI Band E	440	440	3,895	440	1,714,391	3,580	440	1,573,863	315	1	140,528
IDACI Band D	581	581	3,162	581	1,838,305	2,967	581	1,722,691	195	1	115,614
IDACI Band C	632	632	3,175	632	2,007,022	2,972	631	1,876,445	203	1	130,577
IDACI Band B	677	677	1,600	677	1,083,255	1,547	676	1,046,243	53	1	37,011
IDACI Band A	914	914	9	914	8,427	11	913	10,077	(2)	1	(1,650)
EAL 3 Secondary	1,563	1,563	778	1,563	1,216,467	841	1,561	1,312,686	(63)	2	(96,219)
Secondary low attainment	1,750	1,750	3,020	1,750	5,284,191	3,045	1,747	5,320,214	(24)	2	(36,023)
Mobility		700	92	700	64,327	151	700	105,975	(60)	-	(41,648)
Lump Sum	124,159	124,159	57	124,159	7,077,074	57	124,003	7,068,171			8,903
Split Sites (total)					1,360,000			1,360,000			
Split Sites - Primary	160,000	160,000									
Splits Sites - Secondary	200,000	200,000									
Rates					4,412,354			4,200,945			211,409
PFI funding					3,184,074			2,981,922			202,152
Funding floor protection					8,916,430			-			8,916,430
MFG Net Total Funding (MFG + deduction from capping and scaling)					140,131			336,752			(196,622)
Total Funding for Schools Block Formula					214,065,236			208,572,215			5,493,021
P:S Ratio					1.31			1.34			

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CABINET

18 February 2019

Title: Housing Revenue Account: Estimates and Review of Rents and Other Charges 2019/20 and 30 Year Business Plan	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Sue Witherspoon HRA Business Plan Manager	Contact Details: Tel: 0208 227 3428 E-mail: sue.witherspoon@lbbd.gov.uk
Accountable Strategic Leadership Director: Graeme Cooke, Director of Inclusive Growth	
Summary	
The Annual Budget	
<p>The Council as a stock owning local authority, has an obligation to maintain a Housing Revenue Account. This is the income and expenditure relating to the management of the Council's housing stock and the Council is obliged to set a balanced budget.</p> <p>This is the fourth year in which the Government has imposed a rent reduction of 1% on all the Council's housing stock, both general needs secure tenancies, as well as affordable rented homes. The Council manages three types of housing within the HRA. These are:</p> <ul style="list-style-type: none"> • the majority of the stock built before 2012, where the rents are set in accordance with the old rent restructuring formula, and where average rents are low, currently around 34% of market rents. • Affordable rented homes, which have been built since 2012 where rents are set as a proportion of market rents – between 50% and 80% of market rents; • Temporary accommodation rents – where the rents are set in accordance with the Housing Benefit subsidy rules for temporary accommodation. The formula is that rents will be set at 90% of the Local Housing Allowance. Local Housing Allowances were initially themselves set at the lower third of market rents but are currently frozen at the 2015 level. <p>Tenants of general needs and sheltered housing stock, as well as tenants in Affordable rented homes will therefore benefit from a decrease in their rents. The average rent of the housing stock will reduce by an average of £0.95p per week. There is no requirement to reduce the rents on temporary accommodation which are set in accordance with a different formula.</p> <p>This has led to a reduction in the Council's anticipated resources. The Council is seeking to address this difficulty through improvements in efficiency, as well as maximising income from other sources.</p>	

The report considers the available resources, and how to maintain its commitments to investing in the housing stock in the most effective way, and how to maintain a programme of renewing the worst estates and building new homes for Barking & Dagenham residents.

The 30 Year Business Plan

Cabinet approved the first HRA Business Plan in March 2012 in preparation for the new financial regime, Self-Financing in April 2012. This report updates the Plan since then. The Housing Revenue Account (HRA) Business Plan is a statement of the Council's income and expenditure over 30 years, in respect of its own housing stock. It enables the Council to take a long-term view of its assets and plan for housing projects which are funded in part or in whole by the HRA. It considers all the financial indicators that may influence the plan and enables the Council to anticipate and meet all known liabilities.

The current HRA Business Plan is under pressure this year. This is due to the reduction in income due to the Government's rent reduction programme, and the anticipated sales from the Right to Buy. There has also been the non-achievement of anticipated savings in the Repairs and Maintenance Budget. On the expenditure side, there has been a significant increase in the anticipated spend on the Council's housing regeneration programme, and finally there is new information about the need for investment in the Council's housing stock.

However, this pressure on the Council's Housing Revenue Account is a short-term issue: once rents begin to increase again in 2020/21 the Council's balances on the HRA begin to increase once more from 2021/22; but it is important to take measures this year to ensure that the Council is able to fulfil its financial obligations over the next two – three years.

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that rents for all general needs secure, affordable, and sheltered housing accommodation be reduced by 1% in line with the national rent reduction arrangements, from the current average of £94.47 per week to £93.52 per week;
- (ii) Agree the following service charges for tenants:

Service	Weekly Charge 2019/20	Increase / reduction
Grounds Maintenance	£2.93	-
Caretaking	£7.65	-
Cleaning	£3.68	-
Estate Lighting	£3.85	£1.54
Concierge	£10.06	-
CCTV (SAMS)	£6.17	-
Safer Neighbourhood Charge	£0.50	-
TV aerials	£0.60	-£0.08

- (iii) Agree that charges for heating and hot water increase by the Consumer Price Index (CPI) (September 2018) as follows:

Property size	Weekly Charge 2019/20
Bedsit	13.12
1 Bedroom	13.92
2 Bedroom	16.71
3 Bedroom	17.02
4 Bedroom	17.46

- (iv) Agree that rents for stock used as temporary accommodation continue to be set at 90% of the appropriate Local Housing Allowance (LHA);
- (v) Agree that the above charges take effect from 1 April 2019;
- (vi) Agree the proposed HRA Capital Programme for 2019/20 as set out in Appendix 6 to the report;
- (vii) Approve the HRA Business Plan for 2019/20 as set out in Appendix 7 and the financial implications set out in Appendix 8 to the report; and
- (viii) Note the assumptions underpinning the HRA Business Plan which shall be reviewed annually.

Reason(s)

To assist the Council in achieving its vision of “No-One Left behind” and the priorities of “A New Kind of Council”, Empowering People”, and “Inclusive Growth” through the provision of an efficient and effective housing service to local residents.

The Council annually reviews housing rents and other and must give prior notification to tenants of the charges for be applied from the new financial year.

1. Introduction and Background

- 1.1 The Local Government and Housing Act 1989 requires the Council to manage its housing stock, and to balance its accounts for the housing stock as a ring-fenced account. This means that the Housing Revenue Account (HRA) does not receive any subsidy from the Government, or from Council Tax, and nor is it allowed to subsidise the General Fund. The legislation sets out those items that can be charged to the HRA.
- 1.2 The Localism Act 2011 introduced a new method of managing the HRA – called self-financing whereby in return for taking on a share of the national housing debt, local authorities could retain any rental surpluses, and manage their HRAs over a 30- year period.

- 1.3 The level of debt taken on was calculated in accordance with assumptions about rent, inflation, sales, and stock investment requirements. The Government has made changes in these areas since the introduction of the Self-Financing policy, such as the level of Right to Buy discount, and rent. These changes adversely affect those assumptions and have an impact on the Council's ability to meet its obligations to maintain the stock, and to repay debt. There are additional threats, which have not yet materialised, which may put the Council's assumptions in greater jeopardy in the future. For this reason, and as a matter of good practice, the Council reviews its Business Plan annually to ensure that the resources needed continue to be available to meet its obligations. This also enables the Council to take timely decisions to ensure that it can fund its plans.
- 1.4 The Housing and Planning Act 2016 also introduced measures that had an impact on the Housing Revenue Account. These measures: Mandatory Fixed Term tenancies; higher rents for high income tenants, and the requirement to pay a levy that represents higher value empty homes all have been abandoned. In its place, the Government has published a Green Paper on social housing which had a range of proposals for improving consultation and management of social housing, including the publication of performance measures. [*A new deal for social housing tenants*]. There were also consultation papers on the regulation of rents published, and on the treatment of Right to Buy (RTB) receipts. All these consultations have closed, and no firm proposals have been forthcoming yet. Any work to respond to these will need to be programmed in 2019/20.
- 1.5 During 2018, the Council consulted on a project to improve the availability of good quality affordable local rental properties for the residents of Barking and Dagenham by leasing 750 empty Council homes in poor condition to Reside, the council's wholly-owned housing company, over a period of three years in order to improve the quality and availability of local affordable housing. The Consultation closed on 12th September 2018 and there were a range of views expressed by the public. Following further investigation and analysis, a decision has been taken not to proceed with the project due to financial and practical difficulties.

2. Rents and Service Charges

- 2.1 Rents for secure affordable and sheltered housing tenancies are now directly in Government control. In July 2015, the Government introduced a requirement (Welfare Reform and Work Act 2016) for social housing landlords to reduce their rents by 1% a year, for four years. In the past, the Government have influenced rents through its financial regimes such as rent restructuring, but this is the first time that the Government have decided to take complete control of social housing rents. This has caused a significant financial loss to Barking and Dagenham, and compared to what it expected to receive under the previous rent policy; this is a loss of £33.6m over the four years of the rent reduction programme, when compared to the anticipated income. This change of rent policy hit Barking and Dagenham particularly hard, as the rents were already low; and were set below the "target" rent for each property, which is the rent calculated under the previous policy which reflected local incomes, and local capital values.
- 2.2 Currently, average local actual rents for the Council's 17,148 tenancies (including secure, affordable and temporary) are only 34% of local market rents. The actual loss from the reduction in the income between 2018/19 to 2019/20 is £0.844m. The

Council also suffers from a reduction in income as a result of the loss of stock through the Right to Buy amounting to £1.075m. The total reduction in the rental income budget between 2018/19 and 2019/20 therefore is £1.919m.

- 2.3 The rules of the current rent policy allow Councils to re-set rents at target rents, when a property becomes empty. The Council adopted this approach from February 2017.
- 2.4 The level of income collected from rents is also affected by the number of homes that the Council has. When the initial self-financing settlement was made, the Council had 18,894 homes, which meant that the Council carried an average of £14,074 of debt for each property. However, shortly after the Self-Financing settlement was made, the Government increased the discount on Right to Buy properties, which caused the numbers of sales to rise above expectations. In the year before the change, 97 homes were sold under the RTB in 2012/13 and then after the change, this rose to 226 sales in 2013/14, and sales have continued at this level since that date. There were 219 sales in 2017/18. As a result of increased borrowing and the reduction in the stock, the average debt per property is now £16,070.
- 2.5 Last year there were an average of 300 properties throughout the year which were in Regeneration Schemes and therefore due to be demolished, which are being used as temporary accommodation after the property has been decanted but before it is demolished. Rents for these properties, used as temporary accommodation have rents which are set at the maximum recoverable under the current Temporary Accommodation Subsidy Limit rules – 90% of the Local Housing Allowance. In 2019/20 it is estimated that the number of properties coming through the decanting and demolition programme will fall to 200. As the rents charged for TA are higher than secure rents, the additional income is a benefit to the HRA and is paid to Community Solutions as a management fee for managing the temporary accommodation for homeless households. The reduction of income due to the removal of these units from the temporary accommodation portfolio amounts to £258,700 and this reduction in income will be met by a reduction in the Community Solutions Budget. As the properties are not being returned to normal use but being demolished the total reduction in rental income will be £750,000.
- 2.6 Tenant Service Charges are specific charges for services that some tenants receive and others do not. The list of charges which are identified separately are set out below. Landlords may not charge more than the actual cost of the service, plus a reasonable management fee. Barking and Dagenham has not charged the full cost of these services in the past to the individual tenants who receive them. The current and proposed charges are set out below:

Service	Charge for 2018/19	Proposed charge for 2019/20	Increase/reduction
Grounds Maintenance	£2.93	£2.93	£0
Caretaking	£7.65	£7.65	£0
Cleaning	£3.68	£3.68	£0
Estate Lighting	£2.31	£3.85	£1.54
Concierge	£10.06	£10.06	£0.00
CCTV (SAMS)	£6.17	£6.17	£0

Safer Neighbourhood Charge	£0.50	£0.50	£0
TV aerials	£0.68	£0.60	-£0.08

- 2.7 It is proposed to raise the charge for Estate Lighting to full cost recovery. However, it is proposed to freeze the remaining charges pending further improvements in the quality of the service.
- 2.8 The Safer Neighbourhood charge is subject to review. This charge pays a contribution towards the cost of additional policing on Council estates. However, the agreement between the Mayor and the Metropolitan Police by which the Council pays for one police officer and gets two on patrol, is coming to an end in March 2019, and it is not yet clear what is replacing it. This means that the agreement may not continue beyond the end of March 2019. If this is the case, the costs and the charges will be removed from the budget. The impact on the budget will be cost neutral, and the impact on tenants is the removal of both the charge and the service.
- 2.9 Not all tenants pay service charges. Around 10,000 do not pay service charges at all, due to the type of property that they occupy. On the basis of full cost recovery for estate lighting around 5,600 tenants will pay an additional £1.54 pw. Moving to full cost recovery for estate lighting charges will generate additional income of £0.45m in 2019/20.
- 2.10 The charges for heating and hot water are already based on full cost recovery, and these will rise by inflation of 2.2% (Consumer Price Index (CPI) at September 2018) as follows:

Property size	2018/19 Charges (£pw)	2019/20 Charges (£pw)
Bedsit	12.84	13.12
1 BR	13.62	13.92
2 BR	16.35	16.71
3 BR	16.64	17.02
4 BR	17.08	17.46

- 2.11 Garage income will continue to increase, as more garages are refurbished. The current policy is to charge £12.00 pw for garages that are not yet refurbished, and £15.00 for refurbished ones. This policy will continue in 2019/20. The current level of income forecast from the let garages is £734,000. The forecast income from garages in 2019/20 is £750,000 based on the programme of garage refurbishment, an increase of £16,000.
- 2.12 Other income increases include Leaseholder Service Charges, where the bills are calculated based on the previous year's costs. The final service charge accounts are calculated later in the year, and the additional income will be fed into next year's budget.
- 2.13 The Housing Revenue Account receives interest on its balances, and although the interest rate is low, the level of balances is such that the income anticipated in 2019/20 from interest on balances will be £350,000.

- 2.14 The collection of rent in 2018/19 ended the year at 97.01%. There was also a low level of write offs (£394,027) during the year and therefore the Bad Debt has risen to £2.652m against a provision last year of £5.3m. This is in part due to the problem with the Water Commission contract. One of the difficulties collecting the rent due is confusion over whether the water commission is a legitimate cost to tenants. A recent dispute between tenants and Southwark Council has led to a court case in which the legitimacy of the way in which the commission the Council received for collecting the water charge has been called into question. Barking & Dagenham had, until recently, the same arrangement as the disputed contract in the Southwark case. Where there is uncertainty as to whether the money is due, this may be contested in court possession proceedings. Elevate (the Council's external provider with responsibility for collecting the rent) are currently pursuing the full rent including service charges but excluding the water charge when the case is presented at court.
- 2.15 A new contract has been signed between Thames Water and the Council which regularises the arrangement but the final appeal hearing about whether the water commission sums collected under the old contract needs to be repaid to tenants, has not yet been heard. This case is due to be decided in the summer of 2019. Should this have financial implications, these will be considered at the time.
- 2.16 In March 2018 Universal Credit was rolled out in Barking and Dagenham. It is too early days to assess what the impact is in Barking & Dagenham, as only new claims are affected at this time. The level of Housing benefit continues to decline, with only 46.45% of rental income covered by Housing benefit in 2017/18. 13 Council tenants are affected by the overall Benefit cap; and a further 158 affected by the Spare Room Subsidy (bedroom tax). It is therefore proposed that the level of Bad Debt should be set at £3.309m, a reduction from last year of £1.998m. This represents a one-off saving in 2019/20, which will be reviewed in next year's budget.
- 2.17 Leasehold Service Charge collection ended in the financial year 2017/18 at 99.76%, a total sum of £4.529m. The Major works collection in year was £853,590, only 1.29% of the debt. A review of the leasehold service charge fund is underway, and a decision is anticipated on the way in which this will be managed in the future.

3. Expenditure - Management and Maintenance costs

- 3.1 The Management and Maintenance of the Council's housing stock is now split between a number of service delivery agents. My Place manage the assets, and a budget of £20.837m enables them to undertake this work. Other functions, such as the Housing Register, and tenancy support is managed by Community Solutions, and a budget of £2.868m is paid to Community Solutions in order to enable them to do this. The Repairs and Maintenance budget is spent by B&D Services but managed and supervised by My Place. This budget was £15.178m in 2018/19 but is projected to overspend in 2018/19 because of the non-achievement of savings. The budget was also forecast to fall in 2019/20 to £14.078m as a result of a further round of savings.

- 3.2 Other rent, rates and other taxes relates to anticipated expenditure on Council Tax where properties remain empty. It is not anticipated that this item will change.
- 3.3 In the Transformation Programme the following savings from Repairs and Maintenance were planned and are proposed:

	2018/19	2019/20	2020/21	Total
A2020 HRA Savings	(not achieved)	(planned)	(planned)	(£m)
Budget Savings	£1.3	£1.1m	£1.0	£3.4m

- 3.4 The savings were due to be achieved through the re-negotiation of terms and conditions. These negotiations have not proceeded as initially planned, but the savings in Years 2 (2019/20) and 3 (2020/21) are still due to be delivered.
- 3.5 The first part of the Inquiry into the Grenfell Fire has finished, but the interim report from this part of the Inquiry has not yet been published. There are some initial recommendations. The second part may not start for another 12 months. Some interim work has been done to ensure that the early lessons are taken into account in the work of Fire Protection. This has included installing sprinklers into three sheltered blocks, with the support and assistance of the Fire Brigade. It is worth noting that there has been a high refusal rate where tenants have been offered sprinklers within their homes. The wholesale installation of sprinklers is not yet (and may never be) part of the recommendations from the Grenfell Inquiry.
- 3.6 The second area which is progressing is the fire door issue. Fire doors at Grenfell Tower were found not to provide the necessary 30 minutes' fire resistance and, therefore, a number of fire doors on the market have lost their certification. The Borough has 450 of these doors which are no longer certificated and a programme of replacement is planned. We are currently awaiting, along with colleagues in other London Boroughs, for Government to complete their testing regime on a range of other manufacturers and this is expected in the next few months. Once this has been received, we will work with the London wide fire safety forum to source the appropriate doors and commence the program of replacement. £3.8m has been set aside in the coming year's Capital Programme for the replacement of Fire Doors. To mitigate this risk additional measures have been taken, such as increasing the frequency of our Fire Risk assessments on all high rise properties from annually to every 3 months.
- 3.7 Most Energy Efficiency measures are incorporated into the other parts of the capital programmes, such as internal works. A specific sum of £0.5m has been set aside for some specialist energy efficiency measures such as photovoltaic solar panels.
- 3.8 These financial requirements will therefore make a difference to the resources within the HRA over the next three years, and balances are likely to fall from £18.1m in 2018/19 to £5.7m in 2019/20 and rise to £7.32m in 2021/22. This is just within the recommended safe level of £5.3m. However, once this period of difficulty has been negotiated, balances will begin to rise from that point.

4. Housing Revenue Account Summary

4.1 In the light of these changes, the proposed HRA Budget for 2018/19 and 2019/2020 base are set out below:

	2018/19	2019/20	Change	%
	£000	£000	£000	Change
INCOME				
Rents of dwelling	-86,186	-83,339	2,847	-3.30%
Non-Dwelling rents	-712	-750	-38	5.34%
Charges for services and facilities	-19,588	-20,470	-882	4.50%
Interest and investment income	-300	-350	-50	16.67%
TOTAL INCOME	-106,786	-104,909	1,877	-1.76%
EXPENDITURE				
Repairs and maintenance	15,178	14,104	-1,074	-7.08%
Supervision and management	43,963	44,844	881	2.00%
Rent, rates, taxes and other charges	350	350	0	0%
Provision for bad debts	5,309	3,309	-2,000	-37.67%
Interest charges payable	10,059	9,692	-367	-3.65%
Corporate and Democratic core	685	685	0	0%
TOTAL EXPENDITURE	75,544	72,984	-2,560	-3.39%
Revenue Investment in capital	-31,242	-31,925	-683	2.19%

5. Capital Programme

- 5.1 There are three main programmes of work funded through resources in the HRA. These are the stock investment programme, the Estate Regeneration Programme, and the New Build Programme.
- 5.2 The final agreed capital budget of £53.9m for the 2018/19 Stock Investment Programme was the first year that My Place (having been created in Oct 2017) had management and monitoring responsibilities. The programme was split across the three main delivery agents created by the 'New Kind of Council' approach (Be First – Construction Management Team, BDMS (part of the Traded Services Partnership) and the My Place Capital Works Team) and largely based on the list of projected outlined to Cabinet in February 2018.
- 5.3 Whilst the final spend figure will not be available until April 2019, current reports are indicating a level of spend of around 98% of budget with a large proportion of the spend targeted to achieve internal decency and reflected in the overall reported decency figures. At the start of 2018/19, the number of dwellings that were non-decent (internally and externally), were recorded as 17% and upon completion of the 2018/19 this is expected to drop to 9.6% from a previous high of 48% published in 2015/16. Whilst the programme continues to deliver a range of general improvement through the upgrading and replacing of major components, one area where the investment has made a significant contribution to energy efficiency is the 'Box Bathroom' project which has seen a large number of ground floor bathrooms which were added as extensions several years ago, benefit from additional insulation and improvements to the energy efficiency of these structures that largely comprise external walls.

- 5.4 2018 saw the completion of a new Stock Condition Survey, which set out to carry out external surveys to 100% of the stock and internal surveys for 20% of the stock. This approach was a significant shift in the previous stock condition surveys (undertaken in 2010/11) in that data was collected on a larger proportion of the stock, there was an increase in the number of components surveyed and less reliance on 'cloning data' (i.e. - using data collected on a small sample to indicate the condition of a larger proportion of the stock) thus ensuring greater accuracy.
- 5.5 A new approach to the stock investment programme will see the Programme consolidated into 5 groups -
1. Internals (kitchens, bathrooms, boilers and rewire etc)
 2. Externals (roofs, windows, doors, rainwater goods etc)
 3. Communal / Compliance (fire doors, lifts, communal boilers, lateral mains, water tank replacement, asbestos removal, door entry systems etc)
 4. Landlord Works (disabled adaptations, capital voids, energy efficiency)
 5. Estate Environmental Works (road surfaces, footpaths, garages etc)
- 5.6 The 2019/20 (and subsequent) programme will reflect this approach whilst reflecting the results of the 30-year Stock Condition Survey, any new legislation (that might arise for instance from the Grenfell Fire enquiry) and any in-year priorities.
- 5.7 In addition to the above, a pilot project is also being undertaken to review the specification of the works undertaken so that it aligns with the specifications being produced for the Councils new build stock and ensure an equal approach to future stock investment works. The 2019/20 and future programmes will also target areas where works can significantly improve energy efficiency, thus reducing energy bills for tenants and improving the thermal comfort of homes. It assumes an approved capital budget of £37.68m as outlined in the 2019/20 HRA Business Plan.
- 5.8 Whilst the replacement boilers and new roofs programme undertaken as part of the works carried out in 2018/19 have helped with energy efficiency, the 2019/20 programme has significant investment associated with the external fabric both houses and flats within blocks including new roofs, windows and doors. Whilst planning these works, consideration will also be given to the installation of photo voltaic (PV) cells that will contribute to the generation of power that will contribute to the power requirements of the blocks receiving work. In addition, the Council continues to seek additional grant funding (via various Government initiatives) that will supplement the capital investment in energy efficient schemes across the entire stock.

6. Estate Regeneration and New Build programme

- 6.1 The Estate Regeneration Programme funds mainly the costs of tenants and leaseholders' home loss and disturbance payments for those tenants and leaseholders who have to move as a result of the demolition of their homes. In addition, it funds the buy back of homes from leaseholders where these homes are going to be demolished. It has also funded the actual costs of demolition in some locations.
- 6.2 The budget for 2018/19 has been spend on purchases at Gascoigne estate and the demolition costs at Greatfields. The budget has funded the costs of security in the

empty blocks pending demolition and £30,000 has been spent on a new study to review the need for further estate regeneration beyond the current programme.

- 6.3 In 2019/20 the budget is needed to support the further regeneration programme at Roxwell Road, Oxlow Lane, Rainham Road South, Stour Road, Phases 2 & 3a of the Gascoigne Estate and the Royal British Legion. Estimated spend on leaseholder Buy Backs and tenant and leaseholder home loss and disturbance payments will amount of £11.5m.
- 6.4 The New Build programme in 2018/19 funded a number of schemes within the Housing Revenue Account: The Leys (rented and shared ownership properties) Ilchester Road, North Street and Burford Road. These schemes are currently being completed and let. However, there is more work to be done on the proposed new build programme to be funded from RTB receipts for 2019/20. This is because of the opportunity that arose in September 2018 to bid for GLA grant which would be timing substituted for the RTBs at a more generous rate than is currently permitted the RTB receipts. Specific funding will be aligned to the relevant projects when the exercise of reviewing the new build programme has been completed and reported to a future capital monitoring report. No details of spend on the new build programme for 2019/20 are therefore available at this time.
- 6.5 There are proposals to develop an Extra Care scheme within the HRA; as well improvements in the supply of adapted properties for households with mobility problems on the current Housing Register. These projects require more work before they are ready to submit to the Mayor's Care and Support Fund, and therefore although they will require additional borrowing there is not sufficient detail as to sums and timing to add these assumptions into the Business Plan.
- 6.6 The Housing Capital Programme will be funded through a combination of capital receipts, Revenue Contributions to Capital Outlay (RCCO), the Leasehold Reserve and borrowing. Not all of these funding sources can be used for all these expenditure items, and the funding will be appropriately profiled to the projects.

7. The 30-year Business Plan

- 7.1 The Government introduced the new financial regime of Self Financing in 2012, and on 20th March 2012 Cabinet considered the first full HRA Business Plan. This set out the anticipated income and expenditure on the Council's housing stock over the forthcoming thirty years, and this information has been regularly used in the light of changes in Government policy on rents, Right to Buy and other financial metrics as part of the budget setting process. A new Stock condition survey commissioned in 2017 supported the development of the stock investment programme which is one of the key items within the overall Business Plan.
- 7.2 Since 2012, there have been significant developments affecting the Business Plan: changes to Government policy, changes to local market conditions, and local performance on key financial measures such as rent collection and empty homes which have had an impact on the Business Plan. Expenditure plans have also developed and changed: an increased new build and estate regeneration programme has been built into the Business Plan to make the best use of the resources available. This Business Plan is therefore a narrative and financial description of the current position of the Council's housing stock in the long term.

- 7.3 The current HRA Business Plan demonstrates that over the forecast 30 years of the Plan, the HRA can fund its current planned expenditure requirements. This is based upon £104.9m of rent and other income at 2019/20, which will start to rise from next year. The Government has issued a Consultation paper in which it proposes rent increases of CPI + 1% for a period of five years. Although the Consultation period has closed, the Government have not announced a firm policy as yet. Inflation has not been built into management and maintenance for next year. Services are expected to absorb inflation costs, and there are target savings for the Repairs and Maintenance budget. This generates a net revenue surplus, which after meeting interest costs of £9.6m a year for the life of the Plan can fund the current stock investment, estate renewal and new build requirements. This however does take the balances on the HRA down to a minimum acceptable level next year.
- 7.4 The Business Plan assumes that there is no additional borrowing at present but also assumes that there is no provision for reduction of debt. It is assumed at present that no external grant is received, either for stock investment or for new build. Provision for stock investment is set at £37.68m for 2019/20, and then falls to £32.7m a year in 2020/2021, after the completion of the Decent Homes Programme for a period of nine years. This deals with all the work required in the first ten years recommended by the new stock condition survey. It is recommended that this level of investment is revisited in two years' time when there may be opportunities to bring forward further stock investment work. A programme of new build is funded from the HRA for the life of the plan; it is estimated at £20m a year from 2019/20 onwards. As this new build programme is funded almost entirely from restricted capital receipts, there is no point in reducing this programme as the money is restricted to use in new build programmes. This is a source of financial pressure however, as RTB capital can only be used to fund 30% of the build costs. The remaining 70% must be found from either, additional borrowing or cash balances. At the present time, the plan assumes that sales (and therefore capital receipts) continue at the same level for the life of the Plan. This assumption will need to be re-visited if sales begin to fall. There is active ongoing discussion about the use of Right to Buy receipts, compared with the benefit of taking Affordable Housing grant from the GLA programme, but decisions on this need to be taken soon. Restricted capital receipts not spent have to be returned to Government with interest.
- 7.5 Estate Regeneration is also funded in the HRA Business Plan at an indicative level of £11.5m in 2019/20 and £6m a year thereafter. The difficulty with this programme is that the forecasts have not been accurate to date, and the indicative level of spend has been exceeded in the last two years. Whilst this has not caused a difficulty when balances were healthy, in times of more financial constraint this level of unpredictability would cause serious risks to the Plan.
- 7.6 With this level of expenditure, cash balances remain just adequate during the early period of stock investment activity, and when the Decent Homes Programme is complete, start to rise from 2021/22 onwards. There are investment opportunities after 2023. It is anticipated that these resources will be required for future stock investment needs. Some of the resources within the HRA Business Plan are restricted in their use – the RTB receipts that have been generated in line with the Government's agreement on one for one replacement of homes. In addition,

consideration should be given to the level of debt which is sustainable, given the regular loss of properties, which are not being replaced within the HRA.

- 7.7 One of the key purposes of the HRA Business Plan is to enable the authority to plan for its housing expenditure over the medium and long term. The plans for stock investment will be kept under review, once the data is loaded into the new Open Asset IT system. It is likely that this will be available early in 2019. In the meantime, the level of stock investment provided for within the HRA Business Plan has been set with the new data, whilst work continues to understand the components of the recommended work.
- 7.8 The Estate Regeneration programme has been funded from a variety of sources, depending upon the specific estate needs, and the proposed replacement proposals. In the current programme, the HRA has largely funded the compensation packages required for tenants and leaseholders who are displaced because of estate renewal, and also the cost of buying out leasehold interests on those properties which are due to be demolished. The overall package of demolition, and replacement has been funded through a mix of market sales and borrowing within the General Fund. The current HRA Business Plan provides for £11.5m in 2019/20 and for £6.0m a year from 2020/21 onwards.
- 7.9 The New Build Programme is related to the Estate Regeneration Programme, where there are sites available within estates that can be utilised more effectively. However, there is also a separate new build programme using opportunities that arise outside of the Estate Regeneration Programme. The current Business Plan provides for £20m a year supported by the use of Right to Buy receipts in the capital programme. However, whether the HRA will continue to fund the New Build Programme, after 2019/20 needs to be reviewed, since the new homes built will be built and managed on behalf of the arm's length company, Reside and not the HRA.

8 Conclusion

- 8.1 2019/20 will be a challenging year. There are major savings built into the budgets. Universal Credit will continue to be rolled out in full in Barking and Dagenham despite the well-rehearsed difficulties with the new system. Experience from other Boroughs indicate that this has caused low income households to struggle financially and rent arrears have risen. Finally, the lessons from the fire at Grenfell Tower in Kensington and Chelsea have not yet been fully published; but it is likely that further investment in fire protection will be required.
- 8.2 It is important that we respond to any new proposals brought forward by the Government following the three consultation papers: A new deal for social housing tenants, the additional flexibility in the use of RTB receipts and the Consultation on rents in the social housing sector.
- 8.3 The Borough's policy however is not to be diverted from its overall commitments to improving the quality of the housing stock, and ensuring that a supply of new homes, at a range of different price points, become available for the residents of Barking and Dagenham.

9. Consultation

- 9.1 Consultation on the proposals in this report has taken place with the Leader, the Cabinet member for Regeneration and Social Housing, and the Cabinet Member for Finance and Growth. The proposal in this report were considered by Corporate Strategy Group on 17th January 2019.

10. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager for Service Finance

- 10.1 The statutory format of the Housing Revenue Account is included at Appendix 5. The analysis below refers to the summary format in paragraph 4.1, as this is easier to understand and presents key issues for Members and tenants more clearly.

Tenant Dwelling Rents

- 10.2 The report proposes to reduce social housing rents by 1% in line with Government policy. This applies to all council stock, including affordable rent properties, and equates to an average reduction for social housing tenants of £0.95 per week. The impact on the original business plan was a loss of income of £33.6m over 4 years, with a £844m loss in 2019/20. This would have equated to a loss of income in the region of £450m over the 30-year business plan. As part of budget setting a review has enabled some of this loss to be mitigated, although further work is required to ensure the HRA continues to be sustainable over the longer term.
- 10.3 There are over 300 properties within the HRA that have been decanted as part of the ongoing estate renewal programme which are being used within the temporary accommodation portfolio. The rent levels have been set at a higher amount than the current average levels to cover the additional costs related to this type of placement. As the estate renewal and new build programme progress, the number of decant units available for temporary accommodation will reduce. As a result, this income is not sustainable over the long term but provides a short-term benefit to the HRA.
- 10.4 The number of Right to Buy sales has increased in recent years with 219 in 2017/18, and around 220 a year forecast from 2019/20 onwards. With the abolition of the “Pay to stay” scheme and the proposal for required sales of high value void properties, the reduction in stock levels will be lower than previously anticipated.
- 10.5 The table below shows the net expected rental income from the above changes:

Rental Income	£'000
2018/19 Budget	-86,186.000
Rent decrease	844.000
Right to Buy Sales reduction	1,819.000
New Build Income increase	-566.000
Temporary Accommodation income reduction	750.000
2019/20 Budget	-83,339.000

Non-Dwelling Rents

- 10.6 It is proposed to maintain Garage rents at £15 per week for those units that have been refurbished to a decent let-able standard and the remaining garages at £12 per week.

Charges for services and facilities

- 10.7 Authorities are expected to set a reasonable charge for the provision of additional services which reflects the cost of providing the service. It is currently proposed to move to full cost recovery for estate services, but the cost of other services is not fully recovered. This is pending a further review of the cost and value of the services. This has resulted in a budgeted increase of income to the HRA of £453k.
- 10.8 The council collects water and sewerage charges to tenants on behalf of the Essex and Suffolk Water Board in return for a commission. The council currently receives commission of 13% plus a 2% void allowance. The current contract was revised in December 2017 and the change to note is that VAT is now chargeable on the commission received from the water company following the Southwark case as the council is deemed to be a reseller.

Interest and investment income

- 10.9 The HRA treasury management function will form a key component of the business plan and HRA budgets. The two main aspects of this will be to ensure interest payments servicing the final debt allocation are minimised whilst cash flow management allows housing stock investment to progress as required. The budgeted figure for investment returns is £0.350m, in accordance with the current cash flow.

Repairs & Maintenance

- 10.10 The HRA provides a repairs and maintenance service to tenants as part of its duty as a social landlord. The revenue budget is to reduce by £1.123m in 2019/20 primarily due to savings expected to be delivered through the A2020 programme.

Rents rates & other charges

- 10.11 This includes the budget for council tax on empty properties, property insurance and rent of office premises. The cost of this item is £0.350m and is included in the 2019/20 budget.

Provision for bad debt

- 10.12 Significant changes to welfare benefits, including Housing Benefit, are being implemented on a phased basis across the country. The introduction of the benefit cap and occupancy criteria continue to impact many Council tenants. The introduction of Universal Credit, including direct payments of benefits to claimants, is expected to have an even greater impact on income levels.

- 10.13 Currently the impact on the HRA has been lower than previously anticipated therefore the budget level of revenue contribution to the budget debt provision will be set at a lower level in 2019/20, a reduction of £2m.
- 10.14 The changing circumstances of tenants and revised Government timescales will continue to be monitored to ensure a prudent provision is made within the Business Plan to manage the changing magnitude of the risk.

Interest charges payable

- 10.15 The borrowing costs attached to the debt settlement in March 2012 represent a significant cost to the HRA, although the Public Works and Loans Board (PWLB) provided preferential rates for settlement debt. The self-financing settlement required the authority to undertake additional borrowing of £267m.
- 10.16 The Council was successful in applying for an increase to the debt cap of £3.2m in 2015/16 and a further £10.75m in 2016/17 increasing the overall cap to £291m. The additional borrowing was agreed specifically to fund additional new build but delays in these new build schemes means this borrowing will be drawn down later. However, in October 2018, the debt cap was removed.
- 10.17 The HRA includes a budget of £9.6m to fund the ongoing borrowing costs of HRA debt. As part of a wider Treasury management strategy the additional borrowing headroom has been drawn down in 2016/17, the interest charges against this borrowing are containable within the existing budget provision.
- 10.18 Current policy is to maintain debt and not reduce the level of borrowing, however, any decision to actively reduce the level of borrowing would place additional pressure on the HRA as repayment is not currently budgeted for.

Revenue Contribution to Capital

- 10.19 The level of Revenue resources available for partial funding of HRA capital expenditure is £683k higher than the 2018-19 budget this is primarily due to reductions in the Bad Debt Provision in-year contributions and the removal of one-off budget provisions (e.g. Voluntary Redundancy).

HRA Capital Programme

- 10.20 The 2019/20 HRA capital programme has been set at £69.227m, this includes budget provisions for Investment in Stock (£37.727m), Estate Renewal (£11.5m) and New Build (£20m). The funding of this expenditure is from revenue contributions, HRA borrowing, Right to Buy and other capital receipts.

Business Plan

- 10.21 The HRA Business Plan outlined in this report draws its financial base from the Annual Housing Revenue Account Estimates contained within this report.
- 10.22 The HRA Business Plan outlines the surpluses generated from in-year operational activities together with a broad outline of how those surpluses will be allocated to

meet the Council's investment needs, both in terms of maintaining its existing stock and the provision of new build units.

10.23 At the core of the HRA Business Plan is a series of 30-year financial projections. The key financial issues are dealt within the body of this report.

10.24 There are several variables and assumptions in the current projections which may be subject to change. The business plan will be updated accordingly as further information and clarification is provided.

11. Legal Implications

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

11.1 The basis for setting rent is Section 24 of the Housing Act 1985 which provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses, however as set out in paragraph 2.1 above the Welfare and Work Reform Act 2016 gives the Government the power to require that a rent deduction of 1% by social landlords is to take place as they did last year.

11.2 Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.

11.3 Finally as observed in the body of this report the proposals that were made following the Housing and Planning Act 2016 have not turned into fruition ensuring some stability, nevertheless in due course there may be further legislative changes and so the HRA Business Plan will need to be kept under review for further Government direction which may emerge in due course.

12. Other Implications

12.1 **Risk Management** – The Council maintains a separate Risk Register detailing those risks posed to the Council's Housing Revenue Account Business Plan and Budget. These risks include:

12.1.1 Changes to Government Policy This risk is assessed this year as high impact, but unlikely. The Government is fully occupied with legislation and regulation connected with the country's imminent departure from the European Union, and therefore it is considered unlikely that new housing legislation will be brought forward this year.

12.1.2 Stock condition data: A significant item of expenditure within the budget and Business Plan is the maintenance of the stock in a reasonable condition. A Stock condition survey has been carried out recently, and proposals to invest in the stock in line with the findings of that survey are contained within this report.

12.1.3 Financial savings: A key risk in the budget is that transformation savings are not realised. This would have the impact of meaning that the service would remain high

cost, and not competitive. Close monitoring of the savings programmes will be maintained to ensure that anticipated savings are realised.

12.2 **Staffing Issues** – There are no direct staffing implications because of this report. The HRA continues to strive for improved value for money and appropriate HR policies and procedures around implementing change will be followed. The Council remains committed to minimising redundancies where possible.

12.3 **Corporate Policy and Equalities Impact**– The Corporate Plan sets out a vision of a well-run Council, including the aspiration to manage our finances effectively, looking for ways to make savings, generate income and be innovative in service delivery. The HRA is an important budget, collecting the rent and service charges of tenants, and re-distributing them in the form of services, and housing investment. It is the aim of the annual budget to ensure that costs are examined, and reduced where possible, and that savings generated are re-investment in cost effective projects that deliver the Council's priorities for housing growth and quality services.

There are positive benefits in these proposals for older people, and people with mobility problems. The proposals in this report include £1m investment in adaptations for households where a member has a mobility difficulty; and investment in energy efficiency which will benefit older people, who make up 25% of the occupants of social housing, and who are more likely to spend more time in the home.

It is not considered necessary to carry out a full EIA in view of the fact that although there are some differential impacts on older people and disabled people in this report, these are positive benefits. Otherwise there are no differential impacts as the investment in the housing stock is based on objective criteria such as the condition of the stock itself.

12.4 **Safeguarding Adults and Children** - Housing is critical to the needs to children and vulnerable adults. The Business Plan aims to provide investment to ensure that our homes are safe, in good condition and that they are improved where necessary.

12.5 **Health Issues** – Housing has an important part of play in assisting to provide a healthy environment in which residents can live. The stock investment programme funds the improvement of the housing stock in terms of affordable warmth, through its energy efficiency programme. The Aids and Adaptions Budget enables older and disabled residents to live in greater comfort within their own homes and enables them to retain independence for longer.

12.6 **Crime and Disorder Issues** – The HRA Budget does provide funding for initiatives that support the reduction of crime and antisocial behaviour within areas of Council housing stock. One of these is the Safer Neighbourhood Charge, which provides funding for additional policing staff across the Borough's housing estates. In addition, service charges are levied to pay for the cost of CCTV cameras which contribute to surveillance of areas of potential concern. Physical programmes to reduce poor environmental layout on estates through regeneration programmes also contribute to an overall reduction in crime and antisocial behaviour.

12.7 **Property / Asset Issues** - The HRA Budget is key to ensuring that the Council's assets held within the HRA are managed and maintained well, to ensure that they are available and fit for Barking & Dagenham's current and future residents. The HRA budget also supports the regeneration of council housing, and communities through a programme of estate renewal, and new building.

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

List of appendices:

- 1 HRA Working Balances
- 2 Average rent analysis
- 3 Rental Income Debtor Account
- 4 Budget assumptions
- 5 HRA Budget Summary 2019/20
- 6 HRA Capital Programme 2019/20 – 2021/22
- 7 Housing Revenue Account 30 Year Business Plan narrative
- 8 Housing Revenue Account 10-year financial extract

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APPENDIX 1

HRA WORKING BALANCE	
	£'000
Working Balance 1st April 2018	48.40
Projected Surplus /(Deficit) 2018/19	(30.25)
Working Balance 1st April 2019	18.16
Projected Surplus /(Deficit) 2019/20	(12.45)
Working Balance 31st March 2020	5.71

AVERAGE RENT ANALYSIS

	2018-19	2019-20	Change
	per week £.pp	per week £.pp	per week £.pp
Average Rent	94.47	93.52	0.95
Tenants Service Charges * (excl. heating and water)	33.98	41.38	7.84

The Tenant Service charge average is not reflective of the charge to all tenants as each receives a varying range of services. 10,000 tenants pay no service charges at all.

Current Charge	2018-19 per week £.pp	2019-20 per week £.pp	Change per week £.pp
Grounds	2.93	2.93	0
Estate Lighting	2.31	3.85	1.54
Caretaking	7.65	7.65	0
Cleaning	3.68	3.68	0
Safer Neigh	0.50	0.50	0
CCTV	6.17	6.17	0
Concierge	10.06	10.06	0
TV aerials	0.68	0.60	-0.08
Total	33.98	35.44	1.46

RENTAL INCOME DEBTOR ACCOUNT

	Current Tenant Debtors £000	Former Tenant Debtors £000	Total Rent Debtors £000
Debtor Balance - 1st April 2018	3,279	2,652	5,931
Projected Change in 2018/19	400	-272	128
Debtor Balance - 31st March 2019 estimate	3,679	2,380	6,059
Projected Increase in 2019/20	150	150	300
Debtor Balance - 31st March 2020 estimate	3,829	2,530	6,539
Annual Increase in Arrears	4.08%	6.3%	4.95%
Proportion of Annual HRA Income	4.35%	2.61%	6.95%
Bad debt top up provision			3,309

BUDGET ASSUMPTIONS

BUDGET ASSUMPTIONS						
<u>Rent</u>						
Average Rent Decrease						-1.00%
Average Rent Decrease Houses						-1.00%
Average Rent Decrease Flats						-1.00%
Voids (Percentage of Gross Rent)						1.00%
<u>Rent Policy</u>						
In Accordance with Government policy						-1.00%
<u>Stock Assumptions</u>						
Right to Buy Sales in year						220
<u>Tenants Service Charges</u>						
	2018-19		2019-20		change	
	£ p.w		£ p.w		£ p.w	
Grounds Maintenance	2.93		2.93		0	
Estate Lighting	2.31		3.85		1.54	
Caretaking	7.65		7.65		0	
Cleaning	3.68		3.68		0	
Safer Neighbourhood	0.50		0.50		0	
CCTV	6.17		6.17		0	
Concierge	10.06		10.06		0	
TV Aerials	0.68				-0.08	
<u>Energy</u>						
CPI Sept 2018						2.2%
<u>Interest</u>						
Debt Interest						3.52%

HRA BUDGET SUMMARY 2019/20

	2018-19	2019/20	Change	%
	£000	£000	£000	Change
INCOME				
Rents of dwelling	-86,186	-83,339	2,847	-3.30%
Non-Dwelling rents	-712	-750	-38	5.34%
Charges for services and facilities	-19,588	-20,470	-882	4.50%
Interest and investment income	-300	-350	-50	16.67%
TOTAL INCOME	-106,786	-104,909	1,877	-1.76%
EXPENDITURE				
Repairs and maintenance	15,178	14,104	-1,074	-7.08%
Supervision and management	43,963	44,844	881	2.00%
Rent, rates, taxes and other charges	350	350	0	0%
Provision for bad debts	5,309	3,309	-2,000	-
Interest charges payable	10,059	9,692	-367	37.67%
Corporate and Democratic core	685	685	0	-3.65%
TOTAL EXPENDITURE	75,544	72,984	-2,560	-3.39%
Revenue Investment in capital	-31,242	-31,925	-683	2.19%

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Appendix 6 - Stock investment Capital Programme 2019/20, 2020/21 and 2021/22

Programme Element	Description	Proposed Budget 2019/20	Estimated Level of Leasehold Contributions *	Delivery Agent	Proposed Budget 2020/21	Estimated Level of Leasehold Contributions *	Delivery Agent	Proposed Budget 2021/22	Estimated Level of Leasehold Contributions *	Delivery Agent
Internals	Kitchens	500,000	N/A	Be First	1,300,000		TBC	3,500,000		TBC
Internals	Bathrooms	400,000	N/A	Be First	1,250,000		TBC	3,500,000		TBC
Internals	Domestic Heating (Boilers)	1,200,000	N/A	BDMS	1,200,000		TBC	500,000		TBC
Internals	Electrical Rewires	200,000	N/A	Be First	400,000		TBC	500,000		TBC
Externals	Roofs, windows, doors & redecoration - houses & blocks (includes Leaseholders)	20,000,000	5,000,000	Be First - £17m BDMS - £3m	12,500,000	3,125,000	TBC	10,000,000	2,500,000	TBC
Communal / Compliance	Door Entry Systems	100,000	Subject to property mix	BDMS - £3m	13,000,000	Subject to property mix		11,000,000	Subject to property mix	
Communal / Compliance	Compliance (asbestos, water)	2,100,000		BDMS						
Communal / Compliance	Fire Safety	2,500,000		BDMS						
Communal / Compliance	Fire Doors (Blocks)	3,800,000		BDMS			TBC			
Communal / Compliance	De-gassing of blocks	150,000		BDMS						
Communal / Compliance	Lateral Mains	1,000,000		Be First						

Appendix 6 - Stock investment Capital Programme 2019/20, 2020/21 and 2021/22

Communal / Compliance	Lift Replacement	1,500,000	Subject to property mix	My Place						
Communal / Compliance	Communal Boilers	1,400,000		My Place						
Estate Environmental Works	Garages	300,000	N/A	BDMS	200,000		TBC	200,000		TBC
Estate Environmental Works	Estate Road Resurfacing	500,000	N/A	Be First	400,000		TBC	300,000		TBC
Landlord Works	Energy Efficiency (incorporated into 'internals' and 'externals' from 2020/21)	1,500,000	N/A	BDMS			TBC			TBC
Landlord Works	Voids	3,000,000	N/A	BDMS	2,500,000		TBC	2,000,000		TBC
Landlord Works	Disabled Adaptations	1,200,000	N/A	BDMS	1,100,000		TBC	1,100,000		TBC
Landlord Works	Insulation (box bathrooms)	1,000,000	N/A	BDMS	1,000,000		TBC	1,000,000		TBC
Landlord Works	Contingency	500,000		TBC	1,000,000		TBC	1,400,000		TBC
	Gross Investment Programme	42,850,000	5,250,000		35,850,000	3,125,000		35,000,000	2,500,000	
	Estimated Recoverable Costs (Leaseholder Contributions)	5,250,000			3,125,000			2,500,000		
	New Investment Programme	37,600,000			32,725,000			32,500,000		
						* based on an assumed 25% of leaseholders				
Estate Renewal Programme		11,500,555			6,000,000			6,000,000		

Appendix 6 - Stock investment Capital Programme 2019/20, 2020/21 and 2021/22

New Build		20,000,000			20,000,000			20,000,000		
Total Capital Programme		69,227,000			58,700,000			58,700,000		

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HRA Business Plan 2019 – 2049 Executive Summary

The HRA Business Plan shows how the HRA assets are managed and maintained over the longer term (30 years), and what action is required in the short and medium term to ensure that the position is improved. The Business Plan enables the Council to plan for future housing policies, and to understand their financial implications.

There are currently challenges to the HRA Business Plan. This is due to a number of factors: the introduction of Universal Credit has demonstrated in the pilot Boroughs where it has already been implemented, that rent collection is more difficult, and this has led to an increase in arrears of rent. In addition, every borough needs to assess the cost of additional fire protection work, in the light of the fire at Grenfell Tower. The Grenfell Tower Inquiry has completed its first stage, but it may be months before the first interim report is issued. Some early recommendations have been issued and these are being reviewed in order to ensure that the Council is compliant with best practice in this area. The full implications and recommendations need to be addressed when published.

After the early years, the current HRA Business Plan demonstrates that over the forecast 30 years of the Plan, the HRA can fund its current planned expenditure requirements. This is based upon £104.9m of rent and other income at 2019/20, which will start to rise again next year after the four-year programme of rent reduction. The Government have issued a consultation paper on rents, which undertakes to allow Councils to raise rents by CPI + 1% from 2020/21 for a period of five years. It is expected that management and maintenance cost inflation will be absorbed in the first year. The Business Plan then assumes that pay and inflation will rise by 1% after that. This generates a net revenue surplus, which after meeting interest costs of £9.6m a year for the life of the Plan can fund the current stock investment, estate renewal and new build requirements.

The new Stock Condition Survey information is currently being analysed and entered into the new Asset Management system. However, an early assessment of the investment requirements shows that the level of expenditure required can be met throughout the life of the Business Plan. This is based on smoothing out the investment requirement in the stock over a period of ten years. There is additional work being undertaken to assess what the cost of raising the standard of the Council's accommodation would be, if the Council decided to do this.

The Business Plan currently assumes that there is no additional borrowing undertaken but also assumes that there is no provision for reduction of debt. It is assumed that no external grant is received, either for stock investment or for new build. Provision for stock investment is set in the region of £37.6m for 2019/20, and then falls to £32.7m a year in 2020/21 and for a further nine years, after the completion of the Decent Homes Programme. A programme of new build is funded from the HRA for the life of the plan; at £20m a year from 2020 onwards. As this new build programme is 30% funded from restricted capital receipts, which are restricted to this purpose there is no point in reducing this programme. Restricted capital receipts not spent have to be returned to Government with interest and cannot be used for other purposes. However this does generate a financial pressure in that the remaining 70% of the cost has to be funded from either cash or borrowing.

Estate Regeneration is also funded in the HRA Business Plan at an indicative level of £11.5m in 2019/20 and £6m a year thereafter. With this level of expenditure, cash balances remain just adequate during the early period of stock investment activity, and when the Decent Homes Programme is complete, start to rise from 2021/22 onwards. There are therefore investment opportunities after 2023 but it is anticipated that the condition of the stock will require a large part of these resources. Some of the resources within the HRA Business Plan are restricted in their use – the RTB receipts that have been generated in line with the Government's agreement on one for one replacement of homes. In addition, consideration should be given to the level of debt which is sustainable, given the regular loss of properties, which are not being replaced within the HRA.

Barking and Dagenham Housing Revenue Account Business Plan

2019 - 2049

1. Introduction

The Council adopted its first Housing Revenue Account Business Plan in March 2012, in preparation for the introduction of the new financial regime, Self Financing, in April 2012, and has updated the Plan in the light of changes in legislation and local strategies since that date. This version of the Business Plan updates the Plan once more, and sets out the current position of the Council's housing stock. There are a number of new initiatives in the structure and plans of the Council which will have an impact on the Business Plan; the new Plan takes these into account.

2 Context

2.1 Barking & Dagenham

The Barking & Dagenham is expected to grow. From a population of 207,000 in 2016 the population will grow to an estimated 240,000 in 2026 (GLA Projections), and is expected to grow further to an estimated 265,000 by 2036. This population is young, rapidly growing and increasingly diverse. But in many areas, the Council is at the bottom of the London league – in unemployment, in qualifications and in earnings. The Council expects, and intends to change this. One of the Council's principles, set out in the Plan is that the housing offer in the borough will reflect London's diversity, with widening housing choice to include social housing for rent, affordable sub market rent, seeking to maintain a well regulated private rented sector, and increased opportunities for households to access home ownership. The Council seeks to shape the Borough into a place that people choose to live in.

The stock of housing within Barking and Dagenham has grown to 74,510 homes in 2017. Although there have been no fresh data on tenure since the Census when 28% of the housing stock was Council owned, we know that this has fallen as a proportion of the housing stock in the Borough, because of the Right to Buy, and the fact that the majority of new build homes are in other tenures. The current best estimate of the Council's housing stock as a proportion of homes overall in Barking and Dagenham is that it an estimated 23.4%. The Council therefore still has significant role to play as landlord, and in supporting the development of first steps home ownership products, intermediate rented housing and delivering new homes at a range of different price points.

The Council wants to see more geographically balanced and mixed communities and will be developing homes appropriate to the different areas of the borough through its new housing policies. In areas where concentrations of Council housing currently exist, the Council will be introducing a range of mixed tenure options where housing of different rent levels and ownership types will provide a more mixed community and vice versa.

2.2 Barking & Dagenham Housing Strategy

Barking and Dagenham's current Housing Strategy was written in 2012 and expires in 2017. The overall context remains relevant, but many of the plans set out in the Housing Strategy are well underway, and some have been completed. The four major priorities in the Housing Strategy 2012 are:

Objective 1: Delivering social and economic regeneration through building high quality homes and thriving communities

Objective 2: Investing in new council homes and establishing new ways to deliver affordable housing

Objective 3: Good quality services

Objective 4: Sustainable communities

These objectives remain relevant to the refreshed HRA Business Plan as overall objectives, but new plans to deliver these objectives are required. A new evidence base of information has been collected in research undertaken in 2018 and this information will inform new plans and programmes of work.

The structure of the Council now splits services to Council tenants between different departments. The maintenance of the HRA assets is undertaken by My Place, and the fees for this service recharged to the HRA. Community Solutions deliver services relating to tenancy support, debt advice and antisocial behaviour in Council homes, recharged to the HRA in the same way. These services are monitored by a Commissioning Unit, within the Inclusive Growth Department. All new growth, including any developments within the HRA are undertaken by the Council's Regeneration Company, Be First, as commissioned by the Inclusive Growth Team within the Council.

3 History of Self Financing and what has changed since

A new financial regime for Council housing was introduced in April 2012. Instead of a national housing subsidy system, each local authority took on a portion of the national housing debt, and in return received new financial freedoms to retain rental surpluses and plan their spending on a 30-year basis.

The London Borough of Barking and Dagenham settlement in April 2012 was that it had to take on additional debt of £265.912m with an opening stock level of 18,894 properties. This represented an average debt per property of £14,074. The Council undertook additional borrowing in order to build new homes in 2014, and this raised the level of debt to £275.9m. Following the reduction in stock because of the Right to Buy, and the additional borrowing the average debt per property is now £16,090. (Based on 17,148 homes).

Factors which have changed since the introduction of Self Financing, which have had a significant impact on the Plan are (a) changes to the Right to Buy discount and (b) Rent Policy (c) the lifting of the debt cap in 2018.

3.1 Right to Buy Discount

On 2nd April 2012, The Government raised the Right to Buy discount, which was limited to £36,000 in London to a maximum of first, £75,000 and subsequently on 25th March 2013 to £100,000. Sales under the Right to Buy which had fallen began to increase rapidly, and this caused significant changes to the level of sales that each local authority had been predicting. In Barking and Dagenham, the sales rose from 97 sales in the year before the change to an estimated 220 sales a year going forward. The Government recognised that this would have a detrimental impact on Local Authority's Business Plans and offered local authorities a "deal" which consisted of a complex formula for sharing the receipts on the increased Right to Buy sales, over above those that had originally been forecast at the start of the Self-Financing regime. This formula allowed Local authorities to take a fixed administration fee on sales, and then share the receipts between a portion attributable to the debt of the property sold, which was retained by the local authority, and then the remainder shared between the local authority and the Government, on condition

that the local authority used the receipts towards to the cost of building new homes. Local authorities were given the freedom to use the portion of the RTB receipt which related to debt. The Council is not required to repay the debt. The portion that had to be used for new homes was allowed only to contribute towards 30% of the cost of each new home, and has to be spent within 3 years of receipt. Barking and Dagenham have received £72,078m (cumulative) in RTB receipts under this agreement up to March 2018. £20,442m were received in the year 2017/18. We have spent £40,800m (cumulative) to date. By the end of 2019/20 it is anticipated that there will be £36,852m RTB receipts remaining to be used. The deadline for using these capital receipts is staggered, depending upon the quarter in which each sale was completed.

3.2 Rent Policy

Government policy on rents has changed twice since the introduction of Self Financing with serious consequences to the finances of the HRA Business Plan. Barking and Dagenham have ended up with low rents, which cannot now be raised, as the Government has now taken direct control of rent policy.

On 8 July 2015, the Government announced that they would require social landlords to reduce their rent by 1% a year for four years, thus cutting the Housing benefit bill. The change represents a transfer of funds from social landlords to the Exchequer, without a significant benefit to most social housing tenants. In Barking and Dagenham 37.1% of tenants are on Full Housing benefit, and a further 18.6% are on partial Housing Benefit. Those tenants not on benefit will of course benefit from the rent reduction, but this does not outweigh the serious consequences of the loss of income to the Council. We have calculated the loss of income to Barking and Dagenham, from this proposal. The impact on the original business plan was a loss of income of £33.6m over 4 years (compared with anticipated income), with an actual loss of £0.844m in 2019/20.

It should be noted that the average rent for our secure tenancies in 2018/19 in Barking and Dagenham is £94.47. This will fall again in 2019/20 to £93.52pw. The Council adopted a policy to set all new lettings at the target rent, but this has a low impact, because of it affects only properties which become empty and remain in the HRA during the course of the year.

4 Demography and Local Housing Market

The London Borough of Barking and Dagenham is projected to grow over the next 20 years as set out below (GLA Projections). The number of households and forecasts are set out below:

Authority	Households (000s)					Ave increase pa
	2016	2021	2026	2031	2036	
Barking & Dagenham	77,025	85,126	93,086	100,816	108,090	1,537
Havering	102,436	108,735	115,446	122,530	129,984	1,401
Newham	118,846	133,858	146,277	157,131	166,744	2,319
Redbridge	109,632	120,522	130,926	140,726	149,964	1,993
London	3,589,324	3,892,718	4,175,054	4,444,287	4,696,192	54,460
England	23,228,921	24,371,273	25,446,168	26,498,666	27,462,793	207,595

The Borough is predominately residential in character but also has significant areas of employment land, a major town centre at Barking, district centres at Dagenham Heathway and Chadwell Heath and a

network of smaller neighbourhood centres. There are significant areas of undeveloped land in two areas. These are the marshes bordering the Thames and the agricultural land to the north east at Marks Gate. The River Roding, River Beam and River Thames form the Borough's westerly, easterly, and southern boundaries respectively.

Barking and Dagenham is one of the most deprived boroughs in London and the country on a range of measures. In the London context, it is the most deprived borough in terms of income, employment, and education, skills and training. However, there are ambitious economic and housing strategies, which could result in the creation of between 8,000 and 23,000 additional jobs by 2045. In spite of the recession, the number of enterprises has more than doubled since 2010 and there has been a 36% increase in jobs. However, there are not enough jobs in the borough for all working age residents, so there is therefore considerable out-commuting (as well as in-commuting). The economic activity rate of 75.3% is lower than the London average. Barking and Dagenham workers tend to have jobs in lower industrial and occupational categories than the London average: that is, fewer jobs in senior positions and in well-paid occupations. This means that average earnings of £30,167 are below all contiguous authorities except Newham and are below the London median (£34,752). This is undoubtedly related to the fact that the average profile is a work-force with a mid-level educational attainment, with fewer residents with degree level or higher qualifications (21%) than the London average of 38%, and more with no qualifications (28% v. 18%).

East London and the Thames Gateway are described as "the priority area" for development in the London Plan and Barking and Dagenham lies at the heart of this region. The Borough has substantial opportunities for regeneration, including having the potential for up to 25,000 additional homes which will be located mainly in the south of the Borough.

4.1 Local Housing Market

At the last Census, the stock of housing was 69,000 in 2001. Net additional homes built in the Borough amount to 3,053 from 2011/12 to 2015/16, which falls short of the annual targets for new homes set both by the Borough and by the Mayor's Housing Plan for London. The stock of housing in the census of 2011 shows the following composition:

¹ Figures from the Annual Monitoring Report 2015/16

Tenure	Numbers	Percentage	England %
Social Rented	23,459		
Local authority rented	19,782	33.7	17.7
RSL rented	3,677		
Private Rented Sector	12,328	17.7	16.8
Owner Occupied	33,324	46	63.4
Shared Ownership	906	1.3	0.8
Other, including rent free	663	1	1.3
Total	70,680	99.7	

These net additional homes bring the Borough's housing stock up to 73,733 homes. Since the 2011 Census, the private rented sector has increased by 7% up to 17.7% and the ownership occupation sector has fallen. The Council rented stock has fallen to 17,148 dwellings, and 23.8% of the housing stock in the Borough.

4.2 Local Authority role

The Council has an important role as the largest provider of housing within the borough. The Council now manages an estimated 24% of the Borough's housing stock, at low rents and to a reasonable standard of management and maintenance. There is an overwhelming demand for social housing, at rents affordable to those on the lowest wages in the Borough. This demand greatly exceeds the supply of homes; and therefore, the Council has a significant role in assessing the needs of households for housing and providing advice and assistance to households about other forms of housing that they may be able to access. The Council also wishes to shape the borough geographically in a more balanced way, by introducing within the supply side, more properties at different rent levels. In addition to the role of being a good landlord, the housing services within the HRA provides alternative housing at different price points for a range of households in work; through its affordable housing programme, and by the establishment and management of its wholly owned housing company, Reside. The HRA Business Plan supports all these activities.

4.3 Objectives

The HRA Business Plan has the following objectives:

- To provide housing services of good quality to the tenants and leaseholders of the London Borough of Barking & Dagenham, and Reside
- To maintain and improve the housing stock to modern standards of comfort
- To retain the stock, and to replace housing units within the Borough, either within the Housing Revenue Account at a range of rent levels to meet the needs of residents in the borough or within the Council's wholly owned company, Reside
- To improve standards of thermal comfort within the housing stock, and to reduce fuel poverty affecting tenants and leaseholders
- To understand and maximise the efficient financial performance of the housing stock
- To support the regeneration of the Council's housing and communities
- To assist in meeting the housing needs of current and future housing customers.

4.4 Governance

The HRA Business Plan is reported to Cabinet on an annual basis.

The cycle of the Business Plan is iterative; tenants have been consulted on the Budget annually in the past; and on the Business Plan when this was introduced. It is anticipated that the Business Plan and Budget will continue to be considered by Tenant and Leaseholder Forums annually and their comments reflected as part of the review process. A Residents' Survey is also conducted biennially, to review the level of satisfaction with residents' services, and to plan for areas of concern in the forthcoming year.

An HRA Officer Group reviews the Business Plan quarterly and brings all the assumptions up to date with actual performance data; identifies issues of policy for the annual consideration of the Business Plan by the Corporate Management Team, and Cabinet. The officer group comprises a team of officers from Strategy, Policy, Finance, Be First and My Place.

5 Service Delivery

The Barking and Dagenham performance data available in the Housemark Benchmarking Club is from 2017/18.

5.1 Rent collection

Rent collection in 2017/8 ended the year at 97.01% which is higher than the collection rate in 2016/17 which was 96.7% of income collected. The median performance in the Benchmark Group of London local authorities and Housing Associations was 99.68% in 2017/18. Upper quartile performance was 100.38%. 36.4% of tenants in April 2017 had some arrears; 16.4% of tenants had arrears over 13 weeks. 87 tenants (including 6 introductory tenants) were evicted during the year (2017/18) compared with 106 in the year before.

7.4% of Former tenant arrears were collected in 2017/18; this compared with 4.72% in the year 2016/17. £395K of FTAs were written off. There remains £2.6m of outstanding Former Tenant Arrears to be collected. This represents a rise of £300K in the FTA debt.

The Spare Room Subsidy ("the Bedroom Tax") continues to affect a significant number of tenants. 790 working age tenants were under occupying their homes by one bedroom and 270 (34.2%) of these were in arrears in March 2018. 196 tenants were under occupying their homes by two bedrooms, and 61 (31.1%) of these were in arrears of rent. This remains a significant problem for the Council, and the tenants affected.

5.2 Voids

Average days to relet homes by Barking & Dagenham in 2017/18 was 31.2 days against a median performance of 27 days. The annual rent loss in 2017/18 amounted to 1.4% of debit. Median performance on this measure is 0.8%, whilst the upper quartile performers achieve only 0.5% of rent loss due to voids.

5.3 Service Charge collection

The Annual Service charges due to the Council in 2017/8 were £4.1m, together with arrears of £417K made a total debit of £4.529m net after deducting accounts in credit; of which 99.76% was collected. The major works debit raised in this year was £853K. Collection of the major works contributions was 1.29% of the amount due from leaseholders in that year; this will reflect the agreement to allow leaseholders to stagger payments of major works bills.

5.4 Repairs Performance

Satisfaction with the performance on repairs is collected in a monthly survey of 200 clients who have had repairs carried out during the previous month. This data shows that 95% of respondents said that the job had been completed to their satisfaction; 86% said that it had been completed at the first time; and 95% said that they were satisfied overall with the service. This performance data relates to the average for the year to December 2018.

6 Understanding the assets

6.1 The housing stock at 5th November 2018 consisted of the following homes:

	Let	Void
General Needs	15715	89
Sheltered	725	10
Leasehold	3522	0
Affordable Rent (HRA)	405	4
HRA stock being used as TA	226	10
	21406	176

The Council owns 17,184 units of general needs stock and 3,522 leasehold properties. Within the General Needs stock 15,804 are let at rents which are “social” rents. They were previously subject to the rent restructuring regime, and were therefore moving towards target rents, but before they could reach target rents, the Government imposed the 1% rent reduction. The rents on these properties are on average 34% of market rents. 625 properties are let at Affordable rents – rents between 50% and 80% of market rents. These properties are also subject to the 1% rent reduction until 2019/20; after this date, it is assumed that both these and the social rented properties will move back up in line with CPI + 1%. All the social housing rents, and those at 50% MR are let via the Council’s Housing Register. Those properties whose rents are 65% or 80% MR, are let in accordance with the Allocations Policy for Affordable rental properties – which are set out in Paragraph 32 of the current Allocations Policy.

6.2 The largest proportion of the general needs stock, nearly half (8,717 homes) were built between the wars – between 1918 and 1940. Of the remainder, 20% of the stock was built between 1965 and 1980; 21% between 1945 and 1964, only 2% is pre-WW1, and 7% built since 1991.

Only 1.3% of the stock has four bedrooms; 0.1% has five bedrooms and the Council only own one six-bed property.

Size	Stock Numbers	Percentage
0	516	3
1	4113	23
2	7456	42
3	5340	30
4	225	1.3
5	10	0.1
6	1	0
Grand Total	17,661	

Households on the Housing Register need the following bedroom sizes:

Housing Register 11th Jan 2019

Beds	Total
Status:	
1	1187
2	1935
3	1853
4	490
5	55
Total	5520

This shows that there is a reasonable match between the housing stock analysed by size, and the housing need as expressed by the Housing Register. There is a greater need for more one bed homes than the Borough currently holds; and a slightly greater need for larger homes (4BR+) that the Borough current holds; but for other sizes there is a reasonable match of stock to need.

This does not address the overall level of need for all sizes of homes. It demonstrates that shortages are evenly distributed across all bedroom size requirements.

6.3 Sheltered

The Council has 607 units of Sheltered Housing, with a variety of house types and support levels. These have been recently subject to a comprehensive review and during 2019 the recommendations of the review will be considered and those which are accepted will be implemented. The current stock is set out in the table below:

Scheme	Numbers of units	Build date	Type
Bennets Castle Lane	12	1974	Sheltered 1 BR
Berryman close	12	1974	Sheltered 1BR
Birch Gardens	5	1951	Sheltered bungalows
Burford Close	16	1974	Sheltered 1BR
Catherine Godfrey House	34	1990	Sheltered 1BR
Dewey Court	48	1971	Sheltered 1BR
Dunchurch House	38	1976	Sheltered 1BR
Earls Walk	20	1970	Sheltered 1BR
Ely Gardens	5	1948	1BR Bungalows
Forsters Close	54	1971	Sheltered 1BR
Hook Hall Drive	8	1949	Sheltered 1 & 2BR Bungalows
Humphries Close	31	1979	Sheltered 1BR
Inskip Road	35	1973	Sheltered 1BR
Kidd House	19	1988	Sheltered 1BR
Kilsby Walk	42	1972	Sheltered 1BR
Maxby Road	30	1979	Sheltered 1BR
Padnell Road	17	1955	1 BR Sheltered Bungalows
Park Drive	8	1948	1BR Sheltered Bungalows
Pembroke Gardens	29	1937	1BR Sheltered Bungalows
Rainham Road	8	1977	1BR Sheltered
Rosehatch Avenue	15	1955	1BR Sheltered Bungalows
Seabrook Road	10	1966	Sheltered 1BR
Shipton Close	25	1971	Sheltered 1BR
Stone Close	20	1976	Sheltered 1BR
Vicars Walk	24	1970	Sheltered 1BR
Wyhill Walk	22	1975	Sheltered 1BR
Turner Court	20	1988	Sheltered 1 BR
Total	607		

7 Stock condition

7.1 **2018 - Stock Condition Survey**

2018 saw the completion of a new Stock Condition Survey, which set-out to carry out external surveys to 100% of the stock and internal surveys for 20% of the stock. This approach was a significant shift in the previous stock condition survey (undertaken in 2010/11) in that data was collected on a larger proportion of the stock, there was an increase in the number of components surveyed and less reliance on 'cloning data' (i.e. - using data collected on a small sample to indicate the condition of a larger proportion of the stock) thus ensuring greater accuracy.

Surveys were completed over several months with significant public awareness of the surveys undertaken using social media, local press and targeted groups (such as Tenants Associations etc). The communications included an on-line video of what tenants could expect from the Surveyors undertaking the survey and the Council's Communications Team dealt with a number of enquiries using email and social media such as 'Twitter'.

Whilst a significant number of internal surveys were undertaken, gaining access to the proposed number of properties required within the timescales did prove challenging and further work is being undertaken across My Place to ensure that access is gained to properties that have not been surveyed for many years, so as to keep the data held on the condition of the stock as wide, varied and accurate as possible.

The revised electronic data collection process used in the survey will make it easier to input the result into the new 'Open Assets' database when it goes live in early 2019. Early results however have been possible using spreadsheets to manipulate the data received and these have been used to produce the 30-year Stock Investment Programme and help amend the 2019/20 Stock Investment Programme.

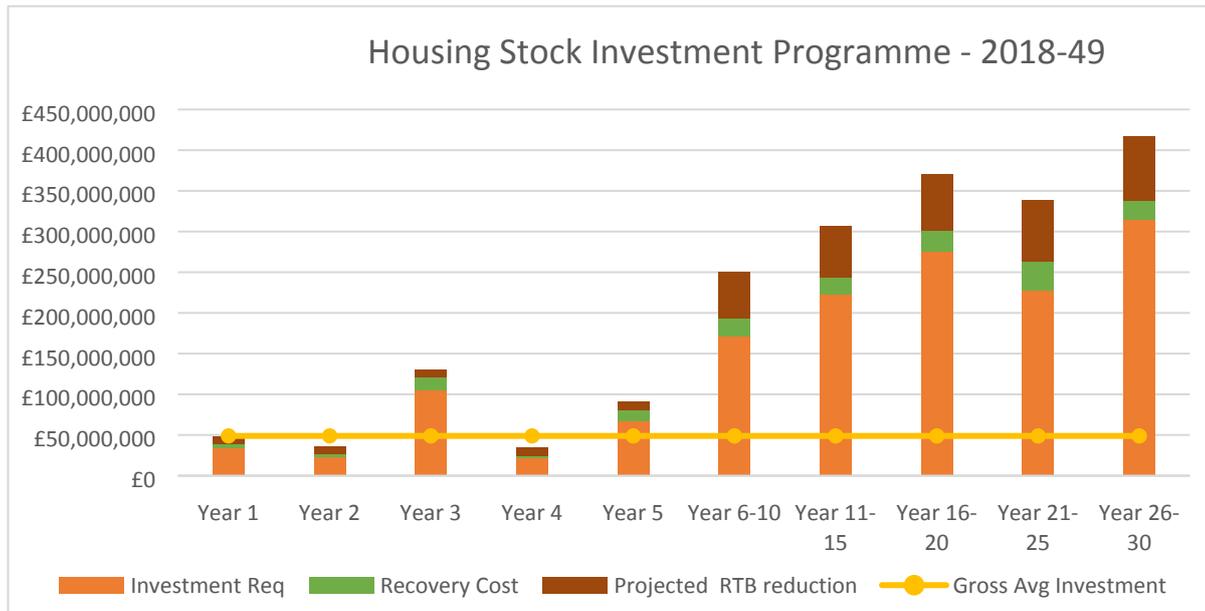
Early results have indicated a number of interesting comparisons to the stock condition data previously held, including the significant reduction in the number of dwellings that were being reported as requiring internal and external works and new data on components such as lifts, door entry systems and communal decoration.

7.2 The Updated 30-Year Stock Investment Programme

The data collected in the Stock Condition Survey has been used alongside the existing data held to update the 30-year Stock Investment Programme. Whilst such a long-term view can only ever produce an indication on the level on investment required, it can provide a useful indicator of the medium-term requirements (say 10 years) and the areas of most need going forward and provide a level of assurance around the demand when compared against the capital funding that might be available.

A summary of the data is provided in the table below and includes a number of assumptions including an estimate on the number of properties lost through the right-to-buy process, the level of costs recoverable as a result of works to blocks that include leaseholders and an annual % uplift applied to the cost of works in order to reflect market conditions.

Years 1-5 are shown separately, whereas years 6 - 30 are shown in 5-year groups.



In summary, the main 30-year figures are shown in the table below and indicate a net investment of around £980m over 30 years, which equates to an average of around £30m per annum.

Summary - 30 Year Stock Investment Programme	
Total Gross Investment Required	£1,465,372,316
Less - Total Estimated Recoverable	£165,731,610
Less - Estimated Reduction due to Right-to-Buys	£391,566,393
Total Net Investment Required	£908,074,313

The summary figures are calculated using the number of components that the survey shows will require replacement (kitchens, bathrooms, roofs etc) multiplied by the estimated costs of the works (including a year-on-year inflationary increase) and includes an allowance for disabled adaptations, capital voids and estate roads etc.

Reductions for recoverable sums (through leaseholder contributions) and an assumed reduction through right-to-buy sales have been subtracted, leaving an estimated net investment figure.

The replacement costs are based on the lifecycles of components (kitchen bathrooms, roofs etc) and in reality, components are not always replaced within a set timescale due to either excessive use (requiring earlier replacement) or having their life extended due to regular maintenance or replacement during the intervening period, as part of the voids process (for instance).

Whilst some years are showing significant levels on investment are required, others are showing lower levels of investment and the process of 'smoothing out' the programme by bringing forward some works (due to its urgency etc) is currently being undertaken, to ensure that the right works are carried out in the right years whilst taking into account the level of recoverable costs that leaseholders will be required to contribute towards.

7.3 The 2019/20 Stock Investment Programme

With the traditional 'decent homes' approach to the Stock Investment Programme coming to an end, a new approach has been agreed, which balances the need to ensure decency of the stock whilst recognising the other areas where capital spend is required.

Adopting this approach will ensure that urgent works in all areas are prioritised, as well as broadening the range of components being targeted, deliver increased value for money (as similar works will be carried out at the time) and aimed at minimising the level of disruption to tenants (for instance by replacing a number of external elements at the same time and reducing scaffolding costs) and increasing customer satisfaction.

The new approach will see the Stock Investment Programme consolidated into 5 groups -

1. Internals (kitchens, bathrooms, boilers and rewire etc)
2. Externals (roofs, windows, doors, rainwater goods etc)
3. Communal / Compliance (fire doors, lifts, communal boilers, lateral mains, water tank replacement, asbestos removal, door entry systems etc)
4. Landlord Works (disabled adaptations, capital voids, energy efficiency)
5. Estate Environmental Works (road surfaces, footpaths, garages etc)

The 2019/20 (and subsequent) programme will reflect this approach whilst reflecting the results of the 30-year Stock Condition Survey, any new legislation (that might arise for instance from the Grenfell Fire enquiry) and any in-year priorities.

In addition to the above, a pilot project is also being undertaken to review the specification of the works undertaken so that it aligns with the specifications being produced for the Councils new build stock and ensure an equalities approach to future stock investment works.

The 2019/20 and future programmes will also target areas where works can significantly improve energy efficiency, thus reducing energy bills for tenants and improving the thermal comfort of homes. It assumes an approved capital budget of £37.68m.

Whilst the replacement boilers and new roofs programme undertaken as part of the works carried out in 2018/19 have helped with energy efficiency, the 2019/20 programme has significant investment associated with the external fabric both houses and flats within blocks including new roofs, windows and doors. Whilst planning these works, consideration will also be given to the installation of photo voltaic (PV) cells that will contribute to the generation of power that will contribute to the power requirements of the blocks receiving work so rather than have a specific allocation of energy efficiency projects beyond 2019/20, (where projects are already planned), energy efficiency will have a stronger emphasis on all the projects within the stock investment programme with consideration given as to how they can contribute towards greater sustainability, improved environmental performance and direct benefits to the residents in terms of energy costs and use.

In addition, the Council continues to seek additional grant funding (via various Government initiatives) that will supplement the capital investment in energy efficient schemes across the entire stock.

7.4 Future Management of the Stock Investment Programme

The Stock Investment Programme continues to be managed and monitored by 'My Place' with the 3 Delivery Agents (created and revised in 2017, as part of the 'New Kind of Council') procuring the works and ensuring that schemes are delivered on-the-ground as efficiently and effectively as possible.

Regular contact is maintained between My Place and these delivery agents and 2018/19 has seen a number of new and revised processes and systems being adopted to ensure that agreed levels of spend are maintained and that the programme of works is delivered.

My Place will continue to analyse the available data and develop a stock investment programme that reflects the level of funding available, alongside the needs of the tenants and the good practice of providing a balanced and well-maintained social housing stock.

8 Estate Renewal Programme

The current Boroughwide Estate Renewal programme started in late 2010 following an approval by Cabinet in July 2010. The programme started with three initial Estates, Gascoigne East, Goresbrook Village and the Leys and has been successful in transforming some of the borough's poorest quality housing into new high-quality developments bringing additional place making and environmental benefits. The largest of these projects Gascoigne East is still an ongoing project with Phase 2 of the residential development due to start on site in Autumn of 2019, the construction of Greatfields school in progress and Decanting and Leasehold buybacks continuing for later phases.

The ongoing and historic Estate Renewal programmes have already completed the redevelopment of 22 large panel system (LPS) blocks over the last 20 years and the demolition of the final 6 LPS blocks on the Gascoigne Estate are planned over next 4 years. These homes have suffered from a variety of issues including dampness and condensation due to the original construction method and materials.

The programme of decanting tenants and buying back leaseholders to allow for the redevelopment of these Estates has evolved over time, the impact of decanting of the Housing Register has been monitored and a limit on the total number of decants per year mitigates this along with the provision of new homes in developments available for decant cases.

The responsibility for the delivery of all Estate Regeneration workstreams from the earliest consultation through the process of decanting, working with leaseholders, Masterplanning, Development and Construction Management has now transferred to a dedicated Affordable Housing team within the Be First Company.

In addition to the ongoing Gascoigne East phases the Be First programme includes a number of Estate Renewal projects approved by Cabinet in January 2015.

The table below confirms the current programme:

Project	Progress
Gascoigne East Phase 2 520 New build	Final stages of Decanting prior to demolition in early 2019. Reserved matters application to be submitted mid Feb 2019. Contractor appointment in June 2019 for state on site in October 2019.
Gascoigne East Phase 3 A&B	Decant and Leasehold buybacks are in progress for Phase 3a, this area partially covers the Greatfield's Primary School and phase 3 residential development.
Gascoigne East Phase 4	Decanting and Leasehold buybacks programmed for mid-2019 start.
Gascoigne West Phase 1	Final stages of decanting prior to demolition in spring 2019, Reserved matters application to be submitted in April 2019.
Gascoigne West Phase 2	Decanting and backs in progress for delivery of later phases of development.
Gascoigne West Phase 3	Decanting yet to commence – some buybacks have been completed for willing sellers.
Sebastian Court	Decanting complete and demolition in progress, planning application to be submitted in
Roxwell Road/Stebbing Way	Decanting to commence in early 2019
Rainham Road Nth 265 - 285	Decanting to commence in early 2019
Padnall Road 168 – 284 evens	No decanting or buybacks commence pending completion of wider Masterplanning activity

The programme to date has been delivered with the agreement that circa 200 units per year will be available for decant purposes, but this figure has been harder to achieve recently due to the pressure on the overall number of voids from other priority groups. Going forward in the programme and to meet the objective of right to return and only one move to a new home, we will need to look to deliver phased development where possible by developing cleared sites early in the programme.

9 New homes delivery

The Be First programme will deliver a total of 2678 new homes from 2019/20 to 2023/4 of which 2133 will be affordable, these affordable homes be offered at a variety of sub market rents and shared ownership.

The rented homes will be offered at levels fixed in the Councils Right to Rent (R2R) policy. This policy will offer homes for local residents at a range of five rent levels appropriate to their income. R2R is about delivering homes to those most in need at Social rent levels but also fulfilling the pledge to provide better long term rented accommodation that is affordable to a couple earning the minimum wage or a single person earning the London Living Wage as well as for those on average incomes.

However, the programme of new build will be passed to different management agents. The majority of the general needs properties will be passed to Reside, the Council's wholly owned housing company, whilst homes which need additional support, such as homes for older people and adapted homes will be

passed to the HRA. Decisions on the new build programme are still pending and the homes due to be managed within the HRA will be made later in the year.

10 Extending the Estate Renewal Programme beyond 2023/4

Last year's Business Plan reported that a review of the methodology for appraising estates for inclusion in future programmes would be undertaken alongside a review of possible sites to determine future priorities. This work has been commissioned by Be First and is nearing completion. A report will be made to Cabinet in early 2019, setting out the proposed new methodology and priorities for extending the Estate Renewal programme beyond the current Be First Business Plan period.

11 New GLA guidance and funding conditions for Estate Renewal projects

This year has seen the introduction by the Mayor of London of new guidance relating to Estate Renewal projects; Better Homes for Local People - Estate Renewal Guidance published in February 2018 sets out the Mayors ambitions for all Estate Renewal projects and this is further reinforced by an additional funding condition requiring a resident ballot for projects which include any demolition of existing stock and the re-development of over 150 new homes.

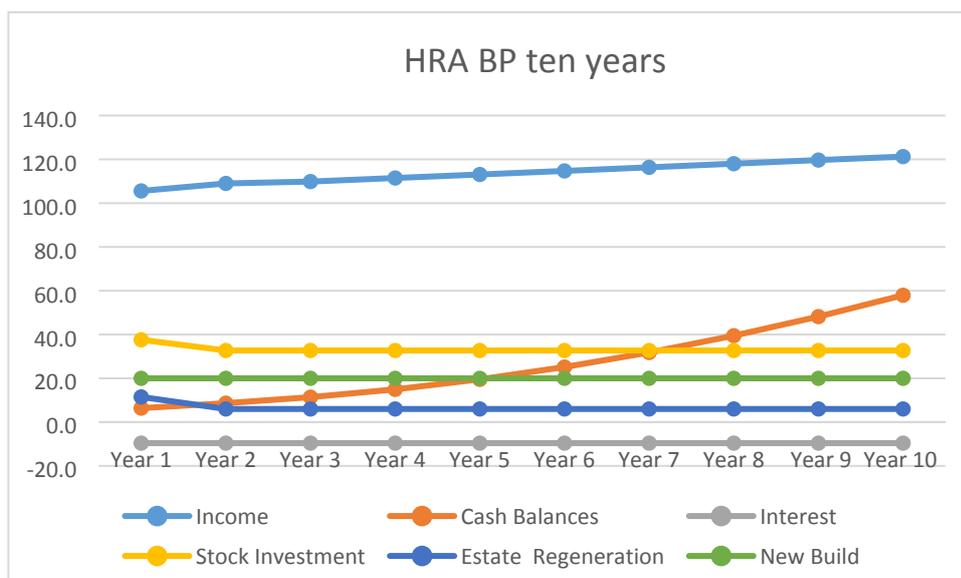
The continued commitment to delivering a comprehensive Estate Renewal programme, will require for a review of the Policy, Procedures and Engagement Strategies, regardless of the size of the project, to ensure that wherever possible we are consistent with the Mayor's recent guidance the funding conditions. This will include proposals for a revised "Offer to Residents" and community engagement activity relating to Estate Renewal.

12 Business Plan- baseline forecast

The current HRA Business Plan demonstrates that over the forecast 30 years of the Plan, the HRA can fund its current planned expenditure requirements. This is based upon £104.91m of rent and other income at 2019/20, and then rising after 2020/21 if the Government follows the proposals in the Consultation Paper which promised rent policy of CPI + 1% for five years after the current period of rent reduction. Management budgets are frozen in 2019/20 and maintenance budgets are reduced by 7%. This generates a net revenue surplus, which after meeting interest costs of £9.6m a year for the life of the Plan can fund the stock investment, estate renewal and new build requirements. This assumes that there is no additional borrowing but also assumes that there is no provision for reduction of debt. It is assumed that no external grant is received, either for stock investment or for new build. Provision for stock investment is set in the region of £37.68m for 2019/20, and then falls to £32.7m a year, after 2022. A programme of new build is funded from the HRA for the life of the plan; it is estimated at £20m a year from 2020 onwards. This is funded 30% by from restricted capital receipts. This generates a financial pressure in that the 70% not funded from capital receipts must be matched either by cash or borrowing. Estate Regeneration is also funded in the HRA Business Plan at an indicative level of £11.5m a year in 2019/20 and £6m a year thereafter.

With this level of expenditure, cash balances remain just adequate during the early period of stock investment activity and start to rise from 2020/21 onwards. Although the new stock condition survey shows that the level of investment over the first ten years can be funded, some work which does fall within the early years, is profiled for later years as a result of the process of smoothing the expenditure. It is necessary therefore to review the level of stock investment activity as additional resources become available. In addition, there should be some consideration given to the repayment of debt.

The table below illustrates the next ten years. If the investment programmes remain constant as set out in the Plan, there will be an increase in balances from Year 2 (2020/21).



13 Assumptions

These are the key assumptions on which this Business Plan is based. These assumptions need to be reviewed annually, to ensure that they are adjusted in line with any new information on actual performance or changing markets. These assumptions are:

13.1 Stock numbers:

The Business Plan is based on *opening* stock numbers:

17,148 properties, of which

200 are held as Temporary accommodation, and rents charged in 2019/20 at 90% of LHA. Average TA rents in 2019/2 are therefore: £144.20pw

625 properties are let at Affordable rents, with average rents of £144.03pw for the houses and £146.91pw for the flats.

16,554 properties are let at secure average rents of £93.52 from 2019/20 onwards

13.2 Sales

Moving forward, RTB sales are assumed at 220 units per annum.

13.3 New Build additions

There is a new build programme of properties within the HRA of 267 properties confirmed over the next three years. In 2019/20 the following properties have been added, and the income credited to the HRA:

Additional rental income in 2019/20	No of units	Size	Rent level	Weekly income	Annual income
North Street					
The Leys - rented					
50% rented 2 BR	7	2	£150.00	£1,050	£54,600
50% rented 3 BR	7	3	£161.54	£1,130.78	£58,800
50% rented 4 BR	3	4	£178.75	£536.25	£27,885
65% rented 3BR	14	3	£225.00	£3,150	£44,100
65% rented 4BR	4	4	£232.50	£930	£48,360
rental element on Shared Ownership	34		£158.65	£5,394	£280,493
Ilchester Road	6	1	£115	£690	£35,880
	2	2	£157.50	£315.00	£16,380
Total income					£566,498

The remainder of the programme is subject to discussion about the final management and ownership of the properties. There is an expectation that no additional new build general needs homes will be owned within the HRA after 2020.

13.4 Rent Policy

Rents have been reduced by 1% a year since 2016/17. 2019/20 is the fourth and last year of the rent reduction policy, and this has been implemented appropriately. This applies both to secure rented properties, and affordable rented properties within the HRA.

It is assumed that 200 properties a year will continued to be used as Temporary accommodation, and that the rents on these properties will be set at 90% of the Local Housing Allowance (LHA) in 2019/20. Temporary accommodation rents do not need to be reduced under the rent reduction policy, and therefore have been assumed to remain constant at 90% LHA throughout the life of the Plan. LHA rates are frozen until 2020, but it is assumed that they will be uprated by inflation after that date. The Regeneration programme will need to be monitored as there cannot be indefinite reliance on the additional income from this source.

13.5 Service Charge Policy

Currently, all service costs are fully recovered through service charges to leaseholders. This Plan assumes that the Council will recover the full cost of the estate lighting. The remaining service charges have been frozen for a year, pending a review of the quality of the service affected. There are two other services not yet de-pooled. These are the services of lift maintenance and door entry maintenance. These costs are met through the general rental income, and these will continue to be met through the rent for the time being. The Safer Neighbourhood charge is a contribution to the cost of additional policing on estates and is not intended to recover the full cost. There are potential changes to the contract with the Metropolitan Police for this service and adjustments to the service and charges may be required during 2019/20.

13.6 Void rate

It is assumed that the void rate throughout the life of the Plan remains at 1%. Current performance is at 1.4% of rental income, and therefore this assumption requires an improvement in performance to ensure that performance remains in line with assumptions.

13.7 Bad debt

Provision for Bad Debt in the Business Plan has been set at 4% of the rent due; a budgetary provision of £3.309m. Write offs of Former Tenant Arrears (FTAs) in the last three years have been less than this although bad debt has risen. This should be adequate for the current rent collection performance. The service charge collection rate in 2017/8 was 99.76%. No write offs of service charge debt have been made in 2017/18, and it is not policy to write off service charge debts, as they can be recovered through a recharge on the property concerned.

13.8 Inflation

Inflation on pay and costs has not been included in the Business Plan for 2019/20. It is assumed that the service will absorb all inflation pressures both pay and inflation for the first year, and then increases are built into management and maintenance costs at 1% annually.

14 Revenue

14.1 Management costs

Barking and Dagenham participates in a benchmarking club with Housemark. The management costs are benchmarked against a club of London local authorities. This shows that the Management cost per property in 2017/8 was £430.10 against a median cost for the benchmark group of £589.57. Management costs are therefore lower than the median.

14.2 Maintenance costs

The maintenance costs in the same benchmarking arrangements are £888.83 per property for repairs and voids. The median for the group for the same is £1048.07 per property for repairs and maintenance. The R&M figure is therefore lower than the median for the group.

14.3 Conclusions on Management and Maintenance costs

The conclusion of the Benchmarking data therefore shows that the current performance is median cost, but low performance. The task of the new 12 months is to move the performance and cost of the service out of this quadrant.

15 Debt and Interest costs

As at 1st April 2018, the HRA will hold debt of £275.912m. The Government abolished the debt cap (a maximum amount that the Council was permitted to borrow) in December 2018. This is formed of the original debt settlement (£277.6m) and further borrowing approvals to enable the development of additional homes within the HRA. The original debt level amounted to £14,074 per property, but with the loss of stock since the settlement, and the increased level of borrowing, the average debt per property is now £16,070 per property.

The interest paid on this level of debt is £9.6m and this remains constant throughout the life of the 30-year plan. The Council is planning to borrow an additional £15m to develop an extra care scheme within the HRA as well as some specifically adapted properties for disabled applicants.

The current Business Plan does not assume that the level of debt is reduced but is maintained throughout the life of the Plan. The proposed additional borrowing has not yet been factored into the Plan, as the timescale for this project is not yet clear. Non-repayment of debt would be an acceptable financial plan, if the numbers of stock were to remain at roughly the same level, and that therefore the interest costs could be fully met from income. The assumed loss of 220 sales per year (around 1.2% of the stock) can be managed within this for a period with prudent financial control of the annual budget, but if there are significant losses of stock, either over a longer period or through forced sales, it may be necessary to consider whether the level of debt to be maintained is required. The effect of maintaining this level of borrowing whilst stock is reducing will increase the debt per unit.

Whilst the Council needs to maintain investment in its key housing projects, including stock investment and regeneration no provision for repayment of debt is proposed. However, at a future review of the Business Plan it will be necessary to consider the right point at which this issue should be addressed.

16 Resources

Resources are sufficient to support current plans. These are made up of a variety of sources which support different items of expenditure.

16.1 Surplus/balances

The minimum balance on the HRA is currently set at 5% of income which provides a sum of £5.3m. Balances brought forward into 2018/19 were £18.1m. There is likely to be an in-year deficit, due to the increased stock investment programme and additional spend on the Regeneration Programme which means that at the end of 2019/20 balances of £5.71m will be held within the HRA.

16.2 Capital Receipts

Some Capital Receipts are restricted in their use. They will have derived from sales after the Government raised the discount on RTB sales to £100,000 and after retention of the transaction costs, and the debt portion, they may only be used for replacement affordable rented homes. They were subject to a specific signed agreement between each local authority and the GLA, to fund new build programmes. The use is further restricted by a rule which requires the receipt to fund no more than 30% of the costs of each unit. It is therefore essential that the so-called 1-4-1 receipts are applied first to the new build affordable rent programme, so that they are fully used. If not used, RTB receipts from the 1-4-1 fund must be repaid to Government, with 4% interest over the Base Rate. A Consultation Paper has been published which proposes some additional flexibility in the use of RTB receipts. Although the Consultation period has now closed, no new announcements on this issue have been made yet.

However, there are some capital receipts which are unrestricted. These relate to the “debt portion” which is a notional debt per property sum, which the Council can deduct for each property sold. These unrestricted capital receipts can fund any part of the housing investment programme and can be used as match funding to 1-4-1 receipts. The debt portion can of course also be used to repay debt. The level of unrestricted capital receipts (allowable debt) in 2018/19 is estimated to be £4.84m and this is used as part of the overall resources within the Housing Revenue Account. This figure is constant throughout the Plan,

as the assumed sales are 220 a year throughout the Plan. This assumption will need to be reviewed if sales start to fall.

16.3 Leasehold reserve fund

Leaseholders are required to pay for the cost of improvements to their homes, in the form of major works charges. The Council can only recover this cost, if it has appropriately consulted the leaseholders, and given the required notices. As many improvement schemes are expensive, and leaseholders do not always have the resources to pay for these works when the work is carried out, the Council has payment options for leaseholders which enables them to spread the payments. The Council therefore can calculate the sums due from leaseholders in respect of works carried out to their homes but does not expect to receive those sums in the year in which they are incurred. Payments are made into the Leasehold Reserve Fund, and contributions from the Leasehold Reserve Fund can be added to the sums that fund future capital programmes. As at the end of 2018/19, it is forecast that the Leasehold Reserve Fund will stand at £5.2m. A review of the current Leasehold Reserve Fund is currently underway and the level of contribution to the capital programme will be established in the next 12 months.

17 Programmes of work going forward

There are programmes of work underway which will impact on the Business Plan. These include programmes of physical work – like the stock investment, the new build, and the Regeneration Programme. But there are also programmes of which are identified through the Business Planning process, which seek to establish effective working relationships that can deliver effective and efficient services to tenants and leaseholders.

17.1 Governance

The working relationships between the Business Plan, My Place, Community Solutions, and Home Services are critical to the effective delivery of good services. The strategic core will be commissioning services to manage and maintain the housing stock from My Place and Community Solutions and the structure of these relationships is important to making sure that the roles are clear and the accountability of each area of work is transparent. The role of tenants and leaseholders, and members will also need to be established within the new working arrangements. During the next 12 months, the development of these relationships will be a key piece of work.

17.2 Performance and Satisfaction

As part of the commissioning strategy over the next 12 months, performance in key areas (Rent collection, service charge collection, voids, repairs and tenant and leaseholder satisfaction) will need to be improved. Methods of monitoring performance and satisfaction will be established and agreed with the delivery agents.

Stock Investment

There is a three-year stock investment programme included within the annual budget which sets out the elements that need to be addressed in the short term. However, the new data from the Stock Condition survey required further analysis in the forthcoming twelve months. From the refreshed stock condition survey, a long-term plan for active asset management will be developed. The new stock condition survey will commission individual, block based, and estate based financial performance information to enable the Council to prioritise the active asset management programme.

17.3 New Build

The new build programme requires further work. The current list of schemes funded by HRA borrowing is nearing completion and a new programme to utilise the incoming RTB receipts must be developed. The current Plan identifies where the current replacement homes will be brought into the HRA, and where they may be identified for intermediate housing of difference kinds, for a range of household incomes. However, there is a dilemma to be resolved which is what will the impact be of building most new general needs homes outside the HRA, and therefore not replacing the homes lost through the RTB. Once this decision is taken, further financial modelling for both Reside, and for the HRA will need to be undertaken which will show these consequences and enable the Council to resolve the way forward for its new build programme.

17.4 Estate Regeneration

The first phases of the Estate Regeneration programme are underway and progressing with great success. The financial model for new estate regeneration programmes has been established. A Review of the Estate Regeneration Programme has been commissioned by Be First, funded by the Estate Regeneration Programme. This is due to report in February and will assist in planning the way forward for the Regeneration Programme after the current schemes have been completed.

18 Conclusions

The Barking & Dagenham HRA Business Plan is subject to significant challenges in 2019/20. This Business Plan is a statement of where we are now. The Plan improves financially after 2020/21. However, the major risk is the condition of the housing stock; and improvements and regeneration of the stock, these are likely to absorb all resources in the medium term.

The performance indicators in all areas of housing management, as well as tenant satisfaction need to be further improved through the Transformation Programme. Service charges for both tenants and leaseholders should be reviewed to ensure that there is confidence in the costs and service; and that the service charges can withstand scrutiny and challenge.

Stock condition data information needs further analysis to ensure that the resources currently in place for the stock investment programme are sufficient to meet current and future needs.

Consideration needs to be given to the new financial model to support both estate regeneration and new build. Where new build properties are not being returned to replace housing stock loss, the Business Plan will need to be updated. Currently, in recent schemes, Right to Buy Receipts have been used, and the 70% match funding provided either by cash, private sales, or General Fund borrowing; this financial model has proved successful and is therefore not dependent on limited and reducing HRA revenue resources. Currently there is continuing provision with the Business Plan to support the new build programme assumed; but this provision could be released if the new financial model continues to be implemented as set out above.

Clearly HRA resources supporting the Estate Renewal Programme addresses a housing stock need; and replaces investment which would otherwise be directed to improvement programmes for those estates.

The challenges of the next 12 months are particularly acute as there will be significant changes in the structure of the service, and what the service now needs is to focus strongly on the key basic management services, and the level of satisfaction that customers currently express.

Appendix 8 – HRA Business Plan Extract

LB Barking and Dagenham - HRA Business Plan - December 2018

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Rent and other income	104.91	108.34	108.97	110.57	112.19	113.82	115.47	117.12	118.79	120.46	122.14
Management & maintenance	(63.29)	(63.12)	(63.711)	(64.305)	(64.905)	(65.510)	(66.122)	(66.740)	(67.364)	(67.994)	(68.630)
Net rental surplus	41.62	45.22	45.26	46.27	47.29	48.31	49.34	50.38	51.42	52.47	53.51
Interest Payable	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)	(9.692)
Available HRA revenue funds (A)	31.93	35.52	35.56	36.58	37.59	38.62	39.65	40.69	41.73	42.77	43.82
RTB Receipts (un-restricted - allowable debt)	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84
RTB New Build Re-provision (1-4-1)	19.97	19.97	19.97	19.97	19.97	19.97	19.97	19.97	19.97	19.97	19.97
Grant and new borrowing In Year (B)	24.80	24.80	24.80	24.80	24.80	24.80	24.80	24.80	24.80	24.80	24.80
Total HRA funding (A+B)	56.73	60.33	60.37	61.38	62.40	63.42	64.45	65.49	66.53	67.58	68.62
Investment in own stock (a)	37.68	32.71	32.51	32.70	32.70	32.70	32.70	32.70	32.70	32.70	32.70
Estate renewal (c)	11.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
New Build (b)	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Housing Transformation (d)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Applied spend (a+b+c+d)	69.18	58.71	58.51	58.70							
HRA Cash balances b/f	(18.16)	(5.71)	(7.323)	(9.179)	(11.856)	(15.552)	(20.274)	(26.029)	(32.820)	(40.653)	(49.529)
in year change	12.45	(1.616)	(1.855)	(2.677)	(3.696)	(4.722)	(5.754)	(6.791)	(7.832)	(8.876)	(9.921)
HRA Cash balances c/f	(5.71)	(7.32)	(9.179)	(11.856)	(15.552)	(20.274)	(26.029)	(32.820)	(40.653)	(49.529)	(59.450)

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CABINET

18 February 2019

Title: 'Transforming London Riverside' Housing Infrastructure Fund Bid and Castle Green Development Strategy	
Report of the Cabinet Members for Regeneration and Social Housing and Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: Thames	Key Decision: Yes
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Accountable Director: Ed Skeates, Development Director, Be First	
Accountable Strategic Leadership Directors: Claire Symonds, Chief Operating Officer, and Graeme Cooke, Director of Inclusive Growth	
Summary	
<p>Castle Green is the largest development opportunity in the Borough and offers the scope to address the severance created between the Becontree Estate and the growth area to the south of the borough caused by the A13, railway lines and the extensive industrial land. A new residential community, modern employment space and town centre facilities based around a new station can deliver up to 15,000 new homes with the undergrounding of a 2km stretch of the A13. Castle Green offers the chance to be a showcase of delivering inclusive growth whereby people, place and participation interlock and the Borough Manifesto aspirations are secured. However a development of the size and complexity of Castle Green requires delivery in a number of phases following a clear masterplan and vision for the area. This report sets out the proposed development strategy for Castle Green setting out how the vision can be delivered. One key initial opportunity is to bid for funding from the Government's Housing Infrastructure Fund (HIF) to take forward the key first elements of the strategy including land assembly.</p> <p>The Council and Be First are part of a consortium led by the Greater London Authority (GLA) which proposes submitting a bid (entitled 'Transforming London Riverside') in March 2019 to the Government's Housing Infrastructure Fund (HIF) encompassing a number of strategic infrastructure and development projects. In particular this would progress the plans for bringing forward the initial phases of development at Castle Green. In total the bid would be for c.£219m – of which £150m would be for land assembly at Castle Green and a further £22m for a new Castle Green station. The report sets out the background and requirements of the bid, the bid proposals and sets out the proposed stages to deliver the full vision for Castle Green. Cabinet support for the bid is essential and the report sets out the implications and risks associated with the bid projects including granting 'in principle' support for utilising compulsory purchase order powers to back up the land assembly proposals.</p>	

Recommendations

The Cabinet is recommended to:

- (i) Endorse the submission of the 'Transforming London Riverside' Housing Infrastructure Fund Bid and delegate authority to the Chief Operating Officer, in consultation with the Director of Law and Governance and the Cabinet Members for Regeneration and Social Housing and Finance, Performance and Core Services, to approve the final bid documentation;
- (ii) Agree, in principle, the development strategy for the Castle Green area (shown in Appendix 2 to the report) including the future use by the Council of its Compulsory Purchase Order powers, subject to the HIF bid being successful and a further report to Cabinet in respect of fulfilling the criteria referred to in paragraph 3.3 of the report;
- (iii) Delegate authority to the Chief Operating Officer to approve the allocation of up to £300,000 of Council funding to cover the cost of masterplanning for Castle Green should other funding not be available; and
- (iv) Delegate authority to the Director of Law and Governance, in consultation with the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing and the Chief Operating Officer, to enter into all relevant contracts and agreements in relation to the HIF.

Reasons

The initiative will contribute significantly to the Council Priority of 'Growing the Borough.' The project has substantial scope to deliver the 'No-one left behind' objective of the Growth Commission and the inclusive growth vision of the Borough Manifesto.

1. Introduction and Background

- 1.1 Housing Infrastructure Fund (HIF) is a government funding stream focussed on delivering homes where they are needed most. It is described as delivering transformational housing growth unlocking new homes in areas of greatest housing demand.
- 1.2 Under the 'Forward Funding' strand of HIF, expressions of interest were sought last year. It is a national fund which Local Authorities can bid for, however in London all bids must be led by the Greater London Authority (GLA). Be First working with TfL and the GLA submitted an Expression of Interest called 'Transforming London Riverside' – London Riverside being the southern part of the borough spreading into Havering. In March 2018, the Ministry of Housing, Communities and Local Government (MHCLG) confirmed that 8 bids in London had been selected to progress to the co-development stage. London Riverside was one of these bids alongside Thamesmead, Old Oak Common, Royal Docks, Tottenham, Meridan Water and two transport growth projects for East London line and DLR. Moving to this stage does not guarantee funding.

- 1.3 The co-development phase with MHCLG is underway. The phase requires the production of a detailed Business Case following government guidance. The deadline for Business case submission is 22nd March 2019. The bids are assessed by MHCLG and Homes England as well as the Department for Transport. The London Riverside bid is currently for £219m with the breakdown set out in section 2 of this report. The full expenditure would need to take place by March 2024.
- 1.4 The GLA have appointed (and funded) consultants ARUP to lead on the production of the bid given their experience of the complicated Green Book business case format and particularly the financial modelling required.
- 1.5 The 29 November 2018 Budget saw the Chancellor announce a further £500m funding for HIF - yet there is currently no information whether this means further rounds or simply that more of the existing bids will be able to be approved.

2. Proposals

Bid Content

- 2.1 The bid includes 3 projects in London Riverside (1 and 2 in LBBD, 3 in LBH) (see appendix 1 plan):
 - 1) **Renwick Road junction** (HIF funding £14.6m) There is a 'Grampian' planning condition on the Barking Riverside planning approval meaning no more than 4,000 homes can be occupied before the Renwick Road junction is improved. Whilst Barking Riverside Ltd are contributing towards the cost, additional public funding is required to address this critical barrier to growth. This project would be fully delivered by TfL (with them utilising their own CPO powers if required). No role for LBBD/Be First other than planning/oversight as it is in the borough.
 - 2) **Land assembly** (HIF Funding £150m) **and new station at Castle Green** (HIF funding £22m). Currently unattractive run-down industrial land where public intervention in the form of a new station, land assembly, master planning and place-making will address project viability issues and enable homes and new employment space to be delivered. The HIF bid covers land assembly for the first 5,000 homes around the new station but it would also bring forward further homes quicker on the larger Castle Green site. The Castle Green station would be on the new extension of the London Overground line to Barking Riverside. Future 'passive' provision of a station at this location was always planned as part of the Barking Riverside extension - HIF funding will bring the date of its delivery forward significantly. Be First would lead on land assembly including a CPO and enabling/bringing forward homes with TfL leading on station delivery. Please see section 3 for the proposed development strategy.

3) Beam Park station (HIF funding of £17.9m) Funding is sought towards the cost of a new station serving the Beam Park site unlocking homes in Havering's Housing Zone although also of benefit to residents on the eastern border of LBBB. There is no direct role in this project for LBBB/Be First.

2.2 The precise number of homes delivered by each intervention is being assessed related to specific government guidance however the headline figure is 13,000 homes will be unlocked and delivery accelerated.

2.3 In the last couple of months the potential for a further project has emerged:

- **Barking Station Footbridge.** (HIF funding c£15m – TBC). A bid for a new footbridge serving all platforms at Barking station and addressing capacity issues that will be particularly acute with the London Overground extension has been submitted for the 'Access for All' fund. The outcome of this bid will not be known until after the deadline for the HIF submission therefore partners have discussed the potential for also bidding for HIF funding for this infrastructure given the key role it plays in London Riverside and the implications the HIF projects of Beam Park and Castle Green stations will have on Barking. The bridge would be delivered by Network Rail.

2.4 **Why should 'Transforming London Riverside' Bid be supported?**

- London's moving East and the area fulfils the key bid requirements of high housing demand yet in these cases the market alone cannot unlock the homes.
- For Castle Green without public sector funding/skills/powers to assemble land, improve viability, deliver a station and master-planning and associated place-making, the private sector alone would not be able to deliver homes. There is clear evidence of housing demand (including a recent CBRE market absorption report) across the range of housing tenures aiding the delivery of homes as infrastructure/land ownership barriers are removed. The bid is truly transformational in that run-down industrial areas/vacant and under-utilised land will be radically changed creating new communities and employment space in a well-designed new neighbourhood. The scheme will better link Barking Riverside with the rest of the Borough and deliver a wider range of other health, environmental and social benefits.
- The other projects require public intervention to deliver critical elements of infrastructure to unlock homes.
- Political support for growth and Be First, TfL and GLA working together as strong, experienced team to progress the projects.
- Bid is completely in line with Be First's mission to accelerate growth.

3. Castle Green Development Strategy

3.1 Proposals for development at Castle Green and undergrounding a stretch of the A13 have been discussed for a number of years including discussions

with a company called ASF – a creator and facilitator of cross-border investments, trade and technology transfers between China, the UK, Europe and Australia.

3.2 Be First have produced a Business Plan setting out clear stages to progress the delivery of the vision for Castle Green with three key elements:

1) The Innovation Industrial Park (IIP) and the related relocation of the existing DB Cargo activities to the adjacent underutilised Euro hub site. This is a critical first stage as set out below providing industrial intensification to unlock housing potential. These are shown as 1 and 2 on Appendix 2.

2) Castle Green development totalling 15,000 residential units, employment space, schools and other facilities for a development of this size - to be delivered in phases including the initial HIF phase of the first 5,000 units (3a on appendix 2) together with the new Castle Green station.

3) The undergrounding of the A13 (and associated remaining element of the c.15,000 homes – approx. 10,000)

3.3 Element 1 above is required as Castle Green is designated Strategic Industrial Land (SIL) (known as Rippleside). The planning approach to the site to enable delivery of the homes requires that the existing floorspace is re-provided within the wider area. This follows the Thames Road model where a masterplan needs to be adopted before planning applications can be approved that deliver the residential units and the re-provision of the employment floorspace. ASF is proposing to undertake an industrial scheme on the Ripple Lane site which will achieve a significant intensification when combined with the adjacent Euro Hub site. This approach will be set out in a masterplan which will be needed prior to progressing any CPO. If the Council progresses a CPO (which it would be committed to as part of the bid), then the Council would be taking on the financial risk of the cost of all the land assembly within the defined area. As such it is only proposed to make the CPO if HIF funding is secured, the case for CPO is clear from the masterplan work and all reasonable attempts to acquire the necessary land and interests by agreement fail. Officers acknowledge that if any CPO was to be made, Cabinet would need to approve the use of such powers and would require further updating and justification as to the following:

- that there was a compelling case in the public interest;
- that there were no planning, funding or other legal impediments to Castle Green being delivered,
- that all reasonable attempts to acquire all interests by agreement have not been successful;
- that any likely impact or interference with the human rights of those with an interest in the land affected is considered and balanced as far as possible against the legitimate aims of regeneration; and
- that any assessment of the impacts on residents, visitors and employees be measured and evaluated, with special focus on the likely effect of the proposals on those sharing protected characteristic (race,

pregnancy, age, disability, gender reassignment, marriage/civil partnerships, religion/belief, sex, sexual orientation (as defined by the Equality Act 2010)) be made, in order for the Council to fully understand those impacts, and to consider measures to mitigate impact, make reasonable adjustment, and foster good relations between those sharing protected characteristics, and those who do not

- that a risk assessment of the impact of planning blight has been carried out and budgets are available.

3.4 The Castle Green HIF area forms part of a wider Castle Green area which under a similar treatment of industrial intensification could deliver a further 10,000 units. Within this wider area there is an aspiration to realign the A13 and for it to be undergrounded - reducing the severance effect on the existing communities. The HIF bid highlights this further potential for additional homes and the A13 undergrounding but HIF is specifically focussed on just the delivery of the first 5,000 homes.

3.5 Initial discussions with ASF show that the intensification in the IIP will be significant, to such an extent that it will effectively re-provide the existing employment floorspace in the Castle Green area as well as the Ripple Lane and Euro Hub areas.

3.6 The proposals and associated benefits should be captured by a suite of suitable masterplans and planning applications (Figure 1) that secure the provision of a net addition of employment floorspace as the initial phase.

Figure 1 Master Planning of Castle Green



3.7 Significant work has been done on business planning looking at land values and compensation costs – currently a fixed red line for the HIF land assembly area has not been set and only an indicative one would be provided as part of the bid giving some element of flexibility. A Cabinet report seeking approval to make a CPO would only be made following the masterplan process and

when the case for using such powers is clear and justified and funding is in place.

- 3.8 Table 1 below identifies the initial budget that will be needed to prepare a masterplan for the HIF area. The Masterplan would be adopted as Supplementary Planning Guidance and provide the justification for the CPO and the drawdown of the HIF money. The potential HIF funding does not (and cannot) include the cost of the masterplan work and only relates to the direct costs of land assembly.
- 3.9 The cost to the Council for the preparation of the Masterplan is estimated at £368,000 which will be incurred over a 12/24 month period. Be First are currently negotiating looking at alternative options for the funding of the masterplan however if these are not concluded the Council would have to fund the cost of the Masterplan to enable access to the HIF funds for land assembly hence recommendation 3.

Table 1 Castle Green Master Plan Initial Budget

Surveys (Utility, topography, GIS)	£2,000
Urban Designer	£75,000
Quantity Surveyors	£20,000
Engineer (MEP + Structures)	£15,000
Property Advisor (tenure, land use mix, viability)	£45,000
Highways	£70,000
EIA/ Technical	£30,000
Consultation - Hard Costs	£15,000
Sub Total	£272,000
Contingency @10%	£27,200
Total	£299,200

- 3.10 Castle Green currently suffers from poor public transport accessibility and the Council would only proceed with housing development on the site with a new rail station to serve the new and existing population. TfL's case for a Castle Green station requires the delivery of new homes so they would want comfort from Be First/LBBD that homes would be forthcoming.

How will the proposals deliver inclusive growth and benefit existing as well as new residents?

- 3.11 Currently the area within the Castle Green red line is predominantly dated industrial stock presenting a poor image of the Borough and physically separating the key growth areas to the south from the Becontree Estate. This stretch of the A13 generates significant problems in terms of congestion, air

pollution, dust and dirt alongside being a significant physical and perceptual barrier. The Castle Green proposals therefore offer the chance to be a showcase of delivering inclusive growth whereby People, Place and Participation interlock and the Borough Manifesto aspirations are secured.

- 3.12 As well as new homes there will be significant employment space - space that looks towards the needs of the future economy and growth sectors so the Borough's economy is modernised including the 21st Century Innovation Industrial Park. These offer the chance to link into the offer by existing training providers to ensure local residents have the skills and qualifications needed to access new employment opportunities.
- 3.13 At this early stage it is not possible to set out detailed proposals for the site and we would be keen to work with existing residents and groups as the plans develop. A key element of the scheme is how it will benefit the existing neighbouring communities of Thames View estate and Scrattons Farm. The Scrattons Farm estate will be integrated into a wider development removing the current issues with segregation and enabling residents to walk to shops and services in a pleasant environment. The eastern end of Thames View Estate will benefit from a new station and town centre uses within walking distance and Be First are looking at how further estate renewal schemes can take place in Thames View which ensures the whole area achieves inclusive growth.
- 3.14 A scheme of this nature is inevitably long term and will generate disruption. The development strategy with clear phasing plan seeks to mitigate some of this disruption.
- 3.15 Existing businesses in the area also face significant disruption and a detailed business engagement and relocation strategy forms part of the Business Plan for Castle Green.

3.16 Indicative Timescale

It is envisaged significant land purchases can occur by agreement and potentially first phases of development proceeding in advance of complete land assembly. The timetable below however assumes the worst case scenario and that CPO powers are required to be used for the whole site.

HIF Application submitted	Q4 2018/19
HIF Confirmation	Q1 2019/20
Land Purchases by agreement (subject to successful HIF bid)	Q1 2019/20 to Q3 2022/23
Masterplan work/outline planning	Q1 2019/20 to Q2 2019/20
CPO order made (subject to Cabinet approval)	Q3 2019/20
CPO Inquiry	Q2 2020/21
CPO confirmation/Judicial review	Q4 2021/22
Take full possession	Q2 2022/23

4. Issues/Implications for Council and Be First

4.1 In relation to Castle Green, the HIF bid will require the Council/Be First to lead on the land assembly for the first 5,000 homes and associated facilities. This will require the submission of a planning application/masterplan, land purchases by agreement and if required using compulsory purchase order powers. These would be subject to a further Cabinet approval however in principle support for this approach is required.

4.2 MHCLG have not provided any draft funding contracts however it is understood there would not be clawback in relation to failure to deliver homes – only if the relevant infrastructure funded was not delivered/land purchased. The main contract would be between Government and the GLA then the GLA would want to enter into separate agreements for the delivery organisations (TfL or Be First) with the issue of risk addressed.

Castle Green Station

4.3 TfL would lead on the design and delivery of the new station on the basis that HIF covers the full funding however they are not willing to commit to any additional funding should there be cost runs and are therefore seeking that the Castle Green development funds any cost overruns. This will be included in the bid.

Fees

4.4 HIF funding cannot be used for staff costs (only infrastructure or land assembly) so Be First fees (to be agreed) would need to be funded via the Council if no other funding was secured.

Governance

4.5 The Government are keen that bid submissions include a clear governance structure and whilst specific project teams are in place it is felt that a new Strategic Board is required to be set up and referred to in the bid with senior representations from the GLA, TfL, LBB, LBH, Be First, Network Rail and C2C. This Board would have strategic oversight ensuring delivery.

5. Risk Assessment

5.1 A detailed risk assessment for the bid overall and for each specific project forms part of the bid. A scheme of this scale and nature inevitably has a number of challenges and the proposed development strategy divides the project into deliverable phases. The full case for a CPO can only be made following the detailed masterplanning work when Cabinet approval would then be sought to make a CPO.

6. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager

6.1 The report asks Cabinet to endorse the submission of the 'Transforming London Riverside' Housing Infrastructure Fund (HIF) Bid. The Council and Be

First will form part of a consortium led by the Greater London Authority to progress plans for bringing forward the initial phases of development at Castle Green. The bid will include £150m for land assembly at Castle Green and a further £22m for a new Castle Green station.

- 6.2 If the proposed bid is unsuccessful some of the proposed costs of £300k cannot be capitalised and will need to be funded from revenue, with the exception of architect design fees or where the work carried out will have a future use in developing Castle Green.
- 6.3 HIF is a government forward funding stream designed to help local authorities achieve large scale growth. The funding will be used to forward-fund infrastructure schemes and land assembly. If successful, the £150m for land assembly will represent a significant proportion of the upfront development costs.
- 6.4 The report does not contain details on how the development of Castle Green will be delivered and how it will be funded. The final bid submission should be agreed by Chief Operating Officer via Investment Panel, with the bid containing details of the terms of the bid and a full outline of how Castle Green will be developed, the cashflow requirements, risks and funding proposals.

7. Legal Implications

- 7.1 The report seeks Cabinet approval for the Council to pursue a bid for 'Transforming London Riverside' led by a consortium of the GLA with TfL, LBBD, LBH and Be First. These arrangements will need to be formalised in suitable agreements which take account of the grant funding requirements and the parties' respective responsibilities for delivery of master-planning and land assembly milestones. The scheme is at early appraisal stages, with much of the detail and masterplans yet to be developed, hence the following observations as to likely legal implications can be made at this stage:

- Council Powers
- Site Assembly and Vacant Possession
- Human Rights
- Grant Agreements and Governance
- Land Risk
- Environmental Considerations

- 7.2 **Council Powers** - The Council's is able to participate in pursuing the Transforming London Riverside bid by virtue of the general power of competence under section 1 of the Localism Act 2011 which enables the Council to do anything that individuals generally may do unless otherwise prohibited by law. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act

2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.

- 7.3 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to pursue the bid and enter into the relevant agreements to facilitate receipt of the funding, further support is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.

7.4 **Investment Considerations**

This report does not seek authority for any investment decisions at this stage. The main purpose of the bid is to enable regeneration of the area. However, once the funding is made available, and land assembly options begin to be pursued, any individual decisions which involve investment decisions would be considered individually with the Council and its officers having regard to the following:

- i. Compliance with the Statutory Guidance on Local Government Investments;
- ii. Fulfilling its fiduciary duty to tax payers;
- iii. Obtaining best consideration for any disposal;
- iv. Compliance with Section 24 of the Local Government Act 1988 in relation to giving financial assistance to any person (which either benefits from a general consent or requires express consent by the Secretary of State);
- v. Compliance with any other relevant considerations such as state aid and procurement;

7.5 **Site Assembly and Achieving Vacant Possession**

This report does not identify the specific uses, the tenure and volume of property interests to be required, however the scale of land assembly will be substantial. It is understood that no residential properties are included in the relevant development area subject to the bid, therefore, residential interests will not be impacted. The Council and any future development partners will need to assemble the required development land in collaboration to ensure viability and deliverability. There will be disruption to businesses and land interests over a considerable time period. Negotiations by agreement and ultimately recourse to statutory powers will be necessary to acquire freehold and leasehold interests. Cabinet is requested to indicate its endorsement in principle of the use of compulsory purchase powers, which would only be pursued if the bid for HIF funding is successful. Recourse to the use of Compulsory Purchase powers should be a last resort and will need resolution by the Cabinet to pursue a Compulsory Purchase Order on the basis that there is a compelling case in the public interest and subject to Cabinet being

satisfied as to all the matters referred to in paragraph 3.3 of the report. It is noted that a public indication of an intention to pursue projects of this scale which would take a prolonged period of time to deliver may give rise to planning blight which has a depreciating impact on property values, which could entitle landowners to serve upon the Council, as promoter of the project, blight notices. As officers embark on masterplanning for the development, the risk of planning blight should be considered, and strategy/budget put in place. This will overlap with financial considerations if CPO powers are contemplated.

7.6 Human Rights Act 1998 Considerations

The Human Rights Act 1998 ('the HRA 1998') effectively incorporates the European Convention on Human Rights into UK law and requires all public authorities to have regard to Convention Rights. In making decisions Members need to have regard to the impact of such decisions on Convention Rights.

- 7.7 The rights which will be engaged by this and future decisions such as the promotion of any compulsory purchase orders are those contained in Article 8 (right to respect for private and family life) and Article 1 of Protocol 1 (peaceful enjoyment of possessions). Article 8 provides that there should be no interference with the right except in accordance with the law and, as necessary in a democratic society in the interest of the economic wellbeing of the country, protection of health and the protection of the rights and freedoms of others. Article 1 of the 1st Protocol provides that no-one shall be deprived of their possessions except in the public interest and subject to the conditions provided for by law although it is qualified to the effect that it should not in any way impair the right of a state to enforce such laws as it deems necessary to control the uses of property in accordance with the general interest.
- 7.8 Both rights are qualified and must be balanced against other legitimate public interests. In determining the level of permissible interference with qualified rights, the courts have held that any interference must achieve a fair balance between the general interests of the community and the protection of the rights of individuals. There must be reasonable proportionality between the means employed and the aims pursued. The availability of an effective remedy and compensation (which are built into the CPO regime) are relevant in assessing whether a fair balance has been struck.
- 7.9 Therefore, any future reports which seek approval of any masterplans, development strategy or the use of compulsory purchase should include an assessment of the impact on human rights and equalities considerations under domestic law and to balance this against the overall benefits to the community, which the land assembly and proposed redevelopment would bring. The Cabinet will wish to be satisfied that interference with the rights under Article 8 and Article 1 of Protocol 1 is justified in all the circumstances and that a fair balance would be struck in the present case between the protection of the rights of individuals and the public interest.

7.10 Grant Agreements and Governance

As observed in the body of the report, there will be a need to enter into grant funding agreements with MHCLG. The power to do so has been identified above. Such arrangements will need to be carefully examined to ensure that the terms are compliant with the aims of this project and that there are no State Aid implications. If the Council is successful in its bid for HIF funding, it is expected that any grant/funding or other agreements will stipulate the respective obligations of the parties to the Consortium. The Council, as the lead for land assembly, will need to comply with its obligations and milestones under any resulting grant funding agreements, including delivery of objectives and milestones within agreed timeframes. Given the involvement of other partners in the bid, including the GLA and TfL, an appropriate governance structure and boards will need to be approved to ensure delivery and monitoring of milestones. In the event of breach, it is expected that there will be contractual provisions entitling MHCLG to reduce, suspend, withhold or require all or part of the funding to be repaid.

7.11 Land, Development and Procurement Risk

Caution must be exercised that with such a large site with a myriad of uses spanning working industry and post-industrial sites that land risks are thoroughly investigated as part of each acquisition proposal to identify all relevant land risks and incumbrances, such as legal restrictions on use, wayleaves, infrastructure, utilities, highways and rights of way restrictive covenants, rights to light and land contamination and determine any necessary remedial actions to ensure the deliverability and financial viability of the scheme. Detailed environmental surveys and sound understanding of remedial costs will be a necessity if the Council seeks to develop residential dwellings on the site.

It is expected that any procurement implications will be considered at a future date as the Council embarks on land assembly and delivery. Any procurement must be conducted in accordance with the Council's Constitution, including the Contract Procedure Rules, and the Public Contracts Regulations 2015.

7.12 Strategic Environmental Impacts

The proposed project for which HIF funding is sought is of such significant scale and duration, that it is likely to have significant environmental impacts beyond local significance. If funding is approved and as officers embark upon the masterplanning stages, careful consideration must be given to sustainability considerations and to what extent the project requires compliance with both the SEA/EIA Directives (and / or any relevant domestic legislation). These environmental directives will require the production of either or both a strategic environmental assessment or environmental assessment. Generally, the requirement to carry out an SEA will apply if masterplanning requires the production of development plans, but there is some overlap between the two requirements. The Government has indicated

that post Brexit, when the UK leaves the European Union (EU), relevant domestic instruments will ensure the continued smooth operation of the following regimes relating to the environment and the planning system:

- **Environmental Impact Assessment** – which aims to ensure that environmental considerations are taken into account at the development consent stage of the planning process
- **Strategic Environmental Assessment** – which aims to ensure that environmental considerations are taken into account at the strategic plan-making stage of the planning process. In the case of masterplanning for the Castle Green project, it needs to be considered whether changes to development plans at any stage or level of the plan making process (e.g. at GLA or local level) are required which trigger the need for an SEA.

Other Implications

- 9.1 **Risk Management** – A detailed risk assessment forms part of the bid documentation.
- 9.2 **Contractual Issues** – MHCLG have not yet provided any draft funding contracts however it is understood there would not be clawback in relation to failure to deliver homes – only if the relevant infrastructure funded was not delivered. The main contract would be between Government and the GLA then the GLA would want to enter into separate agreements for the delivery organisations (TfL or Be First) with the issue of risk addressed. Legal Services will advise on these agreements.
- 9.3 **Staffing Issues** – This is a major project for Be First and is likely to take up significant staff time hence the Be First fee.
- 9.4 **Corporate Policy and Equality Impact** – The scale of the proposals set out in the report mean they need to be central to key elements of the Borough Manifesto and ensuring the delivery of inclusive growth. If a subsequent Cabinet approval is sought for utilising CPO powers it would be accompanied by a detailed Equalities Impact Assessment however at this stage the proposals are assessed to have a positive impact on protected characteristics with the delivery of new homes, jobs and facilities.
- 9.5 **Safeguarding Adults and Children** – Any safeguarding issues would be addressed as part of detailed design proposals for the site.
- 9.6 **Health Issues** – The scale of the proposals offers the scope to improve health issues in the Borough through the design of new development as well as the social, environmental and economic benefits of the development. The Healthy New Town (HNT) principles applying to Barking Riverside. Detailed consideration of this element will form part of masterplanning and detailed planning work as the proposals progress.

- 9.7 **Crime and Disorder Issues** – The scale of the proposals offers the scope to improve crime and disorder issues in the Borough through the design of new development as well as the social and economic benefits of the development. Detailed consideration of this element will form part of masterplanning and detailed planning work as the proposals progress.
- 9.8 **Property / Asset Issues** – The proposal involves the substantial land assembly and adding to the Council’s asset base.

Public Background Papers Used in the Preparation of the Report:

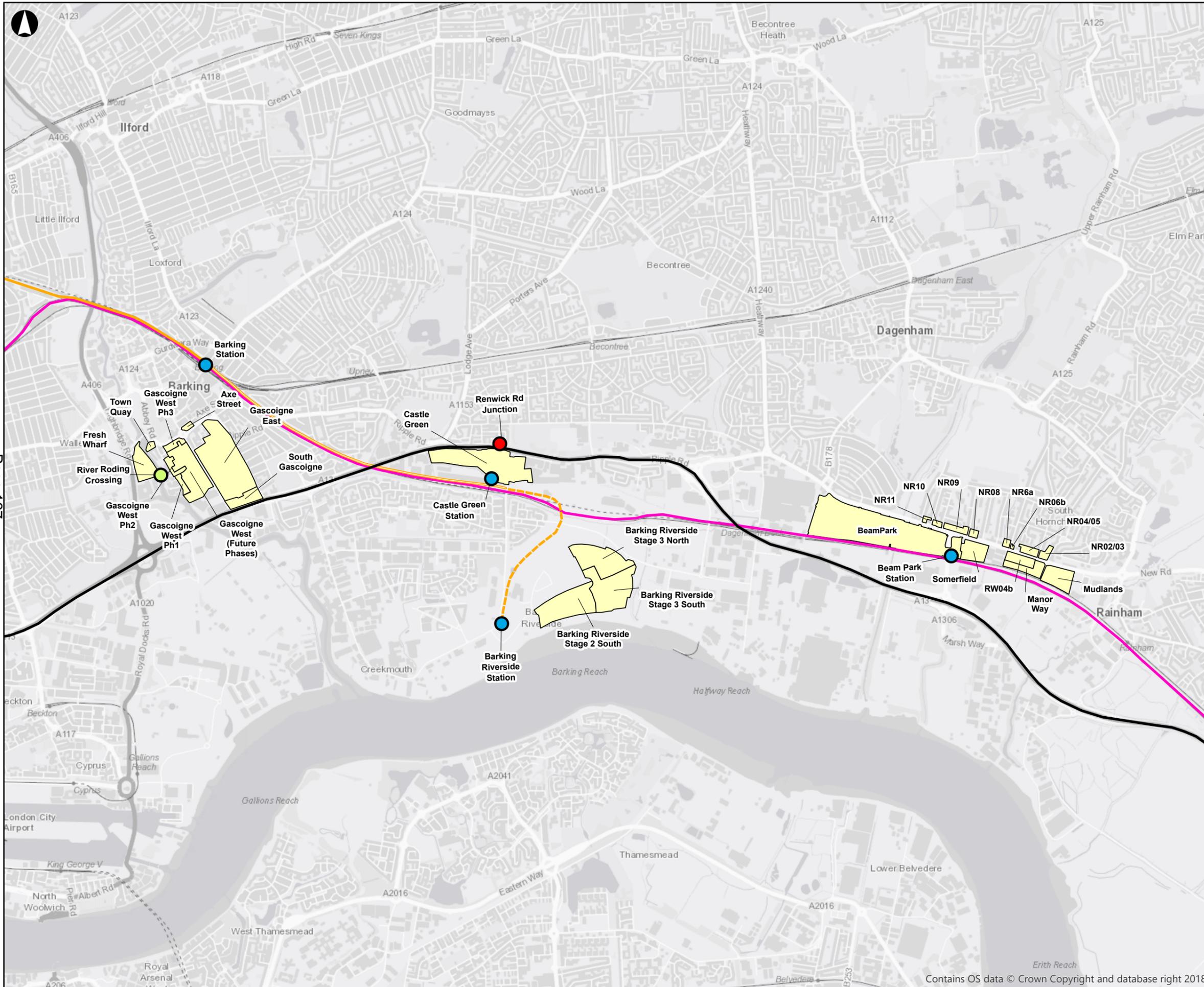
- Borough Manifesto
- LBBD Core Strategy
- Draft London Plan
- HIF Guidance documents

List of appendices:

Appendix 1: HIF projects plan

Appendix 2: Castle Green: Masterplan headlines

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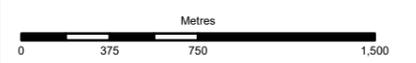


Legend

- Transport Infrastructure**
 - Bridge
 - Road Junction
 - Station
- Roads**
 - A13
- Railway Lines**
 - C2C Rail line
 - London Overground
 - New London Overground Track
 - New London Overground on Existing Tracks
- Development Areas**
 - HIF Housing Sites

Contains data from: OpenStreetmap (and) Contributors CC-BY-SA, LISGIS, DigitalGlobe and ESRI.

P1	11/12/2018	JL		
Issue	Date	By	Chkd	Appd



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Client
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Job Title
Transforming London Riverside HIF

London Riverside HIF housing sites and key infrastructure.

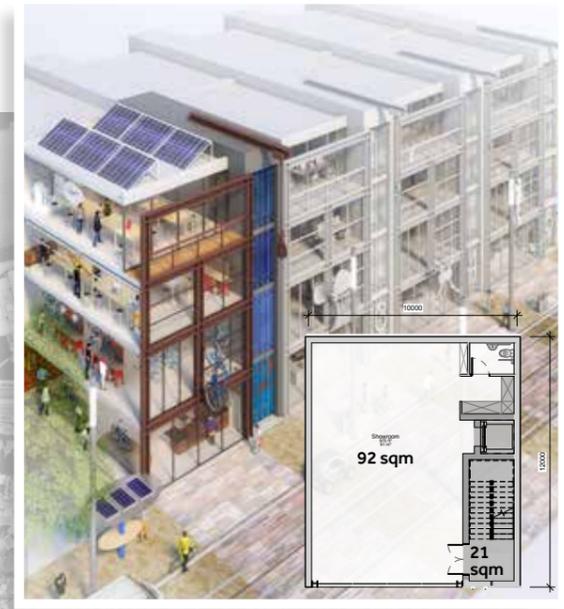
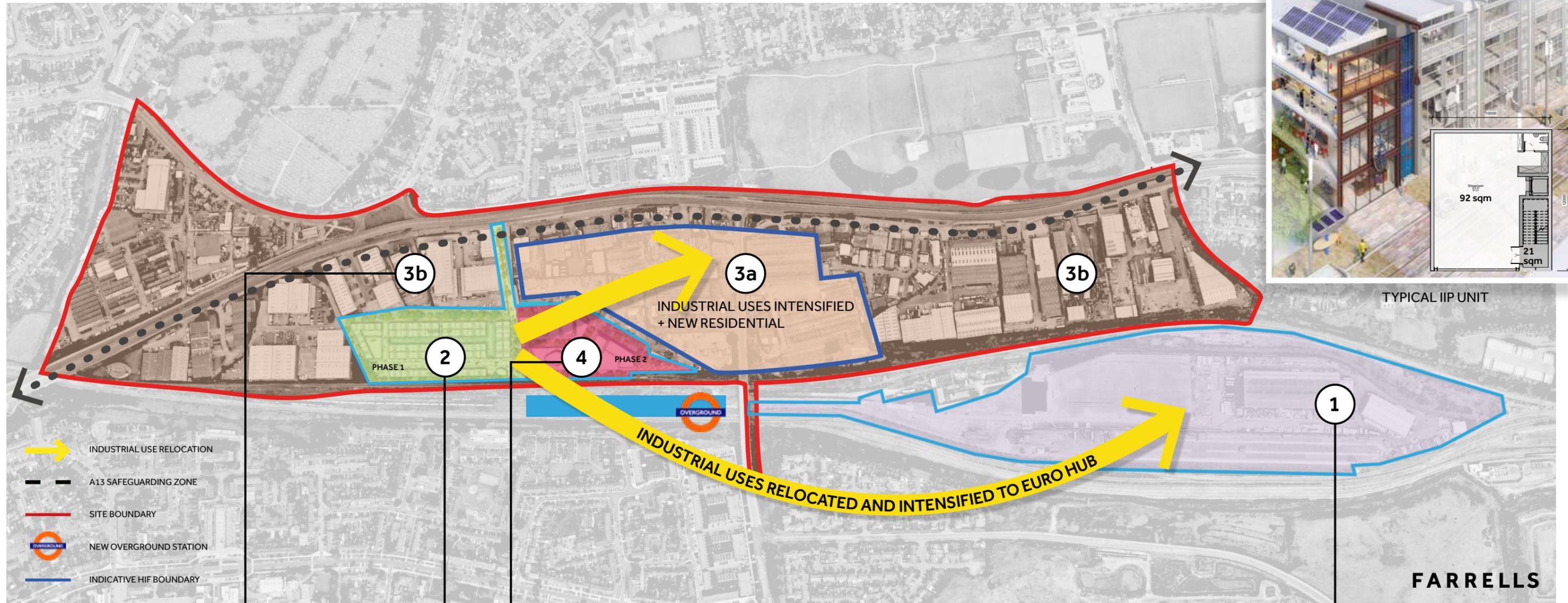
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Castle Green: Masterplan Headlines



- INDUSTRIAL USE RELOCATION
- A13 SAFEGUARDING ZONE
- SITE BOUNDARY
- NEW OVERGROUND STATION
- INDICATIVE HIF BOUNDARY

- 1 Euro Hub site:** Industrial uses from Ripple Lane **relocated and intensified on Euro Hub.**
- 2 21st century Innovation Industrial Park (IIP) at Ripple Lane**
New intensive **industrial, workspace and mixed use hub**
- 3 Industrial Intensification + New Housing**
3A: 5,000 units **3B:** 10,000 units
- 4 Ripple Lane Phase 2 mixed use development**
- A13 Safeguarding Zone**
- New Rail Station / Town Centre**
Delivered in first phase: essential catalyst for future growth

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CABINET

18 February 2019

Title: Voluntary, Community and Social Enterprise Sector Strategy	
Report of the Cabinet Member for Community Leadership and Engagement	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Authors: Geraud de Ville de Goyet, Policy Officer, Participation and Engagement Team Monica Needs, Participation and Engagement Manager	Contact Details: monica.needs@lbbd.gov.uk 0208 227 2936
Accountable Strategic Leadership Director: Tom Hook, Director, Policy and Participation	
<p>Summary</p> <p>Over the past few years, the Council has undergone a period of significant change, which has focused on establishing a new kind of Council that transforms the way it delivers its services, as well as facilitate a change in the relationship with residents. The Borough Manifesto set out the long-term vision for the borough and the new Corporate Plan 2018-2022 articulates the Council’s vision and priorities for the next four years.</p> <p>Within this context it is essential that the Council and partners works with the voluntary, community and social enterprise (VCSE) sector to fulfil the ambition for residents. The ambition cannot be fulfilled without the sector. While steps have already been taken, more is required with regard to the role and capacity of the VCSE sector and how the Council can support it locally in order to promote a strong community.</p> <p>The VCSE strategy “ Participation and Partnerships” for 2019-2013 at Appendix 4 sets out the four year vision for strengthening the voluntary, community and social enterprise sector, and for building on some of the great ideas from the community to meet the ambitions as a borough. The goals are:</p> <ol style="list-style-type: none"> 1. Increasing participation 2. Enabling and embedding relationships based on trust 3. Building the sector’s capacity <p>The report also outlines the options for supporting the VCSE locally and asks Cabinet to agree the procurement of that support and the steps to support the local giving model.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to</p> <ol style="list-style-type: none"> (i) Agree the Participation and Partnerships Strategy for strengthening the voluntary, community and social enterprise sector in Barking and Dagenham, as set out at Appendix 4 to the report; 	

- (ii) Note the local giving model update at Appendix 3 to the report and proposed next steps within the strategy;
- (iii) Agree that the remaining Crowdfunding budget be ringfenced for 2019-2021 to support both the contract with Crowdfunder UK and the match-funding small grants fund;
- (iv) Agree the procurement of a VCSE organisation to deliver the social infrastructure support and a local giving model, as detailed in Option 4 in the report; and
- (v) Delegate authority to the Director of Policy and Participation in consultation with the Cabinet Member for Community Leadership and Engagement, 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 award and enter into the contract for social infrastructure support and all other necessary or ancillary agreements with the successful partner, in line with the priorities set out in the proposed VCSE strategy.

Reason(s)

Cabinet should agree these recommendations to develop the council's approach to supporting the vital role of the VCSE sector in achieving a shared long-term, resident-led vision for the borough, as set out in the Borough Manifesto. This is in line with the council's priorities of a New Kind of Council; Empowering People; Inclusive Growth and Citizenship and Participation, to ensure that 'no-one is left behind'.

1. Introduction and Background

- 1.1 Our Borough and the context within which the Council operates has changed radically over the last decade and will continue to change for the foreseeable future. These are challenging times with austerity set to continue, coupled with population change, increasing statutory responsibilities, rising demand, government policy changes and, for too many years, stubbornly low relative outcomes across several key indicators for residents.
- 1.2 Responding to this context, over the last four years, our approach has been to review how we work. The Council's transformation programme is predicated upon a less paternalistic relationship with residents. At the heart of the changes we have made, is our community and a recognition that it is residents who are the key to making the borough 'a place people are proud of and want to live, work, study and stay'.
- 1.3 That is why we have engaged with over 3000 residents to deliver a clear, and long-term vision for the borough, known as the Borough Manifesto. This has informed our Corporate Plan, which focuses on delivering these ambitions through the lens of 1) inclusive growth; (2) enabling greater independence and capability, and (3) participation and engagement. Core all three is a thriving VCSE and support individuals to help themselves.

- 1.4 Delivering better outcomes is a shared endeavour. Many local organisations, institutions, partners, and stakeholders are equally signed up to delivering the Borough Manifesto vision and aspirations.
- 1.5 From a service-delivery model aimed at ‘meeting needs’, our role is now to empower individuals, families and communities; enable them to grow their own skills and capabilities, and to shape and own the change ahead. In practice this means the Council acting as broker, investor, champion and the provider of those pivotal and uniquely public sector services that have the power to change lives for the better.
- 1.6 Barking and Dagenham has a proud heritage of community activism and VCSE groups are at the heart of this heritage. This culture of community, giving and sharing is juxtaposed against a high churn amongst the resident population, providing a much-needed anchor in times of change.
- 1.7 Within this context the Council is seeking to adopt a clear approach for our relationship with VCSE organisations which can embrace a more participatory direction and work with the sector. This strategy outlines the Council’s vision for supporting the local VCSE to improve outcomes and promote a thriving community.

2. **National and local landscape**

National landscape

- 2.1 Charity organisations are facing challenging times. Continued reductions in public funding, changes to commissioning, growing demand for services, the increased complexity of the issues that people face and, in some instances, dents to its reputation have all placed considerable strain on the sector.
- 2.2 Boundaries between the roles of the public sector, business and the voluntary and community sector are shifting with, notably, a rapidly growing social enterprise sector. According to Social Enterprise UK, there are 100,000 social enterprises in the UK, 25% of which are under three years old. The sector is now worth £60bn, representing 3% of UK GDP and 5% of the UK workforce (Social Enterprise UK, 2018).
- 2.3 Whilst a growing number of businesses adopt a ‘social’ lens, charities’ sense of identity is also in flux. According to New Philanthropy Capital (NPC), many leaders are ambivalent about describing themselves as ‘charities’ in the traditional sense. There is a shift to a language of ‘causes’, or ‘movements’, which are seen as catalysing support. For Charity Commission Chair Baroness Stowell, some of these changes suggest that the concept of the registered charity may not remain the primary vehicle through which people express their charitable instincts into the future (Baroness Stowell, 5 October 2018).
- 2.4 In this increasingly blurry landscape, the government’s Civil Society Strategy speaks of civil society in terms of activity rather than organisational form, i.e. “all individuals and organisations, when undertaking activities with the primary purpose of delivering social value, independent of state control” (Cabinet Office, 2018). This broad definition widens the group of stakeholders to include charities, public service mutuals and businesses with a primary social purpose. A slightly different approach is proposed in London Funders’ The Way Ahead: “civil society is where people take

action to improve their own lives or the lives of others and act where government or the private sector don't" (Srabani Sen OBE & associates, 2016). This definition includes voluntary and community organisations, informal groups and individuals but appears to exclude social enterprises.

- 2.5 Nevertheless, there is widespread agreement that the sector needs to evolve. The civil society futures report calls on everyone in the sector to adopt a shared pact, and to work with the market and the state to re-thread our social fabric, rebuild our democracy and respond to the challenges of a rapidly changing age. The report proposes four commitments that will help achieve this aim: from sharing more decision-making and control, to being more accountable to each other and future generations, and from broadening and deepening connections with people and communities to devoting the time and resources necessary to build trust (Unwin, 2018).

Local landscape

- 2.6 The council has conducted research and interviews to build a better understanding of the challenges and opportunities of the sector locally and beyond. This has helped to inform the development of the strategy, and included:

- an overview of the general trends in the VCSE sector nationally, as well as a comparative analysis of what is taking place in other boroughs, including other local giving models and approaches;
- research on groups' current approaches to fundraising, including with regard to crowdfunding and the local lottery;
- overview and analysis of Council's VCSE spend in 2017-18.

- 2.7 In addition, BDCVS were commissioned to conduct a research project into the role of VCSEs in achieving the Borough Manifesto outcomes, that runs parallel to this work - the funding for this was £41,000 (see Appendix 2 for summary or findings). The key observations/recommendations of this research include:

- The number of charities saying they are operating in B&D and those actually based (and therefore more likely to be providing services to residents and investing locally) in the borough needs to be understood through further research. This distinction has not been made historically, and an understanding is needed to build a more accurate picture of the sector.
- Not for profits in B&D seem to be smaller than their peers nationally and in London.
- Only 33% of charities are based in Barking with the majority based in Dagenham. Dagenham groups are more likely to operate from people's homes. Future meetings should perhaps therefore operate out of Coventry University to be more accessible, and Commission Watch meetings moved to the evening to support what appears to be more volunteer-led community action in Dagenham.
- Given the largest provision (after faith activities) is advice, information and advocacy there is opportunity for greater shared working with Community Solutions.
- Voluntary sector provision has not kept up to date with the demographic churn locally, with a low number of equalities-oriented organisations. BDCVS has filled this gap and may need to look at the reintroduction of an equalities forum for the sector.

- There are 593 CIOs, registered charities, industrial provident societies and CICs; and 27 other unincorporated organisations in the borough. This brings the total number of not for profit sector organisations at a minimum of 620. The largest sector is faith-based organisations, with an income of approximately £7.8 million. Non-faith-based charities represented an income of approximately £12.4 million.
- 2.8 Using a methodology that focuses on charities' area of benefit (AOB), the Centre for London calculates that there are approximately 0.7 charities active locally per 1000 population in Barking and Dagenham. This is, with Brent, Hounslow and Newham, one of the few boroughs that have less than one charity per 1,000 residents (Harrison-Evans, Rogers, Belcher, & Colthorpe, 2018).
- 2.9 By comparison, central London boroughs like Camden, Hackney and Westminster have between three and four times more charities per head of population that have at least some form of local activity. Albeit by a small margin, neighbouring boroughs' charity sectors still fare better than Barking and Dagenham, with just over 1 charity per 1,000 population in Redbridge, Havering, Bexley and Greenwich (Harrison-Evans et al. 2018).
- 2.10 The Barking & Dagenham VCSE sector also has a greater proportion of small charities, with an income of under £100,000. 76% of charities based in the borough have an income of less £100,000 and would be considered as micro and small scaled enterprises.
- 2.11 Some of the larger groups have developed their capacity and are delivering significant programmes with external funding from the Big Lottery, the Arts Council and other funders. Several independent funders such as City Bridge Trust however report low levels of funding locally.
- 2.12 With over £8.1 million distributed to local charities between 2012 and 2018, Big Lottery is by far the most significant external donor in Barking and Dagenham, with Sport England (£0.8 million) and City Bridge Trust (£0.6 million) following with smaller initiatives. However, there are considerable variations in the amounts raised from Big Lottery from year to year, and Barking and Dagenham lags behind most of its neighbours when it comes to attracting external funding from independent trusts and foundations.
- 2.13 The Council remains the largest funder of VCSE groups in Barking and Dagenham. Internal spend figures indicate that the Council commissions for approximately £8.2 million in charities and community interest companies (2017 estimates). In comparison, Tower Hamlets and Islington have issued contracts for a total value of £34M and £33.5M respectively, with just under half of this amount for Southwark (Figure 1). Whilst the likes of Islington, and Lewisham have grants budgets of £2.7M and £4.5M respectively, others such as Redbridge and Havering are more modest (£700k and 270k respectively).

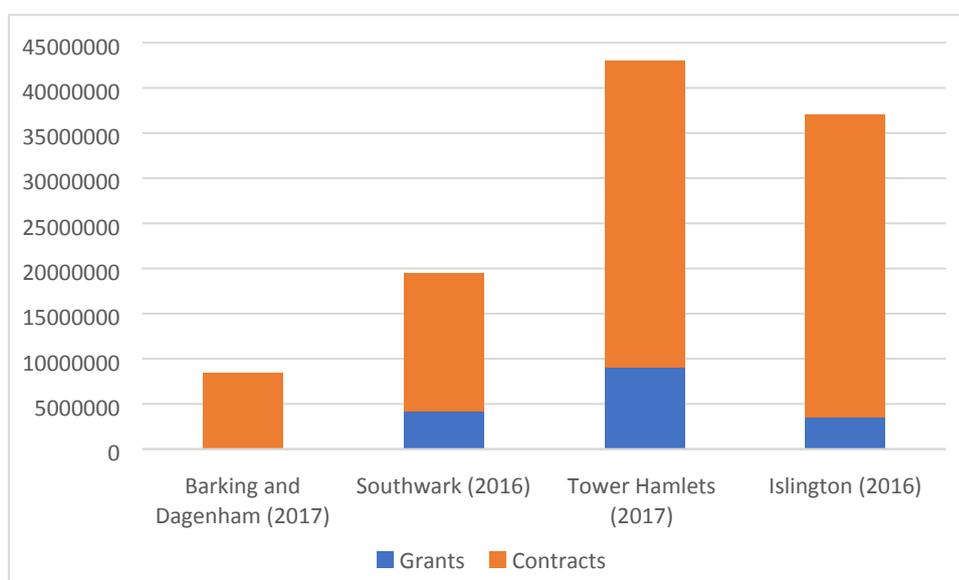


Figure 1 - LA's support to VCSE

2.14 Lower levels of volunteering are also reported in Barking and Dagenham than in the rest of England. In 2017, the LBBB Resident's Survey identified that just one in five (23%) residents had volunteered in the last 12 months, compared to the national average of 42%, although the London average is lower too. However, we know that residents do a significant amount of informal voluntary work, such as religious activity and unpaid care for others.

2.15 Within this context the VCSE sector in the borough is delivering a range of services to and with residents. These range from essential support for people with social care needs, through to information and signposting support across faith communities and the wider sector, to activities promoting healthy lifestyles, engaging with our communities through the arts and heritage, and local community groups such as tenants and residents' associations and uniformed organisations. All of these groups and activity make up the variety of the sector locally.

3. Steps taken to date

3.1 The approach taken by the Council has sought to create a favourable environment for VCSE organisations to grow, engage with residents and, in line with its new approach, to take an enabling role rather than the more traditional controlling and shaping role. A key element of this approach has been the establishment of the Participation and Engagement team to provide a point of contact for VCSE organisations, and lead on a number of strategic initiatives in the last two years, alongside colleagues in the Council and the sector locally.

3.2 The Participation and Engagement team's responsibilities have included strategic relationships with local VCSE organisations, including faith organisations, commissioning the infrastructure support and supporting the engagement of the Council where required, as well as developing bids for external funding. Efforts have also been made to develop relationships with external partners leading to investment both in VCSE organisations locally and support to the Barking and Dagenham Delivery Partnership (BDDP).

- 3.3 In April 2017, the Council launched a local crowdfunding platform with associated small grants fund. This was followed, in October 2017, with the launch of the first local lottery in London. Ongoing developments also include the involvement of residents in the procedure for allocating the Neighbourhood Community Infrastructure Levy (NCIL) spend.
- 3.4 'Every One Every Day', which has supported more than 2000 residents to date and attracted significant external funding. As part of the initiative, residents are invited to share ideas for projects and community businesses they would like to co-launch into their neighbourhoods. The project is being embedded in frontline council services and a warehouse for residents will be opening early 2019.
- 3.5 In addition, the Council has led on a wide range of engagement activities across the community including 'Big Conversation' events and focus groups, 'Human Library', the first community cohesion hackathon, 'Belief in Barking and Dagenham', etc. There are a number of other significant initiatives that have been developed over the last few years that also have or will support the development of VCSE organisations and resident engagement locally. These include:
- The development of Future Youth Zone by Onside, a voluntary sector partner, to support and engage our young people;
 - Commissioners procuring from and funding VCSE groups locally;
 - The support of the cultural partnership and range of initiatives in conjunction with VCSE organisations;
 - The adoption of the parks and open spaces strategy which embeds opportunities for working with VCSE groups as part of the delivery model;
 - The establishment of Barking Renew as a charity;
 - The ongoing tenders for services locally predominantly across social care
 - Ongoing support and engagement through BAD Youth forum, Flipside and other opportunities;
 - The Summer of Festival programme;
 - Ongoing developments of the Integration and Cohesion Strategy, the Faith Policy and the Participation and Engagement Strategy.

4. **Our approach**

- 4.1 This report recommends the adoption of the VCSE strategy from 2019-2023. The attached strategy (Appendix 4) is summarised below and seeks to support the VCSE sector locally.

Vision

- 4.2 We define the social sector as all individuals, groups and organisations that are in the pursuit of social change, with voluntary and community, social enterprises, charities and faith groups at its core (which we refer to as voluntary, community and social enterprise - VCSE), as well as individuals and funders. All have a role to play in the borough, and all contribute to a healthy and strong society, building on the passion, skills and expertise available locally.
- 4.3 This strategy champions a healthy, independent and influential VCSE working in our community for the benefit of all. Practically, our vision for a strong VCSE means there are many ways in which individuals' ideas, projects and concerns can

develop, flourish and be addressed. It means a dense network of organisations:

- shaping and delivering essential services and support;
- helping people grow in life and seize opportunities;
- and building a better future for everyone.

4.4 Three overarching goals aim to work towards achieving this vision:

- **Goal 1: Increasing participation:** We want participation to become part of everyday life. This means practical participation, e.g. people getting together in neighbourhoods; civic participation, e.g. through volunteering in the charitable sector and social enterprise; as well as participation in the design and production of services and putting individuals and organisations at the heart of shaping the very services they rely on or help to deliver.
- **Goal 2: Enabling and embedding relationships based on trust:** Critically, it also means supporting a more collaborative approach respecting all partners' contributions as equal and coming together to achieve more. We want to improve the way we can work across all organisations. This means drawing on data and expertise to make it easier for people to collaborate, as well as creating a climate of trust between stakeholders. This also means staying focused on outcomes and learning from failures, as well as being honest with each other.
- **Goal 3: Building the sector's capacity:** Our approach is two-fold: through reimagining how we can best partner with and support the VCSE across a range of initiatives, and through reshaping approaches to commissioning and giving locally. Practically, this goal looks at how we can increase the resources available for the sector, facilitate the sharing of time, skills and intelligence, and the sharing of building and spaces..

Feedback from the public consultation

- 4.5 A public consultation on the proposed strategy took place across December 2018 and January 2019, gathering a total of 48 responses. Responses to the consultation (See Appendix 1) indicate support to the proposed vision, with nearly 80% either agreeing or strongly agreeing with the proposed vision and no respondent disagreeing.
- 4.6 Responding to what are the most pressing needs of VCSE organisations, many respondents indicate the need to build relationships to enable collaboration and partnership, as well as to support small groups through education and information, and guidance. Other needs include access to funding and spaces and several respondents pointed to the need to feel and be valued by others, including by the Council.
- 4.7 The biggest assets of the sector include its people, workers and volunteers, their energy and passion, as well as their access to residents and the trust they have in the community. This gives them local knowledge and insights in residents' lives and experience. A small number also mentioned the buildings and equipment owned by VCSEs, hinting that these could sometimes be more efficiently used. These assets support the sector's request for more co-production in commissioning to ensure that solutions are rooted in needs in order to deliver better outcomes for residents.
- 4.8 The role of the social infrastructure support is seen as key in facilitating the

collaboration across the sector with partners, as well as in supporting the sector to attract more funding to the borough. These priorities have been reported in the draft strategy and will be embedded in the proposed social infrastructure support tender.

4.9 Other suggestions include:

- Opportunities for VCSE organisations to showcase what they are doing to the Council and other organisations
- Proposal to increase transparency on funding and commissioning opportunities, with information about what groups are being funded
- A collaborative platform where demand and offer could be matched together, and learning shared across organisations
- Better communication with the Council, e.g. through an online platform
- Surfacing and eroding assumptions and building a shared understanding of the value and contribution of VCSE organisations as a way to create solid partnerships and build trust

4.10 Where possible, these suggestions have been included in the strategy, either by reprioritising existing actions to give more weight to those supported by the consultation or by adding new actions that can realistically be achieved in the lifespan of the strategy.

5. **Social infrastructure and local giving model**

5.1 There are multiple ways in which the local ecosystem can be shifted to better support the development of a thriving VCSE sector; and stronger outcomes for residents. Part of this response will be formed through our commissioning of social infrastructure support and existing local giving models. However, for the full potential of a new culture of collaborating, supporting residents and giving to be realised, connections and delivering of opportunities will be actively built. To deliver the practical relationships these exchanges are based on, we need to broker new relationships, and champion the excellent work happening locally.

5.2 The approach proposes a more collaborative and creative way of supporting residents with VCSE partners, whilst continuing to recognise the vital services that are part of the fabric of our community. In order to do this we are seeking to continue to build on the approach taken to date, which has included: supporting the sector through the contract for social infrastructure support; the establishment of the Participation and Engagement team within the council; the development of crowdfunding, local lottery and more recently the NCIL grants programme; coordination of funding bids that benefit residents; working with frontline services across partners to support residents (e.g. Community Solutions and Care and Support); and using assets to support the sector where appropriate.

5.3 In addition, there are a great variety of initiatives to community development and VCSE support operating in Barking and Dagenham currently. These include:

- North meets South Big Local in Marks Gate;
- The Thames View Community Project, funded by the Big Lottery over three years, looking to establish a local community development trust;
- BDCVS – supporting charities and wider VCSEs;
- Barking Enterprise Centre – supporting businesses, some of whom have a

community focus;

- Every One Every Day – providing the infrastructure for and supporting residents to develop their own projects;
- Theme- and group-based capacity building programmes such as Creative Barking and Dagenham and Future (Youth Zone).

5.4 These initiatives provide essential support to the sector locally and the council is committed to engaging with and supporting wherever possible, whilst recognising that we are not the key funder of most of these initiatives. In part, this again demonstrates the approach that the Council is seeking to take in collaborating with and where possible enabling the support of the breadth of opportunities operating within the borough.

5.5 Within this context the Council is proposing two specific actions:

- I. The ongoing development of a local giving model
- II. A social infrastructure support tender for the sector which will support the VCSE sector locally (see section 6 below)

Emerging local giving model

5.6 With regard to the local giving model, unlike other boroughs, our VCSE sector cannot rely on historic endowments. A classic example are the endowed foundations, that have been in existence for centuries of the likes of Cripplegate Foundation in Islington, or United St Saviour's Charity in Southwark, or City Bridge Trust, which works across London. Further details on these models are included in the appendix of the VCSE strategy.

5.7 The existence of assets such as endowed foundations in certain boroughs makes a big difference as it provides VCSEs with a safety net during economic hardships, allowing them to continue to operate when they are most needed.

5.8 More could be done to strengthen the sector as they seek to work with us to meet the ambitious goals of the Borough Manifesto. This means diversifying and increasing the amount of resources channelled to the sector, as well as encouraging and supporting individuals and voluntary groups who want to drive change locally.

5.9 The potential of a resident- and community-led local giving model in Barking and Dagenham seeking to harness the collective financial and nonfinancial resources is being developed.

5.10 As it evolves it currently includes BD Lottery and Crowdfunding (see Appendix 3 for a report as of 31 December 2018), alongside work taking place in the Voluntary and Community sector, and that which potentially can be explored with other private and public sector partners. The NCIL grant funding allocation forms another element of this model and could potentially support other elements of the programme such as the Crowdfunding match funding pot. The NCIL allocation endowment forms another element of this model. The possibilities for linking all of this to a community-led local giving model is built into the approach. These initiatives are being used to influence the culture of community funding in Barking and Dagenham within a challenging fiscal environment.

- 5.11 Ongoing developments also include agreement for the NCIL to be used to support a VCSE grants fund to ensure that residents benefit from the regeneration in the borough. As part of these developments, Cabinet agreed on the 16th October 2018 to use NCIL to create an endowment, which would fund community projects long term. The creation of an endowment is dependent on the overall amount of NCIL generated year on year, to enable an adequate level of income which could be used to fund projects. The projections on the level of funding required are being established and work will continue with the sector and partners to develop the endowment as part of the overall model.
- 5.12 It is now proposed that in support of this development that the remaining Crowdfunding budget, which was established in 2017, is ringfenced for 2019-2021. The funding, which will be confirmed at the 31st March 2019, will be secured to continue to support both the contract with Crowdfunder UK to support the platform and the match funding small grants fund.
- 5.13 The possibility of a local civil society infrastructure group or charity in the borough with grant giving powers administering a local endowment, taking in income generated by NCIL, BD Lottery and match funding for crowdfunding projects will be explored over the next twelve months. The decision-making board of any such organisation controlling local giving funding could have representation from the largest borough-based charities. The development of this model is being incorporated into the recommended social infrastructure contract in conjunction with the Council and partners.

6. **Options for the social infrastructure tender**

- 6.1. VCSE organisations locally have been supported through a contract with Barking and Dagenham Council for Voluntary Service (BDCVS) and the additional resource they bring in. The ongoing budget available is £100,000 per annum. In addition, in 2010 the Council transferred the Ripple Centre to BDCVS following refurbishment under a 25 years lease. The refurbishment was funded by the London Development Agency, Big Lottery and the Council. This is a resource that generates income to support capacity building work with VCSE organisations locally.
- 6.2. The contract with for Social infrastructure support was openly tendered in 2012 and awarded to BDCVS. The delivery starting in April 2013 for a period of four years. In April 2017, a waiver was written to allow BDCVS to continue delivering at a reduced rate, i.e. £48,000 for the period 2017-2018.
- 6.3. Currently a budget of £100,000 is available for commissioning services to strengthen VCSE organisations in Barking and Dagenham. Cabinet is asked to consider the following options, with the recommendation that Option 4 is chosen:

OPTION 1: REMOVE ALL FUNDING AND MAKE SAVING

- 6.4. The benefits of this approach could be a more open dialogue with VCSE organisations, shifting away from what could be considered as a 'representation' model. This would also potentially allow the resource to be allocated to delivery of services within the sector, through returning to general budgets.

- 6.5. However, the local VCSE sector is changing and developing and the borough manifesto recognises the importance role of the VCSE sector locally in achieving our 20-year vision. Removing all support could destabilise the sector locally and increase council staff time dedicated to convening sector conversations. Therefore, more resource may be required elsewhere to compensate for this and it is unlikely to be a saving in its truest sense.

OPTION 2: HALVE FUNDING TO SECTOR AND ALLOCATE REST TO A DEDICATED VCSE FUNDING OFFICER IN PARTICIPATION AND ENGAGEMENT TEAM

- 6.6. Continuing to fund the existing infrastructure support contractor at half the current rate would allow them to retain one member of core staff, to provide single point of contact as an advocate, and convenor.
- 6.7. In compliment to this, this option could allow for a new post internal to the Council. A dedicated funding officer could capitalise on internal relationships and resources to ensure integrated bids with strong evaluation methodologies, appealing to funders.

OPTION 3: INVEST RESOURCE INTO A LAB

- 6.8. Our local VCSE ecosystem does a huge amount to deliver prevention day to day. However, its ability to evidence this is not at the standard required for public authorities to be held accountable for shifting spend upstream at a time of extreme resource scarcity.
- 6.9. Urban laboratories have become increasingly popular to generate 'innovation'. By bringing systems thinking; capacity for co-production; and strong evaluation methods to service redesign they can accelerate growth in the VCSE and increase readiness for commissioning and social investment.
- 6.10. A Lab could focus on Borough Manifesto issues, bringing different groups together to make informed interventions; bring together system-wide actors (e.g. in case of DV: victim, perpetrator, VCSE partners, agents from across the authority and wider public sector) to map systemic inter-dependencies, and co-produce collaborative interventions. The Lab could also develop a methodology to demonstrate how ecosystem change might deliver financial savings across the local public sector and become self-sustaining through leveraging a percentage of commissions/investment from partner organisations when commissioned elsewhere.

OPTION 4 (PREFERRED OPTION): COMMISSION A VCSE ORGANISATION TO DELIVER THE SOCIAL INFRASTRUCTURE SUPPORT AND A LOCAL GIVING MODEL

- 6.11. There are multiple ways in which the local ecosystem can be shifted to better support the development of a thriving VCSE; and stronger outcomes for residents. Much of this involves closer working between public, private, and civic institutions in order to enable resident participation and wellbeing and to achieve the Borough Manifesto targets.
- 6.12. We propose the commissioning of a social infrastructure contract to lead the step

change that is required locally across the VCSE sector. The responsibilities of this commissioned organisation would respond to two aims.

A) Lead the VCSE sector to creatively address local challenges. This will include:

- Facilitating the collaboration of the sector with partners to support inclusive growth and the Borough Manifesto
- Supporting the sector in attracting more funding to Barking and Dagenham to support the outcomes in the Borough Manifesto
- Developing mechanisms to support aspirational contributions from business to the local endowment
- Supporting a measurable increase in participation and volunteering
- Representing and convening the sector
- Building the capacity of small groups

B) Develop, in conjunction with the Council and partners, a local giving model and brand over the coming year, which

- Establishes a governance mechanism for a potential endowment, from the Council, to be invested in the VCSE sector
- Manages crowdfunding and the local lottery
- Runs the NCIL grants administration and panel

6.13. The benefits of this approach are that it strengthens VCSE organisations through collaboration and creates a vehicle for investment; retains a strong convenor/single point of contact for the Council to engage with; and a focus on Borough Manifesto Targets will focus efforts of the local sector to achieve change on our core indexes.

7. **Public consultation**

7.1 The ideas and plan laid out in this strategy are the product of ongoing engagement from the council's Participation and Engagement Team, through focus groups, 1-1 conversations, discussions with other places on best practices on VCSE, and feedback from a range of stakeholders and VCSE actors locally. The direction proposed in this document was also discussed with key commissioning directors and services within and outside the Council, including Inclusive Growth, Social Care, My Place, Procurement and Community Solutions.

7.2 In addition, this strategy builds on a number of other pieces of research and consultation, including:

- In-depth qualitative work commissioned to the BDCVS with local voluntary and community groups on the future of the sector;
- A four-weeks public online consultation;
- Three public workshop sessions organised on 13 and 17 December in Dagenham Library, the Salvation Army (Barking) and BDCVS on 3 January.

8. **Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager Service Finance

8.1 The proposal recommended to commission a VCSE organisation to deliver the social infrastructure support and a local giving model will be funded by the existing

revenue budget of £100k over the next four years.

- 8.2 The surplus remaining in the ring-fenced crowdfunding reserve fund will be used to pay for the contract with Crowdfunder UK outlined in the Option 4 proposal and also to award grants to VCSE organisations that meet the criteria.

9. **Legal Implications**

Implications completed by: Jonathan Bradshaw, Solicitor

- 9.1 The proposal appears to be compliant with both the Public Contract Regulations (Light Touch) and with the Council's own Rules.
- 9.2 There is no statement about the possible TUPE implications, but the Legal Section can advise on this as required.
- 9.3 In the circumstances, there is no reason not to proceed.

10. **Procurement implications**

Implications completed by: Euan Beales, Head of Procurement and Accounts Payable

- 10.1 The report is recommending an open market tender, which should result in the Council achieving value for money through the element of competition.
- 10.2 The contract value has been capped to a maximum of £400k, which is below the current EU Threshold under the Light Touch Regime, and as such can be conducted without having to comply with the full weight of the legislation but will still need to comply with being an open, fair and transparent process.
- 10.3 Based on the detail contained within the report I cannot see any reason not to approve the recommendations as set out in this report.

11. **Other Implications**

- 11.1 **Customer Impact and engagement** – The VCSE sector is key to working and supporting residents across the borough including those with protected characteristics. We will ensure that all actions recommended are weighed against their impact on residents with protected characteristics in accordance with the borough's Equalities and Diversity strategy and the public sector equalities duty. An equalities impact assessment will be made as part of this process.
- 11.2 **Health implications (completed by Fiona Wright, Consultant in Public Health) -** Developing and strengthening the social infrastructure service and local giving model to support the local Voluntary Community and Social Enterprise (VCSE) groups is very welcome and is essential to improve health outcomes and wider determinants of health (e.g. employment, housing) as outlined in the Borough Manifesto. This approach is also key to the delivery of the Joint Health and Wellbeing Strategy (themes of Best Start in Life, Early Diagnosis and Intervention, Building Individual and Community Resilience). It would be important that support of the sector is aligned with the delivery of both of these documents. It will also be

essential that in collaboration with the VCSE there is a focus on appropriate targeting, not only of “protected characteristics” but low-income groups and vulnerable groups (e.g. those with severe and enduring mental health issues, victims of domestic violence) in the development of the VCSE and associated programmes. The equality impact assessment could be a helpful tool to facilitate this.

Public Background Papers used in the preparation of the report: None

List of Appendices:

- **Appendix 1** – Summary of the responses to the consultation on the proposed VCSE strategy
- **Appendix 2** – Report on sector from BDCVS
- **Appendix 3** - Update on crowdfunding and the local lottery
- **Appendix 4** - Participation and Partnerships: A strategy for strengthening the voluntary, community and social enterprise sector in Barking & Dagenham
- **Appendix 5** - Equalities Impact Assessment

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Summary of the responses to the consultation on the proposed VCSE strategy

QUESTION 1

Which term best describes for you those that are in the pursuit of social change?

- Most respondent (67%) prefer the use of VCSE or VCS to talk about the sector, as opposed to civil society (19%)

QUESTION 2

What do you think are the three main needs of the VCSE sector locally to achieve the ambitions laid out in the Borough Manifesto?

- **Build relationships** to enable collaboration and (equal) partnership working. This needs time and structured planned engagement, networking and communication, e.g. through events
- **Capacity building:** Education, advice and guidance for small CICs and charities
- **Support:** access to funding and spaces
- **Recognition:** Sector needs to feel and be valued

QUESTION 3

What do you think are the three main strengths of the VCSE locally?

- **People:** Volunteers, workers with energy and passion
- **Access and trust** from the community
- **Local knowledge:** insights into residents' lives and experience in delivering in the area
- **Physical assets:** Buildings and equipment

"I love volunteering, I can't understand why more people don't do it"

"The resources (people, ideas, money, social capital, fun and other things that can't be measured but make life better) they bring."

Question 4

What infrastructure is needed to best support the VCSE locally?

Facilitating the collaboration across the sector with partners	25.46%
Supporting the sector to attract more funding to the borough	21.66%
Building support for small groups	16.17%
Supporting a measurable increase in participation and volunteering	14.06%
Developing mechanisms to support contributions from business	11.39%
Representing and convening the sector	11.25%

Other suggestions:

Action: Carry out a mapping exercise to categorise and group organisations which have similar objectives together across sectors (public, private and third)

Question 5

Outline three practical ideas that could increase collaboration and trust among VCSE organisations, the Council, and partners?

Top suggestions:

- **Engagement:** There is a need for organisations to be able to demonstrate what they do (e.g. through a volunteer fair)
- **Fairness:** Organisations want to be treated equally. Suggestions to increase transparency on B&D funding opportunities with information about who gets what, who does what, and what is in the pipeline.
- **Platform:** Collaboration could be facilitated through platform / collaborative space where organisations would be matched together and find collaborators. Or supporting a local, inclusive, peer-led network for the sector to facilitate sharing/learning and collaboration
- **Communication:** A better way to communicate with local government. Clear lines of communication with contacts of named key individuals. But also, to communicate successes in working together. This could be a social media page for all.
- **Trust:** Surfacing and eroding assumptions about the VCSE and rebuilding a shared understanding of the value and contribution of VCSE as a way to create solid partnerships. Request for more council departments to be engaged with cooperating with VCSEs and valuing VCSEs as assets

Question 6

How should commissioning evolve to deliver better outcomes for residents?

Services should be co-produced with local VCSE organisations	31.64%
Commissioners should favour outcome-based evaluation frameworks	21.90%
Local VCSE organisations should be favoured in commissioning	19.69%
The Council should introduce an ambitious social value policy	16.81%
Other	9.96%

Other suggestions:

Involve VCSE organisations before the commissions are put out to tender so that the shaping of the commissions can be more of a conversation based around need than responding to an "after the fact" idea

QUESTION 7

To what extent do you agree or disagree with the proposed vision for the VCSE sector?

- 79% of respondents either strongly agree or agree with the proposed vision. No respondent disagrees

QUESTION 8

Comments on goal 1: Building capacity

- "I think much has been accomplished over the last few years, but I feel much has sat within the Council rather than been initiated/developed by the sector. I believe this is because we have been weak in leadership and the focus has been on 'campaigning against' rather than developing the very initiatives outlined above (...)

The VCSE offers a nimble and responsive environment - but needs to change to have a positive, solution focused mindset.”

- “I disagree. Collaboration is good and sometimes a requirement for big ideas with big funding and infrastructure. But it isn't the priority you desire. Capacity and success emerge when people feel enabled. Collaboration can act as a brake.”
- “I also think it would be beneficial for LBBD to have a direct relationship with smaller community groups, rather than devolving this relationship to/ bigger organisations like Creative Barking and Dagenham, ComSol, Studio 3 Arts, Every One Every Day.”
- “The Council needs to offer a balance of funding opportunities; this portfolio places an unsustainable emphasis on small grants and 'direct democracy' approaches, favouring projects that are appealing to the public. These opportunities do not lend themselves to more significant interventions, working in the less popular areas of deprivation on issues that are as 'publicisable' as other projects. Additionally, these funding streams do not require as much accountability in delivery, ensuring that the work delivered is robust and meaningful. NCIL resident panels is an exciting idea, but those residents should be trained and working within a framework to ensure money is spent wisely and evenly. The actions for this goal need dates of completion, and more detailed targets to be held to account.”

QUESTION 9

Comments on goal 2: Increasing participation

- “We need to always keep in mind that civic participation is a sliding scale and that paramount to the success of a participation model is a strong referral and signposting network and a sector with a strong understanding of the opportunities available in the borough and beyond.”
- “We don't think participation is fully understood locally, as it might mean to many people 'doing something for nothing' in order people to participate on something, they must first feel belong, valued and care about the cause, so they can take something away. one way to increase participation is volunteering, again some people think it's something unemployed and retired people do, so this mindset needs to be changed and people in work and in positions must volunteer in the community to engage, connect and offer their support within the neighbourhoods to promote shared values.”
- “Participatory City and EOED are great here... keep an eye on the decision making of residents vs decision making in the organisation...”
- “This is great, I see it as connecting people just for the sake
- of it and it's the right thing to do as it helps build social capital. I think that participation might not be enough, it also requires democracy (are our public and private institutions democratic?)”

QUESTION 10

Comments on goal 3: Enabling relationships based on trust

- “Good projects and orgs should be recognised and celebrated but shouldn't be given priority or special treatment. Projects should be funded according to the achieved outcomes. Strong relationships and networks are important, but transparency and fairness are paramount.”
- “Totally agree again - however, I do think it would be good to also talk about learning from practice. It's important to create a culture of trust where it's ok to get things wrong as long as we learn from them. We don't want to be so evidence

based that we never try anything new and risk giving people the chance to try something.”

- “We can and should be embedding participatory decision-making and commissioning more as part of this goal.”
- “It would be very good if we had better collaboration with the Council. I spend a lot of my time emailing and writing to various departments and it takes an age to get information back. It would be excellent if we had a short cut.”
- “We share collaboration across sectors is important, however we feel honesty is key to this, organisations (the council and others) must share information and be honest about the need, outputs and aimed outcomes in equal footing. also, we find often organisations are valued according to their turnover and not their expertise and knowledge about an issue. the council and partners must review old ways of partnering and collaborating with the VCSE.”
- “Actions for this goal require greater detail. "Compact is adopted" - by whom? How many VCS organisations, and when by?”

VCSE Strategy Headline Analysis from BDCVS

- There are 593 CIOs, registered charities, industrial provident societies and CICs
- 27 other unincorporated organisations (drawn from BDCVS database)
- Total number of **not for profit sector organisations minimum of 620**
- 1% of all organisations in the borough are charities
- CICs are a growth area, the next highest neighbouring comparator is Waltham Forest where there are 88 (B&D has 53) This suggests that increasingly more people are looking at working in the charitable sector as an income opportunity
- To understand the real impact (social and fiscal) of the sector, a distinction needs to be drawn between agencies who state they are working in the borough and those based in the borough 276 in the borough (44% of those officially registered to operate according to the Charity Commission)
- New agencies stating that they are working in the borough tend not to be based in the borough
- The largest sectors identified (excluding general charitable purposes) are Education and Training and Religious. Closer analysis of Education and Training suggests that this is more geared towards a broad definition of education, and are more likely to be geared towards children and young people, (reflected in the largest beneficiary group identified as being children and young people) as opposed to adult learners and accredited training
- The largest cohort of charities working in Education and Training, have an income of between £25,000 -£100,000 (26%) Only 15% of charities working in the sector have an income of over £100,001
- The smallest and least developed sector is environment
- The largest beneficiary groups (apart from General Mankind) are children and young people, older people and people with disabilities
- 51% of Barking and Dagenham charities working with young people have an income of between £10,000 and £100,000 (32% have an income of under £10,000)
- The smallest beneficiary group are agencies that work with racial origin and human rights
- The largest type of provision is advice, advocacy and information
- Advice and information has the largest number of non-religious charities in the borough with 53% having an income of between £10,000 - £100,000. 21% having an income of between £100,001 and £1,000,000. Collectively the advice, information sector had an income during 2017/18 of £8,230,534
- The three largest charities in the borough are Singh Sabha London East with an income of £1,385,152, followed by the Resurrection Life Centre (£1,315,716), Lifeline (£1,057,269) then Riverside Church, VPA, both all with an income of just under £1,000,000.
- The largest non-religious charity in the borough is Barking & Dagenham Carers £769,753 followed by Studio 3 Arts £666,579, then Independent Living Agency (644,196) and then the CAB (£601,220)
- There are at least 50 charities that provide grants to organisations and individuals that operate, but are not based in the borough
- 18% of all charities operating in the borough also operate internationally, mostly in the African subcontinent
- 76% of charities based in the borough have an income of less £100,000 and would be considered as micro and small scaled enterprises
- Only 33% of charities based in the borough are based in Barking, the overwhelming majority are based in Dagenham

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Local Giving Model Update

1. B& D Lottery.

Lotteries have long been a way of smaller organisations raising income, regulated by the Gambling Act 2005. Society lotteries are promoted for the benefit of a non-commercial society. A society is non-commercial if it is established and conducted:

- For charitable purposes;
- For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity;
- For any other non-commercial purpose other than that of private gain.

Local lotteries also provide residents with the ability to choose the good causes they want to support. Supporters can sign up to support the overall Lottery or an individual good cause.

In response to some of the opportunities and challenges faced by VCSE organisations in Barking and Dagenham and as a means of engaging residents with local charities the B&D Lottery was launched on the 21st October 2017. Residents can either support the overall B&D Lottery or an individual registered good cause.

The amount the lottery is raising for good causes fluctuates from week to week, as new players sign up, and existing direct debits end. At the time of writing this report, the BD Lottery was selling 759 tickets per week (09 January 2019) and has raised £26,562 for Good Causes since October 2017, and 35 good causes are signed up.

The income that Good Causes raise from ticket sales is paid directly to them monthly. Since the first draw in October 2017, good causes have already received £7,687 directly in payments, the £14,617.40 which is generated from generic LBBD tickets and 10p from every good cause ticket sold has created a Community fund, which was split equally between all good causes selling 20+ tickets per week by 20 October 2018, this resulted in 11 of the good causes each receiving £900.

BD Lottery Community Fund

Barking and Dagenham Council is effectively registered as a good cause group. The pot of money generated for the Council is referred to as the Barking and Dagenham Community Fund Pot. This pot of money is formed by:

- Ticket sales that are not dedicated to a specific good cause – in this instance the BD Community Fund receives 60p of every £1 generated.
- 10p of every £1 ticket bought for other specific good cause groups.

An average of 705 tickets per week between October '17 and October '18. The Barking and Dagenham Community Fund Pot has generated an income of £14,600 in its first year to the end October 2018 which includes covering all set up and marketing costs.

The amount in the Community pot increases and decreases based on ticket sales per week.

Superdraws

In order to increase ticket sales Superdraws are organised.

Two Christmas Superdraws and one Summer Superdraw have been held. Prizes have been donated to the Superdraws in two ways: either as prizes or money from contractors to buy prizes. Over £3,500 has been donated in cash and prizes over the three Superdraws.

The Summer Superdraw had more of an impact on sustained ticket sales than the Christmas draws, so moving forward it is proposed to remove the Christmas draw which has proven to be less effective in increasing sales and replace it with one earlier in the year to see if this increases and sustains ticket sales over the longer term.

Superdraw Date	Donation Amounts/ Prizes	Ticket sales before promotion	Promotion type/ costs	Ticket sales after promotion
Christmas Superdraw 2017 (16/12/17)	<ul style="list-style-type: none"> • 1 family ticket for Cinderella at The Broadway Barking • 2 VIP tickets to watch a Dagenham and Redbridge football match plus dinner and bar waitress service • A meal for 2 at Pipe Major 	597 tickets sold	No cost social media promotion, internal staff briefing, One Borough News letter	606 tickets sold
Summer Superdraw 2018	<ul style="list-style-type: none"> • £1,500 donated by United Living and £200 donated by a smaller contractor this covered all prize costs which were • 2 x £600 haven Holiday vouchers • 5 x £100 Asda vouchers 	704 tickets sold	£250 Facebook post boosts as well as no cost social media promotion internal staff briefing, One Borough News letter	931 tickets sold
Christmas Superdraw 2018 (15/12/18)	<ul style="list-style-type: none"> • £1000 donated by RNB Builders which covered cost of (PlayStation 4 bundle, 2 x £300 All4one vouchers, £100 Asda voucher) • £250 Amazon Voucher donated by GreenTherm 	819 tickets sold	£250 Facebook post boosts, as well as no cost social media promotion	859 tickets sold

	<ul style="list-style-type: none"> • 1 year membership to Everyone Active gyms • Spa voucher for 1-hour treatment at Everyone Active gym • 1 family ticket to watch Beauty and the Beast at Broadway theatre Barking 		internal staff briefing, One Borough News letter	
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The Community Fund pot was shared between all B&D lottery good cause that were selling 20+ tickets per week by 20 October 2018, were paid in mid-November. 11 groups received £900 each, and we gathered 5 of these groups together for a photo call with the Cabinet Member for Community Leadership & Engagement. The press release was then sent out on the 27th November to coincide with National Giving Tuesday to boost the profile of the lottery, the local good causes and help to raise ticket sales.

Moving forward

One of the key learnings from the first 15 months is the timing of Superdraws to increase ticket sales. This learning is mirrored in other local lotteries across the country, where experience demonstrates a slump in ticket sales after the Christmas period, and so a boost in promotional activity has been planned for the new year to try and mitigate this.

In other areas the local lottery is being run by the local infrastructure organisation, and this could be considered as part of the local giving model moving forward.

Additional activity will take place in the spring of 2019 to continue to increase the number of Good Causes groups registered with the lottery and to support them to maximise their ticket sales.

2. Crowdfunding what has been achieved since April 2017

LBBB launched its crowdfunding platform and small grants match funding pot on 5 April 2017 which was well received by the 40 local VCS groups who were in attendance.

Since then, the Participation and Engagement team, Crowdfunder UK and BDCVS have been working to support local groups to develop crowdfunding campaigns, working closely with the council's Communication's team. As this has been a step change for the sector there has been a relatively slow take up and considerable support has been required. To help, simplified check-lists and paperwork have been developed for groups to aid them in the matchfunding process.

Projects eligible for, and who choose to apply for matchfunding from the Council are considered once their project has reached 25% of their proposed target. Not all campaigns

on the main site are applicable or of interest to LBBB, and therefore may not be hosted on the local site. Organisations that are eligible to apply for LBBB matchfund must:

- be community and voluntary organisation, not for profit company, registered charity, or constituted organisation operating in Barking and Dagenham
- have a project that is borough based and benefit people who work or live in the Borough, be inclusive and accessible to everyone in regard to equality and diversity and have a strong local support shown through a vibrant crowdfunding campaign.

The table below outlines the successful projects to date:

	Project description	Project Target	Matchfunding	Other Funding	Funding total
Company Drinks	Install a community training and production kitchen Renovate the pavilion and its large social space Upgrade the green outdoor space.	£12,500	£2,347	N/A	£15,000
Arc Theatre	Arc's interactive drama workshops taught online safety to 1,800 primary schoolchildren, providing them with skills for a safer future	£6,480	£3,240	£3,240 Santander	£9,444
Hopewell School	Raising money to take a small group of disadvantaged children with additional needs on a residential two day adventure/orienteering	£1,000	£500	N/A	£2,023
Barking Enterprise Centre	Barking Enterprise Centre CIC developed a network which supports people aged 16-28 to be part of a Young Entrepreneurs Network.	£4,320	£2,160	£2,160 Santander	£7,265
Outside Project	LGBTQI forum to run alongside the LGBTQI homeless shelter from Oct 17 – Apr 18	£21,000	£10,000	N/A	£21,000
Wellgate Community Farm	Will transform an abandoned site in Marks Gate back into thriving community allotments.	£3,000	£1,500	N/A	£3,055

Lifeline Community Projects	A group of excited students headed on an adventure of a lifetime, as they switch Dagenham for Freetown in a life-changing culture swap.	£12,000	£6,000	N/A	£12,079
Studio 3 Arts/Carter Productions	Sharlene created 55-minute hip hop dance theatre piece, <i>My Journey</i> , that addresses the stigmatisation of disability in society, she touched on her experiences dealing with local councils, the NHS & social care workers and how the relationship between a mother and daughter changes when the parent becomes disabled	£6,000	£3,000	n/a	£6,740
Wellgate Community Parents Forum	Coach trip to Walton on the Naze for families in the Marks Gate and Chadwell Heath communities (London Borough of Barking and Dagenham) who find it difficult to pay for a day out. £250 was needed for the 2 nd coach to take the families there and back. We have already secured funding for the first coach but there are many more families pleading for an opportunity to experience the seaside.	£250	£125	N/A	£315
Love where you live Valence Park	A park the people of Valence can love – a place to play for all the family.	£6,000	£3,000	N/A	£6,021
I am Focused	Educating and empowering challenging and vulnerable young people about the benefits and importance of good physical and mental health	£12,000	£6,000	N/A	£12,000

There have been, and currently are projects on the site which have received little or no support from the Crowd. Two factors clearly contribute to this:

- The promotional material developed for the site by the organisation
- The effort that the organisation puts into promoting the project

Additional Funding

In addition to the funding that is being drawn in to the borough through the platform, is the Santander Change Maker Fund.

This fund is aimed at helping social enterprises, small charities and community groups to deliver projects in the UK to create innovative solutions to improve communities. The Changemaker Fund has been created to support projects that help disadvantaged people to have greater confidence in their futures by building skills and knowledge or ideas that help communities prosper.

Santander has made available £200,000 to support changemakers who turn to the crowd to make great ideas happen and so far, this year Santander have funded 2 LBBB projects a total of £5,390 via the Crowdfunder platform which would not have been available otherwise.

Changes to the Crowdfunding process

Since launching the platform, the following changes have been made:

Flexible fund- When the platform was initially established, projects could only apply for matchfunding from the Council if they had set an 'all or nothing' goal. This meant that the project had to achieve 100% of its funding target to receive matchfunding that has been pledged from the Council. Subsequently, in light of some of the challenges that groups are facing it was agreed with BDCVS that the Council would consider matchfunding on the 'flexible fund' basis as well as an 'all or nothing' basis, meaning that the organisation will get to keep what was raised from the crowd however the "all or nothing rule still applies to the matchfunding money if they do not hit the full project total then they will not receive any of the LBBB matchfund money.

- The way the matchfunding panel works - Initially intended to meet face to face with regular dates, however due to the sporadic nature of when applications need consideration and the tight window for decisions. Emails are sent as and when projects that have applied for LBBB Matchfunding reach 25% of their targets and the panel are given 3 days for any questions and 1 week to make a final decision.

Crowdfunding as a means of fundraising presents some challenges for groups. This is not unique to Barking and Dagenham. The table below compares three areas that are using the Crowdfunder UK platform

Comparison table

Borough	Number of projects year 1	Number of supporters	Total matchfund pledged	Total raised
LBBB	5	391	£18,247	£39,732
Wigan	7	284	£5,000	£37,786

Derby	5	108	£2,425	£11,138
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Challenges

The challenges in adapting to using Crowdfunding as a mechanism for fund raising for VCS organisations are:

1. Not having the capacity or social media skills to run a successful crowdfunding campaign. Projects go live that are then not promoted enough which means they do not get the support of the crowd. Crowdfunder UK says that every 20 shares on social media will turn into 1 pledge. The LBBD Communications team will promote projects once they have hit 25% of their project total.

When groups first approach, they are provided with guidelines and talked through step by step details on how to crowdfund. It is highlighted that they should start marketing even before the project goes live and have a pool of backers ready for launch day. They are also advised to talk to other groups that have previously crowdfunded for a first-hand account of what works what doesn't and how much work is involved. Some of the organisations that have ran successful campaigns have said that the marketing of the projects is time consuming and a lot of hard work, some also said that they felt like they were always hassling friends and family for money and that they would not chose this method of funding in the future.

2. There is a fear from some organisations about going live with projects as it is so public, and they feel that if it fails everyone sees this.

Other Platforms

There are currently several other platforms. One of the more successful is Spacehive, Spacehive is a funding platform which specializes in projects that make local places better: from sprucing up a local park, or holding a community festival, to reviving a dis-used building.

Spacehive only works with the all-or-nothing funding model, which means that if you don't hit your target none of the pledges are collected. They have partnered with the Mayor of London where projects can pitch their project ideas and can gain funding up to £50k. The Mayor of London fund has currently backed 85 successful projects and has pledged £3,297,541.

Reflections

Crowdfunding in general seems to be a platform that takes time to build and for organisation to gain confidence in. The more local groups see other organisations in the borough raising money and generating interest in their projects the trust they will have in Crowdfunding as an opportunity for them.

Crowdfunding seems to work best for youth organisations or organisations with the skills and volunteers to help with the campaigning on social media. Videos seem to help generate interest in the project, however they can also put people off if they are too long or not captivating and relevant.

To help support organisations with the set-up of their project page the Council currently offers face to face advice, Crowdfunder UK also offer online or telephone support to help with project pages, social media and advice on videos. To try to support the growth of the platform and to support groups new to crowdfunding The Participation and Engagement team are holding a workshop in January 2019 run by Crowdfunder UK at The Sue Bramley Centre where organisations will get face to face advice and tips. Additionally, there is the offer for organisations to receive general social media training.

The Crowdfunder UK guides are great but are not always utilised by groups. Organisations are also encouraged to speak to the Crowdfunder UK coaches for advice and for them to look over the project before it goes live.

Participation & Partnerships

A strategy for strengthening the voluntary, community and social enterprise sector in Barking & Dagenham

Version 06 February 2019

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1. Introduction

We believe that it is our community that makes Barking and Dagenham a great place, and it is our community that is key to making the borough a place people are proud of. That is why we celebrate all those who, driven by a love for the borough and its residents, work tirelessly to bring about positive change locally.

Our role, as a Council, has changed in recent years and at the heart of the changes we have made, is our community. We have designed and built an entirely new kind of Council. However, we know that this in itself will not change the lives of residents. We now need to build on this new Council to drive real change. From a service-delivery model aimed at ‘meeting needs’, our role is now to support residents to be more independent, providing them with the tools they need to do more for themselves and achieve their full potential.

Building on the great work of the voluntary, community and social enterprise sector (VCSE), this strategy sets a four-year vision which builds on ideas from residents and the sector to meet our ambitions, improve outcomes for all, and promote a thriving borough (Figure 1).

A strong VCSE sector is central to this approach, from small community groups running street parties, through online communities, faith communities, as well as large borough-based and national charities, all have an essential role to play.

This strategy focuses on the Council’s role and its ability to enable the VCSE sector. But the vision of this strategy will only be achieved if we all play our part. That is why we would invite VCSE organisations, both locally and nationally, to join us in the journey, working with residents to make Barking and Dagenham a great place to live, work, study and stay, while ensuring no one is left behind.

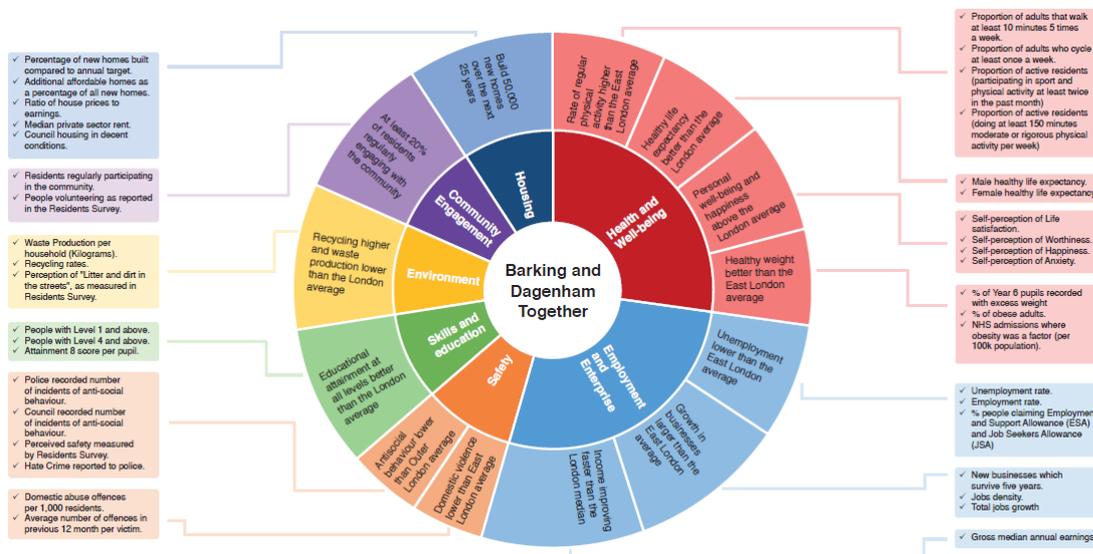


Figure 1 - Borough Manifesto goals and outcomes

2. Vision and goals

We define the social sector as all individuals, groups and organisations that are in the pursuit of social change, with voluntary and community, social enterprises, charities and faith groups at its core (which we refer to as voluntary, community and social enterprise - VCSE), as well as individuals and funders. All have a role to play in the borough, and all contribute to a healthy and strong society, building on the passion, skills and expertise available locally (Figure 2).

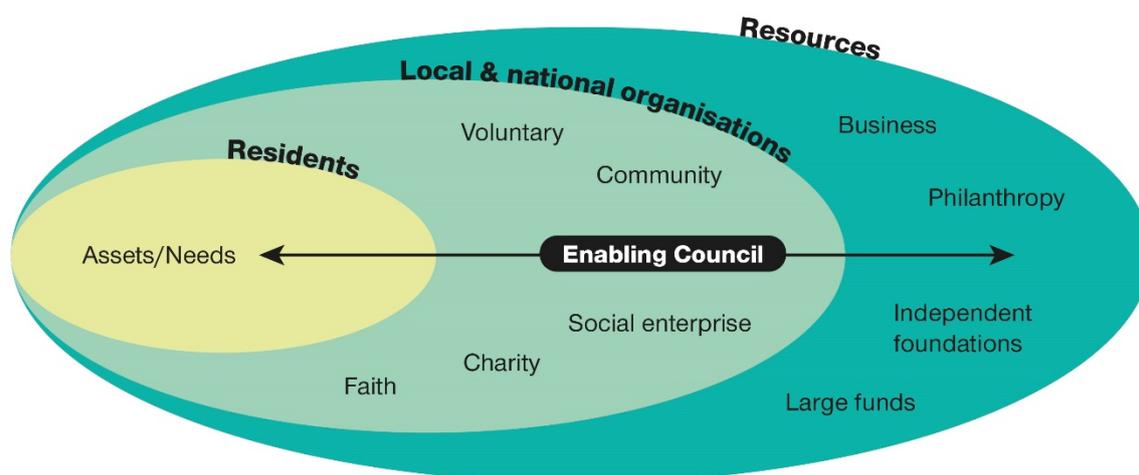


Figure 2 - The social sector in Barking and Dagenham

This strategy champions a healthy, independent and influential VCSE working in our community for the benefit of all. Practically, our vision for a strong VCSE means there are many ways in which individuals' ideas, projects and concerns can develop, flourish and be addressed. It means a dense network of organisations:

- shaping and delivering essential services and support;
- helping people grow in life and seize opportunities;
- and building a better future for everyone.

To work out how this vision could be delivered in practice, we have carried out extensive research. Three, clear goals arose, which cut across the different spheres outlined above. These are:

Goal 1: Increasing participation: We want participation to become part of every day life. This means practical participation, e.g. people getting together in neighbourhoods; civic participation, e.g. through volunteering in schools, the charitable sector and social enterprise; as well as participation in the design and production of services and putting individuals and organisations at the heart of shaping the very services they rely on or help to deliver.

Goal 2: Enabling and embedding relationships based on trust: Critically, it also means supporting a more collaborative approach respecting all partners' contributions as equal and coming together to achieve more. We want to improve the way we can work across all organisations. This means drawing on data and expertise to make it easier for people to collaborate, as well as creating a climate of trust between stakeholders. This also means

staying focused on outcomes and learning from failures, as well as being honest with each other.

Goal 3: Building the sector's capacity: Our approach is two-fold: reimagining how we can best partner with and support the VCSE across a range of initiatives, and reshaping approaches to commissioning and giving locally. Practically, this goal looks at how we can increase the resources available for the sector, facilitate the sharing of time, skills and intelligence, and the sharing of building and spaces.

3. Increasing participation

The challenges we face today are long term and continuous. They are not one-off events that can be cured by an expert or by a process that is done to us. What is common to these modern problems is that the solutions require our participation (Cottam, 2018).

Civic participation can be described as the range of behaviours, attitudes and actions that reflect concerned and active membership in a community. Strong civic participation is the sign of a functional democracy. This may include 'traditional' citizenship activities, such as voting, serving as a trustee or a director on non-profit or school boards, as well as less traditional forms of political participation, such as community organising and social activism. Participation is peer to peer. Participation is what happens when people are involved in initiatives and decisions that affect their own lives.

But sometimes, for a variety of reasons, e.g. social and economic, civic participation can wane. We know that formal volunteering rates in the borough are lower than many other places in England or in other London boroughs. We also know that a lot of informal charitable work takes place, that many residents spend a lot of their time providing unpaid care to family members and other people, and that volunteering around local initiatives is part of many resident's lives. For some residents, adding formal volunteering – with all the commitment it entails - to their already busy agenda appears next to impossible.

This is a loss, because participation increases social capital. It reduces loneliness. It makes communities.

Therefore, we believe that creating more opportunities for participation – in all its guises – can deliver huge benefits for individuals and communities. We want busy residents to engage but also want them to feel able get on with their lives. For this reason, engagement should be flexible, and provide multiple routes and opportunities. In engaging with residents, we should always favour approaches that are led by and responsive to them.

We need to build a future where participation becomes the norm and operates at all levels. This includes people in neighbourhoods getting together and adopting creative ways to use their skills and experience, through practical participation. This also means working to increase social enterprise, civic participation and volunteering in the charitable sector. Lastly, it means putting individuals and organisations at the heart of shaping the very services they rely on or help to deliver – designing them and making decisions on where and how money should be spent.

This is a bold ambition. We know that we haven't got it sorted yet, and that we will make mistakes. But this should not stop us from trying and learning together. Participation needs to reach into

everything that public institutions, VCSE organisations and local businesses do to transform our common civic wealth.

3.1 Supporting the growth of participation

VCSE organisations are great agents of participation. They can support participation by mobilising existing relationships between volunteers, organisations and residents, saving time and energy that would be taken building those relationships from scratch. They can also offer an independent perspective on the needs and wants of people in their area of operation. The strategy proposes a series of actions aimed at furthering participation.

Action	Indicator of success
<ul style="list-style-type: none"> Design a Participation and Engagement strategy for the Council 	Strategy is adopted and implemented across council services
<ul style="list-style-type: none"> Increase youth participation through NCS, the Duke of Edinburg Awards, Youth Parliament and Young Mayor, and through peer-mentorship 	Improve relationships between National Citizenship Service and local charities requiring digital development
<ul style="list-style-type: none"> Work with the social infrastructure support provider to assess the digital needs of VCSE organisations and develop an action plan to address them 	A more adequate digital capacity building offer
<ul style="list-style-type: none"> Design and launch an interactive online participation channel to better permit VCSE organisations to influence and direct local authority consultations and decisions 	Improvement of residents reporting they feel listened to Increased challenges and advocacy from the sector on Council decision making
<ul style="list-style-type: none"> Improve the process by which community requests that reach a certain threshold on digital platform can trigger a public conversation with relevant Council services and/or partners 	Improvement of residents reporting they feel listened to in the Resident’s Survey Increased amount of people involved in civic engagement and participation
<ul style="list-style-type: none"> Pilot a resident panel for allocating NCIL funds 	An approach for running resident panels in Barking and Dagenham
<ul style="list-style-type: none"> Work with the Barking and Dagenham Delivery Partnership and other partners to 	More partners engage with VCSE activity

increase their support and work with VCSE organisations	
<ul style="list-style-type: none"> Continue the development of the practical participation support platform in the borough through Every One Every Day reaching out to 25,000 residents 	More people declare they take part to participation and/or volunteering activities

3.2 Promoting collaborative commissioning

We refer to the term ‘participation culture’ to describe new types of participatory projects that differ from current activity. It refers to a culture in which residents do not act as consumers, or beneficiaries only, but also as contributors and co-producers. Embedding this culture requires a step change in the way the Council and its partners operate, from a ‘doing to’ approach to ‘doing with’.

Commissioned services being delivered by the voluntary sector locally include adults and children’s care and support, growth and homes (learning and skills), and parks and events. However, as budgets shrink and the Council is forced to refocus on the delivery of highly specialised statutory services, the role of the sector is increasingly shifting towards managing demand, and doing preventative work, e.g. helping those who are on the brink but are not (yet) eligible for statutory support.

VCSE organisations have a huge role to play in this regard as they constitute, with friends and family, trusted, locally-anchored outlets that people can go to get help. These frontline organisations also have privileged access to the needs and assets in our community. We need to create new opportunities for commissioners to work more closely with VCSE organisations to unpick issues that are known to them.

We also want to continue to better utilise data, look at increased use of behavioural insight and innovative approaches to service design. We need to be more transparent and open to the ideas and experiences of others. This includes making data accessible to VCSE organisations and working together with them to demonstrate their impact on prevention.

We need to be mindful of the demand this puts on those who are asked to participate. We are asking Council staff (in some cases) to take a different approach to their work, including facilitation and public engagement skills. This requires training, time and (some) resources, as well as a wider culture change. Councillors are going out and talking to residents already – the expertise they have in hearing community voices contributes significantly to this engagement.

Action	Indicator of success
<ul style="list-style-type: none"> Share information on our procurement forward plan and provide a framework/process/opportunity that helps VCSE organisations work more collaboratively on opportunities. 	Sustainability of VCSE organisations is increased

<ul style="list-style-type: none"> • Design training material with commissioners in adults and children’s care and support, growth and homes (learning and skills), and parks and events in participatory techniques 	Commissioners are able to more consistently apply the commissioning mandate
<ul style="list-style-type: none"> • Continued publicly available data on commissioned contracts 	Increased transparency and trust in the system
<ul style="list-style-type: none"> • Mainstream an ambitious approach to social value across commissioning and procurement 	Procurement drive better outcomes in the areas of high deprivation
<ul style="list-style-type: none"> • Design social value monitoring and evaluation frameworks that are proportionate to the contract being procured 	Small organisations are able to successfully bid
<ul style="list-style-type: none"> • Create a Lab that enables commissioners and VCSE organisations to work together to find innovative solutions to complex issues. 	Better integration of responses to complex issues Statistics on these issues start to reverse
<ul style="list-style-type: none"> • Encourage the involvement of residents directly and meaningfully in the commissioning, monitoring and evaluation of programmes affecting them. 	Better/more effective service design
<ul style="list-style-type: none"> • Support a shadowing scheme for councillors, officers and community & voluntary sector colleagues. 	Increased understanding and trust between council officers and VCSE organisations

4. Enabling and embedding relationships based on trust

We have to be active agents of change. Solutions require us – communities, businesses, and citizens – to work together, drawing on new ideas and above all on each other to create change. (Cottam 2018).

The complexity of some of the issues faced by residents, such as chronic health, or domestic violence, suggests that there are no easy solutions to these issues. Recognising that no individual or organisation alone can claim to have a complete understanding or solution of a complex issue, we need to get better at working across organisations, and at drawing from a wealth of expertise, from data insights to involving people with lived experience. This requires collaboration and partnership across the board, and an approach that is flexible enough to stay focused on the outcomes that we are trying to achieve.

However, collaboration brings its own set of challenges, and sometimes our own rules and framework may not support a spirit of collaboration. We also need to acknowledge the persistence of competitive mindsets in the sector, as well as a need to distribute professional skills – such as negotiating or building legal frameworks – in order to collaborate successfully and further a shared mission. Concerns have also been expressed about the dominance of certain charities in certain debates and discussions, amounting to potentially unfair competition tactics from larger organisations.

The challenges of collaboration are not unique to VCSE organisations, and we too need to get better at working with our peers and those outside of public services. We need to increase trust between partners through the joint development of a local compact that will help standardise the rules of the game, and keep all parties to their collaborative commitments, in ways which don't disadvantage smaller organisations and go beyond 'the usual suspects'. We believe that infrastructural support can underpin this form of collaboration and capacity building, to deliver better collective impact.

Action	Indicator of success
<ul style="list-style-type: none"> Provide support for the development of VCSE organisations in Barking and Dagenham through a contract for infrastructure support from July 2019. 	Measurable increase in collaboration across organisations and partners / More funding attracted to the borough
<ul style="list-style-type: none"> Commission the development of an open-source collaboration pack. Design and make collaborative documentation accessible (methods, framework, contract) – in partnership with VCSE organisations 	Increased in absolute number of organisations that enter into partnership agreements
<ul style="list-style-type: none"> Co-produce a compact between the local authority, other partners and VCSE organisations to help define the rules of collaboration, increase trust and challenge 	Compact is adopted
<ul style="list-style-type: none"> Broker relationships between businesses trying to demonstrate social value and local VCSE groups, as part of the Council's new social value policy developments 	Increased relationships between businesses VCSE organisations
<ul style="list-style-type: none"> Ensure VCSE voices inform the development of future devolution asks 	Encourage greater participation of VCSE organisations in Local London
<ul style="list-style-type: none"> Set up iterative learning groups on selected issues from Borough Manifesto priorities 	More intelligent and integrated local networks on selected issues

<ul style="list-style-type: none"> • Work with the sector and partners (possibly through BDDP) to map out and categorise organisations in the borough which have similar objectives (public, private and third) 	Resources are better aligned to maximise outcomes for residents
<ul style="list-style-type: none"> • Commit to publicise learning from collaborative learning 	Trust in the Council by residents grows

5. Building the sector's capacity

Our local VCSE sector offers a huge variety of services to meet the needs of our residents and provide a critical social safety net. This is more important now than ever before. The sector is also a source of innovation and creativity, with many exemplary methods and ways of working emanating from the borough becoming recognised and practiced across the country.

A number of great initiatives are already happening in partnership between the public and social sector to grow platforms and mechanisms to expand VCSE organisations and resident engagement locally, such as:

- The development of Future Youth Zone by Onside, a voluntary sector partner, to support and engage our young people;
- Commissioners procuring from and funding VCSE groups;
- The cultural partnership;
- The parks and open spaces strategy which embeds opportunities for working with VCSE groups as part of the delivery model;
- The establishment of Barking Renew;
- The ongoing tenders for services locally predominantly across social care
- Ongoing support and engagement through BAD Youth forum, Flipside and other opportunities;
- The Summer of Festival programme;
- Ongoing developments of the Integration and Cohesion Strategy, the Faith Policy and the Participation and Engagement Strategy.

In addition to this, the Council has sought to create a favourable environment for VCSE organisations to grow, to engage with residents and, to take an enabling role. In this context, the Council has created a number of ways to support the work of the VCSE sector:

- Supporting Barking and Dagenham Council for Voluntary Services (BDCVS), through a contract and the transfer of the Ripple Centre following refurbishment. This is a resource that generates income to support capacity-building work with VCSE organisations locally.
- Establishing the Participation and Engagement team to provide a point of contact for VCSE organisations in the Council, and to lead on a number of strategic initiatives in the past two years.
- The launch, in April 2017 of Crowdfund Barking and Dagenham, a local platform associated with a small grants fund and, in October 2017, of the first local lottery in London.

- The launch of Every One Every Day, which has supported more than 2000 residents to date and attracted significant external funding. As part of the initiative, residents are invited to share ideas for projects and community businesses they would like to co-launch into their neighbourhoods. The project is being embedded in frontline council services and a warehouse for residents will be opening in the Spring of 2019.
- Providing a space for engagement on a range of topics, through various events; the 'Big Conversation', 'Human Library', the first community cohesion hackathon, and 'Belief in Barking and Dagenham'.

We know that the resource-tight environment in which we operate is a challenge, but it also presents an opportunity to make a shift towards community-owned approaches to change and encourage more creative thinking about how to address VCSE organisations' needs. Finance is just one element of what sustains an organisation; skills, time and space are also critical to ongoing success. This section is divided into resources and investment, time, skill and intelligence, and buildings and spaces.

5.1 Investment

Across London, a number of local giving schemes have been developed to channel more direct investment, financial or otherwise, into the community. While Barking and Dagenham has significant growth opportunities, at present there are only 10 employers in the borough with more than 250 employees, most businesses are small, and the industries present are generally in low-value sectors. Therefore, we need to be creative in developing our approach for financial local giving and channel more resources to the sector.

There are a number of ways in which investment in VCSE organisations take place in Barking and Dagenham. Collaborative bids between the local authority and VCSE organisations can attract significant resources to the sector. Funding infrastructure support at a borough level, whilst recognising contributions at a sub regional and regional level too, such as the support offered by the London Hub is another way. The Council will continue to support VCSE organisations in their work to support residents by funding collaboration and capacity building for the sector, as well as encouraging joint bidding, in line with the Borough Manifesto outcomes for our residents.

Achievements to date include:

- **Crowdfunding:** 'Crowdfund Barking and Dagenham' is a platform introduced by the Council in partnership with Crowdfunder UK in April 2017 with a pot of £120,000. It focuses on projects which get local people into employment, improve health and wellbeing, encourage civic pride, and build cohesion, offering match funding that is raised from other sources. In December 2018, 11 projects had been financed through the platform for a total of £29,000. Crowdfunding follows a direct democracy approach to social investment, garnering communities of interest to support causes and activities which are important to them.
- **Local lottery:** A local lottery scheme was launched in September 2017 to help good causes raise money. 33 groups had signed up between October 2017 and July 2018, raising close to £38,000 by December 2018. In addition to providing a new source of income for VCSE organisations, the local lottery is also increasing awareness on the work good cause groups are doing in the borough through a sustained social media presence.
- **Neighbourhood Community Infrastructure Levy (NCIL):** NCIL will be used to support a VCSE grants fund to ensure that residents benefit from the regeneration in the borough. As part of

these developments, Cabinet also agreed to use NCIL to create the basis for an endowment, which would fund community projects long term. Approximately £327k have been raised through NCIL so far and it is estimated that future income will oscillate between £150k and £800k yearly.

These disparate but not insignificant opportunities have helped to sustain our local sector. However, the overarching governance of these mechanisms still needs to find a home. The Council is committed to keep working with VCSE organisations to develop a local giving model that responds to Barking and Dagenham’s unique specificities.

Action	Indicator of success
<ul style="list-style-type: none"> Design and implement a process for joint fundraising between the Council, VCSE organisations and partners 	Joint fundraising increases
<ul style="list-style-type: none"> Co-produce a local giving model with the social sector, including an endowment, and encourage highly aspirational contributions from business 	External funders make significant contributions to the endowment
<ul style="list-style-type: none"> Increase the number of organisations who apply for crowdfunding and benefit from the local lottery 	Increased number of new projects each quarter
<ul style="list-style-type: none"> Continue investment in crowdfunding and secure continuation of scheme post 2019 	Budget ringfenced for two years.
<ul style="list-style-type: none"> Experiment with participatory budgeting as a method of community development 	Successfully run a NCIL Residents Panel
<ul style="list-style-type: none"> Continue to work with Barking Renew to strengthen the link between regeneration, place and people 	An action plan with recommendations is taken forward including increasing grants programme

5.2 Time, skill & intelligence

The local ecosystem of VCSE actors, public bodies, corporations and residents have the capacity to give much more than financial resource. Skill sharing, through professionals becoming more engrained and embedded within the communities they serve, and open data, as a tool to compliment VCSEs local knowledge and build insight on specific issues are also critical resources.

To lever these, we need to create routes for public and private sector bodies to share more. We must find better enable businesses to contribute to borough outcomes, as many are willing to channel energy towards social responsibility. Social value, as a concept, is about seeking to maximise the social, economic and environmental benefit that can be created by procuring or commissioning goods and

services, above and beyond the benefit from the goods and services themselves. This means leveraging our purchasing power to encourage suppliers to enable genuine social outcomes to the borough.

The Council started working on a new social value policy to make the most of the borough’s regeneration and the creation of new service delivery companies such as Be First, BD Management Services Ltd and BD Service Delivery Ltd and enhance the way social value is used in procurement. The long-term aim is to ensure commissioning initiatives and other large-scale procurements are leveraged in favour of a social agenda – as defined by the Borough Manifesto targets - to maximise value for money and improve social and environmental outcomes in the community. One small part of our aspirations for this tool is that it will create new channels to promote sharing of time, skills and intelligence from businesses.

The introduction of new funding initiatives in the borough have provided an opportunity to learn about the state of the sector locally. Several organisations have run successful crowdfunding campaigns. However, we have learnt that for smaller organisations who do not have sufficient resources, this has required creative solutions, e.g. the pairing of business students from secondary school to build and market a project. This highlights the interdependencies between organisations and individuals, different parts of the social sector locally, and the benefits of youth participation and mutual aid. A challenge for our future growth and independence of the sector is to improve opportunities for these relationships to be brokered.

Action	Indicator of success
<ul style="list-style-type: none"> Assist local VCSE partners in the development of a volunteering platform that can match supply and demand and increase the sharing of skills and knowledge in the sector 	<p>Reported increase in the opportunities for targeted volunteering in VCSEs</p>
<ul style="list-style-type: none"> Encourage Council staff to share skills with local VCSE organisations through better using their volunteering days 	<p>Council staff uptake of volunteering</p>
<ul style="list-style-type: none"> Increase corporate giving of skills to VCSE organisations 	<p>Number of hours secured through social value gains</p>
<ul style="list-style-type: none"> Improve local open data through leveraging intelligence from corporate partners 	<p>More corporate partners provide open data as part of social value</p>
<ul style="list-style-type: none"> Continued sharing of accessible Council-owned data with VCSE organisations 	<p>More use of the data explorer by VCSE organisations</p> <p>Improved calibre of bids leading to increased success of bids</p>

5.3 Buildings & spaces

Community groups and businesses are often reliant on access to buildings and spaces. Support in this regard can take various forms, from rent reduction to the transparent allocation of new spaces, and to community asset transfers (CAT).

A CAT is the transfer of the ownership and/or management of an asset, often a building or a space, from its public-sector owner to a community organisation for less than market value. These transfers are made in order to achieve social, economic or environmental outcomes in the community in which the asset is located. Previous transfers have focused on community halls and centres, e.g. the Chadwell Heath Community Centre. Other approaches have focused on leases to community halls, retail, faith, parks and open spaces, as well as sharing the location of services with Community Solutions and others. For instance, the Barking Library hosts a range of services from ComSol as well as VCSE organisations, such as the CAB and Digilab.

In addition, the Council has a VCSE rent reduction scheme that currently applies to the commercial portfolio.

If we want our growth to be inclusive, we need to create the conditions under which more of these socially-oriented, community business can thrive and consider how we ensure the creation of community spaces in new developments. One part of this is buildings and spaces which will be integral to developing the sense of community and delivering activities and services locally.

Action	Indicator of success
<ul style="list-style-type: none"> Increase availability of space for VCSE organisations through leveraging resources from corporate partners 	More corporate partners provide affordable space as part of social value
<ul style="list-style-type: none"> Grow VCSE ecosystem through increased community stewardship of small green plots 	Develop small green plots asset policy
<ul style="list-style-type: none"> Develop an asset transfer policy across ComSol, My Place, Parks & Events, with clear process for publicising and transferring buildings to VCSE organisations, including new developments. 	Information about available buildings is widely available and community groups apply for asset transfer
<ul style="list-style-type: none"> Build on the current rent reduction scheme for VCSE organisations occupying Council building and spaces to create a more transparent policy 	Transparency on the eligibility and requirements for qualifying for rent reduction
<ul style="list-style-type: none"> Commit to publishing the list of buildings (or spaces in a shared building) available at any given time. 	Transparency on what is available

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Appendices

A.1 New developments

Recent developments point to the huge progress we have made over the past couple of years when it comes to the physical regeneration of the Borough. We are actively demonstrating that Barking and Dagenham is 'London's Growth Opportunity' by delivering ground breaking developments, attracting major investment into new homes, industry, and infrastructure, and linking these to the aspirations of residents set out in the Borough Manifesto to seek to ensure that no one is left behind. These developments include:

- A new film studio in Dagenham East rivalling Pinewood – bringing jobs and investment as well as a huge boost to London's creative industries and film and TV production in the UK;
- London's first Youth Zone, a state-of-the-art youth facility providing year-round youth services for 2-300 children and young people every day, with ongoing funding from the private and voluntary sectors;
- A £70 million deal agreed for new railway line to Barking Riverside;
- £350 million committed to modernise council housing;
- New cultural quarter at the Roding Riverside with the new Boathouse;
- A raising of the higher education offer in the borough with the attraction of Coventry University to Dagenham Civic Centre;
- The construction of 50,000 new homes by 2037.

Organised carefully, this growth will bring tremendous benefits to the borough and to its residents, generating 20,000 new skilled jobs over the next 20 years. Regeneration is about so much more than bricks and mortar. It is social, it is about people. We need to use regeneration plans to shape great places and support strong communities, making Barking and Dagenham a great place to live, work and visit; renewing the borough for the 21st century. We know that without empowered and involved communities, a largely top-down approach to regeneration could equally translate into growing inequality, social exclusion and marginalisation.

That is why we have embraced *municipal entrepreneurialism*, an approach which combines the enduring core values of the public sector, with the community involvement and flexibility of the voluntary sector, and the commercial-mindedness of the private sector. To put this into practice we have pioneered a new form of council-owned company, rejecting out-of-date ideas of the public/private split, generating vital revenues, protecting jobs and intervening in private markets that are failing both local workers and the wider community.



We have established council-owned companies in the areas of sustainable energy, housing and regeneration, school improvement, home and traded services. These companies are wholly owned by the Council (or, in the case of the Barking and Dagenham School Improvement Partnership, by the Council and schools), and are mandated to pursue the priorities of the community as articulated in the Borough Manifesto but, by operating in the private sector, they have independence and the ability to innovate, take risks and do things differently.

We have also transformed our in-house services, breaking down the traditional siloes of the twentieth century and rebuilding the organisation to act as an enabling and collaborative council, with a focus on better utilising our data, looking at increased use of behavioural insight and innovative approaches to service design.

A particular highlight of the last four years has been our efforts to connect and reconnect with residents and actively listen to all parts of our community. In the last two years we engaged with an unprecedented 6,000 residents, through consultation and engagement work to find out what they care about and what they want for the Borough.

3,000 residents came together to produce the Borough Manifesto, a vision for the future of the Borough which forms the top-level strategy for the Council and partners, to deliver the aspirations of residents. They have also come together to develop the Good Neighbour Guide, a shared understanding of what being a resident means in Barking and Dagenham. Meanwhile, The BAD Youth Forum continues to give children and young people a voice and influence over decision-making. More recently, the Council has worked with VCSE organisations on a wide range of engagement activities across the community including 'Big Conversation' events and focus groups, 'Human Library', the first community cohesion hackathon, 'Belief in Barking and Dagenham'. These are a small part of an array of initiatives aimed at giving residents a say in the organisation of public life.

But we need to do more.

These are challenging times for residents. We are not where we could or should be in terms of outcomes; in areas such as employment, skills, educational attainment, and health, we are well below London averages (See Appendix 8). Demand for services and support is increasing while the resources available to us are rapidly diminishing. In order to meet this challenge while improving health and wellbeing within our community, we must enable greater independence among individuals and families. This will require public services to better empower individuals and families to exercise greater choice and control, not only over how they use services, but over their own health and wellbeing.

To realise the vision laid out in the Borough Manifesto, we have developed a new corporate plan articulated around three interdependent goals: (1) inclusive growth; (2) Enabling greater independence and capability, and; (3) participation and engagement:

- **Inclusive growth** means improving people's material life. Narrowing material gaps in wealth/income, with a particular focus on work/wages and places being more prosperous. We need to encourage enterprise and enable employment, expanding jobs in key growth sectors and connecting local people to those opportunities. In particular, this means supporting residents who have found it harder to gain employment to benefit from the new jobs that will be created in the borough over the coming years, as well as ensuring better wages for those who are currently in work but struggle to make ends meet.

Increasing wellbeing suggests people's broader lives being enriched and going well, related to health/wellbeing, culture, community and places; being and feeling healthy, safe, green and clean. It also suggests people feeling positive and hopeful about their lives and the place they live. People feeling engaged and with a degree of control over what's going on around them; places with good community relations and not dominated by market interests.

- **Enabling greater independence and capability:** This suggests a combination of technical and social solutions. We can use science and data to increase prediction and prevention, e.g. through analysing spend, identifying cohorts with common risk factors, hot spotting, analysing root causes and understanding flow. At the same time, we need to work with VCSE organisations to reconstruct and densify our community support structures as the response to vulnerability is necessarily human rather than technical.

In practice, this means improving our ability to help residents increase their financial and housing stability, reducing debt before they are made homeless or go hungry. For example, helping residents to make and maintain benefit claims when they first need to, not after a long month of waiting, and to find their way back to secure better paid employment. Or pointing residents towards community services and activities nearby, before social isolation takes hold and more intrusive services are required.

- **Participation and engagement, trust and love:** Building participation and engagement at the core of our interventions suggests educating and informing, as well as respecting people's agency. It means agreeing to share control through the introduction of genuine co-production processes. Crucially, participation should lead to increased trust, more cohesion in the community, and a widely shared feeling that we share a common destiny.

Central to our transformation is an understanding of citizenship rooted in civic pride, social responsibility and active participation. It is obvious that the Council cannot singlehandedly create a new relationship with residents. If our community is to be empowered, residents must take the lead. This also means that we require a vibrant, robust and flourishing VCSE organisations with which we can partner.

A.2 A changing VCSE landscape

These are changing times for social sector organisations, marked by both challenges and the blurring of traditional boundaries. Continued reductions in public funding, changes to commissioning, growing demand for services, the increased complexity of the issues that people face and, in some instances, dents to its reputation have all placed considerable strain on the sector.

Places are increasingly recognised as complex systems, influenced by many but controlled by none, and the boundaries between the roles of the public sector, business and VCSE organisations are shifting with, notably, a rapidly growing social enterprise sector. According to Social Enterprise UK, there are 100,000 social enterprises in the UK, 25% of which are under three years old. The sector is now worth £60bn, representing 3% of UK GDP and 5% of the UK workforce (Social Enterprise UK, 2018).

And whilst a growing number of businesses adopt a ‘social’ lens, charities’ sense of identity is also in flux. According to New Philanthropy Capital (NPC), many leaders are ambivalent about describing themselves as ‘charities’ in the traditional sense. There is a shift to a language of ‘causes’, or ‘movements’, which are seen as catalysing support. For Charity Commission Chair Baroness Stowell, some of these changes suggest that the concept of the registered charity may not remain the primary vehicle through which people express their charitable instincts into the future (Baroness Stowell, 5 October 2018).

In this increasingly blurry landscape, the government’s Civil Society Strategy categorises the sector in terms of activity, as defined by its purpose, rather than solely through its organisational form, e.g. charity/non-charity. The broad definition includes “all individuals and organisations, when undertaking activities with the primary purpose of delivering social value, independent of state control” (Cabinet Office, 2018). This definition widens the group of stakeholders to include charities, public service mutuals and businesses with a primary social purpose.

Voluntary and community groups have been historically funded by donations from the public, alongside independent trusts and foundations, and grants from public authorities. The later model, advocated for by national bodies such as ACEVO and NAVCA, is impacted by austerity measures and significant variations locally. Commissioner perspectives on working with VCSE organisations also appear to differ widely. A recent report by the King’s Fund for the Department of Health notes that some commissioners see their role solely as stimulating a market of providers, with no specific interest in creating a strong social sector. Others have made a clear choice about the value of the sector as a critical player in developing assets-based approaches, engaging VCSE organisations as key partners in the co-production of outcomes (Baird, Cream, & Weaks, 2018).

In its 2018 Civil Society Almanac, NCVO looks at all organisations that exist between government, individuals and businesses. It notes that the sector’s overall income increased by 4% with a slight fall in government investment being offset by growth in public funding, up by 7%. The public remains the most important source of funding for charities, with research showing that whenever a news story hits about poor governance and hysteria hits about the impact on trust, it does little to alter trends of individual investment.

However, these encouraging numbers hide significant disparities within the sector itself, particularly between large and small and medium charities (SMC). NCVO suggests that the sector is still dominated by larger charities with 3% of organisations making up 81% of the sector’s total funding. In “The value

of small”, Dayson, Baker and Rees (2018) argue that SMCs are increasingly struggling to convince commissioners and funders of the need for, and value of, their work. They add that central government austerity measures have had a more important impact on SMCs than on large charities.

Some of these gaps have been bridged through the introduction of new funds. For instance, City Bridge Trust’s Cornerstone Fund, with grants up to £20,000, aims to support partnership approaches led by voluntary organisations delivering civil society support. The fund puts a particular emphasis on cross-sectoral collaboration that involve the public and private sector. Big Lottery’s Reaching Communities makes grants of over £10,000 to support ideas and organisations that bring people together and build strong relationships across communities; improve the places and spaces that matter to communities; and enable more people to fulfil their potential by working to address issues at the earliest possible stage.

A3. Size and capacity of local VCSE organisations

Some of the challenges at the national level also play out in Barking and Dagenham, albeit in a slightly different way. Data shows that locally the VCSE sector is relatively small compared with other places, with less charities per head of population than the rest of London and a lower volunteering rate than the England average (See Appendix 2). In addition, the established sector has mixed success in attracting external funding or diversifying their funding streams. Barking and Dagenham has a greater proportion of small charities, with limited flexibility and an income of under £100,000.

According to the Charity Commission, there were approximately 414 registered charities operating in Barking and Dagenham in 2018, of which 186 were based in the borough (90 of which only work in B&D). Of these 187, a large proportion were faith-based organisations (43%), with an income of approximately £7.8 million (Figure 2). Non faith-based charities represented an income of approximately £12.4 million. Within that group, 6 charities do not spend their money locally, e.g. in aid relief for a total of £468,000.

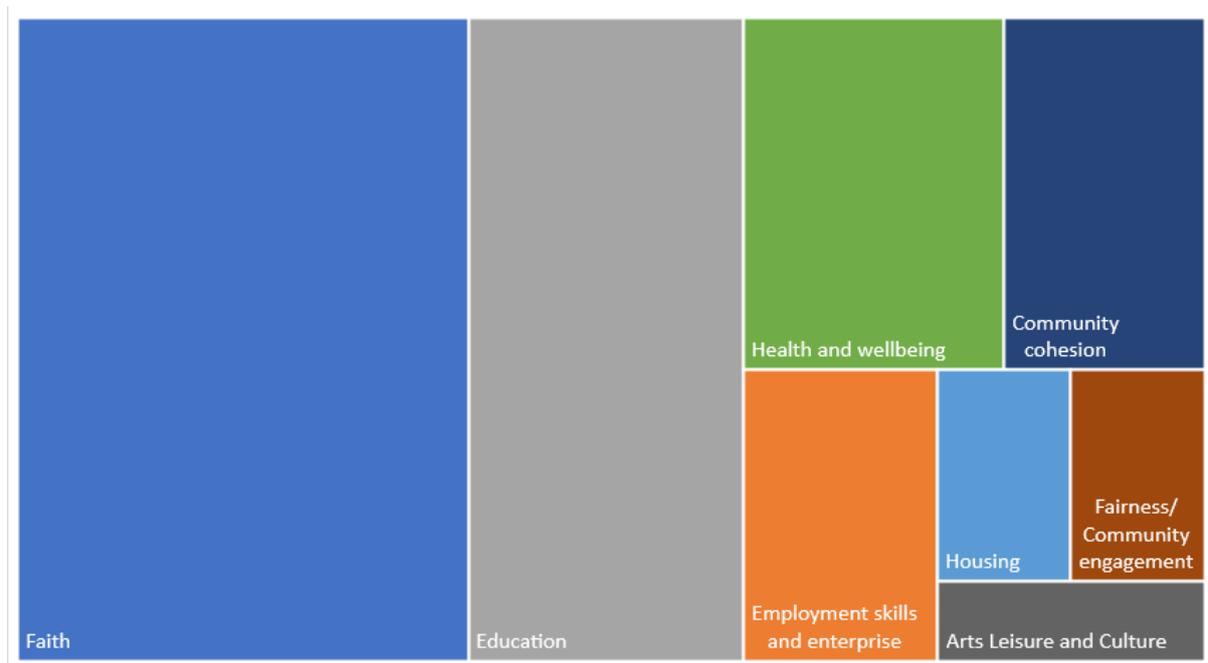
Organisations based in B&D (2017 data)	Number	Proportion	Income
Faith-based organisations	79	43%	£7,761,929
Non-faith based organisations	107	57%	£12,380,530

Faith-based charities in Barking and Dagenham (Source: Charity Commission)

Using a methodology that focuses on charities’ area of benefit (AOB), the Centre for London calculates that there are approximately 0.7 charities active locally per 1000 population in Barking and Dagenham. The borough is part of a small club in London, together with Brent, Hounslow and Newham, that have less than one charity per 1,000 residents (Harrison-Evans, Rogers, Belcher, & Colthorpe, 2018).

By comparison, central London boroughs like Camden, Hackney and Westminster have between three and four times more charities per head of population that have at least some form of local activity. Albeit by a small margin, neighbouring boroughs’ charity sectors still fare better than Barking and Dagenham, with just over 1 charity per 1,000 population in Redbridge, Havering, Bexley and Greenwich.

Charities locally supports residents and the community in many ways (Figure 3). Out of the 90 charities that work exclusively in the Borough, the main services provided included faith (46%), education (28%), health and wellbeing (14%), community cohesion (11%), and employment and enterprise (9%). It should be noted that most charities declare providing more than one service.



Services provided by charities based and working in Barking and Dagenham (Source: Charity Commission)

Lower levels of volunteering are also reported in Barking and Dagenham than in the rest of England. In 2017, the LBBDD Resident’s Survey identified that just one in five (23%) residents had volunteered in the last 12 months, compared to the national average of 42%. Volunteering personal time to community projects is widely believed to support the growth of a community as a whole and an essential ingredient of healthy democracies.

It should however be noted that these numbers refer to formal volunteering activities, and therefore might exclude a range of activities, e.g. such as religious charitable work, or unpaid care for others. With an estimated 128 known religious groups in the borough, one can imagine the significance of charitable work carried out by worshippers. In addition, the 2017 GP Patient Survey indicates that 14% of our population provides some form of unpaid care, with over 8% providing more than 20 hours per week (5% nationally).

Another important characteristic of the sector locally is its mixed success in attracting external funding or diversifying their funding streams, resulting in a relatively high reliance on commissioning from the local authority. Some of the larger groups have the capacity and are delivering significant programmes with external funding from the Big Lottery, the Arts Council and other funders. With over £8.1 million distributed to local charities between 2012 and 2018, Big Lottery is by far the most significant external donor in Barking and Dagenham. However, several large funders, such as Sport England and City Bridge Trust report low levels of funding locally, and concern has been expressed about the ability of groups to make successful applications to both local and national funders.

The Council remains the largest funder of VCSE groups in Barking and Dagenham. Internal spend figures indicate that the Council commissions for approximately £8.3 million in charities and

community interest companies (2017 estimates). A strong commitment to support social infrastructure was made by the Council in September 2010, with the transfer of the Ripple Centre to the Barking and Dagenham Council for Voluntary Services (CVS) following refurbishment under a 25 years lease. Other steps in supporting the sector locally have included:

- Use of buildings e.g. in parks, and the transfer of community centres on leases
- Introduction of VCS rent support scheme
- Supporting bids to external funders, e.g. the £1.4 million bid to MHCLG as part of the connected communities programme focused on community cohesion.
- Funding of London's first Youth Zone and Every one Every Day.

Currently there are a number of different approaches to community development and VCSE support operating in the borough with different funding models. These include:

- North meets South Big Local endowment in Marks Gate funded by the Big Lottery;
- The Thames View Community Project, funded by the Big Lottery over three years, looking to establish a local community development trust;
- BDCVS – supporting charities and wider VCSE organisations;
- Barking Enterprise Centre – supporting businesses, some of whom have a community focus, e.g. social enterprises;
- Every One Every Day – providing the infrastructure for and supporting residents to develop their own projects;
- Theme- and group-based capacity building programmes such as Creative Barking and Dagenham and Future (Youth Zone).
- Community hubs such as Harmony House, Excel Women's centre, Kingsley Hall and The Hub at Castle point.

The approach taken by the Council has sought to create a more favourable environment for VCSE organisations to grow and, in line with its new approach, to take an enabling role rather than the more traditional controlling and shaping role. This has included steps to create new opportunities for VCSE organisations, such as:

- the introduction of crowdfunding with small grants;
- the use of buildings to develop opportunities, e.g. Growing Communities farm;
- the co-location of services with Community Solutions, e.g. Barking Learning Centre with VCSE partners like Digilab and Barking and Dagenham CAB;
- supporting the cultural partnership;
- the local lottery.

One of the significant steps that the Council has taken in the last few years is to work collaboratively on local initiatives that will benefit residents or responding to requests from local organisations. Recent examples of this include: working with Love Valence to leverage significant funding for the Valence Park, applying for funding with partners for funding.

In some cases, it has also included parting with our usual way of working and inviting new organisations into the borough, to challenge our perspectives and build on social innovation practices from elsewhere.

A broad approach to the social sector, one that includes all individuals and organisations that are in the pursuit of social change (outside public sector control) is needed if we want to enable all those who have the drive and the capacity to work together to make a positive change around them with and for residents.

A.4 Strategic framework

In April 2016 Cabinet agreed to build on the recommendations of the Growth Commission and to commit to a set of principles, in light with the Commission’s suggested vision for Barking and Dagenham residents. The principles that are particularly pertinent to this report are:

- Supporting the renewal of civic culture through much more active involvement of local people and communities in civic life, organised and empowered to support and challenge the public and private sectors.
- Leaving no-one behind, ensuring that everyone has the opportunity to fulfil their potential and benefit from the borough’s economic growth.
- Ensuring that the local community and businesses, as well as the Council and other public-sector organisations, each play their role.
- Doing more to work in partnership with community and voluntary organisations to provide services and enabling residents to become less reliant on the Council.

The Council cannot singlehandedly create a new relationship with residents, and neither should we. Everything that we have sought to do recently, and our direction of travel support our ambition to work with residents and partners in the “place” of Barking and Dagenham. If our community is to be empowered, residents must take the lead. This also means that we require a vibrant, robust and flourishing VCSE organisations with which we can partner.

There are several initiatives and activities that sit within the Council’s remit, which impact on our relationship with VCSE organisations in Barking and Dagenham within this context. Some of these are being developed in parallel to this strategy (e.g. the Integration and Cohesion Strategy, the Participation and Engagement Strategy, the Loneliness Strategy). Existing frameworks include:

<p>Equalities Policy</p>	<p>The equalities policy sets out a number of measures to ensure the nine protected characteristics, and additional issues of poverty inequalities are taken account in council decision making. This includes ensuring that physical regeneration supports employment and skills outcomes through planning obligations; ensuring regeneration works with local communities to ensure proposed developments preserve or enhance local social, historical, cultural, environmental, and economic characteristics; supporting social entrepreneurs in the borough to set up and grow where they can contribute to equalities outcomes, and ensuring commissioning reflects the needs of service users. This policy will support these objectives through setting an agenda for Social Value, growth in the community and voluntary marketplace, and tools for more person-centred commissioning.</p>
<p>Prevention: a local framework</p>	<p>The prevention framework recognises that life events may impact very differently on each individual, and that some communities and individuals may have different levels of capabilities to sustain their wellbeing. It therefore sets out a flexible, diverse response to individual need setting out a borough wide approach to prevention. This recognises the value of a thriving social sector, and ‘micro-providers’ of preventative care. Emphasis is placed on integration of care and support provision. This policy sets out some of the ambitions for infrastructure to support VCSE organisations growth.</p>

Culture Everywhere	The culture everywhere framework recognises that much of the strength of our community is borne from its diversity. It identifies that culture has a social value, as well as intrinsic value in shaping ideas and ways of seeing. It recognises the continued importance of participatory projects to improving cultural participation and development and sets out that new cultural activity should be led by residents, building confidence and expertise. It highlights the need to build capacity of cultural organisations in the borough, often part of the social sector, with a focus on collaboration partnerships, and information sharing.
Commissioning for better outcomes framework	This framework sets out a number of principles for the way we will commission services and collaborate with others. It places using evidence of what works and measuring outcomes; taking a whole system approach (in partnership with communities, businesses and residents); taking a person centred approach; co-producing with communities; and developing the marketplace. The VCSE strategy will respond to several of these themes and considers ways in which the market can prepare for a more outcomes-focussed commissioning landscape.
Growth Commission	A team of independent experts were commissioned to review our ambition to be London’s growth opportunity and make recommendations how to maximise the contribution of the Borough to the London economy; generating growth in Barking and Dagenham in a way that benefits all residents. A stocktake of the situation, two years on, suggests focusing on three themes, i.e. articulated around people as beneficiaries, and the structural conditions (environment) that influence their wellbeing. A third theme is concerned with participation as a way to increase transparency in the inclusive growth agenda, as well as to enable a sense of ownership, i.e. to enable people to get involved in decision-making.
Borough Manifesto	The Borough Manifesto is a collaborative, place-based, resident-led vision of the future of Barking and Dagenham. It is a set of aspirations and targets, jointly owned by public, private, community and voluntary sector organisations, setting out how the Borough should move forward over the next 20 years. It is therefore a steer for all local partners.
Transformation programmes	Ambition 2020 was the Council’s wholesale transformation plan to create a sustainable organisation that can live within its means; tackle the challenges the borough faces; respond to the Growth Commission findings and deliver the Council’s vision. Ambition 2020 triggered significant re-configurations of services and functions through several transformation programmes which have moved into implementation. Managing change and transitioning to new service delivery models will require a continued, learning based approach which puts participation and engagement with the social sector at its core.

Community Solutions	<p>A flagship transformation programme is Community Solutions. The purpose of this new service will be early resolution and problem-solving to help residents to become more self-sufficient and resilient. It will tackle 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 others to deliver early intervention and preventative support.</p>
Customer Access Strategy	<p>It is estimated that 20% of adults in the borough do not have all five of the basic digital skills, and that 72% have not used all five basic digital skills in the last three months. It is therefore important that when designing mechanisms of engagement that we harness VCSE organisations' capacity to reach different parts of the community.</p>
Equalities events and Summer of Festivals	<p>The Council uses its events programme to build community cohesion and bring different groups through community and cultural events. Within this programme are a series of VCSE related events including LGBT History Month, Black History Month, and Women's Empowerment Month. The Council also facilitates community-led 'donate a flag' event to celebrate different groups and cultures within the borough.</p>
Health and Wellbeing Strategy	<p>Worklessness is an important public health issue. There is strong evidence that shows that for most of the population, being in 'good' work is better for residents' mental and physical health, than being out of work. The income from work also allows residents to meet their basic needs and withstand financial shocks. Within the borough, 6.9% of working age people are unemployed, higher than the London average of 5.7%. We also know that 32% of working people who live in the borough are paid below the London living wage. 15% of residents are estimated to be in elementary occupations, compared to the London average of 9%.</p>

From a strategic perspective the VCSE Strategy is the first of a suite of strategies and policies that will be brought forward in 2019 fleshing out the participation and engagement theme of the new corporate plan, which reference and build upon each other. These are:

- A Cohesion and integration policy which recognises the importance of our vision for set out in the Borough Manifesto's vision for 2037, that is *'to make Barking and Dagenham a friendly and welcoming borough with strong community spirit'*.
- A Faith policy which recognises and celebrates the contribution of faith communities in the borough
- A Participation and Engagement strategy which seeks to develop our approach across the Council to participation and reinvigorate some of our existing engagement mechanisms through the development of community alliance networks.

A.5 Equality and diversity

This strategy is underpinned by the Council's priorities in terms of equality and diversity, in light of the Borough's glaring inequalities across a variety of indicators. LBBD residents live shorter lives, and in poorer health when compared to the rest of London. Male healthy life expectancy in LBBD is 59.8 years, compared to a London average of 64.1 years. Female healthy life expectancy in LBBD is 58.5 years, compared to a London average of 64.1 years. Barking and Dagenham also has the second highest proportion of overweight or obese children in 2016/17 was the second highest in London and England at 43.8%.

In jointly working to improve these figures, VCSE organisations have a unique position, and contribution to make to help address structural inequalities, e.g. through their frontline activities and commitment toward people with protected characteristics. This strategy outlines the Council's ambition and commitment to work with the social sector to stimulate its growth and increase participation, particularly from under-represented groups.

As required by the Equality Act 2010, an Equality Impact Assessment (EIA) has been completed to outline how the needs of the Borough's diverse communities have been taken into consideration in the development of the strategy. It also outlines the actions proposed in regard to the impact of the themes set out in this strategy on residents in Barking and Dagenham across all protected characteristics.

A.6 Engagement, consultation and co-production

The ideas and plan laid out in this strategy are the product of ongoing engagement from the council's Participation and Engagement Team, through focus groups, 1-1 conversations, discussions with other places on best practices on VCSE, and feedback from a range of stakeholders and VCSE actors locally. The direction proposed in this document was also discussed with key commissioning directors and services within and outside the Council, including Inclusive Growth, Social Care, My Place, Procurement and Community Solutions.

In addition, this strategy builds on a number of other pieces of research and consultation, including:

- In-depth qualitative work commissioned to the BDCVS with local voluntary and community groups on the future of the sector;
- A four-weeks public online consultation;
- Three public workshop sessions organised on 13 and 17 December in Dagenham Library, the Salvation Army (Barking) and BDCVS on 3 January.

A.7 Local giving models

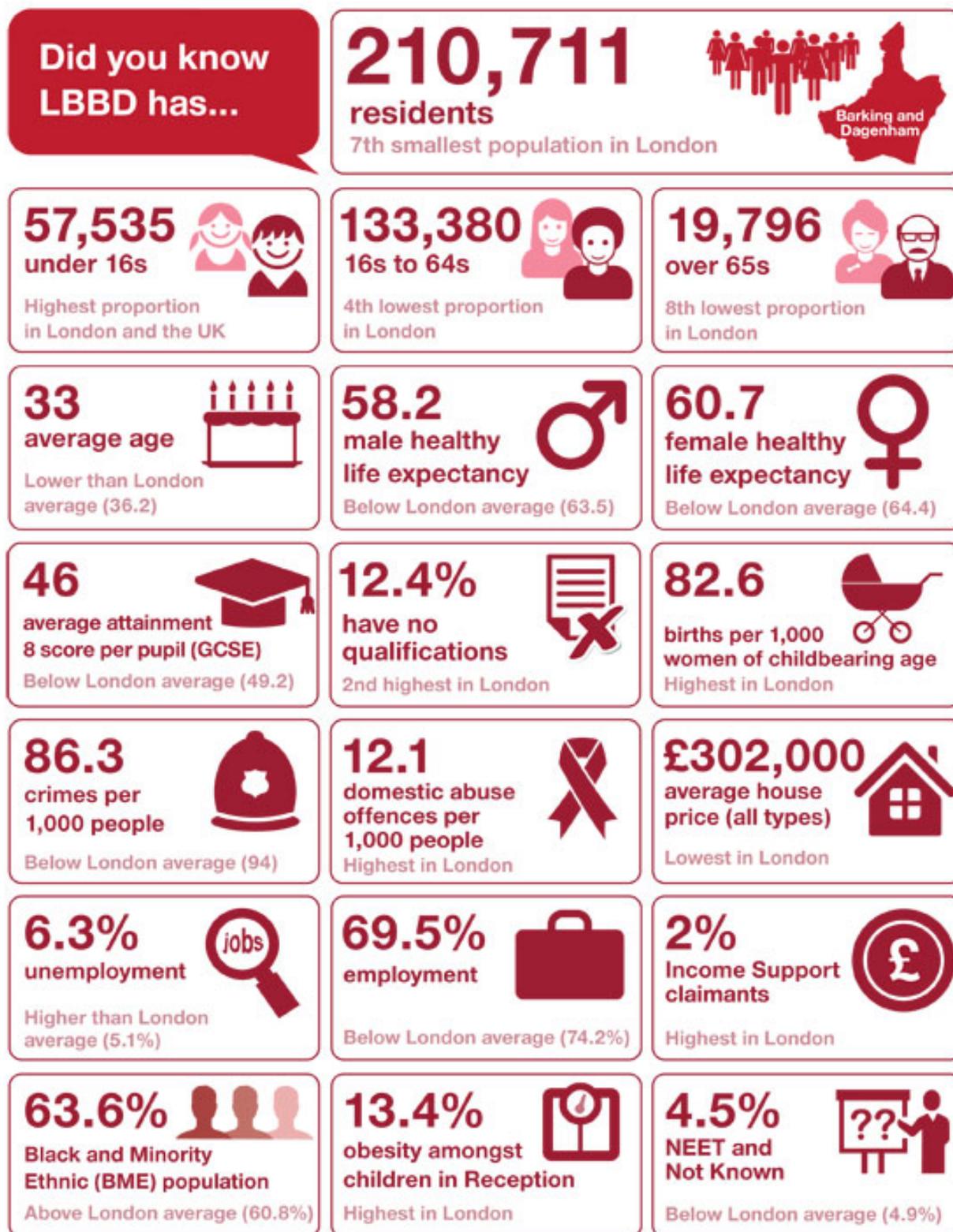
Our local charitable sector cannot rely on historic endowments like in other boroughs. A classic example are the endowed foundations, that have been in existence for centuries of the likes of Cripplegate Foundation in Islington, or United St Saviour's Charity in Southwark, or City Bridge Trust, which works across London.

In 2010, Cripplegate Foundation brought together local and national organisations to establish 'Islington Giving', raising almost £6 million to this date, and bringing people who live and work in Islington together to support their local community, whether with time, expertise, networks, or money. In addition, Islington Giving awards grants to voluntary organisations that provide support and activities to Islington residents. The approach aims to offer multi-year funding to successful applicants (typically 2 or 3 years). This funding also covers core costs to ensure groups have the resources and capacity to support local residents and to contribute to the stability of the voluntary sector.

United St Saviour's is a charity to supports the people and communities of north Southwark. Through grant-making programmes, it helps communities tackle social need by investing in projects, also providing housing for older people and maintaining the place through history and resources. Practically, it proposes a Community Investment Programme for grants of more than £5,000 to help fund projects and organisations that work on positive ageing, strong, resilient communities and levelling the playing field. In addition, it proposes a Community Engagement Programme for applications up to the value of 5,000, supporting 58 different events or projects in 2017-18.

Besides these two examples, differences in the availability of funds mean that models differ widely across London from the local authority. Whilst the likes of Islington, and Lewisham have budgets of £2.7M and £4.5M respectively, others such as Redbridge and Havering are more modest (£700k and 270k respectively). The existence of resources such as endowed foundations in certain boroughs makes a big difference as it provides VCSE organisations with a safety net during economic hardships, allowing them to continue to operate when they are most needed.

A.8 Borough Data



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	Voluntary, community and social enterprise Strategy 2019-2022
Lead Officer	Geraud de Ville
Contact Details	Geraud.devilledegoyet@lbbd.gov.uk

Why is this service or policy development/review needed?

Our approach to considering equalities

This EIA considers the overarching equalities considerations for the implementation of the VCSE (Voluntary, Community, and Social Enterprise) strategy and associated commissioning in the Cabinet report. In order to fully understand the equality impact of the VCSE strategy, it is necessary to understand our community, their needs, our current VCSE context and how this will change in future, as well as the consequences of not changing. The EIA considers these aspects in the following few sections. It will also be necessary to closely monitor the delivery of the VCSE strategy to ensure that the sector and residents are supported within this context.

This strategy is both a commitment by the Council to work in greater collaboration with the Voluntary Community and Social Enterprise Sector (VCSE); and an invitation to people within our communities to help us, and all other local partners to make Barking and Dagenham the best borough it can be.

This strategy will support the Council's aims to:

- change our relationship with our residents,
- strengthen partnerships, participation and a place-based approach and
- harness culture and increase opportunity

The overall equality impact on residents as a result of this strategy has been determined as low. Evidence has shown that there is support for more partnership working and better outcomes for residents by creating more opportunities with the VCSE. Also the opportunity for more collaboration, the local giving model and capacity building will all increase the potential for a stronger VCSE that can reflect specific equalities strands.

Background and current context

The Council has been on a journey over the last few years, one that has seen us transform the way we deliver services. At the heart of this transformation is our community and the establishment of a new relationship founded upon building resilience and enabling residents to fulfil their potential by providing them with opportunities to prosper.

Our aim is to harness the collective financial and nonfinancial resources of the public, private and voluntary sectors together with the hope, determination and aspiration of individuals, families and communities to live better lives, in a better place.

The 2016 Independent Growth Commission and the 2017 Borough Manifesto helped set a vision to ensure that these opportunities benefit everyone. To achieve this, the report of the

Why is this service or policy development/review needed?

B&D Growth Commission highlights the necessity and importance of developing the VCSE sector and a more participative culture characterised by greater levels of volunteering both across, and in different parts of, the borough. A key question indeed is how we connect the new opportunities brought by East London's economic growth with VCSE's to help ensure that no one is left behind.

The VCSE strategy acknowledges that we now need to work even more collaboratively to drive real change. From a service-delivery model aimed at 'meeting needs', our role is now to support residents to be more independent, providing them with the tools they need to do more for themselves and each other to achieve their full potential. This is something we must do in partnership, with greater participation of VCSE and individuals.

The VCSE strategy and associated actions are essential in supporting residents and ensuring that no one is left behind as the borough moves forward and we seek together to deliver the outcomes of the Borough Manifesto.

The strategy is built on three clear goals, these are:

Goal 1: Increasing participation: We want participation to become part of every day life. This means practical participation, e.g. people getting together in neighbourhoods; civic participation, e.g. through volunteering in schools, the charitable sector and social enterprise; as well as participation in the design and production of services and putting individuals and organisations at the heart of shaping the very services they rely on or help to deliver.

Goal 2: Enabling and embedding relationships based on trust: Critically, it also means supporting a more collaborative approach respecting all partners' contributions as equal and coming together to achieve more. We want to improve the way we can work across all organisations. This means drawing on data and expertise to make it easier for people to collaborate, as well as creating a climate of trust between stakeholders. This also means staying focused on outcomes and learning from failures, as well as being honest with each other.

Goal 3: Building the sector's capacity: Our approach is two-fold: reimagining how we can best partner with and support the VCSE across a range of initiatives, and reshaping approaches to commissioning and giving locally. Practically, this goal looks at how we can increase the resources available for the sector, facilitate the sharing of time, skills and intelligence, and the sharing of building and spaces.

Within the goals a number of elements are recommended that seek to support the VCSE to work with our residents. These include:

- Support for the VCSE through the social infrastructure tender.
- Co-producing The Local Giving model
- Increasing organisations that apply for crowdfunding
- Grow VCSE ecosystem through increased community ownership of small green plots
- Committing to publishing the list of buildings (or spaces in a shared building) available at any given time.

Why is this service or policy development/review needed?

- Increasing availability of space for VCSE organisations through leveraging resources from corporate partners
- Continue the development of the practical participation support platform in the borough through Every One Every Day
- Work with the Barking and Dagenham Delivery Partnership and other partners to increase their support and work with VCSE organisations

Importantly, the Local Giving Model will be accessible to the VCS at no cost to them, opening up the platform to raise funds and make improvements in the local community which are important to residents.

The Council has conducted research and interviews to build a better understanding of the challenges and opportunities of the sector locally and beyond. This has helped to inform the development of the strategy, and included:

- an overview of the general trends in the VCSE sector nationally, as well as a comparative analysis of what is taking place in other boroughs, including other local giving models and approaches;
- research on groups' current approaches to fundraising, including with regard to crowdfunding and the local lottery;
- overview and analysis of Council's VCSE spend in 2017-18.

In addition, BDCVS were commissioned to conduct a research project into the role of VCSEs in achieving the Borough Manifesto outcomes, that runs parallel to this work (see Appendix 2 for summary or findings).

The key observations/recommendations of this research include:

- The number of charities saying they are operating in B&D and those actually based (and therefore more likely to be providing services to residents and investing locally) in the borough needs to be understood through further research. This distinction has not been made historically, and an understanding is needed to build a more accurate picture of the sector.
- Not for profits in B&D seem to be smaller than their peers nationally and in London.
- Given the largest provision (after faith activities) is advice, information and advocacy there is opportunity for greater shared working with Community Solutions.
- Voluntary sector provision has not kept up to date with the demographic churn locally, with a low number of equalities-oriented organisations. BDCVS has filled this gap and may need to look at the reintroduction of an equalities forum for the sector.
- There are 593 CIOs, registered charities, industrial provident societies and CICs; and other unincorporated organisations in the borough. This brings the total number of not for profit sector organisations at a minimum of 620. The largest sector is faith-based organisations, with an income of approximately £7.8 million. Non-faith-based charities represented an income of approximately £12.4 million.

Why is this service or policy development/review needed?

Using a methodology that focuses on charities' area of benefit (AOB), the Centre for London calculations show that Barking and Dagenham have a much lower level of active charities compared to many other London Boroughs, and by comparison, central London boroughs have between three and four times more charities per head of population that have at least some form of local activity.

The Barking & Dagenham VCSE sector also has a greater proportion of small charities, with an income of under £100,000. 76% of charities based in the borough have an income of less than £100,000 and would be considered as micro and small scaled enterprises.

There are also lower levels of volunteering reported in Barking and Dagenham than in the rest of England. In 2017, the LBBB Resident's Survey identified that just one in five (23%) residents had volunteered in the last 12 months, compared to the national average of 42%, although the London average is lower too. However, we know that residents do a significant amount of informal voluntary work, such as religious activity and unpaid care for others.

Within this context the VCSE sector in the borough is delivering a range of services to and with residents. These range from essential support for people with social care needs, through to information and signposting support across faith communities and the wider sector, to activities promoting healthy lifestyles, engaging with our communities through the arts and heritage, and local community groups such as tenants and residents' associations and uniformed organisations. All of these groups and activity make up the variety of the sector locally.

1. Community impact (this can be used to assess impact on staff although a cumulative impact should be considered).

What impacts will this service or policy development have on communities?

Look at what you know? What does your research tell you?

Consider:

- National & local data sets
- Complaints

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

- 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.

This strategy outlines the Council's ambition and commitment to strengthen the voluntary, community and social enterprise sector (VCSE), and to build on some of the great ideas that emanate from the community to meet our ambitions as a borough. It aims to build capacity, increase civic participation, and facilitate collaboration with the sector, as equal partners. VCSE organisations have a unique position, and contribution to make to help address structural inequalities, e.g. through their frontline activities and commitment toward people with protected characteristics.

Many people are still reliant on the help of service delivery organisations to make ends meet. A number of VCSE organisations provide vital support to our residents, many of which present one or more protected characteristics (e.g. DABD, Harmony House). Some VCSE organisations serve specific groups within the community, such as women's groups (e.g. Excel Women's Centre, Ashiana Network), others organise activities for specific ethnic groups (e.g. Barking and Dagenham Somali Women Association), people living with/or helping others with disabilities (Carers of Barking and Dagenham), or bridging across age groups (e.g. Company Drinks).

Other organisations offer services, which address problems that disproportionately affect certain groups. Organisations like Lifeline and Faith Action propose Creative English classes to help recipients (often women) build their confidence. The universal support service provided by the Citizen's Advice Bureau help people get advice & information on housing and homelessness, employment, consumer, family, benefits, money, legal and much more.

A lot of these organisations help address local structural inequalities. They also play an important role in our ambition to move from a paternalistic, service-delivery model aimed at 'meeting needs', to a model designed to support individuals, families and communities to grow their own capabilities. Our aim is to harness the collective financial and nonfinancial resources of the public, private and voluntary sectors together with the hope, determination and aspiration of individuals, families and communities to live better lives, in a better place.

Potential impacts	Positive	Neutral	Negative	What are the positive and negative impacts?	How will benefits be enhanced and negative impacts minimised or eliminated?
Local communities in general	X			Strengthening local VCSE organisations	We have made the effort to include local communities in the production of the strategy, through ongoing

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Age	X			will positively impact local communities, providing them with the support and means to meet their needs and achieve their ambitions	engagement with the sector by the Participation and Engagement team, a four-weeks online consultation on the draft document and three open workshops for the sector. In addition, BDCVS has been commissioned to conduct a research project into the state of the sector and its role in achieving the ambitions for the borough as part of this process. This information provided is being considered as part of the consultation.
Disability	X				
Gender reassignment	X				
Marriage and civil partnership		X			
Pregnancy and maternity		X			
Race (including Gypsies, Roma and Travellers)	X				
Religion or belief	X			A majority of the 90 charities that are exclusively active locally (46%) provide faith-based services.	<p>Whilst faith organisations provide an invaluable contribution to our community, some of the traditions associated with faith may come to challenge certain practices or characteristics, e.g. on sexual orientation. To mitigate these impacts, a faith policy will be introduced in the spring of 2019.</p> <p>We have consulted with faith organisations as part of the consultation on the draft strategy and ensured that their ideas and recommendations are reflected in the strategy.</p>
Gender		X			The VCSE strategy capacity building and local giving model will increase the opportunity for more gender focussed organisation to develop in the borough
Sexual orientation		X			The VCSE strategy capacity building and local giving model will increase the opportunity for more sexual orientation focussed organisations to develop in the borough

COMMUNITY AND EQUALITY IMPACT ASSESSMENT

Any community issues identified for this location?		X			
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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?

The Participation and Engagement Team, within the wider Policy and Participation team have been working on a number of strategic initiatives in the last two years, alongside colleagues in the council and the VCS sector locally. One of the key responsibilities of the team is to manage relationships with the sector and to act as a bridge between VCSE locally and the Council, as well as funders. The team consists of 6 staff, three established posts, one funded through the HRA on resident engagement, one funded by the Home Office (Community Engagement Coordinator-OCE) and one funded by MHCLG (Connected Communities Officer-Controlling Migration Fund). Alongside this, in the wider policy and participation team an Equalities community development post has been recruited for one year initially.

The commitment of the council through resourcing the Participation and Engagement Team to build relationship with the sector has contributed to shaping this strategy:

- The community response to London Bridge and subsequent engagement with the **faith sector**;
- Strategic relationships with local VCS organisations, commissioning the infrastructure support and supporting the engagement of the Council where required;
- A number of interventions which constitute components of an **emerging local giving model**, such as: the launch of a local crowdfunding platform with associated small grants fund (Apr 2017); the establishment of the first local lottery in London (Oct 2017); the recruitment of a citizen panel to manage the allocation of the Neighbourhood Community Infrastructure Levy (NCIL) spend (December 2018);
- A wide range of engagement activities across the community including Big Conversation events and focus groups to inform our cohesion approach; Human Library, the first community cohesion hackathon, belief in Barking and Dagenham, etc.;

The ideas and plan laid out in this strategy are the product of ongoing engagement through focus groups, 1-1 conversations, discussions with other places on best practices on VCSE, and feedback from a range of stakeholders and VCSE actors locally. The direction proposed in this document was also discussed with key commissioning directors and services within and outside the Council, including Inclusive Growth, Social Care, My Place, Procurement and Community Solutions.

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 addition, this strategy builds on a number of other pieces of research and consultation, including:

- In-depth qualitative work commissioned to the BDCVS with local voluntary and community groups on the future of the sector;
- A series of events (conferences, workshops and focus groups) and programmes, e.g. Connected Communities, organised in 2017-2018 as part of the council's efforts to better understand social cohesion issues and opportunities in the borough;
- A four-weeks public online consultation;
- Three public workshop sessions organised on 13 and 17 December in Dagenham Library, the Salvation Army (Barking) and BDCVS on 3 January.

3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented?
These actions should be developed using the information gathered in Section 1 and 2 and should be picked up in your departmental/service business plans.

Action	By when?	By who?
Review of the Community and Equality Impact Assessment	November 2019	Strategy Lead
Strategy impact evaluation (including on equalities)	Quarterly	Participation and Engagement Team
Final evaluation (including on equalities)	November 2022	Participation and Engagement Team

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

The strategy will outline the Council’s commitment to work with VCSE organisations to improve residents’ outcomes by 2022, by focusing on three main goals:

Goal 1: Building the sector’s capacity

Goal 2: Increasing civic participation

Goal 3: Enabling and embedding relationships based on trust:

These goals will work towards achieving our vision for a strong VCSE. Practically, our vision for a strong VCSE means there are many ways in which individuals’ ideas, projects and concerns can develop, flourish and be addressed. It also means a dense network of organisations shaping and delivering essential services and support, helping people grow in life and seize opportunities, bridging residents’ capabilities and needs with donors, challenging the status quo, and being part of the fabric of the place.

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
Tom Hook	Director, Policy and Participation	30 January 2019

CABINET**18 February 2019**

Title: East London Regional Adoption Agency – Business Case	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Joanne Tarbutt, Head of Service for LAC, Adoption and Prevention Services	Contact Details: Tel: 020 8227 5807 E-mail: joanne.tarbutt@lbbd.gov.uk
Accountable Director: April Bald, Director of Operations, Children’s Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti, Director of People and Resilience	
Summary	
<p>It is proposed that a new East London Regional Adoption Agency (RAA) is created through combining the adoption services for the five East London Boroughs of Havering, Tower Hamlets, Newham, Barking and Dagenham and Waltham Forest. These agencies wish to build on the success of their existing services to improve performance in meeting the needs of children who require permanence through adoption, by bringing together the best practice from each authority within the RAA. This proposal forms part of an overarching project to develop four RAAs across London. Each of the 4 RAA’s will have a host/lead authority. Havering will be the lead authority for East London. All local authorities in England must join a regional adoption agency by April 2020 and it is proposed that the East London RAA is effective from June 2019.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <p>(i) Agree the Council’s participation in the East London Regional Adoption Agency with effect from June 2019 in accordance with the business case set out at Appendix 1 to the report; and</p> <p>(ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration and the Director of Law and Governance, to enter into any contracts / agreements necessary to effect the arrangements.</p>	
Reason(s)	
<p>In particular, the regionalised adoption service will contribute towards:</p> <ul style="list-style-type: none"> • children and young people realising their potential • children and young people being health and save • fully integrated services for vulnerable children, young people and families 	

1. Introduction and Background

- 1.1 In March 2016, the government announced changes to the delivery of adoption services setting a very clear direction that all local authorities' adoption services must be delivered on a regionalised basis by 2020. This followed a range of national policy changes since 2012, including the 2015 'Regionalising Adoption' paper by the DfE that sought improvements in adoption performance. Following the general election in June 2017, the Minister of State for Children and Families reaffirmed commitment to this policy. In March 2018, the DfE commenced the legislation that allows them to direct a local authority into a RAA if there is no progress being made.

2. Proposal and Issues

- 2.1 This business case is founded on a number of key proposals and assumptions:

- There is one host for the East London RAA and it is proposed this is Havering; however, it is expected that staff will be located across all five LA sites.
- There is one Head of Service and some functions, still to be determined, that may be centrally located. Any centrally located functions, likely senior management and back office will be located in Havering.
- Adoption practices and processes will be the same across all 5 local authority areas
- All agencies have the resources available to actively lead on and participate in agreed work streams and achieve the deliverables within agreed timescales set out in the plan;
- Adopt London East (ALE) will work in partnership with the child's social worker at the earliest possible point.
- Staff affected transfer to Havering's Terms and Conditions, including pension rights, holiday entitlements and sick pay policies. Staff will be transferred to the host authority under the Transfer of Undertakings (Protection of Employment) regulations (TUPE);
- Any applicable redundancy costs will be underwritten by the currently employing LAs as this will not be funded by the DfE or the host;
- Premises – ALE will be delivered from office bases in all five locality areas. This will ensure: continuity of provision as far as possible; close working relationships with children's social workers and easy access for local communities to a service within their community. A small number of workers undertaking central functions (mainly senior management and back office staff) will work from a central base in the Host authority. All RAA workers will also be expected to attend meetings within the central base in the host authority for some portion of the working week.
- All RAA workers will also be expected to work across all of the 5 local bases if the needs / demands of the service require it

3. Options Appraisal

- 3.1 The decision to pursue four RAAs in London was agreed by ALDCS and endorsed by the DfE in May 2018. This business case does not revisit that decision but provides more detail for how the agreed delivery model will work in East London.

3.2 Whilst a number of options were considered early on including the creation of a new single entity to deliver adoption services across East London, the preferred option is to combine the five London boroughs with one borough becoming the host authority. Creation of new single entities is time consuming and costly and not a preferred option elsewhere with RAAs already live.

4. Consultation

4.1 The business case has been produced in ongoing consultation with the staff groups below. The project team will continue to consult with the staff groups below through the same channels ahead of a formal decision.

- Strategic leads (Project board)
- Service Leads (Project board, workshops and task and finish groups)
- Frontline social work staff (1:1 discussions and all staff engagement events)
- Voluntary adoption agencies (1:1 discussions and pan-London engagement forums)
- Legal services, commissioning, HR, performance and finance leads (workstream steering groups)
- Local adopters (Newsletters and other comms channels)
- Elected members (Briefings and pan-London engagement events)
- Trade unions (Briefings and 1:1 discussions)

4.2 The proposals in this report were considered and endorsed by the Corporate Performance Group at its meeting on 22 November 2018.

5. Financial Implications

Implications completed by: Florence Fadahunsi, Finance Business Partner

1) Overview of costs

- LBBD will contribute their current adoption services budget of **£392,646**
- There will also be a transitional payment of **£58,896** to cover the extra costs (A new regional head of service and increased hosting costs) of the regional model
- Interagency budgets will not come into the model but the RAA will hold a virtual pool of funding and will share costs among the local authorities equitably

2) Principles

- The establishment of the new RAA is about improved performance across the region and the business case sets out an invest to save model. The extra transitional costs will be clawed back by local authorities through reductions in interagency placements.
- For pragmatic reasons, the model has been costed at the highest possible cost. The feedback nationally is that RAA's can be more expensive in their formative years. This model allows for flexibility, changing demand and even growth, in an area in which demand pressures are unpredictable and constantly changing.
- The RAA will share risk across its constituent members in a fair and equitable way. Local performance (particularly in year one) will determine how costs, underspend, and savings are apportioned across the local authorities

3) What does this mean for Barking and Dagenham

- Barking and Dagenham spend, on average, £100,000 per year on external adoption placements. At a minimum, we expect this figure to drop by.
 - Circa. £60,000 in year 1. (a reduction of 2 external placements)
 - Circa. £90,000 in year 2. (a reduction of 3 external placements)
 - Circa. £120,000 in year 3. (a reduction of 4 external placements)
 - This will cover the cost of the transitional payment and more in all future years
- We also expect a saving of around £66,000 per year (From year 2) to the LAC budget as a result of improved performance on timeliness and rates of leaving care for adoption (see full business case)
- Any underspend against the model (which has been costed at the highest possible rates) will also be able to be drawn down or reinvested in the regional model) by the partnership

4) Predicted spend for Barking and Dagenham

LBBB	Current Adoption Budget	Transitional payment	Average interagency spend	Other savings to LAC budget	Total spend
18/19	£ 392,646.00	£ -	£ 100,000.00	£ -	£ 492,646.00
19/20	£ 392,646.00	£ 58,896.00	£ 40,000.00	£ -	£ 491,542.00
20/21	£ 392,646.00	£ -	£ 10,000.00	£ 66,000.00	£ 402,646.00
21/22	£ 392,646.00	£ -	-£ 20,000.00	£ 66,000.00	£ 372,646.00

6. Legal Implications

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

- 6.1 As set out in the body of this report the Secretary of State has the power under the Adoption and Children Act 2002 as amended by the Schools and Adoption Act 2016 to direct local authorities to form joint arrangements. It is therefore preferable that Local Authorities make arrangements together rather than respond to compulsion. The business case supporting this report envisages that the London Borough of Havering will be the lead borough for an East London Regional Adoption Agency.
- 6.2 The joint working will necessitate in due course some form of partnership agreement which will set out the terms of the relationship between the authorities including the RAA governance structure, roles and responsibilities of each member organisation, funding arrangements, the service specification (and performance management and quality assurance framework), information sharing agreements and arrangements for staffing the RAA. There will need to be a check carried out to ensure that any existing contractual obligations that the Council Adoption Service has where possible are transferred to the RAA.
- 6.3 A key consideration, should the joint arrangement proceed, will be staffing implications for Barking and Dagenham staff as the proposal is that they will be

transferred over to the London Borough of Havering. Their existing terms and conditions will be protected by the Transfer of Undertaking Protection of Employment (TUPE) Regulations as described below in paragraph 7 “Other Implications - Staffing Issues”. Consultation will need to take place with the workforce and their representatives. Inevitably the transfer of four authorities’ employees to a fifth will lead to a challenge to all concerned in terms of ensuring that all are treated fairly in the deployment of staff within the new Havering led East London Regional Adoption Agency and so forward change management planning to manage staff expectations and maintain morale will be crucial in avoiding unsettled employee relations.

7. Other Implications

7.1 Risk Management - The partnership agreement will also have a strong focus on risk sharing and financial equitability. It is crucial that no authority stands to benefit or lose out significantly as a result of the new model. The detail of the agreement will include but not be limited to the following:

- Budget setting and review
- How targets are affecting financial contributions
- Financial equitability (at the outset and over time)
- Savings reviews
- How surpluses/savings/efficiencies will be managed, drawn down and reinvested in the model

7.2 Staffing Issues

HR implications

The HR comments of this report set out the current position with regard to the applicability of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). In line with the minimum expectation of the DfE, staff in scope of this new East London Regional Adoption Agency are expected to transfer into the host borough, Havering Council, under TUPE regulations.

It is envisaged that these proposals will initiate significant changes to the way Adoption services are delivered across the 5 boroughs and ultimately new ways of working.

The TUPE regulations impose limitations on the ability of the new employer and employee to agree a variation to the terms and conditions unless there is a genuine Economic, technical or organisational (ETO) reason:

- There needs to be a valid business reason for the change
- The ETO reason must ‘entail changes to the workforce’. This means that changes to workforce numbers or job functions must be the objective of plan
- Changes to location of work are now covered as an ETO reason under TUPE. This means that TUPE-related relocations will not be treated as automatically unfair but should still be treated in line with the normal employment principles in terms of formal consultation.

Therefore, it is likely that as well as informing/consulting as part of the TUPE process, formal consultation will take place with staff and unions on the new structure, location and job descriptions triggering a change management process.

It is recognised that all local authorities are likely to follow a similar change management process. However, a proposed Change Management “Terms of Agreement” has been developed and aims to provide clarity and equity between the boroughs throughout the management of the change process. This agreement has been consulted upon with HR leads across the boroughs and will then be shared with the unions.

Both the TUPE and restructuring consultation processes will be managed in line with the ACAS guidelines and will run concurrently.

Where possible, the existing boroughs will seek to redeploy their own employees prior to the transfer date. Any redundancy costs will be the responsibility of the incumbent borough. The host borough will need to consider additional ongoing liability cost which may not be covered in on-cost i.e. Barrister costs associated with an employment tribunal and who will be responsible for those costs.

Pensions

All local authorities’ pensions provisions are provided under the Local Government Pensions Scheme. The actuary has confirmed that a bulk transfer is only applicable if 10 or more members are transferring from any one previous organisation.

Each local authority is unlikely to be transferring 10 or more members, therefore, the process for bulk transfers is not applicable. The process that will need to be followed is that of a normal transfer from a previous Local Government Pension Scheme i.e.:

- The members will be admitted to the London Borough of Havering pension scheme and will then be subject to 22% employer contribution rate (the employee rate is dependent upon their salary)
- The pension team will write to the previous authorities requesting transfer estimates, calculated in accordance with actuarial guidance issued by the Secretary of State
- Once the details are received, the pensions team will write to the members, highlighting the ‘pros and cons’ of transferring and ask them to make their decision.
- If members elect to transfer, the pension team will ask the previous authority to make the payment of the relevant transfer value.
- The transfer value, paid from the pension fund, should be enough to cover previous pension liabilities so there is no need for any budget from individual services for pension costs.

However, if any local authority exceeds the bulk transfer number of 10 members, then the process will need to be reviewed and could impact on timescales and costs. The above process will be factored into the formal consultation period.

- 7.3 **Corporate Policy and Equality Impact** – A detailed Equality and Health impact assessment (EqHIA) has been undertaken at a regional level by the Lead Borough, Havering, in respect of the potential impact on adoptive families. This assessment considers in detail all equality parameters as well as potential impacts on the adopters’ health and wellbeing. The document is attached at Appendix 2.

A detailed EqHIA in the same format will be completed in respect of all staff as soon as all information is available to support this assessment. In terms of progress to

date, all Human Resource leads have been involved in development of the processes by which staff will be transferred and all processes comply with relevant legislation. Staff have been engaged in processes through a Staff Engagement event and a number of workshops designed to co-produce the service delivery model. A regular newsletter updates staff about developments and an enquiry inbox has been established to ensure all staff have an opportunity to raise any concerns they may have.

Adopt London East is committed to supporting our adoption staff to transition as smoothly as possible and where appropriate all reasonable steps will be taken to reduce any potential negative impact and support staff who have identified additional needs

- 7.4 **Safeguarding Adults and Children** - Pooling resources through regionalisation of adoption will assist in the provision of a larger more flexible adoption support service and development of an integrated core adoption support offer. This offer will provide an easily accessible assessment and early intervention service for adoptive families who are in need of additional support. The comprehensive assessment will be undertaken jointly with relevant staff from the Local Authority and partner agencies. Appropriate early intervention is known to be effective in development of positive parenting and prevention of safeguarding issues. Should a child be identified to be at risk, adoptive staff will work alongside children's social work services and refer to the appropriate service.

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

List of appendices:

- Appendix 1 - East London Regional Adoption Agency – Full Business Case
- Appendix 2 – Equality and Health Impact Assessment

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Adopt London East Regional Adoption Agency



BUSINESS CASE

Final VERSION 1.0

November 2018

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1. EXECUTIVE SUMMARY

It is proposed that a new East London Regional Adoption Agency (RAA) is created through combining the adoption services for the four East London Boroughs of Havering, Tower Hamlets, Newham and Barking and Dagenham. These agencies wish to build on the success of their existing services to improve performance in meeting the needs of children who require permanence through adoption, by bringing together the best practice from each authority within the RAA. This proposal forms part of an overarching project to develop four RAAs across London.

This document describes how establishing a single agency will allow the four authorities to provide a more cohesive, efficient and effective use of resources and development of practice to the benefit of children, adopters and others who gain from adoption services. It proposes that the London Borough of Havering will host the RAA, the cost of development to be funded by the Department for Education. This document also sets out how the RAA will work with its partners to deliver Adoption Services.

In March 2016, the government announced changes to the delivery of adoption services setting a very clear direction that all local authorities' adoption services must be delivered on a regionalised basis by 2020. This followed a range of national policy changes since 2012, including the 2015 'Regionalising Adoption' paper by the DfE that sought improvements in adoption performance. Following the general election in June 2017, the Minister of State for Children and Families reaffirmed commitment to this policy. In March 2018, the DfE commenced the legislation that allows them to direct a local authority into a RAA if there is no progress being made.

The premise of regionalisation is to:

- Increase the number of children adopted
- Reduce the length of time children wait to be adopted
- Improve post-adoption support services to families who have adopted children from care
- Reduce the number of agencies that provide adoption services thereby improving efficiency & effectiveness.

The implementation of the new RAA for East London follows substantial project work from March 2018 where the decision was taken and agreed with the DfE to pursue four separate RAAs in London, not a single RAA as had been discussed through 2016-17. The East London project has the benefit of being able to access previous learning from those RAAs across the country that are already live. Project Managers across London have also worked together to ensure as much consistency pan-London as possible whilst retaining an awareness and consideration of the specific demographics and other issues specific to their region and within their region.

The East London RAA will be known as Adopt London East (ALE) and will build upon the previous positive practice established within the East London consortium – East London Adoption and Permanence Consortium (ELPAC) which is already delivering services effectively across the East region.

Over the summer 2018, and prior to formal agreement of this business case in autumn 2018 further work has begun to develop a service delivery model and engage staff in c-production of the model which enable East London to move towards regionalisation in specific areas where it makes sense to do so. Over the summer more detailed planning work has also been underway to support the successful implementation of ALE. This work will continue with the four member boroughs through the winter with transition planning and implementation beginning as soon as the business case is formally agreed.

This business case is founded on a number of key assumptions:

- There is one host for the East London RAA and it is proposed this is Havering; however, it is expected that staff will be located across all four LA sites.
- There is one Head of Service and some functions, still to be determined, that may be centrally located. Any centrally located functions, likely senior management and back office will be located in Havering.
- Adoption practices and processes will be the same across all four local authority areas
- All agencies have the resources available to actively lead on and participate in agreed work streams and achieve the deliverables within agreed timescales set out in the plan;
- Adopt London East (ALE) will work in partnership with the child's social worker at the earliest possible point, at the discretion of each Agency Decision Maker but in most cases at the point of the Placement Order being granted
- Staff affected transfer to Havering's Terms and Conditions, including pension rights, holiday entitlements and sick pay policies. Staff will be transferred to the host authority under the Transfer of Undertakings (Protection of Employment) regulations (TUPE);
- Any applicable redundancy costs will be underwritten by the currently employing LAs as this will not be funded by the DfE or the host;
- Premises – ALE will be delivered from office bases in all four locality areas. This will ensure: continuity of provision as far as possible; close working relationships with children's social workers and easy access for local communities to a service within their community. A small number of workers undertaking central functions (mainly senior management and back office staff) will work from a central base in the Host authority. All RAA workers will also be expected to attend meetings within the central base in the host authority for some portion of the working week.
- All RAA workers will also be expected to work across all of the four local bases if the needs / demands of the service require it

The Principles

The principles which this business case has followed were agreed by the Adopt London Executive Board which was delegated by the Association of London Directors of Children's Services (ALDCS) to oversee the development of the four London Regional Adoption Agencies. These principles have been endorsed by the DfE:

1. Local authorities involved in Adopt London and each of the four RAAs are committed to collaborating adoption arrangements so that the best interests of children and their adoptive families are secured and kept at the forefront of decision-making.
2. Adopt London will provide an overarching framework for enabling effective coordination, coherence and partnership working across London.
3. Adopt London authorities, and the four RAAs will make sure that there is consistency of approach in relation to key strategic and operational decisions, e.g. about whether staff are transferred under TUPE arrangements or seconded. Project teams in the four RAAs and RAA governance arrangements should reflect the ambition to promote such consistency of approach.
4. We are committed to working effectively together with Voluntary Adoption Agencies (VAAs), making sure that their unique and important contribution is maximised and that VAAs are involved in the development of the RAAs and Adopt London.
5. The focus of work over the next 18 months will be on establishing the four RAAs; in phase two, developmental work on the Adopt London hub will progress. We will use the Adopt London Executive Board to operate a virtual Hub in the coming period, with a view to exploring options for joint commissioning across London, maintaining common design principles for the spokes and exploring opportunities for further development of the Hub in phase 2.

Service delivery model, performance targets and budget

Adopt London East is committed to designing services capable of improving outcomes for children for whom the plan is adoption through:

- Placing more children more quickly
- Placing more children in an early permanence placement
- Providing quality support to ensure fewer placement disruptions and happier families
- Improving timescales for adopter assessments
- Assessing adopters well; leading to good and speedy matches

The proposed service delivery model is based on an evidence base of what works in Adoption and on initial consultation with adopters and key stakeholders. The detailed service design will be developed through co-production with staff and all key stakeholders as detailed in section 2.3. The rationale for the design principles is explored in more detail in section 3.3

Proposed service delivery model

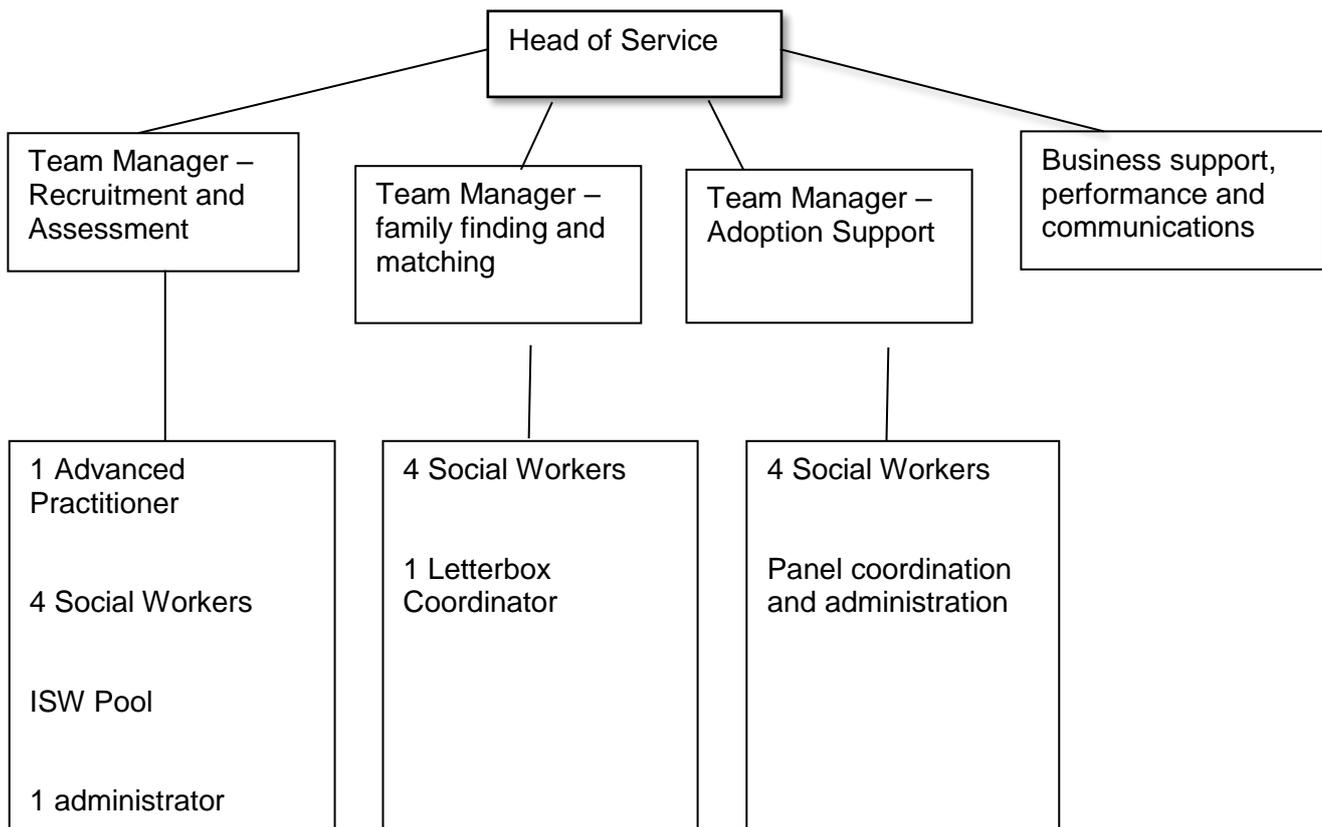
The proposed service delivery model is based on an evidence base of what works in Adoption and on initial consultation with adopters and key stakeholders. The detailed service design will be developed through co-production with staff and all key stakeholders as detailed in section 2.3. The rationale for the design principles is explored in more detail in section 3.3

The service delivery model includes one head of service and three team managers who manage the three key thematic areas in Adoption; recruitment and assessment; family finding and matching and adoption support.

Team managers will manage teams who will have workers allocated to local areas but operate as a pan East London service. All workers will be expected to operate outside specific Local Authority boundaries according to need and to meet regularly as a team.

Performance expectations and accountabilities of the RAA, Local Authority, each team and each worker must be clear.

This outline structure will be subject to further modelling and may change in some aspects of detail through the next phase of development; thematic operational Task and Finish Groups. These groups will involve first line managers, adoption social workers and adopter representatives in co-production of the working model.



RAA performance targets A detailed analysis of current performance has been undertaken (see section 2.4). This has been reviewed against best practice nationally and in the region. This has informed the setting of SMART performance targets for ALE. (See section 3.6)

Target	Current	Year 1	Year 2	Year 3	Improved Outcomes
Adopter recruitment	29	36	40	45	<ul style="list-style-type: none"> - Children placed within East London - Improved placement choice - Improved adopter confidence
Family finding and matching	57	60	65	70	<ul style="list-style-type: none"> - Children placed in East London - Increased number of children adopted - Improved placement choice - Improved matching through placement with adopters known to agency
Adopter support (no established numerical baseline)	Individual worker offer	Development of core offer Improved engagement with providers Improved use of grant funding			<ul style="list-style-type: none"> - Fewer adoption disruptions - Improved outcomes for adopted children - Improved adoptive family satisfaction

Budget

The current budget reflects staffing to the top of the scale at all grades. It is likely that the budget will reduce following more detailed analysis

A detailed rationale for budget setting and predicted savings is presented in section 4 of the report

Current adoption budgets	
Havering	313,929
Tower Hamlets	284,566
LBBB	392,646
Newham	407,042
TOTAL	1,398,183
Cost of regionalised model	
Staffing costs	£1,327,960
Non Staffing costs	£279,396
TOTAL	£1,607,356
Variance	
TOTAL	£209,727

- The total shortfall between the current contributions and the proposed RAA budget is £209,727
- It is important to note that this is the maximum possible shortfall between current budgets and the proposed RAA budgets as salaries have been costed at the highest possible spinal point. As such, the RAA partnership board will concentrate on partnership and risk sharing agreements to ensure that any underspend and savings are redistributed equitably among its member local authorities
- This business case sets out a “highest possible cost” funding model and ensures that the amount spent on the model in years 1,2 and 3 can be no more than the stated figure
- As such, the outline cost of the model is the same for years 1,2 and 3, in the knowledge that the spend will definitely be lower than the agreed amount
- The methodology for meeting the shortfall is based on reducing the number of interagency placement fees paid out for children in the RAA footprint. Effectively, the additional investment will be funded by performance improvements across the region.
- A conservative estimate of 7 (£217k at a cost of 31k per placement) additional placements made in house would cover the costs of the shortfall between the current and future budgets
- The RAA performance targets also aim to reduce interagency placements by a total of 16 by year 3 at a potential cost saving of £496k
- In the event that the RAA does not meet its targets, the extra investment in the RAA model will still be needed. The partnership and risk sharing agreements will agree how this funding will be sourced in an equitable way through each of the four local authorities
- There is also significant scope for increasing income from providing East London RAA adopters to other RAA's
- The risk sharing and partnership agreements will set out clear methodologies for budget setting and benefits (financial and other) sharing as a result of the RAA achieving its targets.
- Further savings against Children in Care budgets by each Local Authority through improved rates of leaving care for adoption and improved timeliness of placement (see section 4)

2. INTRODUCTION AND OVERVIEW

2.1 Purpose of this document

This document sets out the case for creating a new Regional Adoption Agency (RAA) to be named ‘*Adopt London East*’ through combining the adoption services for four local authority areas in East London. It describes how establishing a single agency will allow the four authorities to provide a more cohesive, efficient and effective use of resources and promote the development of practice to the benefit of children, adopters and others who gain from adoption services. It proposes that London Borough of Havering will host the new adoption agency, the cost of implementation to be funded by the Department for Education. This document also sets out how Adopt London East will work with other RAAs pan-London to develop a Regional Hub for the provision of some services yet to be determined.

2.2 Background and case for change

Current measures show that performance across London is variable but, even where performance and outcomes are good, there is a case to be made that further improvement can be achieved. The current average number of children being adopted by each London borough is 11 per annum, and is also 11 in East London, which reflects the fact that each borough is trying to deliver a small specialist service for a small number of children.

Following the publication of the DfE paper, Regionalising Adoption (June 2015), the Department invited local authorities and Voluntary Adoption Agencies to submit Expressions

of interest in becoming part of new regionalised arrangements. Following the scoping phase, twenty-six London boroughs signed up in principle to joining the London RAA between November 2016 and March 2017.

London Councils hosted project resources funded via the DfE to develop the case for change that addressed London's requirements for a new model. The brand "Adopt London" was created.

The initial focus was on a London wide RAA. However, in October 2016 an Outline Business Case was approved by the member authorities and agreed by the DfE that set out a revised model that proposed four separate RAAs to be established with an option for a central hub to be iteratively developed for shared functions. The role of the hub will become clear as the programme evolves.

The recommendation was not to create a new entity or entities, but to take forward a model in which the RAA adoption service is hosted directly by London boroughs. The costs of creating a new entity were considered to be prohibitive; this was also the conclusion of other pilot RAAs around the country.

The recommendation is to create four additional RAAs to cover London, with programme coordination to deliver those functions most effectively carried out once. A fifth RAA is being developed by Harrow working with Coram. This fifth London RAA includes the south London boroughs of Wandsworth and Bromley.

The rest of this document builds on the work that has gone before to develop a more detailed business case for the East London RAA – Adopt East London.

2.3 Work undertaken to date and proposed methodology going forwards

Through the development of this business case a number of priority areas have emerged, some at an East London regional basis, and some pan-London which put the ambitions of regional working into practice. Taking forward these smaller projects over the last few months has helped develop and iterate our thinking, both making the case for regional working, but also creating a sense of momentum, moving to regional working where it makes sense to do so more quickly.

Methodology for service development

The service development plan aims to model a service capable of delivering the best possible outcomes for children and adoptive families. In order to achieve this the methodology includes:

- Co-production with front line adoption staff: who know and understand the challenges in their services
- The voice of adopters and adopted young people: who know what support they need and what works for them
- Consultation with key partners and stakeholders; especially those who influence outcomes such as the East London Courts
- An understanding of current research and evidence based practice
- An understanding of current performance: locally and nationally
- Development of a learning culture of support and challenge

It is important to note the evolutionary nature of the process. An outline service delivery model has been included in the business case. This provides assurance that an effective service may be provided within an agreed budget. The design will be subject to further scrutiny through the methodology described above and may be subject to change if other models are proposed which are capable of providing improved outcomes for children and adoptive families.

Progress to date

The service delivery model has been developed in collaboration with the service leads in each Borough. The service leads know their services well: all have been honest in appraisal of their service and open to radical change in service delivery. All service leads have agreed in broad

terms the outcomes, principles and evolutionary model of service delivery as detailed in the body of the business case.

A staff engagement event will take place on 12th September 2018 and a preparatory briefing has been sent to service leads for dissemination

Service leads have identified key staff for each of three task and finish groups on: recruitment and assessment; family finding and matching and adoption support. These will meet monthly from September to December.

Initial consultation has been undertaken with adopter voice and contact made with the coordinator to establish a process for adopter comment and review of proposals from the task and finish groups

The practice lead will meet with the adopted child peer support volunteer in Havering to identify means of capturing the voice of adopted young people

The practice lead is also in the process of establishing a number of specialist consultation groups including; Panel Chairs; Virtual School Heads and CAMHS services

In depth analysis of current performance across all Local Authorities has been completed. This will provide the means of identification of best practice within the region and also areas where improvements can be made

A shared research library for use in the task and finish groups is in development

A pan London union meeting was held on 11th September 2018 and a early heads up briefing note was sent to the recognised unions across the four boroughs with follow up meetings booked.

2.4 Current performance

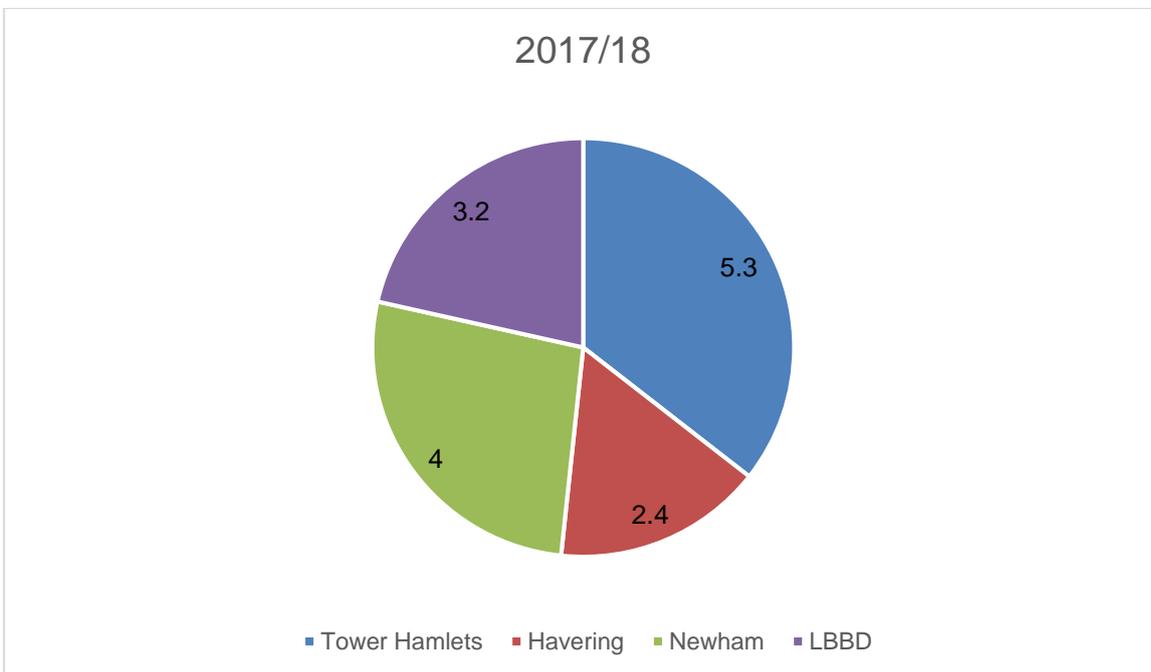
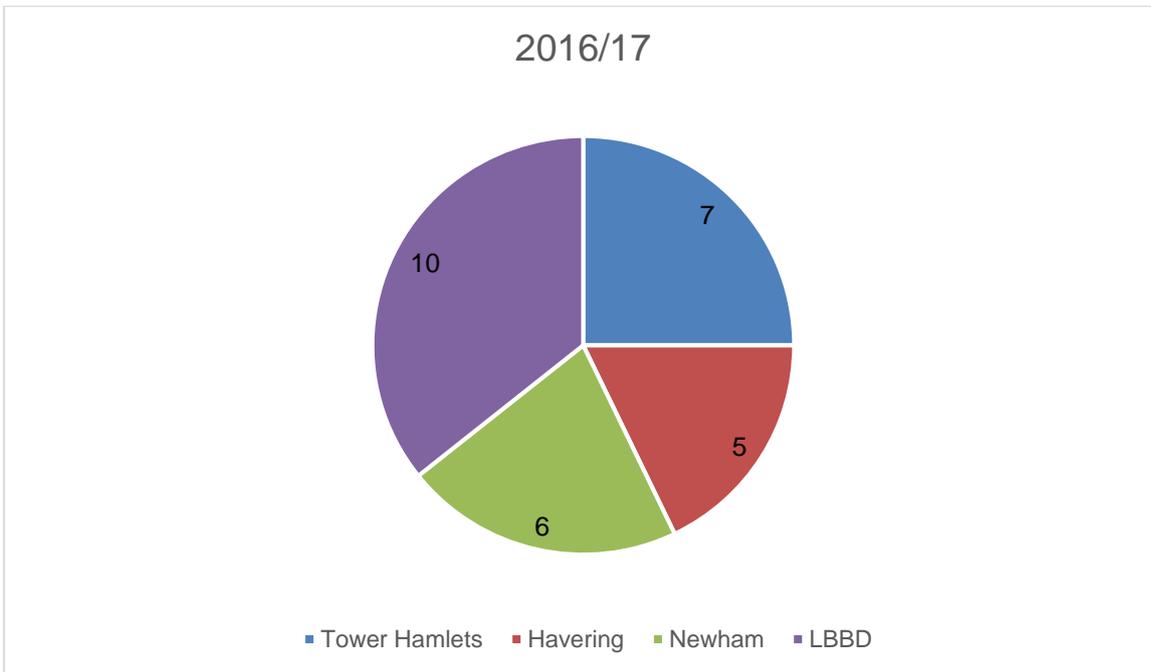
Rate of children Leaving care for adoption

National rates of leaving care for adoption have fallen. The DfE statistical return 'Children looked after in England (including adoption), year ending 31 March 2017' Concludes that 'The number of looked after children who were adopted in 2017 decreased, continuing a decline we saw last year from a peak 5,360 in 2015. This fall was expected as since 2015 the number of looked after children with a placement order has decreased, as has the number of looked after children who were placed for adoption.'

All London Local Authorities have nevertheless performed below national averages in respect of rate of leaving care for adoption. The national average is 15% with highest performing authorities achieving 25% plus. There are a number of factors involved in this, some positive: including a high rate of placement of children with extended family members under Special Guardianship Orders

There remains a high level of fluctuation in demand for adoption and two London Local Authorities (Tower Hamlets and Newham) have seen a considerable increase in their rate over the last year, LBBB remains stable and Havering has a lower rate.

The London Courts are perceived to have a negative view of adoption. There is some evidence, however that improved parenting assessments, comprehensive early viability assessments and confident challenge to the court has positively affected the court position.



Timeliness of Adoption

A review of timeliness of adoption has been undertaken using the unpublished ALB 2017/18 return from all ALE Local Authorities.

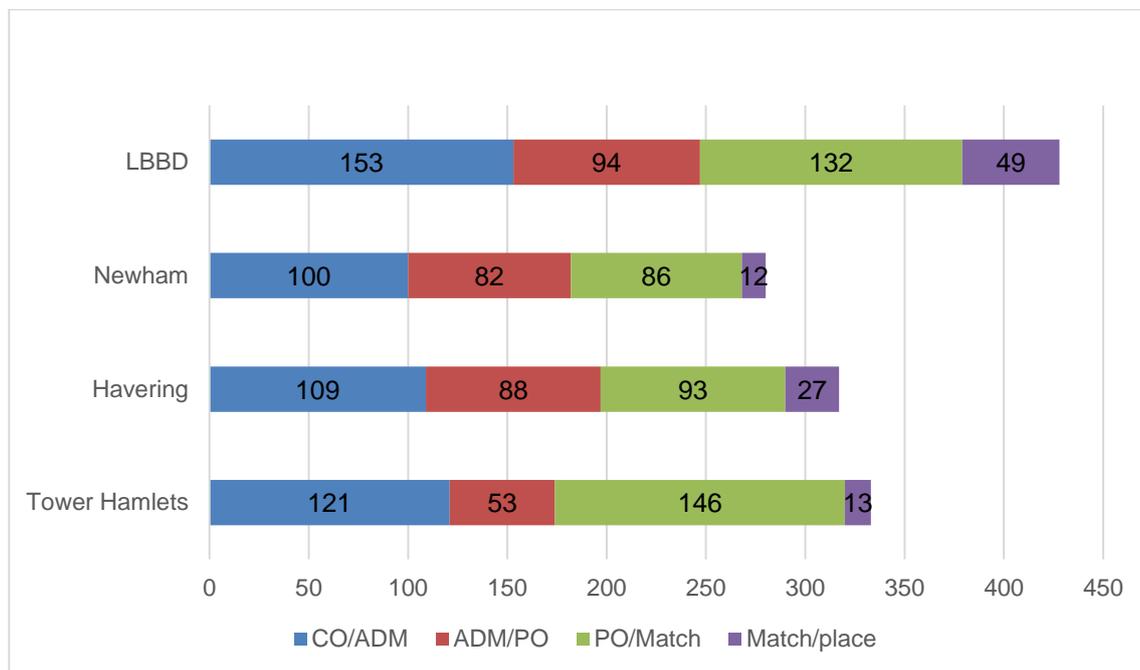
This considered all stages from Care order to placement for all children and separately for children in each Hard to Place group.

Not surprisingly, those Local Authorities who place more children in hard to place groups performed less well in timeliness.

Numbers are low and individual children may have a high effect on performance. There are nevertheless, some interesting findings and the data provides a useful baseline for discussion.

All points in the process are subject to differing pressures. It is important to note that responsibility for the child remains with the Local Authority throughout. Early communication and preparation is essential but involvement of ALE and shared responsibility for timeliness commences at the Placement order stage.

All children

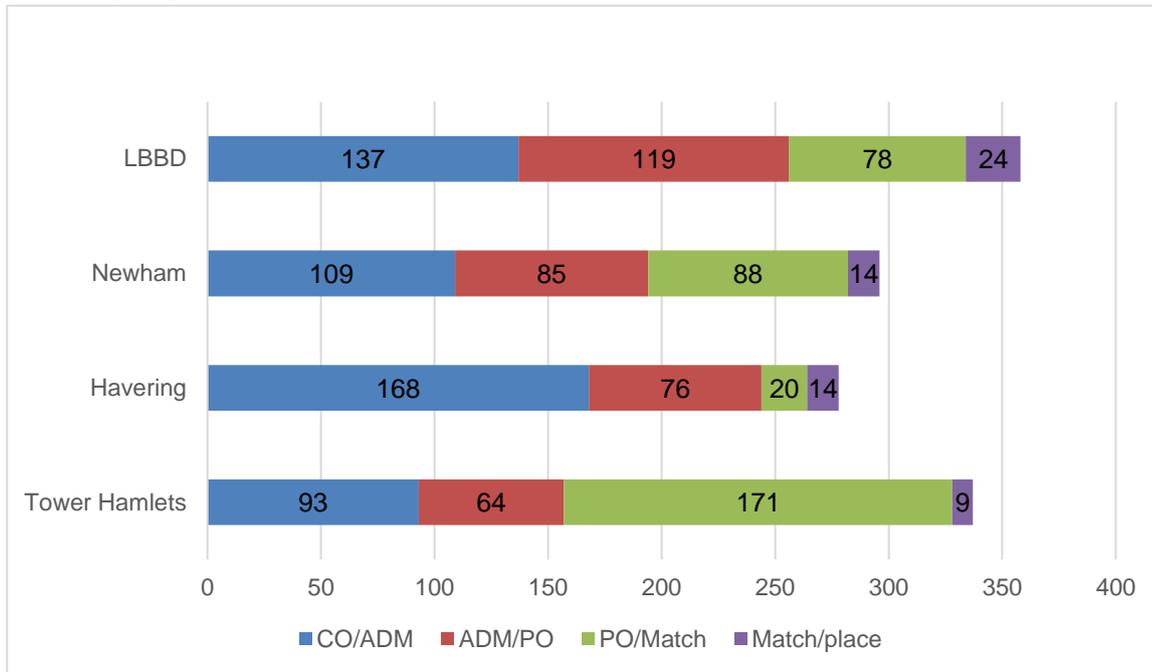


The table above shows average times in all stages for all children placed for adoption in 2017/18.

All Local Authorities except LBBD show similar times for Care Order to the Agency Decision that the child should be placed for adoption. The time taken to match children is the dimension which is most likely to be affected by placement of hard to place children. In this respect Newham performs especially well as Newham has a higher rate of leaving care for adoption and has identified placements in a timely manner. The time from Match to placement is the shortest period and therefore improvements in this field will only be marginal at best.

The last published ALB data (see Appendix 1) shows three year trends and therefore cannot be used to accurately benchmark one year averages, however from this information it appears that the ALE authorities are improving against National Averages.

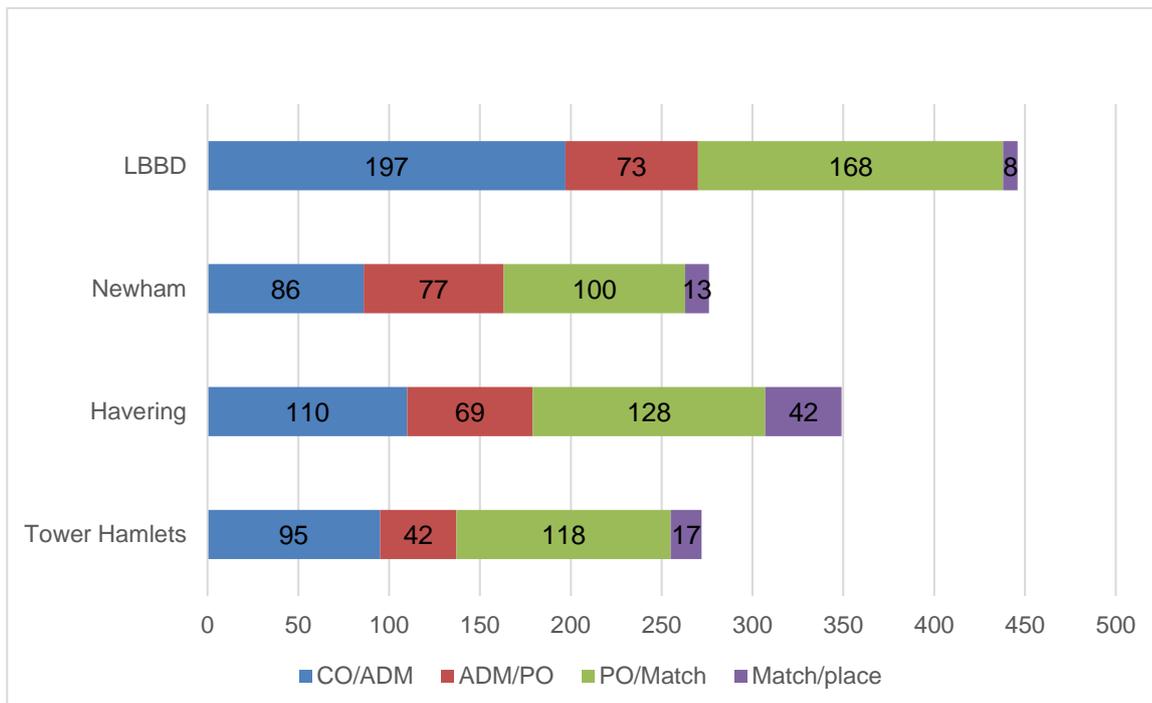
BME Children



The percentage of children placed for adoption from BME populations varies from 75% in Newham with LBBB and Tower Hamlets both reporting approximately 50% to 17% (one child) in Havering. This is largely representative of the local population and the children available for adoption through having a placement order. Children from BME populations are typically seen to be harder to place.

Analysis of the above information shows in East London this is not the case. All authorities except Tower Hamlets show shorter timescales for PO to Match. In the case of Tower Hamlets a single lengthy search for a BME child has had a disproportionate effect.

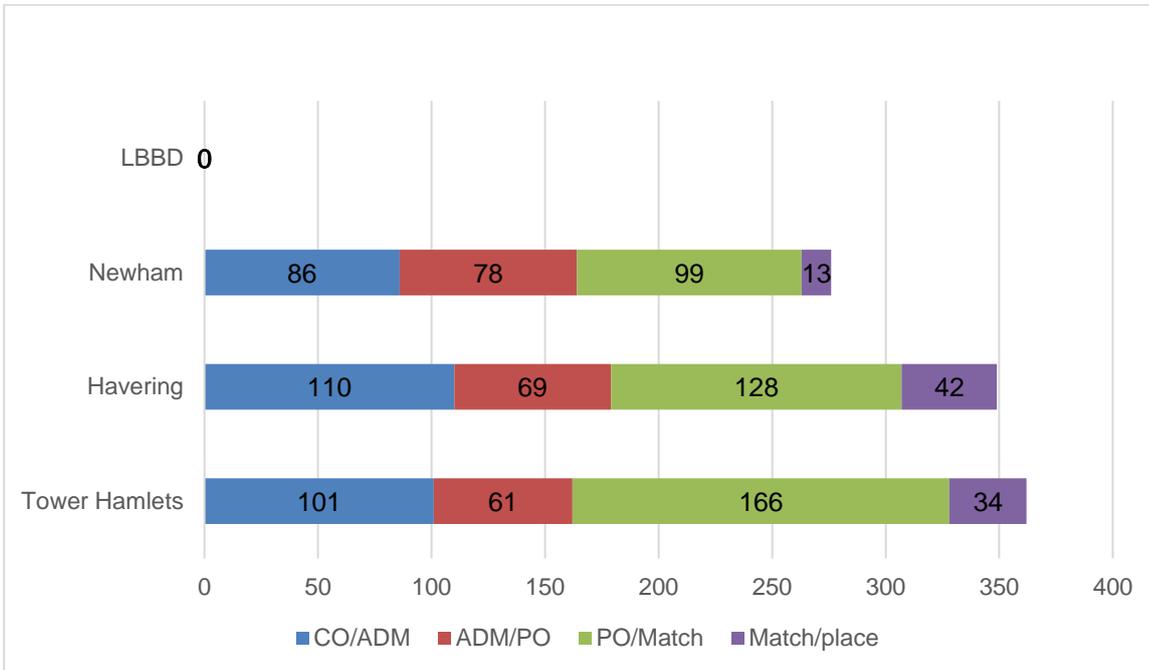
Sibling Groups



All Local Authorities placed a roughly similar percentage, between 31% (LBBB) and 44% (Newham) Newham placed the only sibling group of 3. In Newham, Havering and Tower

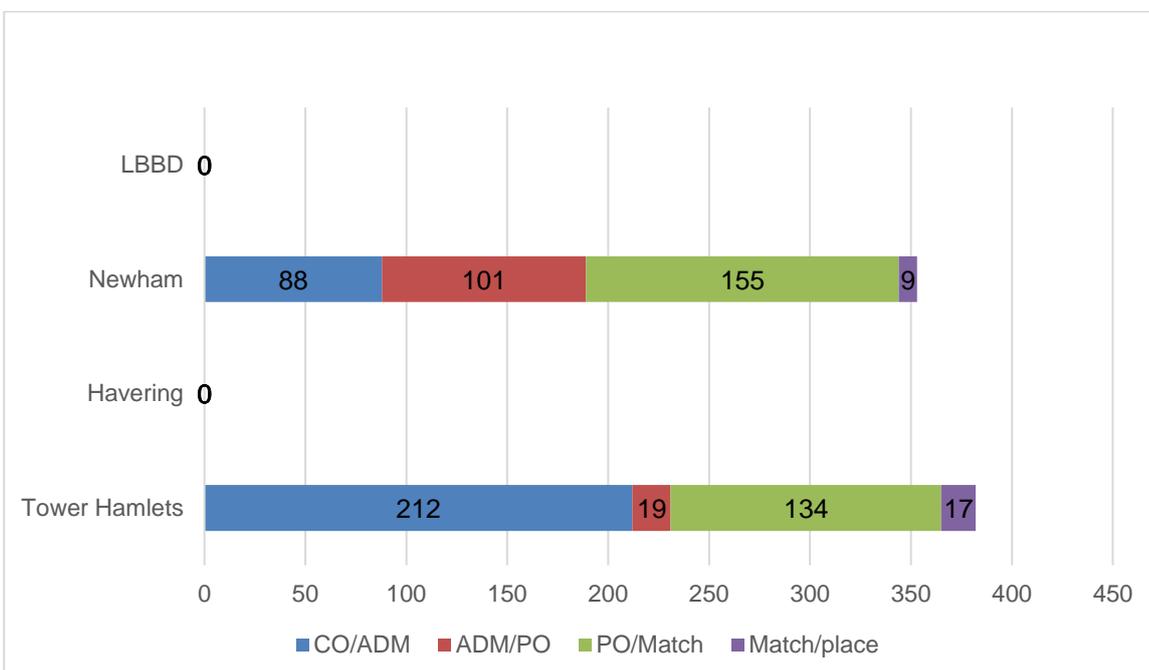
Hamlets at least one sibling group also contained a child over 5. Despite sibling groups and older children being considered to be hard to place all authorities except LBBB placed children in sibling groups quicker than the all children count. LBBB placed 3 sibling groups one of which took considerably longer to identify a match. If this group is excluded their timescales would reflect the pattern seen elsewhere.

Children Over 5



LBBB placed no children over the age of 5. All children over 5 who were placed by any authority, were placed as part of a sibling group together with a child under the age of 5. The Newham average time for children over the age of 5 is roughly in line with the all children average. In Havering and Tower Hamlets the average time is longer but in line with expectations for this more complex to place group. In both cases the additional time taken sits within PO to Match and is indicative of the challenge of a match of both a sibling group and a child over 5.

Disability



Only Newham and Tower Hamlets placed a child with a disability. Newham placed one child and Tower Hamlets 2. The child placed by Newham was also from a BME Population as was one of the children placed by Tower Hamlets.

The lengthy time from CO to ADM for Tower Hamlets reflects a disproportionate time taken for one child. In other respects the time from PO to Match is only slightly longer than the all child average and reflective of the harder to place dimension of this group.

Early Permanence

Only three children were placed in early permanence placements across the ALE Authorities. From discussion with Service leads, all were either relinquished or children where risk was deemed to be negligible. It appears that progress in respect of early permanence has been slow across East London as a result of a perception of increased risk through the stance taken by the East London Courts.

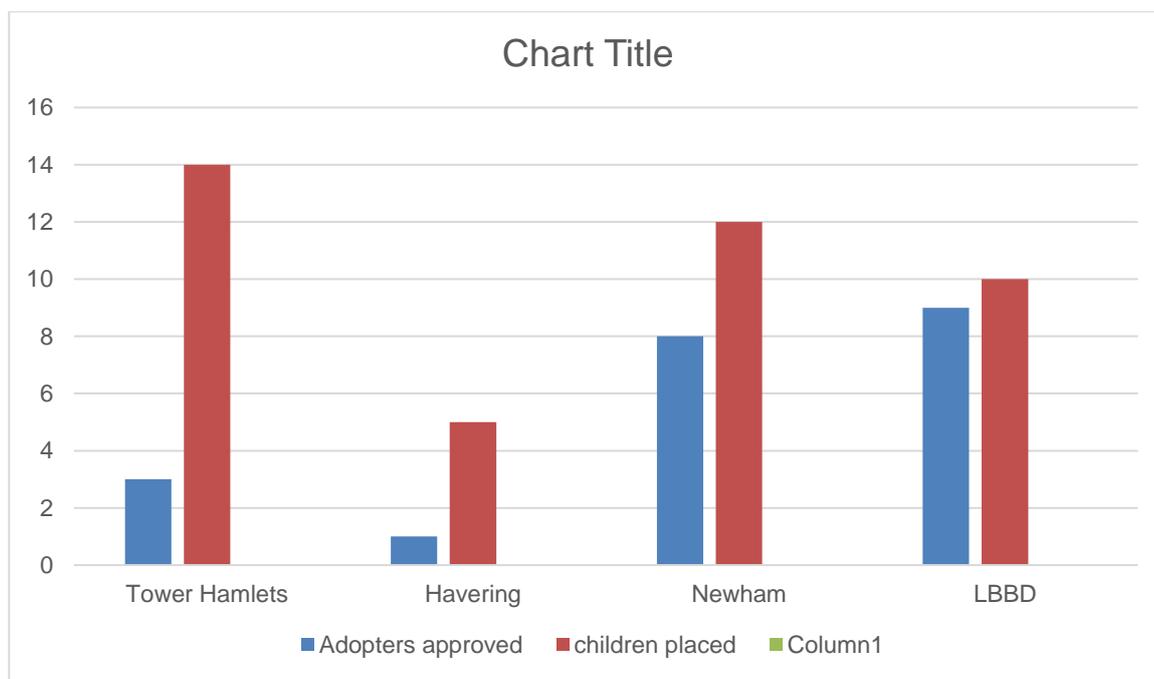
Early permanence provides children with stability at an earlier age and reduces the number of placement moves. It affords adopters the opportunity to parent their child from birth or from an early age. The evidence base for the importance of early bonding and nurture is clear. There are risks but where services have developed and embedded strong early permanence offer, adopter satisfaction and child development are seen to have improved.

This is an area for focussed attention and improvement action.

Adopter level performance Analysis

Adopter Approval

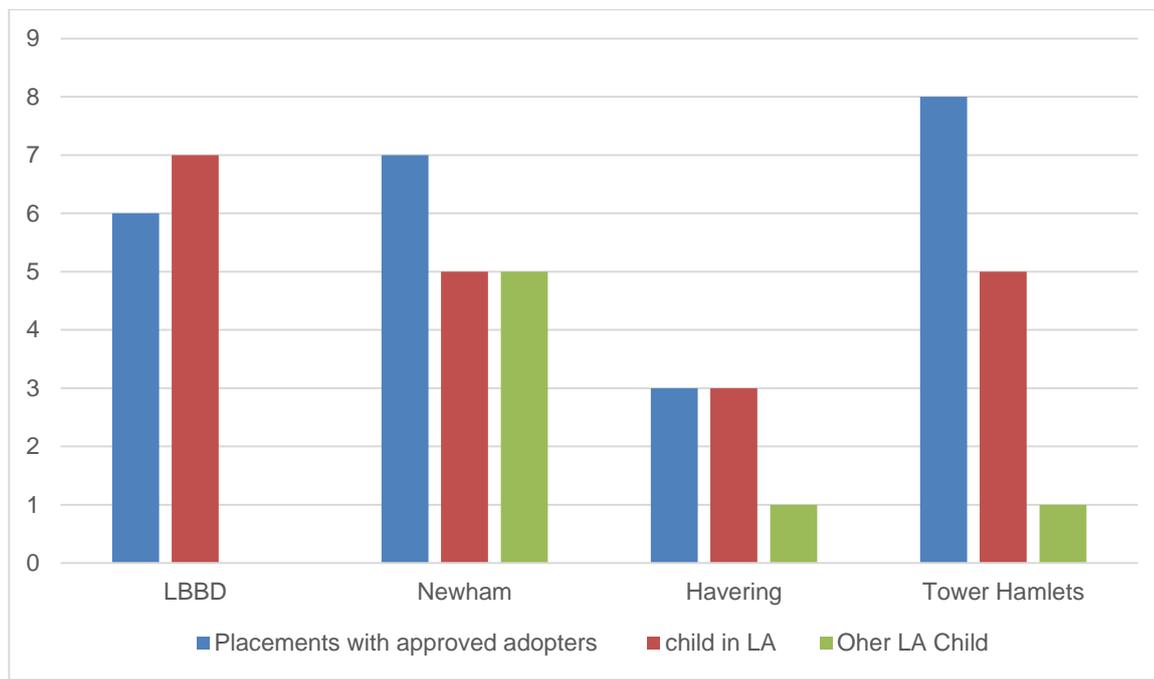
Numbers of adoptive families approved and numbers of placement families of children placed for adoption in 2017/18



All Local Authorities approved fewer adopters than the number of families of children placed for adoption in 2017/18(all sibling groups identified to be placed together have been calculated as one placement family as opposed to individual children). Statistics produced by ELPAC (which includes Redbridge) also identifies a 45% decrease in adopters recruited from the previous year and a 46% decrease in conversion rates.

Service leads have confirmed a decreased focus on adopter recruitment. A variety of reasons were given but difficulties in placing children within the immediate local area and a perception that the demographics of the local population did not fit profiles of adopters in national demand.

Numbers of approved adopters who had a child placed in 2017/18

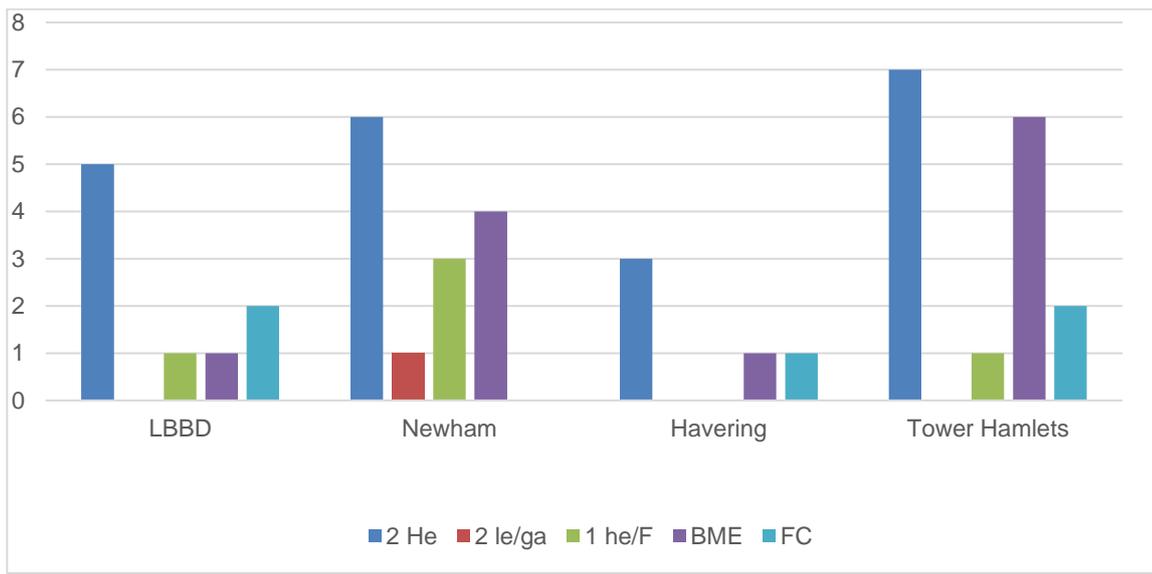


The numbers of approved adopters who had a child placed in year has been used as a measure as it evidences usability of the adopter cohort.

All Local Authorities used adopters approved in previous years and all had outliers who had been waiting some time (up to 1,646 days). In total 34 adoptive families had a total of 39 children placed. This was in excess of the 25 adopters (not including foster carers) recruited across ALE authorities.

The Local Authority breakdown of adopters who had a placement in 2017/18 ranges from 8 in Tower Hamlets to 3 in Havering. There is a large range in use of adopters in-house. LBBB used all recruited adopters for in-house children.

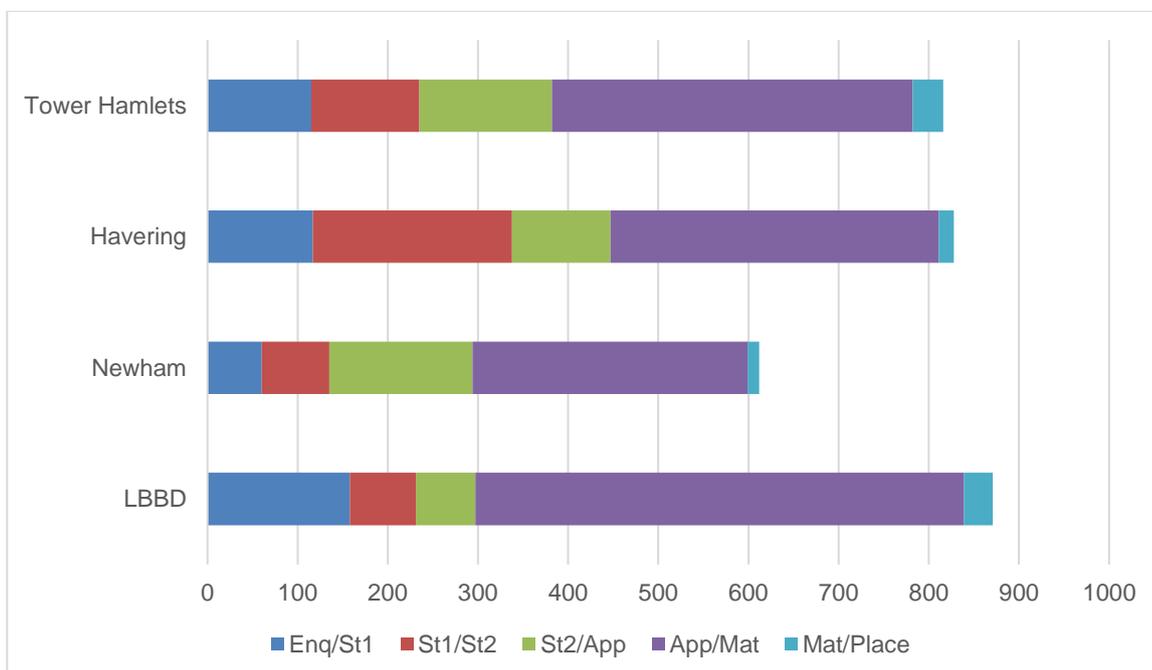
Adopters with a child placed in 2017/18 by type



Family Types - All Local Authorities primarily recruited adopters who were a heterosexual couple. The next most common adopter type was single female heterosexual. Only two same sex couples were recruited, one gay and one lesbian. No single males, single gay men or single lesbian women were recruited. Gay and Lesbian people have been identified as a potential target market for adoption and recruitment in this area appears to be underdeveloped across ALE authorities.

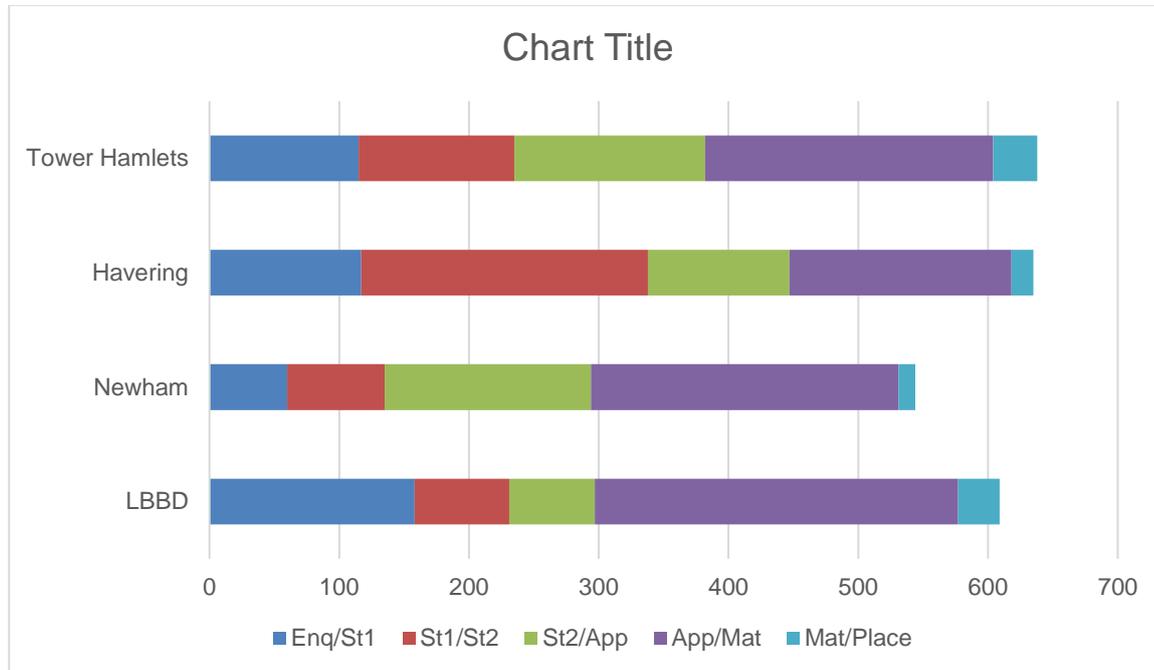
BME and disability - The number of adopters from BME populations and with an identified disability has been collated from all family types. For the purposes of this exercise, if either adopter in a couple is identified as BME the adoptive family has been recorded as BME. The Percentage of adopters from BME populations varies from 75% in Tower Hamlets to 25% in Havering and 17% in LBBD. No adopters were identified as having a disability. This variability is not in line with BME populations in ALE Local Authorities and it is likely that improved targeted recruitment could improve the adopter base

Adopter Timeliness Approval to Placement



All Local Authorities had a significant outlier of an adoptive family who had waited considerably longer for a placement. The following chart therefore excludes the significant outliers in the yellow approval to match timescale only.

Adopter timeliness recruitment to placement without significant outliers



The task and finish groups will be used to understand Local Authority processes and will add to an understanding of the raw data. It is likely that differences in the enquiry to stage 1, stage 1 to 2 and stage 2 to approval phases are at least in part due to differences in recording and processing adopters through each stage.

Nevertheless there are considerable differences in timescales for approval and all are higher than the national thresholds. Both Newham and LBBD have approval timescales under 300 days. Havering have timescales a third higher (469 and 447 days respectively). There is evidence in both authorities of improved timescales in more recent practice.

Some adopters have waited too long for a placement in all Local Authorities. Discussion with service leads has indicated that this is likely to be as a result of a mis-match between the adopter offer and the needs of children waiting. This has led in all ALE Local Authorities to a down turn in recruitment

Conclusion

This data will be used in the Adoption Recruitment Task and Finish Group to assist further exploration

From a statistical analysis of the data and conversations with service leads it appears that adopter recruitment is underdeveloped in ALE authorities

- Processes vary but are slower than national standards
- Some adopters wait too long for a match
- There is a mis-match between the adopter offer and child needs
- Some groups (e.g. Gay men and lesbian women) are under-represented
- Recruitment of adopters has not been a priority in any ALE Local Authority
- Early Permanence is under-develop and adopters not fully engaged in this option.

2.5 Vision of the new RAA

The proposed Regional Adoption Agency would encompass four Local Authority areas in East London. The high level targets for numbers of children placed (including sibling groups) and numbers of adopters recruited are as follows. These targets are based on 17/18 outturn data, predicted 18/19 outturn data and some conservative assumptions about what is achievable in years 1, 2 and 3.

The RAA will operate in partnership with three other RAAs and a developing Hub in London. Additional adoption functions will be provided by the Hub as regionalisation plans develop, where they can further improve the outcomes for children and achieve better value.

Across all of London the four RAAs have a shared vision to achieve excellent outcomes for children and adults affected by adoption through:

- Working closely with the Local Authorities and partners to ensure that children's best interests are at the heart of placement decisions which will fully meet their needs;
- Targeting recruitment and establishing a wider and more diverse pool of prospective adopters;
- Matching so that children are placed without delay in secure, loving families;
- Providing creative and outstanding adoption support services;
- Investing in the workforce to ensure they have the right skills and capacity to deliver excellent services;
- Continually seeking to apply best practice and innovation to our ways of working;
- Actively listening to and learning from children, adults and staff to develop and improve the services provided.

In East London further work has been undertaken to tailor the pan-London vision to the specific priorities for the region. The areas of practice improvement identified as priorities for the ALE are:

- Post-adoption support
- Development of a positive and pro-active early permanence service
- Adoptive family recruitment for harder to place children (older children, larger sibling groups, substance addicted babies, disabled children and those with special educational needs, and children from black and other ethnic minority backgrounds)
- A consistent adopter experience across East London from initial contact and recruitment through to training and post-adoption support.
- More coordinated, innovative, different and potentially larger scale contracts with voluntary sector and VAAs (better commissioning and understanding of placement providers)
- A longer-term ambition for the RAA to undertake lobbying/stakeholder work with the legal system to be more receptive to adoption
- Generally, increasing profile of and respect for the East as a region
- Ensuring the adopter and child voice is always built into the model / service
- To provide innovative and different ways of offering therapeutic and specialist support
- Ensuring that the region continues to place hard to place children, especially those in older age groups.

2.6 Delivery model

The decision to pursue four RAAs in London was agreed by ALDCS, and endorsed by the DfE in May 2018. This business case does not revisit that decision, but provides more detail for how the agreed delivery model will work in East London.

Whilst a number of options were considered early on including the creation of a new single entity to deliver adoption services across East London, the preferred option is to combine the four London boroughs with one borough becoming the host authority. Creation of new single entities is time consuming and costly and not a preferred option elsewhere with RAAs already live.

Governance of the RAA will operate through a board comprising of senior representatives from all LAs with representation from VAAs, adopters and adoptees. The RAA will continue to be accountable to Corporate Parenting Boards and other Local Authority bodies.

The RAA will aim to provide a high quality service to adopted children with improved outcomes; taking the best models of delivery from each of the four services, and considering the best level of geography on which to deliver (sub-regional, regional or pan-London). The RAA will also aim to provide savings through economies of scale.

The delivery model for the RAA addresses the five areas set out by the DfE as their minimum expectations of a Regional Adoption Agency:

1. A single line of authority with the ability to act as a single service and a head of service in place.
2. Transfer of staff into the organization.
3. Inclusion of core adoption functions of recruitment and assessment of adopters, early permanence and family finding, and adoption support.
4. Pooled funding from local authorities into the RAA.
5. Pan-regional approach to matching i.e. one pool of children and adopters.

The preferred option for East London addresses these requirements and proposes to work collaboratively with 3 other RAAs across London namely:

- Adopt London West – Ealing
- Adopt London North – Islington
- Adopt London South – Southwark

2.7 Strategic benefits

The key aim in combining services to create a single Regional Adoption Agency is to achieve better outcomes for all children and young people with adoption plans in the region. Local Authorities and Voluntary Adoption Agencies will come together and combine adoption services into a new regional agency to benefit children and their adoptive families, with larger operating areas giving a wider pool of adopters and children, more effective matching and better support services.

The Government set out the challenges they are seeking to address nationally through the creation of Regional Adoption Agencies in the paper 'Regionalising Adoption', published in June 2015.

In summary, these are:

Inefficiencies

Across London there is a highly-fragmented system with around 180 agencies recruiting and matching adopters for only 5,000 children per year (this number has subsequently decreased). The majority of agencies are operating on a small scale with over half recruiting fewer than 20 adopters in the first three quarters of 2014/15. This is not an effective and efficient scale to be operating at and is likely to mean that costs are higher because management overheads and

fixed costs are shared over a smaller base. Having a system that is fragmented in this way reduces the scope for broader, strategic planning, as well as specialisation, innovation and investment. Large numbers of small agencies render the system unable to make the best use of the national supply of potential adopters, more vulnerable to peaks and troughs in the flow of children, and less cost effective.

Matching

The system needs to match children with families far more quickly. Nationally, the data also shows that, as at 30 September 2015, there were 3,060 children with a placement order waiting to be matched. 38% of these children had been waiting longer than 18 months. The costs of delay, both to children and to the system, are high. It is vital that children are given the best and earliest possible chance of finding a family, irrespective of authority boundaries and lack of trust of other agencies' adopters. It is unacceptable that children are left waiting in the system when families can be found. Successful matching relies on being able to access a wide range of potential adopters from the beginning and operating at a greater scale would allow social workers to do this, thus reducing delay in the system. It could also reduce the number of children who have their adoption decisions reversed. In 2015-16, this happened to 900 children nationally. Furthermore, the opportunity for practice innovation created by moving to a new delivery model also has real potential to improve matching.

Recruitment

Whilst there has been growth in adopter recruitment there are too few adopters willing and able to adopt children with a range of different backgrounds and life circumstances. Recruitment from a wider geographical base as part of a regional recruitment strategy. Incentives also need to be better aligned and recruitment activity more nuanced and targeted so that agencies are encouraged to recruit the right kind of adopters given the characteristics of the children waiting. Recruitment from a wider geographical base than an individual local authority, that takes account of the needs of children across a number of those local authorities in a regional recruitment strategy and uses specialist techniques for recruiting adopters for hard to place children, would potentially lead to fewer children waiting.

Adoption Support

Currently adoption support services are provided by a mix of local authority provision, the NHS and independent providers (voluntary adoption agencies, adoption support agencies and small independent providers). There is a risk that the public and independent sectors are unlikely to be able to grow sufficiently to meet increased demand for adoption support. There are regional gaps in the types of services on offer and little evidence of spare capacity. The sector is currently dominated by spot purchasing and sole providers. This is not an efficient way to deliver these services. For providers to expand and therefore operate at a more efficient scale, services need to be commissioned on bigger and longer term contracts. RAAs should enable this to be done. It is envisaged that the Hub will act as a conduit to the wider voluntary sector, providing economies of scale and opportunities for innovation

The Local Perspective

The statutory functions required of local authorities in respect of adoption are provided by each of the four local authorities within their own geographic areas. There is already a great deal of joint working between the four adoption agencies to provide parts of the current service.

Joining the four local authority services together within Adopt London East will enable efficiencies to be achieved and improvements to services for all those affected by adoption.

In terms of recruiting adoptive parents some of the agencies are currently competing with each other. There is a duplication of effort and associated costs with the risk that people wanting to be considered as adoptive parents are confused about where and how to proceed with their enquiry. Adopt London East will have a single point of contact for prospective adopters, reducing the current fragmentation of services. Similarly, a single point of entry to

the adoption service locally will improve access to adoption support services for adoptive families, and also for adopted adults and birth family members, who have a statutory entitlement to receive a service.

Combining the services should ensure that management overheads and fixed costs will be reduced over time. The new service will allow for the more efficient use of staff time, for example Adopt London East may deliver training and preparation courses at stage one and two of the adoption process across the whole area resulting in less duplication and more timely access to the training courses for prospective adopters. adoptive parents as trainers.

There are currently four Adoption Panels (some of which are joint fostering / adoption) operating across the four Local Authorities. ALE will have one Adoption Panel which will consider applications from prospective adopters. These will be held more regularly and across all four boroughs. Agency Decisions in relation to prospective adopter approvals will be made by the Agency Decision Maker for the RAA. Therefore it will no longer be necessary for the four Local Authorities to retain their individual Adoption Panels, but each will continue to have a designated Agency Decision Maker for considering and agreeing the plan that a child should be placed for adoption and agreeing the match to appropriate adopters.

The new combined service provides the opportunity for the provision of a service of excellence for adoption support. This will be a multi-disciplinary service in partnership with colleagues from health and education and providing comprehensive and high level targeted support for adopted children, adoptive parents, adopted adults and birth family members

ALE will aim to reduce the proportion of children whose plans are changed from adoption because an adoption placement cannot be found as well as reduce the number of adoption placement disruptions. The RAA will bring the existing local expertise among managers and social workers together in respect of what makes a good match. Good permanence planning and tracking processes will ensure a high proportion of children are referred to the RAA prior to the point of Placement Order. Early identification of children with likely adoption plans and effective liaison with the child's social worker during the court proceedings will enable fuller and more accurate assessments of an individual child's needs to inform matching, and prepare the child. Strategic needs-led recruitment will also widen choice of potential adoptive families for children, which will lead to better and more sustainable matching.

Benefits will be delivered through adopting the "best practice" from the four contributing organisations. This will be of particular value in delivering benefits from the areas of Early Permanence (concurrency and fostering to adopt), improved adoption support, making optimal use of colleagues in health and education as well as those in ALE registered as social workers and those without social work qualifications but with other relevant knowledge, skills and experience.

2.8 Strategic risks

- There is a risk to all Local Authorities who fail to join a regional agency. This would include central government directing how its services would be delivered. .
- Major reorganisation of adoption services in the region may have an impact on service delivery to children and adoptive families in the short term. To mitigate these risks, practice is being regionalised more quickly where it makes sense to do so, and implementation will be on a phased basis. Performance measures aligned with the revised operating model and regular monitoring arrangements will be established between the host and non-host authorities as quickly as possible and before go-live for the new arrangements. This approach to governance, quality assurance and performance management will draw on lessons learned and best practice

- Separation of functions could cause delay through ineffective communication. The service delivery model promotes co-location and local delivery in all four Local Authority areas. Effective information sharing agreements and close working relationships between children's and adoption social workers will mitigate against this risk
- Any future difference in opinion across the LAs as to the role and scope of ALE and future governance arrangements could delay implementation.
- The organisational staffing levels proposed in this business case have been based on actual demand experienced over the past three years, however because of the current difficulties in predicting the levels of activity (e.g., numbers of children with adoption plans) there is a risk that suggested staffing levels might not be consistent with demand.
- There is risk, even regionally, of not being able to recruit adopters able to meet the needs of the children waiting, leading to more interagency placements and financial viability issues. More coordinated and targeted recruitment activity is expected to address this, scope for enhanced recruitment and assessment has been built into the delivery model.
- Any change management process can be unsettling for staff. The proposed changes to ways of working could lead to a risk of recruitment challenges and the retention of existing experienced and qualified adoption team workforce for the ALE. The engagement of staff directly involved in the delivery of adoption services, and the involvement of current service users will be essential mitigation alongside keeping colleagues in partner organisations informed. The project team have been engaging with staff at service and operational levels to ensure they are engaged and enthused about the opportunities of a joint agency.

All of the above risks and specific local risks will be considered during set and implementation of the RAA. The partnership board will review and mitigate for both new and existing risks and issues as they arise.

2.9 Realising the benefits of the RAA

Benefits expected to be realised through the project include:

- Improved timescales for adopter assessments
- Higher conversion rate from enquiry to approval of prospective adopters based on better understanding of the most successful routes to adoption
- Early identification of children with potential adoption plans and more children placed on an Early Permanence (Fostering to Adopt or concurrency) basis
- Reduction in the number of children for whom the permanence plan has changed away from adoption
- Increase in the percentage of children adopted for care
- More timely matching of approved adopters
- Improved timescales for placing children with their adoptive families
- Fewer prospective adopter approvals rescinded as approved adopters are not matched with a child
- Fewer adoption placement disruptions pre and post adoption order
- Improved performance measurement and management across the service
- Reduced interagency placements and fees

Section 3.7 contains the proposed performance and QA approach which would enable us to understand whether the RAA is delivering the strategic benefits as envisioned.

2.10 Stakeholder engagement and involvement

Consultation with stakeholders is an integral part of the Regional Adoption Agency project. The section below sets out the stakeholders engaged during the course of the project so far.

Their feedback has been incorporated into the future model and will continue to lay the basis for service design and amendments going forwards.

Adopters

Adopters in East London Boroughs have contributed to service development through two Adopter Voice forums. Key themes from the forums include the importance of:

- A supportive social worker at all stages of the process
- Continuity of service delivery both pre and post adoption
- Early intervention and support from a known person
- Peer networks and safe places for adopters and adopted children to meet
- Support with family contact
- Schools informed about attachment and use their pupil premium well.
- Responsive and understanding health services
- All services working together well. A 'one stop shop' for service delivery

Service Directors - Since **April 2018**,

an RAA Project Board has been set up to oversee the successful implementation of Adopt London East. The board is chaired by the Director of Children's Services in the host authority and consists of Assistant Directors and Heads of Service in respective local authorities; thus providing senior leadership and governance. The RAA Project Board meet regularly every **six weeks**. So far, representation from senior stakeholders has not only sustained interest in the project but it has also been fundamental to driving the project forward by making key decisions and unblocking problems.

Adoption staff

All adoption staff have been provided with a brief information document to keep them abreast of our current position and explain the draft proposed model. In addition to this, an upcoming Staff Engagement Event is set to take place on 12th September, 2018. Staff will have the opportunity to learn more about the benefits of regionalisation and participate in a workshop to discuss elements of the model. Service Managers have nominated staff to be involved in Task and Finish groups to focus on Recruitment and Assessment, Family Finding & Matching and Adoption Support. Staff involved in these task and finish groups will act as champions and will help design and co-produce the new RAA. By adopting a co-production approach of doing things "with" and not "to" our adoption staff Adopt London East will be a highly desired place where staff want to work.

Wider Staff across Children's services

Newsletters are distributed every **six weeks** to all staff across Children's Services to provide brief information on updates and an overview on anticipated changes to the service.

In addition to this the following Workstreams have been developed to involve wider staff in specialist areas:

- Practice: This workstream is made up of Heads of Service/Service Managers and includes developing the practice model of the RAA through process mapping.
- HR: This workstream includes mapping the as-is workforce, identifying roles, partial roles and functions that will move to the RAA, developing a new structure and job descriptions.
- IT: This includes mapping as-is IT systems, developing a practical and immediate solutions drawing on learning from other RAAs where different IT systems are used, develop approach to data sharing, scope future IT solution.

- **Commissioning:** This includes identifying existing externally commissioned services across the authorities within the scope of the RAA and making recommendations about transition arrangements.
- **Finance:** This includes mapping existing cost of in-scope functions, developing financial model for new RAA and proposals for reviewing the financial arrangements.
- **Legal and governance:** This includes ensuring new proposed approach meets legal requirements, developing the governance structure of the new RAA.
- **Accommodation and logistics:** This includes reviewing whether collocation of RAA staff is appropriate, and if it is, where they should be collocated, when they should move, how this will be funded.
- **Communications and engagement:** This workstream is about ensuring that all key stakeholders are kept up to date and are engaged in the design of the new RAA arrangements. It will include delivery of events, newsletters, workshops etc.

These on-going workstreams have multiple representations from each local authority. The involvement of staff across the wider service has been an effective way of extracting specialist knowledge, skills and tools into the development of this model in order to develop a realistic implementation plan.

3. RAA OPERATING MODEL

3.1 Learning from best practice

Research identifies several factors which contribute to timely, successful family finding and matching outcomes for children with a plan of adoption. The University of Bristol (June 2010) and Oxford University (Feb 2015) identified within research briefs, key factors seen to enhance the adoption journey for both children and their prospective adopters.

- **Quality of information** – all information at all parts of the process must be of **high quality, factual and comprehensive**. Poor quality information is identified as a direct correlation to disruption.
- Local authorities with access to a **wider pool** of prospective adopters experienced less delay in their family finding and matching processes.
- **Family finding done at the point of ADM** decision (rather than at the granting of the placement order) resulted in children experiencing less delay.
- Delay was reduced when case responsibility for **children transferred to adoption service** at point of placement order.
- Delay was also reduced when **early family finding strategies** were agreed for individual children deemed to have complex needs.
- **Tracking** of children throughout their journey is critical and adoption workers involved in this can drive the process.
- **Timely joint decision making** re whether to pursue ethnic matches or sibling separation also reduced delay for children.
- **Post placement support** (in a variety of formats) is particularly valued by adopters, contributes to positive transitions and reduces the risk of disruptions.

Proposals contained within this business case have taken account of these key factors alongside the need for quality and efficiency.

3.2 Scope

The target operating model for the new RAA considers its role in the delivery of the following main services across East London:

- Recruitment and Assessment – to provide the prospective adopters;
- Permanence Planning – Identifying children who need adopting;
- Matching and Placement – to match prospective adopters with children in need of adoption;
- Pre and Post Placement Support – to help all affected by adoption.

3.2.1 Roles and Responsibilities

The table below sets out the RAA and LAs will work together, summarising roles and responsibilities for each:

Function	Regional Adoption Agency	Local Authority
RECRUITMENT AND ASSESSMENT		
Marketing and Recruitment Strategy	✓	
Adopter Recruitment and Enquiries	✓	
Assessment of Prospective Adopters – all Stage One and Stage Two functions	✓	
Completion of Prospective Adopter Report	✓	
Agency Decision Maker for approval of adopters	✓	
Post approval training	✓	
Matching	✓	
Post Placement training for Prospective Adopters	✓	
PERMANENCE PLANNING		
Early identification of a child possibly requiring adoption	✓	✓
Tracking and monitoring the child possibly requiring adoption	✓	✓
Support and advice to child care social worker on the adoption process	✓	✓
Sibling or other specialist assessments if commissioned by LA	✓	✓
Direct work to prepare child prior to placement	✓	✓
Preparation of the Child Permanence Report		✓
Agency Decision Maker for “Should be placed for Adoption” decisions		✓
Case management prior to the point agreed by the LA ADM		✓
Case management from point agreed by the LA ADM		✓
MATCHING AND PLACEMENT		
Family finding	✓	
Looked After Child reviews	✓	✓
Shortlist potential families	✓	
Visit potential families	✓	✓
Organising child appreciation day	✓	
Ongoing direct work to prepare child prior to placement	✓	
Adoption Panel administration and management	✓	✓
Agency adviser role	✓	

Function	Regional Adoption Agency	Local Authority
Agency Decision Maker for Matching prospective adopters and child		✓
Placement Planning meeting administration and management of introductions	✓	
Support to family post placement and planning and delivery of adoption support	✓	
Ongoing life story work and preparation of Life story book		✓
Independent Review Officer monitoring of quality of child's care and care plan		✓
Support prospective adopters in preparation and submission of application for Adoption Order – including attending at court	✓	
Preparation of later life letter	✓	✓
ADOPTION SUPPORT		
Assessment for adoption support	✓	
Developing and delivering adoption support plans	✓	
Agree and administer financial support to adoptive families pre and post Adoption Order		✓
Adoption support delivery including: <ul style="list-style-type: none"> • Support groups • Social events • Post adoption training • Independent Birth Relative services • Support with ongoing birth relative contact • Adoption counselling and training 	✓	
Financial support to adopters including adoption allowances		✓
NON-AGENCY ADOPTIONS		
Step parent/partner adoption assessments	✓	
Inter-country adoption assessments and post approval and post order support	✓	

3.3 Overview of the Proposed Organisation and design principles of ELRAA

Adopt London East is committed to designing services capable of improving outcomes for children for whom the plan is adoption through:

- Placing more children more quickly
- Placing more children in an early permanence placement
- Providing quality support to ensure fewer placement disruptions and happier families
- Improving timescales for adopter assessments
- Assessing adopters well; leading to good and speedy matches

Design Principles

The proposed service delivery model is based on an evidence base of what works in Adoption and on initial consultation with adopters and key stakeholders. The detailed service design will

be developed through co-production with staff and all key stakeholders as detailed in section 2.3.

A number of principles have influenced the delivery model

A base in each Local Authority. This ensures a visible presence in each area and promotes local adopter recruitment. The adopter voice tells us of the importance for them of continuity of existing relationships and a 'one stop shop' for support in their local area.

Close relationships with children's social workers. These will be promoted through maintenance of the local base. In order to ensure identification of children who may require adoption, a single permanence tracker and information sharing process will be developed on best practice principles. Adopt London East will aim to provide a seamless service working in partnership with children's social workers. The service will also provide training, advice and support for workers in each Local Authority on all adoption matters, including completion of Child Permanence Reports and Life Story Books.

Specialist responsive teams working across all Local Authorities. Currently each Local Authority has a small adoption team and most are integrated within other permanence services. In some Local Authorities adoption social workers undertake all adoption associated tasks. The evidence base tells us that specialism of adoption workers to specific functions improves timeliness and quality of work. The service will develop three teams: Adoption recruitment and assessment; family finding and matching and adoption support. Workers in these teams will have a local base but will work across East London as a single team. Workers may take on work outside their Local Authority boundary as a result. This is not a radical change in working practice as adopters are often recruited and supported outside Local Authority boundaries.

Innovation and service improvement. The increased size of the service allows for innovation in all areas. Recruitment of adopters across a wider geographical area allows for a targeted approach based on an understanding of local need. A dedicated communications service will be able to provide low cost and effective promotions. As well as improved options for matching, the family finding team will be able to focus on development and promotion of early permanence options. Adoption support will benefit from development of a core early intervention offer as requested by our adopters through use of a team of workers with specialist skills and the ability to deliver joint packages of support. Innovation through co-production; investment in staff and an understanding of research and the evidence base will be developed as part of a learning culture within the organisation.

Flexible and responsive service. Demand for placements and supply of adopters is subject to considerable fluctuation. All agencies are also reporting increased demand for adoption support. Adoption regulations are subject to review and court decisions subject to developing case law. Incoming populations place new demands on services. The service will develop an ability to provide a flexible response through: service review; innovation; cross team working and development of strong partnerships.

Investment in Staff. Development of a Regional Adoption Agency allows staff to develop skills within a larger organisation with a single focus on Adoption. The larger service also provides a clear promotion route for adoption specialist workers. The organisation will embed a learning culture and ensure investment in staff to meet the ever changing demands for adoption services. The service commitment to co-production of service development is a reflection of the value placed on the staff voice.

Adopter Voice and the voice of the child. The service will incorporate the adopter and child voice at the heart of all activity. All best practice evidence shows that development of direct and virtual adopter forums and means of direct communication with children improves service delivery and has a positive effect on adoptive family satisfaction. Our own adopters commented in consultation on the importance for them of peer networks and safe places for adopters and adopted children to meet.

Positive engagement with all partners and stakeholders. The service will engage positively with all partners in both statutory and voluntary sectors to ensure service providers meet their

obligations and provide the best possible services to our adopters. The service will also work with agencies such as the courts and CAFCAS to develop mutual understanding, improve services and challenge where appropriate.

Provision of Value for Money. Economies of scale will reduce spend on areas where efficiencies may be made. Improved adopter recruitment will substantially reduce spend on inter-agency fees. Improved rates of leaving care for adoption and timeliness in placement for adoption will provide savings in in-house budgets for all Local Authorities. Further savings will be made through the Pan London approach to commissioning. The service will also aim to expand service provision through bidding for ASF, PIF and other funds.

Proposed service delivery model

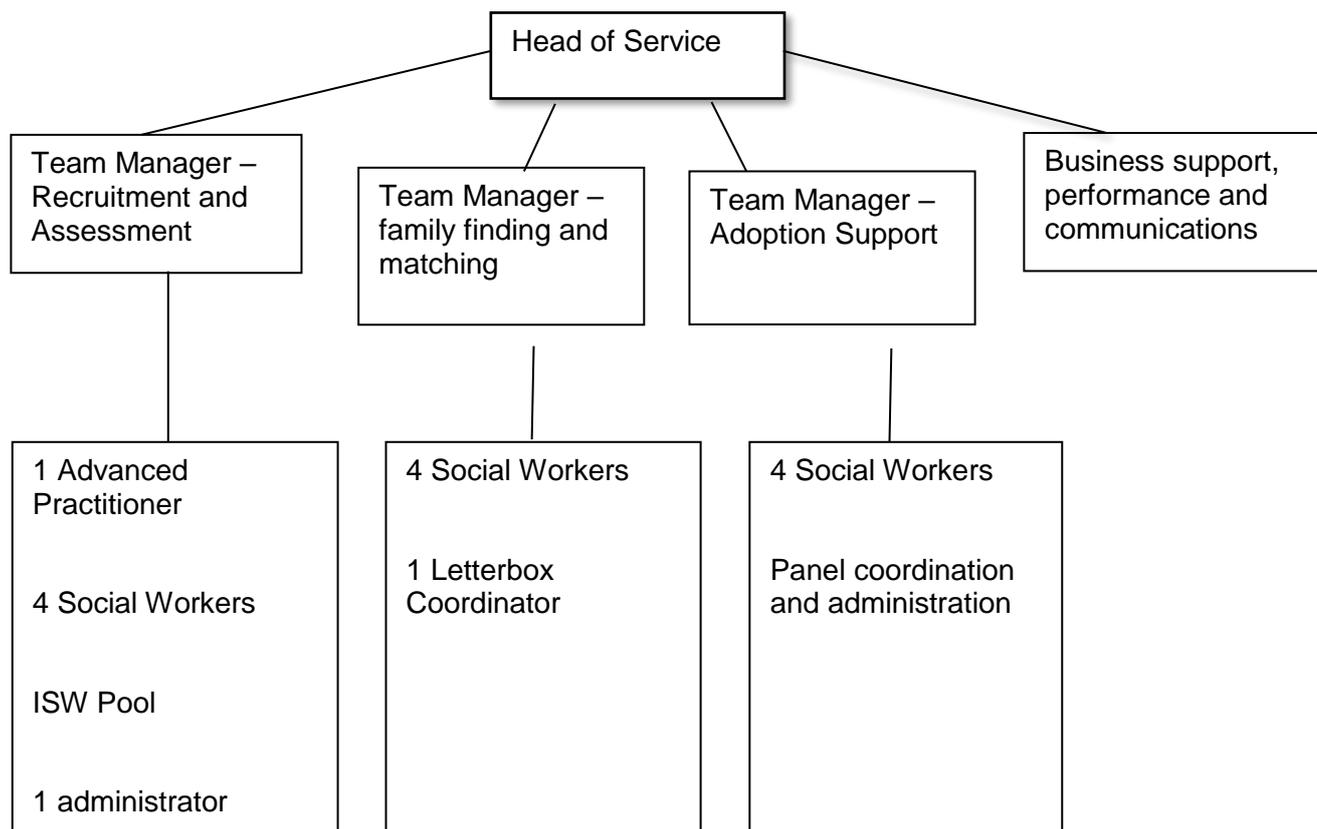
The proposed service delivery model is based on an evidence base of what works in Adoption and on initial consultation with adopters and key stakeholders. The detailed service design will be developed through co-production with staff and all key stakeholders as detailed in section 2.3. The rationale for the design principles is explored in more detail in section 3.3

The service delivery model includes one head of service and three team managers who manage the three key thematic areas in Adoption; recruitment and assessment; family finding and matching and adoption support.

Team managers will manage teams who will have workers allocated to local areas but operate as a pan East London service. All workers will be expected to operate outside specific Local Authority boundaries according to need and to meet regularly as a team.

Performance expectations and accountabilities of the RAA, Local Authority, each team and each worker must be clear.

This outline structure will be subject to further modelling and may change in some aspects of detail through the next phase of development; thematic operational Task and Finish Groups. These groups will involve first line managers, adoption social workers and adopter representatives in co-production of the working model.



3.4 Property and IT Implications

Property implications

The property implications for each of the local authorities, with the exception of Havering (as the lead authority) remain unchanged. The expectation is that there will be a maximum of 4 adoption specific workers per local authority based on site at any one time and their space will be provided through existing resources.

Havering as the lead authority will need to provide extra space for some centralised functions:

- The RAA head of service
- Up to 3 team managers for some portion of the week
- 3 administration posts
- Up to 3 letterbox co-ordination posts
- Accommodation for all RAA staff at least one day per month for service meetings, team building and other all staff events.
- Accommodation for thematic team meetings for 6-7 people, half a day, per team, per month.

IT implications

- The proposal is that all RAA staff will transfer across to Havering's IT system (Liquid Logic) as permanent employees of Havering council. There will be no costs for the transfer over and above the costs for IT which are covered by both the on-costs / staff overheads and hosting costs included in the full financial business model

3.5 HR Implications and Activities

The HR comments of this report set out the current position with regard to the applicability of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). In line with the minimum expectation of the DfE, staff in scope of this new East London Regional Adoption Agency are expected to transfer into the host borough, Havering Council, under TUPE regulations.

It is envisaged that these proposals will initiate significant changes to the way Adoption services are delivered across the four boroughs and ultimately new ways of working.

The TUPE regulations impose limitations on the ability of the new employer and employee to agree a variation to the terms and conditions unless there is a genuine Economic, technical or organisational (ETO) reason:

- There needs to be a valid business reason for the change
- The ETO reason must 'entail changes to the workforce'. This means that changes to workforce numbers or job functions must be the objective of plan
- Changes to location of work are now covered as an ETO reason under TUPE. This means that TUPE-related relocations will not be treated as automatically unfair but should still be treated in line with the normal employment principles in terms of formal consultation.

Therefore, it is likely that as well as informing/consulting as part of the TUPE process, formal consultation will take place with staff and unions on the new structure, location and job descriptions triggering a change management process.

It is recognised that all local authorities are likely to follow a similar change management process. However, a proposed Change Management "Terms of Agreement" has been developed and aims to provide clarity and equity between the boroughs throughout the

management of the change process. This agreement has been consulted upon with HR leads across the boroughs and will then be shared with the unions.

Both the TUPE and restructuring consultation processes will be managed in line with the ACAS guidelines and will run concurrently.

Where possible, the existing boroughs will seek to redeploy their own employees prior to the transfer date. Any redundancy costs will be the responsibility of the incumbent borough. The host borough will need to consider additional ongoing liability cost which may not be covered in on-cost i.e. Barrister costs associated with an employment tribunal and who will be responsible for those costs.

Pensions:

All local authorities, pensions provisions are provided under the Local Government Pensions Scheme. The actuary have confirmed that a bulk transfer is only applicable if 10 or more members are transferring from any one previous organisation.

Each local authority is unlikely to be transferring 10 or more members, therefore, the process for bulk transfers is not applicable. The process that will need to be followed is that of a normal transfer from a previous Local Government Pension Scheme i.e.:

- The members will be admitted to the London Borough of Havering pension scheme and will then be subject to 22% employer contribution rate (the employee rate is dependant upon their salary)
- The pension team will write to the previous authorities requesting transfer estimates, calculated in accordance with actuarial guidance issued by the Secretary of State
- Once the details are received, the pensions team will write to the members, highlighting the 'pros and cons' of transferring and ask them to make their decision.
- If members elect to transfer, the pension team will ask the previous authority to make the payment of the relevant transfer value.
- The transfer value, paid from the pension fund, should be enough to cover previous pension liabilities so there is no need for any budget from individual services for pension costs.

However, if any local authority exceeds the bulk transfer number of 10 members, then the process will need to be reviewed and could impact on timescales and costs. The above process will be factored into the formal consultation period.

3.6 RAA Performance and Outcomes

Targets

More details, including exact targets and outcomes, will be worked up with staff as part of the task and finish group process. Initial work undertaken across the four authorities suggests that there are some meaningful and very achievable targets in the three key areas listed below:

Adopter Recruitment and Assessment

It is a generally accepted national standard that each adoption assessment worker is able to undertake 9 completed full assessments per year in addition to stage 1 work. Two of the London Boroughs have indicated there is potential for further Adopter recruitment in their area, no Borough actively recruits adopters and several Boroughs have indicated adopter recruitment is not a priority given their difficulty in placing within the immediate local area. There are therefore strong indications that a focussed and cost effective recruitment campaign and a dedicated team will be able to increase adopter recruitment from the current figure of 29 approvals in year to a target of 45 over three years. This would result in a saving of at least £496,000 in interagency fees. If sibling groups were placed savings would be considerably higher.

Family finding and matching

The rate of children leaving care for adoption across the East London Boroughs remains low. The use of placement with family members under an SGO is well embedded and some local communities have positive extended family networks which promoted this model. It is unlikely that the East London Authorities will achieve national average rates of leaving care for adoption, nevertheless early indications from review of hard to place children indicates that more children could be placed for adoption. 57 children were placed in 2017/18, a considerable increase on previous years. ALE would have the capacity to family find and match 70 children.

Adoption support

Adoption support is under-developed in all Boroughs. The adoption support team would have capacity to provide a small but good quality core service, working with local adopters and adopter voice as well as local providers to provide:

- Advice guidance and support including sign-posting
- Adoption Support Assessments (up to 100 PA)
- Adopter support groups
- Adopter training
- Applications to the ASF
- Some direct work

The outline outcomes framework below sets out the targets listed above, alongside some key outcome improvement areas:

Target	Current	Year 1	Year 2	Year 3	Improved Outcomes
Adopter recruitment	29	36	40	45	<ul style="list-style-type: none">- Children placed within East London- Improved placement choice- Improved adopter confidence
Family finding and matching	57	60	65	70	<ul style="list-style-type: none">- Children placed in East London- Increased number of children adopted- Improved placement choice- Improved matching through placement with adopters known to agency
Adopter support (no established numerical baseline)	Individual worker offer	Development of core offer Improved engagement with providers Improved use of grant funding			<ul style="list-style-type: none">- Fewer adoption disruptions- Improved outcomes for adopted children- Improved adoptive family satisfaction

The Department for Education are also providing ongoing guidance around performance monitoring and quality assurance. The RAA will make sure it continues to monitor its outcomes in line with both local and national best practices.

3.8 Communications, Marketing and PR

The key aim in merging adoption services is to have a wider pool of prospective adopters from various backgrounds to ensure even the most hard-to-reach children can enjoy stability with loving families. Adopt London East seeks to increase the quality and quantity of adoption applicants across the sub-region and drive the placement of our most hard-to-reach children including: sibling groups, adolescents, BME children, and children with learning difficulties. To achieve this, effective communication and marketing is required.

In 2013, the Department for Education commissioned Kindred to carry out a research study to identify effective communication and marketing channels that should be used when engaging with potential adopters in order to, ultimately, encourage them to adopt a child. Their findings provide insight into the common demographics, motivations and attitudes towards adoption. They have also developed six key phases of the adoption journey and have recommended the use of different channels and messages for each phase. The idea being, an appropriate mix of channels is an important factor to a successful marketing campaign. For example, one agency ran a press advertising campaign in local newspapers and lifestyle magazines. A radio and digital advertising campaign ran alongside this; all contributing to a 65% increase in enquiries on same period in the previous year.

Kindred's Journey Phase:

Role of marketing/communications	Key channels
PHASE ONE: Initial trigger/motivation	
Raise awareness to prompt consideration	Editorial coverage Advertising Friends and family
PHASE TWO: Fact-finding and research	
Inform potential adopters about the process	Websites Online search Information packs Information events
PHASE THREE: Deeper engagement	
Provide information about the realities of adoption	Social media Online forums
PHASE FOUR: The decision	
Reinforce a positive decision	May revisit channels and information accessed previously 'Keeping in touch' channels e.g. newsletters
PHASE FIVE: The process and adoption	
Keep updated and provide emotional support	Agency channels Peers

PHASE SIX: After care	
Create advocates for use in future communications	Mentor schemes Networking opportunities

Kindred's findings have been used to benchmark the effectiveness of marketing campaigns in reaching key audiences, tackling their barriers towards adoption and motivating them to engage. Drawing on best practice from Kindred's evidence based research and in line with our regionalised model, Adopt London East will facilitate a coordinated delivery of marketing and recruitment and use a number of communication platforms to appeal to prospective adopters. This will include:

- **Radio advertising:** A call-to-action via a local radio station that matches Adopt London East's target audience.
- **Poster campaigns:** Posters placed in local libraries, community centres and other areas with a community focus. There
- **Direct mail/leafleting:** Distributed at libraries, sports centres, cultural venues, post offices and doctors' surgeries, religious or community groups.
- **Branding:** Adopt London East logo has been developed and this will be followed with a catchy strapline to be used on all marketing materials.
-
- **Editorial content:** Feature in magazine articles and newspapers.
- **Single door:** A centralised specialist marketing team to receive all recruitment enquiries via the website, email dedicated phone line.
- **Website:** A centralised, digital platform for potential adopters to have access to information, advice and guidance as well as connect with other adopters. Based on best practice research the website will feature:
 - Networking forum for adopters/potential adopters
 - FAQ page
 - Use of visual images for adoption processes
 - Information on upcoming events & training sessions
 - Adoption support tools & techniques
 - Search engine optimisation
 - Engaging Blogs posted by adopters
 - Sophisticated, modern design and layout
 - Bitesize information with easy to understand language
 - Real life stories & experiences of people who have successfully adopted
 - Videos/vlogs
- **Other Social media Channels:** Strong emphasis on digital marketing via social media channels including Facebook, Twitter and YouTube.
 - Facebook & Twitter: Interactive platform to share real-life stories and facilitate deeper engagement use of visual images, blogs and hashtags.
 - The most used adoption-related hashtags over the past 12 months on social media in the UK are:
 - #adoption (208,000 mentions)
 - #familylaw (50,900 mentions)

- #adoptionprocess (35,600 mentions)
- #adoptionawareness (12,000 mentions)
- #nationaladoptionweek (3,500 mentions)

YouTube: based on Kindred's recommendations, YouTube can have a key

3.9 Proposed Governance Arrangements and Legal Implications

Governance Arrangements

The governance structure and arrangements will be comprised of the following forums:

1) ELRAA partnership board

Status of the Board

The East London Regional Adoption Agency (ELRAA) Partnership Board is fully accountable to: the London Boroughs of Havering, Barking and Dagenham, Newham and Tower Hamlets.

The ELRAA Partnership Board will report to the London Adoption Board and will co-operatively engage with and work alongside the North, West and South Regional Adoption Governance Boards.

Purpose of the Board

The ELRAA Partnership Board will be responsible for providing effective oversight of the partnership agreement and the hosting of adoption services by London Borough of Havering.

The Board will present the Annual Report of the ELRAA Partnership Board to the local authority partner Cabinets, with the support of the Chair and the Vice-Chair of the ELRAA Partnership Board.

The Board will also enable effective overview and support for the collaborative working arrangements between the Voluntary Adoption Agencies (VAA's), Adopters and partner local authorities.

The Board will set and review the strategic objectives of the ELRAA and monitor service delivery of the key priorities of the partnership, that is to:

- Place more children in a timelier way;
- recruit more of the right families for the children waiting, preparing them consistently and well;
- improve the range, accessibility and quality of post adoption support; and
- improve the outcomes for children and families.

Roles and responsibilities of the ELRAA Partnership Board

Havering Council will provide the ELRAA Partnership Board with a report on a quarterly basis detailing summary management information as part of the performance monitoring agreement that will include:

- Service delivery performance
- Financial performance
- Audit and assurance activities

Partner Councils will individually provide the ELRAA Partnership Board with a report on a quarterly basis detailing their Council's performance of the co-dependencies that will include:

- Key performance indicators relating to safeguarding pressures and overall children's services demand; and
- pre-court proceedings activities and performance

Partner Councils will produce a joint update on:

- Joint working arrangements
- Inspection readiness

The ELRAA Partnership Board will also:

- Provide a forum to discuss and agree strategic issues relating to the delivery of adoption services.
- Provide a forum to discuss and agree future budget setting
- To provide constructive support and challenge of the adoption system within the North London region, with reference to national best practice / emergent practice, to provide an opportunity for sharing, learning and continuous improvement.
- To engage with national adoption services providers, voluntary adoption agencies and broader stakeholders, to inform regional service development.
- Review and consider reports presented by the ELRAA Advisory Group
- Authorise the commissioning and initiation of new business cases and assess opportunities for future service development.
- Confirm appropriate adjustments to the Contract Baseline regarding Target Performance Levels so that they are aligned with the updated Statistical Neighbour data.
- Consider any changes to the services that arise out of proposals and ensure that they are dealt with as a Variation in accordance with the Partnership Agreement

Decision Making

Made by consensus between the Director of Children's Services London Borough of Havering and the four Directors of Children's Services from Tower Hamlets, Barking and Dagenham and Newham.

This cohort are primary funding partners and have shared responsibility for performance of adoption services as measured in published statutory performance information and in Ofsted inspection. They therefore form the voting members of the group.

In the event of a continuing dispute, the Board will refer to the formal dispute resolution process detailed within the Joint Partnership Agreement.

Chair

The Board will be chaired by the Director of Children's Services Havering as host authority.

Membership

Voting representatives

Director of Children's Services - Havering
Director of Children's Services – LBBD
Director of Children's Services – Newham

Director of Children's Services – Tower Hamlets

Advisory Representatives

Director of Finance – partner authority

Head of Finance - Havering

Head of Performance and Business Intelligence - Havering

VAA representative

Adopter representative

HUB representative

Head of Service - ALE

2) Quality assurance group

Purpose of the Group

The Quality Assurance Group will be responsible for monitoring performance and identifying performance issues at an early stage so that potential issues can be resolved in an efficient and effective manner.

The Quality Assurance Group will be responsible for holding all partners to account in respect of performance outcomes for children and adopters and financial management.

The purpose of the group is:

- Ensure that all work undertaken is compliant with national standards, legislation and inter authority partnership agreements.
- To ensure that all work undertaken is carried out with the best interests of the child/young person at its core.
- To secure and promote good working relationships amongst the ELRAA, partners and stakeholders.
- To ensure effective efficient delivery of the objectives as agreed at the ELRAA Partnership Board.
- To support joint working practices across the ELRAA to improve timeliness and outcomes for children and adopters.
- To compare, contrast and report on the work of other RAAs across the region and nationally.
- To ensure all work is underpinned by best practice recommendations and research findings.
- To ensure discussions/decisions align with those reflected within the London RAA's
- To ensure an annual health check for adoptive families is undertaken

Roles and responsibilities of the ELRAA Quality Assurance Group

- Ensure appropriate preparation for the ELRAA Partnership Board to enable comprehensive oversight of the delivery of adoption services across East London.
- Receive and review the monthly performance reports from across the four partner agencies on matters such as issues relating to the delivery of services and performance against service standards (including possible future developments).
- Review and consider benchmark reports.
- Review the implications of any recently issued national policy and or guidance
- Review the general inspection readiness of the ELRAA, and monitor progress of actions to address areas of concern.

- Receive and review the ELRAA service delivery risk management matrix, together with identified mitigating actions.
- Report to the ELRAA Partnership Board any future service specific requirements or other significant issues requiring discussion and decision by the ELRAA Partnership Board.
- Scrutinise service quality via:
 1. Anonymised case audits
 2. Findings from service led case audits and staff file audits
 3. Customer feedback (including complaints, concerns and compliments)
 4. Stakeholder feedback including health, schools, courts etc.
 5. Panel recommendations, panel schedules and panel chairs' appraisals
 6. Findings from LA and VAA case reviews
 7. Ofsted inspection outcomes and action plans from other agencies.

Chair

The Quality Assurance Group will be chaired by - Head of Performance and Business Intelligence – London borough of Havering

Membership

Members of the quality assurance group include:

- RAA staff reps
- LA officers (e.g. IROs, principal managers etc.)
- Virtual head teacher representatives
- VAA representatives
- Service user representatives
- Other stakeholders including panel chairs, health.

3) Annual review meeting

Purpose of the Group

The Annual Review Meeting will be an expansion of the ELRAA Partnership Board meeting that will include Cabinet Lead Members. This meeting will act as the primary vehicle to discuss, further develop and agree the strategic and specific objectives for the year ahead.

The Annual Review meeting will be held in accordance with the terms detailed within the Joint Partnership Agreement. Past performance will be reported, with summary of the highlights and lowlights of the year, but the focus will be on supporting the continued development of adoption services within the North London region, whilst ensuring alignment with partner organisations aims, objectives, and budgetary capacity.

Aims of the Annual Review Meeting

- Assess whether the Partnership Agreement is operating in the most satisfactory manner
- Assess whether the services are being delivered to the Partnership Agreement standard
- Review the Trust's performance of adoption services in the previous Contract Year against the performance indicators and its performance against the annual budget for

the previous Contract Year, together with a review of the proposed budget for the following contract year.

- Review the Councils' performance of the co-dependencies that affect the overall performance of adoption services within the East London region.
- Consider any proposals from the Trust or partner Councils relating to possible contract variations, and note any variations agreed at the quarterly ELRAA Partnership Board meetings.
- Agree any proposed changes to the Services Specification, the Financial Mechanism, and the Performance Indicators for the following Contract Year
- Confirm the Contract Sum payable by the respective Councils to the ELRAA for the next contract year

Ways of Working

- The Annual Review Meeting of the ELRAA Board will be held no later than one full calendar month following the expiry of twelve (12) months from the Services Commencement Date
- Members of the Board will receive papers two weeks before the Annual Review Board meeting

Chair

The Annual Review Meeting of the ELRAA Board will be chaired by an independent Chair yet to be determined.

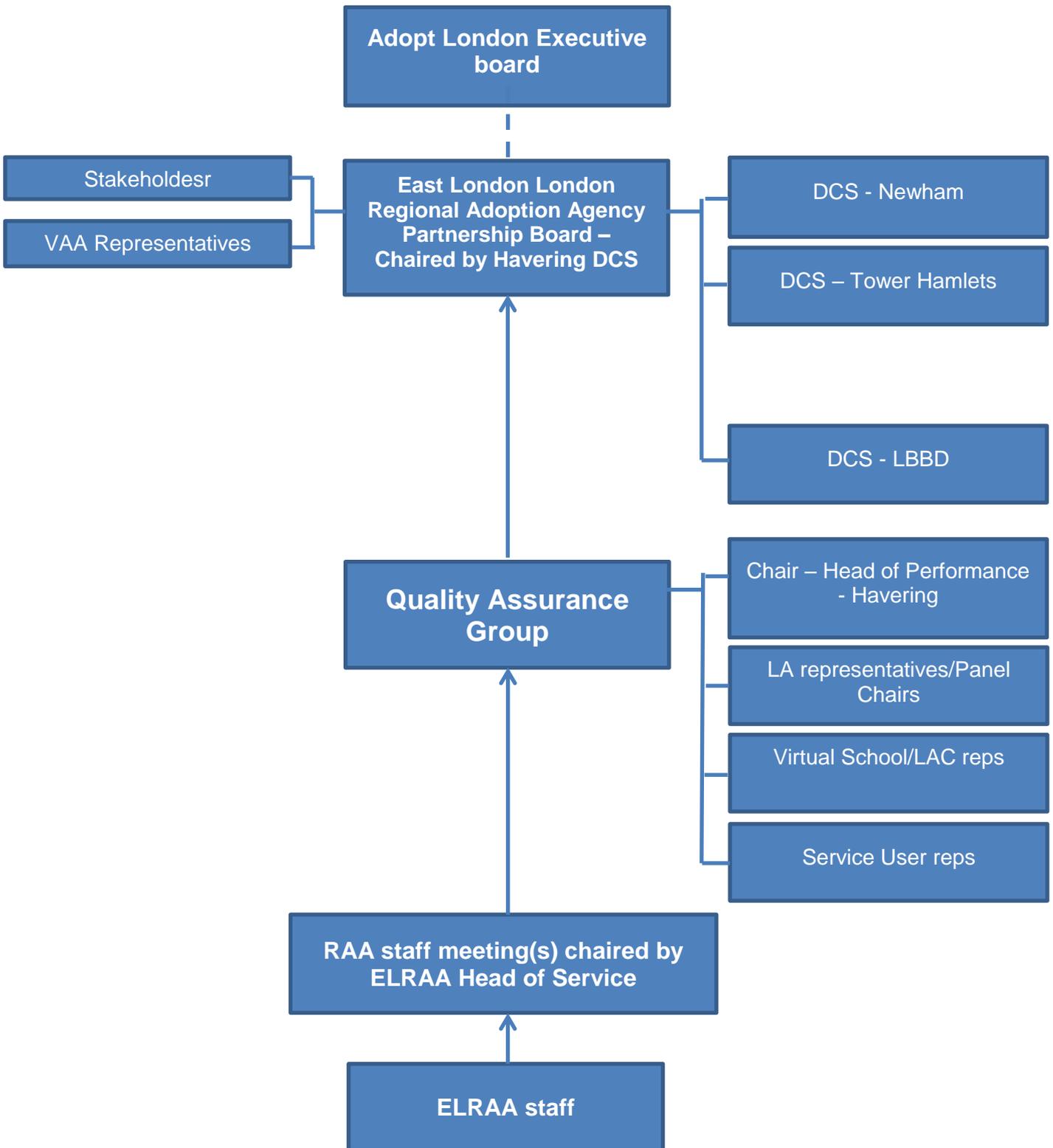
Membership

Directors of Children's Services (All LA's)
Cabinet Lead Member Children's Services (All LA's)
Head of Finance - HAvering
Head of Performance and Business Intelligence - HAvering
VAA Representative
Adopter representative
HUB representative

4) RAA staff meetings

There will be a number of internal staff meetings within the RAA that will feed into all aspects of the strategic and quality assurance governance. Exact details of these meetings including, memberships, frequency, purpose and standing agendas, will be co-design and agreed with staff through the task and finish groups process.

Governance structure



Partnership working and risk sharing

The RAA governance will be underpinned by clear partnership and risk sharing agreements. It is proposed that the formation of these agreements will be agreed through the project board prior to implementation. The suggested content for the document will likely be made up of but not limited to the following sections

- 1 DEFINITION AND INTERPRETATION
- 2 COMMENCEMENT AND DURATION
- 3 EXTENDING THE INITIAL TERM
- 4 OAWY ARRANGEMENTS
- 5 DELEGATION OF FUNCTIONS
- 6 SERVICES
- 7 ANNUAL OAWY PLAN
- 8 FINANCIAL CONTRIBUTIONS
- 9 OVERSPENDS AND UNDERSPENDS
- 10 INTELLECTUAL PROPERTY RIGHTS
- 11 PREMISES
- 12 ASSETS
- 13 STAFFING AND PENSIONS
- 14 OAWY MANAGEMENT GOVERNANCE
- 15 HOST SUPPORT
- 16 MANAGEMENT BOARD QUARTERLY REVIEW AND REPORTING
- 17 ANNUAL REVIEW
- 18 VARIATIONS
- 19 STANDARDS
- 20 HEALTH AND SAFETY
- 21 EQUALITY DUTIES
- 22 FREEDOM OF INFORMATION
- 23 DATA PROTECTION AND INFORMATION SHARING
- 24 CONFIDENTIALITY
- 25 AUDIT
- 26 INSURANCE
- 27 NOT USED
- 28 LIABILITIES
- 29 COMPLAINTS AND INVESTIGATIONS
- 30 DISPUTE RESOLUTION AND EXIT ARRANGEMENTS
- 31 TERMINATION AND REVIEW
- 32 CONSEQUENCES OF EXPIRY AND TERMINATION
- 33 PUBLICITY
- 34 NO PARTNERSHIP
- 35 THIRD PARTY RIGHTS
- 36 NOTICES
- 37 SEVERABILITY
- 38 CHILD PRACTICE REVIEWS OR MULTI AGENCY PROFESSIONAL FORUMS
- 39 ENTIRE AGREEMENT
- 40 COUNTERPARTS
- 41 GOVERNING LAW
- 42 RECORDS MANAGEMENT
- 43 THIRD SECTOR PARTNERS

A Focus on Risk Sharing

The partnership agreement will also have a strong focus on risk sharing and financial equitability. It is crucial that no authority stands to benefit or lose out significantly as a result of the new model. The detail of the agreement will include but not be limited to the following:

- Budget setting and review
- How targets are affecting financial contributions
- Financial equitability (at the outset and over time)
- Savings reviews
- How surpluses/savings/efficiencies will be managed, drawn down and reinvested in the model

A Focus on Information sharing

The IT and governance work stream will establish a clear information sharing agreement alongside the IT transition plan. With all RAA staff moving to Havering’s IT system, the agreement will focus on how data flows will be managed in the new system to ensure timely and accurate information continues to inform the RAA performance and outcomes framework.

3.10 Commissioning arrangements

There are two commissioned services across the East London footprint:

- PAC-UK
- Spot purchases from Barnardo’s’ UK

The funding for both of these contracts has been considered as part of the non-staff budget for the RAA. The project team will work with service managers and commissioners during set-up and implementation to review current contracts with a view to extending, modifying or de-commissioning if appropriate.

There are also some longer term considerations around commissioned services across the whole of London. The west London alliance are undertaking an exercise to ascertain what is commissioned across the whole of London with a view to potentially moving to some pan-London commissioning of services. This exercise will be considered alongside the local arrangements during the set-up and implementation of the RAA

4 FINANCIAL ASSESSMENT

Total cost of RAA

The total cost of the RAA will be £1,607,910

This figure is made up of, the following staff budget:

Havering Grade	FTE	TOTAL
G12	1.00	110,000
G10	3.00	234,818
G9	1.00	71,545
G8	12.00	747,659
G4	2.00	65,576
G4	3.00	98,363
		0
	22.0	1,327,961

And a non-staff budget of £297,396 to cover the following:

Staff travel expenses
Subscriptions
Marketing
Comms staffing
Panels
Printing and postage
Adopter training
Medicals
Legal Costs
Adoption Database
Accommodation costs
Hosting costs

Interagency placement budget

Adopt London East (ALE) has clear SMART targets to increase the number of in-house available adopters for all our children (see Outcomes fact sheet). Should the agency achieve the targets set; overall spend on inter-agency placements will reduce considerably. However, some children will require placement with adopters from other agencies and some adopters recruited by ALE may accept children from other Local Authorities generating an income for the agency.

In order to ensure children are placed quickly with the best possible adopters, the agency will operate a policy of priority search for in-house adopters. This search will include horizon scanning for adopters in stage 2 assessment. Should this search not be successful; following sign off from the family finding team manager and children’s social work team manager, the search criteria will be immediately widened to include adopters from other agencies.

ALE will maintain a virtual fund for inter-agency income and expenditure. All Local Authorities will agree to a risk sharing matrix. A quarterly financial report will be produced. This will detail all placements made with in-house adopters and all children placed both in-house and in inter-agency placements.

The balance will be apportioned to all agencies according to the overall number of children placed, whether in-house or in inter-agency placements. The partnership board will formulate and equitable procedure for both the redistribution of income and sharing of costs. This formula will be based on a number of criteria, including but not limited to:

- The local authority the children / adopters are from
- Previous years income / costs for each local authority (pre-RAA formation)
- Previous years income / costs for each local authority (post-RAA formation)

As mentioned above, the costs / income from interagency fees is unpredictable, particularly across four local authorities, so the RAA will operate a virtual budget which draws down and apportions money quarterly to the constituent authorities. The business case model aims to ensure that the spend across the region reduces significantly across the first 3 years of implementation

Individual contributions

How they have been worked out

The project team has worked in consultation with service / HR and finance leads to work out what is currently spent on adoption in each of the local authorities. The challenges with this exercise are that most authorities have split roles across a number of services. (For example, across both fostering and adoption) Also that demand shifts and moves from year to year and so then, will the amount of time each member of staff spends directly on adoption focussed work. For these reasons, we have used the following method and data to work out the total FTE staff and costs for each of the local authorities:

- Taking the total number of FTE staff whose roles include some aspect of adoption focussed work
- Working with service managers to calculate reasonable percentages for the amount of time each staff member spends solely on adoption
- Cross checking the total figures with both the total number of adoptions (per local authority) and the total Lac population (per local authority) to ensure there is financial equitability at the outset
- Calculating the current not staffing budget

It is worth noting again here that demand is not completely predictable so total equitability is not possible. The mitigation for this will be covered by the risk sharing and partnership agreements (sections below), which will ensure that the necessary governance is put in place to make sure no authority loses out or benefits in relation to another.

The individual contributions

The table below sets out the proposed individual total contributions from each local authority. This is made up of the current staffing contribution (above) and the current non staffing budget for each local authority. The figures also take into account the fact that the head of service is non-cashable.

<u>Local Authority</u>	<u>Contribution to RAA</u>
Havering	£313,929
Tower Hamlets	£284,566
LBBB	£392,646
Newham	£407,042
Total	£1,398,183

Rationale for budget model

The Regionalisation Demonstrator projects developed a number of budget models using a variety of assumptions and processes. The most consistently used model worked from actual spend as this is already budgeted within each LA towards budgets based on service delivery over 3 to 5 years. This model also allows performance in each Authority to develop to the best prior to full remodelling of budgets. As numbers of children adopted are low and unit costs high, this has a radical effect on unit costs per adoption.

Each Local Authority has raised concerns about cross subsidy of other Authorities.

Unit costs may be modelled on numbers of children placed for adoption or on LAC population. The former figure links costs more closely to delivery but is subject to large scale change as performance improves. The latter gives a more stable base rate.

Unit costs per child placed for adoption

Current costs per each child placed vary considerably. Tower Hamlets have seen a considerable rise in numbers of children placed; the unit cost per child placed is 22.7K.

Unit costs per LAC population

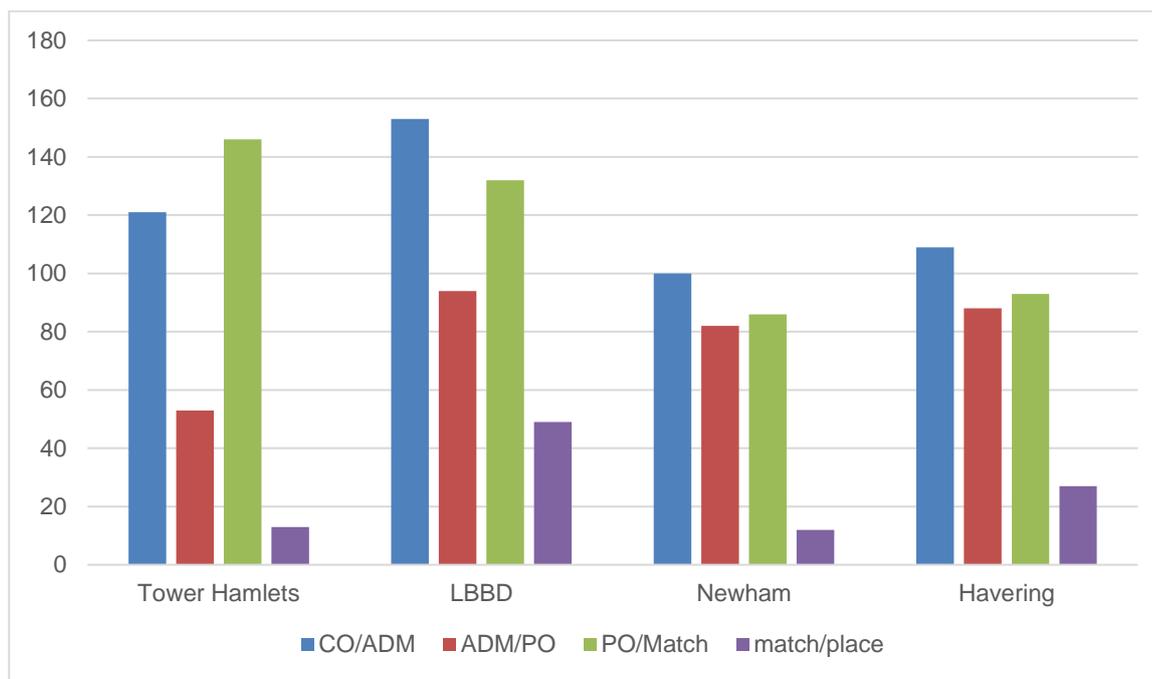
The difference in unit costs is low when measured by LAC population with Havering being the highest at £1433. Barking and Dagenham and Tower Hamlets both achieve £1220.

The Shortfall

- The total shortfall between the current contributions and the proposed RAA budget is £209,727
- It is important to note that this is the maximum possible shortfall between current budgets and the proposed RAA budgets as salaries have been costed at the highest possible spinal point. As such, the RAA partnership board will concentrate on partnership and risk sharing agreements to ensure that any underspend and savings are redistributed equitably among its member local authorities
- This business case sets out a “highest possible cost” funding model and ensures that the amount spent on the model in years 1,2 and 3 can be no more than the stated figure
- As such, the outline cost of the model is the same for years 1,2 and 3, in the knowledge that the spend will definitely be lower than the agreed amount
- As shown above; each authority will make an upfront extra commitment of 15% of their total budget to fund the shortfall made up by the non-cashable elements of their budgets and the extra costs of the RAA in year 1
- The methodology for meeting this shortfall is based on reducing the number of interagency placement fees paid out for children in the RAA footprint.
- A conservative estimate of 7 (£217k at a cost of 31k per placement) additional placements made in house would comfortably cover the costs of the shortfall between the current and future budgets
- The RAA performance targets also aim to reduce interagency placements by a total of 16 by year 3 at a potential cost saving of £496k
- There is also significant scope for increasing income from providing East London RAA adopters to other RAA's
- The risk sharing and partnership agreements (above) will set out clear methodologies for budget setting and benefits (financial and other) sharing as a result of the RAA achieving its targets.
- Further savings against Children in Care budgets by each Local Authority through improved rates of leaving care for adoption and improved timeliness of placement

Potential savings

Impact of timeliness on Value for Money



Savings in Local Authority may be made through development of efficient and effective systems. If all services are benchmarked against the best performing Local Authority in the ALE region the number of days a child is in care is reduced by the following amounts.

	Tower Hamlets	LBBB	Newham	Havering	Total
CO/ADM	21	53	0	9	97
ADM/PO	45	41	73	80	239
PO/Match	60	46	0	7	124
Match/Place	4	15	4	19	42
Total	130	155	77	115	502

Calculation assumptions

- All ALE authorities perform well in respect of hard to place dimensions impact of these dimensions has not therefore been separately calculated
- The highest performing authority in the pathways most affected by placement of hard to place children has one of the highest rates of leaving care for adoption and one of the highest rates of placement of hard to place children. The potential impact of rates of leaving care on timeliness is therefore minimised
- As numbers are low: placement of individual children may have a disproportionate effect on figures, an assumption has therefore been made of 50% improvement for all Local Authorities
- An average daily cost of £80 per child in care has been used for calculation purposes

Savings Per Local Authority	
Tower Hamlets	£5,200
LBBB	£6,200
Newham	£3,800
Havering	£4,600
Total	£20,800

Rates of Leaving care for adoption

Current rates of leaving care for adoption are low across all ALE authorities

Tower Hamlets, followed by Newham and LBBB have higher rates than Havering. As LBBB has a higher LAC population the overall improvement opportunities are potentially higher in numbers

	Placed 2017/18	Improvement to best	Gain
Havering	6	13	7
Tower Hamlets	18	18	0
LBBB	13	22	9
Newham	16	21	5
Total	57	89	32

Calculation assumptions

- The in-year placement costs of a child in care roughly equate to costs of an adoptive placement should this be purchased through an inter-agency agreement.
- Assumption of 50% improvement in the number of placements made
- Assumption that 50% of placements are externally purchased (see adopter recruitment performance in outcomes tracker)
- Lifetime in care is conservatively estimated on an assumption that the child is 3 when adopted and care costs will remain the same

	50% gain (rounded down)	Savings in year	Lifetime savings
Havering	3	45K	40,500K
Tower Hamlets	0	0K	0K
LBBB	4	60K	54,000K
Newham	2	30K	27,000K
Total	14	210K	189,000K

NB: this is based on improvement to the best in ALE Authorities, further improvement to national averages will result in further cost savings for all

Conclusion

All Local Authorities place fewer children from care than national averages. It is likely that ALE authorities will continue to place fewer children due to local demographics and effective use of SGO with extended families, however there are clear indications that the East London court will work with Local Authorities to ensure more children are granted a placement order.

There are considerable differences in timeliness across the Local Authorities. As would be expected the Local Authorities who place more children take longer on average, however some aspects of positive practice do emerge and these will be explored further in the task and finish groups.

Interestingly the impact of placement of children from typically hard to place groups is lower than seen in other areas. This indicates a commitment to strive for placement, especially of children from BME populations where average timescales fall. It may also indicate the effect of the East London Courts on granting of placement orders for children seen to be too hard to place. This requires further exploration but the low rate of children over 5 being placed (and only when in a sibling group) may be indicative of this.

5 IMPLEMENTATION TIMELINE

Adopt London East - Regionalisation Plan										
Month	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Staff engagement event (1)										
Business case signed off by RAA board										
Cabinet meetings & decisions for all councils										
Staff task & finish groups										
Staff engagement event (2)										
Formal consultation with unions and staff										
Recruitment of permanent HoS										
Staff transfer procedure										
All other set up procedures – IT systems, finance, partnership and risk sharing agreements										
Regionalised Service is in place										

Equality & Health Impact Assessment (EqHIA)

Document control

Title of activity:	<i>Development of Adopt London East: Regional Adoption service.</i>
Lead officer:	<i>Sue May: Regionalisation Practice Lead</i>
Approved by:	<i>Robert Smith</i>
Date completed:	<i>22/10/18</i>
Scheduled date for review:	<i>If applicable. Please provide a reason if it does not need to be reviewed.</i>

Please note that the Corporate Policy & Diversity and Public Health teams require at least **5 working days** to provide advice on EqHIAs.

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Did you seek advice from the Public Health team?	Yes
Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	Yes

Please note that EqHIAs are **public** documents and must be made available on the Council's [EqHIA webpage](#).

Please submit the completed form via e-mail to EqHIA@havering.gov.uk thank you.

1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact EqHIA@havering.gov.uk for advice from either the Corporate Diversity or Public Health teams. Please refer to the Guidance in Appendix 1 on how to complete this form.

About your activity

1	Title of activity	<i>Development of Adopt London East: Regional Adoption Service</i>		
2	Type of activity	<i>Development of a new service resulting in a change in change in the current adoption service</i> <i>Note: This EqHIA relates only to impact on adoptive families. A separate EqHIA will be undertaken for affected staff</i>		
3	Scope of activity	<i>Development of an integrated adoption service; hosted by Havering on behalf of Tower Hamlets, Newham, London Borough of Barking and Dagenham and Waltham Forest.</i>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	Yes	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes		
5	If you answered YES:	Please complete the EqHIA in Section 2 of this document. Please see Appendix 1 for Guidance.		
6	If you answered NO:	<i>Please provide a clear and robust explanation on why your activity does not require an EqHIA. This is essential in case the activity is challenged under the Equality Act 2010.</i> <i>Please keep this checklist for your audit trail.</i>		

Completed by:	<i>Sue May: Practice Lead</i>
Date:	<i>22/10/18</i>

2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

Background/context:

In March 2016, the government announced changes to the delivery of adoption services setting a clear direction that all local authorities' adoption services must be delivered on a regionalised basis by 2020. This followed a range of national policy changes since 2012, including the 2015 'Regionalising Adoption' paper by the DfE that sought improvements in adoption performance. Following the general election in June 2017, the Minister of State for Children and Families reaffirmed commitment to this policy. In March 2018, the DfE commenced the legislation that allows them to direct a local authority into a RAA if no progress is made.

The purpose of regionalisation is to achieve the following outcomes:

- Increase the number of children adopted
- Reduce the length of time children wait to be adopted
- Improve post-adoption support services to families who have adopted children from care
- Reduce the number of agencies that provide adoption services thereby improving efficiency & effectiveness.

Currently adoption services in East London are delivered in small teams, often integrated with other permanence options. The rate of children leaving care for adoption and the number of adopters recruited are both lower than national comparators and expected standards. Adoption support services are underdeveloped and often delivered by one worker operating in isolation. Combining services into one larger agency allows for greater focus on adoption activities, gives more scope for adopter recruitment and placement of children across a larger geographical area and development of a shared adoption support service with a clear core offer.

A new East London Regional Adoption Agency (RAA) will be created. Havering will host a combined adoption service for the five East London Boroughs of Havering, Tower Hamlets, Newham, Barking and Dagenham and Waltham Forest. These agencies wish to build on the success of their existing services to improve performance in meeting the needs of children who require permanence through adoption, by bringing together the best practice from each authority within the RAA. This forms part of an overarching project to develop four RAAs across London.

The development project is overseen by a board comprising of ADCS from all five Boroughs and chaired by the Havering Director of Children's Services. The service will be developed using the combined adoption budgets of all five Boroughs.

Detail of the service design and delivery will be developed with our staff and adopters through thematic practice development sessions and with reference to best practice guidance.

**Expand box as required*

Who will be affected by the activity?
<p>Employees: who will transfer into Havering from other East London Boroughs Adopters and adopted children and adults</p> <p>Note this EqHIA only relates to adopters and adopted children. A further separate Eq HIA will be completed in respect of employees as part of the HR processes</p>

Protected Characteristic - Age: Consider the full range of age groups								
<p><i>Please tick (✓) the relevant box:</i></p> <table border="1"> <tr> <td style="width: 15%;">Positive</td> <td style="width: 10%; text-align: center;">x</td> <td rowspan="3"> <p>Overall impact:</p> <p>Research evidences that children adopted over the age of 4, who have suffered trauma are more likely to face an adoption breakdown in their teenage years (see below). The service aims to improve timeliness of adoption, develop an early permanence program where children may be placed directly with adoptive parents (avoiding the trauma of additional separation from foster carers) and provide an improved adoption support service. The service will provide direct support to adopted teens who are identified to be the most vulnerable group.</p> </td> </tr> <tr> <td>Neutral</td> <td></td> </tr> <tr> <td>Negative</td> <td></td> </tr> </table>		Positive	x	<p>Overall impact:</p> <p>Research evidences that children adopted over the age of 4, who have suffered trauma are more likely to face an adoption breakdown in their teenage years (see below). The service aims to improve timeliness of adoption, develop an early permanence program where children may be placed directly with adoptive parents (avoiding the trauma of additional separation from foster carers) and provide an improved adoption support service. The service will provide direct support to adopted teens who are identified to be the most vulnerable group.</p>	Neutral		Negative	
Positive	x	<p>Overall impact:</p> <p>Research evidences that children adopted over the age of 4, who have suffered trauma are more likely to face an adoption breakdown in their teenage years (see below). The service aims to improve timeliness of adoption, develop an early permanence program where children may be placed directly with adoptive parents (avoiding the trauma of additional separation from foster carers) and provide an improved adoption support service. The service will provide direct support to adopted teens who are identified to be the most vulnerable group.</p>						
Neutral								
Negative								
<i>*Expand box as required</i>								
<p>Evidence:</p> <p>Researchers from the University of Bristol undertook a large scale survey on adoptive families over a 12 year period. They identified that in 3.2% of adoptions the children leave the family home prematurely (known as disruption). Most adoptions disrupt when the child reaches teenage years. Disruptions are 10 times more likely for a teenager than a child under 4. Although the majority of placements disrupt in teenage years children placed over the age of 4 were significantly more likely to form part of this group</p> <p>CORAM have undertaken a review of early permanence use in newly forms regional agencies. All agencies report improved use of early permanence and positive engagement with adoptive families</p> <p><i>*Expand box as required</i></p>								
<p>Sources used:</p> <p>Beyond the Adoption Order; challenges, intervention, disruption - Hadley Centre at the University of Bristol (April 2014)</p> <p>Early Permanence in the Regional Adoption Agencies May 2018 - CORAM</p> <p style="text-align: right;"><i>*Expand box as required</i></p>								

Protected Characteristic - Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input checked="" type="checkbox"/>	Adopters and adopted children: Performance in the last year across all ALE London boroughs in terms of recruitment of adopters and placement of children with a disability was low (see evidence)
Neutral	<input type="checkbox"/>	
Negative	<input type="checkbox"/>	<p>The BAAF Briefing paper: <i>Adoption of disabled children begins with the premise that ‘ all children, including those with impairments, have a right to be seen as unique individuals. They also have a right to a family – and to make that more likely, potential families must be shown through every means possible that each child is more than a label or diagnosis (Cousins 2009)</i></p> <p>Regionalisation of the service will provide opportunities to effectively target communication, to ensure prospective adopters with a disability understand the service positively recognizes the contribution adopters with a disability have to offer.</p> <p>Similarly the service will use the larger pool of available adopters and targeted matching to ensure children with a disability are adopted where this is the care plan.</p>

**Expand box as required*

Evidence:

All Local Authorities are required to submit a return to the Adoption Leadership Board detailing performance. The returns made by each ALE Local Authority have been analysed.

- No ALE Local Authority recruited an adopter with a recorded disability
- Only 3 children with a disability were placed across ALE Local Authorities (2 in one Local Authority)

National statistics from the ALB return indicate that disabled children are identified as hard to place and placement matches take longer. Data on placement of children with a disability is not collated through the adoption scorecard but the ALB return indicates that across all England 4.5% of children waiting for an adoptive placement have an identified disability. ALE Local Authorities report 5.8% children with a disability waiting.

Research (BAAF as below) identifies that children with a learning disability are less likely to become adopted. Children with a physical ability are more likely to become adopted at an older age by their foster carers

**Expand box as required*

Sources used:

ALB returns and performance analysis

The Adoption of disabled children – BAAF Briefing paper

**Expand box as required*

Protected Characteristic - Sex/gender: Consider both men and women

*Please tick (✓)
the relevant box:*

Positive

x

Overall impact:

The service will ensure all members of the community are aware they can apply for an assessment as to their suitability to adopt a child

Neutral

The service will also ensure family finding and matching is streamlined and benefits from a wider adopter pool

Negative

**Expand box as required*

Evidence:

Adopters: In 2017/18 ALE Local Authorities made placements of children with 36 in-house approved adopters. Of these, 26 were heterosexual couples, one lesbian couple and one gay male couple. 8 were single female adopters no single male adopter had a child placed.

Children: Nationally boys over the age of 4 are considered to be harder to place than girls. This is also evidenced as a marginal factor in ALE Local Authorities

Adoption register Statistics evidence that although a similar number of boys and girls are referred to the adoption register boys wait longer for a match: At year end 2017; 56% of children waiting to be matched were boys and 44% of children waiting were girls

**Expand box as required*

Sources used:

ALE Local Authorities ALB data returns and analysis

Adoption Register Statistics

**Expand box as required*

Protected Characteristic - Ethnicity/race: Consider the impact on different ethnic groups and nationalities

<i>Please tick (✓) the relevant box:</i>		Overall impact: ALE Local Authorities have a high rate of looked after children from local BME communities. Children from BME Communities are identified to be harder to place for adoption. The larger regional agency will use the combined resources from all agencies to provide focused recruitment of adopters from local BME communities to meet the identified needs of children waiting for adoption
Positive	x	
Neutral		
Negative		

**Expand box as required*

Evidence:

2017/18 data from the unpublished ALB data returns indicates that the percentage of children placed for adoption from BME populations varies from 75% in Newham and Waltham Forest with LBBD and Tower Hamlets both reporting approximately 50% to 17% (one child) in Havering. Children from BME populations are typically seen to be harder to place.

Analysis of the above information shows in East London this is not the case. All authorities except Tower Hamlets show shorter timescales for PO to Match. In the case of Tower Hamlets a single lengthy search for a BME child has had a disproportionate effect.

The latest published Adoption scorecard indicates that although overall performance in numbers of children placed from BME populations is good in this region, the percentage of children from BME populations who leave care for adoption remains low due to the high numbers of children from BME populations who are looked after. The England average of 8% is only achieved by Waltham Forest with all other ALE Local Authorities achieving 5 or 6%

The number of adopters from BME populations has been collated from all family types. For the purposes of this exercise, if either adopter in a couple is identified as BME the adoptive family has been recorded as BME. The Percentage of adopters from BME populations varies from 75% in Tower Hamlets and 66% in Waltham Forest to 25% in Havering and 17% in LBBD. No adopters were identified as having a disability. This variability is not in line with BME populations in ALE Local Authorities and although further analysis is required, the BME adopters recruited do not match with predominant groups in the local community. It is likely that improved targeted recruitment could improve the adopter base

Statistics suggest it is more difficult to place children from ethnic minority groups. Figures from the National Adoption Register show that, in 2008, 243 children from ethnic minorities were referred but there were only nine adopters. – Community Care

A number of agencies have developed best practice guidance in working with local communities.

**Expand box as required*

Sources used:

ALB Data returns – performance information and analysis

Community Care – Building success in transracial placements

Best practice examples: PACT UK; Adopt4children

**Expand box as required*

Protected Characteristic - Religion/faith: Consider people from different religions or beliefs including those with no religion or belief

*Please tick (✓)
the relevant box:*

Overall impact:

Positive

x

As Above people of all religion and faiths and none are welcome to apply to adopt. Heterosexual couples from Christian faith are over represented in the adoption community, however people from other local faith communities are under-represented.

Neutral

Negative

The service will aim to engage with local faith communities in order to ensure adoption is fully understood

**Expand box as required*

Evidence:

Parents have a right to request their child is brought up in their chosen faith and all agencies must take this into account when family finding. This can lead to delay

As above best practice exemplars evidence the value of working with local communities and faith groups

**Expand box as required*

Sources used:

The Adoption and Children Act 2005

Adoption: giving due weight to birth parents' religious preferences: The Guardian

ALB Statistical returns

**Expand box as required*

Protected Characteristic - Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

*Please tick (✓)
the relevant box:*

Overall impact:

Positive

x

Analysis of adopters recruited shows LGBT adopters are currently under-represented and the service will aim to promote adoption within the LGBT community.

Neutral

<p>Negative</p>	<p>Children who are LGBT will benefit from a wider pool of adopter skill and knowledge and from improved adoption support</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Evidence:</p> <p>Analysis of the 2017/18 unpublished ALB returns from all ALE Local Authorities identified that all Local Authorities primarily recruited adopters who were a heterosexual couple. The next most common adopter type was single female heterosexual. Only two same sex couples were recruited, one gay and one lesbian. No single males, single gay men or single lesbian women were recruited. Gay and Lesbian people have been identified as a potential target market for adoption and recruitment in this area appears to be underdeveloped across ALE authorities.</p> <p>In total 36 ALE Local Authority recruited adopters had a child placed in 2017/18. This included 2 same sex couples (5.5%)</p> <p>Adoptions by same-sex couples in England, Scotland and Wales – 2016/2017 (New Family Social – Research 2018)</p> <ul style="list-style-type: none"> • England – In this period there were 420 adoptions to same-sex couples, out of 4,350 adoptions in total. This represents 9.7 per cent of all adoptions that year, or 1 in 10. <p>Several studies of LGBT adopters have been undertaken as cited below. All conclude that LGBT adopters are under-represented and are an un-tapped resource. Currently only one Local Authority referenced any work with New Family Social an LGBT specialist resource.</p> <p>Studies of LGBT adoptive families have evidenced no significant difference in outcomes for children other than some evidence of a higher level of understanding of the impact of difference in LGBT adopters</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>ALB Data returns and analysis</p> <p>Gay Lesbian and Heterosexual Adoptive Families (BAAF with Cambridge University) 2013</p> <p>The recruitment, assessment, support and supervision of lesbian, gay, bisexual and transgender foster carers An international literature review Helen Cosis Brown, Judy Sebba and Nikki Luke – Rees Centre 2015</p> <p>New Family Social Research 2018</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

Protected Characteristic - Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input checked="" type="checkbox"/>	<p>There is little current research into transgendered children but they are known to face challenge in our communities. They require knowledgeable and empathic support from adopters willing to accept their chosen identity</p> <p>The new service aims to improve adoption support to adoptive families</p> <p>Currently there are no collated statistics on transgendered people or adopters but no adopter in ALE Local Authorities has been identified as transgender</p>
Neutral	<input type="checkbox"/>	
Negative	<input type="checkbox"/>	

**Expand box as required*

Evidence:

At present, there is no official estimate of the trans population. The England/Wales Census and Scottish Census have not asked if people identify as trans and do not plan to include such a question in 2011. No major Government or administrative surveys collect data on trans people. Existing studies estimate the number of trans people in the UK to be between around 65,000 (Johnson, 2001, p. 7) and around 300,000ⁱ (GIRES, 2008b). The absence of an official estimate makes it impossible to establish the level of inequality, discrimination or exclusion that trans people have experienced in many areas.

There is currently little longitudinal research into Transgender children and this is an emerging field. It is however widely understood that Transgender children often recognize their difference from a very early age. Living in a society in which all people are described as either male or female brings profound challenge. Adoptive children who are challenging gender norms need support from adopters capable of understanding their world and responding to their needs.

**Expand box as required*

Sources used:

Equalities Commission – Trans Research Review 2009
 CPS Gender Equality Guidance – February 2015
 New Family Social

**Expand box as required*

Protected Characteristic - Marriage/civil partnership: Consider people in a marriage or civil partnership

<i>Please tick (✓) the relevant box:</i>		Overall impact: All adoption services currently operate a policy of promotion of all family types including people living within a marriage or civil partnership and this policy will continue. <i>*Expand box as required</i>
Positive		
Neutral	x	
Negative		
Evidence: <i>*Expand box as required</i>		
Sources used: <i>*Expand box as required</i>		

Protected Characteristic - Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave

<i>Please tick (✓) the relevant box:</i>		Overall impact: Adopters have statutory rights to adoption leave. These are protected within regulation and adopters are advised of their rights by their adoption social worker. This practice will continue Improved adoption support will allow the service to be more pro-active in working with key employers on adoption friendly practice and on assisting individual adopters to discuss family friendly working practice with their employer <i>*Expand box as required</i>
Positive	x	
Neutral		
Negative		
Evidence: Policies and procedures in all Local Authorities reflect Government Guidance Statutory maternity, paternity and adoption rights in the UK apply to parents both before and after birth or adoption. The rights provide parents with the time needed to maintain family responsibilities while keeping their right to return to work. Fathers, adoptive parents and same-sex partners are entitled to paternity or maternity leave, adoption and shared parental leave. (CIPD Guidance) Where family and adoptive family friendly practices have been instituted companies have reported higher employee satisfaction, greater retention and no loss of productivity (JRT) <i>*Expand box as required</i>		

Sources used:

Statutory Pay and Leave: AND Employer Guide: Gov.UK

CIPD guidance

Putting family-friendly working policies into practice
Sue Bond, Jeff Hyman, Juliette Summers and Sarah Wise - JRT Feb 2002

**Expand box as required*

Socio-economic status: Consider those who are from low income or financially excluded backgrounds		
<i>Please tick (✓) the relevant box:</i>		Overall impact: Adopters on a low income are able to claim the same benefits as any other parent. Some may also be able to claim additional adoption allowances. Decision making regarding adoption allowances will initially remain with each Local Authority
Positive		
Neutral	x	
Negative		
<i>*Expand box as required</i>		
Evidence:		
ALE Business case – states Adoption allowances will remain within each Local Authority		
<i>*Expand box as required</i>		
Sources used:		
ALE Business case		
<i>*Expand box as required</i>		

Health & Wellbeing Impact: Consider both short and long-term impacts of the activity on a person’s physical and mental health, particularly for disadvantaged, vulnerable or at-risk groups. Can health and wellbeing be positively promoted through this activity? Please use the Health and Wellbeing Impact Tool in Appendix 2 to help you answer this question.		
<i>Please tick (✓) all the relevant boxes that apply:</i>		Overall impact: Regionalisation of adoption will bring together a single integrated workforce which will provide opportunities to develop a consistent core offer and use the skills of the existing workforce for the benefit of all. A coordinated response will allow the service to work with partners
Positive	x	
Neutral		

<p>Negative</p>		<p>including those in the health sector to improve services for adoptive families</p> <p style="text-align: right;"><i>*Expand box as required</i></p> <p>Do you consider that a more in-depth HIA is required as a result of this brief assessment? Please tick (✓) the relevant box</p> <p style="text-align: right;">No ●</p>
	<p>Evidence:</p> <p>Consultation with adoptive parents in the ALE area has been undertaken by 'We are Family' This evidenced a high degree of dissatisfaction with adoption support services. This finding has been replicated nationally and is reflected in the BAAF research overview (below)</p> <p>There are currently no formal evaluations of support provided by the newly formed regional adoption agencies. Individual agencies, however report higher levels of adopter satisfaction</p> <p><u>The Health and Well-being impact tool</u> has been completed to ensure all potential impacts are fully understood and assessed.</p> <p>Adoption is a positive choice made by potential adoptive parents after careful consideration of all factors involved. All potential adoptive parents undertake preparation training and have a full assessment undertaken by a specialist social worker. This assessment supports them to explore all potential impacts on their life.</p> <p>The positive impact on family life and social circumstances through adoption of a much wanted child is the prime motivator for prospective adopters. The potential challenges of supporting a child who may have suffered trauma into a new 'forever family' are fully explored in assessment. Training, guidance and adoption support is provided from the point of assessment to placement and until the child reaches 18 or beyond.</p> <p>There is a potential negative effect on education or employment opportunities. The assessment includes consideration of the adoptive families financial stability. This includes potential impacts on employment opportunities through parental leave and choices to reduce or cease work. Adoptive children may need more support in the early years and this is also fully explored. Some financial support is available for adoptive families who adopt children with more complex needs.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>Adoption for looked after children: messages from research: BAAF 2012</p> <p style="text-align: right;"><i>*Expand box as required</i></p>		

3. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

	<p>1. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u></p>		<p>Proceed with implementation of your activity</p>
	<p>2. The EqHIA identified some <u>negative impact</u> which still needs to be <u>addressed</u></p>		<p>COMPLETE SECTION 4: Complete action plan and finalise the EqHIA</p>
	<p>3. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level</p>		<p>Stop and remove the activity or revise the activity thoroughly. Complete an EqHIA on the revised proposal.</p>

4. Action Plan

The real value of completing an EqHIA comes from the identifying the actions that can be taken to eliminate/minimise negative impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will address any negative equality and health & wellbeing impacts you have identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer

Add further rows as necessary

* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

** Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

5. Review

In this section you should identify how frequently the EqHIA will be reviewed; the date for next review; and who will be reviewing it.

Review:

Scheduled date of review:

Lead Officer conducting the review:

**Expand box as required*

Please submit the completed form via e-mail to EqHIA@haverling.gov.uk thank you.

Appendix 1. Guidance on Undertaking an EqHIA

This Guidance can be deleted prior to publication.

What is it?

The Equality & Health Impact Assessment (EqHIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service, whilst at the same time ensuring a person's chance of leading a healthy life is the same wherever they live and whoever they are. We want to ensure that the activities of the Council are 'fit for purpose' and meet the needs of Havering's increasingly diverse communities and employees. This robust and systematic EqHIA process ensures that any potential detrimental effects or discrimination is identified, removed, or mitigated and positive impacts are enhanced.

When to Assess:

An EqHIA should be carried out when you are changing, removing or introducing a new service, policy, strategy or function; for simplicity, these are referred to as an "activity" throughout this document. It is best to conduct the assessment as early as possible in the decision-making process.

Guidance: Equality & Health Impact Assessment Checklist

The Checklist in Section 1 asks the key questions,

4a) Are you changing, introducing a new, or removing a service, policy, strategy or function?

4b) Does this activity (policy/strategy/service/decision) have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?

4c) Does this activity (policy/strategy/service/decision) have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?

- If the answer to ANY of the questions 4a, 4b or 4c of the Checklist is 'YES' then you must carry out an assessment. e.g. Proposed changes to Contact Centre Opening Hours
'YES' = you need to carry out an EqHIA
- If the answer to ALL of the questions, 4a or 4b of the Checklist is NO, then you do not need to carry out an EqHIA assessment. e.g. Quarterly Performance Report
'NO' = you DO NOT need to carry out an EqHIA. Please provide a clear explanation as to why you consider an EqHIA is not required for your activity.

Using the Checklist

The assessment should take into account all the potential impacts of the proposed activity, be it a major financial decision, or a seemingly simple policy change. Considering and completing this EqHIA will ensure that all Council plans, strategies, policies, procedures, services or other activity comply with relevant statutory obligations and responsibilities. In particular it helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#) and its public health duties under the [Health and Social Care Act 2012](#).

Having Due Regard

To have due regard means that in making decisions and in its other day-to-day activities, the Council must consciously consider the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups
- Foster good relations between different groups
- Reduce inequalities in health outcomes

Combining Equality and Health Impact Assessment:

[Equality Impact Assessments \(EIAs\)](#) provide a systematic way of ensuring that legal obligations are met. They assess whether a proposed policy, procedure, service change or plan will affect people different on the basis of their 'protected characteristics' and if it will affect their human rights. Currently there are **nine protected characteristics** (previously known as 'equality groups' or 'equality strands'): age, disability, sex/gender, ethnicity/race, religion/faith, sexual orientation, gender reassignment, marriage/civil partnership, and pregnancy/ maternity/paternity.

An activity does not need to impact on all 9 protected characteristics – impacting on just one is sufficient justification to complete an EqHIA.

[Health Impact Assessments \(HIAs\)](#) consider the potential impact of any change or amendment to a policy, service, plan, procedure or programme on the health and wellbeing of the population. HIAs help identify how people may be affected differently on the basis of where they live and potential impacts on health inequalities and health equity by assessing the distribution of potential effects within the population, particularly within vulnerable groups. 'Health' is not restricted to medical conditions, or the provision of health services, but rather encompasses the wide range of influences on people's health and wellbeing. This includes, but is not limited to, experience of discrimination, access to transport, housing, education, employment - known as the 'wider determinants of health'.

This [Equality and Health Impact Assessment \(EqHIA\)](#) brings together both impact assessments into a single tool which will result in a set of recommendations to eliminate discrimination and inequality; enhance potential positive impacts and mitigate where possible for negative impacts. In conducting this EqHIA you will need to assess the impact (positive, neutral or negative) of your activity on individuals and groups with **protected characteristics** (this includes staff delivering your activity), **socio-economic status** and **health & wellbeing**. Guidance on what to include in each section is given on the next pages.

Guidance: What to include in background/context

In this section you will need to add the background/context of your activity, i.e. what is the activity intending to do, and why?

Make sure you include the scope and intended outcomes of the activity being assessed; and highlight any proposed changes. Please include a brief rationale for your activity and any supporting evidence for the proposal. Some questions to consider:

- What is the aim, objectives and intended outcomes?
- How does this activity meet the needs of the local population?
- Has this activity been implemented in another area? What were the outcomes?
- Is this activity being implemented as per best practice guidelines?
- Who were the key stakeholders in this activity?

*Note that the boxes will expand as required

Guidance: Who will be affected by the activity?

The people who will be affected may be

Residents: pay particular attention to vulnerable groups in the population who may be affected by this activity

Businesses/ manufacturing / developers / small, medium or large enterprises

Employees: e.g. Council staff for an internal activity, other statutory or voluntary sector employees, local businesses and services

*Note that the boxes will expand as required

Guidance: What to include in assessing a Protected Characteristic e.g. AGE

Please tick (✓) the relevant box:

Positive

Neutral

Negative

Overall impact: In this section you will need to consider and note what impact your activity will have on individuals and groups (including staff) with protected characteristics based on the data and information you have. You should note whether this is a positive, neutral or negative impact.

It is essential that you note all negative impacts. This will demonstrate that you have paid 'due regard' to the Public Sector Equality Duty if your activity is challenged under the Equality Act.

*Note that the boxes will expand as required

Evidence: In this section you will need to document the evidence that you have used to assess the impact of your activity.

When assessing the impact, please consider and note how your activity contributes to the three aims of the Public Sector Equality Duty (PSED) as stated in the section above.

It is essential that you note the full impact of your activity, so you can demonstrate that you have fully considered the equality implications and have paid 'due regard' to the PSED should the Council be challenged.

- If you have identified a **positive impact**, please note this.
- If you think there is a **neutral impact** or the impact is not known, please provide a full reason why this is the case.
- If you have identified a **negative impact**, please note what steps you will take to mitigate this impact. If you are unable to take any mitigating steps, please provide a full reason why. All negative impacts that have mitigating actions must be recorded in the **Action Plan**.
- **Please ensure that appropriate consultation with affected parties has been undertaken and evidenced**

Sources used: In this section you should list all sources of the evidence you used to assess the impact of your activity. This can include:

- Service specific data
- Population, demographic and socio-economic data. Suggested sources include:
 - o Service user monitoring data that your service collects
 - o [Havering Data Intelligence Hub](#)
 - o [Office for National Statistics \(ONS\)](#)

If you do not have any relevant data, please provide the reason why.

*Note that the boxes will expand as required

Guidance: What to include in assessing Health & Wellbeing Impact:

Please tick (✓) all the relevant boxes that apply:

Positive

Neutral

Negative

Overall impact: In this section you will need to consider and note whether the proposal could have an overall impact on, or implications for, people's health and wellbeing or any factors which determine people's health.

How will the activity help address inequalities in health?

Include here a brief outline of what could be done to enhance the positive impacts and, where possible, mitigate for the negative impacts.

*Note that the boxes will expand as required

Do you consider that a more in-depth HIA is required as a result of this brief assessment? Please tick (✓) the relevant box

Yes No

Evidence: In this section you will need to outline in more detail how you came to your conclusions above:

- What is the nature of the impact?
- Is the impact **positive** or **negative**? It is possible for an activity to have **both positive and negative impacts**. Consider here whether people will be able to access the service being offered; improve or maintain healthy lifestyles; improve their opportunities for employment/income; whether and how it will affect the environment in which they live (housing, access to parks & green space); what the impact on the family, social support and community networks might be
- What can be done to mitigate the negative impacts and/or enhance the positive impacts?
- If you think there is a **neutral impact**, or the impact is not known, please provide a brief reason why this is the case.
- What is the likelihood of the impact? Will the impact(s) be in weeks, months or years? In some cases the short-term risks to health may be worth the longer term benefits.
- Will the proposal affect different groups of people in different ways? A proposal that is likely to benefit one section of the community may not benefit others and could lead to inequalities in health.

Please use the Health & Wellbeing Impact Tool in Appendix 2 as a guide/checklist to assess the potential wider determinants of health impacts.

This tool will help guide your thinking as to what factors affect people's health and wellbeing, such as social support, their housing conditions, access to transport, employment, education, crime and disorder and environmental factors. It is not an exhaustive list, merely a tool to guide your assessment; there may be other factors specific to your activity.

Some questions you may wish to ask include:

- Will the activity impact on people's ability to socialise, potentially leading to social isolation?
- Will the activity affect a person's income and/or have an effect on their housing status?
- Is the activity likely to cause the recipient of a service more or less stress?
- Will any change in the service take into account different needs, such as those with learning difficulties?
- Will the activity affect the health and wellbeing of persons not directly related to the service/activity, such as carers, family members, other residents living nearby?
- If there is a short-term negative effect, what will be done to minimise the impact as much as possible?

- Are the longer-term impacts positive or negative? What will be done to either promote the positive effects or minimise the negative effects?
- Do the longer term positive outcomes outweigh the short term impacts?

*Note that the boxes will expand as required

Sources used: In this section you should list all sources of the evidence you used to assess the impact of your activity. This could include, e.g.:

Information on the population affected

- Routinely collected local statistics (e.g. quality of life, health status, unemployment, crime, air quality, educational attainment, transport etc.)
- Local research/ Surveys of local conditions
- Community profiles

Wider Evidence

- Published Research, including evidence about similar proposals implemented elsewhere (e.g. Case Studies).
- Predictions from local or national models
- Locally commissioned research by statutory/voluntary/private organisations

Expert Opinion

- Views of residents and professionals with local knowledge and insight

*Note that the boxes will expand as required

Guidance: Outcome of the Assessment

On reflection, what is your overall assessment of the activity?

The purpose of conducting this assessment is to offer an opportunity to think, reflect and **improve** the proposed activity. It will make sure that the Council can evidence that it has considered its due regard to equality and health & wellbeing to its best ability.

It is not expected that all proposals will be immediately without negative impacts! However, where these arise, what actions can be taken to mitigate against potential negative effects, or further promote the positive impacts?

Please tick one of the 3 boxes in this section to indicate whether you think:

1. all equality and health impacts are adequately addressed in the activity – proceed with your activity pending all other relevant approval processes
2. the assessment identified some negative impacts which could be addressed – please complete the Action Plan in Section 4.
3. If the assessment reveals some significant concerns, this is the time to stop and re-think, making sure that we spend our Council resources wisely and fairly. There is no shame in stopping a proposal.

*Note that the boxes will expand as required

Guidance: Action Plan

For each protected characteristic/health & wellbeing impact where an impact on people or their lives has been identified, complete one row of the action plan. You can add as many further rows as required.

State whether the impact is Positive or Negative

Briefly outline the actions that can be taken to mitigate against the negative impact or further enhance a positive impact. These actions could be to make changes to the activity itself (service, proposal, strategy etc.) or to make contingencies/alterations in the setting/environment where the activity will take place.

For example, might staff need additional training in communicating effectively with people with learning difficulties, if a new service is opened specifically targeting those people? Is access to the service fair and equitable? What will the impact on other service users be? How can we ensure equity of access to the service by all users? Will any signage need changing? Does the building where the service being delivered comply with disability regulations?

Guidance: Review

Changes happen all the time! A service/strategy/policy/activity that is appropriate at one time, may no longer be appropriate as the environment around us changes. This may be changes in our population, growth and makeup, legislative changes, environmental changes or socio-political changes.

Although we can't predict what's going to happen in the future, a review is recommended to ensure that what we are delivering as a Council is still the best use of our limited resources. The timescale for review will be dependent on the scale of the activity.

A major financial investment may require a review every 2-3 years for a large scale regeneration project over 10-15 years.

A small policy change may require a review in 6 months to assess whether there are any unintended outcomes of such a change.

Please indicate here how frequently it is expected to review your activity and a brief justification as to why this timescale is recommended.

Appendix 2. Health & Wellbeing Impact Tool

Will the activity/service/policy/procedure affect any of the following characteristics? Please tick/check the boxes below

The following are a range of considerations that might help you to complete the assessment.

Lifestyle YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	Personal circumstances YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Access to services/facilities/amenities YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<input type="checkbox"/> Diet <input type="checkbox"/> Exercise and physical activity <input type="checkbox"/> Smoking <input type="checkbox"/> Exposure to passive smoking <input type="checkbox"/> Alcohol intake <input type="checkbox"/> Dependency on prescription drugs <input type="checkbox"/> Illicit drug and substance use <input type="checkbox"/> Risky Sexual behaviour <input type="checkbox"/> Other health-related behaviours, such as tooth-brushing, bathing, and wound care	<input checked="" type="checkbox"/> Structure and cohesion of family unit <input checked="" type="checkbox"/> Parenting <input checked="" type="checkbox"/> Childhood development <input checked="" type="checkbox"/> Life skills <input type="checkbox"/> Personal safety <input checked="" type="checkbox"/> Employment status <input type="checkbox"/> Working conditions <input checked="" type="checkbox"/> Level of income, including benefits <input checked="" type="checkbox"/> Level of disposable income <input type="checkbox"/> Housing tenure <input type="checkbox"/> Housing conditions <input type="checkbox"/> Educational attainment <input type="checkbox"/> Skills levels including literacy and numeracy	<input checked="" type="checkbox"/> to Employment opportunities <input type="checkbox"/> to Workplaces <input type="checkbox"/> to Housing <input type="checkbox"/> to Shops (to supply basic needs) <input type="checkbox"/> to Community facilities <input type="checkbox"/> to Public transport <input type="checkbox"/> to Education <input type="checkbox"/> to Training and skills development <input type="checkbox"/> to Healthcare <input type="checkbox"/> to Social services <input checked="" type="checkbox"/> to Childcare <input type="checkbox"/> to Respite care <input type="checkbox"/> to Leisure and recreation services and facilities
Social Factors YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Economic Factors YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Environmental Factors YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Social contact <input type="checkbox"/> Social support <input type="checkbox"/> Neighbourliness <input type="checkbox"/> Participation in the community <input checked="" type="checkbox"/> Membership of community groups <input type="checkbox"/> Reputation of community/area <input type="checkbox"/> Participation in public affairs <input type="checkbox"/> Level of crime and disorder <input type="checkbox"/> Fear of crime and disorder <input type="checkbox"/> Level of antisocial behaviour <input type="checkbox"/> Fear of antisocial behaviour <input type="checkbox"/> Discrimination <input type="checkbox"/> Fear of discrimination <input type="checkbox"/> Public safety measures <input type="checkbox"/> Road safety measures	<input type="checkbox"/> Creation of wealth <input type="checkbox"/> Distribution of wealth <input type="checkbox"/> Retention of wealth in local area/economy <input type="checkbox"/> Distribution of income <input type="checkbox"/> Business activity <input type="checkbox"/> Job creation <input type="checkbox"/> Availability of employment opportunities <input checked="" type="checkbox"/> Quality of employment opportunities <input type="checkbox"/> Availability of education opportunities <input type="checkbox"/> Quality of education opportunities <input checked="" type="checkbox"/> Availability of training and skills development opportunities <input type="checkbox"/> Quality of training and skills development opportunities <input type="checkbox"/> Technological development <input type="checkbox"/> Amount of traffic congestion	<input type="checkbox"/> Air quality <input type="checkbox"/> Water quality <input type="checkbox"/> Soil quality/Level of contamination/Odour <input type="checkbox"/> Noise levels <input type="checkbox"/> Vibration <input type="checkbox"/> Hazards <input type="checkbox"/> Land use <input type="checkbox"/> Natural habitats <input type="checkbox"/> Biodiversity <input type="checkbox"/> Landscape, including green and open spaces <input type="checkbox"/> Townscape, including civic areas and public realm <input type="checkbox"/> Use/consumption of natural resources <input type="checkbox"/> Energy use: CO2/other greenhouse gas emissions <input type="checkbox"/> Solid waste management <input type="checkbox"/> Public transport infrastructure

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CABINET

18 February 2019

Title: Growth Commission Stocktake	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Jonny Mallinson. Inclusive Growth Strategy Advisor	Contact Details: Tel: 07742986475 E-mail: jonny.mallinson@lbbd.gov.uk
Accountable Strategic Leadership Director: Graeme Cooke, Director of Inclusive Growth	
<p>Summary</p> <p>In 2015, the Council established an independent Growth Commission to examine the options for and likely impact of future growth in the Borough. The Commission recognised the Borough's potential as London's growth opportunity and outlined 109 recommendations to help the Council turn its vision into reality.</p> <p>In October 2017, and on the back of the first internal review of progress against the Commission's recommendations, Cabinet agreed "<i>that the Council would benefit from an independent assessment of progress, possibly through a reconvened Growth Commission, at key milestones during the years ahead</i>".</p> <p>In June 2018, the Council asked Mike Emmerich and Metro Dynamics to undertake such an assessment and their findings are summarised in the body of this report alongside the planned next steps for the Council. The full 'Growth Commission Stocktake' document is attached at Appendix A.</p> <p>The stocktake was not intended to provide a detailed review of progress in relation to all 109 recommendations in 'No-one left behind', and it does not currently describe any intention on the part of the Council. It is an external review that will inform planning for the next phase of the council's Inclusive Growth programme. As such Cabinet is not being asked to consider the practical implications of the recommendations made, or of any concrete policy decisions.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note the recommendations from the Growth Commission stocktake, as set out in Appendix A to the report; and (ii) Note that a further report shall be presented to the Cabinet later in the year setting out plans for the Council to respond to the recommendations from the stocktake. 	

Reason(s)

To assist the Council to achieve its priorities in relation to Inclusive Growth.

1. Introduction and Background

- 1.1 In 2015, the Council established an independent Growth Commission to examine the options for and likely impact of future growth in the Borough. The Commission recognised the Borough's potential as London's growth opportunity and outlined 109 recommendations to help the Council turn its vision into reality. The commission was chaired by Mike Emmerich, an independent expert in urban regeneration and a leading figure in Manchester's many devolution deals. The commission's report, 'No-one left behind', provided early impetus for much of the transformation that has taken place in the Borough over the last two years.
- 1.2 In October 2017, and on the back of the first internal review of progress against the commission's recommendations, Cabinet agreed "*that the Council would benefit from an independent assessment of progress, possibly through a reconvened Growth Commission, at key milestones during the years ahead*". In June 2018, the Council asked Mike Emmerich and Metro Dynamics to undertake such an assessment, with a view to doing three things:
1. Providing a light touch review of the Borough's progress since the 2016 Growth Commission;
 2. Exploring the evidence in relation to Inclusive Growth, and making some suggestions for what an Inclusive Growth framework for Barking and Dagenham might look like;
 3. Making a set of recommendations as to where the Council and its partners should focus their efforts in order to plug any gaps in the overall Inclusive Growth programme.
- 1.3 In preparing their recommendations, Metro Dynamics conducted one-to-one interviews with a range of Councillors and both local MPs. They also conducted interviews with members of the Council's executive management team and other senior officers. Two workshops with a range of partners from across the Borough were also held.

2. Proposal and Issues

2.1 Below is a summary of the report's findings and intended next steps.

2.2 What did the stocktake find, and what did it recommend?

- 2.2.1 The Stocktake has found that the council and partners have made huge progress since 2016 across all areas highlighted in the original commission, particularly in relation to issues associated with the physical regeneration of the place, but that much more needs to be done to connect local people into the benefits of this growth. In other words, economic growth has been strong, and employment has risen, but a significant inclusion gap remains.

2.2.2 The Stocktake suggests five 'Grand Challenges' that the Borough should focus on in order to close this gap: '**Building sustainable communities**', including a renewed focus on the Becontree Estate and Barking Riverside as exemplars of 21st Century sustainable, connected, and vibrant urban developments; '**Creating a new enterprise agenda**', including a range of activity to expand the business base and improve job density; '**A new deal with decent jobs for everyone that can work**', including a sustained focus on the economically inactive population; '**Preparing our young people for the future**', including a renewed effort to bolster the institutional, financial and human capacity of schools; and '**Beyond civic foundations; a new civic culture**', including a new approach to engaging residents in growth and regeneration.

2.3 How will we use the stocktake?

2.3.1 The council must now formally consider how we would like to respond to Mike Emmerich's report, and which of the recommendations we would like to embed in the next phase of our Inclusive Growth programme. In some areas, there is already strong alignment with existing initiatives that are either in train or in planning. For example:

- **Becontree centenary.** The council is working with BeFirst, Create London and other partners to consider how we use the centenary of the first house being built on the Becontree to kick off a 10-year programme of renewal and restoration of the estate.
- **Borough & me.** The council has plans to publish a 'regeneration story' to residents that sets out our vision for growth in the Borough and how this will translate into specific changes in each of the Borough's neighbourhoods.
- **Barking and Dagenham Business Forum.** On the 06th of February we are holding a Leaders Reception for businesses in the Barking and Dagenham. The event will be the first meeting of the new Barking and Dagenham business forum, which will create a space in which businesses can work with the council and other partners to address issues and pursue opportunities.
- **BeFirst contracting.** We are working with BeFirst to define a set of clear asks to those contractors who have made it on to the BeFirst contracting framework. These might include local employment, living wage or apprenticeship clauses.

2.3.2 Whilst much is already in train, some of the grand challenges in the stocktake highlight gaps in our current programme. In the months ahead, we will use the stocktake as the starting point for a broader process of strategy development and prioritisation, which will move us in to a new phase of delivery across Inclusive Growth. Phase one, which kicked off with the publication of the original growth commission report in February 2016, was focused on delivering a set of organisational and structural reforms.

2.3.3 These reforms were designed to create a fit for purpose Inclusive Growth delivery system made up of BeFirst, the councils wholly owned municipal development company; Reside, our housing company, which manages our portfolio of new affordable homes; MyPlace our brand-new housing and tenant management service; B&D energy and BEAM energy, municipal companies that generate and distribute energy to residents; and our new work and skills service within Community Solutions, which brings together the adult college, the job shop and the

homes and money hub into a single team. Finally, the Inclusive Growth core team, operating under the Director of Inclusive Growth, Graeme Cooke, is now in place.

- 2.3.4 Phase two of our programme must ensure this system is focused on addressing the right challenges and achieving the right outcomes.

2.4 What happens next?

- 2.4.1 In the weeks ahead, further consideration will be given to the Council's response to the recommendations made in the stocktake, with a view to identifying a set of 'phase two' Inclusive Growth priorities; challenges and associated outcomes that should direct efforts in the medium term. Officers will be working closely work with the Council's insight hub to ensure that the right priorities are identified, based on deep analysis of the available evidence. This exercise will, of course, include regular engagement with Members.
- 2.4.2 There will then be a further report, around May 2019, which will bring all of this work together into a series of proposals for the Cabinet to consider.

3. Consultation

- 3.1 The stocktake report has been presented to both the Overview & Scrutiny Committee and the Policy Task Group. Comments from these two forums, as well as any comments from Cabinet, will be used to inform the development of phase two priorities.
- 3.2 The stocktake was also reviewed and next steps signed off by Corporate Strategy Group at its meeting on 17 January 2019.

4. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager - Finance

- 4.1 There are no direct financial implications associated with this report as it is for information only.

5. Legal Implications

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

- 5.1 The Council's has the power to carry out a deep-rooted assessment of growth in the borough and identify and implement actions to any of the options which emerged in the stocktake as it has been given a general power of competence under section 1 of the Localism Act 2011. This provides the Council with the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.

- 5.2 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to participate in the transaction and enter into the relevant project documents further support is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.

Public Background Papers Used in the Preparation of the Report:

- “No-one Left Behind: In Pursuit of Growth for the Benefit of Everyone” - Independent Growth Commission Report, February 2016
(<https://www.lbbd.gov.uk/business/growing-the-borough/our-strategy-for-growth/overview-2/>)

List of appendices:

- **Appendix A:** ‘Growth Commission Stocktake – Towards Inclusive Growth for Barking and Dagenham (January 2019)’ document

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Growth Commission Stocktake Towards Inclusive Growth for Barking and Dagenham

January 2019

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1 Progress since the Growth Commission

In 2015, the London Borough of Barking and Dagenham established an independent Growth Commission to examine options for the Borough's economic and social development, in recognition of the area's future growth potential. The Commission was comprised of experts in national and international business, regeneration, economic development, and the London economy.

The Commission came at an early stage in the current Administration's time in office, with a new Chief Executive as well as a new Cabinet. It was a time of change within the Council. The aim of the Commission was to provide an independent challenge and a stimulus for action, framed by the Borough's unique context, and the opportunities and challenges this created.

Like other London Boroughs, but perhaps later than most, Barking and Dagenham was then, as now, seeing major changes in its population, with new communities forming and growing. At the same time, the economic landscape was changing. The eastward growth of the London housing market, which felt for some years as if it had stopped east of the North Circular, looked tentatively to be reaching beyond it. Barking Riverside, long an opportunity more talked about than built out, was on the cusp of new ownership and the promise of a faster rate of development. But levels of new housing starts remained low and commercial development had largely stalled. Business growth was low on the agenda.

The Commission's task was to identify what it would take for the Borough to fulfil its potential as London's Growth Opportunity. Specifically, the Council was keen to learn the positive lessons from development elsewhere while avoiding the pitfalls, and to do so in a way that would ensure no-one was left behind.

The Commission's final report; 'No-one Left Behind'; created a platform upon which LBBD's leadership could take proactive steps in pursuit of a better future for the Borough and its residents. The Commission outlined 109 recommendations focused on realising the Council's vision: 'to create an inclusive, prosperous and resilient place, in which all communities have the opportunity to fulfil their potential'. The recommendations covered all aspects of the Borough's economic growth including housing, business, transport and infrastructure, culture and heritage, urban design, educational attainment, and skills and employment.

This is a large number of recommendations, not least for a Council whose corporate capacity at the time was limited. To ensure that the Council was clear on what the Commission thought the earliest priorities should be, 'No-one Left Behind' also set out an early action plan, comprising ten key next steps:

- Agreement to the Commission's suggested set of long term goals;

- The development of a set of operating principles;
- The development of a new and different approach to community engagement;
- A focus on people issues for the Council;
- The creation of a new organisation to take forward business and regeneration;
- Investment in leadership;
- The development of a Borough Manifesto;
- The delivery of a 'One Borough' programme;
- A public commitment to report progress; and,
- An annual public review.

The insights set out below, and the future ideas that follow, are based on a short stocktake of progress since the publication of these recommendations in early 2016. This has involved reviewing a range of Council reports, studying insights from the extensive amount of resident engagement undertaken over the last couple of years, two workshops and a series of conversations with local stakeholders, plus reviewing evidence and experience from other places that have sought to pursue Inclusive Growth. It is important to say that the stocktake has not involved new primary research or analysis.

Our assessment is that the Council has broadly carried through the initial action plan and has done so in most cases with exemplary commitment and focus. The exception is the last point. This review is the first non-internal review of progress, some thirty or so months post publication. Remarkably, the Council has also taken forward most of the 109 individual recommendations. But by no means all. In our analysis:

- Only one recommendation has been formally *rejected by the Council*; that concerning the potential for a large-scale voluntary transfer (LSVT) of Council homes.
- The recommendation for a re-think of Barking Riverside was *not taken forward, but with continuing debate*. There remain some concerns about the need both to improve the absorption rate of the scheme but also to ensure that it can fulfil its potential to create a sustainable new community.
- Elsewhere, in relation to the wealth of people-based recommendations, and specifically those relating to education and other issues outside the direct control of the Borough, there has been *rhetorical commitment not yet fully translated into purposeful and transformational action*.
- Many recommendations have been taken forward if not always in precisely the manner suggested by the Commission, but in a way that reflected the Commission's intent.

The Borough's major achievements

The Council’s restructuring following the Ambition 2020 project, a sister project to the Commission, has dramatically changed the way it is set up to serve the local population. In addition, a number of further initiatives have changed the way the Council communicates with its residents. This, in turn, has started to change the perception of local people, who have at times been characterised, not unfairly, as being too passive; more accepting and less demanding than is the norm elsewhere. The process of writing the Borough Manifesto, initiatives such as Every One Every Day, and the ongoing efforts of the wider civil society, mark the beginnings of a more active approach to citizenship in the Borough.

The advent of BeFirst as a Borough wide regeneration company is a major step forward. Barking and Dagenham can now play in a different league, guided by strong executive and non-executive leadership with a mandate for transformation. The decision of the Council to upend the way it takes planning decisions will pay dividends in supporting this agenda. This seemed a difficult recommendation for the Council to accept but it has done so and implemented it in as ambitious a way as ever seemed likely.

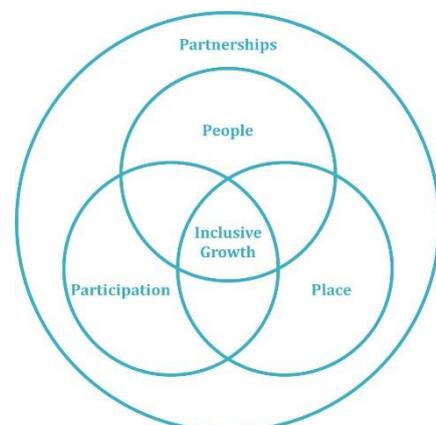
The same is true of the Borough Manifesto. This has been taken forward in a way that has raised ambition and created a new point of focus for the Borough, whilst enabling its local partners and different communities to start to coalesce around a clearer sense of unity on some issues, and of differences on others.

The lack of anchor institutions was as an issue highlighted by the Commission. The arrival of Coventry University’s London Campus, the forthcoming film studios, as well as other initiatives in the pipeline, are testament to a highly focussed approach to building the institutional fabric of the Borough in precisely the way envisaged by the Commission.

The Council is focussed on delivering for the people of the Borough above all. Nonetheless, it is of great importance that the Council was recognised for its transformation by being awarded Council of the Year in 2018.

Lots Done, Lots More Needed: What Barking and Dagenham Still Needs to Crack

Having acknowledged the very significant strides the Council has taken over recent years it is important also to consider where more needs to be done. To structure our reflections, we developed a framework for Inclusive Growth structured around four interlocking areas of potential intervention: People, Place, Participation and Partnerships. This framework is further developed in later sections of the report.



The recommendations from the original commission were concerned with both *people*, i.e. Barking and Dagenham residents and their wellbeing (economic or otherwise), and *place*, i.e. the physical form of the Borough. However, while the momentum created by the commission has been sustained and

accelerated since its conclusion, greater progress has been made on the report's 'place' recommendations, while the impact on 'people' has yet to materialise to the same extent.

This is partly an issue beyond the Council's control: changing planning policies and even building new homes and office buildings is a shorter-term process than tackling intergenerational poverty or changing deeply rooted patterns of health or educational disadvantage. Even more significantly, while there is a strong evidence base for how to pursue effective physical development and regeneration, no such blueprint exists for addressing these and complex, 'wicked' issues.

In considering its next steps, therefore, a renewed focus on ensuring that economic development delivers direct benefits to existing local residents. This, in short, is the essence of inclusive growth. This is new territory not just for Barking and Dagenham but for the UK as a whole. There is no off-the-shelf, or universally applicable, model to draw on. Innovation will be needed. Nonetheless, there are key areas where the particular issues faced by Barking & Dagenham are acute, and where it is vital the Council and its partners are prepared to challenge themselves to break new ground:

- Too many people in the Borough still have long commutes for poor pay. Working poverty is an issue too big for the Council and partners to ignore, even if their levers in relation to local wages are limited. Workforce skill levels are low, which restrict the ability of local residents to benefit from job opportunities or to progress in work.
- For too many people who worked in traditional manufacturing jobs, the flexible world of work has left them behind. Long-term unemployment and worklessness is high. Those who can work need to be encouraged and enabled to do so, with whatever support is needed to enable them to get back on their feet.
- Although education levels are improving in the Borough, it comes from a low base. Improvements in school results have not yet translated into improved progression rates from secondary education into further learning or earning. The Council, schools and local business can do even better in leveraging the support of Government and other institutions as well as national third sector organisations.

In relation to **place**, there are many examples of successful urban regeneration from other places in the UK and internationally. We know what works. Some places have fared better than others, both in terms of changing the level of development and in ensuring that the form of development is sustainable (i.e. blending architectural forms and functional uses in ways that work for existing and newly arriving communities). The steps the Council has taken in this area are solid ones which will stand it in good stead and should, over time, create momentum towards successful place development. However, there is still further to go.

- The Borough is yet to articulate an economic development strategy capable of carving out a distinctive place for Barking and Dagenham within the London economy. The Borough also lacks the capacity and partnerships needed to drive such a strategy. Job density is too low and, overall, business sustainability is too weak in the Borough, especially among SMEs and start-ups. The Borough still needs to shake the legacy of its industrial past, and transition away from lower value, dirtier sectors. This is in part an issue of perception, but also one of substance.
- The Borough has the scope to develop real local strengths in key rising sectors that create good jobs and can provide strong training/progression pathways. Key among these are the care, creative and construction sectors. There is also no reason why the Borough could not be the Green Capital of the Capital. Decarbonisation could have a significant impact on jobs and the local economy, as well as on the environment. Opportunities include the potential for extending local district heating systems, decentralised energy generation, large scale energy efficiency, ‘energy from waste’ manufacturing, or indeed the future of the Ford Diesel plant in Dagenham.
- The infrastructure of the Borough holds it back, and this will need to be addressed in a very deliberate and coordinated way given the scale of residential development planned over the next two decades. In a city like London connectivity is key and needs to be integrated into regeneration and place shaping across Barking and Dagenham. Crossrail in the North and the Gospel Oak line extension to Barking Riverside will not be sufficient. Meeting wider infrastructure needs, including new schools, public spaces, leisure facilities and so on, will be crucial if the Borough is to be build healthy and sustainable communities, as well as homes.
- The buildout rate of Barking Riverside remains low while the iconic Becontree Estate is in need of physical upgrading. Starting with these two developments, the newest and one of the oldest, the Borough needs to ensure that it embraces the boldness, quality and new town spirit of the early 20th Century in its model of regeneration.

In our view, the ultimate success of any Inclusive Growth strategy rests on the extent to which it encourages **participation** at every level. With the benefit of hindsight, even since the Commission’s report was written, it is clear that the legacy of a high stock of public housing and a traditionally paternalistic Council in an area dominated by a large employer, leaves a lasting impression. This has been accentuated by a far from wealthy incoming population, deepening the sense of a place that is passive, accepting and insufficiently challenging. While paternalism was an undeniable feature of the Borough’s past, the future will require relationships of reciprocity, both within communities, and between citizens and the Council.

This starts with narrative. The pace of change at present can be challenging for some residents. This is particularly true for those that have lived in Barking and Dagenham for decades. More must be done to help these residents understand and connect with the changes

that are coming, and to ensure they have every opportunity to influence and shape decision making. This must not feel like empty consultation that reinforces an old-fashioned and paternalist view of public service, but like real sharing of power that allows residents to have a stake and a say in the changes taking place around them.

More, much more, will be needed to help the people of Barking and Dagenham to achieve the level of engagement and assertiveness that is still more typical elsewhere. The notion of active and assertive citizenship, driven by high levels of participation, needs to take hold, with the Council playing a leading role in driving this change.

- The Council needs to double down on its efforts to encourage the active participation of local residents in every aspect of its work. A more assertive and demanding citizenry would be a sign of growing confidence and vibrancy in the local community.
- The 100 year anniversary of the Becontree estate being built is an important moment to signal the Borough's commitment to participation and engagement. The Council and its partners should use the opportunity presented by the anniversary to work with residents of the Becontree to kick off a process of physical and social renewal that would see the estate made ready for the next 100 years.
- Change has come quickly, and is often poorly understood. The Borough needs to tell a clear story about growth and regeneration that residents can understand and engage with. Moreover, the Council and BeFirst, must adopt creative and empowering models of participation and engagement in relation to all physical and social regeneration decisions. This will be crucial to maintaining public consent for the scale and ambitions of its growth and regeneration ambitions.

The Council has started to build strong **partnerships**, with other local organisations as well as with local people. But there is a long way to go. Deeper collaboration is needed between the Borough and a range of public sector partners, in which public funds can be better leveraged to meet the needs of local people. In addition, there is not yet a meaningful partnership between the Council and the business community, and there is a real absence of an effective and representative voice of local business in Barking and Dagenham.

These challenges of people, place, participation and partnership are interrelated and mutually interdependent. Making progress on one without the others won't be sustainable. Making progress on all four will deliver what the Council wants: Inclusive Growth.

2 Inclusive Growth

Inclusive Growth is a concept that has gained increasing traction within debates about economic and social policy over the past few years. It is often loosely defined, but at its core it combines concerns about both the *rate* of growth with concerns about its *distribution*. Crucially, it also opens up the question of *how* growth is pursued.

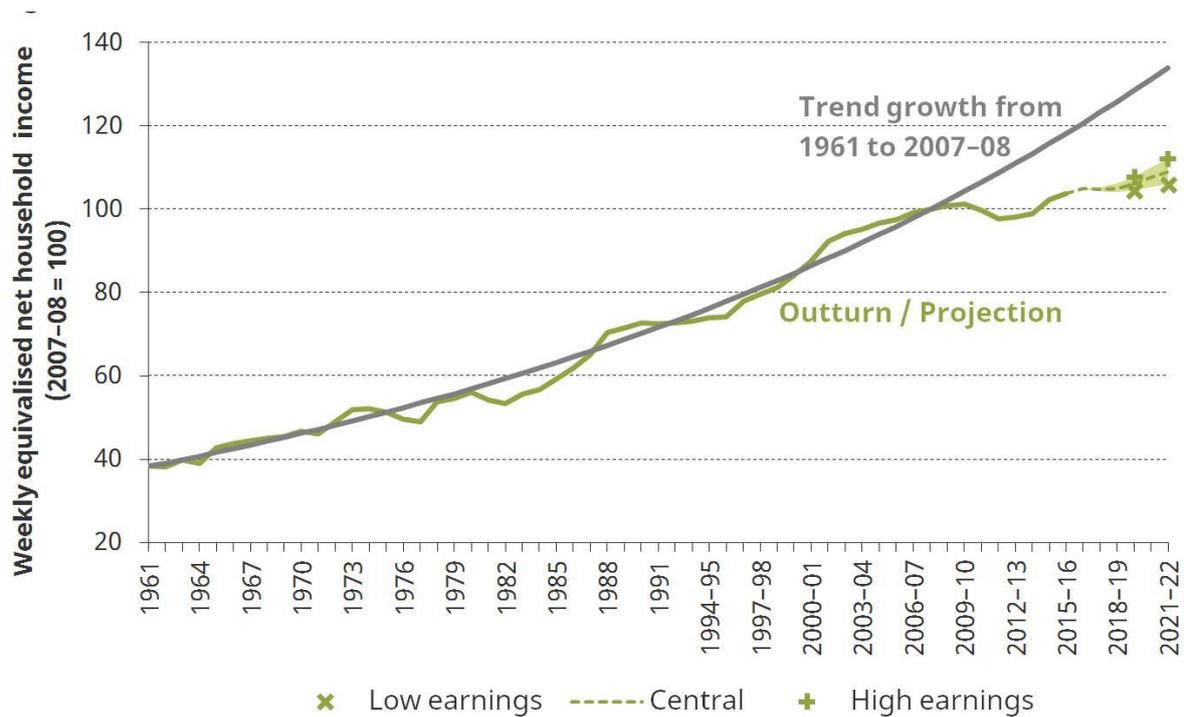
Distributional issues have long been a concern of economic policy, but these have been heightened in the aftermath of the financial crisis which has seen a long period of slow median income growth in the UK and other developed countries, combined with rises in other living costs (especially housing). Before the 2007/8 crisis, while growth rates were relatively strong nationally, the proceeds of this growth were very unequally shared. The consequence is that for many people, living standards have either stagnated or worsened. In Barking and Dagenham, this dynamic is reflected across a range of social indicators.

This section draws upon the evidence in order to set out what an Inclusive Growth Framework for LBBDD could involve. Specifically, this section:

- Explains why Inclusive Growth is a valuable concept.
- Reviews how other organisations have conceptualised Inclusive Growth.
- Sets out what LBBDD needs to consider in developing its own, distinctive Inclusive Growth framework and how to ground this in the aspirations of the Borough Manifesto.

Why Inclusive Growth? Why Now?

Over the last decade, growth in real median incomes in the UK has significantly underperformed the long-term trend (see graph below). This has been driven by the longest period of wage stagnation in the post-war period, with little prospect of substantial recovery in the immediate future. At the same time, the cost of housing has risen, particularly in London. Employment conditions for many lower-income workers have become more precarious, with a rise in zero-hours contracts and gig economy jobs that have fewer (or no) benefits and less certainty about incomes. Austerity policies have also affected income levels and the provision of crucial services like social care. For communities like Barking and Dagenham, this all follows the legacy of significant structural change in the economy in the 1970s and 1980s – and the attendant social pressures this caused.



Source: Institute for Fiscal Studies (2017) Incomes and inequality: The last decade and the next parliament

The result is a greater concern that growth rates are too slow and that the model and outcomes of that growth are not inclusive enough. Traditional economic models have tended to assume that relatively unimpeded market dynamics generate the highest growth rates and that so-called 'trickle-down' processes and supply-side measures are capable of ensuring that the proceeds of growth are shared. In particular this has meant attempts to raise skill and education levels, connect people with opportunities in the labour market, and to reduce barriers to job creation (rather than seeking to affect the model of growth in the first instance).

However, the long period of low growth and slow productivity advances – plus the absence of real incomes increases for much of the population – suggests that this thinking needs to be re-considered. The EU referendum exposed not just a division over our relationship with Europe but a widening gap between those for whom the current economic model is working and the large number for whom it isn't. Such concerns are not limited to the UK. The OECD launched an Inclusive Growth campaign last year and the concept was incorporated into the UN Sustainable Development Goals in 2016.

Importantly, advocates of strategies focused on driving inclusive growth argue that this is crucial not only to seeking a more equal distribution of the benefits of growth, but also to improving economic output overall. The World Economic Forum is explicit in stating that:

“there is no inherent trade-off in economic policy-making between the promotion of social inclusion and that of economic growth and competitiveness; it is possible to be pro-equity and pro-growth at the same time.”¹

This is borne out empirically. A 2014 International Monetary Fund study has found that inequality can reduce the pace and sustainability of growth as it can undermine progress in health and education, cause investment-reducing political and economic instability, and undercut the social consensus required to adjust in the face of economic shocks.²

The risks of a place-first, people-second approach

The question of Inclusive Growth becomes particularly acute at a time when an area is going through a period of transformation, such as is currently happening in Barking & Dagenham. In all cities there is a tendency for different quarters to become ‘in vogue’ for a class of young professionals looking for affordable housing and an alternative cultural offering. As momentum builds behind an area, investment follows, allowing for a refreshing of the housing stock, and the creation of new jobs and opportunities.

The effects of this, however, have not always been positive on existing, settled communities. In particular, there are concerns that rapid improvements in the quality of the physical environment and better transport links can lead to the displacement of long-term residents on lower incomes (a process sometimes referred to as ‘gentrification’)³. This highlights a tension: there are clear benefits to an area from extra investment and spending power, and a better look and feel to a place is advantageous for those who live there, but there is also a worry that the impacts – in particular in relation to affordability of housing and the wider cost of living – might not be shared by current residents.

The data on these effects presents a mixed picture. Research into the impact of rapid urban change in California, where the growth of Silicon Valley has brought about some of these changes *in extremis*, has found that there are positives and negatives: “Locals are likely to benefit from improved mobility, neighbourhood revitalisation, lower transportation costs, and other amenities that spill over from the new development. However, more disadvantaged communities may fail to benefit if the new development does not bring appropriate housing and job opportunities”⁴.

A paper looking into housing-led regeneration in England concludes that: “Regeneration can work with existing residents and benefit them. Careful management can deliver changes

¹ ‘The Inclusive Growth and Development Report 2015’, World Economic Forum Insight Report, *World Economic Forum* (2015) p. viii. The report finds that several of the storngets performers in the Forum’s Competitiveness Index (GCI) also have a relatively strong inclusive growth and development profile.

² ‘Redistribution, Inequality and Growth’, IMF Staff Discussion Note, *International Monetary Fund* (2014)

³ See, for instance Atkinson and Bridge (2005): “At the neighbourhood level itself poor and vulnerable residents often experience gentrification as a process of colonisation by the more privileged classes. Stories of personal housing dislocation and loss, distended social networks, “improved” local services out of sync with local needs and displacement have always been the underbelly of a process, which, for city boosters, has represented something of a saviour for post-industrial cities.”

⁴ Miriam Zuk, ‘Regional Early Warning System for Displacement: Typologies Final Project Report’, *University of California Centre for Community Innovation* (2015), p. 1

which benefit existing residents.”⁵ The authors argue that work needs to be undertaken to ensure the needs of local residents are properly understood, and that any programmes need to be flexible as these needs change over time. This must involve engaging the resident population and inviting them to shape policy and design decisions.

This evidence points to the importance of pursuing an integrated strategy for both place and people, with local residents actively participating in the processes and decisions associated with regeneration and change. Because place issues can seem ‘easier’ to address (once finance and expertise is in place), there has been a tendency to focus narrowly on such physical improvements, assuming that positive impacts for local people will follow automatically. However, this has not been borne out by experience, therefore striking a balance between a focus on place, people and participation is critical.

Achieving Inclusive Growth in local areas requires partnerships that can coordinate the efforts of a range of local actors. The RSA Inclusive Growth Commission called upon local government, local businesses and civic organisations to work together to create the stronger institutional foundations that can ultimately deliver quality jobs for local people⁶. This involves working directly with local business and local anchor institutions (universities, hospitals, colleges and other major employers), particularly in the low-paid sectors that make up the long tail of low productivity businesses in the UK. It also involves forging partnerships between the Council and local people to create a space in which views can be heard.

Definitions of Inclusive Growth

As the table below shows, there is no single accepted definition of Inclusive Growth. The various articulations set out below touch to different degrees the importance of shared economic prosperity and labour market participation, wider conceptions of well-being and cohesion, as well as the process or approach to the pursuit of inclusive growth.

Organisation	Definition
European Commission (2010) ⁷	‘Inclusive growth means empowering people through high levels of employment, investing in skills, fighting poverty and modernising labour markets, training and social protection systems so as to help people anticipate and manage change, and build a cohesive society.’
OECD (2014) ⁸	‘A rise in the multidimensional living standards of a target income group in society.’

⁵ ‘Regeneration Revival? Making housing-led regeneration work across England’, *Sheffield hallam University Centre for Regional Economic and Social Research* (2016) p. ii

⁶ ‘Making our Economy Work for Everyone’, RSA Inclusive Growth Commission Final Report, *Royal Society of Arts* (2017) p. 10

⁷ ‘Europe 2020: A strategy for smart, sustainable and inclusive growth’, European Commission (2010) p. 17

⁸ ‘Report on the OECD Framework for Inclusive Growth’, *Meeting of the OECD Council* (2014) p. 10

World Economic Forum (2015)⁹	‘Output growth that is sustained over decades, is broad-based across economic sectors, creates productive employment for a great majority of the country’s working age population, and reduces poverty.’
Scottish Government (2015)¹⁰	‘Growth that combines increases in prosperity with greater equity, creates opportunities for all and distributes the dividends of increased prosperity fairly.’
Royal Society of Arts (2017)¹¹	<p>‘Enabling as many people as possible to contribute to and benefit from growth:</p> <ul style="list-style-type: none"> • Social – benefitting people across the labour market spectrum, including groups that face particularly high barriers to high quality employment; • Place-based – addressing inequalities in opportunities between different parts of the country and within economic geographies.’

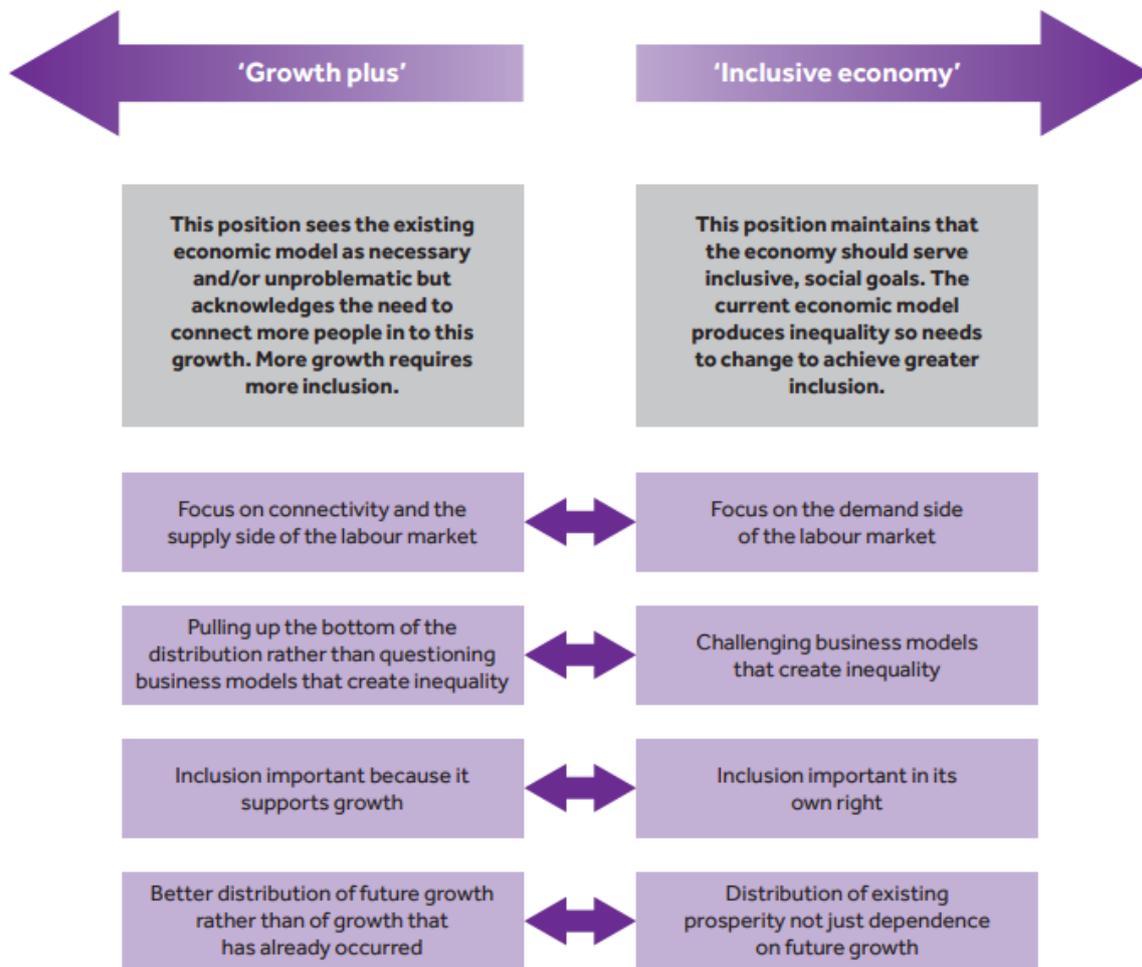
Broadly speaking, of the definitions are located somewhere on a spectrum ranging from what could be described as “growth plus”, which emphasises an orthodox approach to supporting growth but with efforts to connect people to its opportunities, and an “inclusive economy” position, which emphasises the need to hardwire inclusivity into the growth model itself. The basic principles of these positions are expressed below.

⁹ World Economic Forum Insight Report (2015) p. 1

¹⁰ Scottish Government, ‘Scotland’s Economic Strategy’, *Scottish Government* (2015)

¹¹ RSA Inclusive Growth Commission Final Report (2017) p. 6

Figure 1. Different Interpretations of Inclusive Growth



Source: 'Towards Inclusive Growth in Greater Manchester', Inclusive Growth Analysis Unit (October 2016)

Our view is that the challenges faced in Barking & Dagenham – and nationally – indicate that to achieve Inclusive Growth requires rethinking the current growth model. In particular, while the emphasis on improving the supply side of the labour market is critically important (e.g. enhancing workforce skill levels), its impact will always be muted if the demand side of the labour market goes unchanged (e.g. sector mix, business models, occupational pathways, job design and so on). It is also true that a mostly private sector model of housing delivery is very unlikely to be able to deliver the scale of affordable housing needed to keep the cost-of-living manageable. The creation of BeFirst represents a direct response to this challenge.

Inclusive Growth for people in places

Drawing on the evidence and experience set out above, a key next task for the Council, with its partners, is to articulate a vision, definition and framework for Inclusive Growth that is distinctive to Barking and Dagenham – and which can galvanise, coalesce and drive action.

To inform this task, we outline below what an approach to Inclusive Growth that delivers for both people and place might look like. At root, a coherent and effective approach must attend

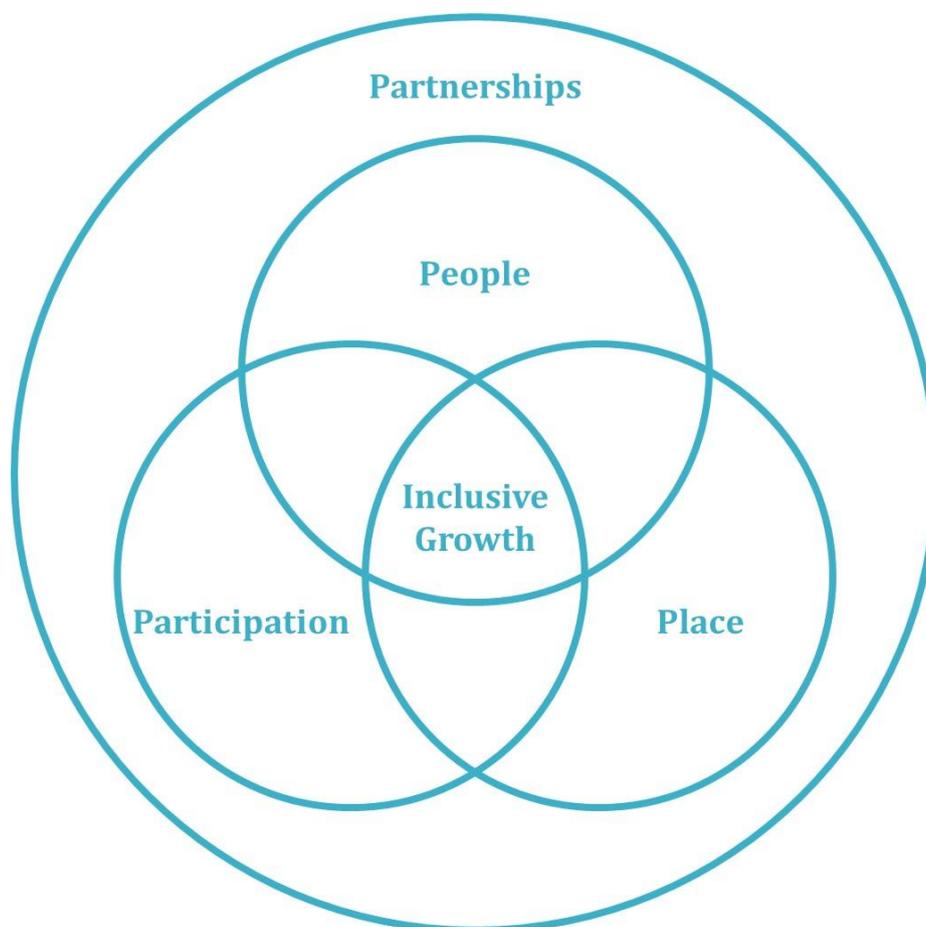
to three key dimensions: the **material**, the **social** and the **democratic**. In other words, it must make people financially better off, in particular those on low to middle incomes; it must improve people's well-being and quality of life, through good public services, social infrastructure and a sense of community; and it must increase people's sense of agency and control over their life, through mechanisms that give people a stake and say in the changes taking place around them.

Drawing on these insights, and organised around the key 'lenses' of Inclusive Growth, below we present priority areas for action:

- **People:** action is needed across the supply and demand sides of the labour market to ensure that residents have decent work that supports their material wellbeing and puts pounds in their pockets. A commitment to Inclusive Growth means focusing on steps that spread the benefits of growth to those on lower (or no) incomes. Therefore, improving access to work and to opportunities to progress in work is essential. Helping people to improve their skills in a way which supports better employment prospects is also crucial, as is stimulating the demand side of the labour market to encourage companies to create more and better quality jobs. In addition there are a set of cost of living issues which affect people's prosperity, especially the affordability of housing, childcare and transport.
- **Place:** well-being is not purely about employment, economic or material concerns. Therefore a framework for pursuing Inclusive Growth also requires a focus on what are sometimes referred to as 'quality of life' issues. This encompasses factors associated with the local environment (including the built environment), the quality of housing, provision of public services, crime and safety issues, other public goods like parks and open spaces, as well as a strong, cohesive local community life. In a traditional economic growth model, the assumption is that increased purchasing power and better market provision will address at least some of these other needs over time. However, a comprehensive definition of Inclusive Growth would require explicit attention to be paid to securing outcomes related to these factors.
- **Participation:** in addition to improving material and social outcomes for people, a framework for Inclusive Growth must also be concerned with *how* those outcomes are achieved. In short, it matters whether they are achieved through passive paternalism or secured through the active participation, agency – and effort – of people themselves. The latter is likely to have a far bigger and more enduring impact. Too often, economic and political decisions are taken without proper involvement of the people most affected by them (leading to poor decisions or decisions that have, or are perceived to have, insufficient legitimacy). Therefore, processes and institutions which embed local ownership of political, economic and social decision making should be a crucial element of any Inclusive Growth strategy. This should extend into the economic sphere, via business models and institutional arrangements that encourage local ownership, such as cooperatives and community interest companies.
- **Partnerships:** finally, Inclusive Growth cannot be brought about by any one actor or agency (and certainly not by a local council operating in isolation). To state the obvious,

inclusive growth outcomes in any part of the country depend significantly on the policies of the national government and the wider economy. However, our strong contention is that local systems can make a real difference – especially where public, private, voluntary sectors work together and with the local community around some shared ambitions and concerns. A effective framework must include an active and collaborative community of local stakeholders working towards Inclusive Growth, who share insights and coordinate their efforts to maximise the impact of interventions.

It is crucial to note that these four elements – or lenses – are not mutually exclusive. Indeed the aim should be to develop a strategy, with co-ordinated policies, actions and interventions, which connect across them and mutually reinforce one another.



Defining success

The Borough Manifesto vision commits to ensuring ‘no-one is left behind’ and calls for cross-cutting action across ten core themes – with a ‘wheel’ of targets and metrics to track progress over the next two decades. This provides the backdrop to both the vision and goals for an Inclusive Growth framework in Barking and Dagenham (particularly the themes relating to employment, skills, enterprise, housing and the environment):

Figure 2. Borough Manifesto: Aspirations



Source: LBBB (2017)

The Borough Manifesto also establishes a number of target areas, as shown below.

Figure 3. Borough Manifesto: Themes and Targets



Source: LBBD (2017)

The Borough Manifesto sets out clearly the Borough’s aspirations and objectives. The task of an Inclusive Growth framework is to support the achievement of these aspirations, by setting out how best to achieve these in light of the failure of the existing growth model.

Towards an Inclusive Growth Framework for London Borough of Barking and Dagenham

To summarise, the above analysis makes clear the following:

- Inclusive Growth is important both to ensuring that all residents benefit from growth, and to supporting stronger growth rates in the first place.

- Given the extensive physical regeneration planned across Barking and Dagenham, ensuring that ‘people’ issues are given as much focus as ‘place’ development is essential to ensuring that local residents benefit from growth.
- There is no single or fixed definition of Inclusive Growth. The Council will need to develop one which fits the needs and circumstances of the Borough. This needs to recognise that Inclusive Growth has three key dimensions. It is about improving people’s material prosperity, enhancing their well-being and quality of life, and deepening their sense of agency and control over their life and the world around them.
- The Borough Manifesto provides a strong basis for developing an Inclusive Growth framework for the borough. A coherent and comprehensive framework would develop and connect activity across people, place, participation and partnership issues.

Drawing on these insights, the next section sets out how we suggest LBBD best build on the real progress made over the last couple of years in pursuit of its ambition for Inclusive Growth. Specifically, we suggest a series of ‘grand challenges’ and the areas the Borough should focus on next in seeking to address them. These recognise the limitations of the traditional growth model and aim to help Barking and Dagenham to deliver on the Borough Manifesto.

3 Inclusive Growth in Barking and Dagenham

We have been asked to consider what an ambitious but achievable Inclusive Growth approach for Barking & Dagenham might look like.

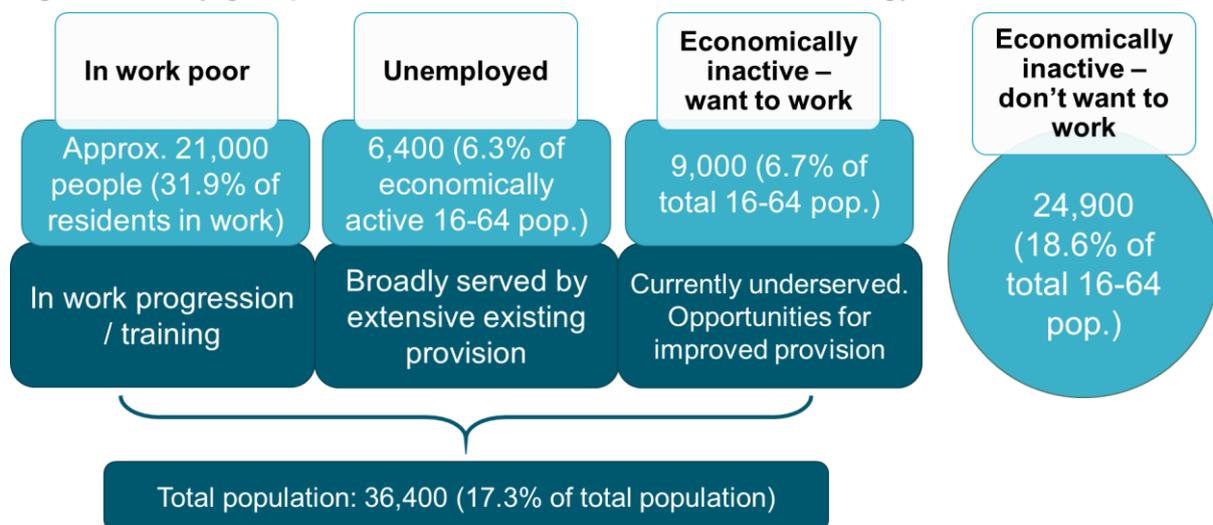
Our response is a series of five Grand Challenges stretching across the dimensions of people, place and participation – and in recognition that progress will depend on a partnership of public, private and voluntary sector, working with residents. These challenges build on the recommendations of the original Growth Commission, but identify the areas we believe are currently getting in the way of the Borough realising its Inclusive Growth ambitions. In relation to each, we make a number of practical suggestions for where to get started in addressing these challenges, consolidating the phenomenal progress made in recent times.

Inclusive Growth for whom?

The five Grand Challenges are framed by an analytical understanding about who an effective approach to pursuing Inclusive Growth is aiming to benefit.

The diagram below shows that there are approximately 36,400 people of working age living in Barking and Dagenham (19% of the total Borough population) who are either unemployed and actively seeking, economically inactive, but wanting a job, or who are working but whose low income means they are still classified below the poverty line. Achieving inclusive growth aims to benefit the whole population (and these population groups are dynamic and change over time). However, Barking and Dagenham will not be able to claim success unless there are demonstrable and beneficial impacts from its efforts for these groups of residents.

Figure 4. Key groups of residents for Inclusive Growth strategy



Source: ONS Annual Population Survey (2018), ONS Population Estimates (2017), ONS Annual Survey of Hours and Earnings (2017). The specific figures relate to numbers at these particular points in time.

These groups of residents will have different needs. Broadly speaking, those who are already in work will need support to sustain employment and progress in their careers. They may also be seeking more hours of work and / or a more secure contract of employment, as associated benefits (like a pension or statutory entitlements). This will require a focus on workforce skill levels, ladders of advancement within firms or across sectors, or the sectoral and occupational mix in the local economy (plus attention to wider issues of job quality and employment rights). It will also mean addressing the barriers that residents in this position can face in accessing a wider range of job opportunities, like transport and childcare.

The majority of those who are classified as unemployed will not require significant additional support to find work relatively quickly, especially while the London labour market remains as tight as it is today (though of course a recession would change that). This so-called 'job ready' group is where mainstream employment support – whether provided by the state, private or voluntary sectors – tends to focus most heavily. However, in a significant number of cases, the unemployed will enter work that is poorly paid, insecure, and without the reasonable prospect of progression. Hence the growing numbers facing in-work poverty.

In contrast, many of those who are longer-term unemployed, or classified as economically inactive but wanting to work, will require more significant support to get back to work. For many in this group, caring responsibilities, or long-term health conditions and/or disabilities create real and significant barriers to employment. For others, issues relating to housing, debt, or a lack of confidence or motivation are most likely to get in the way. Similarly, employers may be more reluctant to hire those with less recent labour market experience or to create jobs which work for those needing particular forms of flexibility (e.g. related to working patterns, job design, training requirements etc).

These are complex issues and more work will be needed to understand how they overlap and intersect given the particular circumstances in Barking and Dagenham. This must also explore how residents, employers and wider support agencies understand and interpret the challenges, drawing on insight from real lived experience. This would also shed greater light on the aspirations of residents who are economically inactive but do not currently state a desire to for paid work (and what a strategy for inclusive growth might mean for them).

Grand Challenges

One: Building Sustainable Communities

Rediscovering the New Town spirit. Building communities not just houses. Renewing the fabric of old estates and grasping the opportunity of new developments to shape great places to live. Making both truly green and sustainable for the 21st century.

The Becontree estate provides a pioneering example of the contribution that urban development can make to shaping places and improving the lives of working Londoners.

Almost a century since construction began on the Becontree, the scale of development planned in Barking and Dagenham creates the opportunity to re-imagine urban development for the 21st Century. This means building the homes Londoners need, at a range of sizes, tenures and price points; ensuring high quality design and the provision of essential physical and social infrastructure; and hard-wiring sustainability via transport, not least walking and cycling, to energy efficiency and decentralised renewable energy generation. It also means maximising levels of participation, with residents having a real stake and voice in the changes taking place around them.

These principles should run through planning policy and drive all physical development and regeneration taking place across the Borough, especially in those areas that will see large scale residential expansion over the next 10 to 20 years (such as Barking Town Centre, Castle Green, Beam Park and the Ford Stamping Plant). The borough has a unique opportunity to bring these ideas to life in the old and the new of Barking and Dagenham: the Becontree estate and Barking Riverside. The former was London's largest housing estate when it was built nearly 100 years ago; the latter is London's largest housing development today. Each bring distinctive challenges and opportunities, but both are fundamental to the task of building sustainable communities in the Borough today.

Barking Riverside, the Becontree estate, and all other residential development planned in the Borough must achieve the highest possible standards of both design and sustainability; in relation to buildings and places. This is about quality of life, the cost of living, and the future of the planet. The borough has great foundations to build upon, including an energy services company (B&D Energy) that is supplying heat and power on new developments, and Beam Energy, a white label provider offering cleaner, cheaper energy for householders compared to the Big Six. But there is much more to do to improve the local environment, tackle fuel poverty and shift to carbon-free sources of energy.

Your challenge is to renew and restore old estates, helping existing communities in ways that bring them together, while developing new communities in new estates that are sustainable for the future. We suggest you start on the most iconic old and new areas of the Borough by:

- Working with local residents to co-produce a ten year plan to renew and restore the Becontree estate to coincide with its 100th anniversary in 2021. This should be shaped around an ambition for the Becontree to become an exemplar of a zero carbon, smart, healthy 21st century garden city. Combined with celebrations to mark the history of the estate and the people who have lived there, this plan should look at improvements to public realm, street scape, walking and cycling routes, housing conditions, parks and open spaces, as well as opportunities to reduce the estate's carbon footprint and to generate renewable sources of energy. In order to avoid mistakes made through piecemeal changes in the past, this plan should be developed as a coherent whole. A masterplan and design guide is needed to ensure that new development really complements the existing urban form. It should also be designed and delivered with local residents, so that development and behaviour seek to recapture some of the bonds of responsibility, civic pride and neighbourliness on which the social fabric of the estate was originally built.

- Taking stock of progress on Barking Riverside, including interrogating the current masterplan to ensure it sets the framework for the development of a truly healthy, vibrant and sustainable ‘new town’ on the Thames. The original Commission was concerned that the plans were heavily housing-led and that adding other uses, including business, plus greater social infrastructure, would add value to the area. We believe these remain pertinent points, notwithstanding the efforts made to get this very large project moving after so many previous false starts. Now there is a solid foundation in place, the focus of the council, BeFirst and the developer should be on the housing mix and build out rate, transport links within Riverside itself and out to other key destinations, and the provision of physical and social infrastructure to promote well-being and community spirit. There should also be a strong focus on the integration of new and existing communities south of the A13, and links to existing and planned employment opportunities across this vast area of ex-industrial land to ensure Riverside is an economically vibrant place.
- Grasping a set of opportunities for Barking and Dagenham to be the ‘green capital of the capital’. Specific next steps should include working out how to turbo-charge B&D Energy to expand its district heating network across significant new developments in the Borough, and rapidly growing Beam Energy’s customer base. Beyond this, the council should undertake a feasibility and business development study on other potential green investments and initiatives. Taking account of technological advances and market trends, this should explore opportunities associated with: energy efficiency; decentralised energy generation (including through solar PV with battery storage); infrastructure to support the expansion of electric vehicles; and opportunities to develop ‘energy from waste’ (in particular options that will generate local jobs and income for the Council). To pioneer a truly green agenda, these business development opportunities should be combined with efforts to increase recycling rates from their very low current levels and to improve the local environment (e.g. through enabling more walking and cycling, and making the most of the Borough’s fantastic parks and open spaces).

Two: Creating a New Enterprise Agenda

Expanding the local business base, improving job density, backing SME’s and start-ups, developing local strengths in key growth sectors, and getting business to play its vital civic leadership role.

The Borough has the fourth lowest rate of job density in London, and population growth has outstripped jobs growth since 2014. There simply aren’t enough jobs in the Borough to satisfy the existing population, let alone those residents who might arrive in the years to come. Too many of the jobs that *are* in the Borough are concentrated in lower value, lower paying sectors and occupations. More than nine in ten (93%) of the businesses in the Borough employ nine people or fewer, while the Borough has not yet carved itself out a distinctive place in the wider London economy that evolves from its proud industrial past. That said, there many thousands of jobs within a 30 minute commute of the borough, in key regional employment centres (e.g. Stratford, Canary Wharf and Tilbury etc) – requiring steps to connect residents with wider opportunities to work (see challenge three below).

The Council has set out an ambition to generate 20,000 jobs over the next 20 years. However, it has not yet given this goal anything like the same attention, focus, resourcing or institutional weight as the accompanying target to build 50,000 homes over the same period. Specifically, the Borough lacks a clear sense of its place in the economic future of East London, a dedicated economic development function, a co-ordinated business support offer and an effective employer-led organisation representing the interests of local business.

Nevertheless, new employment opportunities in 21st century industries are on their way to Barking and Dagenham. For example the film studios and a data centre are coming to Dagenham East, and there are the beginnings of a creative enterprise cluster in Barking Town Centre and down the River Roding. Regeneration plans will see the creation of significant new commercial space, including affordable workspace. Rates of new business start up in the Borough are high and Barking and Dagenham benefits from a number of organisations committed to supporting enterprise, start-ups and small business across a range of sectors: the Barking Enterprise Centre (BEC), Care City, Participatory City and Digilab, as well as the wider voluntary sector.

The Borough also benefits from strong educational institutions committed to raising workforce skill levels and building stronger connections between research, learning, innovation and the economy: Barking and Dagenham College, Coventry University London and the University of East London (as well as the council's own Adult College). These are precious resources – and partners – to work with in building a stronger and more vibrant economic base for the borough and its residents.

Your challenge is to develop an enterprise agenda that matches the ambition to create 20,000 jobs over the next 20 years, focused on shifting the local economy up the productivity and value chain; expanding the local business base; developing local strengths in growing, higher value sectors; and supporting your community of start-ups and small businesses to flourish, creating new and better jobs for local people.

To approach this challenge we suggest you focus on the following areas:

- Radically improving your engagement with local businesses, at every level, drawing on effective models from elsewhere and business leaders from across London to help provide early momentum. Barking and Dagenham lacks a strong local employer voice, with the Chamber of Commerce seeming to lack visibility and impact. This is a major gap as it hampers strategic dialogue between the Council and the business community about issues of local concern. It also makes it hard for other local institutions (including the college and universities) to engage with business on more than an ad hoc basis. The solution to this must be employer led, but as a first step, the Council should establish a business forum, inviting all local firms, large and small, to be part of conversation. More focused engagement with employers should also take place around key sectors (see below). Finally, the Council, via Community Solutions, should improve its 'street level' links with local employers to understand local recruitment patterns and connect residents looking for work to local job opportunities (and to support employers to meet recruitment needs).

- Shaping a high quality business support offer, focused in particular on start-ups and SMEs, building on the work of existing local organisations (like the Barking Enterprise Centre, Care City, Digilab and Participatory City). The offer should be led by the needs of business and entrepreneurs, and be adaptable to changing circumstances. But it should address specific issues that we know often get in the way of sustainability and/or expansion, such as workspace, finance, advice and support, and access to contracts and customers. Within this, there is potential for a significant expansion of affordable workspace via new mixed use developments. Consideration should be given to how this should be marketed, managed and maintained to best effect. This should include ensuring the supply of commercial space to meet the needs of newly establishing and incoming companies, with a particular focus on flexible easy-in, easy-out space for smaller and professional services companies, including modern day makers, creatives and small scale manufacturers. The business support offer should also encourage the development of co-operatives and social enterprises which provide local employment and meet vital social needs. Finally, Barking & Dagenham has no Business Improvement Districts (BIDs). The Council should engage employers in major centres and industrial estates to determine whether BID models would be appropriate for these areas.
- Developing local strengths in particular key sectors that can provide good quality job opportunities and progression pathways for local people. The aim should be to bring a degree of co-ordination in those sectors between the plans and priorities of firms, training providers, trade unions, other partners, as well as the current and potential future workforce. This will be crucial to addressing workforce skill gaps facing employers. It will also facilitate the development of training pathways that enable workers to progress in their careers. It makes sense to focus these efforts in sectors where Barking and Dagenham has existing strengths and growth potential, where there are clear workforce challenges, and where the basis for such coordination is in place. There are three that stand out: Creative industries (given the film studios and plans for a Creative Enterprise Zone, alongside the challenge of connecting local people to these opportunities); construction (given the scale of development in the pipeline, alongside the challenge of Brexit and a traditionally fragmented industry); and care (given the public sector's role and the presence locally of Care City, alongside the challenge of recruitment and low pay).
- Engaging with Ford about the next generation of automotive technology. The Ford plant in Dagenham is currently the company's largest centre of diesel engine manufacture globally. As the demand for diesel technology declines, and given the challenges of Brexit, working with Ford to refit the factory to produce the sustainable automotive components of the future presents an opportunity, if the company are willing to engage in that dialogue locally. While many Ford Dagenham workers today do not live in the Borough, the firm remains a major source of employment in Barking & Dagenham, providing 3,500 jobs, so it is vital that the Council continues to seek an engagement with the company about the future of the plant and the local economy.

Three: A New Deal With Decent Jobs for Everyone who Can Work

Campaigning to make work pay, connecting people to job opportunities, driving up workforce skill levels, maximising public sector levers, and testing out innovative approaches to ensuring those who have been left behind have the opportunity to contribute and find their place in the world of work.

As noted above, some 15,400 people are unemployed or economically inactive but looking for work. There is also a larger cohort of 24,900 people who are economically inactive and not seeking a job. Some of this is due to caring responsibilities and long-term health conditions or disabilities. But some of it, in our view, is a result of discouraged jobseekers having fallen into long term worklessness: people who want to work but struggle to secure and retain work in the modern labour market.

These barriers grow the longer individuals are out of work, and they are compounded by living in communities where such experiences are commonplace and may have become normalised. However, while we recognise there are significant challenges to changing this situation, it is reasonable to think that there are thousands of people in the Borough who would welcome a helping hand to re-connect to the labour market. It will need a long-term commitment to supporting people into work and through the ups and downs of working life. And it will require testing out more active and interventionist steps to make the prospect of work real and meaningful. People need to see results so that they don't become disheartened.

For those people who are in employment, work needs to pay better. The Living Wage is helping many lower paid workers but in-work poverty remains a big challenge, one which evidence suggests will be placing significant strain on the health and wellbeing of residents and their families. Increasing pay, in the private sector as well as the public sector, and in jobs outside as well as inside the Borough, is a major priority. Equally, addressing issues such as childcare, transport and workforce skills will be essential to enabling local residents to access the labour market in the first place, and then to ensuring that lower paid starter jobs aren't jobs for life, but instead support broader progression. **Your challenge is to create and make stick the notion of a New Deal with decent jobs for everyone who wants to work; bearing down on long-term unemployment and worklessness.** It follows that you should focus on:

- Campaigning relentlessly, locally and nationally, for higher wages and better conditions as well as for greater investment in the improved transport, skills, childcare and elder care services that are crucial to enabling people to take advantage of job opportunities within the Borough and across the East London labour market.
- Maximising the Council's leverage in creating good quality job opportunities for local people, and encouraging other public sector partners to do the same. The Council already pays its apprentices the London Living Wage and is taking steps to maximise the number of apprentices it employs. It should build on these steps with a strong policy on social value, so that it uses its considerable procurement spend to drive local hiring, Living Wage

pay and apprenticeships. Other local public sector partners should do the same. For example BeFirst should extract commitments to the use of local labour and local supply chains in its construction contracts. Similarly, the scale of development planned in the Borough creates huge opportunities to secure local employment and training opportunities for residents via s106 agreements, as part of a sectoral focus on construction. The Council, the NHS and wider care providers, should embed employment as a key outcome for ‘people’ services, including health and social care. This should be linked to exploring approaches such as job carving for residents with a Learning Disability, and the Individual Placement and Support model which has proven effective in enabling employment for people with significant mental health conditions.

- Testing out innovative models of back to work support for those who have been out of employment for a long time as part of, or alongside, the Community Solutions model. This could include: making available small flexible grants to pay for one off items; providing support to turn someone’s passion or talent into a money-making venture (potentially linked to the work of Participatory City); and/or the direct creation of paid work placements either with local employers or as part of locally organised projects to undertake work of social value (such as tied to the regeneration of the physical and social infrastructure of the Borough), learning from similar effective programmes like the Future Jobs Fund. Moreover, the Council, via Community Solutions, should build collaborative partnerships with other providers, including in the voluntary sector to create an strong borough wide employment support offer. Finally the Council should work with these partners to access opportunities emerging from the devolution of the Adult Education Budget and post-ESF arrangements (as part of Local London).
- Developing a more in-depth understanding of how issues related to skills, transport and childcare act as barriers to work, and exploring what action could be taken locally to address them. Workforce skill levels are very low by London standards, which makes the case for a large scale effort to re-engage the working age population with life-long learning and ‘second chance’ education (especially aimed at Level 3, where the labour market returns to education are clear, including through maximising the impact of the Apprenticeship levy). Anecdotal evidence from stakeholders, and similar evidence from other London Boroughs, suggests that the costs of childcare may force many people out of the labour market. It is likely that this is true in Barking and Dagenham as well, particularly given the Borough’s young demographic. The Council should undertake an audit of the state of childcare and informal caring in the Borough, with a view to understanding how it affects people’s ability to work.

Four: Preparing our young people for the future

The best teachers in London, more Teach First graduates, more fair tutoring, leveraging City institutions, and improved pathways from school to further learning, higher education and employment, with positive health and wellbeing of pupils at the heart.

At the heart of the issue of Inclusive Growth is the fact that the Barking & Dagenham schools system has not until relatively recently seen strong academic results. That there has been such progress is remarkable.

But the London Challenge effect was more muted here than elsewhere, reflecting the limited role that education has traditionally played in the lives of residents. We are at the foot of the mountain given the entrenched attitudes to education of large parts of the indigenous community and the depth of transformation needed in the school system. The fact remains that Barking and Dagenham is ranked joint 28th of 32 London Boroughs for KS2 attainment (based on provisional 2018 results), and ranked joint 27th in terms of the proportion of outstanding/good schools as at the end of March 2018. One consequence of this is that the Borough has the highest rate of young people not in education, employment or training (NEET) of any London Borough, affecting 3.5% of 16 and 17 year olds.

Strong progress is being made. There is no lack of ambition for Schools in the Council's draft strategy. But, as it acknowledges, there is much left to be done. The strategy sets out a programme for continued detailed application of sound management, alongside interventions to help the schools of the Borough evolve and grow to accommodate the burgeoning school population. So why is education one of the big challenges? Because it is so central to life opportunities, and in our view, more could and must be done. The strategy the Council has presented is appropriately education and school-led in most respects, but it leaves a range of the recommendations made in the original Commission, which we believe are still valid, unaddressed.

Your challenge is to explore the potential of every partner organisation, every scheme and every funding source to bolster the institutional, financial and human capacity of providers of pre-school, school and post school education. We think that means focussing on:

- Working together with partners, parents and pupils to identify opportunities for tackling root causes and reducing inequality of outcomes at all life stages from early years to young adulthood. The council, schools, parents and pupils all agree that children and young people feeling happy, supported and having positive experiences of wellbeing and resilience is important to them. Moreover, national research tells us that pupils with positive health and wellbeing tend to achieve better academically. In order to make sure all children and young people are given the best opportunity to achieve, partners in B&D should explore opportunities to work together in delivering a stronger early years offer, enabling greater access and efficacy of child mental health provision, and reducing the safety and exploitation risks posed to young people from their context such as school, peers and community.
- Revisiting the growth commission's original recommendations, where they relate to education, more thoroughly, with external challenge. This should ensure that an ecosystem is created in which schools, supported by the BDSIP, the Council and others, have as many tools at their disposal as needed and more than are set out in the draft strategy. A good start in this regard could also be made by identifying further examples of

best practice from the UK and elsewhere and applying the lessons to initiatives in Barking & Dagenham.

- Bolstering the collective capability of the Council, school and other partners to innovate beyond the school gate through the Barking and Dagenham School Improvement Partnership.
- Addressing the drop out rate from education and learning post 16 and reducing the NEET rate among young people, by developing clearer pathways for young people from compulsory education into further and higher learning, or employment, coupled with work experience and mentoring opportunities to build their social networks and connections.
- Revisiting from first principles the under fives challenges facing the Borough where the least progress seems to have been made.

Five: Beyond Civic Foundations; a New Civic Culture

Building a new civic culture, underpinned by a public narrative about growth and regeneration that connects the past with the present and the future; driven by transparency and participation at every level.

We are clear that for the Borough to realise its Inclusive Growth ambitions, it must build a more reciprocal relationship with its citizens, one that challenges the paternalism of its Fordist past. We have recognised the important ways in which the Council has started to build these bridges, from the creation of the Borough Manifesto to the the emerging civil society strategy and the investment made in local civil society organisations. But more needs to be done, particularly in relation to the significant development and regeneration that is planned across the Borough.

For many residents; and particularly the Borough's ever more ambitious, connected and creative young people; the pace and scale of change will be exciting and energising. These residents recognise the need for investment, as well as the opportunities that this investment could create for them and their families. For others; and particularly those in more established communities whose families may have lived in the Borough for generations; change can feel frightening. It is within these communities that more toxic narratives take route, chiefly that regeneration is not for local people, and that any change will be to the benefit of new residents not them. The Council needs to create its own story about how and why the Borough is changing, and what these changes will mean for existing residents.

We have heard enough from the Council's political and officer leadership to know that this narrative exists, and that it is highly compelling. We have also seen enough of the Borough's reform programme to know that it is backed up by a real and substantive policy agenda that is inclusive (although more needs to be done, as highlighted in recommendations above). But it lacks clarity and consistency, and is inaccessible to most residents and indeed many officers tasked with implementing the Council's programme.

A new public narrative for growth and regeneration must be clear about the choices that have been made, and why. To give this narrative real credibility, the Council must be as open as possible about developments that are either planned or in the pipeline. Residents must be able to see what is coming in their community. And they must be able to shape these changes. If the Council doesn't give residents real agency in design and planning decisions (both at the level of individual scheme and at the level of masterplan) as well as decisions as they relate to broader 'people' issues (from skills policy to childcare), they risk reinforcing old paternalistic patterns. In practice this means adopting wide ranging and ambitious approaches to participation, including, where possible, approaches that give residents the power to lead development and regeneration (physical and social) for themselves.

Your challenge is to build a new public narrative for growth and regeneration in the Borough, supported by a game changing approach to community engagement; modelling both as part of the 100th anniversary of the Becontree estate.

- This must start with the production of a unified 'story of place', Borough and Me, that links concrete policies and plans to a narrative that local residents can understand and absorb. This would be the glue that holds together all of the specific policies and plans which are aimed at pursuing Inclusive Growth; the golden thread that runs between physical projects like Barking Riverside and Dagenham Film Studios and the residents of Thames View or the Becontree estate. Borough and me should adopt creative and participatory methods in order to engage residents in this narrative, from competitions for local school children, to Borough wide bus tours targeted at local residents.
- Alongside Borough and me, the Council and BeFirst need to work together in to develop an ambitious approach to working with local residents to shape and enhance masterplans and schemes. Critically, any approach should take as its starting point the desire to involve residents as early as possible in the design process, before important decisions have been made. It should also make use of the latest in spatial mapping and GIS technology so that residents can see, and access information about, all development activity in the Borough. A digital platform could provide the 'front door' to resident engagement with regeneration, increasing its reach and complimenting more traditional 'face-to-face' engagement mechanisms. While many Boroughs make use of this technology on a scheme by scheme basis, very few have adopted such a Borough-wide approach. This would represent a bold signal of the Council and BeFirst's joint commitment to participation.
- Beyond a much more ambitious approach to resident engagement, the Council and BeFirst should explore opportunities to work with residents as partners in growth and regeneration. In practice this means exploring development models like community land trusts (CLT's) that put residents in charge of decision making, asking them to take responsibility for raising finance and leading projects. The Council should work with local civil society partners to explore the feasibility of such approaches in the Borough, drawing on the expertise of the growing number of CLT's and other community led regeneration models in London and beyond. Whilst these approaches are only ever likely to represent a very small part of the answer, they would again provide a powerful signal of intent to civil society, residents and communities.

- An important test case for all of the above is the Becontree Estate, which has shaped the Borough's physical and social landscape since its inception and is treasured by its resident communities. Its construction, starting in 1921, transformed this part of London; so, the centenary anniversary provides a hugely powerful opportunity to model both the new narrative, and the depth of commitment to participation and community engagement. The Council and partners should work with residents to design and implement a programme of physical and social renewal, drawing heavily on the skills and resources of local people. The development of the plan should be itself be highly participatory, making use of the latest developments in deliberative policymaking (for examples citizens assemblies), whilst creating new and more collaborative structures (for example community benefit societies) that could facilitate community governance of the estate in the long term.



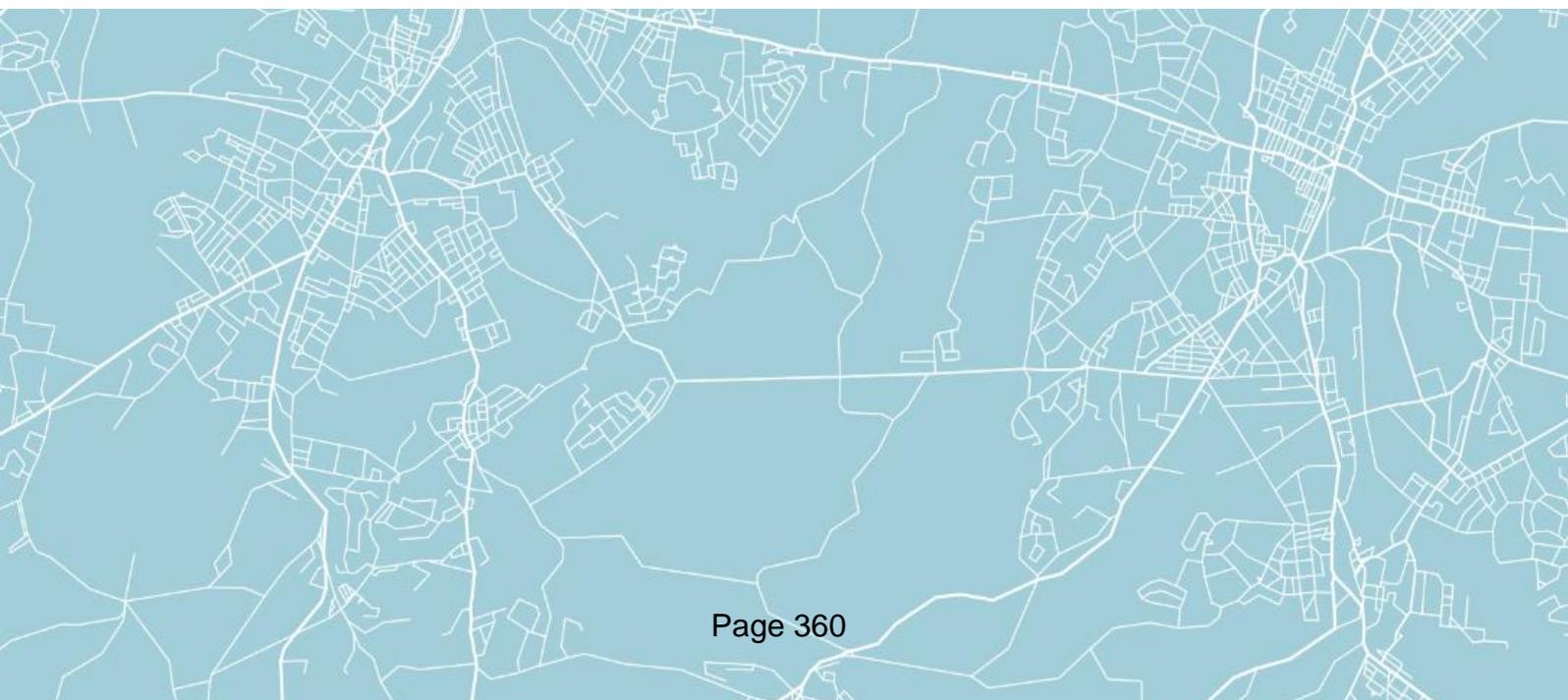
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CABINET**18 February 2019**

Title: Treasury Management Strategy Statement 2019/20	
Report of the Cabinet Member for Finance, Performance & Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: David Dickinson, Investment Fund Manager	Contact Details: Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
Accountable Director: Helen Seechurn, Interim Director of Finance	
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>This report deals with the Treasury Management Annual Strategy Statement, Treasury and Prudential Indicators, Annual Investment Strategy and borrowing limits, in compliance with Section 15(1)(a) of the Local Government Act 2003.</p> <p>The production and approval each year of a Treasury Management Strategy Statement and Annual Investment Strategy are requirements of the Council under Section 15(1) of the Local Government Act 2003. It is also a requirement of the Act to set an authorised borrowing limit for the forthcoming financial year.</p> <p>The Local Government Act 2003 also requires the Council to have regard to the Prudential Code, and to set prudential indicators which consider the Council's capital investment plans for the next three years.</p> <p>The Prudential Code was revised in 2017 with the main changes being the inclusion of the Capital Strategy 2019/20 requirements, which is included as appendix 3 of this report.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is asked to recommend the Assembly to adopt the Treasury Management Strategy Statement for 2019/20 and, in doing so, to:</p> <ul style="list-style-type: none"> (i) Note the current treasury position for 2019/20 and prospects for interest rates, as referred to in section 7.2 of the report; (ii) Approve the Annual Investment Strategy 2019/20 outlining the investments that the Council may use for the prudent management of its investment balances, as set out in Appendix 1 to the report; (iii) Approve the Council's Borrowing Strategy 2019/20 to 2023/24, as set out in Appendix 2 to the report; 	

- (iv) Note the inclusion of the Capital Strategy 2019/20, incorporating the Investment and Acquisitions Strategy, as set out in Appendix 3 to the report;
- (v) Approve the Capital Prudential and Treasury Indicators 2019/20 – 2022/23, as set out in Appendix 4 to the report;
- (vi) Approve the Minimum Revenue Provision Policy Statement for 2019/20, representing the Council’s policy on repayment of debt, as set out in Appendix 5 to the report;
- (vii) Note that a review of the Minimum Revenue Provision Policy Statement was to be carried out and any amendments reported back as part of the Treasury Outturn Report for 2018/19;
- (viii) Approve the Operational Boundary Limit of £1.002bn and the Authorised Borrowing Limit of £1.102bn for 2019/20, representing the statutory limit determined by the Council pursuant to section 3(1) of the Local Government Act 2003, as referred to in Appendix 4 to the report; and
- (ix) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services, to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement.

Reason(s)

To enable the Council to accord with the requirements of the Local Government Act 2003.

1. Introduction and Background

- 1.1 The Council is required to operate a balanced budget, with cash raised during the year sufficient to meet the Council’s cash expenditure. Treasury management supports the Council by seeking to ensure its cash flow is adequately planned, with cash being available when it is needed. Surplus cash is invested in counterparties or instruments commensurate with the Council’s risk appetite, providing adequate security and liquidity while also considering the investment return.
- 1.2 A second function of treasury management is funding the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses.
- 1.3 The Council is responsible for its treasury decisions, activity and risk appetite. The successful identification, monitoring and control of risk are integral elements of treasury management, including credit and counterparty risk, liquidity risk, market risk, interest risk, refinancing risk and legal and regulatory risk. The Council is statutorily required to approve the Treasury Management Strategy Statement (TMSS) prior to the new financial year.

2. Treasury Management Reporting Requirements

- 2.1 The Council is required to receive and approve at least three main treasury reports each year. These reports are required to be adequately scrutinised by Cabinet before being recommended to the Council. The three main treasury reports are:
- i. **The TMSS** is the most important report and considers the impact of the Council's proposed Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators (PIs) and the outlook for interest rates. In addition, the current market conditions are factored into any decision-making process.
 - ii. **An Annual Treasury Report** which outlines the actual PIs, treasury indicators and treasury operations compared to the estimates within the strategy.
 - iii. **A Mid-Year Treasury Management Report** to update Members on the progress of the capital position, amending PIs and investment strategy as necessary.
- 2.2 As the Council is responsible for housing, PIs relating to capital expenditure, financing costs and the Capital Financing Requirement (CFR) are split between the Housing Revenue Account (HRA) and the General Fund (GF). The impact of new capital investment decisions on housing rents will also need to be considered.
- 2.3 This report provides an explanation of the key elements of the Council's TMSS, its Minimum Revenue Provision (MRP) Strategy, the Annual Investment Strategy (AIS) for 2019/20 and the Borrowing Strategy, which are set out in detail in the appendices attached to this report

3. Treasury Management Strategy Statement for 2019/20

- 3.1 The Local Government Act 2003 and supporting regulations require the Council to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years and ensure the Council's capital programme is affordable, prudent and sustainable.
- 3.2 The Act requires councils to set out their treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued after the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 3.3 The Council has adopted the Department of Communities and Local Government (DCLG) investment guidance that came into effect from 1 April 2010. The strategy for 2019/20 covers the following main areas:

3.3.1 Treasury Management Issues

- Current Portfolio Position at 31 December 2018 (section 4);
- Medium Term Capital Finance Budget (section 5);
- Treasury Position at 31 December 2018; forward projections 2019/20 (section 6);

- Economic Update and Rate Forecast (section 7);
- The Capital Expenditure Plans 2019/20 – 2022/23 (section 8);
- Treasury Management Advisors (section 9);
- Minimum Revenue Provision Policy Statement (section 10);
- Appendix 1 – Annual Investment Strategy 2019/20;
- Appendix 2 - Borrowing Strategy 2019/20 to 2023/24;
- Appendix 3 - Capital Strategy 2019/20;
- Appendix 4 – The Capital Prudential and Treasury Indicators 2019/20 – 2022/23;
- Appendix 5 – Minimum Revenue Provision Policy Statement 2019/20; and
- Appendix 6 – Scheme of Delegation and Section 151 Officer Responsibilities.

3.3.2 Capital Strategy Reporting Requirements

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a Capital Strategy report, which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

The aim of this capital strategy is to ensure that Members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The Council already has an Investment and Acquisitions Strategy (IAS), which forms the basis of the Capital Strategy. In addition to the IAS, the Council's Capital Strategy includes a Borrowing Strategy (appendix 2) and an MRP Policy (appendix 5), that include additional details on the borrowing and debt repayment for the Council's Capital Strategy. These documents combined provide details of the Council's Capital Strategy.

4. Current Portfolio Position at 31 December 2018

4.1 The Council holds cash balances arising from its operational activities, including income from grants and Council Tax, which are offset by expenditure to run services. The timing of these cash flows can result in surplus cash which is then available to invest. Cash balances are also affected by working capital, which relates outstanding payments to be made to suppliers offset by amounts owed to the Council.

4.2 These balances are made up of the following sources of cash:

- Capital grants and Section 106 funds received in advance of expenditure;
- General Fund, HRA and School cash balances;
- Earmarked Reserves, provisions, Capital Receipts and Working Capital;
- European Investment Bank Loans to fund regeneration;
- L1 Renewables to fund street lighting improvement;
- Public Works Loan Board (PWLB); and

- Bank loans including Lender Option Buyer Option (LOBO).

4.3 Table 1 shows the Council's investments and borrowing balances at 31 December 2018, including the Average Life and the Average Rate of Return. The loans are split between HRA and GF borrowing to match the two pool approach the Council has adopted for borrowing. The Council invests all cash in one investment pool, with interest distributed between the HRA, schools and GF.

Table 1: Council's Treasury Position at 31 December 2018

	Principal Outstanding £000s	Rate of Return %	Average Life (yrs.)
General Fund Fixed Rate Borrowing			
PWLB	277,381	2.33	29.7
Local Authority (Short-term)	132,670	0.79	0.1
European Investment Bank	84,287	2.21	25.3
LOBO	30,000	4.03	46.7
Local Authority (Medium-Term)	19,000	0.97	1.2
L1 Renewables (Street Lighting)	6,325	3.44	27.8
Total General Fund Debt	549,663	2.00	21.8
HRA Fixed Rate Borrowing			
PWLB	265,912	3.50	37.10
Market Loans	10,000	3.98	59.5
Total HRA Debt	275,912	3.51	37.9
Total Council Borrowing	825,575	2.51	27.2
Investments			
Local Authority Deposits	168,846	1.20	1.8
Bank Deposit	133,919	1.30	0.9
Other Investments*	34,145	3.99	0.6
Money Market Funds	17,200	0.73	-
Total Investments	354,110	1.49	1.3

* includes pension fund prepayment and loans to Barking Riverside LTD and schools.

4.5 The Council's year-end (31 March) cash balances since 2015/16 are shown below:

2018/19 - £220m (estimate)
 2017/18 - £252m
 2016/17 - £236m
 2015/16 - £243m

5. Medium Term Capital Finance Budget

5.1 A key part of the Council's budget strategy is the medium-term capital finance budget shown in Table 2. It is a statutory requirement that the level of borrowing is kept under review and is affordable. Due to the Council's IAS, it is likely that the Council's cash position will significantly reduce over the next few years as a result of utilising the Council's reserves and using cash balances to fund property investments.

- 5.2 The significant increase in GF Interest Payable is due to the borrowing required to fund the Council's IAS. The medium-term capital financing budget to 2022/23 is shown in table 2. The interest income budget increase in 2018/19 includes interest from a prepayment to the pension fund and additional interest expected from Reside:

Table 2: Medium Term Capital Finance Budget

£'000s	2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Budget	Budget	Budget	Budget
MRP	7,772	8,893	9,454	9,614	8,144
GF Interest Payable	8,251	8,995	10,230	14,745	15,538
HRA Interest Payable	9,692	10,059	10,059	10,059	10,059
Treasury Income	(4,299)	(3,099)	(3,099)	(7,872)	(12,420)
Investment Income	(2,365)	(3,733)	(5,125)	(5,125)	(5,125)
Net Cost	19,051	21,115	21,519	21,421	16,196

6. Treasury Position at 31 December 2018; Forward Projections 2019/20

- 6.1 The Council's treasury position at 31 December 2018, with forward projections are summarised in table 3. The table shows the actual external debt against the underlying CFR, highlighting any over or under borrowing. The CFR and the gross debt includes borrowing to fund the IAS as well as the borrowing from the EIB to fund Abbey Road Phase 2 and the Gascoigne Regeneration.

Table 3: Treasury Position at 31 December 2018, with Forward Projections

£'000s	2018/19	2019/20	2020/21	2021/22	2022/23
	Estimate	Estimate	Estimate	Estimate	Estimate
External Debt					
Debt at 1 April	595,146	748,834	895,725	1,085,669	1,228,517
Expected change in Debt	100,000	95,000	140,000	95,000	(90,000)
Other long-term liabilities	53,688	51,891	49,944	47,848	47,848
Gross Debt at 31 March	748,834	895,725	1,085,669	1,228,517	1,186,365
CFR	798,072	897,299	1,103,265	1,237,860	1,187,680
Under/(over) borrowing	49,238	1,574	17,596	9,343	1,315

7. Economic Update and Rate Forecast

7.1 Economic Background

World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to a marked acceleration of wage inflation which is likely to prompt central banks into a series of increases in central rates. The EU is probably about a year behind in a similar progression.

Central bank monetary policy measures - Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it

can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

7.2 Interest rate forecast

The interest rate forecasts provided by Link Asset Services in table 4 are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effect of this situation. This is also likely to cause short to medium term gilt yields to fall. If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- i. **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- ii. **Bank of England monetary policy** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- iii. A resurgence of the **Eurozone sovereign debt crisis** due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. At the time of writing, the EU has rejected the proposed Italian budget and has demanded cuts in government spending which the Italian government has refused. The rating agencies have started on downgrading Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen sharply – at a time when the government faces having to refinance large amounts of debt maturing in 2019.
- iv. Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- v. **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD is reviewing whether it can continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced

that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she is still expected to aim to continue for now as the Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.

- vi. **Other minority eurozone governments.** Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile. Sweden is also struggling to form a government due to the anti-immigration party holding the balance of power, and which no other party is willing to form a coalition with.
- vii. **Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU while **Italy**, this year, has also elected a strongly anti-immigration government. Elections to the EU parliament are in May/June 2019.
- viii. Further increases in interest rates in the US could spark a **sudden flight of investment funds** from more risky assets e.g. shares, into bonds yielding a much -improved yield. In October 2018, we have seen a sharp fall in equity markets, but this has been limited, as yet. Emerging countries which have borrowed heavily in dollar denominated debt, could be particularly exposed to this risk of an investor flight to safe havens e.g. UK gilts.
- ix. There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing.
- x. **Geopolitical risks** - North Korea, Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- i. **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- ii. **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- iii. The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- iv. **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium.

Investment and borrowing rates

Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years. Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

The interest rate forecast is provided in table 4 below:

Table 4: Interest Rate Forecast for the BOE Base Rate and PWLB

Link Asset Services Interest Rate View														
	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%
12 Month LIBID	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%	3.60%	3.70%
50yr PWLB Rate	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.40%	3.50%

7.3 Bail in legislation

As part of regulation changes within the banking sector the UK Government removed the expectation that governments will support financial institutions in the event of an institution fail. This was set up to ensure there was a structure that will be followed should a financial institution fail. To do this the UK Government agreed a process to deal with a financial institution failure, which includes the option for institutional investors to lose part of their invested cash as part of a “bail in”.

It could be argued that the potential for institutional investors to lose part of their investment has always been there and is the main driver behind the rates “rewarded” when an investment is made. The structure keeps the equity investor and bond holders at the top with Institutional Investors, therefore there is a significant buffer before the Council’s cash holdings would be affected.

The Treasury section completes regular monitoring of the potential affect a significant market correction would have on the various banks the Council has

deposited money with and will make adjustment to the strategy should any issues be identified.

7.4 **Return Target 2019/20 to 2021/22**

To achieve the interest, target the treasury section needs to achieve the following average returns on an average cash balance of £200m:

2019/20	1.70%
2020/21	2.00%
2021/22	2.10%

The increased return is heavily reliant on interest rates increasing from their current near historic lows. The increase does not need to occur in the first half of 2019 as treasury section has secured a return through longer dated investments and has agreed a number of stepped rate investments, which is currently expected to achieve the 1.70% return for 2019/20. However, if rates do not increase by early 2019 then the return target for 2019/20 will be challenging to meet without significantly increasing the duration risk and / or the counterparty risk.

7.5 **HRA Investments**

Cash balances held by the HRA will be invested as part of the Council's overall treasury strategy. Cash balances will generally earn the average short-term rate of the Council's investments, which will be calculated at the financial year end.

Where there is agreement by the Chief Operating Officer (COO), individual investments can be ring-fenced for the HRA, with the allocations made within the Council's overall treasury strategy requirements. For further details please refer to the HRA Business Plan.

Abolition of HRA debt cap - In October 2018, Prime Minister Theresa May announced a policy change of abolition of the HRA debt cap. At the time of writing, no information was available as to when this change of policy will be implemented.

8. **The Capital Expenditure Plans 2019/20 – 2022/23**

8.1 The Council's Housing (HRA) and General Fund (GF) capital expenditure plans, together with Balances and Reserves, are the key drivers of treasury management activity. The estimates for Capital expenditure, and its funding based on current proposed Revenue Budget and Capital Programmes, are reflected in prudential indicators, which are designed to assist Members overview and confirm capital expenditure plans. The Prudential Indicators are included in Appendix 4.

8.2 Table 6 below shows the proposed capital expenditure over the coming three financial years. It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and to consider the impact on Council Tax and, in the case of the HRA, housing rent levels.

Table 6: Proposed Capital Expenditure 2018/19 to 2022/23

Capital expenditure	2018/19	2019/20	2020/21	2021/22	2022/23
	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
General Fund	194,218	149,362	231,013	154,744	(39,162)
HRA	90,352	63,727	61,610	55,610	56,000
Total	284,570	213,089	292,623	210,354	16,838
Financed by:					
Capital Grants	60,119	38,530	12,776	7,580	155
Section 106	0	0	0	0	0
Revenue Contributions	900	400	400	400	0
Capital Receipts	163	0	0	0	0
HRA Contributions	90,352	63,727	61,610	55,610	56,000
Sub-Total	151,534	102,657	74,786	63,590	56,155
Net financing need	133,036	110,432	217,837	146,764	(39,317)

- 8.3 The estimated financing need for the year in Table 6 represents a shortfall of resources resulting in a requirement to borrow. This underlying need to borrow is the CFR. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 8.4 A portion of the net financing need has already been borrowed as this relates to properties held by Reside, which was borrowed from the European Investment Bank. The increase financing need reflects the Investment and Acquisitions strategy borrowing requirement.
- 8.5 Other long-term liabilities: the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements, which already include borrowing instruments.
- 8.6 Sufficient headroom has been provided within the Authorised Limit on external borrowing to ensure that any major capital investment projects resulting from the IAS are not restricted by this statutory limit. The limit also covers any short term borrowing for cash flow purposes as well as long term borrowing for capital projects, finance leases PFI initiatives as well as any unforeseen incidences where expected capital receipts are not forthcoming due to unexpected economic factors.

9. Treasury Management Advisors

- 9.1 The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.
- 9.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 9.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by

which their value will be assessed are properly agreed and documented, and subjected to regular review..

10. Minimum Revenue Provision Policy Statement

- 10.1 In accordance with Statutory Instrument 2008 number 414 and new guidance issued by the Government under section 21 (1A) of the Local Government Act 2003 a statement on the Council's policy for its annual Minimum Revenue Provision (MRP) needs to be approved before the start of the financial year.
- 10.2 The Council are asked to approve the Minimum Revenue Provision Statement set out in Appendix 5.

11. Financial Implications

Implications completed by: Helen Seechurn, Interim Finance Director

- 11.1 The financial implications are discussed in detail in this report.

12. Legal Implications

Implications completed by: Dr. Paul Field, Senior Governance Solicitor

- 12.1 It is a statutory requirement under the Government Finance Act 1992 for the Council to set out what the Council has to base its budget calculations upon. Furthermore, it is a legal requirement for the Council to set a balanced budget with regard to the advice of its Chief Finance Officer. However, what is meant by 'balanced' is not defined in law and this has means that the Council must rely upon the professional judgement to ensure that the local authority's budget is robust and sustainable. The Local Government Act 2003 requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. The Council must 'have regard to' the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out its functions under the Act.
- 12.2 This report sets out the Councils strategies in accordance with the Act.

13. Other Implications

- 13.1 **Risk Management:** This report has risk management issues for the Council, primarily that a counterparty could cease trading or risk that interest rates would rise adversely. The mitigation of these is contained in this report.
- 13.2 **Corporate Policy and Equality Impact**

The TMSS seeks to support the Council's investment aims to unlock regeneration and economic growth opportunities within the borough.

There are no equality or diversity implications arising from this report.

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

List of appendices:

- Appendix 1 – Annual Investment Strategy 2019/20
- Appendix 2 - Borrowing Strategy 2019/20 to 2023/24
- Appendix 3 - Capital Strategy 2019/20
- Appendix 4 – The Capital Prudential and Treasury Indicators 2019/20 – 2022/23
- Appendix 5 – Minimum Revenue Provision Policy Statement 2019/20
- Appendix 6 – Scheme of Delegation and Section 151 Officer Responsibilities

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Annual Investment Strategy 2019/20

1. Investment Policy

1.1 The Council's investment policy has regard to the following:

- The Ministry of Housing, Communities and Local Government ("MHCLG"), Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
3. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

1.2 This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in appendix 5.4 under the categories of 'specified' and 'non-specified' investments.

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

- 1.3 Over the coming years the Council will significantly increase its investments in property as part of its Investments and Acquisition strategy. Financial risks, including the loss of capital, the loss of forecast income and the revenue effect of changing interest rates will be significant. The successful identification, monitoring and control of investment risk are therefore central to the Council's Treasury Management Strategy Statement (TMSS).

Borrowing risks also forms a key part of the TMSS, where a holistic approach to borrowing is outlined, taking into accounts opportunities from low interest rates, cash flow requirements and a significant range of borrowing options available to the Council. The strategy also outlines the need to avoid more complex forms, especially where derivatives are involved or where there is significant backloading of capital repayment

- 1.4 In accordance with the MHCLG Guidance, the Council will be asked to approve a revised TMSS should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates or in the Council's capital programme.

1.5 Accounting Changes

International Financial Reporting Standard (IFRS) 9 is effective for the 2018/19 accounting period. IFRS9 requires authorities to hold financial instruments at fair value, with gains and losses charged to revenue as they arise. For certain categories of investments, authorities will need to recognise these gains and losses in their revenue accounts. As a result, the changes in the value of these investments will impact the authority's General Fund. Currently the Council has very limited exposure to these investments.

Similarly, the standard introduces a forward-looking 'expected loss' model for the impairment of financial assets. This approach is likely to result in an increase in the impairment allowance and will require authorities to recognise impairment losses earlier. The government has allowed a 5-year statutory override period to 1 April 2023 to allow authorities to divest from the financial instruments.

2. Annual Investment Strategy

- 2.1 The key requirements of the Code and investment guidance are to set an annual investment strategy covering the identification and approval of the following:
- i. The strategy guidelines for choosing and placing investments, particularly non-specified investments.
 - ii. The principles to be used to determine the maximum duration for investments.
 - iii. Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
 - iv. Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
 - v. An additional consideration is the variable cash position the Council will have because of Council's investment strategy. The investment strategy will mean that the Council will be making significant borrowing and investment decisions, and these may result in period where the Council has a significant allocation to a counterparty or duration.
- 2.2 The Council's Annual Investment Strategy (AIS) continues to consider credit rating of financial institutions it invests with, but ratings are not the sole determinant of the quality of an institution. The strategy looks to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment takes account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps".
- 2.3 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector to establish the most robust scrutiny process on the suitability of potential investment counterparties. Investment instruments identified for use in the financial year are listed in this appendix under the 'specified' and 'non-specified' investments categories.
- 2.4 In addition to the Council's cash investments, which have historically been the main focus of the AIS, this year an additional section on property investments has been included. Although property investments will be agreed individually by Cabinet and the Investment Panel, the way these investments will be reported, how interest and profit will be recorded and how these investments will be held is outlined in section 3 of the AIS.

3. Creditworthiness policy

- 3.1 This Council uses an adapted version of the creditworthiness approach used by the Council's advisors, Link Asset Services (LAS). This service employs a

modelling approach utilising credit ratings from the three main credit rating agencies (Fitch, Moody's & Standard and Poor's). This approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. The Council uses the following colour codes to determine the suggested duration for investments:

- **Yellow** 5 years
- **Dark pink** 5 years - enhanced money market fund with a credit score of 1.25
- **Light pink** 5 years - enhanced money market fund with a credit score of 1.50
- **Purple** 2 years
- **Blue** 2 year (only applies to Royal Bank of Scotland)
- **Orange/Red** 1 year
- **Green** 100 days
- **No colour** not to be used

3.2 The Council uses a one year limit for red colour ratings, which differs from the model used by LAS, which sets a limit of 6 months. This difference reflects a different risk appetite to the standard limits recommended by LAS.

3.3 Typically, the minimum credit ratings criteria the Council use will be a Short-Term rating (Fitch or equivalents) of **F1** and a Long-Term rating of **A-**. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

3.4 The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

3.5 In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

3.6 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

4. The Monitoring of Investment Counterparties

4.1 The Council receives credit rating information from its advisor as and when ratings change, and counterparties are checked promptly. Any counterparty failing to meet the criteria will be removed from the list immediately by the COO,

and if required new counterparties which meet the criteria will be added to the list.

5. Use of External Cash Manager(s)

- 5.1 The Council no longer uses an external cash manager (ECM) within its investment portfolio, with all investments and borrowing managed in-house. Were the Council to use an ECM in the future there would be a requirement for the ECM to comply with the AIS. Any agreement between the Council and the ECM will stipulate guidelines, durations and other limits to contain and control risk.
- 5.2 Prior to appointing an ECM, a full OJEU compliant tender process is required. An extensive background in cash management will be a prerequisite, alongside Financial Conduct Authority accreditation. The requirement to tender includes both for lending to a third party to invest and appointing an ECM to directly invest.

6. Use of additional information other than credit ratings

- 6.1 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example CDSs, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

7. Credit Quality Criteria and Allowable Financial Instruments

- 7.1 The table on the following page sets out the credit quality criteria for counterparties and allowable financial instruments for Council investments. These are split into Specified and Non-specified investments.
- 7.2 Specified Investments - Sterling investments of less than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months. These are considered minimal risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:
1. The UK Govt. (UK Treasury Bills, Gilts with less than one year to maturity).
 2. Supranational bonds of less than one year's duration.
 3. A local authority, parish council or community council.
 4. Pooled investment vehicles. (AAA Money Market Funds).
 5. A body (i.e. bank of building society), of sufficiently high credit quality.
- 7.3 Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

Non Specified Investment Category (maturity greater than one year)	
a.	<p>Supranational Bonds</p> <p>(a) Multilateral development bank bonds These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the UK Government The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
b.	<p>Gilt edged securities. Government bonds which provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
c.	<p>The Council's own bank if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible. The Council's current bankers are Lloyds Banking Group.</p>
d.	<p>Any bank or building society that has a minimum long-term credit rating of A or equivalent, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>
e.	<p>Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. There is a higher risk of loss with these types of instruments.</p>
f.	<p>Pooled property or bond funds – normally deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.</p>

Within categories c and d, and in accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. These criteria is set out in section 11.3 in the body of the report. In respect of categories e and f, these will only be considered after obtaining external advice and subsequent Member approval.

7.4 UK banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment

banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

7.5 Non-Treasury Investments

Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the CLG Guidance, the Council may also purchase property for investment and regeneration purposes and may also make loans and investments for service purposes, for example loans to partner organisations or the Council subsidiaries.

Such loans and investments will be subject to the Council’s normal approval processes for revenue and capital expenditure and need not comply with the TMSS. However, it is important to note that there are varying degrees of risks associated with such asset classes and this need comprehensive appreciation. It is not just credit risk that needs to be understood, but liquidity and interest rate / market risk as well, although these can often be intertwined. Any option in which an investor hopes to generate an elevated rate of return will almost always introduce a greater level of risk. By carefully considering and understanding the nature of these risks, an informed decision can be taken.

The Authority’s existing non-treasury investments are listed in Appendix 1a.

Specified Investments and Non-Specified Investments Limits and Criteria

Counterparty / Financial Instrument	Minimum Credit Rating Criteria / Colour Band	Specified Investments		Non-Specified Investments	
		Maximum Duration	Counterparty Limit £m	Maximum Duration	Counterparty Limit £m
Council's Bank (currently Lloyds Baking Group) – Deposit Account	A	T+1	£20m	N/A	N/A
Lloyds Banking Group SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bonds	A	Up to 1 year	£100m	1 to 3 years	£100m
Government Supported UK Bank – Royal Bank of Scotland SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bonds	Blue	Up to 1 year	£50m	1 to 2 years	£50m
Other UK Banks & Building Societies SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bond	Yellow Purple Orange/Red Green No Colour	N/A N/A Up to 1 year Up to 3 mths Not for use	£50m per counterparty	1 to 5 years 1 to 2 years N/A N/A N/A	£50m per counterparty
Bond Funds - Corporate Bonds	Short-term F2, Long Term A	Up to 1 year	£20m	1 to 2 years	£20m
Local Authorities: Term Deposits	Not credit rated	Up to 1 year	£50m per authority	1 to 3 years	£50m per authority
UK Government - Treasury Bills, Gilts DMADF	UK Sovereign Rating	Up to 1 year	£50m	1 to 5 years	£20m
All types of Money Market Funds / Cash Plus	AAA	T+1	£30m per Manager	N/A	N/A
Property Funds	N/A	N/A		N/A	£50m

8. Use of other Local Authorities

For cash loans the Local Government Act (LGA) 2003 s13 suggests the credit risk attached to English, Welsh and Scottish local authorities is an acceptable one.

9. Use of Multilateral Development Banks

S15 of the LGA Act 2003 SI 2004 no. 534 amended provides regulations to clarify that investments in multilateral development banks were not to be treated as being capital expenditure. Should the Council invest in such institutions then only such institutions with AA credit rating and government backing would be invested in consultation with the Council's treasury adviser and the S151 Officer.

10. Use of Brokers

The Council deals with most of its counterparties directly but from time to time the Council will use the services of brokers to act as agents between the Council and its counterparties when lending or borrowing. However no one broker will be favoured by the Council. The Council will ensure that sufficient quotes are obtained before investment or borrowing decisions are made via brokers.

11. Country limits and Use of Foreign Banks

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- (excluding the United Kingdom) from Fitch. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy. This will ensure that the Council's investments are not concentrated in too few counterparties or countries.

Given the strength of some foreign banks the Council will invest in strong non UK foreign banks whose sovereign and individual ratings meet its AA minimum criteria.

Approved countries for investments (Credit Rating as at 31 December 2018)

The list below is based on those countries which have sovereign ratings of AA or higher (below is the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above.

AAA	AAA	AA+	AA	AA
Australia	Netherlands	Finland	Abu Dhabi, UAE	New Zealand
Canada	Norway	Hong Kong	France	South Korea
Denmark	Singapore	United States	United Kingdom	Belgium
Germany	Sweden	Austria	European Union	Kuwait
Luxembourg	Switzerland			
Liechtenstein				

12. Third Party Loans

- 12.1 As part of the Council's Transformation Programme a number of loans have been made to third parties and wholly owned companies.
- 12.2 Each loan is closely monitored using the process outlined in section 13 below. The loan details, when it was agreed and the reason for each loan is outlined below.

i. Loan to Be First

At the November 2016 Cabinet, Members agreed to establish a new Council-owned company to manage the delivery of the borough's regeneration agenda, Be First, in line with Recommendation 8 of the report of the independent Growth Commission.

Be First is a 100% Council-owned company that is operationally independent of the Council, operating in the same way as a commercial organisation, and being accountable to members through a Shareholder Executive Board.

To support Be First cash flow requirements during the first few years of established, Members agreed a loan of up to £3.5m to Be First. The Loan details are:

Loan Amount: £3.5m
Start Date: 1 October 2017
Repayment Date 31 March 2021
Rate: 4.0%
Loan Guarantee: London Borough of Barking and Dagenham
Repayment: Equal Instalments. First payment 31 March 2021
Drawdown Period: 1 October 2017 to 30 September 2018

ii. Loan to Barking & Dagenham Trading Partnership

Following the production of a Business Plan, Members agreed a £595k loan for the initial set-up costs, including training, branding, marketing, communications, specialist resources required to set up the new company and initial governance costs such as payments to Directors.

Loan Amount: £595k
Start Date: 1 April 2018
Repayment Date 31 March 2021
Rate: 4.0%
Loan Guarantee: London Borough of Barking and Dagenham
Repayment: Equal Instalments. First payment 31 March 2019
Drawdown Period: 1 April 2018 to 30 September 2018

13. Provisions for Credit-related losses

- 13.1 If any of the Council's investments appeared at risk of loss due to default, (i.e. a credit-related loss and not one resulting from a fall in price due to movements in

interest rates) the Council will make revenue provision of an appropriate amount. Where there is a loss of the principal amount borrowed due to the collapse of the institution, the Council will seek legal and investment advice.

- 13.2 Where the Council holds a non-financial investment, such as property, it will have a physical asset that can be realised to recoup the capital invested. The Council will consider whether the asset retains sufficient value to provide security of investment using the fair value model in International Accounting Standard 40: Investment Property. Where the fair value of non-financial investments is sufficient to provide security against loss, a fair value assessment will be made stating that a valuation has been made within the past twelve months, and that the underlying assets provide security for capital investment.
- 13.3 Where the fair value of non-financial investments is no longer sufficient to provide security against loss, the AIS will provide detail of the mitigating actions that the Council is taking or proposes to take to protect the capital invested.
- 13.4 Where the Council must impair a non-financial asset held for investment purposes as part of the year end accounts preparation and audit process, an updated AIS should be presented to full council detailing the impact of the impairment on the security of investments and any revenue consequences arising therefrom.
- 13.5 This above approach is reasonable and a prudent approach to investing should help to negate this impact. However, a significant market correction, more complicated investment structures (including investments via equity rather than debt) and a default on any of the Council's loans would leave the Council exposed to an impairment on assets. The impact of the impairment will have a greater impact as the council increases its investment portfolio and third-party loans.

14. End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

15. Policy on Use of Derivatives

- 15.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 15.2 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded

derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 15.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

16. Investment Advisers

The Council uses Link Asset Services for external treasury advice. However the Council acknowledges that it is ultimately responsible for all treasury management decisions and will ensure that undue reliance is not placed on the external advisors.

The Council recognises that there is value in receiving advice from an external treasury advisor in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are documented, and subjected to regular review. For its cash flow generated balances, the Council will utilise a range of investment instruments, as agreed within the AIS restrictions in order to benefit from the compounding of interest.

17. Investment Training

The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by LAS and other relevant providers.

18. Investment of Money Borrowed in Advance of Need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

Borrowing Strategy 2019/20 to 2023/24

1. Background

- 1.1 Historically the Council has either been debt free or has had a very low-level of debt. This changed significantly in 2012 when, as part of the HRA reform, £265.9m of debt was transferred to the Council's HRA.
- 1.2 In January 2015, £89m was borrowed for the Council's General Fund (GF) from the European Investment Bank (EIB) to fund the regeneration of Abbey Road 2 and Gascoigne East. Abbey Road 2 is currently operational, bringing in sufficient income to cover the capital and interest costs, as well as generating income for the Council. Gascoigne East will be operational in 2018.
- 1.3 In November 2016, Cabinet approved the establishment of an Investment and Acquisition Strategy (IAS). Cabinet also approved an initial £250m investment budget and £100m land and property acquisition budget to support delivery of the IAS. The purpose of the IAS is to support the Borough's growth opportunities and to ensure that the Council, and future generations, benefit by increasing the Council's ownership of long-term income producing assets.
- 1.4 The IAS has an income objective and a target of delivering £5.12m by 2020/21. The IAS will be delivered primarily by the Council's development vehicle, Be First, and it is expected that Be First will accelerate the regeneration of the borough.
- 1.5 The IAS will support the Council to fundamentally change its approach to investment and regeneration. Going forward the Council will become a proactive developer and investor, helping to support growth opportunities and ensure that the Council and future generations benefit by increasing its ownership of long-term income producing assets. Potentially 44 schemes are in the pipeline over a period of 15 years, with the total capital expenditure estimated at over £2bn, were the whole programme funded by the Council. Whilst the Council will use, where possible, capital receipts it generates from land sales to help finance acquisition costs, the main source of financing of the full programme will be from borrowing.
- 1.6 It is expected that the net capital expenditure required, which is the capital spend less any money received from private sales and shared ownership, will be significantly less than £2.0bn. There may also be occasions where refinancing may be used to secure borrowing on the properties when they are operational and in some cases properties will be sold to fund new regeneration schemes.
- 1.7 Due to the scale of the regeneration programme borrowing from the Public Works Loan Board (PWLB) will be considered, especially when rates are low, as will institutional funders such as the EIB. In addition, it may be more advantageous to raise finance through the issuance of a bond or seek funding from the capital markets. A range of borrowing periods will also be used based on cashflow requirement, ensuring that not all borrowing is long term and that the debt repayment is linked to the income generated from both the rental returns and the sales receipts.

- 1.8 It is important to highlight that the Council's IAS will increase the Council's interest payment costs significantly. Were the Council to borrow a billion pounds at 2.5% then the interest costs would be £25m per year. Although this will be funded by rental income from the various schemes, this will still result in a long-term obligation on future generations as some of the loans that will be taken out have maturity dates of up to 50 years.
- 1.9 An additional consideration is the cost of borrowing during the construction phase. Borrowing costs are high during the construction period as there are still borrowing costs but no income coming in from the scheme. Short-term borrowing, structured borrowing and cross subsidising from other schemes will reduce the impact of this but there will remain a financing and interest rate risk during this period.
- 1.10 The Council recognises that investment in other financial assets and property primarily for financial return and taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.
- 1.11 The Council will ensure that all its investments are covered in the IAS and will set out, where relevant, its risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.
- 1.12 The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the Council's risk exposure.

2. The Council's Borrowing Strategy

- 2.1 The decision to borrow is a treasury management decision and is taken by the COO under delegated powers of the Council's constitution and after consultation with the Investment Fund Manager and the Director of Finance. The key objective of the Council's borrowing strategy is to secure long term funding for capital projects and IAS at borrowing rates that are as low as possible.
- 2.2 Currently the Council has a holistic approach to borrowing, taking into account cashflow, borrowing costs and investment returns to drive the net cost of borrowing down, while keeping the borrowing transparent and relatively easy to understand. This holistic approach has resulted in very low net borrowing costs, with the 2018/19 net interest budget of £3.3m supporting £245m of General Fund long term borrowing. This equates to a net cost (interest payments less interest income) of 0.81% for an average duration of approximately 41 years. While it will not be possible to keep borrowing costs this low for future borrowing, this holistic approach will be maintained, with transparency a key driver behind any borrowing decision.
- 2.3 The Council can borrow funds from the PWLB, from capital markets, from bond issuance and from other local authorities. The Council would look to borrow for several purposes, including:

- (i) *Short term temporary* borrowing for day to day cash flow purposes.
- (ii) *Medium term borrowing* to cover construction and development costs.
- (iii) *Long term borrowing* to finance the capital and IAS programme.

2.4 In 2019/20 a significant amount of borrowing is required. The COO and treasury section will monitor interest rates and, where possible, make borrowing decisions when rates are low, while taking into account the Council's debt repayment profile and cashflow requirements. The Council's borrowing strategy will give consideration to the following when deciding to take-up new loans:

- Use internal cash balances;
- Using PWLB, the EIB or Local Authorities for fixed term loans;
- Using Institutional investors (Pension Funds and Insurance Companies);
- Ensure new borrowings are drawn at suitable rates and periods; and
- Consider the issue of stocks and bonds if appropriate.

2.5 The Council has £30m of fixed rate Lender's Options Borrower's Option (LOBO) loans and all of them will be in their call period during 2019/20. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan at which point the Borrower (the Council) can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Council since the decision to call a LOBO is entirely at the Lender's discretion. Any LOBO called will have the default position of repayment of the LOBO without penalty, i.e. the revised terms will not be accepted.

3. Council's Current Debt

3.1 The Council currently has £665.1m of debt at an average rate of 2.49%. This can be broken down as follows:

Borrowing	Amount Borrowed £m's	Average Rate of Borrowing
General Fund		
LOBO	30,000	4.03
Local Authority (Medium-Term)	19,000	0.97
Local Authority (Short-term)	134,820	0.79
Market Loan	86,669	2.22
PWLB	277,381	2.33
Total General Fund Borrowing	547,870	1.97
HRA		
LOBO	10,000	3.98
PWLB	265,912	3.50
Total HRA Borrowing	275,912	3.51
Total Council Borrowing	823,782	2.49

3.2 General Fund Debt

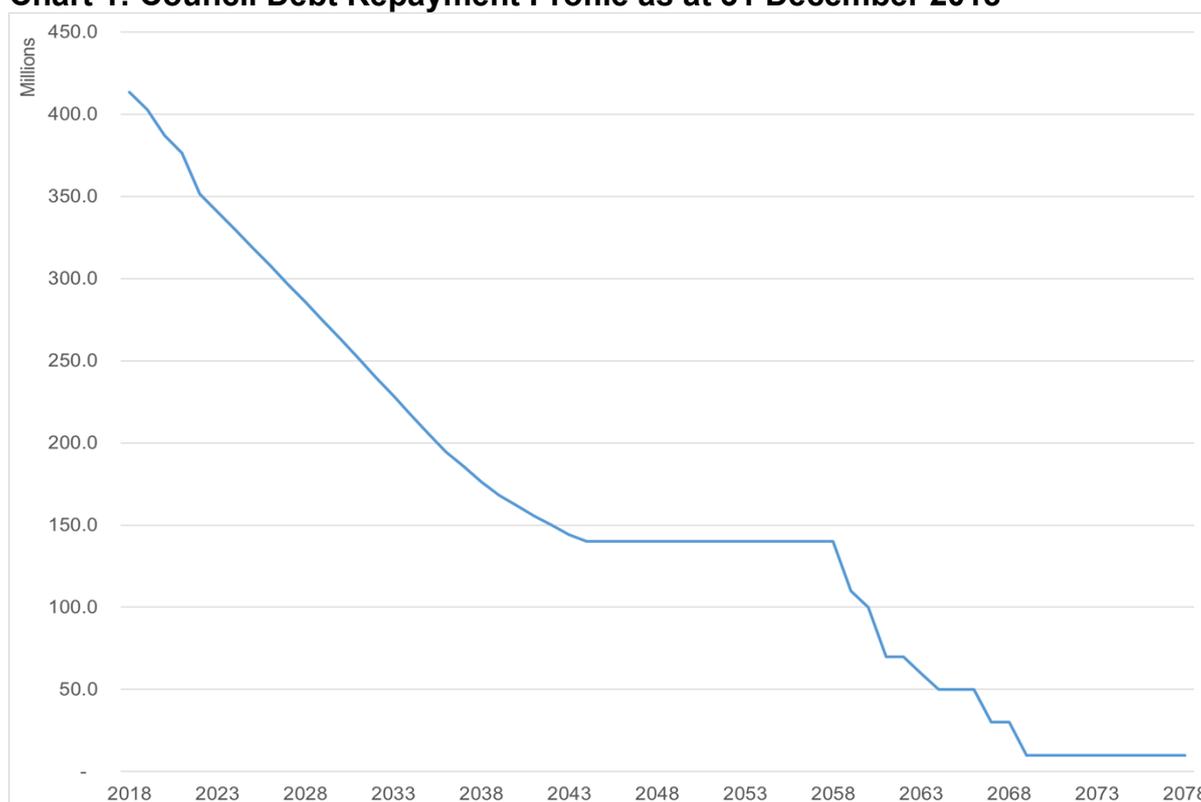
The GF debt can be split Short-Term borrowing and Long-Term borrowing. Short-term borrowing is used to manage the Council daily cash requirements and to allow the council to make strategic, longer term borrowing decisions without a significant impact from the cost of carry.

Long-term borrowing has historically been used to Fund the Council’s capital expenditure but is now mainly used to fund the Council’s IAS. The Council first borrowed over a long-term period in 2008, with more significant borrowing in the past three years. The actual borrowing per year is summarised below:

Year	Amount	Reason for Borrowing
Pre-2015	£30m	Borrowing for Capital Expenditure
2015	£89m	Borrowing for Abbey Road and Gascoigne East Regen.
2016	£59m	Borrowing for Land and IAS
2017	£90m	Borrowing for Street Purchases and IAS
2018	£150m	Borrowing for Street Purchases and IAS
Total	£418m	

Although the borrowing is long-term, a part of the Council’s debt is repaid each year through either an annuity repayment or equal instalment repayment. As a result, the Councils debt repayment profile is relatively smooth, as outlined in the chart below. Future borrowing will be mapped against this repayment profile and the forecast cashflows to help refinancing risk but also allow for a steady reduction in the Council’s debt exposure.

Chart 1: Council Debt Repayment Profile as at 31 December 2018



3.3 Borrowing from Financial Institutions

The treasury section will generally borrow from the PWLB when rates are low. However, where cheaper or more appropriate borrowing is available from other financial institutions then this is used as an additional source of financing.

Currently the following loans have been borrowed from financial institutions:

- i. European Investment Bank (EIB) Borrowing: In 2014/15 Cabinet agreed to borrow £89m from the European Investment Bank (EIB) as outlined below:
- £66m from the EIB to finance the Gascoigne Estate (East) Phase 1;
 - £23m from the EIB to finance Abbey Road Phase 2.

The drawdown of the full £89m was completed on 30 January 2015 at a rate of 2.207%.

- ii. Green Investment Bank (GIB) Borrowing (now L1 Renewables)

At its meeting on 2 December 2015 the Council agreed to borrow £7.5m from the GIB to finance the Low Energy Street Light Replacement Programme via the UK GIB Green Loan.

On 15 December 2016, a loan of £7.0m was borrowed from the GIB at a rate of 3.44% for a duration of 30 years. The borrowing drawdown period will be over a two-and-a-half-year period and will match the forecast expenditure. The repayment of the loan has been structured to best match the cashflows expected to be generated from the energy savings.

3.4 HRA Self Financing

The Council uses a two loans pool approach for long term debt. The £265.9m of PWLB long-term debt from the HRA reform is allocated to the HRA. A breakdown of the HRA borrowing is provided in table 5 below:

Table 5: HRA borrowing:

Loan Type	Loan Amount	Maturity profile	Interest Rate
	£'000s	Yrs.	%
PWLB	50,000	24	3.51
PWLB	50,000	34	3.52
PWLB	50,000	42	3.49
PWLB	50,000	43	3.48
PWLB	65,912	44	3.48
Barclays	10,000	60	3.98
Total	275,912		

The HRA debt cap is currently set at £277.65m; however, the Council has been given approval from the DCLG to exceed this by £13.95 making the new total cap £291.60 onwards from 2018/19.

4. **Repayment of Borrowing**

As short term borrowing rates are usually cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, any savings will need to be based on the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy; and
- enhance the balance of the portfolio (amend the maturity profile).

Internal borrowing can also be reduced by generating capital receipts, which will replenish cash balances and in accounting terms be used for financing historic spend rather than for new capital projects.

5. Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Capital Strategy 2019/20

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy includes the following and is outlined in the Council's Investment and Acquisition Strategy:

- i. The corporate governance arrangements;
- ii. Investment Objectives;
- iii. Investment Policy; and
- iv. The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

In addition to the Investment and Acquisitions Strategy, the Council's Minimum Revenue Provision Policy (MRP) includes the debt repayment policy the Council uses for its investments. The Council also has a borrowing strategy, which includes the debt repayment profile, the interest costs and outlines the various types of borrowing the Council has used for its investment strategy.

Investment and Acquisition Strategy

2018 to 2023

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1. Introduction

- 1.1. The Council is facing unprecedented challenges and opportunities. The population of the borough is expected to increase to 220,000 by 2020 and rise further to 275,000 by 2037. Demand for Council services is increasing but budgets will fall leaving a cumulative shortfall of £63m by 2020.
- 1.2. However, the Borough's growth potential provides the opportunity to invest in Barking and Dagenham's future, supporting growth whilst generating a long-term financial return to support Council activities.
- 1.3. The scale of investment opportunity is immense. In excess of 50,000 new homes will be built over the next twenty years. This will be accompanied by increased demand for employment space and sustainable energy providing the Council with a key leadership and investment opportunity.
- 1.4. This paper updates the investment strategy approved by Cabinet in November 2017. The new strategy refreshes the eligible asset classes and sets out the framework for making investment decisions. The revised strategy reflects Government guidance on local authority investment activity.

2. Investment Objectives

2.1. Strategic Objectives

The purpose of the strategy is to enable the delivery of the following key investment aims:

- To unlock regeneration and economic growth opportunities within the borough
- To establish a property portfolio to generate long-term revenue and capital growth, targeting an initial revenue return of £5.2m by 20/21 and indexed at CPI thereafter

2.2. Return Objectives

The allocation of investment funds will be guided by the following investment objectives. These objectives frame the evaluation, management and monitoring of all investment and funding opportunities considered by the Council.

- **Security:** ability of assets to hold and increase their capital value in line with inflation
- **Liquidity:** ability of invested funds to be realised through the sale or refinancing of the asset reflecting the illiquid nature of direct property ownership
- **Yield:** ability of assets to generate positive Net Operating Income and positive net returns after debt service within [market normative ranges]

2.3. Risk Management Objectives

The real estate portfolio will be managed over the long-term to achieve the following goals:

- a) Maintain an appropriate level of investment diversification across the following key factors:
 - i) investment strategy for each asset class;
 - ii) asset class diversification;
 - iii) investment life-cycle;
 - iv) development period and stabilisation period risks.
- b) Work toward and maintain an appropriate level of leverage once assets are developed and stabilised. Consideration shall be given to the impact of third-party debt financing obligations and guarantees for the risk and return characteristics of levered assets.

3. Investment Policy

3.1 Funding the Investment Strategy

The Council has currently acknowledged that to support the creation of the investment portfolio would require gross funding of £2.2bn (a net requirement of £0.85bn after sales and grant is taken into account). The level and sources of borrowing will be reviewed periodically. Borrowing levels will be adjusted to manage corporate borrowing constraints and where alternative sources of finance provides better investment outcomes.

3.2 Ownership of Investment Funding

Investment assets will be financed and owned by the Council directly, indirectly or through the provision of loan finance and/or guarantees to development and ownership entities. Ownership structures will reflect the regeneration and commercial purposes of investments and will be held in the most tax efficient structure(s) consistent with Local Authority powers as follows:

- Directly held investment assets (e.g. commercial property):
Direct General Fund borrowing through the PWLB, institutional funders or bonds as may be most advantageous from time to time.
- Investment assets held by wholly owned vehicles (e.g. Reside vehicles and BSF joint venture company):
Debt finance provided by the Council to project entities; project finance provided by third party funders and co-investment between the Council and third-party investors. Funds may be provided as senior debt, junior debt or equity dependent on the requirements and commercial arrangements of schemes

- Investment assets owned by Joint Ventures vehicles (e.g. co-investment development vehicles):

Debt finance provided by the Council to project entities; project finance provided by third party funders and co-investment between the Council and third-party investors. [Funds may be provided as senior debt, junior debt or equity dependent on the requirements and commercial arrangements of schemes.]

- Equity and debt financing (e.g. development period loans to private developers and Be First):

Funded by direct General Fund borrowing, and on-lending on commercial terms, through the PWLB, institutional funders or bonds as may be most advantageous from time to time. Financing may be provided as senior debt, junior debt or equity dependent on the requirements and commercial arrangements of schemes.

- Credit enhancement (e.g. provision of Council performance guarantees):

The Council may also provide credit enhancement through the provision of development and operational guarantees where this secures efficient finance for projects funded with third party debt.

3.3 Eligible Assets

The acquisition and development of financial and non-financial assets held to generate income and capital growth not held as part of normal treasury management. This includes:

- real estate assets
- equity and loan debt provided to wholly owned companies
- ownership and financial interests in joint venture partnerships and loans to third-party entities where this supports the key investment objectives

3.4 Asset classes

Investments will be made into the following asset classes. Investments will be expected to make the level of returns set out below, noting that these benchmark returns will be periodically reviewed.

Asset class	Sector	Target Portfolio structure	Target Allocation £m's	Gross yield (income)	Net yield before debt (3.00%)	Net yield after debt
Residential	Social & Affordable Rent	56%	560	5 to 6%	3.75% to 4.5%	0.75% to 1.5%
	Shared Ownership			2.75%	2.75%	2.75%
	Market Rent (secondary)			6%	4.50%	1.50%
	Market Sale	10%	100	20% profit of GDV or 25% profit on TSC (assuming 100% debt funding)		
Commercial	Offices (good secondary)	10%	100	6.50%	4.88%	1.88%
	Retail (good secondary)			9.50%	7.13%	4.13%
	Industrial (Good secondary)			5.50%	4.13%	1.13%
	Student & Creative Arts			TBC	TBC	TBC
	Hotel & Leisure			4.85%	3.64%	0.64%
Infrastructure	Energy Infrastructure	3%	33	c6.5% IRR		
Commercial Lending	Debt	20%	200	case by case basis		
Total		100%	993			
<i>Yields from CBRE July market analysis except Shared Ownership and Infrastructure</i>						

3.5 Geographical Investment Parameters

The focus of investment activities will primarily be to support the regeneration of Barking and Dagenham. Where investment opportunities arise outside of the borough these will be considered on a case by case basis where they are clearly linked to the direct achievement of Council regeneration objectives.

3.6 Investment Selection and Monitoring

Investment schemes proposed to the Council will be required to satisfactorily meet the following investment criteria as appropriate to the assessment of each scheme. Asset selection should be guided by the Prudent Expert standard in the areas of acquisitions, development, operations, disposals and portfolio management.

Indicator	Purpose	Definition	Assessment
Acquisition and Development efficiency			
Gross initial yield	Performance against published market benchmarks	Annualised rent / property value	Comparison to data published by property consultants
Net initial yield	Efficiency of management costs as a function of design and construction	Annualised rent less non-recoverable property expenses/ property value plus purchaser's costs	Comparison with published data (assumes 25% management and maintenance costs)
Yield on Cost	Development efficiency spread to market expectations	Annualised rent/ Total Scheme Cost	Comparison to published data
Cumulative year breakeven	As above	first year that project turns cumulative cash positive and contributes positively to portfolio returns	As above
Investment Returns (long-terms financial returns)			
Net Present Value	Balance sheet value created Comparison of project efficiency	Financing period NPV and reversion NPV	Internal
IRR (project) (pre and post debt)	Economic profit and return to equity	IRR calculated	Internal
Debt underwriting for commercial loans			
Loan to Value (LTV)	Maximum level of lending commensurate with project risk profile	Loan amount/ property value	Internal
Debt Service Cover Ratio (DSCR)	Income cover over debt service liability	Net Operating Income/ Debt Service Payment	Internal
Risk analysis (project and portfolio)			
Sensitivity analysis (project & portfolio)	Key variable and impact on key investment indicators	NPV variance	Internal
Scenario analysis (project & portfolio)	Project stress testing showing impact of unexpected changes to key assumptions	Pessimistic Base (expected Optimistic	Internal

Operational Efficiency (fully stabilised and operational schemes)			
Operating Expense Ratio	Shows that operating expenses do not differ from market norms – i.e. 25% maximum or we should be managing the units	Operating expenses/ Gross Effective Income*	Internal
Break Even ratio	Ability of income to pay all expenses and debt service	(Operating expenses + debt service)/ Gross Effective Income	Internal
Net Operating Income definition	Key data to drive financial appraisal and project analysis	Gross Rental Value (plus other project income - ground rents etc) = Gross Potential Income Less voids & bad debts = Gross Effective Income Less operating costs (m&m costs) = Net Operating Income	

3.7 Strategies

The real estate investment portfolio will be diversified across property types appropriate for each eligible asset class. The strategy for each asset class will be consistent with institutional investment in real estate including:

- a) Property type diversification with asset classes
- b) Location and connectivity
- c) Design quality to maximise and retain asset value
- d) Tenancy and leasing occupation levels
- e) Return requirements: income return emphasis

3.8 Investment Life Cycle

Considering that the investment portfolio is in the early stages of being created the medium-term aim is to limit development exposure to 30% of the market value of operational schemes.

3.9 Liquidity

In line with Government policy real estate assets will be structured to allow future disposals and refinancing recognising that these assets fall into the relative illiquid private real estate market requiring specialist advice to facilitate liquidation.

3.10 Leverage

Notwithstanding that most investment schemes will be financed with 100% debt; the long-term aim is to reduce portfolio leverage to 55% for fully stabilised

assets. Higher levels of leverage will be considered for opportunistic and value-added investments on a case by case basis.

4 Reporting and Review

4.1 It is important to keep the investment criteria, guidelines and investment portfolio under regular review. A failure to do so could result in acquisitions and developments being made which do not reflect current market conditions and which could increase risks that operational assets under-perform relative to the market and each projects risk profile.

4.2 In line with Government investment guidance the investment strategy should be reported and approved by Cabinet and Council Assembly on an annual basis.

4.3 Review timetable

The Investment and Regeneration Strategy will be formally reviewed and monitored as follows as follows:

Annual review: the investment strategy will be formally reviewed and reported to Cabinet and Council Assembly annually.

Half-yearly review: progress in implementing the investment strategy will be reported to Cabinet every six months.

In addition, regular review of project acquisitions and investment management will be undertaken monthly by the Investment Panel and Capital & Assets Board.

4.4 Scope of Review

Each review will include assessment of the following:

- a) Impact of changes in the wider economy and specific investment markets on the Council's proposed acquisition and development programme, level of expected returns and potential for realising capital growth
- b) Performance of operational assets against forecast levels of return at both individual asset and portfolio levels.

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The Capital Prudential and Treasury Indicators 2019/20 – 2022/23

The Local Government Act 2003 requires a Council to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the Council's capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. It is also essential that, within the Council, there is an understanding of the risks involved and there is sufficient risk management undertaken for each investment undertaken.

The Prudential Code was revised in 2017 with the main changes being the inclusion of the Capital Strategy requirements and the removal of some indicators. To demonstrate the Council has met these objectives, the Prudential Code sets out a number of indicators that are monitored each year. These indicators are outlined in this report.

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the Prudential Indicators, which are designed to assist members overview and confirm capital expenditure plans. Capital expenditure is a summary of the Council's capital expenditure plans, both agreed previously and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts in Table 1:

Table 1: Capital Expenditure Forecast 2018/19 to 2022/23

Capital expenditure	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
Care & Support	1,618	400	400	400	0
Community Solutions	349	0	0	0	0
Core	2,652	2,195	2,122	0	0
Education, Youth & Childcare	53,572	38,375	12,621	7,425	0
Enforcement	1,314	911	300	0	0
Culture, Heritage & Recreation	6,261	1,900	940	300	155
Investment Strategy	58,129	1,000	0	0	0
Growth & Homes & Regeneration	38,160	4,216	300	300	300
My Place	6,496	4,000	0	0	0
Public Realm	935	3,125	50	50	0
SDI Commissioning	3,190	480	0	0	0
Investment and Acquisition Strategy	13,749	92,360	213,930	146,269	(39,617)
Transformation	7,793	400	350	0	0
HRA	90,352	63,727	61,610	55,610	56,000
Finance Lease & PFI Additions	96	112	144	184	201
Corporate Borrowing	133,036	110,432	217,837	146,764	(39,317)
Approved Capital Programme	284,570	213,089	292,623	210,354	16,838
Financed by:					
Capital Grants	60,119	38,530	12,776	7,580	155
Section 106	0	0	0	0	0
Revenue Contributions	900	400	400	400	0
Capital Receipts	163	0	0	0	0
HRA Contributions	90,352	63,727	61,610	55,610	56,000
Sub-Total	151,534	102,657	74,786	63,590	56,155
Net financing need for the year	133,036	110,432	217,837	146,764	(39,317)

The Council's borrowing requirement (CFR)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP), a statutory annual revenue charge, reduces the borrowing need in line with each asset's life. The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. Table 3 sets out the CFR until 2022/23 and are accumulative.

The Reside 1 costs are financed through an external lender via a Special Purpose Vehicle and is effectively self-financing.

The Council is asked to approve the CFR projections.

Table 3: Council's CFR 2018/19 to 2022/23

Capital expenditure	2018/19	2019/20	2020/21	2021/22	2022/23
	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
Capital Financing Requirement					
CFR – General Fund	293,739	292,747	285,267	274,095	457,647
Reside 1 – William Street	90,212	89,783	89,337	88,873	89,356
Reside 2 – Abbey Rd / Weavers	100,504	104,721	104,721	104,721	104,721
CFR – Housing	278,472	278,472	278,472	278,472	278,472
Total CFR	762,927	765,723	757,797	746,161	930,196
Movement in CFR	87,688	2,796	(7,926)	(11,635)	184,034
Movement in CFR represented by					
Net financing need for the year	133,036	110,432	217,837	146,764	(39,317)
Less MRP and other financing movements	(10,202)	(11,206)	(11,871)	(12,168)	(10,863)
Movement in CFR	122,834	99,226	205,966	134,596	(50,180)

1.1.1 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

General Fund Cost of Capital	2018/19	2019/20	2020/21
	Estimate	Estimate	Estimate
	£000	£000	£000
Net General Fund Base Budget	148,159	148,159	144,038
Cost of Capital			
GF Interest Payable	8,251	8,995	10,230
Treasury Income	(4,299)	(3,099)	(3,099)
Investment Income	(2,365)	(3,733)	(5,125)
Net Cost of Capital	1,587	2,163	2,006
Financing Cost to Net Revenue	1.07%	1.46%	1.39%

HRA Cost of Capital	2018/19	2019/20	2020/21
	Estimate	Estimate	Estimate
	£000	£000	£000
HRA Net Rental	42,290	45,880	46,140
HRA Interest Payable	9,692	10,059	10,059
Financing Cost to Net Revenue	22.92%	21.92%	21.80%

The estimates of financing costs include current commitments and the proposals in this budget report.

b. HRA ratios

	2018/19	2019/20	2020/21
	Estimate	Estimate	Estimate
	£000	£000	£000
HRA debt £m	278,472	278,472	278,472
Number of HRA dwellings	17,148	16,928	16,708
Debt per dwelling £	16.2	16.5	16.7

3. Treasury indicator and limit for investments greater than 364 days.

The limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment. They are based on the availability of funds at yearend. The maximum principal sums invested greater than 364 days is high to allow the treasury section to manage the significant cashflows expected as a result of the Council's AThe Council is asked to approve the treasury indicator and limit:

£'000s	2019/20	2020/21	2021/22	2022/23
Maximum principal sums invested > 364 days	350,000	250,000	200,000	200,000

4. Treasury Indicators: Limits to Borrowing Activity

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

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

The Council is asked to approve the following treasury indicators and limits:

Interest rate exposures	2019/20	2020/21	2021/22
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	70%	70%	70%
Limits on fixed interest rates:			
• Debt only	100%	100%	100%
• Investments only	90%	90%	90%
Limits on variable interest rates			
• Debt only	70%	70%	70%
• Investments only	80%	80%	80%

Maturity structure of fixed interest rate borrowing 2019/20		
	Lower	Upper
Under 12 months	0%	40%
12 months to 2 years	0%	60%
2 years to 5 years	0%	70%
5 years to 10 years	0%	70%
10 years and above	0%	100%

Maturity structure of variable interest rate borrowing 2019/20		
	Lower	Upper
Under 12 months	0%	40%
12 months to 2 years	0%	40%
2 years to 5 years	0%	70%
5 years to 10 years	0%	70%
10 years and above	0%	80%

5. Treasury Indicators: Limits to Borrowing Activity

- 5.1 **The Operational Boundary** - this is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing. Given the uncertainty around the borrowing requirement resulting from the Council's IAS Programme, a margin has been included in these figures to reflect potential additional borrowing above the current CFR.

Operational boundary	2018/19	2019/20	2020/21	2021/22
£'000s	Approved	Estimate	Estimate	Estimate
Borrowing	1,002	1,052	1,152	1,250

- 5.2 The Authorised Limit for external borrowing** – this represents a control on the maximum level of borrowing, with a limit set, beyond which external borrowing is prohibited. This limit must be set or revised by the full Council. The limit set includes a margin for borrowing to fund the Council’s property investments.

It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is also a statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils’ plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following Authorised Limit:

Authorised Limit	2018/19	2019/20	2020/21	2021/22
£'000s	Approved	Estimate	Estimate	Estimate
Borrowing	1,102	1,152	1,252	1,352

- 5.3 HRA CFR** – with the proposed removal of the HRA debt limit the HRA CFR will be reviewed. The figures below are based on the previous debt limit:

HRA Debt	2018/19	2019/20	2020/21	2021/22
£'000s	Approved	Estimate	Estimate	Estimate
Total	277.649	277.649	291,599*	291,599*

* The HRA debt cap was set at £277.649m after the Council was given approval to exceed this by £3.2m and by a further £10.75m, making the potential total cap of £291,599 onwards from 2020/21.

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Minimum Revenue Provision Policy Statement

Background

1. Minimum Revenue Provision (MRP) is statutory requirement for a Council to make a charge to its General Fund to make provision for the repayment of the Council's past capital debt and other credit liabilities. The Council is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). MRP does not need to be set aside for the Housing Revenue Account (HRA).
2. The scheme of MRP was set out in former regulations 27, 28 and 29 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. This system was radically revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. The revised regulation 28 replaced a requirement that local authorities calculate the MRP pursuant to detailed calculations with a duty to make prudent MRP.
3. The Council is under a statutory duty "to determine for the current financial year an amount of MRP which it considers to be prudent". Local authorities are asked by the Secretary of State "to prepare an annual statement of their policy on making MRP for submission to their full Council". This forms part of the Treasury Management Strategy (TMSS) approved by full council at least annually.
4. In determining a prudent level of MRP the Council is under a statutory duty to have regard to statutory guidance on MRP issued by the Secretary of State. The Guidance provides four options which can be used by the Council when determining its MRP policy and a prudent amount of MRP. The Council however can depart from the Guidance if it has good reason to do so. This policy is consistent with the Guidance. The options do not change the total MRP the council must pay over the remaining life of the capital expenditure; however, they do vary the timing of the MRP payment.
5. MRP adjustments and policies are subject to annual review by external audit.
6. The Chief Operating Officer (COO) has delegated responsibility for implementing the Annual MRP Statement. The COO also has executive, managerial, operational and financial discretion to determine MRP and any practical interpretation issues.
7. A prudent level of MRP on any significant asset or expenditure may be assessed on its own merits or in relation to its financing characteristics in the interest of affordability or financial flexibility.
8. The COO may make additional revenue provisions, over and above those set out, and set aside capital receipts, balances or reserves to discharge financing liabilities for the proper management of the financial affairs of the HRA or the general fund. The COO may make a capital provision in place of any revenue MRP provision.
9. This MRP Policy Statement has been revised to consider the Council's recently agreed investment strategy, which requires the use of MRP to be outlined in more detail, as well as to agree additional MRP options that are available for long-term property investments.

General Fund Supported Capital Expenditure or Capital Expenditure incurred before 1 April 2008

10. In relation to capital expenditure for which support forms part of the calculation of revenue grant by the government or any capital expenditure incurred before 1 April 2008, the MRP shall be calculated in accordance with the Local Authorities CFR Regulations 2003 as if it had not been revoked. In arriving at that calculation, the CFR shall be adjusted as described in the guidance.
11. In addition, the calculation method and the rate or the period of amortisation referred to in the guidance may be varied by the COO in the interest of affordability.
12. The methodology applied to pre-2008 debt remains the same and is an approximate 4% reduction in the borrowing need (CFR) each year. A review of this methodology will be carried out and reported for the Treasury Management Strategy Statement report in February 2018.

General Fund Self- Financed Capital Expenditure from 1 April 2008.

13. Where capital expenditure incurred from 1 April 2008 is on an asset financed wholly or partly by self-funded borrowing, the MRP is to be made in instalments over the life of the asset. The calculation method and the rate or the period of amortisation shall be determined by the COO.
14. The COO shall determine how much and which capital expenditure is funded from borrowing and which from other sources. Where expenditure is only temporarily funded from borrowing in any one financial year and it is intended that its funding be replaced with other sources by the following year, no MRP shall apply. Nor shall any annual MRP apply where spend is anticipated to be funded from capital receipts or grants due in the future but is in the meantime funded from borrowing, subject to a maximum of three years or the year the receipt or grant is received, if sooner.
15. The asset life method shall be applied to borrowing to meet expenditure from 1 April 2008 which is treated as capital expenditure by either a direction under section 16(2) of the 2003 Act or regulation 25(1) of the 2003 Regulations. The COO shall determine the asset life. When borrowing to construct an asset, the asset life may be treated as commencing in the year the asset first becomes operational and postpone MRP until that year.
16. Where capital expenditure involves repayable loans or grants to third parties no MRP is required where the loan or grant is repayable. By exception, based on a business case and risk assessment, this approach may be amended at the discretion of the COO.
17. Where capital expenditure involves a variety of works and assets, the period over which the overall expenditure is judged to have benefit over shall be considered as the life for MRP purposes. Expenditure arising from or incidental to major elements of a capital project may be treated as having the same asset life for MRP purposes as the major element itself. An estimate of the life of capital expenditure may also be made by reference to a collection or grouping of expenditure type or types.

Loans to Special Purpose Vehicles

18. As part of its Investment and regeneration programme, the Council will use several Special Purpose Vehicles (SPV) held through Reside to manage its property regeneration schemes. This will require the Council borrowing to provide funding for the SPV and for the SPV to repay the loan based on the cashflow forecast to be generated from the properties.
19. MRP using the annuity method will be charged over a period of 50 years for each scheme. An MRP period of 25 years will be used for modular / prefabricated properties. The MRP will therefore reflect the repayment profile of the SPV to the Council and any borrowing made by the Council will be made to match the cashflow requirements of the SPV.
20. For each IAS scheme a set two-year stabilisation period will be used, although this can be extended, with the agreement of the COO, to three years in cases where there are significant pressures on a scheme's cashflow. A stabilisation period for each scheme is required to:
 - allow sufficient funds to cover any additional costs;
 - allow the property to be fully let; and
 - cover any initial letting and management costs.
21. The MRP annuity method makes provision for an annual charge to the General Fund which takes account of the time value of money (whereby paying £100 in 10 years' time is less of a burden than paying £100 now). The annuity method also matches the repayment profile to how the benefits of the asset financed by borrowing are consumed over its useful life (i.e. the method reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years). This re-profiling of MRP therefore conforms to the DCLG "Meaning of Prudent Provision" which provides that "*debt [should be] repaid over a period that is reasonably commensurate with that which the capital expenditure provides benefits*".
22. Subsequently, where an investment property is operational and has been valued at sufficiently more than its net cost, as at each financial year end, at the discretion of the COO, no MRP will need to be set aside during that year. A key consideration of the COO will be if the property can be sold in an open market and that sale will potentially take place within a five-year period. Any MRP that has already been set aside for the investment property will be retained as a reserve against the property. For subsequent years a revaluation of the property will need to be completed. Where the asset is valued at less than its net cost, then MRP, net of any MRP already charged and based on the remaining life of the asset, will need to be set aside.

PFI, leases

23. In the case of finance leases, on balance sheet private finance initiative contracts or other credit arrangements, MRP shall be the sum that writes down the balance sheet liability. These are being written down over the PFI contract term.

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Scheme of Delegation and Section 151 Officer Responsibilities

Treasury management scheme of delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit; and
- recommending the appointment of external service providers.

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CABINET**18 February 2019**

Title: Pay Policy Statement 2019/20	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: (None)	Key Decision: No
Report Author: Gail Clark, Head of Workforce Change	Contact Details: Tel: 0208 724 3543 E-mail: gail.clark@lbbd.gov.uk
Accountable Strategic Leadership Director: Fiona Taylor, Director of Law and Governance	
<p>Summary</p> <p>Under the terms of the Localism Act 2011 the council must agree, before the start of the new financial year, a pay policy statement covering chief officer posts. The Act also sets out the matters which must be covered in the policy.</p> <p>The council's draft Pay Policy Statement for 2019/20, attached at Appendix A, sets out the expected position at 1 April 2019.</p> <p>The report also seeks Cabinet's approval to apply the uplift in the London Living Wage with effect from 5 November 2018, which increased the minimum hourly rate of pay from £10.20 to £10.55 per hour.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree the implementation of the London Living Wage increase from £10.20 to £10.55 per hour for employees and apprentices operating in service areas covered by Green Book Terms and Conditions; and (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2019/20 as set out at Appendix A to the report, for publication on the Council's website with effect from April 2019. 	
<p>Reason(s)</p> <p>Under the terms of the Localism Act 2011 the Council must agree a pay policy statement in advance of the start of each financial year</p>	

1. Introduction and Background

- 1.1 Section 38(1) of The Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for senior officers (Chief Officers) to be agreed by all councillors at an Assembly meeting before the beginning of each financial year. This policy is timetabled to go to the Assembly on 27th February 2019.
- 1.2 The council produced its first Pay Policy Statement for the 2012/13 financial year in accordance with the Localism Act 2011. The definition of Chief Officer covers the Chief Executive, Chief Operating Officer, Directors, Commissioning and Operational Directors. The matters that must be included in the pay policy statement are as follows:
- The level and elements of remuneration for each Chief Officer.
 - The remuneration of its lowest paid employees (together with its definition of 'lowest paid employee' and the reasons for adopting that definition).
 - The relationship between the remuneration of its Chief Officers and other officers.
 - Other specific aspects of chief officer's remuneration: remuneration on recruitment, increase and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.
 - The Localism Act defines remuneration widely to include not just pay but also charges, fees, allowances, benefits in kind.
 - Enhancements of pension entitlement and termination payments.
- 1.3 The Pay Policy statement:
- Must be approved by the full council (Assembly).
 - Must be approved by the end of March each year.
 - Can be amended in year.
 - Must be published on the council's website (and in any other way the Council chooses).
 - Must be complied with when the council sets the terms and conditions for a chief officer

2. Proposal and Issues

- The proposal is to publish the Pay Policy as attached which ensures that the council is able to discharge its statutory duty as set out in the Localism Act.
- To increase the rate of pay for green book apprentices to ensure that they are paid the London Living Wage as a minimum.

3. Options Appraisal

- 3.1 The council is required to publish its pay policy and there is no alternative option to be appraised.
- 3.2 The Council has benchmarked its pay ratios against 9 other London Boroughs¹. The pay ratios in the policy indicate how many times higher the highest salary is

¹ Benchmark Data obtained from 2018/2019 published pay policies for LB Brent, LB Havering, LB Redbridge, LB Islington, LB Tower Hamlets, LB Waltham Forest, LB Hackney, LB Haringey, LB Bexley.

than the lowest and median salary. The pay ratio is calculated by dividing the highest salary by the lowest salary.

Example:	<i>Highest salary is 100k</i>	<i>Lowest Salary is 20k</i>
	<i>100k ÷ 20k = 5 therefore ratio would be 1:5</i>	

- The Council's Highest to Lowest salary ratio is 1:8.55 compared to 1:9.68 of the benchmark data. The highest salary is 8.55 times higher than the lowest salary.
- The council's highest to median salary ratio is 1:5.79 compared to 1:5.88 of the benchmark data. The highest salary is 5.79 times higher than the median salary. The median salary is the identified as the salary that sits at the middle of the entire range of employee salaries.
This benchmarking exercises identifies that Barking and Dagenham's pay ratios are comparable with the other London Boroughs selected as part of this exercise.
- When comparing the pay ratios against those from private industry in the FTSE 100, in 2016 the highest salary was 129 times that of the lowest salary; and in 2015 it was even higher at 148 times higher than the lowest salary.²

3.3 The council has previously given a commitment to ensure that it pays at minimum, the London Living Wage. The 2019/2020 pay policy continues with this commitment.

3.4 The number of Chief Officer positions in place at the 1st April 2019 remains the same as those in place at 1st April 2018. It is projected that changes already implemented in 2018/19 and further changes already planned for 2019/20 will further contribute to the reduction in the senior management costs.

4. Consultation

4.1 No consultation is required in respect of this matter.

4.2 The proposals in this report were considered and endorsed by the Workforce Board at its meeting on 16 January 2019.

5. Financial Implications

Implications completed by: Katherine Heffernan – Group Manager - Finance

The council's lowest pay rate for employees currently exceeds the London Living wage rate and therefore there is no financial impact from approving this recommendation. In increasing the rate of pay for apprentices to the London Living Wage introduces an average increase of circa £800 per apprentice with a total cost based upon the existing apprentice numbers of £18,122 per year. This will be managed within existing staffing budgets.

² CIPD and High Pay Centre Analysis <https://www.personneltoday.com/hr/executive-pay-ratio-regulations-come-before-parliament/>

6. Legal Implications

Implications completed by: Paul Field, Senior Employment Lawyer.

- 6.1 The Pay Policy sets out clearly and concisely the Authority's approach to Pay. There are no legal implications as the Policy and the approach which it outlines are consistent with employment law and HR best practice.

7. Other Implications

- 7.1 **Contractual Issues** – This makes no changes to employee's contractual position.

- 7.2 **Staffing Issues** - The staffing issues are fully explored within the main body of the report. There is no requirement to consult with the trade unions on this policy.

- 7.3 **Corporate Policy and Equality Impact** – The Council's approach to pay is based on the use of established job evaluation processes to determine the salary for individual roles, eliminating the potential for bias in the process

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

List of appendices:

- Appendix A – Pay Policy Statement 2019/20

LONDON BOROUGH OF BARKING AND DAGENHAM**PAY POLICY STATEMENT 2019/20****1. Introduction – Requirement for Council Pay Policy Statement**

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement to be agreed by Members before the beginning of each financial year. The Act does not apply to local authority schools. This document meets the requirements of the Act for the London Borough of Barking and Dagenham. This Pay Policy Statement presents the expected position at 1 April 2019.
- 1.2 The provisions of the “Act” require that councils are more open about their own local policies and how their local decisions are made. The Code of Recommended Practice for Local Authorities on Data Transparency enshrines the principles of transparency and asks councils to follow three principles when publishing data they hold: responding to public demand, releasing data in open formats available for re-use, and, releasing data in a timely way. This includes data on senior salaries and the structure of the workforce.

2. Organisational Context

- 2.1 The council continues to recognise that if it is to serve its communities well and deliver the agreed vision and objectives, it needs to attract and retain talented people at all levels of the organisation.
- 2.2 The council continues to ensure that its Leadership Team is structured to deliver the outcomes of the Ambition 2020 programme and Growth Commission recommendations.
- 2.3 This 2019 / 2020 Pay Policy Statement confirms that that the number of chief officer posts has remained unchanged from April 2018 as the council continues with the implementation and embedding of its new service delivery blocks.

3. Pay and Reward Principles

- 3.1 The approach to pay and reward continues to be based on the following principles:
- Pay levels are affordable for the council, at a time when it is making some very difficult decisions about spending on services to the community;
 - The council can demonstrate fairness and equity in what it pays people at different levels and in different parts of the council; and
 - Pay is set at levels which enable the council to recruit and retain the quality of staff needed to help achieve its objectives at a time of financial hardship.
- 3.2 Pay levels are determined through “job evaluation”. For staff at PO6 and below, the council generally uses the Greater London Provincial Council job evaluation

system. For posts at PO7 and above, the HAY job evaluation system is used. Each system assesses the relative “size” of the role against a range of criteria, relating to its complexity, the number of resources managed, and the knowledge required to undertake the role.

- 3.3 Pay rates are generally set against the national pay spine agreed by the National Joint Council, although there are local pay points at the top of the LBB D pay scale. The council has committed to pay no less than the “London Living Wage” to its own staff or agency workers working with the council. The “London Living Wage” hourly rate increased to £10.55 from £10.20 with effect from 5 November 2018¹. The council continues to ensure that it pays its employees and apprentices at or above the London Living Wage.

4. Defining “Chief Officers”

- 4.1 At the start of the 2019/20 financial year, the council expects to have within its structure the following Chief Officer posts:

- Chief Executive (and Head of Paid Service)
- Chief Operating Officer & Deputy Chief Executive (and Section 151 Officer)
- Director, Law and Governance (and Monitoring Officer)
- Director, Policy and Participation
- Director, Inclusive Growth
- Director, People and Resilience
- Director of Community Solutions
- Director of My Place
- Director, Transformation
- Finance Director
- Director of Public Health
- Commercial Director
- Commissioning Director, Children’s Care and Support
- Commissioning Director, Adults’ Care and Support
- Commissioning Director, Culture and Recreation
- Commissioning Director, Education
- Operational Director, Enforcement & Community Safety
- Operational Director, Adults Care and Support
- Operational Director, Children’s Care and Support

5. Accountability for Chief Officers Pay

- 5.1 The pay arrangements for chief officers are overseen by the JNC Appointments, Salaries and Structures Panel, appointed by the council’s Assembly.

6. Current Pay Policy and Base Pay Rates

6.1 Setting Salary Levels

- 6.1.1 Chief Officer roles are evaluated using the HAY job evaluation system. There is a commitment to review salary levels about every three years. In undertaking

¹ <https://www.livingwage.org.uk/>

reviews, account is taken of the market, particularly the market in London, to ensure the council can compete successfully for the talent it needs to lead and manage in the current challenging environment.

- 6.1.2 The salary benchmarking information comes from the London Councils' Chief Officers Salary Survey. The latest information held is from 2017. There were 32 responses to this survey among London Boroughs. The median rates of pay for roles in London, based on the information from the survey, were as follows:

	Median
Head of Paid Service / Chief Executive	£199,615
Tier 1 Managers	£141,118
Tier 2 Managers	£120,850

This benchmark data is based upon basic pay plus additional payments such as performance related pay or bonus payments.

- 6.1.3 The council is contractually obliged to apply nationally agreed pay awards for Chief Officer grades.

6.2 Chief Executive

- 6.2.1 The salary for the Chief Executive, agreed at appointment in November 2014, was £165,000. This has increased each year only in line with nationally negotiated pay awards.

6.3 Chief Officer Pay Range

- 6.3.1 The Chief Officer pay structure was last reviewed in 2013. The pay levels have increased in line with nationally negotiated pay awards in April each year. There are no proposals to review this pay range in 2019/20. The pay range from April 2019 is as follows:

CO1	£85,240
CO2	£97,172
CO3	£107,401
CO4	£115,324
CO5	£127,358
CO6	£139,836
CO7	£152,366

- 6.3.2 It is appropriate for there to be some differentiation in pay levels at Chief Officer level because of the differing risk and responsibility being carried at that level.

- 6.3.3 The table below sets out the salaries of the chief officer posts referred to in paragraph 4.1 above:

Position	Grade of Post	Salary cost to LBBD
Chief Executive (and Head of Paid Service)	Individual spot salary	£175,117
Chief Operating Officer	CO7	£152,366
Director of Public Health	Individual spot salary	£95,267
All other Directors & Operational and Commissioning Directors	CO2 – CO6	£97,172 – £139,836

7. Contingent Pay

- 7.1 The council pays its Chief Officers a spot salary. There is no element of performance pay nor are any bonuses paid. No overtime is paid to Chief Officers. There are no lease car arrangements. A market supplement of £11,602 is paid to the Operational Director – Children’s Care and Support. This payment was agreed based on a full review of benchmark data as part of the recruitment exercise in 2018.

8. Pensions

- 8.1 All council employees are eligible to join the Local Government Pension Scheme. The council does not enhance pensionable service for its employees either at the recruitment stage or on leaving the service, except in certain cases of retirement on grounds of permanent ill-health where the strict guidelines specified within the pension regulations are followed.

9. Other Terms and Conditions

- 9.1 Employment conditions and any subsequent amendments are incorporated into employees’ contracts of employment. Chief Officer contracts state:

“Your terms and conditions of employment are as set out in the Joint Negotiating Committee for Chief Officers of Local Authorities handbook, as adopted by the Authority, unless otherwise indicated in this statement.

From time to time, variations in terms and conditions of employment will be negotiated and agreed at national or local level with the union or unions recognised by the Authority as representing your employment group. Where these are adopted by the Authority, they will, within a period of 28 days from the date of the change, be separately notified to you or otherwise incorporated in the documents to which you have reference.”

- 9.2 The council’s employment policies and procedures and terms and conditions are reviewed on a regular basis in the light of service delivery needs and any changes in legislation.

10. Election Expenses

- 10.1 The fees paid to council employees for undertaking election duties vary according to the type of election they participate in and the nature of the duties and responsibilities they undertake. All election fees paid are additional to council salary and are subject to normal deductions of tax.
- 10.2 Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements but fees paid to them for national elections / referendums are paid in accordance with the appropriate Statutory Fees and Charges Order.

11. Termination / Severance Payments

- 11.1 Employees who leave the council, including the Chief Executive and Chief Officers, are not entitled to receive any payments from the council, except in the case of redundancy or retirement as indicated below.

12. Retirement

- 12.1 Employees who contribute to the Local Government Pension Scheme who elect to retire at age 60 or over or who are retired on redundancy or efficiency grounds over age 55 are entitled to receive immediate payment of their pension benefits in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme with the permission of the council in specified circumstances from age 55 onwards and on grounds of permanent ill-health at any age.
- 12.2 The council will consider applications for flexible retirement from employees aged 55 or over on their individual merits and in the light of service delivery needs.

13. Redundancy

- 13.1 Employees who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on their actual salary. The standard London Borough of Barking and Dagenham redundancy scheme applies to all officers. The scheme has redundancy multipliers which provide for a maximum of 30 week's pay for staff whose continuous service date is after 1 January 2007 and a maximum of 45 week's pay for staff with a continuous service date of prior to 1 January 2007. Both multipliers are based upon length of service.

14. Settlement Agreements

- 14.1 Where an employee leaves the council's service in circumstances which are, or would be likely to, give rise to an action seeking redress through the Courts from the council about the nature of the employee's departure from the council's employment, or where an existing employee has an employment dispute with the council which may give rise to the litigation, the council may settle such claims by way of a settlement agreement where it is in the council's interests to do so. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Legal advice will be sought in all cases.

15. Fairness and Equality

Pay Ratios

- 15.1 It was agreed as of 1 January 2013 that no directly employed permanent employee should be paid less than the London Living Wage. This supports the council's ambition to raise average local household incomes and reflects its commitment to pay fairness. The council has also agreed that this should apply to all agency staff working on council assignments. This minimum rate increased to £10.55 per hour (equivalent to an annual salary of £19,523) with effect from November 2018. The 2019/2020 London Pay Award will increase the lowest paid employee in Barking and Dagenham Council to £20,466, subject to local implementation of the GLPC New London Pay Spine.
- 15.2 Based on this figure, the Council's pay multiple - the ratio between the highest paid employee (the Chief Executive) and lowest paid employee - is 1:8.55 (1:9.4 in 2017/18).
- 15.3 The ratio between the Chief Executive's salary level and the median salary figure for all employees in the Council is 1:5.79. The median annual salary for all employees for 1 April 2019 is projected to be £30,213 per annum, with the average salary being £33,027. Both median and average salaries based upon the 2019 – 2020 salary rates, subject to local implementation of the GLPC New London Pay Spine and are full time equivalent and are adjusted according to individual contractual arrangements.
- 15.4 Across London the average ratio between the highest and median salaries is 1 to 7, based on a Chief Executive's average of £181,500 (taken from London Councils' 2017 Senior Staff Pay Data).

16. Any Additional Reward Arrangements

- 16.1 No additional reward arrangements are in place.

CABINET**18 February 2019**

Title: Corporate Plan 2018-2022 – Quarter 3 Performance Reporting	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Laura Powell, Policy and Partnerships Officer	Contact Details: Tel: 020 227 2517 E-mail: laura.powell@lbbd.gov.uk
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>The new Corporate Plan 2018-2022 articulates the Council's vision and priorities for the next four years, following a period of significant change and service transformation. To support this, it was recognised that the Council's Corporate Performance Framework needed to evolve to support and monitor our progress and service delivery, as a new kind of council.</p> <p>The framework demonstrates how the Council will achieve the long-term vision for the borough as set out in the Borough Manifesto, by focusing on clearly defined medium and short-term targets, alongside output measures and budgetary information that monitor vital indicators of service transformation.</p> <p>Each component of the performance framework being has been aligned to Cabinet Member portfolios to ensure that the Council's performance is effectively managed and service delivery remains on track. As a key element of the framework, the development of the Key Accountabilities and Key Performance Indicators (KPIs) has been carried out in collaboration with senior officers and Cabinet Members.</p> <p>Cabinet is presented with a Quarter 3 2018/19 performance update against the Key Performance Indicators (KPIs) and Key Accountabilities, which will continue to be reported quarterly to Corporate Performance Group (CPG) and Cabinet throughout the coming year.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note progress against the Key Accountabilities as detailed in Appendix 1 to the report; (ii) Note performance against the Key Performance Indicators as detailed in Appendix 2; and (iii) Agree any actions to address areas of deteriorating performance. 	
<p>Reason(s)</p> <p>To assist the Council in achieving its priority of a "Well run organisation".</p>	

1. Introduction and Background

- 1.1 Over the past few years, the Council has undergone a period of significant change, which has focused on establishing a new kind of council that transforms the way we deliver our services, as well as facilitate a change in the relationship we have with our residents.
- 1.2 In consultation with residents, we have shaped and defined the vision for Barking and Dagenham, with aspirations and outcomes clearly articulated through the production of the Borough Manifesto. These long-term outcomes provide a clear direction for the Council over the coming years.
- 1.3 The new Corporate Plan 2018-2022 was developed to clearly articulate the Council's vision and priorities over the next four years, as we continue our journey and the Council's transformation programme begins in earnest.
- 1.4 The Corporate Plan is a key part of the Council's strategic planning, delivery and accountability framework. The development of a Corporate Plan ensures the Council's contribution to achieving its vision and priorities is co-ordinated, and achievable and that it is resourced in line with the Medium-Term Financial Strategy. It allows both Members and residents to measure progress in the Council's delivery of its vision and priorities

2 Corporate Performance Framework 2018-2022

- 2.1 The corporate performance framework demonstrates how the Council will achieve the long-term vision for the borough as set out in the Borough Manifesto, by focusing on clearly defined medium and short-term targets, alongside output measures and budgetary information that monitor vital indicators of service transformation.
- 2.2 The measures and clearly defined targets of the Borough Manifesto have been developed to assess the progress being made against the Barking and Dagenham vision and aspirations. The targets are the overarching long-term outcomes that the Council is striving to achieve and sit at the highest level of our corporate performance framework. They will be monitored on annual basis through the Barking and Dagenham Delivery Partnership (BDDP).
- 2.3 The Corporate Plan sets out the Council's contribution over the next four years to deliver the Borough Manifesto. The supporting Key Performance Indicators (KPIs) and Key Accountabilities are those medium-term measures that will drive improvement and will be reported to Cabinet on a quarterly basis. Given their lifespan and supporting targets, if achieved, we will have progressed a quarter of the way to achieving the vision for the borough.
- 2.4 Commissioning Mandates and Business Plans feature performance indicators that will continue to show the overall health of services whilst remaining focussed on achieving outcomes for residents.

3 Key Accountabilities 2018/19

- 3.1 Through the development of the Corporate Plan a number of Key Accountabilities have been identified that provide a clear link to how the Council will deliver the vision and priorities, focusing on key deliverables for the coming year.
- 3.2 The Key Accountabilities (Appendix 1) are a key element of the corporate performance framework and are reported to Cabinet on a quarterly basis. They are also used as a key aid for discussions at Cabinet Member Portfolio meetings.

4 Corporate Plan Key Performance Indicators

- 4.1 Through the development of the Corporate Plan, clear medium and short-term targets have been identified and are defined as the Council's Key Performance Indicators (KPIs).
- 4.2 Through quarterly performance reporting at Cabinet, Cabinet Members are able to keep track of our progress against agreed performance targets, and ultimately, our progress against delivery of the vision and priorities.
- 4.3 This report provides a performance update at Quarter 3 (1st April 2018 – 31st December 2018) against the key performance indicators for 2018/19 (Appendix 2).
- 4.4 The KPIs are reported with a RAG rating, based on performance against target. Where relevant, in-year targets have been set to take into account seasonal trends / variations, as well as provide performance milestones. Assessing performance against in-year targets will make it easier to identify progress at each quarter, allowing for actions to be taken to ensure performance remained on track with the aim of reaching the overall target for the year.

5 Performance Summary - Key Performance Indicators

- 5.1 To report the latest performance in a concise manner, a number of symbols are incorporated in the report. Please refer to the table below for a summary of each symbol and an explanation of their meaning.

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

- 5.2 The table below provides a summary at Quarter 3 2018/19 of the direction of travel for all KPIs. Depending on the measure, direction of travel is determined by comparing performance with the same period last year (Quarter 3 2017/18), or performance from the previous reporting period (Quarter 2 2018/19). This should be considered in the context of significant budget reductions and our continuation to improve services.

Direction of travel			
↑	↔	↓	N/A
26 (50%)	1 (2%)	20 (38%)	5 (10%)

- 5.3 The following table provides a summary of the number of indicators with either a Red, Amber or Green rating, according to their performance against the 2018/19 target.

RAG Rating against 2018/19 target			
G	A	R	N/A
15 (29%)	19 (36.5%)	5 (9.5%)	13 (25%)

Key Performance Indicators – Rated Not Applicable (n/a)

- 5.4 At Quarter 3, some indicators have been allocated a Direction of Travel, or RAG Rating of 'Not Applicable'. The reasons for which are set out in the tables below.

Reason for Not Applicable Direction of Travel	Number of indicators
New indicator for 2018/19 / Historical data not available	2
Awaiting data	3

Reason for Not Applicable RAG rating	Number of indicators
Good performance neither high or low – no target set	7
Awaiting data / target	6

6 Focus on Performance

- 6.1 For Quarter 3 2018/19 performance reporting, focus has been given to a selection of indicators which are presenting good performance against target or areas where performance is showing a level of deterioration since last year and falling short of the target. It is hoped that by focusing on specific indicators, senior management and Members will be able to challenge performance and identify where remedial action may be required.

6.2 Improved Performance

The total number of households prevented from being homeless

As of Quarter 3, 1,023 households who approached the service were successfully prevented from becoming homeless. This is a 136% increase in the number of households helped compared to the same period last year (Quarter 3 2017/18).

There is ongoing development of staff and service to provide alternative solutions to homelessness alongside an improvement of relationships with internal and external partners to communicate the prevention agenda.

As we continue, in line with new ways of working and with new legislation via the Homelessness Reduction Act, the ambition is to work and support all households with the ambition of preventing homelessness by providing alternative housing solutions as oppose to having to procure and provide expensive temporary accommodation.

6.3 Areas for Improvement

The percentage of healthy lifestyles programmes completed

In July–August 2018, 264 people started programmes and 118 of those completed them (44.7%). This compares with 67.7% in July–August 2017. This is due to Adult Weight Management coaches resigning and leaving in the middle of the programme which resulted in a reduced number of completions.

No children's programmes began in July or August 2018 (or July or August 2017); all participants were enrolled on adults' programmes. Moving forward, more places have been made available in classes to increase class sizes and benefit group dynamics.

A meeting is being arranged with the providers of the diabetes prevention programme to align programmes and ensure that this new provision does not affect LEAN Living referrals.

The Community Health Champions' involvement in LEAN Living sessions has been reinvigorated and a consultant has been commissioned to review the Exercise on Referral processes and develop a list of recommendations to improve the provision.

7. Consultation

- 7.1 The data and commentary in this report were considered and endorsed by the Corporate Performance Group at its meeting on 24 January 2019.

8. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance

- 8.1 There are no specific financial implications as a result of this report; however, in light of current financial constraints it is imperative that Officers ensure that these key performance indicators are delivered within existing budgets. These budgets

will be monitored through the existing monitoring process to identify and address potential issues and also any benefits as a result of improved performance on a timely basis.

9. Legal Implications

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

- 9.1 The delivery of the vision and priorities will be achieved through the key accountabilities and monitored quarterly. As this report is for noting, there are no legal implications.

10. Other Implications

- 10.1 **Risk Management** - There are no specific risks associated with this report. The corporate plan report and ongoing monitoring will enable the Council to identify risks early and initiate any mitigating action. The Council's business planning process describes how risks are mitigated by linking with the corporate risk register.
- 10.2 **Contractual Issues** - Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt with in individual project plans.
- 10.3 **Staffing Issues** – There are no specific staffing implications.
- 10.4 **Corporate Policy and Equality Impact** - The vision and priorities give a clear and consistent message to residents and partners in Barking and Dagenham about the Council's role in place shaping, community leadership and ensuring no-one is left behind. The key accountabilities and KPIs monitored allow the Council to track delivery ensuring resources and activity are effectively targeted to help achieve the vision and priorities.
- 10.5 **Safeguarding Adults and Children** - The priority **Empowering People** encompasses activities to safeguard children and vulnerable adults in the borough. The Council monitor a number of indicators corporately which relate to Children's safeguarding and vulnerable adults. By doing so the Council can ensure it continues to discharge its duties.
- 10.6 **Health Issues** - The priority **Empowering People** encompasses activities to support the prevention and resolution of health issues in the borough and is delivered through the Health and Wellbeing Board. The borough has a number of health challenges, with our residents having significantly worse health outcomes than national averages, including lower life expectancy, and higher rates of obesity, diabetes and smoking prevalence. Although delivery of health services is not the responsibility of the Council, together with health partners the Council is committed to tackling the health issues prevalent in the borough.
- 10.7 **Crime and Disorder Issues** - The priority **Citizenship and Participation** encompasses activities to tackle crime and disorder issues and will be delivered through the Community Safety Partnership. Whilst high level indicators provide Cabinet with an overview of performance, more detailed indicators are monitored locally. Data for the borough shows that Barking and Dagenham is a relatively safe

borough with low crime. There is some work for the Council and partners to do to tackle the perception of crime and safety.

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

List of appendices:

- **Appendix 1:** Progress against Key Accountabilities 2018/19
- **Appendix 2:** Key Performance Indicators – Performance at Quarter 3 2018/19

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What we will deliver in 2018/19

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
Community Leadership and Engagement		
Deliver the Cohesion Strategy and dedicate Faith Policy.	Tom Hook	<p>The cohesion and integration strategy is scheduled for Cabinet in April 2019 and Faith Policy for May 2019. Progress to date includes:</p> <ul style="list-style-type: none"> • Engagement with internal stakeholders, Barking and Dagenham Delivery Partnership VCS and residents • An Interfaith Platform has been commissioned and the contract awarded to Faith and Belief Forum (FBF). FBF supported interfaith week and have begun engagement around the faith policy • Work with the existing faith forum continues. • Ongoing programme supporting Madrassah's with Faith Associates
Implement the Connected Communities Fund and the Counter Extremism Programmes.	Tom Hook	<p>Funding of £1.4 has been allocated to Barking and Dagenham for the Connected communities programme. To date:</p> <ul style="list-style-type: none"> • Interfaith Platform provider is developing the faith policy; Community Amplifiers have been recruited and are beginning outreach work; Youth Arts Platform providers being interviewed • First Quarterly Evaluation Meeting a success, IPSOS MORI have chosen the borough as site of evaluation • The first Creative English classes ran in November however referral pathways need to be improved to optimise the resource <p>Counter extremism programme:</p> <ul style="list-style-type: none"> • Three B&D groups have received BSBT funding to deliver projects • Communication continued through Belief in Barking & Dagenham newsletter • Held meetings with key stakeholders and faith leaders • Supported Interfaith week events

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
Continue to develop Every One Every Day, monitoring impact and outcomes.	Tom Hook	<p>years 3 -5. It has opened a third shop on Martins Corner which is already starting to receive interest from residents, and are continuing negotiations on a fourth shop which is proposed to open in summer 2019.</p> <p>The Pop Up Micro Factory run throughout November and led to a number of products being created for sale in the pop up shop housed in the Ripple Road shop over the Christmas period.</p> <p>There has also been product development in the pop up warehouse which has led to the establishment of The Pantry a collaborative food co-operative that has begun to design, make, market and sell products at Primrose Hill market.</p> <p>EOED has also moved into a new warehouse space on Thames Road which will be the home for the resident warehouse for the next season.</p> <p>The Autumn programme has now completed with over 160 events taking place across the two shops.</p> <p>Participatory City published their first annual report “Made to measure”. The 300-page report sets out the journey, presents project metrics between the launch festival on 25 November 2017 and 31 July 2018, and discusses some emerging findings and is available to download</p>
Support the development of the community and voluntary sector, including a Local Giving Model.	Tom Hook	<p>The VCSE strategy paper is scheduled for Cabinet in February 2019, which includes the next steps for the local giving model. Public consultation on the strategy is taking place ahead of Cabinet.</p> <p>Practical measures have been implemented to support local groups with the establishment of a local B&D Lottery, match-funded Crowd Funding scheme, and the NCIL fund.</p> <ul style="list-style-type: none"> • Crowdfunding-No new projects in this quarter- workshops planned for Q4. • B and D Lottery – Average sales 813 tickets per week between Oct – Dec 2018. 11 registered groups received £900 each from the B and D fund and a Christmas superdraw was held. • The process for the allocation of NCIL was agreed by Cabinet on the 16th October. The recruitment of the resident panel has started and the application window for groups to apply for funding will open on the 14th of January. The

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>resident panel will convene w/c 11 March to make recommendations on the applications and will funds being awarded in April.</p> <p>Core funding to BDCVS has been reduced but has for 2018/19 been replaced to a significant extent with project funding for the development of a vision for the sector and requirements for infrastructure support going forward. A report has been received which is dovetailing with the development of an overarching VCSE Strategy.</p>
Continue to strengthen the Barking and Dagenham Delivery Partnership to work towards the vision of the Borough Manifesto.	Tom Hook	Following the successful State of the Borough Conference took place on 27 th September at Londoneast UK, work is now underway to strengthen partnership arrangements ensuring the partnership has a clear focus on delivering the Borough Manifesto. The work will ensure the partnership that is able to drive change in the borough and work together collaboratively to achieve the manifesto vision. The new Borough Data Explorer was also launched at the conference providing an interactive platform to present the Borough Manifesto and Social Progress Indicators. The Explorer provides will allow the partnership to use data to inform policy development.
Deliver the master plans and commercialisation of Parsloes Park and Central Park.	Tom Hook	<p>Parsloes Park</p> <p>The planning application for the Parsloes Park regional football hub (£7.4 million) will be submitted by the end of January 2019 and planning approval is expected in April 2019. At that time the Football Foundation, which is the principal funder of the scheme, will confirm their grant support (c£5 million) and the contractor will be appointed to implement the scheme.</p> <p>Central Park</p> <p>Public consultation meetings have been held about this project. The planning application for the Central Park masterplan implementation project (£1.1 million) is now being finalised and will be submitted in February 2019 and planning approval is expected in May 2019. The contractor has been appointed for this scheme and it is expected that works will start on site in summer 2019.</p>
Implement the improvement plan funded by Community Interest Levy (CIL).	Tom Hook	<p>Cabinet agreed (19/06/18) to Community Infrastructure Levy funding being allocated to the following strategic projects:</p> <ul style="list-style-type: none"> • Parsloes Park 'Parklife' project - £600,000 • Children's Play Spaces and Facilities - £275,000 over five years

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<ul style="list-style-type: none"> • Parks and Open Spaces Strategy implementation - £500,000 over five years <p>This funding will be used as Council match funding to support external funding bids for park capital schemes as well as to enable the delivery of a 'quick wins' programme of park improvements. The proposed programme of investment will be finalised during quarter three 2018/19 and implementation will start in quarter four.</p> <p>It is expected that the full CIL allocation to the Parsloes Park project will be spent in 2019/20.</p> <p>The CIL funding for Children's Play Spaces and Facilities for 2018/19 and 2019/20 has primarily been allocated as match funding for external funding bids to meet the cost of the new play facilities to be provided at Tantony Green and Valence Park. Both schemes are now being built and will be open by Easter 2019.</p> <p>The delivery plan for the CIL funding to support the Parks and Open Spaces strategy implementation will be finalised in quarter four.</p>
<p>Renew focus on community heritage assets and develop a new offer including the East End Women's Museum and Industrial Heritage Museum feasibility.</p>	<p>Tom Hook</p>	<p>Eastbury Manor House</p> <p>Work is underway with the National Trust (owners of Eastbury Manor House) to agree a new vision for the house, which will inform the development of a design and cost plan for the final phase of capital investment at the site.</p> <p>This is intended to provide new toilets, catering, and social/education space to improve income generation, footfall and volunteering opportunities as well as enhance the visitor experience by 'dressing' the house in a way that better tells its story and those of its former-inhabitants. It is proposed that a funding bid to meet the cost of the majority of the proposed works will be submitted to the Heritage Lottery Fund during 2019.</p> <p>Abbey Ruins, Abbey Green and St Margaret's church</p> <p>In December 2017 a Stage 1 application was made to the Heritage Lottery Fund (HLF), with the Council as the lead partner, for a £4.462 million improvement project with a £3,592,200 grant request from the HLF. The HLF rejected the application in March 2018 due to insufficient funds.</p> <p>A feedback meeting has been held with the HLF and as a result the improvement programme is now being re-worked into a series of distinct projects that can be delivered in a phased approach. The first such bid will be made in spring 2019. It is not</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>feasible to do this any sooner because the HLF is currently reviewing its grants framework, which will be re-launched in January 2019.</p> <p>East End Women's Museum</p> <p>Work has now started on the internal design plan for the museum, which will be subject to further funding bids in 2019. The Museum has appointed a part-time worker to take forward this work.</p> <p>A celebratory event was held in November 2018 to recognise the work undertaken by the museum in 2018 and to set out the next steps for the Museum and programme for 2019.</p> <p>Industrial heritage museum</p> <p>Following a review of the different options that have so far been produced, the feasibility study for a new heritage and culture centre on the site of the former-Ford Stamping Plant has now been finalised and was presented to the Corporate Strategy Group in December 2018.</p> <p>It is proposed that the Council's requirements will now be set out to the housing developer (Peabody) as part of the pre-planning application discussions, which are expected to start in spring 2019.</p>
<p>Ensure culture is a driver of change through the Borough of Culture Schemes, Creative Enterprise Zone, Summer of Festivals & Alderman Jones's House. Planning for the Centenary Celebration of Becontree Estate (Festival of Suburbia).</p>	<p>Tom Hook</p>	<p>London Borough of Culture</p> <p>The Council has secured funding of £233,000 from the London Borough of Culture funding pot and an additional £30,000 in business sponsorship to deliver a three year creative programme with looked after children, care leavers and older people. The programme will be delivered in partnership with the Serpentine Gallery, the Foundling Museum and several local arts organisations.</p> <p>Training with social work staff has been undertaken and artists appointed to deliver the various elements of the programme. The project will be formally launched on 28 February 2019.</p> <p>Creative Enterprise Zone</p> <p>A grant of £50,000 has been secured from the GLA to enable detailed research to be undertaken that has informed the development of an evidence base and action plan</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>for the establishment of Roding Made - the Barking Creative Enterprise Zone, which will bring together artists, local businesses and landowners to create and develop new jobs, establish and secure new spaces for creative production and open up opportunities for talented young people who are considering careers in the creative industries.</p> <p>A further funding bid was submitted to the GLA to support the delivery of the Creative Enterprise Zone action plan but this was unsuccessful. A feedback meeting is scheduled with the GLA to investigate alternative funding opportunities, such as the Good Growth Fund, that could be utilised to deliver elements of the Creative Enterprise Zone action plan.</p> <p>Summer of Festivals</p> <p>The delivery of the Summer of Festivals programme for 2018 ended with the Youth Parade on 16 September. The programme was been well attended and well received by residents. The Events team has also provided guidance and assistance to enable more events by the community to be presented in the Borough's parks.</p> <p>The results from the 2018 residents' survey, which includes questions about the Summer of Festivals programme, will be available shortly and will be reported as part of the Q4 performance report.</p> <p>The Residents' Survey for 2017 tells us that attendance at Summer of Festival events by Borough residents has gone up for the third year running. The same is true for the level of awareness amongst residents about the Summer of Festivals programme and the demand from residents for similar events to be presented in future years.</p> <p>Alderman Jones's House and 100th anniversary of the Becontree Estate (Festival of Suburbia)</p> <p>The centenary of the Becontree estate is in 2021 and plans are now being developed to enable this milestone of national significance to be celebrated in the way it deserves to be.</p> <p>The former-home of Alderman Fred Jones is located in the heart of the Becontree estate and has been renovated so that it can be used as live/work space for artists until the end of 2021. The house will be brought into use during 2019.</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>Alongside the Valence House Museum and Local Studies Centre, Valence Library and the White House, Alderman Jones's House will be a key venue in the delivery of the centenary programme.</p> <p>The Council is working in partnership with Create London to develop and deliver the centenary programme which it is anticipated will include a commissioned programme by local artists and arts organisations as well as projects with national heritage and architecture agencies.</p> <p>Successful funding bids have been submitted to Arts Council England (£30,000) and the Heritage Lottery Fund (£400,000) to support the delivery of a wide-ranging programme, which will include:</p> <ul style="list-style-type: none"> • The collection of a new archive which will chart the lived experience of the residents of Becontree • A major exhibition complemented by a series of tours, talks, walks and community activities across Becontree during 2021 • A schools and education programme in collaboration with the Barbican to mark the centenary • A programme of public realm improvements on the estate developed with local people • And possibly, the production of a TV documentary about 100 years of Becontree, which will chart the lives of families on the estate. <p>It is also proposed to seek Community Infrastructure Levy funding to enable a programme of public realm improvements to be delivered on the Becontree estate during the centenary year.</p>
Equalities and Diversity		
Implement the Equality and Diversity Strategy action plan.	Tom Hook	The Equalities and Diversity strategy 2017-2021 sets out the Council's vision to tackle equality and diversity issues across the borough and within the Council. It sets out an action plan which will be monitored and reported annually. The first annual update was presented to the portfolio holder in October 2018. The portfolio holder is keen to ensure equalities receives the attention it deserves and therefore will continue to monitor progress against the E&D strategy regularly.
Continue to promote the Gender Equality Charter.	Tom Hook	Since the launch of the Gender Equality Charter, over 150 organisations have signed up to the pledge showing their commitment to gender equality. The new portfolio

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		holder is currently reviewing the action plan ensuring it builds on the success of previous years. The action plan will aim to address issues related to all genders and be broader than just issues affecting women. An annual update will be produced setting out progress made by the council and partners as part of Women's Empowerment Month.
Celebrate equality and diversity events, and where possible, enable community groups to take the lead.	Tom Hook	The Her Story events throughout the year have been a success and will continue until the end of the year. For the first time ever, Barking and Dagenham had a float at Pride London and we proudly showed our support for the LGBT+ community. The Council supported the community to take the lead in putting on Black History Month events throughout October. The Council continues to support the community with flag raising events recognising the diversity in the borough and the important role different communities play. Moving forward some additional officer capacity and support will be dedicated to enabling more community led equality events ensuring we build on the programme of events.
Continue the Council's vision to be an Exemplar Equalities Employer, working towards Investors in People gold standard.	Tom Hook	<p>The Council achieved silver level when assessed against the tougher Investors in People standard. We will retain this until our next assessment in October 2020.</p> <p>Progress against the standard to reach gold level were set out in the Assessor's report. The following actions have been put in place.</p> <ul style="list-style-type: none"> • An all staff temperature check was undertaken in June/July 2018 which tracks our progress against the standard and employee engagement. The temperature check demonstrated that employee engagement levels have increased, and the values of the organisation are seen to continue to be embedded. Another temperature check was carried out in December 18 / January 19 with results currently be analysed. • Early scoping of behaviours and culture change has begun to help develop a new organisational development strategy. • The Leadership and Management development programme for cohorts 2 and 3 has been delivered. The programme for other managers is under development.
Promote a partnership approach to tackling equality and diversity issues through the development of the Fairness and Equalities sub-group.	Tom Hook	Tackling equality and diversity issues is not something the Council can do alone. It requires the support of everyone. The Barking and Dagenham Delivery Partnership therefore agreed to set up a Fairness and Equalities sub-group tasked with bringing a partnership approach to tackling inequality. The group has met on two occasions to date with lots of positive steps identified to try work together in addressing equality and

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		diversity issues affecting the borough. The next meeting is scheduled for the end of January.
Public Realm		
Redesign all services delivered by Public Realm to meet the agreed budget and service standards.	Robert Overall	The Waste service and Street Cleansing are now almost fully recruited with a significant reduction in agency staffing. Both the full implementation of the new street cleansing model and the arrival of the replacement fleet later in 2019 are key deliverables to ensure that this succeeds.
Embed the new street cleansing operating model.	Robert Overall	New cleansing model is operating but full implementation requires the new cleansing vehicles which will be arriving as part of the replacement fleet during second quarter 2019.
Work with Enforcement to help drive behavioural change with regard to waste and flytipping	Robert Overall	Joint initiatives with Enforcement over fly tipping have been launched and the notable success of the CCTV appeal on Youtube has led to other boroughs copying this approach. Communication strategy around waste behaviour change was rolled out with the national recycling week in the second half of Sept 18. A focus is now on residents improving the recycling quality to reduce contamination.
Develop the procurement strategy for the replacement of our vehicle fleet.	Robert Overall	Cabinet have approved the business case for replacement. Procurement process has now started with vehicles expected to be progressively delivered from November 18 until June 19 depending on lead times for order and delivery.
Enforcement and Community Safety		
Develop a new borough wide Private Licensing Scheme to be agreed by MHCLG.	Fiona Taylor	<p>The proposal to introduce a boroughwide private rented property licensing scheme has been set out in a cabinet report which will go to cabinet on the 22nd January 2019.</p> <p>The report seeks approval from Cabinet to make an application to the Secretary of State. It also seeks approval to the proposed fee structure and discount that will be applied to those landlords who are considered a fit and proper person and have held a licence with LBBB for a minimum of two years. It is proposed that the discount of 50% would be applied in this circumstance.</p> <p>The fee structure is made up of two parts; Part A relates to the administration of processing the application and is set at £470. Part B relates to compliance and enforcement and is set at £430.</p>

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		<p>We are on track to submit our application the Secretary of State at the end of January 2019 if Cabinet agree to that application being made and the recommendations put to them. It is anticipated that the application in conjunction with Counsel approval would be made to MHCLG no later than the 31st January 19.</p> <p>During a recent meeting with MHCLG in January 19, they indicated that whilst guidance suggests a decision would be made within 8 weeks, it would be prudent for us to expect a decision within 12 weeks of submission.</p> <p>To allow for three months implementation of a new scheme, the council should have received approval from MHCLG no later than 31st May 19.</p> <p>The implementation of the online application and back office system is also on track and will be functional prior to September 19.</p>
Implement the Parking Strategy and agreed subsequent parking schemes.	Fiona Taylor	<p>The parking fees and charges report was adopted in July 2018 and set out a range of changes to the charging structure for pay and display, permits and the introduction of a diesel surcharge. It also introduces proposals for increasing the range of CPZ schemes in the borough, consolidating existing schemes and expanding CPZ's around schools.</p> <p>A new CPZ policy was approved by cabinet in September 2018. New unattended CCTV cameras have been ordered for 5 schools as part of the CPZ programme</p> <p>New CCTV operating and Reviewing Control Centre goes live end January 2019.</p> <p>Overall parking is performing on target and it is anticipated that it will achieve the net budget contribution that was set as part of the MTFS.</p> <p>Improvements to London Road Car Park have commenced and were completed in early November 2018.</p>
Develop the BCU to deliver Local solutions for policing in the borough.	Fiona Taylor	<p>Lobbying of MOPAC to address the crime and safety challenges for the borough now and in the next decade are ongoing. This also includes discussions on more visible policing, reporting hubs, knife bins, and a new police station. A meeting was held with the Leader, Cabinet member, Fiona Taylor, DAC Mark Simmons and the Deputy Mayor for MOPAC to agree a way forward.</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>Agreement has been reached with the East BCU to establish an Integrated Gangs Unit (IGU). The IGU aims to be established and in place by Monday 11 February, and will be based in Barking but service Barking and Dagenham, Havering and Redbridge. In addition to the MPS and YOS, the National Probation Service, CRC, Spark2Life, and the DWP have committed officers to the team and additional mentoring capacity has been established through MPS funding for 12 months. External funding grants will continue this provision when MPS contact ends. Daily briefings will be conducted to share information and intelligence and update on current progress of the IGU and it's work. There are still significant challenges in fully utilising the combined enforcement capability across the police, council and other key services. There are weekly tasking meetings in place which are having some positive results, but more formalised information of resource availability and intelligence needs far more development.</p> <p>The IGU staff will be required to undertake trauma training that will be delivered as part of the trauma informed model funded by external grants outlined below. Trauma informed training will be completed by March 2019.</p>
<p>Maintain focus on serious youth violence through the work of the Community Safety Partnership.</p>	<p>Fiona Taylor</p>	<p>Serious youth violence remains a core feature of the community safety partnership. The Community Safety Plan 2019-22 has been finalised and due to be published imminently, the plan has “keeping children and young people safe” and “tackling serious violence” as two of its six priorities. A final LBBB knife crime action plan has been developed and submitted to MOPAC, MOPAC have agreed the plan. The Community Safety Partnership have developed a long term, trauma informed model to address serious violence which was presented at the Community safety Partnership Board in September 2018 and to cabinet at the end of 2018. External funding has been and will continue to be sought to support in the delivery and sustainability of this model. The current funding streams through the Early Intervention Youth Fund and London Crime Prevention fund will enable the partnership to start implementation from November 2018. Trauma Training packages are being devised and sessions will be delivered and completed by March 2019. Commissioning of providers is underway to ensure community interventions are available for children and young people within the borough.</p> <p>A serious violence summit is being held on Wednesday 16 January 2019 and a Serious Violence Strategy will be developed as part of the outcomes from this event. The summit on 16 January will be the first of a series of events to understanding and addressing the impacts, challenges and drivers of serious violence across the East</p>

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		BCU. The next summits will be hosted by Havering and Redbridge with dates and focus to be agreed.
Social Care and Health Integration		
Publish a new Health and Wellbeing Strategy 2018-2023.	Elaine Allegretti	<p>The Joint Health and Wellbeing Strategy was agreed by Health and Wellbeing Board for consultation on 7th November following an 8 week consultation.</p> <p>The Joint Health and Wellbeing Strategy is also going to the Assembly on 30th January. It focuses on three themes, which were decided by Health and Wellbeing Board in March 2018 when presented with the 2018 Joint Strategic Needs Assessment. The three themes:</p> <ul style="list-style-type: none"> • Best Start in Life • Early Diagnosis and Intervention • Building Resilience. <p>12 resident focus groups with 128 residents have been held within community groups in the borough to formulate the 'I' statements featured within each theme of the strategy to outline what good health looks to residents.</p> <p>In July, three stakeholder workshops, one on each theme, were held partners to discuss the outcomes and measures to be used within the strategy - a total of 88 attendees attended all three workshops.</p> <p>Following the consultation, we have amended Best Start in Life from preconception up until the age of 5, to preconception up until the age of 7 to consider of how important the transition time between home and school is.</p> <p>Following Health and Wellbeing Board's comments on 7th November, we have also added in a 7th Outcome within the document on Domestic Abuse.</p>
Deliver campaigns to raise awareness of safeguarding issues.	Elaine Allegretti	<p>For adults, work is planned to repeat or build on the previously successful Christmas safeguarding campaign to encourage people to 'look out for' older neighbours.</p> <p>Materials are in development for an Autumn launch to raise the profile for feeding back, including positive news and complaints regarding the delivery of care and support to adults..</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>Two key areas will be domestic abuse, as we move toward a zero-tolerance borough and comms directed at parents / carers reminding them to know where their children are between 4 and 7 pm, the hours where most incidents of youth violence take place</p>
<p>Change our approach and systems for keeping children and young people safe from exploitation.</p>	<p>Elaine Allegretti</p>	<p>The development of the Target Operating Model v2.0 (TOM2) is well underway, led by the Care and support Leadership team. Changes are being informed by data analysis, worker feedback and key lessons from recent external audit activity and best practice elsewhere.</p> <p>A core plank of the work in this area is to respond more holistically to those children at risk of exploitation, whatever form that may take.</p> <p>As part of the early implementation of TOM2 a specialist Exploitation Team was established in Children's Social Care, in January 2019 this team will become an Adolescence Service sitting alongside the Youth Offending, Service which is a well-established team, skilled at working with adolescents with a multi-agency approach.</p> <p>Joining the team is the Child Exploitation and Missing manager and two dedicated Missing co-ordinators. This will ensure improved quality and single oversight of children at risk of exploitation from the start of their journey in social care , and improved understanding of the needs of those that go missing .</p> <p>Considerable work has been done on further developing assurance systems and processes. The Multi agency Sexual Exploitation meeting (MASE) has revised its terms of reference and now has a more robust oversight of all children at risk of sexual exploitation, with improved focus on trends, offenders and unsafe location.</p> <p>The MASE will become a MACE which will include other forms of child exploitation eg criminal exploitation and radicalisation. In January 2019 a Missing panel will be introduced driving improved oversight and quality of return home interviews .</p> <p>Under the Safeguarding Board sits a Contextual Safeguarding and Exploitation working group which is a multi-agency group tasked with delivering an Exploitation strategy – providing coherence and clarity on thresholds, referral pathways, risk assessment tools, and intervention offer from universal need though to statutory high-risk cases.</p> <p>The aim is for the Strategy to be informed by the voice of the young people whose voices have been captured at recent Young people summits.</p>

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		<p>TOM2 places at its' heart a shift towards the embedding of Contextual Safeguarding in how children are safeguarded (not just from the Local Authority perspective) but across the wider partnership.</p> <p>Following a successful bid to the University of Bedfordshire, LBBB has won bid to be a Phase 2 pilot-area for the implementation of Contextual Safeguarding.</p>
Continue to deliver continuous improvement in services and improve quality.	Elaine Allegretti	<p>Continuous improvement of services and outcomes is a key component of business as usual for the Care and Support and partners. Ofsted provides an opportunity to support and challenge current ways of working and their impact on improving the lives of vulnerable children and their families.</p> <p>Our Youth Offending Service (YOS) was subject to a full joint inspection by Her Majesty's Inspectorate of Probation (HMIP) in September 2018. The inspection report was published on 20 December 2018. Barking and Dagenham's YOS was rated overall as Requires Improvement but for Governance and Leadership, Information and Facilities and Joint Working the YOS was rated as Good. The inspection findings will inform the Youth Justice work plan.</p> <p>New strengthened arrangements have been put in place for driving improvements in practice and outcomes, including CSE and Missing and Pre-Birth. A new QA framework is now up and running and includes ongoing focus on key practice areas such as thresholds, quality of assessments and plans, voice of child, management oversight including quality of supervision and a focus on high risk looked after children.</p> <p>The Ofsted Annual Engagement meeting is due and an updated Children's Care and Support self-evaluation has been produced on the quality and impact of social work practice for this meeting as prescribed in the ILACS framework.</p>
Reboot the health integration agenda, including delivering a vision for health and wellbeing at Barking Riverside.	Elaine Allegretti	<p>The Integrated Care Partnership Board has undertaken considerable work to embed a new strategy, focusing on four transformation workstreams around older people, planned care, long-term conditions and mental health.</p> <p>Priority projects are underway around frailty, intermediate care, atrial fibrillation, and diabetes.</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		Barking Riverside is also established as a flagship project of the three-borough partnership, and there have been five workshops undertaken to develop a model of care and approach to community wellbeing for the new town, as well as informing the specification for the new Health & Wellbeing Hub.
Respond appropriately to the Social Care Green Paper on older people and the Children's Social Work Act.	Elaine Allegretti	Publication of the social care green paper is awaited.
Strengthen the understanding of corporate parenting responsibility with every Member playing their part.	Elaine Allegretti	<p>Group membership has been reviewed and all new members have been fully inducted, and each key promise is being led by a member.</p> <p>Annual Reports have been completed and performance reports have been refreshed.</p> <p>The agenda for the year has been set and was led by the Child Take Over Day and strategies reviewed, also a pre-assessment training session has been arranged.</p> <p>New Corporate parenting and Performance strategies are being updated and will be shared with Members in February 2019. Initial health assessments to timescale remains a significant concern of the CP board.</p>
Develop strategy and proactive campaign of work to end loneliness.	Elaine Allegretti	This work remains in development and forms part of discussions with ComSol.
Educational Attainment and School Improvement		
Develop a new Education and Participation Strategy.	Elaine Allegretti	<p>The Education & Participation Strategy for 2018-22 was approved by Cabinet on 13 November 2018 and is planned to be published in January 2019.</p> <p>There is good partnership support from schools, Barking and Dagenham College and CU London.</p> <p>The strategy's priorities focus on the following outcomes:</p> <ol style="list-style-type: none"> 1) All children and young people have a place in a school or early years' setting judged 'Good' or 'Outstanding' by Ofsted. 2) Exceeding national and then London standards where we have not already achieved this.

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>3) Improving opportunities for young people post-16 and post-18 and reducing numbers of young people not in education, employment or training.</p> <p>4) Supporting the wellbeing and resilience of children and young people and the educational settings which nurture them.</p> <p>5) Maximising the council's levers and influences to raise aspirations and increase opportunities for all children and young people.</p> <p>Headline actions for key partners are set out in the strategy and underpin each priority.</p>
	Elaine Allegretti	<p>The Special Educational Needs and/or Disabilities (SEND) online consultation for the new SEND and inclusion strategy closed on December 3rd.</p> <p>116 responses were received from a range of key partners including schools, social care, education and health. Respondents overwhelmingly agreed that the seven priorities developed by the parents' forums and from the results of the SEND Local Area Inspection were the correct ones for the new strategy. Many respondents added comments about the importance of supporting children and young people's mental health and wellbeing.</p> <p>The next stage is to wait for the outcome of the review of the All Age Disability Service which will help inform the next steps for the overall direction of the council's approach to SEND and Disability.</p> <p>The seven draft priorities for the strategy focus on the following areas:</p> <ul style="list-style-type: none"> • Developing more local specialist provision in Barking and Dagenham to meet the needs of our children and young people. • Promoting independence for children, young people and their families. • Preparing young people with SEND for Adulthood which includes appropriate training, employment and leisure opportunities. • Developing the capacity of therapies (especially Speech and Language) to meet demand. • Providing better support for children and young people with health issues. • Ensuring good progress and outcomes for children and young people with SEND in their educational setting from their relevant starting points.

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<ul style="list-style-type: none"> Keeping children, young people and their families involved in the planning and designing of provision. <p>Development of the strategy is informed by a review of the current Special Education Needs and/or Disabilities (SEND) and Inclusion Strategy which took place in 2018.</p> <p>The strategy will be considered alongside outcomes of the internally commissioned review by Social Care Institute of Excellence due for conclusion by end of financial year.</p>
Ensure that school place planning is meeting demand by creating new places, both mainstream and specialist provision.	Elaine Allegretti	<p>A review of school places and capital investment was completed during the Autumn in preparation for presentation at Cabinet on 22 January 2019. This sets out how the council intends to use capital grants to fund new pupil places over the next 5 years.</p> <p>A review of SEND future forecasting and the council's school capacity requirements is underway. This is in response to high numbers of pupils with SEND entering Barking and Dagenham schools during the year and who require specialist facilities or support. The high level of demand is consistent in what is being seen across London. However, we wish to develop a pupil forecasting model which will better indicate the types of SEND likely to be received over the next 5 years so that high quality provision can be planned for.</p> <p>The Education and Skills Funding Agency (ESFA) have successfully re-brokered Thames Bridge school for Social Emotional and Mental Health (SEMH) needs which was to be operated by the Partnership Learning Trust. The new School operator is the Eko Trust, based in Newham, where arrangements are underway to take over the running of the school from September 2019.</p> <p>The interim provision is being operated by Trinity School working in partnership with the council to ensure that the pupils receive a high-quality provision during this transition period.</p> <p>The permanent school is to be constructed on the former Ford Polar site by the ESFA and, although no progress has yet been made, the council will be pushing for a programme to ensure that the purpose-built facilities are made available as soon as possible.</p> <p>Agreement has been reached with the ESFA and Thames View Infants Learning Trust which currently operates Thames View Infants school to operate a new 3FE primary</p>

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
		<p>school on the proposed Beam Park development site. The School will operate from 2023 in a new facility which will be constructed by the ESFA.</p> <p>Major school expansions at Barking Abbey and Robert Clack schools remain on programme. The all-through school site (forming part of the Robert Clack expansion) is well underway with a completion target of July 2020.</p>
<p>Improve engagement with young people to incorporate their voices into Council policy.</p>	<p>Elaine Allegretti</p>	<p>The BAD Youth Forum has been very active. A meeting between Forum members, Local Members and the Police resulted in a series of key and ongoing actions to support safety in schools.</p> <p>The Young Mayor and his sub-group have already exceeded their fundraising target through a programme of social action and have raised 25% more than last year's Young Mayor.</p> <p>115 inspections have been conducted by the borough's young inspectors this year to date, helping to shape and improve sexual health services for young people, with teenage pregnancy figures continuing to fall.</p> <p>The issue of contextual safeguarding was explored by 9 schools at a Young People's Safety Summit, with intelligence around safe and unsafe spaces in schools shared with schools and key partners.</p> <p>A SEND stakeholder forum is in development to strategically engage with young people with SEND, drawing on a range of organisations in the borough.</p> <p>The borough has launched its Youth Information Advice and Guidance group, based on a Redbridge model of good practice in engaging young people with the Police in an ongoing dialogue.</p> <p><i>VotesforSchools</i> launched in October, providing over 90% of schools with access to resources that encourage debate and a weekly ballot. The council has access to voting patterns and results, providing key data on local young people's views on a wide range of themes.</p>
<p>Employment, Skills and Aspiration</p>		
<p>Develop the Job Shop and Adult College new work and skills offer.</p>	<p>Mark Fowler</p>	<p>The restructure of the job shop and adult college was completed in December. This will enable us to know build on the joint employment and skills offer that will support the ongoing development the industrial skills strategy.</p>

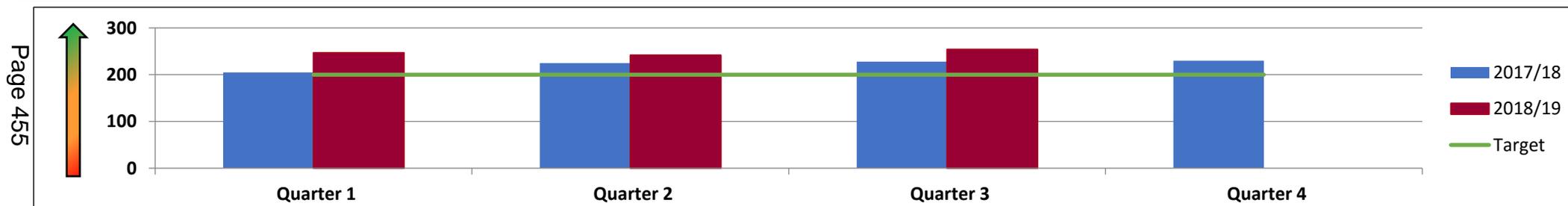
Key Accountability	Strategic Director	Quarter 3 2018/19 Update
Develop a new Locality Strategy for Community Solutions, to maximise the use of assets and shape an integrated local offer.	Mark Fowler	We have reviewed borough wide data, key indicators and the assets available – physical and material. A first draft of our plans has been presented to CSG with further refinement required through the remainder of the financial year enabling us to move to implementation from April 2019.
Work collaboratively with partners to develop a Barking and Dagenham Employment Framework.	Mark Fowler	Detailed analysis and mapping undertaken to set out a clear picture in relation to the local economy, key sectors, business base, workforce skills and labour market participation among the local population. This will now be used to develop the Employment Framework – initially through the stock take of progress since the publication of the Independent Growth Commission.
Agree a strategic and practical level approach to business and employer engagement.	Mark Fowler	Our approach will sit and be developed as part of the industrial, jobs and skills strategy whilst also linked to the restructure of our job offer and adult education.
Continue development of clear progression pathways and post-18 opportunities for young people.	Mark Fowler	A key part of our industrial, jobs and skills and education & participation strategies is to consider the relevant pathways for various customer cohorts across the borough, a key area of which is our approach to opportunities post 18.
Hold a series of events to promote employment opportunities to local residents.	Mark Fowler	We held 5 job fairs up to the end of December, with 2 more planned this year. Work taster sessions are being developed along with consideration in how we can develop take your child to work days later in the year. A wider local business forum is also planned for February 2019, which we hope is the first of many sessions.
Finalise the Homelessness Strategy, focusing on homelessness prevention and reducing numbers in temporary accommodation.	Mark Fowler	A strategy is now completed highlighting 3 areas of focus - reduce the incidence of homelessness, bring down the number of households in temporary accommodation, eliminate rough sleeping through increased partnership working. This is on track for cabinet February 2019.
Monitor the impact of the Universal Credit roll out and address any emerging issues.	Mark Fowler	Monthly monitoring continues, although owing to limited information sharing from the department of works and pensions (DWP) precise impacts are difficult to track. What we have found is that the number of residents applying for council tax support (CTS) is reducing due to needing to apply for UC and CTS. In relation to tracking housing rents of those in receipt/applying for UC we have seen an impact in collection levels, with UC council tenants now in arrears at an average of £831 per account, compared to £118 of those in receipt of housing benefit
Regeneration and Social Housing		

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
Deliver the Be First regeneration and housing pipeline.	Graeme Cooke	Be First is making strong progress in accelerating the pace and scale of regeneration in the borough, including through the original 44 investment schemes. It is also focusing on securing key socio-economic benefits for residents, such as through strong local labour clauses in its forthcoming framework contracts for construction activity. Be First will present a refresh of its five-year business plan to Cabinet in March 2019.
Work with Be First to identify further, future regeneration and development opportunities.	Graeme Cooke	Over the past 12 months, Be First has reviewed the existing regeneration schemes and identified opportunities for additional development activity. It is now forecasting it will build around 2,700 new homes over the next five years, over three-quarters of which will be sub-market (via a combination of Council Comparative Rent, intermediate rent, shared ownership, temporary accommodation and share ownership products).
Identify the need and demand for future housing supply, to inform the Local Plan and commissioning intentions for Be First.	Graeme Cooke	Work on the Strategic Housing Market Assessment has been finalised, informing the development of the draft Local Plan (which will go to Cabinet in May).
Transition Reside to the next phase of delivery, ready to let, manage and increase the number of affordable homes.	Graeme Cooke	The council has recently appointed a new independent chair and three independent non-executive directors to the Board of Reside (and a process for recruiting a new Managing Director is also underway). In addition, a report is going to Cabinet in January providing an update on governance changes to Reside, including the adoption of a Shareholder Agreement between the Council and the company and permission to explore the creation of a Registered Provider entity within Reside.
Agree key policies and strategies for Reside.	Graeme Cooke	A comprehensive review of Reside's policies – and the legal framework underpinning them – is underway. These will result in an updated policy framework (or commissioning mandate) from the council to Reside, which will clarify the objectives of the company and the parameters in which it operates.
Update allocations policy for HRA and Reside properties.	Graeme Cooke	Proposals to update the housing allocations policy are set to be approved by Cabinet in January and then go out for a 12 week consultation. These proposals cover both HRA and Reside properties (including shared ownership homes).
Deliver the Sustainable Housing Project and shape the future of the Street Purchasing Programme.	Graeme Cooke	A decision has been taken not to proceed with the implementation of the Sustainable Housing project. Work is underway to finalise the purchase of all the identified street properties and to determine their future use (with as many as possible set to be used for care leavers and other vulnerable groups of residents).

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
Agree property standards across new and existing HRA and Reside properties.	Graeme Cooke	The council has agreed a consolidated set of Employers Requirements for all future HRA/Reside developments (with agreed protocols for any variations). Work has also taken place to test how these new build principles could be applied to the council's existing housing stock, as a more ambitious set of housing standards beyond Decent Homes (including to assess the financial implications of these standards).
Agree a new Corporate Asset Management Strategy (CAMS), shaping a long-term investment plan, based on the stock condition survey.	Graeme Cooke	The stock condition survey has been completed and is now being analysed. The insights from this work are informing the annual update to the 30 year HRA business plan and decisions about the 2018/19 capital programme (both of which will come to Cabinet in February 2019).
Ensure all existing council housing meet the Decent Homes standard.	Graeme Cooke	The council remains on target to achieve the Decent Homes standard on all internal elements of its housing stock by April 2019 and then all external elements by April 2020. Plans for the stock investment programme will be presented to Cabinet in February alongside the updated 30 year HRA business plan.
Deliver on-going Tower Blocks safety improvement works.	Graeme Cooke	A programme has been developed that covers requirements identified through regular Fire Risk assessments. A gas safety replacement programme has been developed and the identified blocks are being assessed for enough electrical capacity.
Lead the development of a 'Green Capital of the Capital' Strategy, incorporating the future direction of B&D Energy and rollout of Beam Energy.	Graeme Cooke	Beam Energy has now officially launched, offering gas and electricity to local people at cheaper prices than the Big Six energy firms. The focus over the next quarter will be to roll out local marketing to secure a strong local take up. Work is underway to refresh the business plan of B&D Energy (the council's energy services company), which will come to Cabinet in the first half of the year.
Finance, Performance and Core Services		
Embed a performance challenge process for the corporate performance framework.	Claire Symonds	2 nd round of performance challenge sessions being held and will now be undertaken quarterly, lead by the Cabinet Member of Finance, Performance & Core Services
Develop a clear Medium-Term Financial Strategy (MTFS) and robust budget monitoring.	Claire Symonds	Budget Consultation exercise has been undertaken for the 2019/20 budget and this will inform the Medium Term Financial Plan will be reported to the February Cabinet meeting.
Review and monitor the Investment and Acquisition Strategy.	Claire Symonds	Work on new classes of investment being undertaken.

Key Accountability	Strategic Director	Quarter 3 2018/19 Update
Deliver excellent customer services.	Claire Symonds	New look website is being embedded with positive feedback being received. New e-forms being added with take being monitored. Call reduction to the contact centre is also being demonstrated.
Maintain excellent Treasury Management.	Claire Symonds	Progress and monitoring reports presented to Cabinet.
Re-design the Commissioning Centre of the Council.	Claire Symonds	Report to January Cabinet sets out the way forward in relation to the end of the Elevate Contract and development of the new Core.

COMMUNITY LEADERSHIP AND ENGAGEMENT					Quarter 3 2018/19
Volunteering and Engagement: The number of active volunteers					
Definition	People who have actively volunteered their time in the previous 3 months within any area of Culture and Recreation or been deployed to volunteer by the volunteer coordinator Culture and Recreation.		How this indicator works	This indicator measures the average monthly number of active volunteers that support Culture and Recreation, Healthy Lifestyle and Adult Social Care activities.	
What good looks like	We are working towards a continuous increase in the number of active volunteers within the borough.	Why this indicator is important	Volunteering not only benefits the individual volunteer by increasing their skills and experience, it also has a significant impact on the health and wellbeing on the community as a whole.		
History with this indicator	Historically the number of active volunteers has been increasing. This is a result of increased awareness of volunteering opportunities, the diversity of roles on offer and the corporate shift to deliver some of the library offer to the community and volunteers at 2 sites.		Any issues to consider	Volunteering can be more frequent during Summer months particularly in support of outdoor events programmes such as Summer of Festivals.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	247	242	254		↑
Target	200	200	200	200	
2017/18	205	225	228	230	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>Across quarter 3 of this year (October to December) there was an average of 254 active volunteers. This exceeds the monthly target of 200 by 54 and is 127% of the target figure. The target figure for 2018-2019 was retained at 200 to reflect seasonal variation in volunteering and the possible change in opportunities for volunteering with the council wide reorganization being established. Compared to Quarter 3 in 2017-2018 the figure is 11.40% higher. In terms of actual volunteer numbers this is 26 volunteers higher than the same period last year. Comparing the performance this year there has been an increase of 4.96% (12 volunteers) between quarters 2 and 3. However, comparing the year to date figures there were an average 219.67 active volunteers over the 9 months of 2017-2018 compared to an average of 247.67 over the same period in 2018-2019. A permanent volunteer officer started in June to co-ordinate the volunteer offer for Cultural Services and is also working to have more service areas across LBBD utilizing Better Impact to manage volunteer recruitment and deployment. This has led to increased activity in Community Solutions and the council recorded on Better Impact and included in reporting.</p>	<p>The success in maintaining volunteering numbers and rationale for the retention of the 200 target figure is due to the wide range of volunteer opportunities across Culture and Recreation and the use of Better Impact software by other service areas to manage volunteer deployment and recruitment. The availability of extra data is seen here and the ability for an individual volunteer to offer their time to a number of service areas. There has been an increase in venues with volunteer opportunities around the borough and the events programme is consistent throughout the year. There are also many public health funded projects running via the Healthy Lifestyles Team, The Volunteer Drivers Scheme, Heritage volunteers, volunteering in libraries and the wider offer in Community Solutions have consistently attracted regular volunteer numbers. The regular recruitment programme for volunteers is working well coupled with an increased variety of opportunities are seeing improved retention figures for volunteers across the year. In addition the success of volunteers going on to gain employment with the council is also an incentive for local people to gain experience via volunteering with LBBD and can be used to increase the uptake of the expanded offer.</p>
Benchmarking	Not applicable – Local measure only	

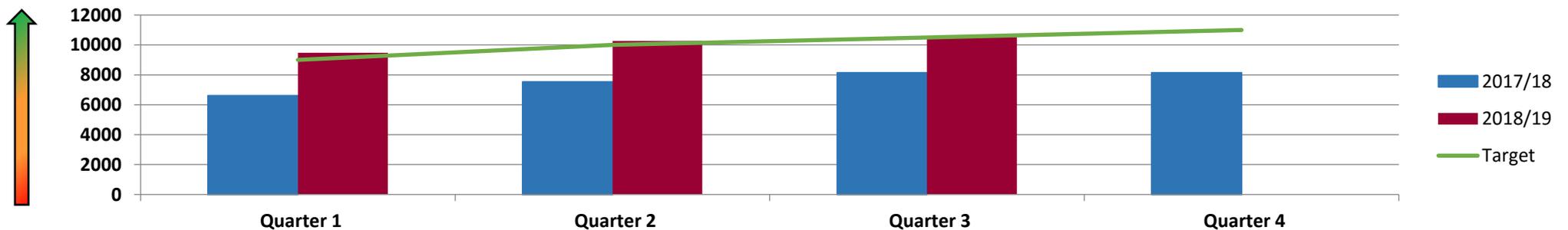
COMMUNITY LEADERSHIP AND ENGAGEMENT

Volunteering and Engagement: The number of engagements with social media (Facebook)

Quarter 3 2018/19

Definition	The number of engagements with the Council’s Facebook page		How this indicator works	This figure will look at the number of Facebook followers we have.	
What good looks like	We are working to increase the number of residents in our social media network.		Why this indicator is important	To track the growth of our social network.	
History with this indicator	Reporting in line with the team’s targets for the year		Any issues to consider	None at this time.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	9,479	10,264	10,586		↑
Target	9,000	10,000	10,500	11,000	
2017/18	6,600	7,524	8,145	8,145	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Very pleased with the increased follower rate. We reduced the number of posts going out on this channel and shifted our focus on delivering quality content, which appears to be working.	Continue to post engaging content.
Benchmarking	Not applicable – Local measure only	

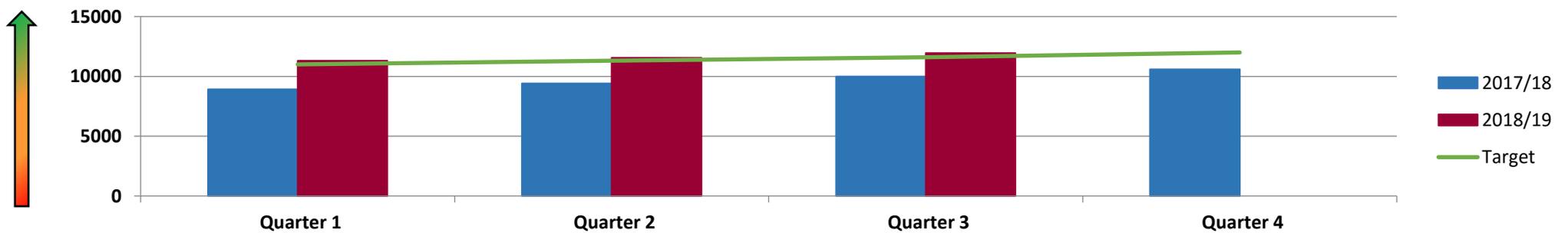
COMMUNITY LEADERSHIP AND ENGAGEMENT

Volunteering and Engagement: The number of engagements with social media (Twitter)

Quarter 3 2018/19

Definition	The number of followers of the Council’s Twitter page.			How this indicator works	This figure will look at the number people following our Twitter account.	
What good looks like	Redbridge			Why this indicator is important	Increasing our follower count is key to expanding the reach of our communications.	
History with this indicator	We’re aligning this target with the team’s performance targets for the year.			Any issues to consider	None at this time.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18	
2018/19	11,304	11,563	11,940			
Target	11,000	11,300	11,600	12,000		
2017/18	8,917	9,419	9,989	10,584		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The number of Twitter followers is slowly increasing and performance remains above target.	<ul style="list-style-type: none"> • Need to increase the number of posts that we’re putting out as there has been a decrease of around 200 posts per month. • Need to be more responsive with our posting, rather than scheduling the same messages. • Need to proactively tweet partners and influencers, liking and commenting on community posts that haven’t necessarily been directed at us. • Work harder at signposting residents and stakeholders to our twitter page for updates.
Benchmarking	Not applicable – Local measure only	

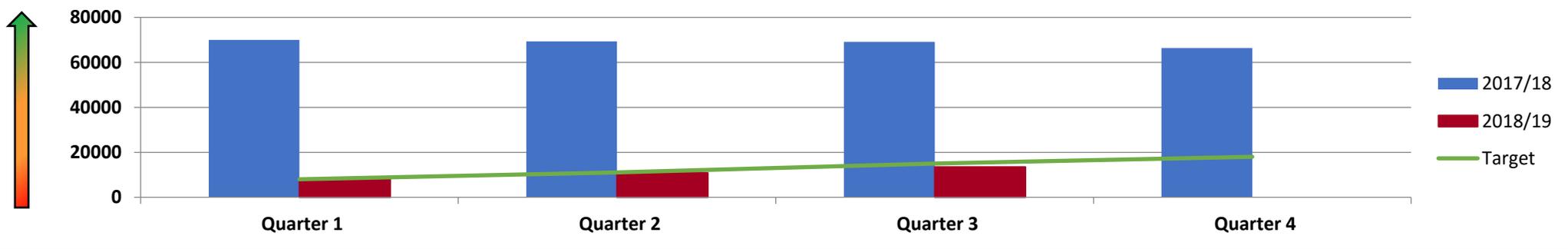
COMMUNITY LEADERSHIP AND ENGAGEMENT

Volunteering and Engagement: The number of One Borough newsletter subscribers

Quarter 3 2018/19

Definition	The number of subscribers to One Borough newsletter.			How this indicator works	This indicator monitors the number of subscribers we have to the mailing list.	
What good looks like	We are working towards 18,000 subscribers by the end of quarter four.			Why this indicator is important	We are looking to increase the number of residents who feel well informed of local news and key Council decisions. This figure indicates how many subscribers have opted to receive our communications, and therefore we're able to send important messages to.	
History with this indicator	Due to GDPR, in May 2018 we had to erase all data and ask all subscribers (62,000) to resubscribe to our newsletter.			Any issues to consider	Targets were reviewed following since the introduction of GDPR.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2018/19	
2018/19	8,124	10,793	13,341			
Target	8,000	11,000	15,000	18,000		
2017/18	69,964	69,341	69,045	66,341		

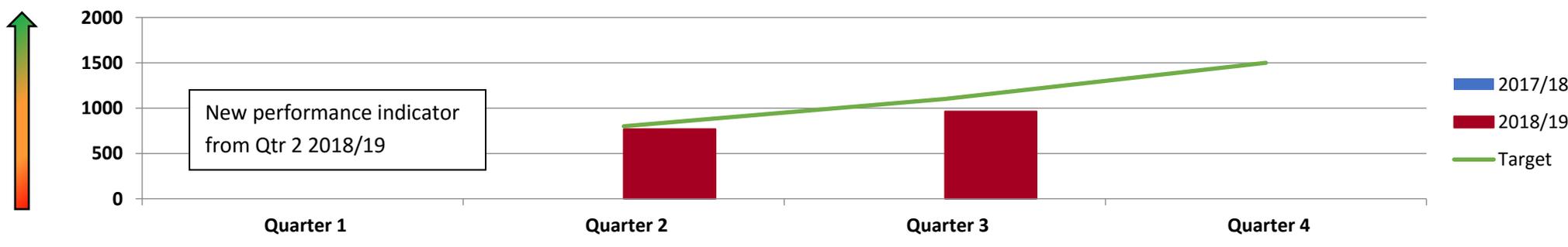
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Slightly below target this quarter, which is partly due to a technical issue we have experienced which was blocking the sending of emails therefore signposting to subscribe has been paused. All staff emails have been added to the system which has given us a boost.	<ul style="list-style-type: none"> Continue to reach out to stakeholders to encourage them to signpost local people and businesses to sign up Continue organic and paid-for social media campaign Explore new means of generating sign ups – especially on the council’s website
Benchmarking	No data available	

Definition	Number of followers we have on our Instagram account		How this indicator works	The indicator monitors the increase of followers.	
What good looks like	We are working towards 1,500 followers by the end of quarter 4.		Why this indicator is important	In line with the above measures, this indicator will help us to review the reach of our Instagram posts and therefore the strength of this touchpoint.	
History with this indicator	New KPI introduced for Quarter 2 2018/19.		Any issues to consider	A strategy clear strategy needs to be drawn up for this channel.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2018/19
2018/19	n/a	768	965		n/a
Target	n/a	800	1100	1500	
2017/18	n/a	n/a	n/a	n/a	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Slightly behind our target this quarter which is largely due to the infrequency of posts.	<ul style="list-style-type: none"> • Increase the frequency and regularity of posts, ensuring there is a point of difference between this and our Facebook account. • Consider Instagram as part of ongoing communications activity. • Some social scheduling softwares now (as of last week) enable posts to be scheduled for Instagram. Utilising this will support our growth.
Benchmarking	No data available	

COMMUNITY LEADERSHIP AND ENGAGEMENT

Impact / Success of events evaluation (Annual Indicator)

Quarter 3 2018/19

Definition	Survey of people attending the events to find out: <ul style="list-style-type: none"> • Visitor profile: Where people came from, Who they were, How they heard about the event • The experience: Asking people what they thought of the event and how it could be improved. • Cultural behaviour: When they last experienced an arts activity; and where this took place. 	How this indicator works	Impact / success is measured by engaging with attendees at the various cultural events running over the Summer. Results are presented in a written evaluation report.
History with this indicator	See results below.	Any issues to consider	The outdoor cultural events programme runs from June to September.

Questions		2016/17	2017/18	2018/19	DOT
3a	The percentage of respondents who agree that these annual events should continue	100%	91%	Data not yet available	
3b	The percentage of respondents who agree that these events are a good way for people of different ages and backgrounds to come together	100%	92%		
3c	The percentage of respondents who live in the Borough	66%	64%		
3d	The percentage of respondents who were first time attenders at the event	43%	--		n/a
3e	The percentage of respondents who had attended an arts event in the previous 12 months	56%	64%		
3f	The percentage of respondents who heard about the event from LBB social media activity	25%	28%		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Results for 2017/18 are included above. To allow comparison the results for the previous year are also included. In the 2017 survey, the question about first time attendance was not asked.	When we asked people what they particularly liked about the events and how they think they could be improved, a number of recurring themes were identified, which on the whole are similar to the responses received in 2016. Positive comments – free entry, atmosphere, good day out, family friendly; and seeing the community come together. Areas for improvement – more seating, cost of rides, more variety of food on sale, price of food, and more arts and crafts stalls.

Benchmarking	Not applicable – Local measure only
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COMMUNITY LEADERSHIP AND ENGAGEMENT

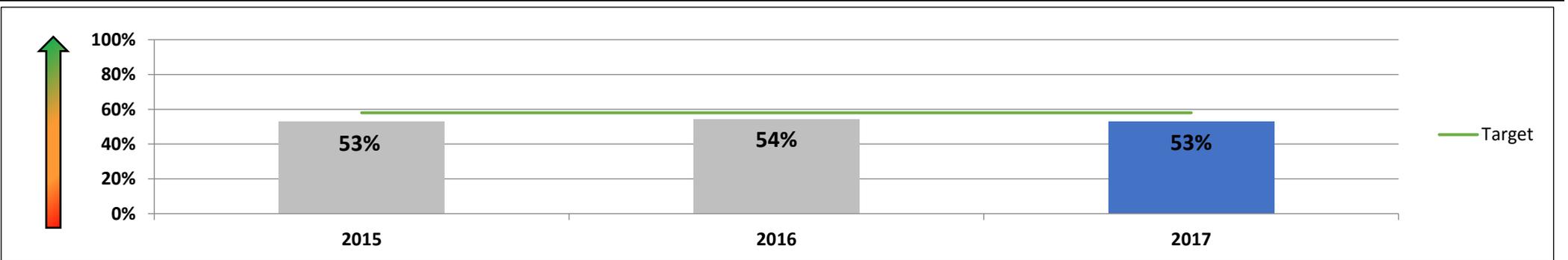
The percentage of respondents who believe the Council listens to concerns of local residents (Annual Indicator)

Quarter 3 2018/19

Definition	Residents Survey question: 'To what extent does the statement "Listens to the concerns of local residents' apply to your local Council?" The percentage of respondents who responded with either 'A great deal' or 'To some extent'.	How this indicator works	Results via a telephone survey conducted by ORS, an independent social research company. For this survey, mobile sample was purchased by ORS, enabling them to get in contact with harder to reach populations. Interviews conducted with 1,101 residents (adults, 18+).
What good looks like	Good performance would see higher percentages of residents believing that the Council listens to their concerns.	Why this indicator is important	Results give an indication of how responsive the Council is, according to local residents.
History with this indicator	2017 Residents' Survey – 53% 2016 Residents' Survey – 54% 2015 Residents' Survey – 53%	Any issues to consider	Results were weighted to correct any discrepancies in the sample to better reflect the population of Barking & Dagenham, based on a representative quota sample. Quotas set on age, gender, ethnicity and tenure.

	Annual Result	DOT from 2016 to 2017
2017	53%	
Target	58%	
2016	54%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Performance for this indicator has remained static. The Council has carried out a number of major consultations over the past year with residents and has made an effort to encourage residents to get involved. This may have contributed to helping ensure performance did not deteriorate over the last year. However, in order to see real improvements on this indicator the Council needs to be better at responding to the concerns of residents through dealing effectively with service requests. A key part of this is also about setting clear expectations and service standards so that residents know what to expect.	<p>The fieldwork for the 2018 Residents Survey began in September. The results are expected in March 2019.</p> <p>To improve results, the Council needs to ensure it is doing the basics right through business as usual, ensuring the services delivered are relentlessly reliable.</p> <p>Development of campaign plans with key messages for priority areas, as well as continuing to work to improve consultation and engagement.</p>

COMMUNITY LEADERSHIP AND ENGAGEMENT

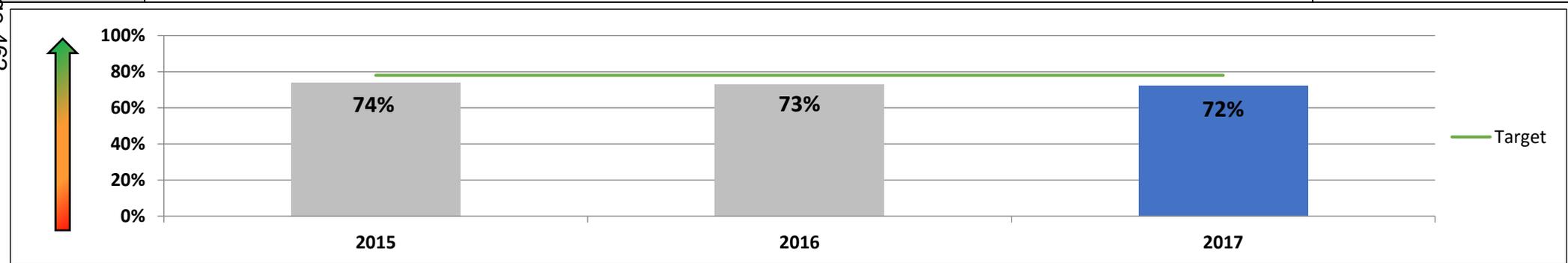
The percentage of residents who believe that the local area is a place where people from different backgrounds get on well together

Quarter 3 2018/19

Definition	Residents Survey question: 'To what extent do you agree that this local area is a place where people from different backgrounds get on well together' The percentage of respondents who responded with either 'Definitely agree' or 'Tend to agree'.	How this indicator works	Results via a telephone survey conducted by ORS, an independent social research company. For this survey, mobile sample was purchased by ORS, enabling them to get in contact with harder to reach populations. Interviews conducted with 1000 residents (adults, 18+).
What good looks like	An improvement in performance would see a greater percentage of residents believing that the local area is a place where people from different backgrounds get on well together.	Why this indicator is important	Community cohesion is often a difficult area to measure. However, this perception indicator gives some indication as to how our residents perceive community relationships to be within the borough.
History with this indicator	2017 Residents' Survey – 72% 2016 Residents' Survey – 73% 2015 Residents' Survey – 74%	Any issues to consider	Results were weighted to correct any discrepancies in the sample to better reflect the population of Barking & Dagenham, based on a representative quota sample. Quotas set on age, gender, ethnicity and tenure.

	Annual Result	DOT from 2016 to 2017
2017	72%	↓
Target	78%	
2016	73%	

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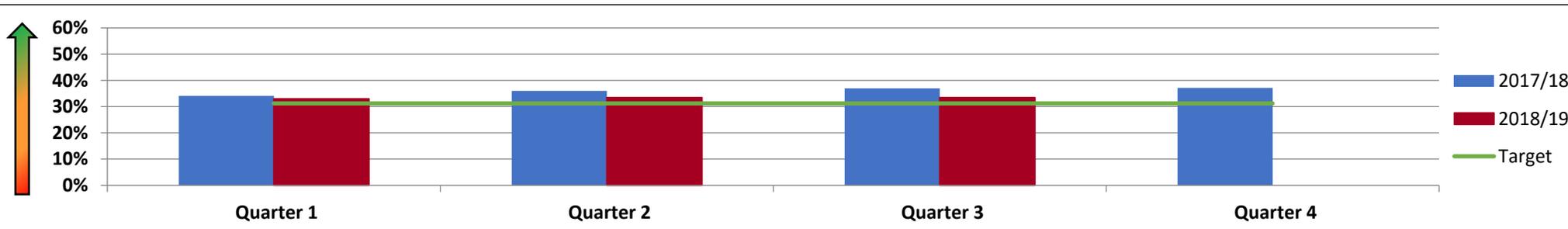
RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Results for this indicator decreased slightly in 2017, dropping from 73% to 72%. Given the circumstances, nationally as a result of Brexit and the reported rise in hate crime in places across the country, it is positive to note that performance for this indicator is holding steady. However, the performance for this indicator is still below the target of 78% and therefore RAG rated Amber.	The fieldwork for the 2018 Residents Survey began in September. The results are expected in March 2019. Work is underway to develop a Cohesion Strategy which will respond to issues and provide a plan to improve performance for this indicator.
Benchmarking	The national Community Life Survey Results – 89%	

Equalities and Diversity – Key Performance Indicators 2018/19

EQUALITIES AND DIVERSITY The percentage of Council employees from BME Communities Quarter 3 2018/19

Definition	The overall number of employees that are from BAME communities.		How this indicator works	This is based on the information that employees provide when they join the Council. They are not required to disclose the information and some chose not to, but they can update their personal records at any time they wish.	
What good looks like	That the workforce at levels is more representative of the local community (of working age).		Why this indicator is important	This indicator helps to measure and address under-representation and equality issues within the workforce and the underlying reasons.	
History with this indicator	There has been no change since the previous quarter in the percentage of BAME staff, although the levels have been consistently lower when compared with the same period in 2017/18. The decrease in the overall percentage of council employees from BAME communities fell in quarter 1 due to the TUPE transfer of a large group of staff.		Any issues to consider	A small number of employees are “not-disclosed”, and the actual percentage from BAME communities may be higher. Completion of the equalities monitoring information is discretionary and we are looking at how to encourage new starters to complete this on joining the Council and employees to update personal information on Oracle.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	33.0%	33.4%	33.4%		↓
Target	31.24%	31.24%	31.24%	31.24%	
2017/18	34.11%	35.98%	36.96%	37.17%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The council's BAME% remains the same as last quarter and is above the target figure. It has seen a decrease from Q4 of the previous year and this is attributed to the changes to the workforce numbers following the transfer of staff to the new companies in April 2018. We track the number of new starters and have seen a larger percentage of BAME successful candidates for the previous two quarters.	Monitoring will continue and it is expected that ongoing high volume recruitment in areas such as Public Realm will attract candidates from within the borough to greater align representation to the borough's profile. The council is the first council to sign up to the Race at Work Charter, and the five principal calls to action in this charter are designed to help organisations to take practical steps to ensure that workplaces barriers in recruitment and progression are removed to ensure a representative workplace.
Benchmarking	Not applicable – Local measure only	

The percentage of employees from BME Communities – Service Breakdown

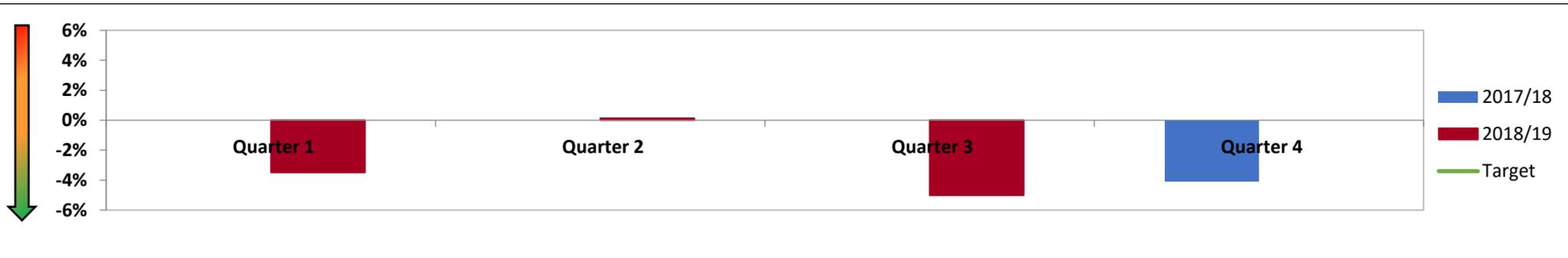
BME	Non-BME	Not Provided	Prefer not to say
800	1506	55	31

Service Block	BAME	Not-BAME	Not Provided	Prefer not to say
Adults Care and Support (Commissioning)	4	20	0	0
Adults Care and Support (Operational)	130	153	13	1
CE/ PR/ Inclusive Growth/ Transformation	4	19	1	1
Chief Operating Officer	4	21	1	2
Children's Care and Support (Commissioning)	18	37	2	0
Children's Care and Support (Operational)	91	107	8	0
Community Solutions	199	275	7	3
Culture and Recreation	5	38	3	0
Education	22	147	3	2
Enforcement Service	53	74	0	0
Finance	22	25	0	0
Law and Governance	50	105	2	9
My Place	40	91	3	12
Policy and Participation	6	27	0	0
Public Health	2	9	0	0
Public Realm	56	312	11	1
We Fix	94	46	1	0

All information is provided through self-declaration.

Definition	The Council is required by law to publish gender pay gap information by March of each year. All large employers who have a workforce of over 250 employees need to comply with the legislation. The Council now reviews the gender pay gap each quarter.		How this indicator works	The Council is required by law to publish gender pay gap information by March of each year. All large employers who have a workforce of over 250 employees need to comply with the legislation. The Council now reviews the gender pay gap each quarter.	
What good looks like	That the levels of pay between male and female employees do not have significant imbalances with either group receiving significantly higher or lower levels of pay.		Why this indicator is important	That the levels of pay between male and female employees do not have significant imbalances with either group receiving significantly higher or lower levels of pay.	
History with this indicator	The first statutory gender pay gap figure produced by the council in March 2018 identified a differential of 12.8% showing that women were paid less than men. The figure included in this report shows that there has been movement on this and that our female workers are paid higher than men.		Any issues to consider	The first statutory gender pay gap figure produced by the council in March 2018 identified a differential of 12.8% showing that women were paid less than men. The figure included in this report shows that there has been movement on this and that our female workers are paid higher than men.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 4 2017/18
2018/19	-3.5%	0.13%	-5.01%		
Target					
2017/18				-4.1%	

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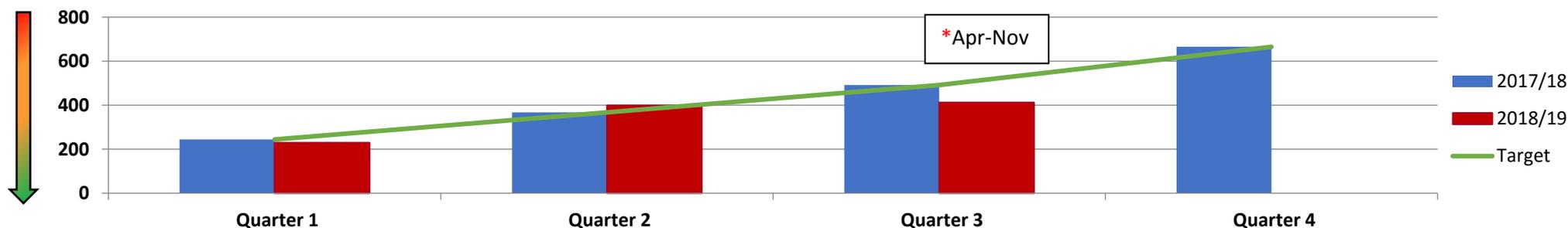


RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The current Gender Pay Gap ratio demonstrates that female pay is generally higher than male pay. This GPG figure is for current employees only and does not include those that were transferred to the new companies in April 2018.	The council will continue to monitor the GPG ratio in preparation for its annual submission in March 2019.
Benchmarking	Not applicable – Local measure only	

Public Realm – Key Performance Indicators 2018/19

PUBLIC REALM					Quarter 3 2018/19
The weight of fly-tipped material collected (tonnes)					
Definition	Fly tipping refers to dumping waste illegally instead of using an authorised method.	How this indicator works	(1) Fly-tip waste disposed at Material Recycling Facility and provided with weighbridge tonnage ticket to show net weight. The weights for all vehicles are collated monthly by East London Waste Authority (ELWA) and sent to boroughs for verification. (2) Following verification of tonnage data, ELWA sends the data to the boroughs and this is the source information for reporting the KPI.		
What good looks like	In an ideal scenario fly tipping trends should decrease year on year and below the corporate target if accompanied by a robust enforcement regime.	Why this indicator is important	To show a standard level of cleanliness in the local authority, fly tipping needs to be monitored. This reflects civic pride and the understanding the residents have towards our service and their own responsibilities.		
History with this indicator	2017/18 end of year result – 665 tonnes collected 2016/17 end of year result – 1,167 tonnes collected 2015/16 end of year result – 627 tonnes collected 2014/15 end of year result – 709 tonnes collected	Any issues to consider	Performance for this indicator fluctuates year on year depending on the collection services on offer, for example, the introduction of charges for green garden waste. We are monitoring the impact of green garden waste charges on fly tipping, but thus far, we have not seen any significant impact.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	229 tonnes	399 tonnes	412 tonnes*		↑
	244 tonnes	367 tonnes	492 tonnes	665 tonnes	
2017/18	244 tonnes	367 tonnes	492 tonnes	665 tonnes	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The weight of fly-tipped materials collected (tonnes) in quarter 3 was 13 tonnes (Oct - 8 tonnes, Nov - 5 tonnes). A cumulative total of 412 tonnes. *We are yet to receive December 2018 actual figures for this indicator from East London Waste Authority (ELWA).	We carry out monthly monitoring of waste tonnage data to be more accurate and have found out some discrepancies where waste had been allocated to the wrong waste type. The continuing work of the area managers and enforcement team to pursue and prosecute fly-tippers will continue to contribute in the improvement of this indicator. Quick response to fly-tips stops them from building up and increasing the tonnage and may deter those who would add to existing fly-tips.
Benchmarking	London Fly tipping tonnage: Latest official figure (2016/17) is not available. However, the latest official figure (2016/17) for London Fly tipping average incidents is 11269. In 2017/18 LBBB had 2599 incidents of fly tipping.	

PUBLIC REALM

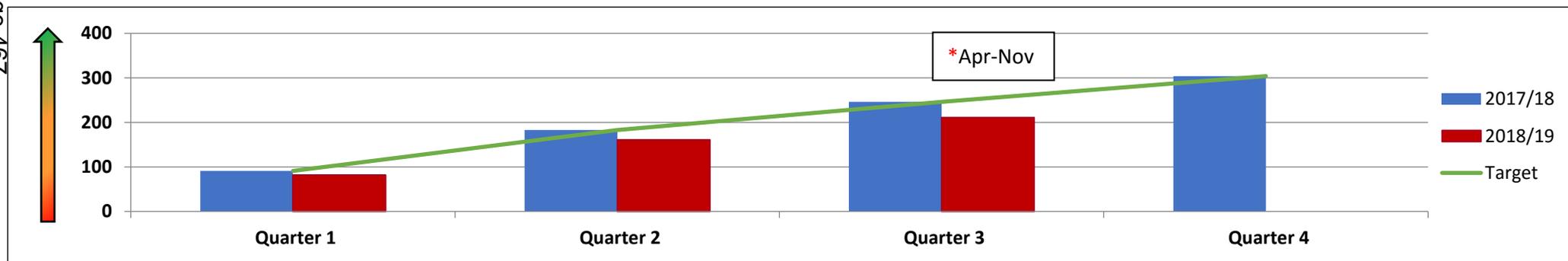
The weight of waste recycled per household (kg)

Quarter 3 2018/19

Definition	Recycling is any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes.	How this indicator works	This indicator is the result of all recycle collected through our brown bin recycling service, brink banks, RRC (Reuse & Recycling Centre) and 'back-end' recycling from the Mechanical and Biological Treatment (MBT) Plant. The total recycled materials weight in kilograms is divided by the total number of households in the borough (74,707 households 2017/18).
What good looks like	An increase in the amount of waste recycled per household.	Why this indicator is important	It helps us understand public participation. It is also important to evaluate this indicator to assess operational issues and look for improvements in the collection service.
History with this indicator	2017/18 – 304kg per household 2016/17 – 302kg per household 2015/16 – 218kg per household 2014/15 – 291kg per household	Any issues to consider	August recycling low due to summer holidays and from October to March due to lack of green waste recycling tonnages/rates are also low.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	82kg	161kg	211kg*		
Target	91kg	183kg	246kg	304kg	
2017/18	91kg	183kg	246kg	304kg	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The weight of waste recycled per household in quarter 3 was 50kg (Oct – 28kg, Nov – 22kg). A cumulative total of 211kg. *We are yet to receive December 2018 actual figures for this indicator from East London Waste Authority (ELWA).	The Waste Minimisation Team continue to tackle the issue of contamination as part of the kerbside collection. Addressing this issue will be crucial to maintain LBBB’s recycling rate. The team also responds to direct reports of contamination from crews and supervisors and directly engaging the residents, instructing, and educating to resolve contamination from households.
Benchmarking	London average figures for recycling rate: Latest official figure (2016/17) is 33.9%. LBBB’s 2017/18 recycling rate was 26.4%	

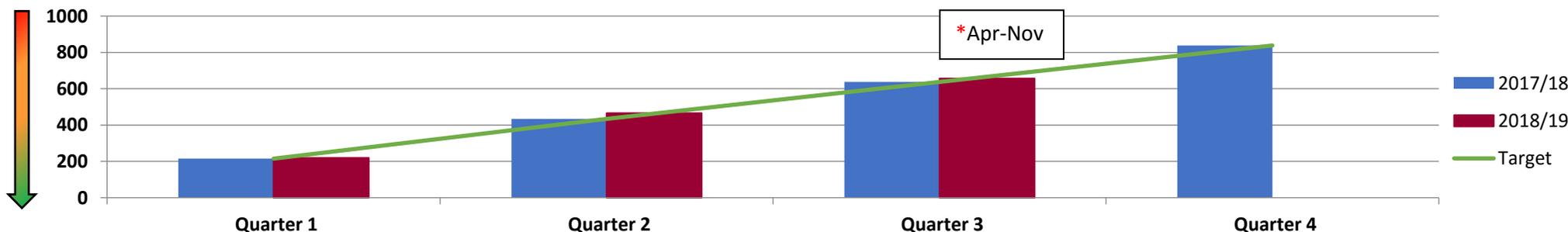
PUBLIC REALM

The weight of waste arising per household (kg)

Quarter 3 2018/19

Definition	Waste is any substance or object which the holder discards or intends or is required to discard and that cannot be recycled or composted.	How this indicator works	This indicator is a result of total waste collected through kerbside waste collections, Frizlands RRC, bulky waste and street cleansing minus recycling and garden waste collection tonnages. The residual waste in kilograms is divided by the number of households in the borough (74,707 households 2017/18).		
What good looks like	A reduction in the amount of waste collected per household.	Why this indicator is important	It reflects the council's waste generation intensities which are accounted monthly. It derives from the material flow collected through our grey bin collection, Frizlands RRC residual waste, bulk waste and street cleansing collections services.		
History with this indicator	2016/17 – 842kg 2015/16 – 877kg 2014/15 – 952kg	Any issues to consider	Residual waste generally low in month of August due to summer holidays and high during Christmas/New Year and Easter breaks.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	220kg	465kg	656kg*		
Target	215kg	434kg	638kg	838kg	
2017/18	215kg	434kg	638kg	838kg	

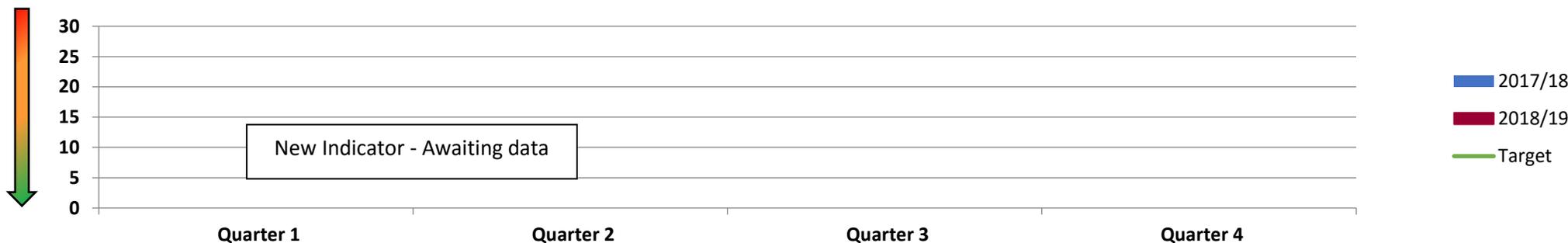
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The weight of waste arising per household in quarter 3 was 191kg (Oct - 100kg, Nov - 91kg). A cumulative total of 656kg. Lower recycling tonnages tend to increase the weight of waste arising per household. We have also since an increase in household numbers from 74,707 in 2017/18 to 75,734 in 2018/19, without corresponding increase in recycling. *We are yet to receive December 2018 actual figures for this indicator from East London Waste Authority (ELWA).	Work is being continued by the waste minimisation team to police the number of large bins being delivered. Increased communications campaigns by the Communications Team is underway by targeting those households that produce the most waste. The waste behavioural change communications strategy is three-fold: Firstly, raise awareness of what LBBD's waste services are – all residents. Secondly, ensure resident know how to use the service – all residents. Finally, target those people who produce the most waste focusing on behaviour change – highly targeted.
Benchmarking	London Residual waste per household: Latest official figure (2016/17) is 564.32Kg	

Definition	This indicator provides an overview of the cleansing standards of the borough. This indicator measures the levels of litter, detritus, fly posting and graffiti.		How this indicator works	This indicator works through a grading system. This is; A/B+/B/B-/C/C-/D, with A being the highest performance grade. These surveys are carried out in 3 tranches; April-July, August-November & December-March.	
What good looks like	The lower the percentage the better the standard.		Why this indicator is important	This indicator is important to us as we can judge areas that need more attention, and this can also help us identify problematic areas that could be targeted by enforcement and Anti-Social Behaviour teams.	
History with this indicator	The last report and available data for this indicator was in 2014/15. The results were: Litter 2%; detritus 6%; graffiti 1% and flyposting 2%.		Any issues to consider	We have recently seen an increase in footfall in busy shopping areas such as Barking Town Centre, The Heathway; along with an increase in new housing estates, which the section has had to absorb with its current workforce.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	Not Available*				n/a
Target					
2017/18	New indicator for 2018/19				

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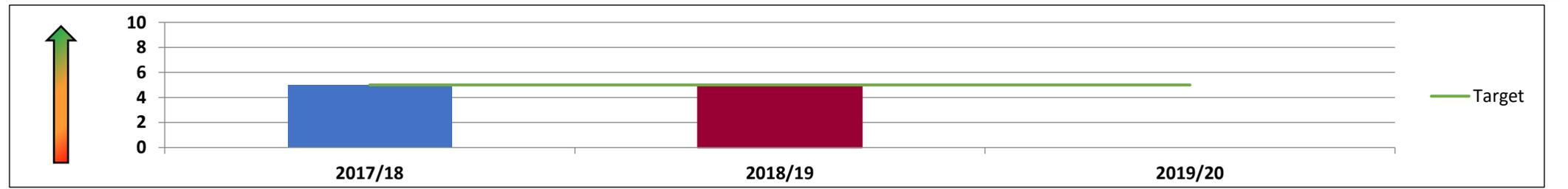
RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	*The Street Cleansing service has recently undergone staff restructure, and the full complement of staff is yet to be completed. However, the service is planning to train key staff to undertake these surveys.	
Benchmarking	Not available. The National indicator had been abolished by Government since 2010.	

The number of parks and green spaces meeting Green Flag criteria

Page 4/10

Definition	The number of successful Green Flag Award (GFA) applications for the borough's parks and open spaces.	How this indicator works	Successful sites must show that they manage a quality green space with a clear idea of what they are trying to achieve, why, and who they seek to serve. Award applicants are independently judged against 27 different criteria (divided into 8 sections) and must submit their active management plan, showing that they understand: the users, the site and the management. Judging is a two-part process: Stage One – Desk Assessment: Judges assess the application, the site-specific management plan and associated documentation, and the response to the judges' feedback from the previous year. This section is worth 30 out of 100 points, and applicants must score at least 15 points to gain accreditation. Stage Two – Site Assessment: The second stage involves a site visit where judges assess whether the management plan is in practice on the site, and how well the GFA expectations are being met, by observation and by questioning staff, volunteers and visitors. This section is worth 70 out of 100 points, and applicants must score at least 42 points to gain accreditation.
What good looks like	Achievement of the required standard and retention of the GFA.	Why this indicator is important	The GFA scheme recognises and rewards well managed and maintained parks and green spaces, setting the benchmark standard for the management of recreational outdoor spaces across the United Kingdom, and around the world. Parks and green spaces are at the centre of discussions around urban place making, development and regeneration, and research has demonstrated conclusively that a number of economic, social and environmental benefits accrue from good quality parks. Parks and green spaces help people become healthier and more active, are great places to relax, to play, to meet friends and hold events. They also help make urban life more sustainable by supporting food growing, biodiversity, improving air quality and controlling flood risk. Most importantly, parks are free. Therefore, parks and open spaces, and the services and facilities they provide, can help shape the future of the borough by helping to achieve the Council's vision and objectives, and deliver the Borough Manifesto.
History with this indicator	Barking Park was the first Barking and Dagenham park to receive a GFA in 2011. Since then applications have been submitted annually and in 2018 five of the borough's parks were awarded Green Flags: Barking Park, Beam Parklands, Greatfields Park, Mayesbrook Park and St Chads Park.	Any issues to consider	Key Dates: The 2019/20 application round opens 1st November 2018 and closes 31st January 2019. Announcement of winners - July 2019. Judge's feedback: as part of the GFA application process sites are required to provide a response to the judges' feedback from the previous year. This feedback often includes comments and recommendations for investment in park buildings, infrastructure and facilities. Therefore, participating in the GFA scheme requires both revenue and capital funding.

	Annual Indicator	DOT from 2017/18
2018/19	5	↔
Target	5	
2017/18	5	



RAG Rating	Performance Overview and Actions to sustain or improve performance
G	The quality assurance target for parks and open spaces by 2020 is: the number of Green Flag Awards secured year on year for the Borough's parks will have increased to 10; the independently assessed quality rating for parks classed as 'good' will have increased from two to five. It will only be feasible to achieve these targets if the proposed capital investment schemes at Parsloes Park, Abbey Green, Central Park, Antony Green, and Valence Park are implemented. It is expected that it will be possible to secure and retain the Green Flag Award for Eastbrookend Country Park during this period. As at Q3, the external funding required to deliver the Antony Green and Valence Park play developments has been secured and work will start on site on both schemes in January. The planning application for the Parsloes Park regional football hub will be submitted by the end of January and planning approval is expected in April. At that time the Football Foundation, which is the principal funder of the scheme, will confirm their grant support and the contractor will be appointed to implement the scheme. The planning application for the Central Park masterplan implementation project will be submitted in February and planning approval is expected in May. The contractor has been appointed for this scheme and it is expected that works will start on site in summer19. The funding bid to the Heritage Lottery Fund (HLF) to meet the cost of improvement works to the Abbey Green (north and south) and Abbey Ruins was unsuccessful; however, this was only due to insufficient funding, the project itself was favourably received. Following feedback from the HLF the proposed project has been broken down into a number of implementation phases and funding for these will be sought over a number of years. The first bid will be submitted in spring 19 by which time the HLF will have launched their new funding regime. To support the achievement of the Green Flag Award at Eastbrookend Country Park, the parks' ranger team will be launching a friends' group at the park in 2019.

Enforcement and Community Safety – Key Performance Indicators 2018/19

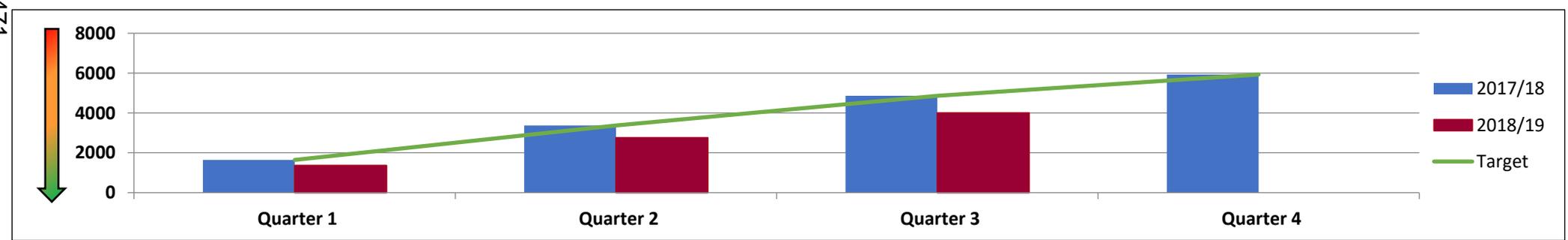
ENFORCEMENT AND COMMUNITY SAFETY

The number of anti-social behaviour incidents reported in the borough

Quarter 3 2018/19

Definition	Anti-social behaviour includes Abandoned Vehicles, Vehicle Nuisance, Rowdy/Inconsiderate Behaviour, Rowdy/Nuisance Neighbours, Malicious/ Nuisance Communications, Street Drinking, Prostitution Related Behaviour, Noise, Begging.		How this indicator works	As defined, it is a count of all calls reported to the police.	
What good looks like	Ideally, we would see a year on year reduction in ASB calls reported to the Police.		Why this indicator is important	This indicator is one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, the Crime and Enforcement Portfolio holder, the Chief Executive of the council, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC) for the 2017/18 period.	
History with this indicator	2014/15: 5999 calls 2015/16: 5688 calls	2017/18: 5929 calls 2016/17: 6460 calls	Any issues to consider		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	1,358	2,758	4,006		
Target	Year on year reductions	Year on year reductions	Year on year reductions	Year on year reductions	
2017/18	1,643	3,372	4,859	5,929	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Financial Year to Date Figures to December 2018 shows there were 4006 ASB calls were recorded by the Police, this is a decrease of 17.6% (down 853 calls) on the 4859 calls reported by December 2017. In comparison ASB Calls to the Police across London are down 3.1%.	<p>Actions within this area include:</p> <ul style="list-style-type: none"> • Issued over 1,320 fines for enviro-crime including more than 335 fines for littering, • Wall of shame officially launched, • Dealt with 1,600 reports of eyesore gardens, • 28 prosecutions of rogue landlords. <p>The Community Safety Partnership will need to review how we sustain this level of work.</p>
Benchmarking	12 months to December 2018 Rate per 1,000 population is: 24.1, this is below the London average (27.4). Barking and Dagenham ranks 15 out 32 (1 = lowest ASB rate in London, 32 = highest ASB rate in London)	

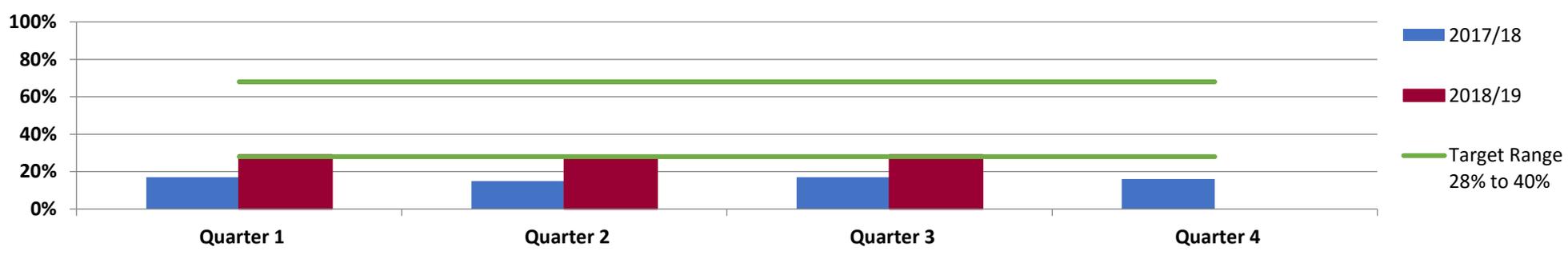
ENFORCEMENT AND COMMUNITY SAFETY

Repeat incidents of domestic violence (MARAC)

Quarter 3 2018/19

Definition	Numerator: Number of repeat cases of domestic abuse within the last 12 months referred to the MARAC		How this indicator works	This indicator looks at the number of repeat cases of domestic abuse that are being referred to the MARAC from partners.	
	Denominator: Number of cases discussed at the MARAC				
What good looks like	The target recommended by SafeLives is to achieve a repeat referral rate of between 28% to 40%. A lower than expected rate usually indicates that not all repeat victims are being identified and referred to MARAC.		Why this indicator is important	This indicator helps to monitor partner agencies ability to flag repeat high risk cases of domestic abuse and refer them to the MARAC for support.	
History with this indicator	2014/15 end of year result: 20% 2015/16 end of year result: 25% 2016/17 end of year result: 28% 2017/18 end of year result: 16%		Any issues to consider	Repeat referral rate is a single indicator and is not fully representative of MARAC performance. MARAC processes vary across areas and therefore benchmarking should be considered with caution for this indicator.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	29%	28%	29%		
Target	28% to 40%	28% to 40%	28% to 40%	28% to 40%	
2017/18	17%	15%	17%	16%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	At December 2018 the accumulative rate of repeat referrals to MARAC is 29% and still within the recommended levels expected by Safelives (28% to 40%) which is good.	This is being monitored closely by the MARAC Chair and VAWG subgroup of the CSP in partnership and any issues raised are worked through with partners including the police.
Benchmarking	Benchmarking data is currently available for January 2017 to December 2017. Metropolitan Police Force average: 21%. National: 28%. Most Similar Force: 29%	

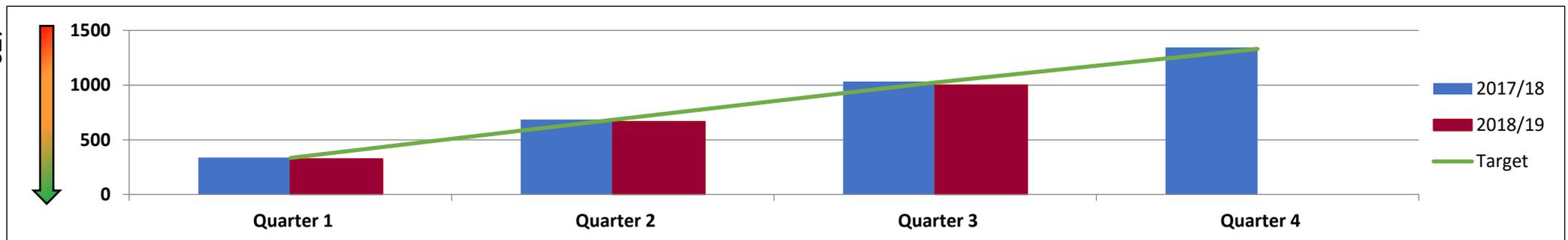
ENFORCEMENT AND COMMUNITY SAFETY

The number of non-domestic abuse violence with injury offences recorded

Quarter 3 2018/19

Definition	The number of violence with injury offences reported to and recorded by the police which were non-domestic.		How this indicator works	This indicator is the accumulative count of all non-domestic violence with injury offences reported to the police within the financial year period specified.		
What good looks like	We are looking for a decrease in this figure and would normally compare with the same period in the previous year, as crime is (broadly) seasonal.		Why this indicator is important	This indicator has been agreed as one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, The Crime and Enforcement Portfolio holder, the Chief Executive of the council, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC).		
History with this indicator	2013/14: 987 2014/15: 1,147 2015/16: 1,325 2016/17: 1,366 2017/18: 1,331	Any issues to consider	In April 2014 changes were made to the way in which violence was recorded and classified (see new Home Office Counting Rules Guidance). HMIC inspections of police data in 2013-14 also raised concerns about a notable proportion of crime reports not being recorded, particularly during domestic abuse inspections. Implementation of the new recording and classification guidance and training to improve crime recording mechanisms around violence and domestic abuse have led to a rapid upward trajectory in Violence with Injury.			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18	
2018/19	325	664	999			
Target	Year on year reduction	Year on year reduction	Year on year reduction	Year on year reduction		
2017/18	337	684	1,032	1,345		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Financial Year to Date at December 2018 shows 999 offences were reported to and recorded by the police down 3.2% (- 33 offences) compared to December 2017 (1032 offences). In comparison, the figures across London is down by 1.2%.	Actions in this area include: <ul style="list-style-type: none"> • Test Purchasing, • Commissioning ARC Theatre, • Knife Crime Programme in 2018/19, • developing a long-term trauma informed model. • Focus on reduction Non DA VWI is concentrated on the two Town centres in the borough. • Deliver on the EYIF programme to address serious violence.
Benchmarking	12 months to December 2018 Rate per 1,000 population is 6.2, this is partially above the London average (6.0), and Barking and Dagenham ranks 19 out of 32 (1 = lowest crime rate in London, 32 = highest crime rate in London).	

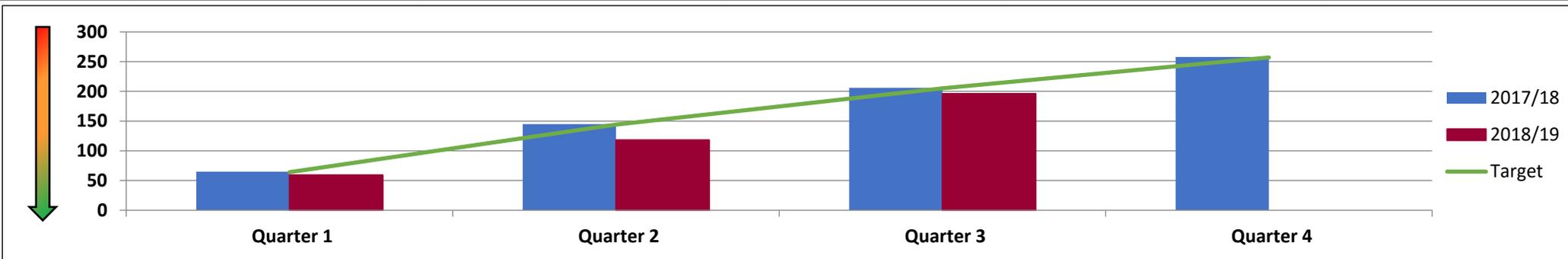
ENFORCEMENT AND COMMUNITY SAFETY

The number of serious youth violence offences recorded

Quarter 3 2018/19

Definition	Serious Youth Violence is defined by the MPS as 'Any offence of most serious violence or weapon enabled crime, where the victim is aged 1-19.'		How this indicator works	Serious Youth Violence is a count of victims of Most Serious Violence aged 1-19.	
What good looks like	We are looking for a decrease in this figure, and would normally compare with the same period in the previous year, as crime is (broadly) seasonal.	Why this indicator is important	This indicator has been agreed as one of the high-volume crime priorities for Barking and Dagenham. This was agreed between the Leader, Chief Executive, CSP Chair, Borough Commander and the Mayor's Office of Policing and Crime (MOPAC) for the 2017/18 period.		
History with this indicator	2014/15: 182 2015/16: 245 2016/17: 224 2017/18: 258	Any issues to consider	Serious Youth Violence Counts the number of victims aged 0-19 years old, not the number of offences.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	59	118	196		
Target	Year on year reduction	Year on year reduction	Year on year reduction	Year on year reduction	
2017/18	65	145	206	258	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Using 2018/19 Financial Year To Date figures at December 2018 (196 victims) Serious Youth Violence is down by 4.9% (- 10 victims) compared to FYTD figures at December 2017 (206 victims). In comparison London is down by 8.5%.	<ol style="list-style-type: none"> 1) High level mentoring support for those identified as high risk of involvement in violence, gang involvement 2) Counselling and mentoring workshops and performances with targeted groups of young people in schools and other settings on offences with weapons such as knives, noxious substances and CSE. 3) Use of a Youth Matrix to identify the most at risk young people through schools, police, youth service and YOS 4) Full Time Support workers to provide one to one mentoring as part of early intervention identified by the matrix. <p>We are working with schools and voluntary organisations to develop a trauma informed approach which will have a long-term impact.</p>
Benchmarking	12 month figures to December 2018 (250) Rank (by Volume) Barking and Dagenham is 20 of 32 (1 = lowest crime & 32 = highest crime).	

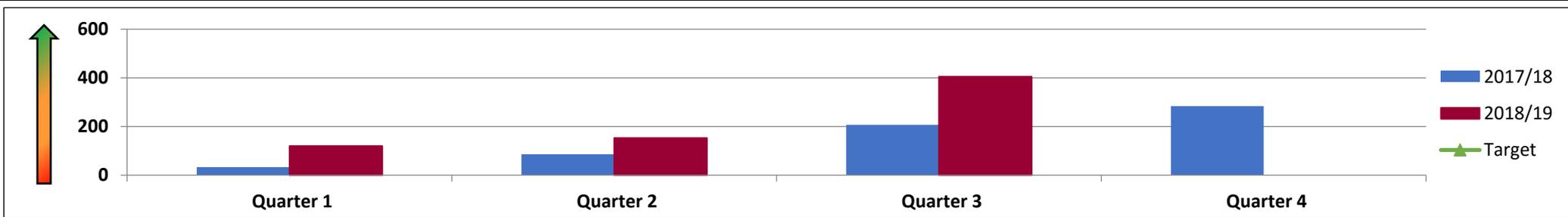
ENFORCEMENT AND COMMUNITY SAFETY

Quarter 3 2018/19

The number of properties brought to compliance by private rented sector licensing

Definition	The number of non-compliant properties brought to compliant standard.	How this indicator works	This indicates the number of properties that do not meet the standard and through informal and formal action have now had the issues addressed.		
What good looks like	Having a very low number of non-compliant properties therefore reflecting good quality private rented properties in the borough.	Why this indicator is important	There are approximately 15,000 privately rented properties in the borough and as a licensing service we need to ensure that all those properties are compliant and have a licence.		
History with this indicator	The scheme has been live since September 2014 and compliance visits have taken place on 89% of all properties that have applied for a licence.	Any issues to consider	Enforcement officers have been tasked to tackle the total number of non-compliant properties through enforcement intervention, for example formal housing notices to ensure work is carried out and property standards improved. There is a significant increase of properties that were originally issued a selective licence between 2014 – 2017 that have since become non-compliant due to breaches of licensing conditions. The total number of non-compliant has reduced, however the volume of non-compliant properties remains at approximately 3% of the private rental sector.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	120	153	405		
2017/18	33	86	207	284	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	The current number of non-complaint properties is being managed by enforcement officers who have been tasked to action those cases that require enforcement action. This is being monitored on a monthly basis with enforcement as a key priority.	A target date of three months was agreed, and all officers are working to achieve compliance within 3 months. All cases are progressed to an enforcement stage. We are projecting to reduce the number of non-complaint properties by 60% over the two months. All minor non-compliance has been dealt with by way of conditions of licence to reduce the total outstanding number. The number of non-compliant properties that have been made compliant over the last quarter has rapidly increased due to tight performance monitoring and measuring of individual officer's caseload which has helped with accountability action planning.
Benchmarking	Barking and Dagenham remain the only Borough within London to inspect all properties prior to issuing a licence. In terms of enforcement, we are engaging with landlords in the first instance encouraging them to raise property standards. Enforcement intervention is used where there has been a disregard to the licensing regime or legal requirements.	

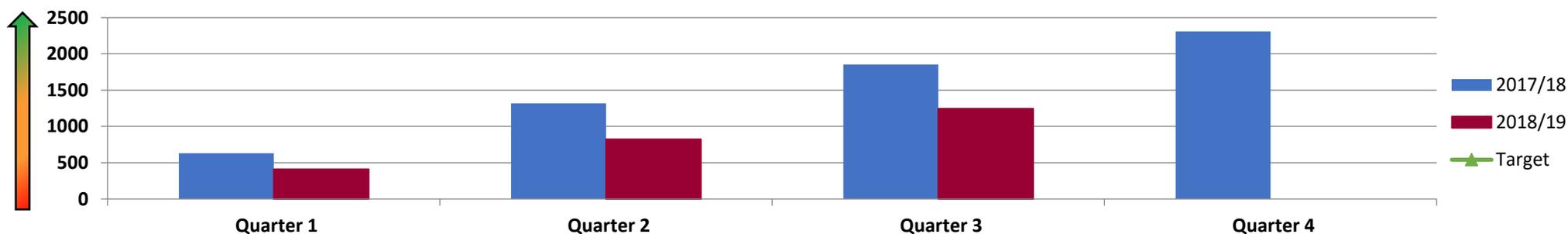
ENFORCEMENT AND COMMUNITY SAFETY
The number of fixed penalty notices issued

Quarter 3 2018/19

Definition	The number of fixed penalty notices issued by the enforcement team	How this indicator works	This indicator shows how many FPNs are issued by the team monthly. This indicator allows Management to see if team outputs are reaching their minimum levels of activity which allows managers to forecast trends.
What good looks like	75% payment rate of FPN issued.	Why this indicator is important	Meets the council's priorities of civic pride and social responsibilities. Reduce the cost on waste and cleansing services including disposal costs.
History with this indicator	2017/18 – 2,311 FPNs issued 2016/17 – 1,914 FPNs issued	Any issues to consider	We cannot set income targets for FPN's.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	415	409	420		
2018/19 YTD	415	824	1,244		
2017/18	629	688	536	458	
2017/18 YTD	629	1,317	1,853	2,311	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	The service has issued 420 FPN's during the third quarter of 2018/19. This is a 22% reduction on the number issued in the same quarter last year.	There has been a reduced number of street enforcement officers in Quarter 3 which has had an impact on overall FPN issuance, this has been addressed through agreement with Workforce group to go to formal recruitment for the vacant posts. The team have also been focusing on other enviro crime and Anti-Social priorities such as Barking Town Centre PSPO whilst this has had a significant impact in terms of perceptions of safety in and around the Town Centre this programme does not result in high volumes of FPN issuance.
Benchmarking	Benchmarking data not available.	

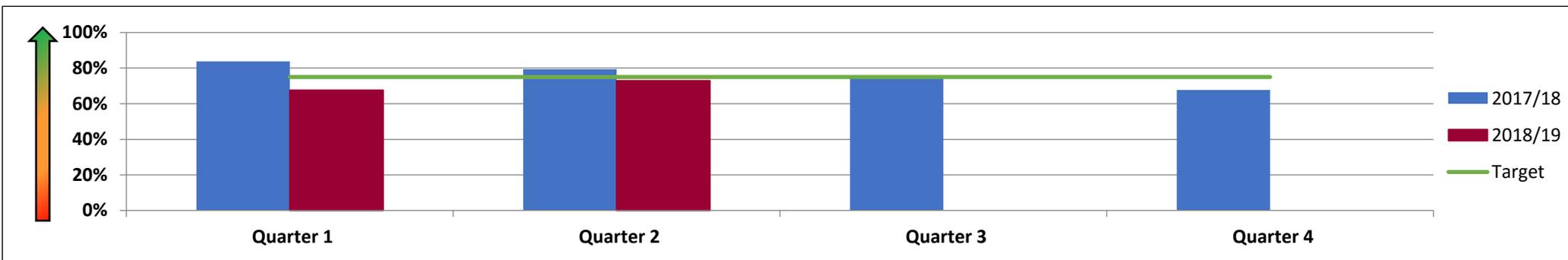
ENFORCEMENT AND COMMUNITY SAFETY

The percentage of fixed penalty notices paid / collected

Quarter 3 2018/19

Definition	The percentage of fixed penalty notices issued that have been paid / collected.	How this indicator works	This indicator monitors the collection rate of those fixed penalty notices that have been issued.		
What good looks like	The aim is to increase the rate of FPNs collected / paid.	Why this indicator is important	Ensures that the enforcement action taken by officers is complied with and enhances the reputation of the council in taking enforcement action.		
History with this indicator	2017/18 – 67.7% FPNs paid/collected 2016/17 – 58.8% FPNs paid / collected	Any issues to consider	No significant issues figure is only slightly under the target rate.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	67.5%	78.4%	69.86%		
2018/19 YTD	67.5%	72.9%	71.92%		
Target	75%	75%	75%	75%	
2017/18	83.78%	75%	67%	45%	
2017/18 YTD	83.78%	79.39%	75.26%	67.70%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	<p>Quarter 3 is showing a payment rate of 69.86% against the FPNs issued during that period.</p> <p>The total payment rate for this current year is 72%</p>	<p>Ensure that the balance between issuing FPN's and chasing payments is correct so that the number of FPN's is sustained.</p>
Benchmarking	Benchmarking data not available.	

Social Care and Health Integration – Key Performance Indicators 2018/19

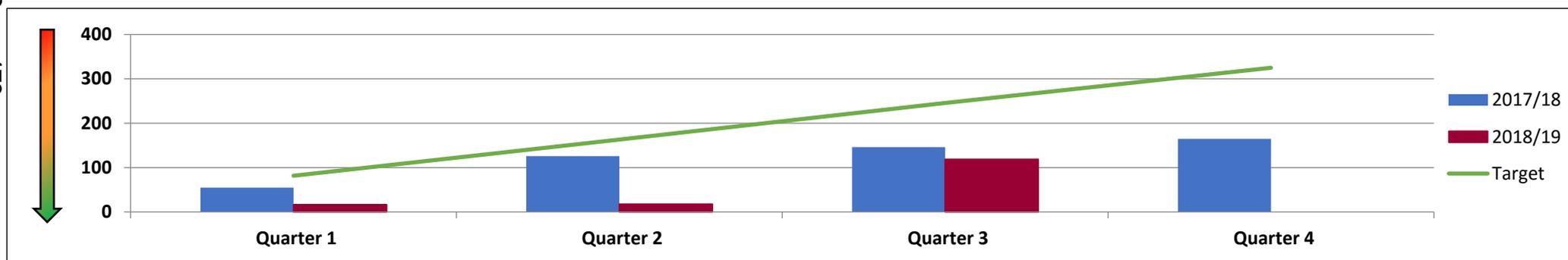
SOCIAL CARE AND HEALTH INTEGRATION

The total Delayed Transfer of Care Days (per 100,000 population) attributable to social care

Quarter 3 2018/19

Definition	Total number of days that patients remain in hospitals because of social care service delays when they are otherwise medically fit for discharge.		How this indicator works	This indicator measures the total number of social care delayed days recorded in a month per 100,000 population and converts it to a quarterly total. The indicator is reported two months in arrears.	
What good looks like	Good performance is below the target for the period. The target is set in the Better Care Fund plan.	Why this indicator is important	The indicator is important to measure as delayed transfers of care have an impact on the hospital system and the patient. In principle, hospitals can fine the Council for delays that it causes, and there is a risk to central Government funding if performance is very poor.		
History with this indicator	2015/16: 1457 days, 1084.9 per 100,000 2016/17: 550 days, 388.4 per 100,000 2017/18: 240 days, 164.9 per 100,000	Any issues to consider	During Q2, NHS England introduced several changes ahead of the Better Care Fund Plan submission which included the imposition of targets and demands for further improvement. To facilitate monitoring of the plan this indicator will be reported on a cumulative basis. The target reflects the agreed targets in the approved BCF plan.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	16.2	69.0	118.4*		↑
Target	81.6	163.1	245.4	324.9	
2017/18	54.6	125.8	146.2	164.9	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>The data is complete for Q2 2018/19. In the year to September a total of 102 delayed days were attributed to social care alone, equivalent to 69.0 per 100,000 people. Performance is significantly better compared with the same period last year. The target from 2017-18 remains in place and is provisional as NHS England is considering local targets for 2018-19.</p> <p>* This indicator is a quarterly one, the data provided is provisional and are up to the end of November only.</p>	<ul style="list-style-type: none"> NHS England have released the DTOC expectations for local authorities for 2018-19. Under its new methodology, based on a baseline of Q3 2017-18, both the CCG and the council are required to maintain the performance of that quarter, which was exceptionally good. Maintaining this level of performance over the course of the coming year is not feasible as there is very little room for any deterioration in performance. We have provided detailed analysis to NHS England (6th August 18) to include in their national review on the impact of targets and to help them identify specific conditions for further consideration of our target.
Benchmarking	Q3 2018/19: Redbridge 86.3 per 100,000, Havering 206.7 per 100,000, England average 784.4 per 100,000	

SOCIAL CARE AND HEALTH INTEGRATION

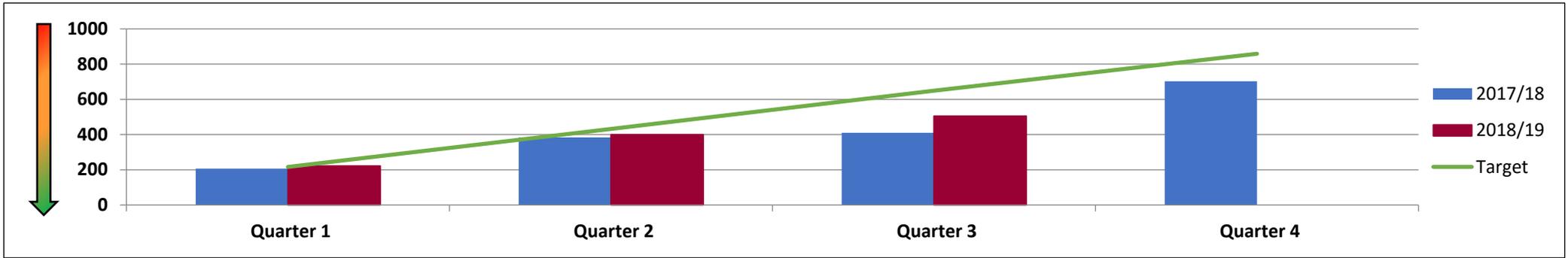
The number of permanent admissions to residential and nursing care homes (per 100,000)

Quarter 3 2018/19

Definition	The number of permanent admissions to residential and nursing care homes, per 100,000 population (65+).	How this indicator works	This indicator looks at the number of admissions into residential and nursing placements throughout the financial year, using a population figure for older people. A lower score is better as it indicates that people are being supported at home or in their community instead.
What good looks like	The Better Care Fund has set a maximum limit of 170 admissions, equivalent to 858.9 per 100,000.	Why this indicator is important	The number of long term needs met by an admission to a care homes is a good measure of the effectiveness of care and support in delaying dependency on care and support services.
History with this indicator	2014/15 - 177 admissions, 905.9 per 100,000 2015/16 - 179 admissions, 910.0 per 100,000 2016/17 - 145 admissions, 737.2 per 100,000 2017/18 –139 admissions, 702.3 per 100,000	Any issues to consider	The indicator includes care home admissions of residents where the local authority makes any contribution to the costs of care, irrespective of how the balance of these costs are met. Residential or nursing care included in the indicator is of a long-term nature, short-term placements are excluded.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	222.3	399.1	505.1		
Target	216.2	432.4	648.7	858.9	
2017/18	207.1	384.0	409.8	702.3	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	During Q2 35 older people were admitted to long-term residential and nursing care (432.4 per 100,000). Provisional (pre-reconciled) figures for Q3 shows 21 admissions (505.1 per 100,00). Performance is above the target and maintains the RAG green rating.	<ul style="list-style-type: none"> Adult Care and Support continues to maintain significant management focus on ensuring that community-based care and support solutions are optimised. Reconciliation of admissions will be undertaken for Q3 over the next few months to ensure that activity is reflected in reporting during the year.
Benchmarking	2017-18: ASCOF England average – 585.6 per 100,000; London average – 406.2 per 100,000	

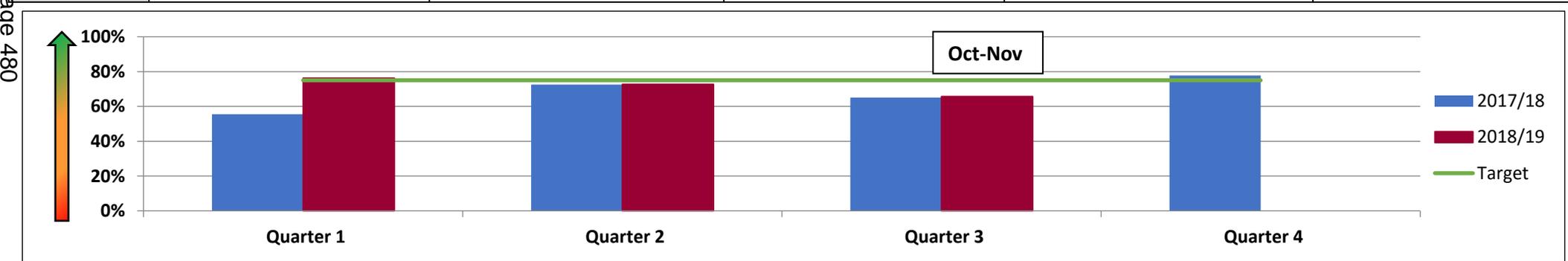
SOCIAL CARE AND HEALTH INTEGRATION

The percentage of children who received a 12-month review by 15 months of age

Quarter 2 2018/19

Definition	Number of children who received a 12-month review by 15 months	How this indicator works	This indicator is a measure of how many children receive their 12-month review by the time they reach the age of 15 months.
What good looks like	For the percentage to be as high as possible.	Why this indicator is important	Every child is entitled to the best possible start in life and health visitors play an essential role in achieving this. By working with families during the early years of a child's life, health visitors have an impact on the health and wellbeing of children and their families.
History with this indicator	2017/18: 67.5%	Any issues to consider	This reporting for this indicator has been revised and hence these figures do not match previous figures reported.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	76.3%	72.6%	65.7% (Oct–Nov only)		
Target	75.0%	75.0%	75.0%	75.0%	
2017/18	55.5%	72.5%	65.1%	77.8%	



RAG Rating	Performance Overview	Actions to sustain or improve performance
R	<p>Performance in quarter 3 (October–November only) was 65.7%, which is below target. Monthly performance is below target for a third consecutive month. NELFT had advised that quarterly performance would be above target, but performance data shows that this is unlikely. The most recent benchmarking data (quarter 1 2018/19) suggested that Barking and Dagenham was performing better than London but not England.</p>	<ul style="list-style-type: none"> Monthly performance monitoring meetings with NELFT, the lead commissioner, Senior Intelligence and Analysis Officer and Senior Public Health team representative(s) are taking place to seek to increase performance and ensure data reliability. Additional meetings requested by commissioners with members of NEFLT senior management team and regular communication between LBBD Performance and NELFT Performance are also taking place outside of monthly contract meetings to expediate performance improvement.
Benchmarking	Quarter 1 2018/19: England – 81.9%; London – 72.7%; Barking and Dagenham – 76.0% (revised data; not same as published statistics).	

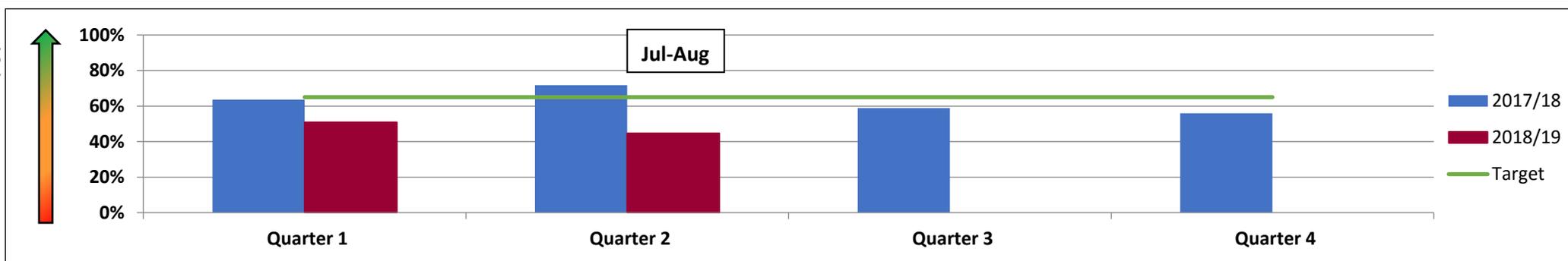
SOCIAL CARE AND HEALTH INTEGRATION

The percentage of healthy lifestyles programmes completed

Quarter 2 2018/19

Definition	The percentage of children and adults starting healthy lifestyle programmes that complete the programme.		How this indicator works	The number of people starting the HENRY, Exercise on Referral (EOR), Adult Weight Management (AWM) and Child Weight Management (CWM) programmes who complete the programme.	
What good looks like	For the percentage of completions to be as high as possible.		Why this indicator is important	The three programmes allow the borough's GPs and health professionals to refer individuals who they feel would benefit from physical activity and nutrition advice to help them improve their health and weight conditions.	
History with this indicator	2016/17: 61.7%		Any issues to consider	Data operates on a 3-month time lag as completion data is not available until participants finish the programme. For CWM programmes, including HENRY, figures only include the target child and not other family members who attend. This indicator has changed to report on percentage of starters who complete the programme as agreed by SD&I and Lead Member.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19	50.9%	44.7% (Jul-Aug only)			
Target	65.0%	65.0%	65.0%	65.0%	
2017/18	63.6%	71.7%	58.8%	55.9%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	<p>In July–August 2018, 264 people started programmes and 118 of those completed them (44.7%). This compares with 67.7% in July–August 2017. This is due to AWM coaches resigning and leaving in the middle of the programme which resulted in a reduced number of completions.</p> <p>No children's programmes began in July or August 2018 (or July or August 2017); all participants were enrolled on adults' programmes.</p>	<ul style="list-style-type: none"> • A meeting is being arranged with the providers of the diabetes prevention programme to align programmes and ensure that this new provision does not affect LEAN Living referrals. • More places have been made available in classes to increase class sizes and benefit group dynamics. • The Community Health Champions' involvement in LEAN Living sessions has been reinvigorated. • A consultant has been commissioned to review the EoR processes and develop a list of recommendations to improve the provision.
Benchmarking	This is a local indicator.	

SOCIAL CARE AND HEALTH INTEGRATION

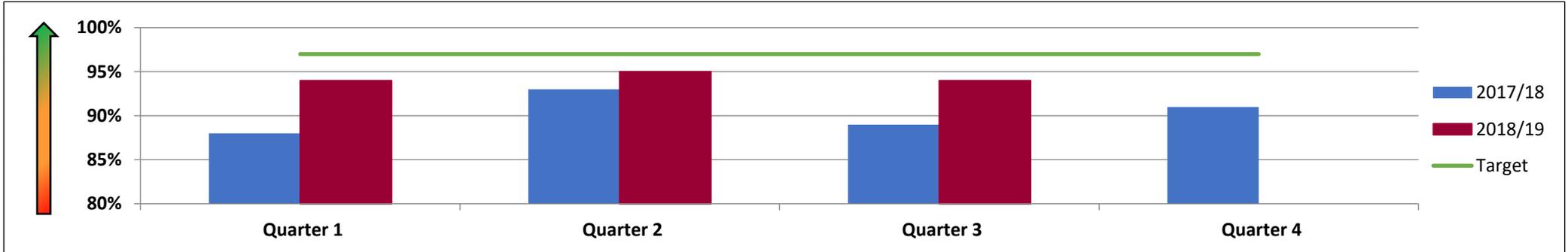
The percentage of 4-weekly Child Protection Visits carried out within timescales

Quarter 3 2018/19

Definition	The percentage of children who are currently subject to a child protection (CP) plan for at least 4 weeks who have been visited.	How this indicator works	The indicator counts all those in the denominator and of those, how many have been visited and seen within the last 4 weeks. The figure is reported as a percentage.
What good looks like	Higher is better.	Why this indicator is important	Child protection visits are vital to monitor the welfare and safeguarding risks of children on a child protection plan.
History with this indicator	4 weekly CP visits have been monitored since August 2015, compared to 6 weekly CP visits previously.	Any issues to consider	This indicator is affected by numbers of child protection cases increasing and the impact of unannounced child protection visits by social workers resulting in visits not taking place and potentially becoming out of timescale.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	94%	95%	94%		
Target	97%	97%	97%	97%	
2017/18	88%	93%	89%	91%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	As at the end of Q3 2018/19, performance has decreased slightly to 94% (287/305) compared to 95% (291/306) at the end of Q2 18/19. Performance remains below target of 97%. 2 weekly CP visits is now the agreed standard and performance is at 72% - below the target set at 90% plus (RAG rated Red).	Outstanding CP visits are being monitored via team dashboards and monthly Children's care and support meetings.
Benchmarking	This is a local indicator and is not published by the DfE. No benchmarking data is available.	

SOCIAL CARE AND HEALTH INTEGRATION

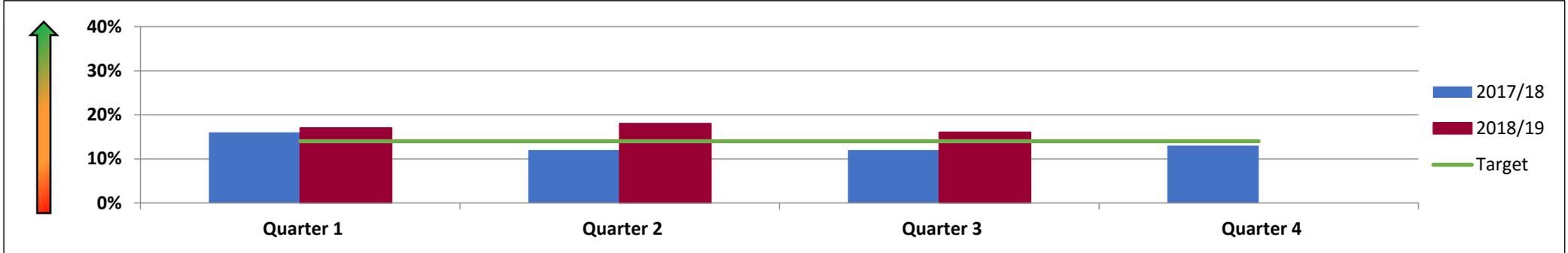
The percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time

Quarter 3 2018/19

Definition	The total number of children who have become subject to a child protection plan in the year, and of those how many have previously been subject to a child protection plan	How this indicator works	The indicator measures the number who had previously been the subject of a child protection plan, or on the child protection register, regardless of how long ago that was, against the number of children who have become the subject to a child protection plan at any time during the year, expressed as a percentage. The figure presented is a year to date figure as of the end of each quarter.
What good looks like	A low percentage, but not necessarily zero percent: some subsequent plans will be essential to respond to adverse changes in circumstances	Why this indicator is important	Subsequent Child Protection plans could suggest that the decision to initially remove the child from the plan was premature and that they are not actually safer. It may be reasonable to question whether children were being taken off plans before necessary safeguards have been put in place, so therefore a low percentage is desirable.
History with this indicator	2015/16 8% 2016/17 17% 2017/18 13%	Any issues to consider	None at present

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	17%	18%	16%		
Target	14%	14%	14%	14%	
2017/18	16%	12%	12%	13%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	As at Q3, 18.0% (43/268) children have become subject of a CPP for a second or subsequent time, lower than the Q2 figure of 18% (35/194). Performance is above target but in line with the London average and lower than the national average.	<ul style="list-style-type: none"> The CP Chairs currently undertake a six week and three month 'paper' review of cases with a ceased CP Plan to ensure that the family remains open to services. Audits to be undertaken to identify themes as to why children become subject to a CP Plan for a subsequent time.
Benchmarking	London Average 15%, National Average 20%, Statistical Neighbours 21%	

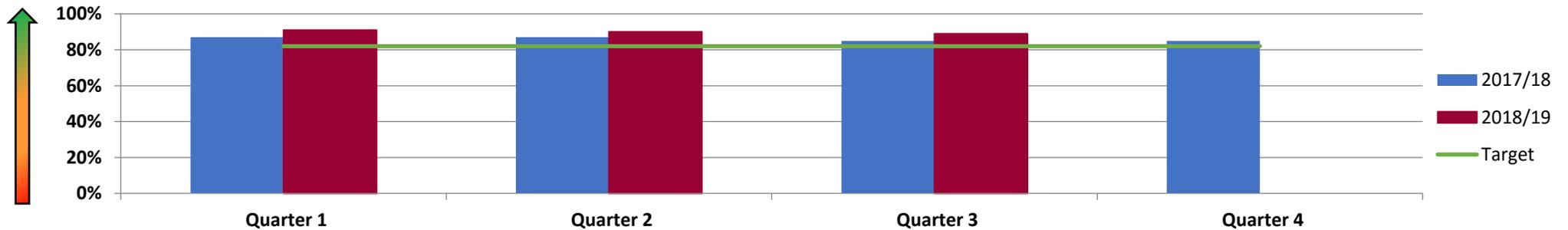
SOCIAL CARE AND HEALTH INTEGRATION

The percentage of assessments completed within 45 working days

Quarter 3 2018/19

Definition	The total number of Assessments completed and authorised during the year and of those, the number that had been completed and authorised within 45 working days of their commencement	How this indicator works	This indicator counts all single assessments that have been authorised in the year to date as of the end of each quarter		
What good looks like	Higher the better	Why this indicator is important	The timeliness of an assessment is a critical element of the quality of that assessment and the outcomes for the child. Working Together to Safeguard Children sets out an expectation that the Single Assessment will be completed within a maximum of 45 working days of receipt of the referral		
History with this indicator	Performance by year: 2013/14 - 78% 2014/15 - 71% 2015/16 - 76%, 2016/17 - 78%, 2017/18 - 85%	Any issues to consider	Although most Single assessments are initiated at the end of referral process, this indicator includes review single assessments on open cases.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	91%	90%	89%		↑
Target	82%	82%	82%	82%	
2017/18	87%	87%	85%	85%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	As of Q3, 89% (2419/2706) of single assessments were completed and authorised within 45 working days. This is above our target of 82% and above 2017/18 performance of 85%.	Ongoing assessments are routinely monitored by the Assessment Team daily, which enable them to highlight any assessment that is approaching 45 working days and ensures those that fall out of timescale are kept to a minimum.
Benchmarking	London Average 83%, National Average 83%, Statistical Neighbours 81%	

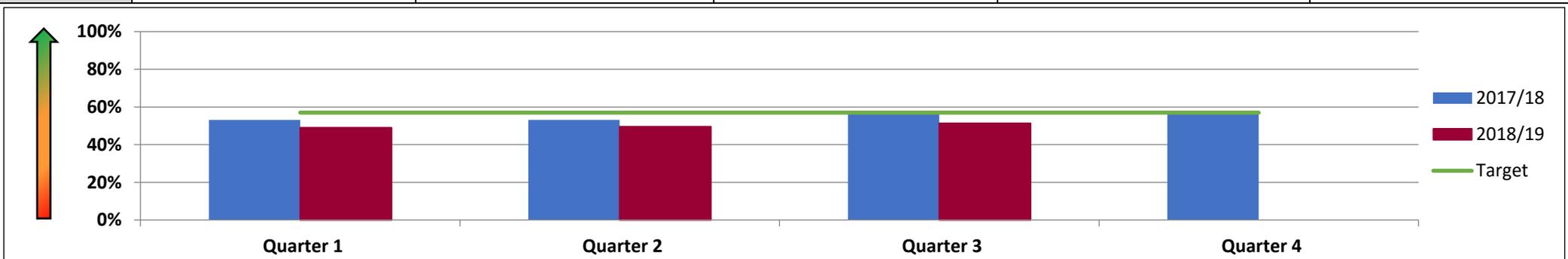
SOCIAL CARE AND HEALTH INTEGRATION

Quarter 3 2018/19

The percentage of Care Leavers in employment, education or training (EET)

Definition	The number of children who were looked after for a total of 13 weeks after their 14th birthday, including at least some time after their 16th birthday and whose 17th, 18th, 19th, 20th or 21st birthday falls within the collection period and of those, the number who were engaged in education, training or employment on their 17th, 18th, 19th, 20th or 21st birthday.		How this indicator works	This indicator counts all those in the definition and of those how many are in EET either between 3 months before or 1 month after their birthday. This is reported as a percentage.	
What good looks like	Higher the better.	Why this indicator is important	The data allows us to make performance comparisons with other areas and provides a broad overview of how well the borough is performing in terms of care leavers accessing EET and improving their life chances. This is an Ofsted area of inspection as part of our duty to improve outcomes for care leavers and is a key CYPP and Council priority area.		
History with this indicator	The cohort for this performance indicator has been expanded to include young people formally looked after whose 17th, 18th, 19th, 20th or 21st birthday falls within the collection period i.e. the financial year.		Any issues to consider	Care leavers who are not engaging with the Council i.e. we have no contact with those care leavers so their EET status is unknown; or in prison or pregnant/parenting are counted as NEET.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	49.0%	49.6%	51.4%		
Target	57.0%	57.0%	57.0%	57.0%	
2017/18	53.1%	53.2%	57.4%	57.1%	

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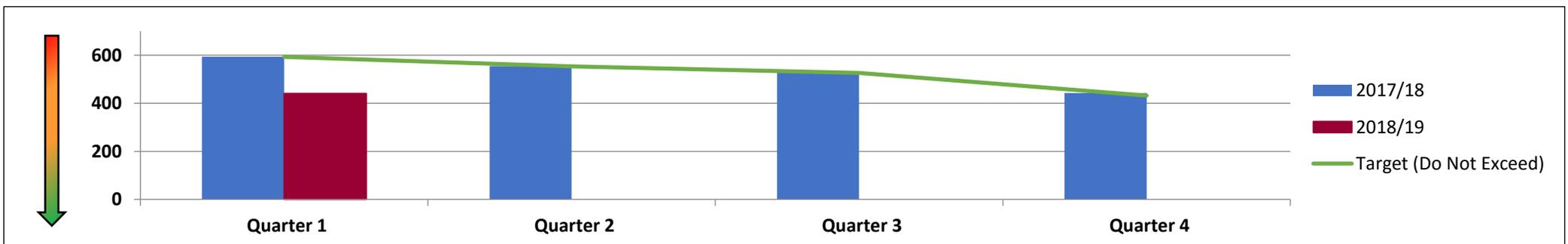


RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Q3 performance has increased to 51.4% (95/185) compared with Q2 performance of 49.6% (55/111). Performance is in line with all comparators. Of the 90 young people not in EET as of the end of Q3, 4 are in Prison, 2 are young mothers, 35 we are not in contact with and 49 are open to the L2L service and are NEET. For those young people we are in contact with, performance is 63%.	<ul style="list-style-type: none"> The L2L team has been involved in the NEET workshops with Members and Officers, with care leavers having a particular profile. Progress has been made with regards to the development of internships and apprenticeships within the council for care leavers. Agreement has been obtained to provide a financial incentive in addition to the apprenticeship payment so that care leavers are not in deficit by loss of benefits. Further work is being planned to develop the support element to care leavers to ensure they are well prepared for the world of work and are supported through each stage of the process to successfully move from NEET to EET.
Benchmarking	Based on latest published data, LBD is performing better than national (50%); similar areas (50%) and London average (52%).	

SOCIAL CARE AND HEALTH INTEGRATION
Quarter 3 2018/19
The number and rate per 10,000 First Time Entrants

Definition	First Time Entrants (FTEs) to the criminal justice system are classified as offenders, (aged 10 – 17) who received their first reprimand, warning, caution or conviction, based on data recorded on the Police National Computer	How this indicator works	The measure excludes any offenders who at the time of their first conviction or caution, according to their PNC record, were resident outside of England or Wales. Penalty notices for disorder, other types of penalty notices, cannabis warnings and other sanctions given by the police are not counted.		
What good looks like	Ideally, we would see a reduction on the previous period.	Why this indicator is important	The life chances of young people who have a criminal conviction may be adversely affected in many ways in both the short term and long term. Reducing First Time Entrants is a priority for all London boroughs to address as set by the Mayor’s Office for Policing and Crime.		
History with this indicator	2014/15: 522 per 100,000 10-17 year olds (n=122) 2015/16: 613 per 100,000 10-17 year olds (n=135) 2016/17: 620 per 100,000 10-17 year olds (n=140) 2017/18: 433 per 100,000 10-17 year olds (n= 102)	Any issues to consider	The latest data is for the rolling 12 months to December 2017 released on 19/06/2018. ONS mid-year population estimates to 2017 are used in the calculations.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 1 2017/18
2018/19 (n)	104				
Rate	440				
Target	593	553	526	432	
2017/18 (n)	134	125	119	102	
Rate	594	554	527	443	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The latest data covers the period July 2017 to June 2018 and was released on 26/11/2018. The rate has increased slightly to 440 per 100,000 10 - 17 year olds from 433 in the previous quarter. In real terms this is a different of 2 young people (104 up from 102). RAG rated AMBER to reflect the slight increase and that B&D rate is still above regional and national averages.	The YOS has: <ul style="list-style-type: none"> • Delivered additional group work programmes and targeted interventions to young people on triage cases. • The borough has developed a Youth "At Risk" matrix to identify young people within schools who may be displaying concerning or worrying behaviours that may lead them into criminal activity. • Two support workers have been employed to work with these young people in an effort to reduce the possibility of them becoming an FTE. • The support workers have liaised with schools and police and regularly attend the MASH meetings to build partner relationships and ensure that partners understand and are clear about the criteria and how to refer.
Benchmarking	The Barking and Dagenham rate at June 2018 is 440 as compared to London: 326 and National: 260.	

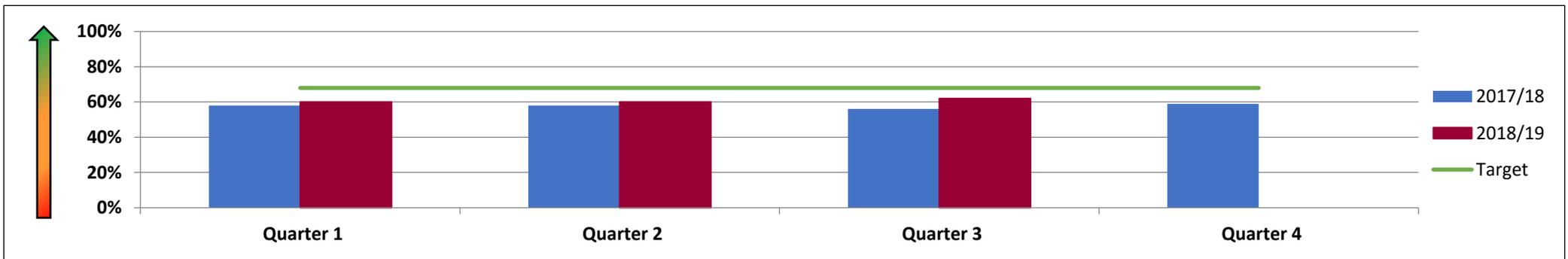
SOCIAL CARE AND HEALTH INTEGRATION

Long term stability of placements for children in care

Quarter 3 2018/19

Definition	The number of children aged under 16 in care who have been looked after continuously for at least two and a half years and in the same placement for the last two years		How this indicator works	This is a rolling indicator, which look at those children who have been in care for two and a half years at the end of each quarter.	
What good looks like	Higher the better		Why this indicator is important	Frequent moves between care placements have a negative impact on the ability of children to succeed both in education and in other areas of their lives. Therefore, placement stability is central to supporting the needs of children in care.	
History with this indicator	2015/16	60%	Any issues to consider	An adoptive placement move is not counted in this KPI as a move although other positive moves i.e. from residential to a family setting are. In 2017-18, 9% of placement moves impacting on this indicator were for positive reasons, although the impact on performance was an end of year figure of 59%. If these changes had not occurred our performance would have been in line with the national performance (69%) and above London (66%).	
	2016/17	60%			
	2017/18	59%			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	60%	60%	62%		
Target	68%	68%	68%	68%	
2017/18	58%	58%	56%	59%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	Q3 performance has increased to 62%. (82/133) We remain below the target of 68% and all comparators however.	<ul style="list-style-type: none"> Expansion of the Mockingbird Fostering Programme is planned for 2018-19. Targeted marketing to recruit carers for remand fostering, teenage fostering and children with SEND will be developed. Consideration will need to be given to a review of the fostering fee and support packages to support these placements.
Benchmarking	London average 66%, National average 68%, Statistical neighbours 69%	

Educational Attainment and School Improvement – Key Performance Indicators 2018/19

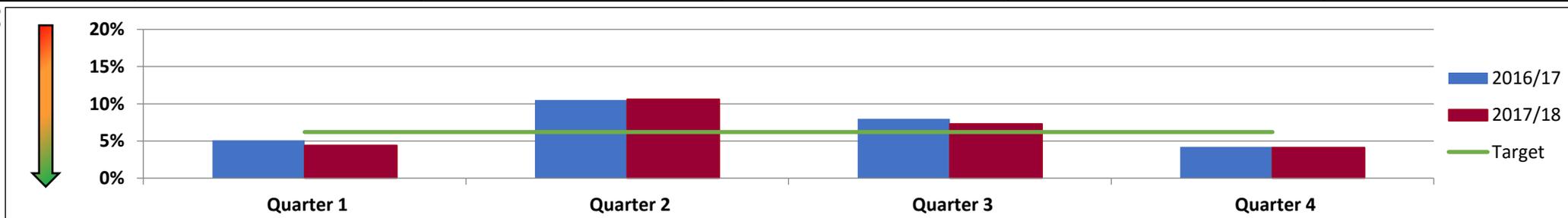
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

The percentage of 16 to 18 year olds who are not in education, employment, or training (NEET) or who have Unknown Destinations

Quarter 3 2018/19

Definition	The percentage of resident young people academic age 16 – 17 who are NEET or Unknown according to Department for Education (DfE) National Client Caseload Information System (NCCIS) guidelines.		How this indicator works	Data is taken from monthly monitoring information figures published by our regional partners and submitted to DfE in accordance with the NCCIS requirement.	
What good looks like	The lower the number of young people in education, employment, or training (not NEET) or not known, the better.		Why this indicator is important	The time spent not in employment, education, or training leads to an increased likelihood of unemployment, low wages, or low-quality work later in life. Those in Unknown destinations may be NEET and in need of support.	
History with this indicator	The annual measure was previously an average taken between November and January (Q3/4). It is now the average between December and February.	Any issues to consider	Although NEET and Unknown figures are taken monthly, figures for September and October (Q2) are not counted by DfE for statistical purposes and are not indicative of final outcomes. This is due to all young people's destinations being updated to 'Unknown' on 1 September until re-established in destinations by all East London boroughs. The annual indicator is now an average taken between December and February. Q3 figures are not yet available but are estimated to be below last year's		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DoT from Q2 2018/19
2018/19	4.4%	10.6%	7.3% (Estimated)	4.1% (Dec-Feb average 18/19 predictions)	↑
Target	6.2%	6.2%	6.2%	6.2%	
2017/18	5.1%	10.5%	8%	4.2%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>Though Q3 figures are not available they are estimated to be below last year's. This indicator is based on a timeframe period ranging from December 2017- February 2018 average of NEET and Unknowns young people, and this National benchmark is usually published in October; We are on track to meet the headline target set for 2018/19 and current predictions suggests an improved performance on last year (41% vs 4.2% in 2017-18 and 5.6% in 2016-17). Q2 figures are not an accurate guide to performance.</p>	<ul style="list-style-type: none"> The borough's December 2017 to February 2018 monthly average is stronger national and London. Barking and Dagenham improved performance on this measure faster than the rest of East London. A 2 year waiver has been obtained to maintain regional data services until 2020 Goldsmiths college project targeting those who have dropped out of their courses or are at risk of becoming NEET will be launched in January 2019 The NEET board have met to identify and target support for young people through Community Solutions and the Tracking team (including utilising the FutureYouthZone which opens in April 2019)
Benchmarking	The annual published indicator (Dec-Feb average NEETs + Unknowns) in 2017/18 was 6% (national benchmark). The equivalent figure for London was 5.3%. The target for the borough's 2018/19 combined Dec-Feb average (4%) is based on the borough's performance in 2017/18.	

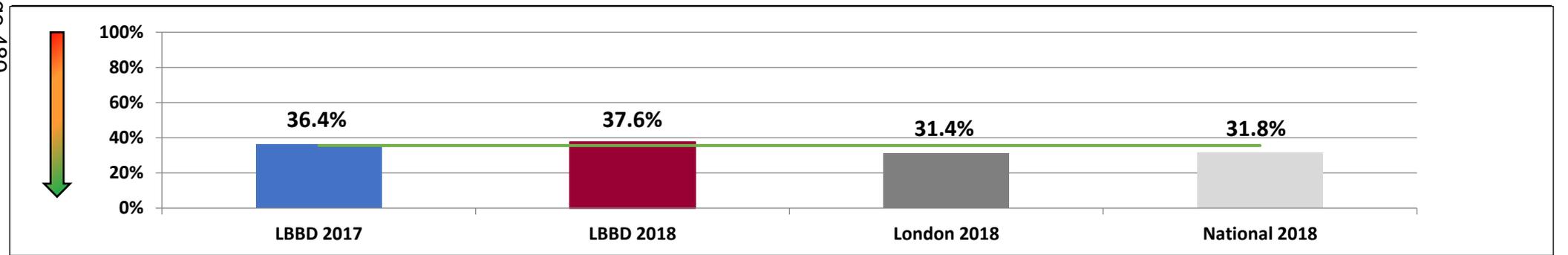
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

Quarter 3 2018/19

Early Years Foundation Stage (EYFS) Inequality Gap

Definition	The gap is calculated as the percentage difference between the mean average of the lowest 20% and the median average for all children.	How this indicator works	It measures the attainment gap at the end of Early Years Foundation Stage between the lowest 20% and the median average of all children.		
What good looks like	The lower the percentage, the better.	Why this indicator is important	It shows how far adrift the lowest attaining children are from their peers at the end of Early Years Foundation Stage.		
History with this indicator	Barking and Dagenham’s gap has historically been quite low. However, as the number of children achieving a ‘Good Level of Development’ (GLD) increased, the gap between the lowest and higher performing children increased. The gap has widened further this year.	Any issues to consider	This indicator is measured annually only at the end of Foundation Stage. Results are published in July/August.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 2 2017/18
2018/19			37.6%		
Target			35.6%		
2017/18			36.4%		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	Our focus with schools has been on increasing the % of children achieving a GLD. We have not worked with schools to sufficiently highlight the gap between the lowest attaining children and the rest of the cohort.	<ul style="list-style-type: none"> • Work with all schools to use their data to specifically target and support the lowest attaining children. • The Director of Children’s Services is leading a piece of work to review the LA’s approach with partners and put in place an action plan. • The LA is preparing a bid with neighbouring boroughs for funding to support early years outcomes. • A review of the current Early Years Strategy is underway and the new strategy is being planned. The development of children’s speech, language and vocabulary will remain a key focus.
Benchmarking	In 2018 National was 31.8% and London was 31.4%.	

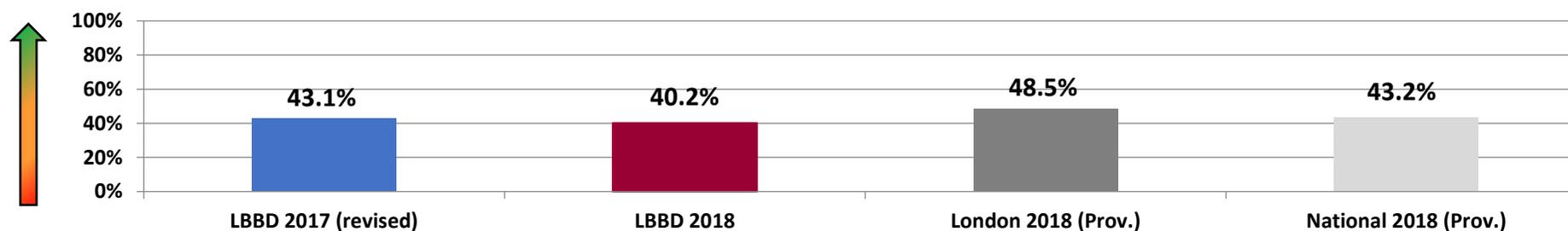
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

The percentage pupils achieving 9-5 in English and Maths

2018/19

Definition	The percentage of pupils at the end of Key Stage 4 achieving grade 5 or above in both English and maths GCSEs.	How this indicator works	To be counted in the indicator, pupils must have achieved grade 5 or above in both English and maths GCSEs.
What good looks like	For the percentage of pupils achieving this standard to be as high as possible.	Why this indicator is important	This is an important indicator as it replaces the old measure of pupils achieving grades A*-C in English and maths. It improves the life chances of young people, enabling them to stay on in sixth form and choose the right A Levels to access other appropriate training.
History with this indicator	Grade 5 is a new measure introduced for the first time in 2017. For 2017, the revised Barking and Dagenham position stands at 40.2%. Provisional London is 48.5% and National (state funded schools) is 43.2%.	Any issues to consider	Because grade 5 is set higher than grade C, fewer students are likely to attain grade 5 and above in English and maths than grade C in English and maths, which was commonly reported in the past. These new and old measures are not comparable.
Annual Result			DOT
LBBB	40.2%		
Target	To be agreed		

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The borough's performance has dropped by 2.9% from 2017 and is below national and London, both of which have seen increases in 2018.	<ul style="list-style-type: none"> Raising educational standards to exceed national and then London is a priority in the new Education & Participation Strategy 2018-22. The strategy includes headline actions for key partners and the Council. Working in close partnership with BDSIP to support and challenge schools, particularly schools who struggled most with performance. Improving Maths outcomes is the key and has been a longstanding challenge; English, whilst traditionally strong has also dropped under the new tougher regime. BDSIP has engaged new expertise for English and Maths to support those secondary schools who struggled in the Summer exams. It is also working with the council to broker school to school support and share expertise. Retention and recruitment of Maths teachers is one of the biggest challenges for schools and BDSIP is working with the council to support schools. Programme of training and Maths network meetings, advisory support and a conference for Maths, and network meetings for English to incorporate learning from exam results in light of the new grading arrangements.
Benchmarking	In 2018, National was 43.2% and London was 48.5%.	

EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

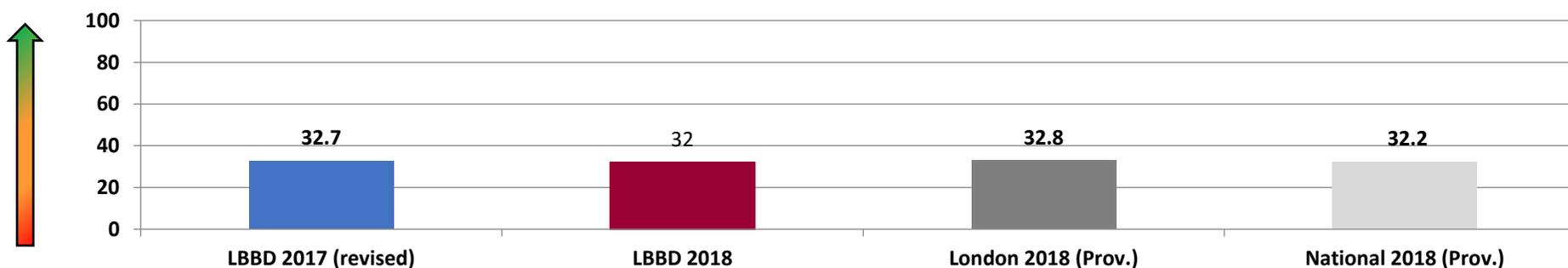
2018/19

Average point score per entry – Best 3 A-Levels

Definition	The average point score for the highest scoring A' Levels across pupils.	How this indicator works	Points for the 3 A' Levels with the highest attaining scores across pupils are used to calculate this. This indicator applies to the subset of A' Level students who entered at least one full size A' Level (excluding AS Levels, General Studies or Critical Thinking). Results are published as a provisional and revised score annually by the DfE.
What good looks like	The higher the score, the better.	Why this indicator is important	Strong attainment at A' Level improves the life chances of young people, enabling them to access high quality post 18 opportunities, including Higher Education and employment.
History with this indicator	In 2018, Barking and Dagenham scored 32.0, a slight fall from our 2017 score of 32.7, but compared to London (32.8) and National (32.2).	Any issues to consider	N/A

	Annual Result	DOT
LBBB	32	
Target	To be agreed	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	This continues to be challenging. Despite some improvement the previous year, performance for the borough has fallen in 2018 and is below national.	<ul style="list-style-type: none"> Raising educational standards to exceed national and then London is a priority in the new Education & Participation Strategy 2018-22. The strategy includes headline actions for key partners and the Council. School improvement support provided by BDSIP to schools it is working with is planned to be discussed in detail in January's BDSIP contract monitoring meeting. The council is working with BDSIP and schools to improve the recruitment and retention of Maths and Science teachers – recruitment and retention is also supported by headline actions in the new Education & Participation Strategy 2018-22.
Benchmarking	In 2018, National was 32.2 and London was 32.8.	

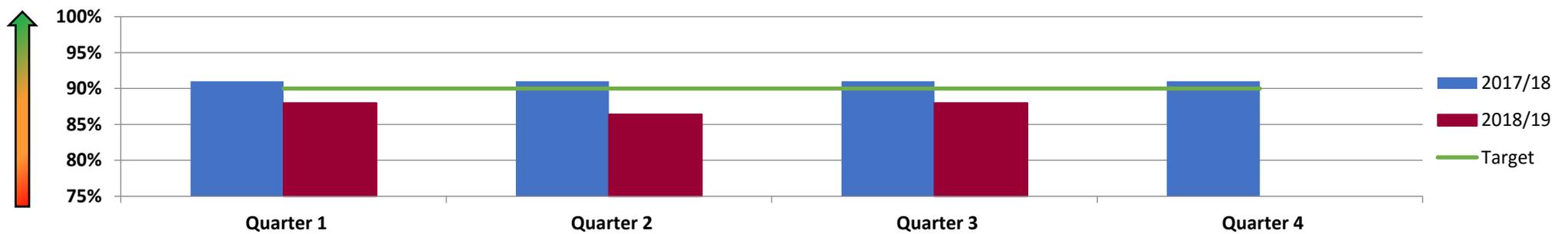
EDUCATIONAL ATTAINMENT AND SCHOOL IMPROVEMENT

The percentage of schools rated outstanding or good

Quarter 3 2018/19

Definition	Percentage of Barking and Dagenham schools rated as good or outstanding when inspected by Ofsted. This indicator includes all schools.	How this indicator works	This is a count of the number of schools inspected by Ofsted as good or outstanding divided by the number of schools that have an inspection judgement. It excludes schools that have no inspection judgement. Performance on this indicator is recalculated following a school inspection. Outcomes are published nationally on Ofsted Data View 3 times per year (end of August, December and March).		
What good looks like	The higher the better.	Why this indicator is important	This indicator is important because all children and young people should attend a good or outstanding school in order to improve their life chances and maximise attainment and success. It is a top priority set out in the Education Strategy 2014-17 and we have set ambitious targets.		
History with this indicator	See below.	Any issues to consider	No current issues to consider.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	88%	86.4%	88%		
Target	90%	90%	90%	90%	
2017/18	91%	91%	91%	91%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	At end of December 2018, 88% of inspected schools in Barking and Dagenham were judged 'Good' or better, above national and below London. During this quarter, inspection outcomes have been published for 6 schools: Mayesbrook Park alternative provision has moved up from 'Requires Improvement' to 'Good' and Rush Green, Marks Gate Junior, Eastbury Community and Riverside Primary maintained their 'Good' rating. Riverside Bridge special school was rated 'Inadequate' at its first inspection, although leadership was judged to have the capacity to improve the school. All LA maintained schools inspected maintained their 'Good' ratings.	<ul style="list-style-type: none"> The council and BDSIP are working together to support Riverside Bridge school. The Head of Trinity Special School is working as Executive Head across both schools to provide support. An external review has suggested good progress is being made although some significant issues remain. Looking forward, there are 7 schools that are not 'Good' plus Greatfields expects its first inspection this year. It is expected that 4 of the 7 schools due to be inspected this year will move to 'Good'. This totals 60 schools and a potential maximum of 93% of schools judged 'Good' or 'Outstanding' if all were judged 'Good' and no currently 'Good' school falls back. The remaining three schools that 'Require Improvement' are not likely to be inspected until 2019/20. In two of these schools there has been a change of leadership. The LA has commissioned additional support for the LA-maintained school causing concern through supporting the appointment of an experienced executive headteacher and additional governors to the governing body.
Benchmarking	National is 86% and London is 92% (at August 2018) – Ofsted data source.	

Employment, Skills and Aspiration – Key Performance Indicators 2018/19

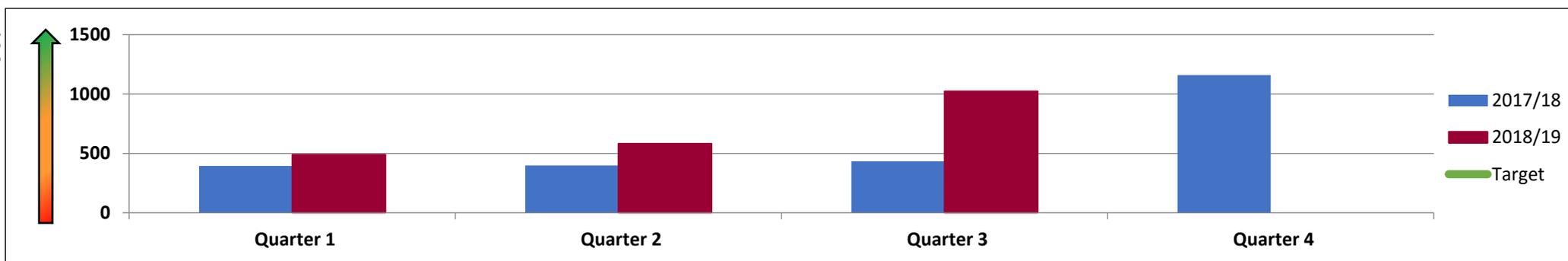
EMPLOYMENT, SKILLS AND ASPIRATION

The total number of households prevented from being homeless

Quarter 3 2018/19

Definition	Number of households approaching the service for assistance to prevent homelessness	How this indicator works	Total number of households successfully prevented from becoming homeless at the end of each quarter.		
What good looks like	Number of households prevented from becoming homeless increases, while the number of households requiring emergency accommodation decreases	Why this indicator is important	With homelessness continuing to remain high on the political and media agenda's it is important to show that new ways of working (in accordance with new legislation) is having the desired impact of preventing households from becoming homeless.		
History with this indicator		Any issues to consider	Increasing demand on Homeless Prevention Service, impact of Homelessness Reduction Act and Welfare Reform. Impact of housing market and regeneration programme. Financial pressure on budgets.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	490	663	1,023		↑
2017/18	395	398	433	1,159	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	In line with new ways of working and with new legislation via the Homelessness Reduction Act, the ambition is to work and support all households with the ambition of preventing homelessness by providing alternative housing solutions as oppose to having to procure and provide expensive temporary accommodation.	Ongoing development of staff and service to provide alternative solutions to homelessness. Improvement of relationships with internal and external partners to communicate the prevention agenda.
Benchmarking	Data unavailable.	

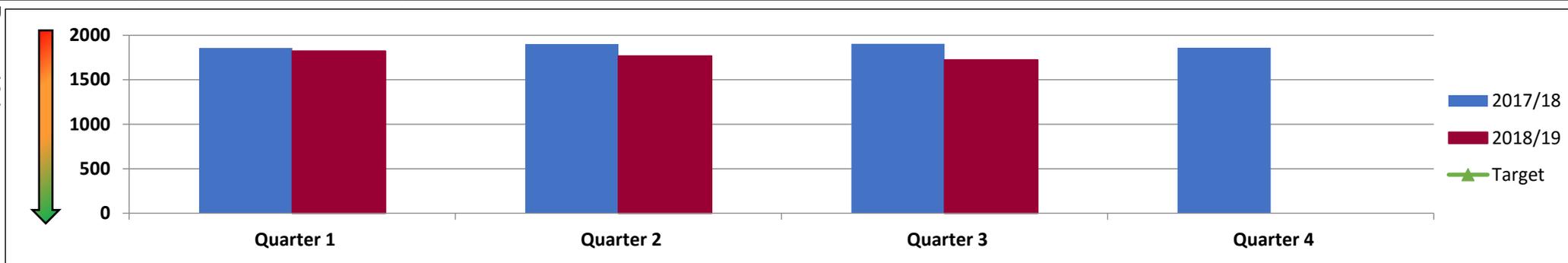
EMPLOYMENT, SKILLS AND ASPIRATION

The number of households in Temporary Accommodation over the year

Quarter 3 2018/19

Definition	Number of households in all forms of temporary accommodation, B&B, nightly Let, Council decant, Private Sector Licence (PSL) (in borough and out of borough)			How this indicator works	The number of households occupying all forms of temporary accommodation at the end of each quarter.
What good looks like	Increase in temporary accommodation / PSL supply, however with a reduction in the financial loss to the Council leading to a cost neutral service.			Why this indicator is important	Financial impact on General Fund. Reduction in self-contained accommodation is likely to lead to an increase in the use of B & B and the number of families occupying that type of accommodation for more than 6 weeks.
History with this indicator	PSL accommodation was considered cost neutral. Due to market demands, landlords/agents can now request higher rentals exceeding LHA rates.			Any issues to consider	Increasing demand on homelessness service, impact of Homelessness Reduction Bill and Welfare Reform. Impact of housing market and regeneration programme. Renewal of PSL Contract. Non-conformance of other LA's to the "Pan-London" nightly rate payment arrangements.
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	1,822	1,766	1,722		↑
2017/18	1,857	1,901	1,904	1,861	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	As the need to get a better appreciation of the overall cost of temporary accommodation is prioritised, work is being done to reduce the overall number of properties being utilised as last 3 quarters would suggest. A more targeted approach is now being developed to look at opportunities to further reduce the number while offering alternative solutions to households.	Development of a temporary accommodation model to easily identify where reductions in the portfolio can be made. Better access to longer term housing solutions including through Choice Homes / Reside / Private Rented Sector.
Benchmarking	Data unavailable.	

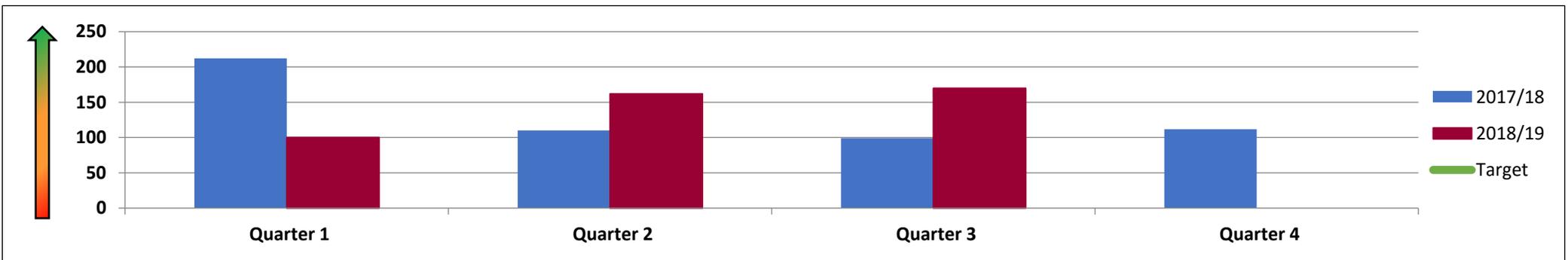
EMPLOYMENT, SKILLS AND ASPIRATION

The total number of households moved out of temporary accommodation

Quarter 3 2018/19

Definition	Number of households in all forms of temporary accommodation, B&B, nightly Let, Council decant, Private Sector Licence (PSL) (in borough and out of borough)		How this indicator works	Total number of households where housing duty has been discharged at the end of each quarter and the Council no longer Housing responsibility.	
What good looks like	Increase in number of households removed from temporary accommodation into longer term housing solutions, with an overall reduction on the use of temporary accommodation.		Why this indicator is important	Financial impact on General Fund. Cost of providing temporary accommodation continues to increase which has a negative impact on budgets. With the reduction in other “move on” accommodation, the ongoing cost of providing temporary accommodation increases.	
History with this indicator	No previous data reported		Any issues to consider	Increasing demand on homelessness service, impact of Homelessness Reduction Act and Welfare Reform. Impact of housing market and regeneration programme. Renewal of PSL Contract. Non-conformance of other LA’s to the “Pan-London” nightly rate payment arrangements. Lack of alternative Housing exit strategies.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	100	162	170		↑
2017/18	212	110	99	112	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	Work is being done to reduce the overall number of temporary accommodation properties being utilised. A more targeted approach is now being developed to look at opportunities to further reduce the number while offering alternative solutions to households.	Development of a temporary accommodation model to easily identify where reductions in the portfolio can be made. Better access to longer term housing solutions including through Choice Homes / Reside / Private Rented Sector.
Benchmarking	Data not available.	

Regeneration and Social Housing – Key Performance Indicators 2018/19

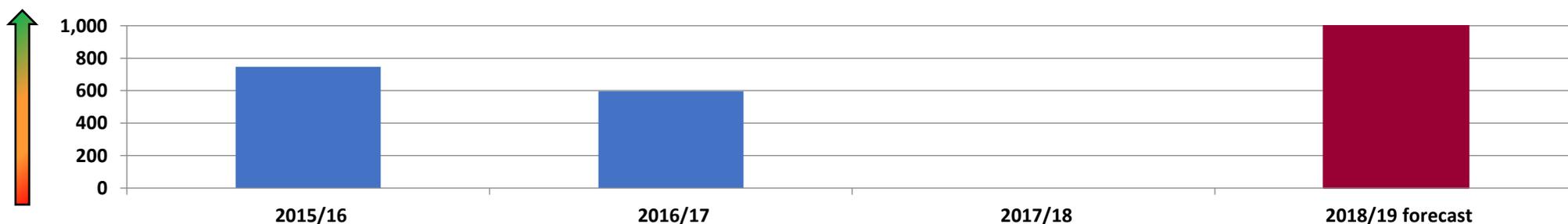
REGENERATION AND SOCIAL HOUSING

The number of new homes completed (Annual Indicator)

Quarter 3 2018/19

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Definition	The proportion of net new homes built in each financial year.	How this indicator works	Each year the Council updates the London Development Database by the deadline of 31 st August. This is the London-wide database of planning approvals and development completions.
What good looks like	The Council's target for net new homes is in the London Plan. Currently this is 1,236 new homes per year.	Why this indicator is important	It helps to determine whether we are on track to deliver the housing trajectory and therefore the Council's growth agenda and the related proceeds of development, Community Infrastructure Levy, New Homes Bonus and Council Tax.
History with this indicator	2016/17 end of year result – 596 2015/16 end of year result – 746 2014/15 end of year result – 512 2013/14 end of year result – 868	Any issues to consider	The Council has two Housing Zones (Barking Town Centre and Barking Riverside Gateways) which are charged with the benefit of GLA funding to accelerate housing delivery in these areas. There are 13,000 homes with planning permission yet to be built and planning applications currently in the system for another 1,000. The Housing Trajectory for the Local Plan identifies capacity for 27,700 by 2030 and beyond this a total capacity for over 50,000 new homes. The draft London Plan due to be published in November will have a proposed housing target of 2264 net new homes a year. Be First forecasts a reduction of new homes in the Borough in 18/19 due to the timing of unit delivery. The overall trend is that fewer total units will be delivered in the first three years of the Be First Business Plan whilst 21/22 and 22/23 see a significant increase in delivery.
Annual Result			DOT
2018/19	1064 (forecast)		
Target	1453		
2017/18	Awaiting final data		
2016/17	596		



REGENERATION AND SOCIAL HOUSING

The percentage of new homes completed that are affordable (Annual Indicator)

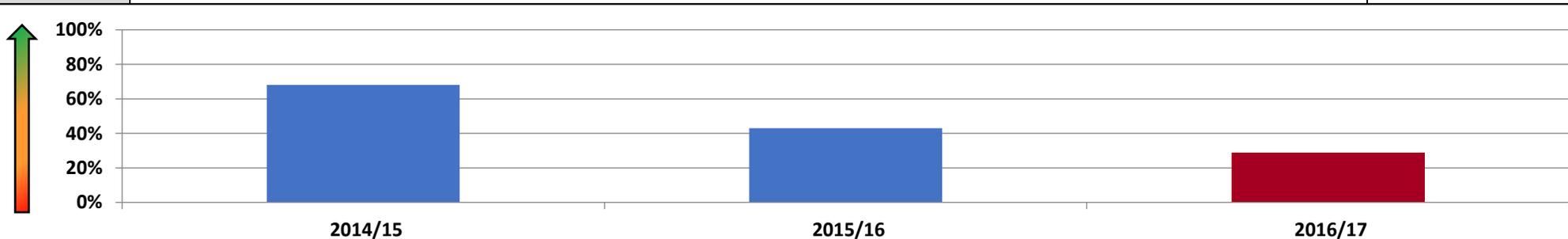
Quarter 2 2018/19

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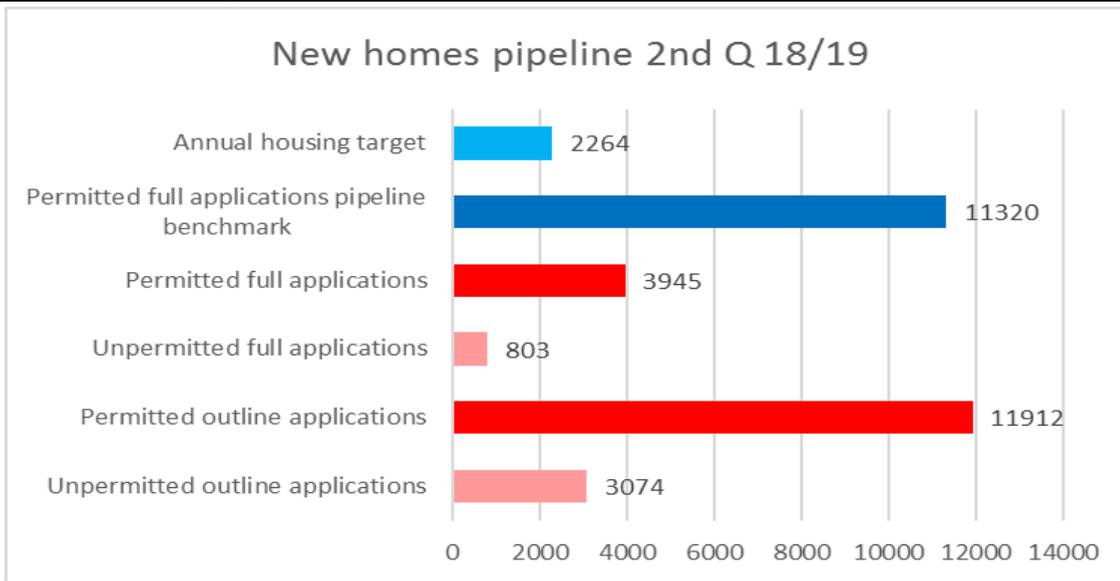
Definition	The proportion of net new homes built in each financial year that meet the definition of affordable housing in the National Planning Policy Framework.	How this indicator works	Each year the Council updates the London Development Database by the deadline of 31 st August. This is the London-wide database of planning approvals and development completions.
What good looks like	The Mayor of London has recently published Supplementary Planning Guidance on affordable housing and viability. This sets a threshold of 35% above which viability appraisal are not required on individual schemes. Over the last six years overall affordable housing has comprised between 30% and 67% of overall homes completed with the exception of 14/15. Generally speaking, good would look like anything between 35-50%. Anything below 35% would indicate the Council has not been successful in securing affordable housing on market housing schemes but equally anything above 50% would suggest an overreliance on supply of housing from Council and RSL developments and lack of delivery of homes for private sale or rent on the big private sector led developments. This has historically been an issue in Barking and Dagenham and explains why the proportion of new homes which are affordable is one of highest in London over the last five years. Whilst performance in 16/17 was 29% this will improve going forward as delivery at Barking Riverside and Gascoigne increases were at least 50% of homes are affordable.	Any issues to consider	The Growth Commission was clear that the traditional debate about tenure is less important than creating social justice and a more diverse community using the policies and funding as well as the market to deliver. At the same time the new Mayor of London pledged that 50% of all new homes should be affordable and within this a commitment to deliver homes at an affordable, "living rent". This chimes with the evidence in the Council's Joint Strategic House Market Assessment which identified that 52% of all new homes built each year in the borough should be affordable to meet housing need and that the majority of households in housing need could afford nothing other than homes at 50% or less than market rents. This must be balanced with the Growth Commission's focus on home ownership and aspirational housing and what it is actually viable to deliver. The Council will need to review its approach to affordable housing in the light of the Mayor's forthcoming guidance and take this forward in the review of the Local Plan.

History with this indicator	2016/17 end of year result – 29% 2015/16 end of year result – 43% 2014/15 end of year result – 68%	Why this indicator is important	This indicator is important for the reasons given in the other boxes.
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	Annual Result	DOT
2017/18	Awaiting data	
Target	No target set	
2016/17	29%	



<p>Definition</p>	<p>The number of homes yet to be built on sites with full planning permission. This includes homes on sites where construction has started but the homes are not completed.</p>	<p>How this indicator works</p>	<p>Generally speaking there are two types of planning permission outline and full. Full applications are applications which can be built without further approval.</p> <p>Outline applications cannot be built until reserved matters applications are approved. Barking and Dagenham has ambitious plans to build 50,000 new homes over the next twenty to twenty-five years and a corresponding housing target of 2264 new homes a year in the draft London Plan. It has sites with enough capacity to deliver this figure but of these 50,000 homes only 3945 have full planning permission, 11,912 have outline permission and planning applications are currently awaiting approval for a further 803 homes for full permission and 3074 for outline. In 15/16 the top five boroughs built in total 10990 homes from a pipeline of 54950 homes with full permission, a ratio of 5. This indicates that the pipeline of full permissions needs to be five times the borough’s housing target. Therefore, Barking and Dagenham’s pipeline of full permission needs to increase from 3945 homes to around 11320 homes to help achieve the borough’s new housing target of 2264 net new homes a year.</p>
<p>What good looks like</p>	<p>The pipeline of full permissions should be around 11320 which is five times the housing target of 2264 net new homes a year</p>	<p>Why this indicator is important</p>	<p>It evidences whether there is enough potential deliverable new housing supply to meet the borough’s housing target in the draft London Plan and the Government’s Housing Delivery Test, the growth ambitions set out in the Borough Manifesto and emerging Local Plan and the house building targets in the Be First Business Plan.</p>
<p>History with this indicator</p>	<p>Currently the pipeline of full permissions is 3945 and on average over the last five years only 654 net new homes have been built each year (a factor of five). The pipeline needs to increase three-fold to achieve the housing target of 2264 net new homes a year.</p>	<p>Any issues to consider</p>	<p>GLA data shows that Barking and Dagenham has the third largest total capacity in London for new homes but the 10th highest housing target. This is because many of these sites are not currently deliverable as they either have outline planning permission, no permission and are not allocated in the development plan. The emerging Local Plan/Masterplans being prepared by Be First will be crucial in enabling planning applications to be brought forward on land currently zoned for industry such as Chadwell Heath, Thames Road and Castle Green and for optimising housing supply in Barking Town Centre.</p>



Data available up to Quarter 2 2018/19

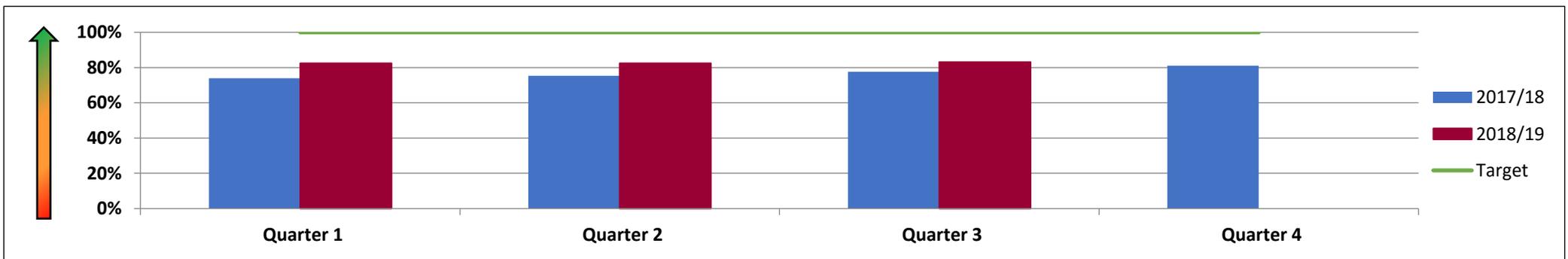
REGENERATION AND SOCIAL HOUSING

The percentage of council homes compliant with Decent Homes

Quarter 3 2018/19

Definition	The Decent Homes Standard is a minimum standard council and housing association homes should meet according to the government. Under the standard, council or housing association homes must: be free from any hazard that poses a serious threat to your health or safety.18 May 2018	How this indicator works	Dwellings which fail to meet this criterion are those which lack three or more of the following: <ul style="list-style-type: none"> • a reasonably modern kitchen (20 years old or less); • a kitchen with adequate space and layout; • a reasonably modern bathroom (30 years old or less); • an appropriately located bathroom and WC; • adequate insulation against external noise (where external noise is a problem); • adequate size and layout of common areas for blocks of flats. A home lacking two or less of the above is still classed as decent therefore it is not necessary to modernise kitchens and bathrooms if a home passes the remaining criteria.		
What good looks like	A continuous improvement of the stock with constant monitoring of the stock Investment/knowledge stock condition.		Why this indicator is important	This indicator is important as it aims at providing minimum safe housing for the community/landlord obligation clean safe and hazard. Decent/comfort	
History with this indicator	2010 the access database got decommissioned and the service was without a system for two years.	Any issues to consider	The percentage figure for this indicator is difficult to produce as it is a moving target. The total stock figure changes as some properties drop of the target or new stock gets added to the ratio		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	82.41%	82.5%	83.15%		
Target	100%				
2017/18	73.88%	75.26%	77.7%	81.14%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
R	This is on target – it is a moving target . It might be difficult to get a green on this target as the total stock figure changes every month.	To improve performance there is a need for continuous investment. This is a KPI that the government was focusing on until March 2019. It will need local support and planning to ensure that the focus is maintained to keep a good programme in for stack maintenance.
Benchmarking	Data not available.	

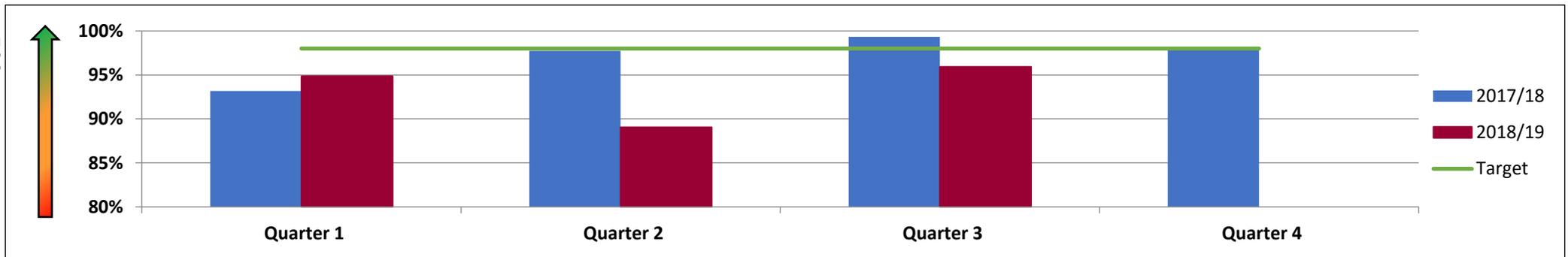
REGENERATION AND SOCIAL HOUSING

The percentage of residents satisfied with capital works

Quarter 3 2018/19

Definition	Monitored monthly to see how satisfied residents are with the quality of repairs	How this indicator works	Our residents provide feedback through a telephone interview they undertake with Elevate. These figures are then cumulated to give a monthly average across the contractors		
What good looks like	We aim for 98% customer satisfaction.	Why this indicator is important	This indicator is important as we are trying to provide more and more value for money service we need to ensure that we are still meeting the needs of our residents. Secondly, we are delivering through contractors and subcontractors and we need to ensure that our residents are getting a good service. We monitor the performance of our contractors through customer satisfaction.		
History with this indicator	This figure has been calculated for the past four years.	Any issues to consider	In LBBD there are a pool of contractors that cover the repairs side of the local stock of buildings when averaging the total customer satisfaction figures we tend to boost up the figures of some poor performing contractors. Figures for individual contractors are available and at a service they are reviewed with the contractors.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	94.84%	89.05%	95.92%		
Target	98%	98%	98%	98%	
2017/18	93.17%	97.75%	99.34%	98.11%	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The target was raised from 90% which was for 2017-2018 to 98% for 2018-2019. This was because the 90% was met easily through the year. However, the figure has dropped below 90% for this quarter.	There are weaker contractors within the contractors who we are working with. Their figures get boosted whilst averaging. The service is aware of this and they look at the contractors individually.
Benchmarking	Data not available.	

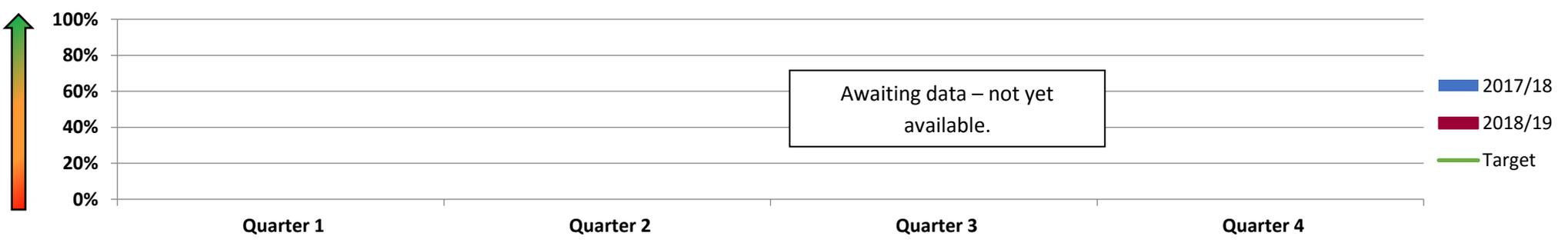
REGENERATION AND SOCIAL HOUSING

Capital spend within year being within 5% of planned budget

Quarter 3 2018/19

Definition	<p>Capital expenditure, or CapEx, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, industrial buildings, or equipment. CapEx is often used to undertake new projects or investments by the organisation. In accounting terms, the money spent will not run through the income statement directly but will appear on the cash flow statement.</p>		How this indicator works	<p>The organisation will set a budget to maintain, upgrade and purchase stock. This budget will be part of the whole capital spend. This indicator enables planning long term projects and forecasting the state of the capital stock. In some cases it is felt that a lot more is required than what the budget allows and in this case the organisation can look at other sources of funding to enable the long term plans of managing their stock.</p>	
What good looks like	When Capital Expenditure stays within 5% of the planned budget. Not going over budget and similarly not underspending.	Why this indicator is important	<p>This indicator is important as it keeps the organisation within planned works where stock can be maintained on a cyclical pattern. This in the long-term stops overspending when stocks decline and helps avoid overspending in repairs and maintenance.</p>		
History with this indicator		Any issues to consider	<p>This indicator can be looked at yearly to see if we have kept within budget. Currently it is not available on a quarterly format. Capital projects have a cycle where the initial planning and tendering takes place hence less spend and towards the middle and end of the yea the money is spent. This makes it difficult to use the full capital spend figure on a quarterly or monthly basis.</p>		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from previous reporting period
2018/19	Data not yet available				n/a
Target					

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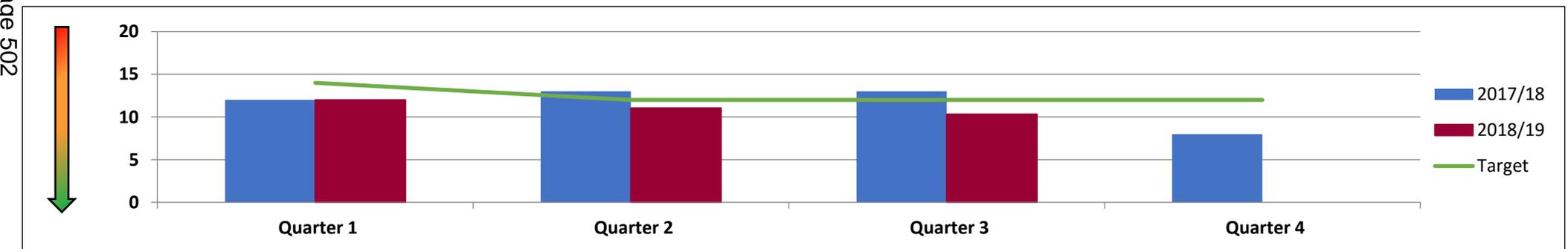
Finance, Performance and Core Services – Key Performance Indicators 2018/19

FINANCE, PERFORMANCE AND CORE SERVICES

The average number of days taken to process Housing Benefit / Council Tax Benefit Change Events

Quarter 3 2018/19

Definition	The average time taken in calendar days to process all change events in Housing Benefit and Council Tax Benefit		How this indicator works	The indicator measures the speed of processing	
What good looks like	To reduce the number of days it takes to process HB/CT change events		Why this indicator is important	Residents will not be required to wait a long time before any changes in their finances	
History with this indicator	2017/18 End of year result – 8 days 2016/17 End of year result – 9 days 2015/16 End of year result – 14 days 2014/15 End of year result – 9 day		Any issues to consider	There are no seasonal variances, but however government changes relating to welfare reform, along with Department for Work and Pensions (DWP) automated communications pertaining to changes in household income impact heavily on volumes and therefore performance.	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	12 days	11.05 days	10.31 days		↑
Target	14 days	12 days	12 days	12 days	
2017/18	12 days	13 days	13 days	8 days	



RAG Rating	Performance Overview	Actions to sustain or improve performance
G	<p>Verify Earnings and Pensions remains fully implemented and utilised.</p> <p>Atlas automation fully utilised.</p> <p>Suspension Reports are being tightly controlled so all claims that hit month (as per legislation) are actioned immediately.</p> <p>Continual tray management and officer redeployment to priority work areas.</p>	Continuation of work structure & plans implemented in 2017/18
Benchmarking	No benchmarking data	

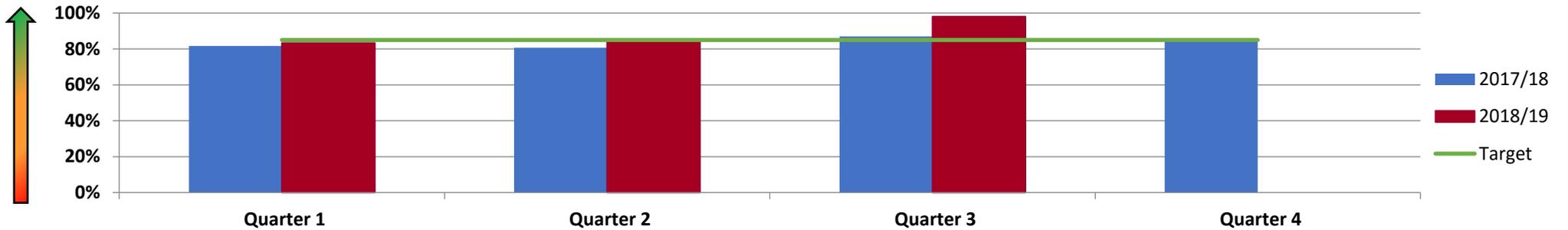
FINANCE, PERFORMANCE AND CORE SERVICES

Quarter 3 2018/19

The percentage of customers satisfied with the service they have received

Definition	The % of customers who say that they were satisfied with the service they received from the Contact Centre.	How this indicator works	A sample of calls to the Contact Centre is taken in which customers are asked to rate their experience.		
What good looks like	85%	Why this indicator is important	Ensuring that our customers are satisfied is a critical determinate in providing surety that we are providing a high standard of service. Having a high level of satisfaction also helps the Council manage demand and thereby keep costs down.		
History with this indicator	New target	Any issues to consider	None at this time.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	83.34%	85%	98%		
Target	85%	85%	85%	85%	
2017/18	81.6%	80.66%	87%	84%	

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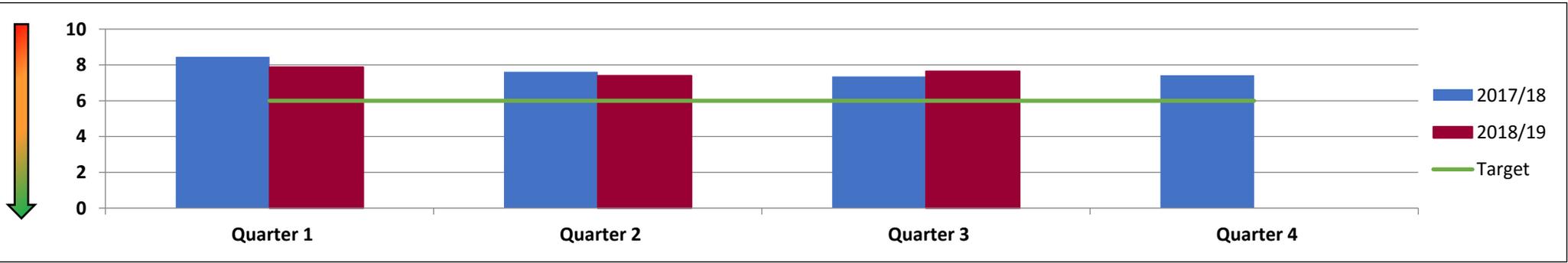
RAG Rating	Performance Overview	Actions to sustain or improve performance
G	Performance has improved during Quarter 3 with 98% of customers stating they were satisfied with the service they received.	We are further refining the method statement for collecting satisfaction feedback.
Benchmarking	LA neighbours Benchmark - OnSource is 80%	

The average number of days lost due to sickness absence

Definition	The average number of days sickness across the Council, (excluding staff employed directly by schools). This is calculated over a 12-month rolling year and includes leavers.	How this indicator works	Sickness absence data is monitored closely by the Workforce Board and by Directors. An HR Project Group meets weekly to review sickness absence data, trends, interventions and “hot spot” services have been identified. Managers have access to sickness absence dashboards.
What good looks like	Average for London Boroughs has recently been revised and is 8.2 days (up from 7.8).	Why this indicator is important	This indicator is important because of the cost to the council, loss of productivity and the well-being and economic health of our employees. The focus is also on prevention and early intervention.
History with this indicator	2017/18 end of year result: 7.43 days 2016/17 end of year result: 8.43 days 2015/16 end of year result: 9.75 days 2014/15 end of year result: 7.51 days	Any issues to consider	Sickness has increased slightly since the previous quarter. Monthly tracking continues to show a reduction in absence. We are still not achieving the revised target of 6 days. A breakdown of sickness absence in services is set out below.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	7.88	7.40	7.65		
Target	6.0	6.0	6.0	6.0	
2017/18	8.45	7.62	7.36	7.43	

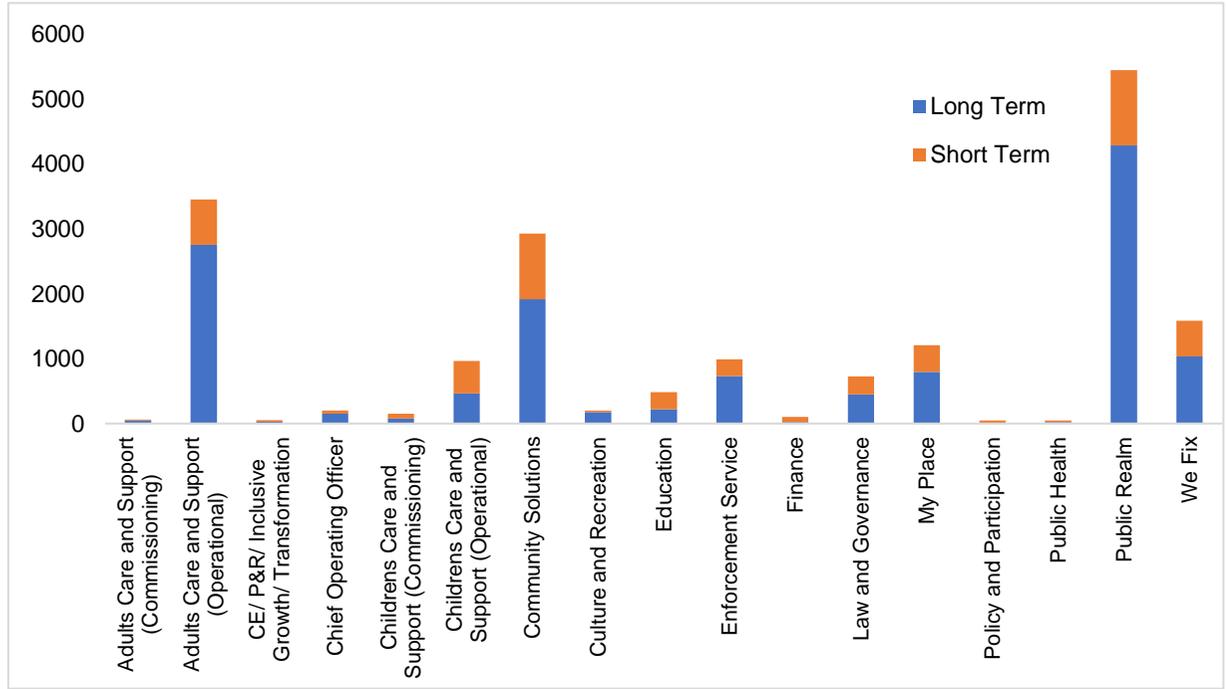
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RAG Rating	Performance Overview	Actions to sustain or improve performance
A	The target of 6 days has not yet been reached, however the council’s sickness figures have improved since Q1 2018/19 and are on a downward trend.	Targeted interventions are in place in areas where there continue to be high levels of absence and initial observations are that this is having a positive impact. Further detailed analysis of areas with high absence levels continues to be undertaken.
Benchmarking	London average – 8.2 days	

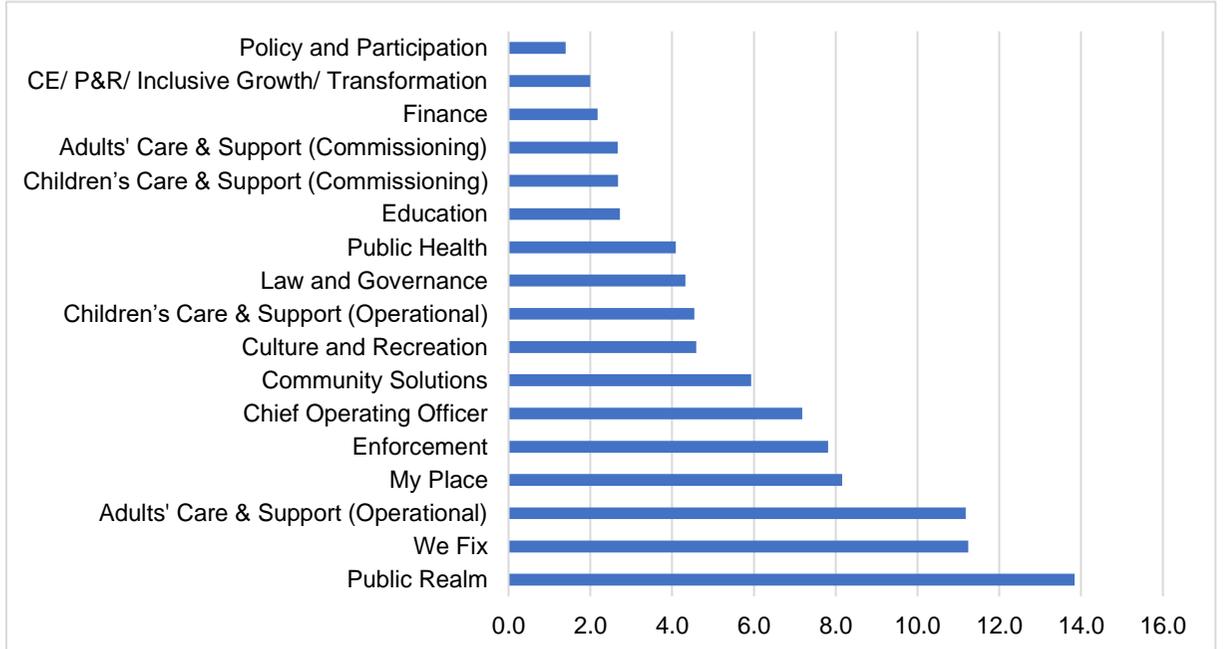
Service breakdown of sickness absence

Service Block	Long Term	Short Term
Adults Care and Support (Commissioning)	49	15
Adults Care and Support (Operational)	2756	698.5
CE/ P&R/ Inclusive Growth/ Transformation	29	23
Chief Operating Officer	149	52
Children's Care and Support (Commissioning)	76	74
Children's Care and Support (Operational)	464	499.5
Community Solutions	1917	1014
Culture and Recreation	176	26
Education	218.5	264
Enforcement Service	734	258
Finance	23	77
Law and Governance	450	277
My Place	797	410.5
Policy and Participation	0	46
Public Health	20	25
Public Realm	4291	1161.75
We Fix	1033	552



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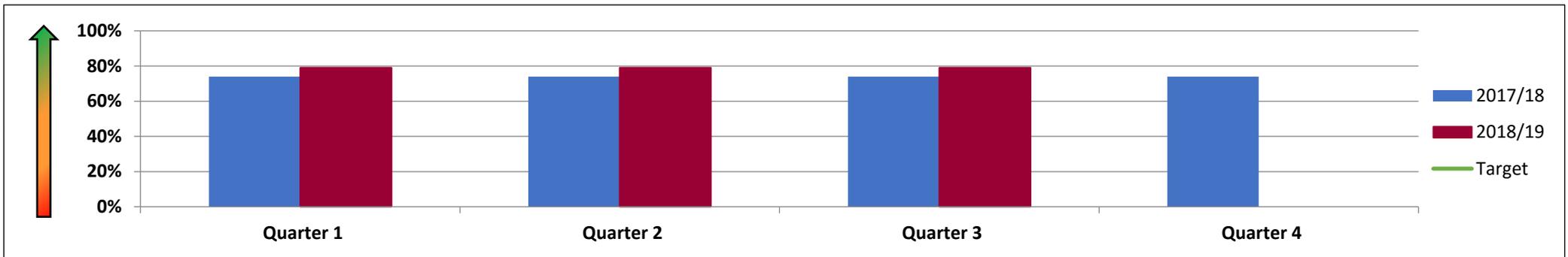
Service Block	Average Days Lost per EE
Adults' Care & Support (Commissioning)	2.7
Adults' Care & Support (Operational)	11.2
CE/ P&R/ Inclusive Growth/ Transformation	2.0
Chief Operating Officer	7.2
Children's Care & Support (Commissioning)	2.7
Children's Care & Support (Operational)	4.5
Community Solutions	5.9
Culture and Recreation	4.6
Education	2.7
Enforcement	7.8
Finance	2.2
Law and Governance	4.3
My Place	8.2
Policy and Participation	1.4
Public Health	4.1
Public Realm	13.8
We Fix	11.2



Employee Engagement Index Score

Definition	The employee engagement index calculated from the scoring of the employee engagement questions of the Temperature Check survey.	How this indicator works	The indicator uses the average score of a group of 6 critical engagement questions answered within the Temperature Check survey.		
What good looks like	The employee engagement index is unchanged as the temperature check has not been undertaken this quarter.	Why this indicator is important	This indicator helps to measure the engagement of the council's workforce and enables any underlying issues to be investigated and addressed.		
History with this indicator	Employee engagement Index Score 2017/18: 74%	Any issues to consider	None to be noted.		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	DOT from 2016/17
2018/19	79%	79%	79%		
Target	Target to be set				
2017/18	74%				

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RAG Rating	Performance Overview	Actions to sustain or improve performance
G	The increased engagement score since 2017/2018 is positive and demonstrates that the change programme the council has undergone in the past two years have not adversely affected employee's satisfaction and attitudes towards working for the Council.	In depth analysis of the full survey as a whole is ongoing.
Benchmarking	No benchmarking data available – Local measure only.	

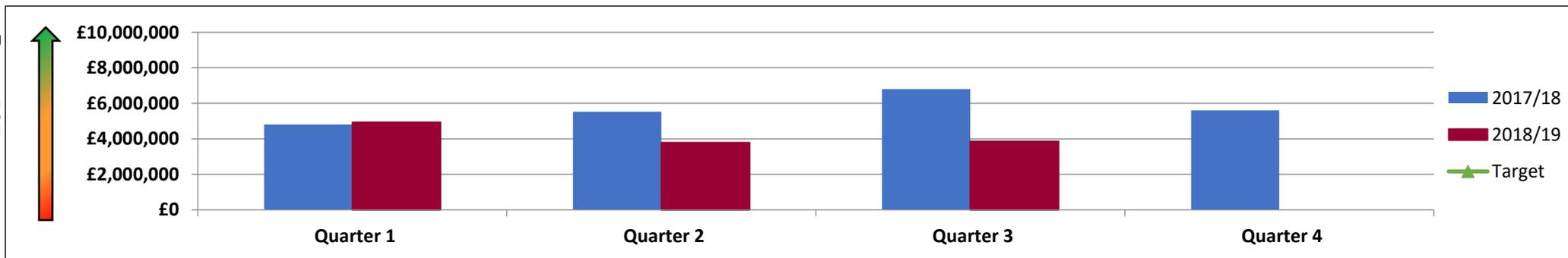
FINANCE, GROWTH AND INVESTMENT

The current revenue budget account position (over or underspend)

Quarter 3 2018/19

Definition	The position the Council is in compared to the balanced budget it has set to run its services.		How this indicator works	Monitors the over or under spend of the revenue budget account.	
What good looks like	In line with projections, with no over spend.		Why this indicator is important	It is a legal requirement to set a balanced budget.	
History with this indicator	2017/18 end of year result: £5m overspend 2016/17 end of year result: £4.853m overspend 2015/16 end of year result: £2.9m overspend 2014/15 end of year result: £0.07m overspend		Any issues to consider	None at this time.	
	Quarter 1	August 2017	Quarter 3	Quarter 4	DOT from Qtr 3 2017/18
2018/19	£4,924,000 forecast	£3,789,000 forecast	£3,857,000 forecast		
2017/18	£4,800,000 forecast	£5,517,000 forecast	£6,800,000 forecast	£5,000,000	

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RAG Rating	Performance Overview	Actions to sustain or improve performance
n/a	<p>This month we have seen that expenditure has reduced in Disabilities as the result of securing more Continuing Care funding for individuals supported by the service and activity has reduced in some parts of the Adults service.</p> <p>However the reduction in activity is being offset by increases in the cost of care and the pressure in Mental Health services is increasing. In addition, there has been a further increase in Childrens.</p>	<p>This is dependent on the successful delivery of the People and Resilience Action Plan which is expected to achieve a £2.5m reduction in spend from their current trajectory.</p> <p>The plan was developed in September and October and so it is too early to see the impact of the actions taken in the financial information. However, as we are approaching the year end the in-year impact of any action begins to reduce so from next month the forecast impact of the plan will be tapered down.</p>
Benchmarking	No benchmarking data available – Local measure only	

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