

Notice of Meeting

CABINET

Tuesday, 19 September 2023 - 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 Cameron Geddes, Cllr Syed Ghani, Cllr Kashif Haroon, Cllr Jane Jones, Cllr Elizabeth Kangethe and Cllr Maureen Worby

Invited: Cllr John Dulwich (non-voting)

Date of publication: 11 September 2023

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Chief Executive

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Please note that this meeting will be webcast via the Council's website. Members of the public wishing to attend the meeting in person can sit in the public gallery on the second floor of the Town Hall, which is not covered by the webcast cameras. To view the webcast online, click [here](#) and select the relevant meeting (the weblink will be available at least 24-hours before the meeting).

AGENDA

- 1. Apologies for Absence**
- 2. Declaration of Members' Interests**

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.
- 3. Minutes - To confirm as correct the minutes of the meeting held on 18 July 2023 (Pages 3 - 9)**
- 4. Revenue Budget Monitoring 2023/24 (Period 4, July 2023) and Q1 Capital Programme Update (Pages 11 - 66)**
- 5. Gascoigne East Phase 3b Development - Revised Proposal (Pages 67 - 87)**

Appendix 1 to the report is exempt from publication as it contains commercially confidential information (exempt under paragraph 3, Part 1, Schedule 12A of the

Local Government Act 1972 (as amended)).

6. Development of Land at Beam Park, Dagenham - Revised Proposals (Pages 89 - 106)

Appendix 1 to the report is exempt from publication as it contains commercially confidential information (exempt under paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended)).

7. Re-Procurement of Leisure Services Contract (Pages 107 - 137)

Appendix 4 to the report is exempt from publication as it contains commercially confidential information (exempt under paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended)).

8. Sale of Land at the Former Bull Public House, Rainham Road South, Dagenham (Pages 139 - 147)

Appendix 2 to the report is exempt from publication as it contains commercially confidential information (exempt under paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended)).

9. Annual Youth Justice Plan 2023/24 (Pages 149 - 209)

10. Appointee and Deputyship Service Policy (Pages 211 - 252)

11. Contract for School Data and Applications Solution Software (Pages 253 - 259)

12. Contract for the Provision of Security Doors and Screens for Council and Other Properties (Pages 261 - 272)

13. Debt Management Performance 2023/24 (Quarter 1) (Pages 273 - 282)

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 / observe Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. Items 5, 6, 7 and 8 above include appendices which are exempt from publication, as described. ***There are no other such items at the time of preparing this agenda.***

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

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Our Vision for Barking and Dagenham

**ONE BOROUGH; ONE COMMUNITY;
NO-ONE LEFT BEHIND**

Our Priorities

- Residents are supported during the current Cost-of-Living Crisis;
- Residents are safe, protected, and supported at their most vulnerable;
- Residents live healthier, happier, independent lives for longer;
- Residents prosper from good education, skills development, and secure employment;
- Residents benefit from inclusive growth and regeneration;
- Residents live in, and play their part in creating, safer, cleaner, and greener neighbourhoods;
- Residents live in good housing and avoid becoming homeless.

To support the delivery of these priorities, the Council will:

- Work in partnership;
- Engage and facilitate co-production;
- Be evidence-led and data driven;
- Focus on prevention and early intervention;
- Provide value for money;
- Be strengths-based;
- Strengthen risk management and compliance;
- Adopt a “Health in all policies” approach.

The Council has also established the following three objectives that will underpin its approach to equality, diversity, equity and inclusion:

- Addressing structural inequality: activity aimed at addressing inequalities related to the wider determinants of health and wellbeing, including unemployment, debt, and safety;
- Providing leadership in the community: activity related to community leadership, including faith, cohesion and integration; building awareness within the community throughout programme of equalities events;
- Fair and transparent services: activity aimed at addressing workforce issues related to leadership, recruitment, retention, and staff experience; organisational policies and processes including use of Equality Impact Assessments, commissioning practices and approach to social value.

MINUTES OF CABINET

Tuesday, 18 July 2023
(7:01 - 8:08 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Cameron Geddes, Cllr Kashif Haroon, Cllr Jane Jones, Cllr Elizabeth Kangethe and Cllr Maureen Worby

Also Present: Cllr John Dulwich

Apologies: Cllr Sade Bright and Cllr Syed Ghani

18. Declaration of Members' Interests

There were no declarations of interest.

19. Minutes (20 June 2023)

The minutes of the meeting held on 20 June 2023 were confirmed as correct.

20. Medium Term Financial Strategy and Reserves Policy 2023/24 to 2027/28

Further to Minute 78(ii)(b) (20 February 2023), the Cabinet Member for Finance, Growth and Core Services introduced a report on the Council's draft Medium Term Financial Strategy (MTFS) and Reserves Policy for the period 2023/24 to 2027/28 in relation to General Fund expenditure.

The Cabinet Member explained that the draft MTFS had been developed against the backdrop of the uncertainty caused by the Government. The cost-of-living crisis, inflation and delays to Fair Funding reforms and Business Rates retention arrangements were all impacting on the Council's finances. Although the Council retained a strong internal focus on its finances, the Cabinet Member commented that the increasing demand for services, the Council's commitments in its Corporate Plan and updated assumptions that underpinned the financial planning meant that the updated MTFS now projected a cumulative funding gap of £28.3m over the five-year period, which represented a significant increase on the position reported in February 2023. In order to bridge that gap, the Cabinet Member referred to both existing and new savings proposals, the implementation of transformation programmes and the need to continue to identify new investment opportunities to help secure long-term sustainability and deliver regeneration for the Borough.

The revenue overspend for 2022/23 meant that the General Fund and Budget Support reserves totalled £18.274m which, although sufficient, meant that there was very little scope to cover unforeseen additional expenditure in the future. With that in mind, the Cabinet Member referred to the proposed Reserves Policy 2023/24 to 2027/28 and the approach to budget setting for 2024/25 and expressed his view that a new Labour Government would introduce the Fair Funding reforms that were needed to properly finance the work of local authorities.

Cabinet **resolved** to:

- (i) Approve the Medium Term Financial Strategy 2023/24 to 2027/28 as set out at Appendix A to the report;
- (ii) Approve the Reserves Policy 2023/24 to 2027/28 as set out at Appendix C to the report; and
- (iii) Endorse the proposed approach to ensure the financial health of the Council over the medium term.

21. ELWA Waste Disposal Contract - Outline Business Case

The Cabinet Member for Public Realm and Climate Change reported on the East London Waste Authority (ELWA) Outline Business Case (OBC), which set out proposals relating to the preferred serviced delivery model for the future management of waste when ELWA's current 25-year Integrated Waste Management Strategy (IWMS) Contract expired in December 2027.

The Cabinet Member explained that whilst the four constituent Boroughs of Barking and Dagenham, Havering, Newham and Redbridge were responsible for the collection of waste within their respective boundaries, ELWA had been established in 1985 as the statutory waste disposal authority for the four Boroughs.

By Minute 72 (18 January 2022), the Cabinet had endorsed ELWA's Joint Resources and Waste Strategy 2027-2057, developed jointly by ELWA and the four constituent Boroughs, which set out the direction of travel for the future management of waste across the four constituent Boroughs. The key objectives within that strategy were reducing future waste arisings, increasing recycling rates, reducing carbon impact, maximising opportunities for local regeneration, increasing social value and managing waste in the most economically efficient way possible. The OBC set out a detailed analysis of the options considered and proposed procurement plan to deliver those objectives. The Cabinet Member advised that the preferred option (Option 2) would mean that the current pre-treatment of residual (black bag) waste at ELWA's mechanical biological treatment (MBT) facilities at Jenkins Lane and Frog Island would cease and, instead, those facilities would be converted into waste reception facilities where waste delivered by the constituent Councils would be bulked and then transported elsewhere to be treated by merchant contractors. The report also set out proposals in respect of the future lease arrangements for the Council's Frizlands Lane Reuse and Recycling Centre (RRC) to enable ELWA and the incumbent contractor(s) to continue to use the site under the new arrangements.

Cabinet Members expressed the view that they would prefer that the responsibility for waste disposal services was at a local level, in order for the Council to be able to determine the best arrangements for Barking and Dagenham residents. However, in acknowledging that ELWA was the statutory waste disposal authority for the area, the consensus was that Option 2 set out in the OBC represented the best way forward.

Cabinet **resolved** to:

- (i) Agree to support the East London Waste Authority's (ELWA) Outline Business Case (OBC) at Appendix 1 to the report;
- (ii) Agree in principle to the Frizlands Lane RRC being made available as a site to the new contractor by way of a property agreement, subject to a future report relating to relevant property arrangements as required; and
- (iii) Note the programme of work that ELWA intended to undertake in relation to the expiry and demobilisation of the current IWMS Contract, which shall include ELWA carrying out any required site inspections on behalf of the Council in relation to the Frizlands Lane RRC.

22. Council Tax Support Scheme 2024/25 - Options and Consultation

The Chair advised that the report had been withdrawn to enable further consideration to be given to technical aspects of the system requirements.

23. Parking and Cost-of-Living Proposals

The Cabinet Member for Adult Social Care and Health Integration introduced a report on two initiatives associated with the Council's parking policies that would help support local residents during the current cost-of-living crisis.

The first proposal related to the doubling of the time that visitors to Council-owned car parks and on-street secondary shopping parades could park free-of-charge once they had registered, while the second would entitle residents in new Controlled Parking Zone (CPZ) areas to apply for 10 free visitor parking sessions. The Cabinet Member commented that although the proposals were relatively small gestures, they represented practical ways to help ease the pressures on residents' finances and promote a more positive CPZ programme, while continuing to uphold the principles of the Council's parking policies.

Cabinet **resolved** to:

- (i) Agree to extend the 'free' parking periods at Council-owned car parks from 1 hour to 2 hours and at secondary shopping parades (on-street) from 30 minutes to 1 hour in respect of all existing and future pay-by-phone locations; and
- (ii) Agree that households within future CPZ areas be offered 10 free visitor parking sessions in the first year.

24. New Build Schemes - Approval of Disposals, Head Leases and Loan Facility Agreements

Further to Minute 8 (20 June 2023), the Cabinet Member for Regeneration and Economic Development introduced a report on proposals to progress the disposal of a further 583 new homes across three new residential developments, led by Be First, as part of the Gascoigne Estate Renewal Programme.

The Cabinet Member advised that, as with the previous report, all three development sites were to be transferred, by way of leases, to the Barking and

Dagenham Reside Regeneration Ltd (Reside) structure of companies who would be responsible for the letting and ongoing management of the properties. The Cabinet Member confirmed that the developments offered a varied supply of housing, with more than 58% to be let on Affordable Housing tenures in line with the Council's commitment to providing affordable, high quality new homes for those on its housing waiting / transfer lists.

Cabinet **resolved** to:

- (i) Approve, in principle, the disposal of the schemes listed below by the granting of long leases to the appropriate Reside entity (either Barking and Dagenham Homes Ltd (company no. 12090374), B&D Reside Weavers LLP (registered no. OC416198) or Barking and Dagenham Reside Regeneration Ltd (company no. 09512728)):
 - Gascoigne West Phase 1 (Block Cargo IG11 7DE, Block Carrier IG11 7NE, Block Forge IG11 7NH);
 - Gascoigne East Phase 2, Block E2 (Herring Court IG11 7YT, Leleu Court IG11 7YW, Mather Court IG11 7YX, Shuckford Court IG11 7YY, Tide Street IG11 7NJ, Ketch Street IG11 7RY);
 - Gascoigne East Phase 2 Block F1 and F2 (Fifeshire Court IG11 7YP, Cutter Court IG11 7XB, Sailor Court IG11 7YR, Ewars Marsh Court IG11 7WZ, Mizzen Street IG11 7RZ).
- (ii) Approve, in principle, the draft Heads of Terms and loans for each of the listed schemes to the appropriate Reside entity, as set out in section 2 of the report;
- (iii) Delegate authority to the Strategic Director, Finance and Investment, in consultation with the Strategic Director, Inclusive Growth, to agree and finalise the terms of the loans, leases and any other associated documents, and to take any steps necessary to ensure compliance with s123 of the Local Government Act 1972 and the Subsidy Control Act 2022; and
- (iv) Delegate authority to the Chief Legal Officer, in consultation with the Strategic Director, Inclusive Growth, to execute all the legal agreements, contracts, and other documents on behalf of the Council in order to implement the arrangements.

25. Procurement of Apprenticeship Training Provision

The Cabinet Member for Finance, Growth and Core Services presented a report on proposals relating to the procurement of a four-year contract for the provision of apprenticeship training and assessment programmes via the Yorkshire Purchasing Organisation (YPO) Framework with effect from 1 August 2023.

The Cabinet Member advised that the Council and locally maintained schools contributed 0.5% of their pay bills towards an apprenticeship levy, with the Council alone having spent almost £½ million on apprenticeship training and assessments during 2022. The analysis of procurement options had identified the YPO as the preferred route and the Cabinet Member was particularly pleased to report that many local training providers were already affiliated to the YPO. He also

confirmed that the new contract would not only expand the opportunities for local residents wishing to pursue an apprenticeship but also assist the Council to meet its own target of 5% of the workforce undertaking an apprenticeship across all services.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a four-year contract for the provision of apprenticeship training via the YPO Framework, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Director of Workforce Change, in consultation with the Cabinet Member for Finance, Growth and Core Services and the Chief Legal Officer, to award and enter into all contracts and other necessary or ancillary agreements with YPO and service providers to fully implement and effect the proposals.

26. Direct Award of Elements of the All-Age Care Technology Service Contract

The Cabinet Member for Adult Social Care and Health Integration introduced a report on the direct award of elements of the Council's all-age Care Technology service.

By Minute 85 (15 February 2021), the Cabinet had approved arrangements for the procurement of an Innovation Partner for the management and delivery of an all-age Care Technology solution. The new service went live in May 2022 with the successful transfer of 2,440 residents from the former Careline service to the new contractor. A series of immediate benefits were achieved via the new service; however, it later became apparent that the contractor was not able to fully support the Council's vision and ambition for care technology in two of the three service elements of the contract. As a consequence and in order for the Council to continue to meet its obligations under the Care Act 2014, discussions were held with three prospective providers and Alcove were identified as the preferred provider.

The Cabinet Member spoke on the significant benefits to the Council of embracing technological advancements in the way that it provides services to local residents, and especially those most vulnerable, in the most efficient and effective manner. With that in mind, the Cabinet Member spoke on the recent success of Lewis Sheldrake, Lead Commissioner in Adult Services, who received a £10,000 scholarship for winning the Local Government Challenge, labelled 'The Apprentice' of local government, at the LGA Conference for his "AI Labs" project, which involved safely and ethically using artificial intelligence to address challenges faced by local government.

Cabinet **resolved** to:

- (i) Approve the direct award of a contract to Alcove for the management and delivery of the terminated aspects of the All-Age Care Technology service, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Children and Adults, in

consultation with the Cabinet Member for Adult Social Care and Health Integration and the Chief Legal Officer, to award and enter into the contract and any extension periods with Alcove to fully implement and effect the proposals.

27. Procurement Strategy for Fire Doors Replacement Project

Further to Minute 82 (20 February 2023), the Cabinet Member for Community Leadership and Engagement presented a report on the proposed procurement arrangements for the replacement of fire doors and associated works in the Council's high-rise estate.

The Cabinet Member advised that the works would be carried out in phases via the BDMS/BDTP Housing Repairs and Associated Services Framework in accordance with Section 20 of the Landlord and Tenant Act 1985 and also confirmed that leaseholders would only be recharged a proportion of the works to communal doors and associated installation works, and would not be recharged in relation to the re-fitting of new front entrance doors.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for replacement fire doors and associated works in accordance with the strategy set out in the report; and
- (ii) Authorise the Strategic Director of My Place, in consultation with the relevant Cabinet Member(s), the Strategic Director, Finance and Investment and the Chief Legal Officer, and subject to endorsement by Procurement Board, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements to fully implement and effect the proposals.

28. Contract for Supported Living Services

The Cabinet Member for Adult Social Care and Health Integration introduced a report on the procurement of a new Supported Living Services contract effective from April 2024.

The Cabinet Member advised that the Council had a statutory duty to ensure that vulnerable adults had access to supported accommodation, enabling them to live as independent life as possible in a safe environment where they were supported to achieve and maintain their independence. The current Supported Living contract model was no longer considered fit-for-purpose, primarily as the block contract element had been found to be financially inefficient. The intention, therefore, was to procure via a maximum four-year Framework Agreement to attract a range of contractors able to provide a responsive service that could meet individual needs, without any guarantees of work.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a maximum four-year framework contract for Supported Living Services in accordance with

the strategy set out in the report; and

- (ii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Cabinet Member for Adult Social Care and Health Integration and the Chief Legal Officer, to award and enter into the contract(s) for the framework agreement and all other necessary or ancillary agreements with the successful bidders to fully implement and effect the proposals.

29. Philip Gregory, Strategic Director, Finance and Investment

The Leader placed on record the Council's appreciation to Philip Gregory, Strategic Director, Finance and Investment, who was attending his last Council meeting before taking up a similar role in his hometown of Sheffield.

The Leader referred to the significant contribution that Philip had made since he joined the Council in late 2019 and extended the Council's very best wishes for the future.

30. Death of Lord Bob Kerslake

The Leader paid tribute to Lord Bob Kerslake, who sadly passed away on 1 July 2023 following a short battle with cancer.

Lord Kerslake had given eminent service to the local and national government sectors for over 40 years and was knighted for his services to local government in 2005 before receiving a crossbench peerage in 2015. Lord Kerslake had also been a prominent figure in Barking and Dagenham in recent years, having been appointed as Chair of the Council's regeneration and development company, Be First, on its inception in 2017 and, more recently, Chair of the Barking and Dagenham Trading Partnership.

The Leader asked those present to join him in a minute's applause in recognition of Lord Kerslake's commitment to public service and the high esteem in which he was held.

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CABINET

19 September 2023

Title: Revenue Budget Monitoring 2023/24 (Period 4, July 2023) and Q1 Capital Programme Update	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Katherine Heffernan and Philippa Farrell, Heads of Service Finance David Dickinson, Head of Capital and Investments	Contact Details: E-mail: Katherine.heffernan@lbbd.gov.uk Philippa.farrell@lbbd.gov.uk , david.dickinson@lbbd.gov.uk
Accountable Executive Team Director: Jo Moore, Interim Strategic Director, Finance & Investment	
Summary	
Revenue	
<p>This report sets out the Councils revenue budget monitoring position for 2023/24 as at the end of July 2023, highlighting key risks and opportunities and the forecast position. This is the first budget monitoring report to Cabinet of this financial year.</p> <p>At the end of the last financial year, the Council was overspent across a range of service areas. Some of this was one-off in nature but there was an underlying permanent overspend of £8m, which continues to impact the current financial year. The factors contributing to this, especially increasing demand and costs of social care services, have continued into this financial year resulting in a further overspend forecast position.</p> <p>The Council's General Fund budget for 2023/24 is £199.002m. Based on the information available at the end of July overall expenditure is forecast to be £219.4m with a planned drawdown from reserves of £5.818m making a forecast overspend of £14.579m. There is also an overspend of £7.5m on the HRA.</p> <p>These are significant forecast overspends for the year and the Council must contain expenditure within the budget envelope approved by Assembly in March 2023. The Council must take action to reduce, delay or avoid costs wherever possible and return to within the budget envelope to prevent a further call upon reserves which is not financially sustainable. The Council's management team is currently working on developing and implementing mitigation actions in order to contain the position. This will be reported regularly to Cabinet throughout the financial year.</p> <p>There are a number of identified risks and opportunities which could have a beneficial or detrimental impact on the current forecast position. These need to be managed along with mitigating actions to sustainably reduce overspends in the remainder of the year. This</p>	

level of overspend can be met from the reserves however, this would severely reduce the Council's future financial sustainability and resilience and restrict investment for services and transformation. The position will continue to be closely monitored and risks and opportunities recognised as soon as certain.

Capital

The revised capital programme was agreed by June 2023 Cabinet as part of the 2022/23 Outturn report. The revised capital programme including carry forwards from 2022/23 was agreed at £496.684m for 2023/24, £280.189m for 2024/25 and £266.461m for 2025/26. This report sets out proposed budget changes which would result in revised budgets of £353.256m for 2023/24, £155.863m for 2024/25 and £95.384m for 2025/26. The main changes relate to a reprofiling of the Education programme (£1.385m), a reduction of the HRA programme as a result of the budget pressures in the HRA (£7.894m) and changes to the IAS.

The capital outturn expenditure forecast for 2023/24 is £356.727m which results in an overspend variance of £3.471m against the revised budget.

Recommendation(s)

Cabinet is recommended to:

- (i) Note the projected £14.579m revenue overspend forecast for the General Fund for the 2023/24 financial year, as set out in sections 2 and 3 and Appendix A of the report;
- (ii) Note the projected £7.5m revenue overspend forecast for the Housing Revenue Account, as set out in section 4 and Appendix A of the report;
- (iii) Approve the changes to the Capital Programme as detailed in paragraph 5.2 of the report, resulting in revised budgets of £353.256m for 2023/24, £155.863m for 2024/25 and £95.384m for 2025/26;
- (iv) Note the forecast outturn for the 2023/24 Capital Programme, as set out in paragraph 5.3 of the report;
- (v) Note the issues set out in paragraphs 5.4 to 5.6 of the report regarding the handover and letting of new properties, particularly concerning private rental schemes, and the steps being taken to remedy the issues; and
- (vi) Approve virements from the central budget provision totalling £2.718m, as detailed in section 6 of the report.

Reason(s)

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

Chapter 2 of Part 4 of the Council's Constitution requires regular reporting to Cabinet on the overall financial position of each service and the current projected year-end outturn together with corrective actions as necessary.

1. Introduction and Background

- 1.1 This is the first revenue budget monitoring report to Cabinet for the 2023/24 financial year and the forecast position reflects forecast to end of year as at end of Period 4 (July 2023).
- 1.2 This financial year continues to see the high level of financial risk realised in 2022/23 outturn. The risk of inflation, and rising interest rates can not only drive increases in demand but directly impact the costs paid by the Council. These risks are compounding the long-standing pressures that impact across the Local Government sector. These risk factors are beyond the Council's control and are being felt across all local authorities; however, they are at risk of impacting LBBB more significantly as a result of the high levels of deprivation and disadvantage that already exist amongst residents of the Borough.
- 1.3 The Council has a new Interim Section 151 Officer who is introducing some new ways of working to the Council to ensure that the financial risks are effectively managed. This will include changes to the monitoring and reporting processes so the next monitoring report may be in a different format.
- 1.4 The pressure identified in this report are significant and will be factored into the Council's MTFs Planning process to identify long term financial implications on the Council. It is important that the Council begins to tackle the overspend in order to ensure the Council remains financially sustainable over the coming years.

2. Overall Financial Position - General Fund

- 2.1 The 2023/24 budget was approved by the Assembly in March 2023 and is £199.002m – a net increase of £16m from last year (or £20m including direct grants to Social Care). Growth funding was supplied to most services to meet known demand and cost pressures and a central provision was made for the expected Local Government pay award. In addition, there were £7.049m of savings included in the budget.
- 2.2 As **Appendix A** shows, the expenditure forecast is £219.399m or £213.580m after planned transfers to and from reserves resulting in a net overspend of £14.579m. The table below summarises the overall financial forecast for the Council followed by a narrative highlighting the key drivers behind the forecasts. More detail is given in Appendix A.

	Last year	This Years Budget	Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves			DoT
	Outturn	Revised	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance	% variance	
GENERAL FUND TOTAL	210,758,420	199,002,253	58,636,302	219,399,007	916,000	(6,734,204)	14,578,549	15,298,143	7.3%	
PEOPLE & RESILIENCE	117,190,113	116,957,652	38,661,485	127,299,347	0	0	10,341,694	13,579,144	8.8%	
CORPORATE MANAGEMENT	52,696,852	44,046,151	495,719	46,833,571	0	(99,360)	2,688,060	(2,495,689)	6.1%	
LAW AND GOVERNANCE	(5,174,523)	(4,081,919)	774,957	(5,521,195)	916,000	(30,000)	(553,276)	(553,276)	13.6%	
STRATEGY	3,546,790	3,387,678	1,232,141	3,554,271	0	(119,000)	47,593	155,053	1.4%	
INCLUSIVE GROWTH	2,229,661	1,695,078	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334	27.7%	
COMMUNITY SOLUTIONS	25,021,966	21,622,624	5,444,404	26,582,404	0	(4,731,748)	228,032	739,768	1.1%	
MY PLACE	15,247,563	15,374,989	12,047,096	16,731,195	0	0	1,356,206	3,071,809	8.8%	

3 Service Variances

3.1 People & Resilience – forecast overspend £10.341m

3.1.1 The overspend in this area relates to payments for care. There is a forecast variance of £3m across Adults and Adults with Disabilities – mostly driven by cost increases in care contracts. To meet its duties of market sustainability and the Council's commitment to the London Living wage there has been a standard uplift of 16% to in borough providers which was only partly funded in the budget. There are also significant overspends in care placements for looked after children (£5.4m) and children with disabilities (£1.6m) which largely reflects the high costs of care for children with complex needs. In addition, there is an overspend on Home to School transport for Children with special educational needs (£0.9m).

3.2 Corporate Management – forecast overspend £2.688m

3.2.1 This overspend is largely driven by the expected local government pay award (forecast to be 6%.) In addition, there is an overspend in the HR department of HRA. This is offset by underspends in IT mostly relating to delays in activity or unfilled posts due to difficulties recruiting specialist skilled staff.

3.3 Law & Governance – forecast underspend £0.553m

3.3.1 There are 95 vacant positions in enforcement, 56 of which are covered by agency staff. Parking income remains buoyant and is contributing to an overall underspend.

3.4 Strategy – forecast overspend £0.047m

3.4.1 There is an overachievement of advertising income and some posts in strategy are being held vacant to offset overspending in Communications and Events.

3.5 Inclusive Growth – forecast overspend £0.470m

3.5.1 This overspend is mainly the result of non-achievement of income especially in Parks Commissioning (£500k) and Heritage. This is being offset by holding vacancies and other management action.

3.6 Community Solutions – forecast overspend of £0.228m

3.6.1 There is a total financial pressure of £3.4m – mostly relating to services no longer being charged to the HRA. This is being managed in year with a mitigation plan including holding vacancies and drawing heavily on reserves.

3.7 My Place – forecast overspend of £1.356m

3.7.1 This is made up of an overspend in Homes and Assets of £2.2m offset by a £0.868m underspend in Public Realm. The Homes and Assets pressure results from a reduced ability to charge to the HRA and a shortfall on Commercial Property income while the Public Realm underspend relates to over achievement of income

(from the HRA and external charging), staffing vacancies and growth funding not yet being used.

3.8 Risks and Opportunities

3.8.1 Several risks and opportunities are identified that are currently not included within the forecast overspend. Risks of circa £2.4m are identified however it should be noted that there are also several unquantified risks which are very likely to materialise if robust management action is not taken, the impact being an increase to the figure of £2.388m. Potential opportunities of circa £ 3.5m are identified. sustainability and resilience and restrict investment for services and transformation.

3.9 Savings

3.9.1 There is a new savings target of £7.049m for 2022/23. At P4:

- £1.377m (20%) are rated red, not being achieved; (HR £0.577, Parks income £0.5m, My Place (£0.15m) Valence library (£0.13m
- £1.124m (16%) are rated amber / green, forecast as uncertain and may only be part achieved
- £4.548m (64%) are rated green, fully achieved (either now or by year end) or expected to be achieved in year.

3.9.2 Red savings are reflected in the service overspends. Unachieved savings in the current financial year increases the risk to the medium-term financial strategy moving forward.

4 Housing Revenue Account

4.1 The HRA is forecasting to overspend by £7.48m. The primary cause of the overspend is the significant increase in the BDMS contract for Housing Repairs and Maintenance which has increased from £15.670m to £25m, an agreed increase after budget setting. This has driven an overspend of £2.7m against supervision & management and £6.8m against repairs and maintenance.

4.2 These pressures, along with an under recovery of income due to process challenges with voids and properties taken out of use due to estate regeneration, are being partly mitigated by a slowdown in the capital programme leaving residual pressures of £7.48m. HRA reserves stand at £18m and may reduce by a further £1m once the HRA for 2022/23 is finalised. Drawing a further £7.48m from reserves will significantly deplete HRA reserves.

5 Capital Programme

5.1 The revised capital programme was agreed by June 2023 Cabinet as part of the 2022/23 Outturn report. The revised capital programme including carry forwards from 2022/23 was agreed at £496.684m for 2023/24, £280.189m for 2024/25 and £266.461m for 2025/26.

5.2 Budget Changes Period 3

5.2.1 Several minor budget changes and reprofiling have resulted in a change to the current year budget of £0.655m and changes to the 2024/25 and 2025/26 budgets of -£6.662m and £1.730m respectively.

5.2.2 Proposed budget changes are set out in the table and detailed below. The revised budgets are £353.256m for 2023/24, £155.863m for 2024/25 and £95.384m for 2025/26.

Code		2023/24	2024/25	2025/26
		£'000	£'000	£'000
	P3 Opening Budgets	497,340	273,527	268,191
C05029	Womens Museum	35	0	0
C05123	Tennis Court developments	327	0	0
C05140	Multi-faith Chadwell Heath cemetery	(9)	9	
C03054	LYMINGTON FIELDS SCHOOL 2016	(366)	0	0
C04052	SEND 2018-21	(53)	0	0
C04072	SCHOOL CONDITION ALCTNS 18-19	(33)	0	0
C05033	SCA PRIORITY WORKS 20/22	(392)	0	0
C05034	SCHOOLS EXPANSION PROG 20/22	(711)	218	493
C05069	SCA 20-21	12	413	0
C05078	GREATFIELDS PRIMARY	592	(592)	0
C05098	SCA 21-22	(381)	381	0
C05099	SEND 21	53	0	0
C05105	BASIC NEEDS 21/22	(722)	722	0
C05107	SCA 22-23	66	(388)	322
C05119	SPECIAL SCHOOL FEASIBILITY STUDIES	(50)	50	0
C05141	SCA 23-24	600	1,000	3,650
C05135	SALIX schemes	42	0	0
various	HRA stock investment	(5,260)	(5,000)	(2,000)
C02820	Estate Renewal	(2,145)	4,400	
C03071	Mellish and Sugden	(314)	0	0
C05102	Mellish Close - Austin House	(175)	0	0
various	Investment Strategy (Residential)	(148,586)	(118,931)	(175,272)
various	Investment Strategy (Commercial)	13,386	55	
	net change	(144,083)	(117,664)	(172,807)
	P3 closing/P4 Opening Budgets	353,256	155,863	95,384

- £35k additional CIL funding for the Women's Museum (In addition to £62k revenue funding for staffing).
- The £9k retention payment for Chadwell Heath multi-faith facility has been reprofiled into 2024/25.
- Various adjustments to the Education programme to re-profile between years based on the latest information. Budgets will not be re-reprofiled beyond Q1.
- New SALIX schemes totalling £42k added to the programme, as agreed at July ACB.
- The HRA Stock Investment programme has been updated to reflect the revised programme.

- The Estate Renewal programme reprofiled with £2.145m transferred to 2024/25 and additional funding of £2,254,510 in 2024/25 as requested in the report to August ACB.

5.2.3 The Investment Strategy budgets re-profiled to reflect updated information on approved budgets. Several schemes have been put on hold or are still to be agreed as viability has changed. The adjustments have significantly reduced the budget for 2023/24 by £135.2m.

5.3 Forecast Outturn 2023/24

Table 1: Capital Programme 2023/24 Budgets as at P3 (June 2023)

Strategic Function	P3 Budget	Adjustment	P3 Revised Budget	YTD Actuals	P3 Forecast	P3 Variance	Change in Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
GF - CARE & SUPPORT	3,557	0	3,557	218	3,557	(0)	0
GF - INCLUSIVE GROWTH	6,482	0	6,482	98	5,904	(578)	(61)
GF - CIL	726	35	761	12	761	(0)	0
GF - TFL	2,238	0	2,238	(49)	2,238	(0)	0
GF - ICT	3,013	0	3,013	198	4,739	1,726	1,738
GF - COMMUNITY SOLUTIONS	6	0	6	(4)	6	(0)	0
GF - CULTURE & HERITAGE	1,121	0	1,121	306	527	(594)	162
GF - PARKS COMMISSIONING	12,458	327	12,785	1,368	10,945	(1,840)	0
GF - ENFORCEMENT	2,151	0	2,151	42	2,151	(0)	0
GF - MY PLACE	9,146	(9)	9,138	782	8,475	(663)	350
GF - PUBLIC REALM	1,304	0	1,304	3	1,305	0	913
GF - EDUCATION, YOUTH & CHILD	15,811	(1,385)	14,426	1,424	14,306	(120)	1,520
GF - SALIX	0	42	42	0	42	0	0
General Fund	58,015	(990)	57,025	4,401	54,956	(2,069)	4,623
HRA STOCK INVESTMENT	19,260	(5,260)	14,000	345	14,000	0	0
HRA ESTATE RENEWAL	6,145	(2,145)	4,000	825	4,000	(0)	(0)
HRA NEW BUILD SCHEMES	1,033	(489)	544	18	544	0	169
HRA Total	26,438	(7,894)	18,544	1,189	18,544	(0)	168
IAS RESIDENTIAL	408,821	(148,586)	260,236	47,375	265,777	5,541	116,452
IAS COMMERCIAL	4,065	13,386	17,451	10,257	17,450	(1)	(10,903)
Investments Total	412,887	(135,200)	277,687	57,632	283,227	5,540	105,549
Total	497,340	(144,083)	353,256	63,221	356,727	3,471	110,340

5.3.1 Forecast outturn expenditure for 2023/24 is £356.727m which results in an overspend variance of £3.471m. The variance is much changed from the £106.869m underspend variance reported at P2, due to the reprofiling in the Education programme and Investment Strategy.

5.3.2 For forecasting purposes it has been assumed that the HRA stock investment programme will spend to the revised budget of £14m.

5.3.3 There is currently no budget allocation within the programme for Phase 2 of the ERP project. A report is being taken to Executive team setting out the business case for funding approval. The anticipated expenditure in 2023/24 is £1.738m. This is currently a forecast overspend within the IT programme.

5.4 IAS Handover and lettings

- 5.4.1 Over the past year and a half, many schemes have completed within the IAS. This has resulted in many properties becoming available to let. Letting is carried out by MyPlace and Comsol with most of the lettings being completed through existing systems and processes.
- 5.4.2 The large number of properties has highlighted several issues and has resulted in additional costs. The costs have largely been absorbed within the IAS, through:
- i. capitalising the financing costs during the hold period to the schemes, thereby increasing the cost of each scheme. This has added over £1.5m net costs to schemes that already have viability issues.
 - ii. Some vacant schemes have had security and heating costs that have been charged to the IAS. This has totalled over £0.5m and are costs that should not have been incurred but were essential due to the properties being vacant.
- 5.4.3 The Investment and Acquisition Strategy (IAS) has managed to absorb these costs, but this will not be possible going forward and improvement are required within the handover and lettings. A lot of work has already gone into improving this area with several groups regularly meeting to plan ahead and to address issues. Currently most schemes and tenures are fully let, as summarised below.
- 5.4.4 Overall, from 870 properties, 732 have been let (84%), with a remaining 138 still to be let. The target letting is 98.5% so there is still an improvement required. Excluding Shared Ownership and Private lets, where currently the biggest issues remain, the letting is 98%, with 615 let from 628 units.
- 5.4.5 Most voids within the Social Rents are within LAR and mainly in a relatively new scheme (Shuckford) and of the ten vacant properties, nine have property adaptations. These have been escalated and are being let but it has highlighted issues around reporting and communication issues. These specific unit types will be more closely monitored and reported on to ensure that delays are picked up more quickly.
- 5.4.6 Without the voids within adaptations in Shuckford, lettings would be 99.5%, which would be above the model lets and would improve income to Reside and the Council.
- 5.4.7 Reporting of lettings but also of bad debts should form part of regular performance reporting. This should come via Reside but currently there are issues with reporting in a timely manner and in addition where the reporting should come and how issues should be escalated. Going forward, performance on relets will also be included as this is also an area where outperformance but also losses can occur.

Social Rent Statistics as at 7/8/2023

Social Rents Statistics			
65% Rent	Let	Void	Percentage let
A HOUSE FOR ARTISTS	12	0	100%
Affordable Rent 80			
ARBOR COURT	23	0	100%

ATKIN HOUSE	13	0	100%
BRANTON HOUSE	6	0	100%
CARRIER	80	0	100%
CHALLINGSWORTH HOUSE	57	0	100%
CONVENT COURT	9	0	100%
CONVENT MEWS	20	0	100%
KERWIN HOUSE	62	0	100%
KETCH STREET	2	0	100%
LELEU COURT	2	0	100%
SHUCKFORD COURT	4	0	100%
SIR ALF RAMSEY COURT	33	0	100%
TIDE STREET	4	0	100%
Total Affordable Rent Lets	315	0	100%
LAR			
ARBOR COURT	23	0	100%
CARGO	16	0	100%
FARRIER APARTMENTS	41	0	100%
KERWIN HOUSE	27	1	96%
KETCH STREET	2	0	100%
LELEU COURT	25	1	96%
MARTIN PETERS COURT	29	0	100%
MIZZEN STREET	0	1	1
SHUCKFORD COURT	43	10	81%
Total London Affordable Rents Lets	206	13	94%
LLR			
CHALLINGSWORTH HOUSE	56	0	100%
RTR			
BOUNDARY ROAD	7	0	100%
CARGO	19	0	100%
	26	0	100%
Total Social Properties let	615	13	98%

5.5 Shared Ownership letting

5.5.1 Currently there are issues with selling Shared Ownership properties due to mortgage lenders insisting on a price reduction. Costs for empty properties impact the IAS and there are further discussions around reducing the sales price, converting to other tenures and leaving the properties vacant.

5.5.2 Given current market conditions further action on Challingsworth SO but also future SO properties that are part of Gascoigne F must be taken by Investment Panel.

Shared Ownership Statistics as at 7/8/2023

Shared Ownership	Let	Void	Percentage let
BOBBY MOORE COURT	33	0	100%
CHALLINGSWORTH HOUSE	20	36	36%
Total Shared Ownership Lets	53	36	60%

5.6 Private Rentals

5.6.1 Private Rentals is currently the worst performing tenure and with some schemes. Lettings have been very poor in this key tenure, with some schemes remaining vacant for over four months (Mather Court). These issues have been addressed by using an external agency to let the properties but this does have additional costs and will likely lead to competition between the Council and the estate agency letting. Given the inability for the Council to let Private rental properties it is essential that, for future lets, an agent is appointed in advance of any handover, with the potential that properties are pre-let. Currently the rental market is bullish and there is a need for properties, which makes the inability to let these properties concerning.

5.6.2 As private rentals are a new tenure there will be teething problems and there are additional letting costs but these have been factored into modelling, with lettings at 20% per month allowing 5 month for a property to be fully let. This should be achievable unless there are issues with the rents being charged, with the demand and with the quality. There has not been any feedback on letting issues and therefore the main issue is capacity within the team.

Market Rent Statistics as at 7/8/2023

Market Rent			
CUTTER COURT		1	0%
FIFESHIRE COURT		1	0%
FORGE	55	24	70%
HERRING COURT	9	26	26%
KETCH STREET		1	0%
MATHER COURT		36	0%
Total Market Rent Lets	64	89	42%

5.7 General Fund

5.7.1 **Care and Support:** programme is forecast to come in on budget.

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C00100	AIDS & ADAPTATIONS	1,079		1,079	66	1,079	0	1,000	0	0
C00106	DISABLED FACILITIES GRANT-PRVT	1,861		1,861	97	1,861	0	1,857	0	0
C05125	FAMILY HUBS	117		117	55	117	0	61	0	0
C05127	Care Tech	500		500	0	500	0	0	0	0
CAP01	GF - CARE & SUPPORT	3,557	0	3,557	218	3,557	(0)	2,918	0	0

5.8 Inclusive Growth

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C03028	CORPORATE RETROFIT	2,969		2,969	3	2,551	-418	0	0	0
C03099	ABBEY GREEN & BTC CONS HLF	277		277	24	80	-197	0	0	0
C05084	DECARBONISATION	-		-	0	-	0	0	0	0
C05114	UK SHARED PROSPERITY FUND	256		256	71	354	98	611	0	0
C05136	Local Authority Delivery Ph 3	2,461		2,461	0	2,918	458			
C05137	Home Upgrade Grant Ph 1	519		519	0		-519			
CAP02	GF - INCLUSIVE GROWTH	6,482	-	6,482	98	5,904	(578)	611	-	-

- 5.8.1 Programme is forecasting an underspend variance of £578k. The Corporate Retrofit contract is anticipated to be executed at the end of June with installations starting thereafter.
- 5.8.2 Abbey Green and Barking Town Centre HLF project trying to get one more building improved before the project finishes.
- 5.8.3 There is an anticipated overspend of £98k on the UKSPF programme which will be covered by the 2024/25 budget.

5.9 CIL

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C05028	BOX UP CRIME	455		455	7	455	0	0	0	0
C05029	WOMENS MUSEUM	175	35	210	5	210	0	0	0	0
C05062	LITTER IN PARKS (CIL)	96		96	0	96	0	0	0	0
CAP03	GF - CIL	726	35	761	12	761	(0)	-	-	-

- 5.9.1 The CIL programme is anticipated to come in on budget. Additional funding was allocated in 22/23 to the Box Up Crime scheme. This scheme is awaiting a third party to sign the lease and while the property is vacant there are security costs being incurred (in revenue).
- 5.9.2 Additional funding of £97k was also approved for the Women's Museum. Part of this (£62k) is a salary cost which has been allocated to revenue so is not included in the capital budget, however it is still funded from CIL and meets the definition under the planning legislation for allowable expenditure from CIL. The project is significantly behind schedule and has recently brought back in house to ensure that the museum can be delivered in 2023. Other schemes using CIL funding are shown under the relevant service areas.

5.10 TfL: programme is on target to come in on budget.

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C05052	HEATHWAY HEALTHY STREETS	317		317	(65)	317	0	0	0	0
C05058	TFL MINOR WORKS - VARIOUS LOC	155		155	0	155	0	0	0	0
C05079	CYCLE ROUTE CFR10	177		177	4	177	0	0	0	0
C05080	LOW TRAFFIC NEIGHBOURHOODS	241		241	10	241	0	0	0	0
C05083	BUS PRIORITY	852		852	3	852	0	0	0	0
C05056	VALANCE AVENUE HEALTHY STREETS	43		43	0	43	0	0	0	0
C05128	Porters Avenue Healthy Streets	105		105	0	105	0	0	0	0
C05129	Dagenham Road Healthy Streets	172		172	0	172	0	0	0	0
C05130	High Road Healthy Streets	100		100	0	100	0	0	0	0
C05131	Gascoigne Healthy Streets	77		77	0	77	0	0	0	0
CAP04	GF - TFL	2,238	-	2,238	(49)	2,238	(0)	-	-	-

5.11 IT

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C03052	KEEP THE LIGHTS ON	303		303	50	303	0	0	0	0
C03068	ICT END USER COMPUTING	12		12	0	0	-12	0	0	0
C05132	Laptop Replacement Programme	2,698		2,698	148	2,698	0	200	200	200
C05088	ERP Phase 2			-		1,738	1,738			
CAP06	GF - IT	3,013	-	3,013	198	4,739	1,726	200	200	200

5.11.1 The ERP phase 2 project is yet to be formally agreed to be added to the capital budget. A report is being presented to the Executive Team setting out options for funding this phase of the new system. As this expenditure relates to the implementation of a new system, this is treated as capital expenditure under regulations and can use any capital funding source that is available, including borrowing (if it was revenue Transformation spend, only capital receipts would be available under the Flexible Use rules).

5.12 Community Halls

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C04042	COMMUNITY HALLS	6		6	(4)	6	0	0	0	0
CAP05	GF - COMMUNITY SOLUTIONS	6	-	6	(4)	6	(0)	-	-	-

5.13 Culture and Heritage

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C04031	RE IMAGINING EASTBURY	4		4	0	4	0	0	0	0
C04033	REDRESSING VALENCE	211		211	13	70	-141	0	0	0
C04043	THE ABBEY: UNLOCKING BARKING	347		347	0	26	-321	0	0	0
C05115	WOODWARD ARTS & CULTURE CE	266		266	0	266	0	0	0	0
C05138	MEND Valence House	294		294	294	162	-132	294	294	0
CAP07	GF - CULTURE & HERITAGE	1,121	-	1,121	306	527	(594)	294	294	-

5.13.1 Programme forecasting an underspend variance of £594k. Forecast expenditure on Unlocking Barking Abbey will see the completion of the archaeological investigations integral to this project. There is s106 money allocated to work on additional archaeological finds uncovered during recent redevelopments in Abbey Road. This work has not yet begun and it is not expected there will be spend this financial year.

5.14 Parks Commissioning

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C03032	PARSLOES PARK (CIL)	8,501		8,501	1,274	8,501	0	0	0	0
C04080	CHILDRENS PLAY SPCS & FAC (CIL)	94		94	0	94	0	0	0	0
C04081	PARKS & OPEN SPCS STRAT 17 (CI	169		169	15	169	0	0	0	0
C05060	SAFER PARKS (CIL)	52		52	0	52	0	0	0	0
C05061	B & D LOCAL FOOTBALL FACILITY (C	157		157	0	-	-157	0	0	0
C03090	LAKES	437		437	0	150	-287	0	0	0
C04013	PARK INFRASTRUCTURE ENHNCM	2		2	0	2	0	0	0	0
C04017	FIXED PLAY FACILITIES	73		73	0	73	0	0	0	0
C04018	PARK BUILDINGS BLDNG SUR	62		62	0	62	0	0	0	0
C04084	CENTRAL PARK MASTERPLAN IMP	716		716	0	716	0	0	0	0
C05089	DE-CONTAMINATION AT ECP	1,897		1,897	79	500	-1,397	0	0	0
C05113	OLD DAGENHAM PARK LEVELLING	48		48	0	48	0	0	0	0
C05122	CENTRAL PARK PAVILION	175		175	0	175	0	0	0	0
C05123	TENNIS COURT DEVELOPMENT	75	327	403	0	403	0	0	0	0
CAP11	GF - PARKS COMMISSIONING	12,458	327	12,785	1,368	10,945	(1,840)	-	-	-

5.14.1 Parks Commissioning is forecasting an underspend variance of £1,840k. The Decontamination project accounts for £1,397k of the underspend. The Q1 forecast is an estimate as a comprehensive review of the Contaminated Land Project is required.

5.15 **Enforcement:** No forecasts provided and default forecast is spend to budget.

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C02982	CONTROLLED PARKING ZONES	1,979		1,979	42	1,979	0	0	0	0
C04015	ENFORCEMENT EQUIPMENT	173		173	0	173	0	0	0	0
	GF - ENFORCEMENT	2,151	-	2,151	42	2,151	(0)	-	-	-

5.16 My Place

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C02811	WARD CAPITAL BUDGETS	787		787	58	787	0	0	0	0
C03011	STRUCT REPS & MAINTCE-BRIDGES	27		27	0	27	0	0	0	0
C03065	HIGHWAYS INV PROG	3,660		3,660	312	3,660	0	0	0	0
C04019	REPLACEMENT OF WINTER EQUIP	3		3	0	3	0	0	0	0
C04029	ENGINEERING WORKS (RD SAFETY)	-		-	39	-	0	0	0	0
C04063	FLOOD SURVEY	141		141	0	141	0	0	0	0
C04064	BRIDGES AND STRUCTURES	826		826	(19)	1,000	174	0	0	0
C05018	STOCK CONDITION SURVEY	1,693		1,693	232	1,400	-293	0	0	0
C05038	82A AND 82B OVAL ROAD SOUTH	325		325	0	54	-271	0	0	0
C05055	ROAD SAFETY AND ACCESS	192		192	51	192	0	0	0	0
C05077	DISPERSED WORKING	471		471	149	250	-221	0	0	0
C04032	HABITAT FOR HUMANITY	302		302	(40)	250	-52	0	0	0
C05117	HEALTHY STREETS	369		369	0	369	0	200	0	0
C05140	MULTI-FAITH CHAD HEATH CEM.CIL	350	(9)	341	0	341	0	9	0	0
CAP09	GF - MY PLACE	9,146	(9)	9,138	782	8,475	(663)	209	-	-

5.16.1 My Place are forecasting an underspend variance of £663k. Bridges and Structures are forecast to overspend by £174k as expenditure on remedial works at Choats Road culvert may be up to £1m. It is hoped that build costs can be contained through robust preparation works.

5.16.2 Stock Condition is forecasting an underspend of £293k in 2023/24 but the budget allocation of £1,693k is over-committed.

5.16.3 Ward Budgets are currently forecast to spend to budget. A monitoring group is scheduled to meet each month from September to ensure that projects are delivered and the allocation is maximised.

5.17 Public Realm

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C04012	PARKS BINS RATIONALISATION	27		27	0	27	0	0	0	0
C04070	VEHICLE FLEET REPLACEMENT	1,023		1,023	0	1,023	0	0	0	0
C03083	CHADWELL HEATH CEMETERY EXT	83		83	0	83	0	0	0	0
C05048	PROCURING IN CAB TECH	171		171	3	171	0	0	0	0
C04016	ON-VEHICLE BIN WEIGHING SYS	-		0	0	0	0	0	0	0
CAP10	GF - PUBLIC REALM	1,305	-	1,305	3	1,305	0	-	-	-

5.17.1 The Public Realm programme is forecast to spend to budget.

5.17.2 In-Cab devices are being installed in refuse vehicles with data to be uploaded in August. Data quality and cleansing has taken longer than initially anticipated although the project is expected to complete within budget.

5.18 Education Programme

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C03020	DAGENHAM PARK	77		77	0	77	0	0	0	0
C03022	GREATFIELD SECONDARY SCH (NE	500	0	500	(295)	500	0	0	0	0
C03053	GASCOIGNE PRMRY - 5FE TO 4FE	34		34	0	34	0	0	0	0
C03054	LYMINGTON FIELDS SCHOOL 2016	372	366	6	4	6	0	0	0	0
C04052	SEND 2018-21	53	53	-	5	-	0	0	0	0
C04058	MARKS GATE INFS & JNRS 18-20	55		55	0	55	0	0	0	0
C04059	CHADWELL HEATH ADDI CAPACITY	-		-	0	-	0	0	7,000	0
C04072	SCHOOL CONDITION ALCTNS 18-19	33	33	(0)	0	-	0	0	0	0
C04098	RIPPLE PRIMARY SUFFOLK ROAD	5		5	0	5	0	0	0	0
C05033	SCA PRIORITY WORKS 20/22	392	392	-	0	-	0	0	0	0
C05034	SCHOOLS EXPANSION PROG 20/22	1,461	711	750	16	750	0	600	493	0
C05040	HEALTHY SCHOOL	121		121	0	1	-120	0	0	0
C05069	SCA 20-21	388	12	400	134	400	0	413	0	0
C05078	GREATFIELDS PRIMARY	6,908	592	7,500	1,072	7,500	0	2,746	0	0
C05098	SCA 21-22	981	381	600	127	600	0	381	0	0
C05099	SEND 21	675	53	728	12	728	0	0	0	0
C05105	BASIC NEEDS 21/22	1,322	722	600	2	600	0	722	0	0
C05107	SCA 22-23	1,434	66	1,500	348	1,500	0	800	322	0
C05118	MAYESBROOK ADDITIONAL CLASSR	400		400	0	400	0	0	0	0
C05119	SPECIAL SCHOOL FEASIBILITY STU	100	50	50	0	50	0	50	0	0
C05120	MONTEAGLE DINING HALL EXTENS	500		500	0	500	0	700	0	0
C05141	SCA 23-24	-	600	600	0	600	0	1,000	3,650	0
CAP20	GF - EDUCATION, YOUTH & CHILD	15,811	(1,385)	14,426	1,424	14,306	(120)	7,412	11,466	-

5.18.1 The Education budgets have been re-profiled to reflect the latest information on large contracts going ahead during the school holidays in July and August, which is when a large part of the school capital monies are spent.

5.18.2 After some initial delays, the Greatfields Primary project has now progressed more quickly than expected and construction work has commenced, hence the increase in current year budget for this scheme. Grant funding is being received monthly from the DfE for this scheme, so there are not any timing issues anticipated relating to funding as there were for earlier phases of the Greatfields construction.

5.18.3 The whole education programme is funded through external grant funding and costs will be contained within this, with no impact on MRP or borrowing. A report will be presented to Cabinet later this year in order to add new annual grant allocations to the capital budget.

5.19 HRA Programme

5.19.1 The Estate Renewal programme is the subject of another report on the August ACB agenda, setting out the details of the progress and expected completions for the remaining properties to be bought back for redevelopment. The only remaining phase that requires decants and buybacks is Gascoigne Phase 4. The anticipated spend for 2023/24 is £4m, and £2.145m of the budget has been re-profiled into next year. It is expected that a total of £8.4m (across current and future years) will be needed to complete Phase 4. As such, further HRA funding of £2.255m will be required in future years in addition to the current budget.

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
	External Programme (Be First)	0	1,300	1,300	0	1,300	0	1,300	1,300	1,300
	Works On Site/Programmed	0	5,000	5,000	0	5,000	0	5,000	5,000	5,000
	Capital Voids	0	1,200	1,200	0	1,200	0	1,200	1,200	1,200
	Fees and Stock Condition Survey	0	1,100	1,100	0	1,100	0	1,100	1,100	1,100
	Compliance (Be First fees)	0	1,250	1,250	0	1,250	0	1,250	1,250	1,250
	Fire Doors	0	1,000	1,000	0	1,000	0	1,000	1,000	1,000
	Parkside House Fire Doors	0	100	100	0	100	0	100	100	100
	Aiden Close communal boiler	0	250	250	0	250	0	250	250	250
	LIFT REPLACEMENT	0	400	400	0	400	0	400	400	400
	Contingency/Ad-hoc works	0	1,500	1,500	0	1,500	0	1,500	1,500	1,500
	External Works (Braintree and Cornworth)	0	300	300	0	300	0	300	300	300
	FRA works	0	200	200	0	200	0	200	200	200
	Electrical Testing works	0	200	200	0	200	0	200	200	200
	Replacement Bin Storage	0	200	200	0	200	0	200	200	200
CAP30	HRA STOCK INVESTMENT	19,260	- 5,260	14,000	345	14,000	-	14,000	14,000	14,000
C02820	ESTATE RENEWAL	6,145	- 2,145	4,000	825	4,000	0	4,400	0	0
CAP31	HRA ESTATE RENEWAL	6,145	- 2,145	4,000	825	4,000	- 0	4,400	-	0
C03071	MELISH AND SUGDEN	314	- 314	-	0	0	0	0	0	0
C05102	MELLISH CLOSE - AUSTIN HOUSE	719	- 175	544	18	544	0	0	0	0
CAP32	HRA NEW BUILD SCHEMES	1,033	(489)	544	18	544	-	-	-	-
	HRA TOTAL	26,438	(7,894)	18,544	1,189	18,544	(0)	18,400	14,000	0

5.20 Investment Strategy

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C03072	PURCHASE OF SACRED HEART CONT	76	49	125	0	125	0	0	0	0
C03080	ACQSTN OF ROYAL BRITISH LEGION	23,158	(23,123)	36	16	36	0	0	0	0
C03084	SEBASTIAN COURT - REDEVELOP	871	(521)	350	(121)	350	0	0	0	0
C03086	LAND AT BEC - LIVE WORK SCHEME	111	19	131	157	131	0	0	0	0
C03089	BECONTREE HEATH NEW BUILD	95	233	328	0	328	0	0	0	0
C04062	GASCOIGNE EAST PH2	80	(11,380)	(11,300)	(11,318)	(11,300)	0	0	0	0
C04065	200 BECONTREE AVE	85	(10)	75	0	75	0	0	0	0
C04066	ROXWELL RD	14,162	(3,409)	10,752	2,235	10,752	0	10,582	1,511	0
C04067	12 THAMES RD	21,269	(4,103)	17,166	4,179	17,166	0	4,160	875	0
C04068	OXLOW LNE	9,077	(170)	8,907	2,035	8,907	0	285	0	0
C04069	CROWN HOUSE	1,745	609	2,355	22	2,355	0	0	0	0
C04077	WEIGHBRIDGE	0	143	143	0	143	0	0	0	0
C04090	SITE LONDON RD/NORTH STREET	0	0	0	6	9	9	0	0	0
C04099	GASCOIGNE WEST P1	(767)	1,875	1,109	443	1,109	0	0	0	0
C05020	WOODWARD ROAD	4,186	1,332	5,518	962	5,518	0	600	0	0
C05025	GASCOIGNE WEST PHASE 2	55,348	(22,519)	32,829	9,770	32,829	0	17,395	0	0
C05026	GASCOIGNE EAST PHASE 3A	20,493	(3,559)	16,933	5,545	16,933	0	1,039	0	0
C05035	PADNALL LAKE PHASE 1	5,689	(237)	5,452	3,649	5,452	0	487	142	0
C05041	TRANSPORT HOUSE	24,959	(6,240)	18,719	3,155	18,719	0	14,439	586	0
C05047	GASCOIGNE WEST PHASE 3	3,420	(1,427)	1,994	(132)	1,994	0	1,427	0	0
C05065	CHEQUERS LANE	61	256	317	0	317	0	0	0	0
C05066	BEAM PARK Phase 6	57,715	(24,086)	33,629	76	33,629	0	49,439	46,034	0
C05071	BROCKLEBANK LODGE	1,083	(1,064)	20	6	20	0	0	0	0
C05073	GASCOIGNE EAST 3B	47,823	(39,782)	8,041	2,728	8,041	0	0	0	0
C05076	GASCOIGNE EAST PHASE 2 (E1)	20,013	(20,005)	8	2,408	4,293	4,285	0	0	0
C05081	Beam Park - Phase 7	(386)	25,401	25,016	(214)	25,016	0	10,339	18,782	0
C05082	TROCOLL HOUSE	741	(158)	584	(323)	584	0	152	691	0
C05090	GASCOIGNE EAST 3A - BLOCK I	21,135	6,204	27,339	7,910	27,339	0	3,826	522	0
C05091	GASCOIGNE EAST PHASE 2 F	22,659	7,357	30,016	11,674	30,016	0	1,424	0	0
C05092	GASCOIGNE EAST PHASE 2 E2	5,235	3,197	8,432	2,301	8,432	0	834	0	0
C05093	PADNALL LAKE PHASE 2	7,237	(2,676)	4,561	305	4,561	0	1,480	236	0
C05094	PADNALL LAKE PHASE 3	17,730	(17,471)	259	(93)	259	0	2,264	0	0
C05100	BARKING RIVERSIDE HEALTH	11,420	(11,413)	7	25	1,254	1,247	20	0	0
C05103	TOWN QUAY WHARF	12,417	(2,060)	10,358	(49)	10,358	0	5,574	45	0
C05106	GASCOIGNE ROAD	(123)	153	30	17	30	0	0	0	0
CAP40	IAS RESIDENTIAL	408,821	(148,586)	260,236	47,375	265,777	5,541	125,766	69,424	0

5.20.1 New Build (Direct Delivery) - Completions

Three schemes are currently in the snagging and handover process with Practical Completions forecast for August (Mellish CI, Gascoigne East Phase 2 – Block F and Industria). The contractor performance at Mellish CI is being closely monitored, there is a risk that PC may slip beyond August.

Escalations - Seven projects have been escalated this month: -

- **Roxwell Road** – Extension of time award, to be formalised at IP in August, and remaining contingency low, compared to open risks (£319k v £275k) with 22 months remaining.
- **Woodward Road** - The scheme is significantly delayed, original completion was due in December 2022, latest contractors forecast is April 2024. Scheme is recording significant risk of cost overrun with £400k contingency remaining and out-standing contractual claims to be settled.
- **Gascoigne East Phase 3b** – Sum to deliver the scheme has been agreed with the Contractor at £147.9m, which exceeds the cabinet approved 'Target Cost'. Demolition of the existing buildings continues under Section 2 of the Contract. This project is subject to a separate report to this meeting.
- **Gascoigne East 3a Block J** – A cost rationalisation exercise has been carried out, this is demonstrating a remaining contingency of circa £20k, five months remain to Practical Completion and circa £92k's worth of open risks.
- **Oxlow Lane** - Contingency sum remaining is low for the stage of the project, this is due to increased materials and labour costs associated with 'firming' up Provisional Sums.
- **Mellish Close** – Scheme is significantly delayed due to issues related to proximity to Network Rail assets, and contractor performance. Practical Completion forecast for 8th August 2023 is being closely monitored.
- **Padnall Lake Ph 1** – recording remaining contingency of £61k with 10 mths remaining. Open risks costed at circa £50k, close monitoring is underway.

Further to the project escalations, we are recording a Portfolio Escalation relating to Connection and Supply Agreements and Acceptance Certificates with B&D Energy. This poses a risk to occupation and billing of residents, a schedule of current status is included in the reports.

5.20.2 Turnkey RAG

The Turnkey portfolio is recording red escalations against 4 projects, these are for increases in Total Development Costs and delays to programmes. The Chequers Lane Gateway 5 paper is under review and is scheduled to be presented to IP in August.

Escalations: Three projects are escalated this month:

- **Chequers Lane** - Scheme has a cost overrun of circa £28k relating to a change to the CCTV provision required by the Council, a change form to formalise this will be submitted to IP with the Gateway 5 paper in August.
- **Beam Park 6 & 7** – This project is subject to a separate report to this meeting.

- **Trocoll House** – original contractor appointed by Rail Pen are in administration, risk sits with Rail Pen. New Contractor is being sought with HG being the preferred, due diligence is underway.

5.20.3 Commercial

Project Code	Project Name	P2 Budget	P3 Adjustments	P3 Adjusted Budget	Expenditure to end P3	Forecast at end P3	Forecast Variance	24/25 Budget	25/26 Budget	26/27 Budget
C04078	WIVENHOE CONTAINER	0	0	0	(10)	0	0	0	0	0
C04086	TRAVELODGE ISLE OF DOGS	0	0	0	7	0	0	0	0	0
C04091	PURCHASE OF WELBECK WHARF	403	(403)	0	0	0	0	0	0	0
C04104	1-4 Riverside Industrial	0	223	223	0	223	0	0	0	0
C05023	3 GALLIONS CLOSE	0	30	30	0	30	0	0	0	0
C05024	FILM STUDIOS	0	46	46	19	46	0	0	0	0
C05042	26 THAMES RD	0	1,020	1,020	(37)	1,020	0	0	0	0
C05043	47 THAMES RD	0	70	70	0	70	0	0	0	0
C05046	11-12 RIVERSIDE INDUSTRIAL	0	1	1	0	0	-1	0	0	0
C05067	DAGENHAM HEATHWAY	0	426	426	12	426	0	0	0	0
C05072	INDUSTRIA	3,662	357	4,020	1,405	4,020	0	0	0	0
C05074	BARKING BUSINESS CENTRE	0	200	200	14	200	0	0	0	0
C05110	Purchase of Maritime House	0	1,069	1,069	0	1,069	0	0	0	0
C05112	Purchase of Edwards Waste Site	0	8,844	8,844	8,845	8,844	0	0	0	0
C05133	Dagenham Trades Hall	0	1,502	1,502	0	1,502	0	36	0	0
C03088	14-16 Thames Road	0	0	0	1	0	0	0	0	0
C05070	23 THAMES ROAD	0	0	0	1	0	0	19	0	0
CAP42	IAS COMMERCIAL	4,065	13,386	17,451	10,257	17,450	(1)	55	0	0

Key Risks and Issues

Maritime House - 6th, 9th and 10th Floors remain vacant with minimal viewings. Potential for 2nd, 7th and 8th floors to become vacant if tenants service their break notice. Commercial Development Team are exploring options including changing letting agent, relocating council departments and offering the space as flexi workspace operator. External windows and cladding have been identified as a health and safety issue.

12 Thames Road - Change Control for fit out of commercial space will increase project costs and impact viability.

6. Virements

- 6.1 The Cabinet is asked to approve the distribution of a central budget provision for inflation costs as below. The virements have been assumed to be approved in the budget variance figures presented in this report.

Service	Purpose	Amount
Childrens Care and Support	Foster Carers Fee Uplift	£1,300,000
Highways (My Place)	Street Lighting/Highways	£750,000
Asset Management	Corporate Cleaning Contract Uplift	£320,000
My Place	Energy costs	£180,000
Public Realm	Energy, Fuel, Inflation	£168,000

7. Financial Implications

Implications completed by: Katherine Heffernan, Head of Service Finance

- 7.1 This report is one of a series of regular updates to Cabinet about the Council's financial position and the main body of the report provides key financial implications.

8. Legal Implications

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

- 8.1 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.
- 8.2 In spite of inflationary pressures such as the Post covid and war in Eastern Europe shocks, the fiduciary duty to Council taxpayers and the Government for proper stewardship of funds entrusted to the Council together with ensuring value for money plus the legal duties to achieve best value still apply. Furthermore, there remains an obligation to ensure statutory services and care standards for the vulnerable are maintained.
- 8.3 We must continue careful tracking of all costs and itemise and document the reasoning for procurement choices to ensure expenditure is in line with the Local Government Act 1999 duty to secure continuous improvement in the way in which the Council's functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. If there should be need to make changes in services provision, then there is a duty to carry out proper consultation and have due regard to any impact on human rights and the Council's Public Sector Equality Duty under the Equality Act 2010 before finalising any decision.

9. Other Implications

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

Public Background Papers used in preparation of this report

- The Council's MTFs and budget setting report, Assembly 1 March 2023

[Budget Framework 2023-24 Report \(lbbd.gov.uk\)](https://www.lbbd.gov.uk/Budget-Framework-2023-24-Report)

List of appendices:

- **Appendix A:** Revenue Budget Monitoring Pack 2023/24 (Period 4)

Finance Budget Monitoring – General Fund

APPENDIX A

2023/24

P4 (July 2023)



Budget Outturn Report 2023/24

Primary Focus: Top level summary of the financial position of the General Fund.

- 1. Operational Summary
- 2. Key Assumptions
- 3. Key Risks
- 4. Growth applied
- 5. Savings achieved
- 6. Reserve
- 7. Companies and Commercial Performance

Review the financial position, including the risks, and opportunities. Identify areas for management action or further review.

Secondary Focus: Top level summary of HRA, DSG, Companies

- 7.HRA
- 8.DSG
- 9. Companies

Review the financial position, including the risks, and opportunities. Identify areas for management action or further review.

Tertiary Focus: Detailed breakdown of service's financial position

- 10. Community Solutions
- 11. Corporate Management
- 12. Inclusive Growth
- 13. Law and Governance
- 14. My Place
- 15. People and Resilience
- 16. Strategy

Financial positions of each directorate and department.

London Borough of Barking and Dagenham Revenue Forecast PD 4: Main Forecast Overspend £14.578m

	Last year	This Years Budget	Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves			DoT
	Outturn	Revised	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance	% variance	
GENERAL FUND TOTAL	210,758,420	199,002,253	58,636,302	219,399,007	916,000	(6,734,204)	14,578,549	15,298,143	7.3%	
PEOPLE & RESILIENCE	117,190,113	116,957,652	38,661,485	127,299,347	0	0	10,341,694	13,579,144	8.8%	
CORPORATE MANAGEMEN	52,696,852	44,046,151	495,719	46,833,571	0	(99,360)	2,688,060	(2,495,689)	6.1%	
LAW AND GOVERNANCE	(5,174,523)	(4,081,919)	774,957	(5,521,195)	916,000	(30,000)	(553,276)	(553,276)	13.6%	
STRATEGY	3,546,790	3,387,678	1,232,141	3,554,271	0	(119,000)	47,593	155,053	1.4%	
INCLUSIVE GROWTH	2,229,661	1,695,078	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334	27.7%	
COMMUNITY SOLUTIONS	25,021,966	21,622,624	5,444,404	26,582,404	0	(4,731,748)	228,032	739,768	1.1%	
MY PLACE	15,247,563	15,374,989	12,047,096	16,731,195	0	0	1,356,206	3,071,809	8.8%	

- The main forecast as at period 4 is an overspend on expenditure of £14.578m. This is an improvement since last month (not reported to Cabinet) with most areas showing a reduction in the overspend. The biggest change is within Adults/Disabilities and is related to the application of grant.
- The main driver of the overspend is the high cost of placements within Care and Support. This is the biggest financial risk facing the Council.
- Another area of concern is My Place where there are pressures on contracts and under-recovery of income from Reside and Commercial Property. There is also a pressure from a change in the balance of costs between GF and the HRA.
- There are also overspends in HR (£1m,) Inclusive Growth (£0.45m) and Community solutions – £0.438m - although these last two are being managed down. This is offset by underspends in IT (£0.9m) and Parking Income.
- Services are all working to identify management action to reduce, delay or avoid spend. Actions already identified are shown in the slides.
- An overspend of this level will diminish reserves below the required level of £12m in the General Fund Reserve. This results in long term implications for financial sustainability.

Key assumptions

- Forecasts are provided by budget holders and service managers with Finance advice and support
- Staff are costed within services at 22/23 pay rates within services. An estimate of the additional costs of a 6% pay increase has been included in Central Expenses. (£9.3m – a pressure over budget of £3m.)
- There is an inflation provision held centrally of £5.5m for energy and contract costs. £2.7m has been distributed to services and a further £0.8m is shown as an underspend against declared service pressures leaving £2m
- Care and Support figures are based on known clients and care packages held on ContrOcc . Any increases in clients or shifts in types of placement above this assumption will create variances. Since individual clients can require very expensive packages these budgets can be very volatile.
- Quarter one debt monitoring did not support an increase in bad debt provision so there is currently no forecast for this being required.

It is assumed that the company dividends total of £12m will be drawn down from reserves. Be First £10m and BDTP £2m will be covered from the IAS reserve using the Mueller Profit in part.

- Parking Income has been forecast to budget. There are several schemes to come online in year that may increase the achieved income. We have been prudent in the income forecast. There is a potential uplift of c£0.5m up to £1.0m but this will depend on the timescales of delivering schemes.
- There is no variance reported on borrowing and interest costs and income or the MRP budget – in previous years this has been managed by use of reserves.

Key risks

- The Ethical Collection Service has been forecasting income of £900k. Reconciliation for 1st quarter completed and the projected income expected is £361k, in line with the performance over the past 2 years. Finance recommendation was to reduce the forecast however service is working towards a higher income collection based on having a full establishment of staff and improved flow of data, although this has been in place since January and the income is yet to have changed in response to this. There is risk that this will not be achievable. The service has now reduced the forecast income to £600k however finance still believe the income will range from £400k - £600k and this may increase the outturn variance to c.£500k.
- Temporary Accommodation rental properties available - We are currently at capacity within our own hostels and have received several hand backs requests for PSL's which may lead to an overspill into B&B's and Hotels. Modelling is being carried out against various assumptions which will enable a more robust forecast. This is a national issue. This will also impact support for Social Care clients with the immigration status of No Recourse to Public Funds (NRPF)

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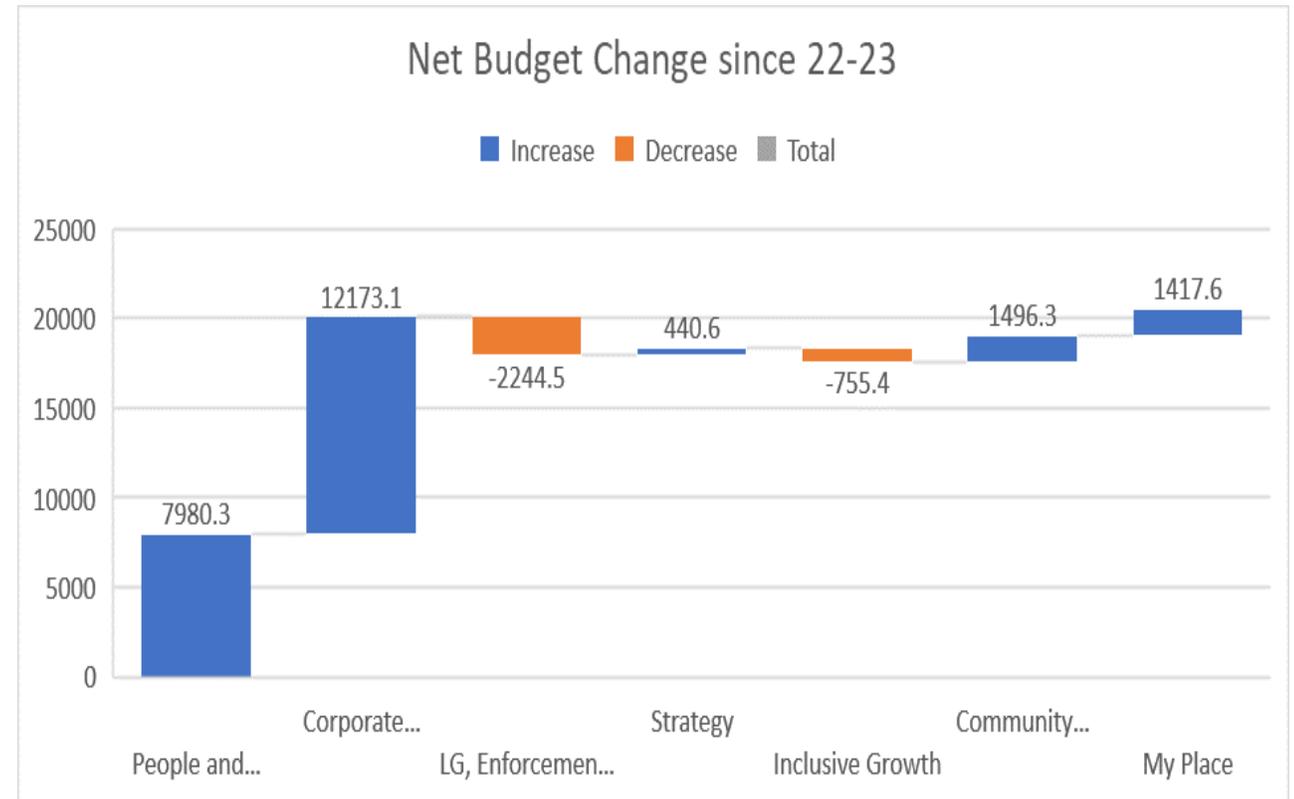
Social Care budgets are highly dependent on demand for services which cannot be controlled at the point of need. As costs of care are very high even small changes in numbers of people needing support can cause large swings in the overall forecast.

- My Place is the managing agent for Reside properties. It therefore attracts expenditure which in turn must be passed to the relevant reside company. The risk if there is insufficient breakdown of the expenditure then My Place will not be able to secure invoices from the relevant company and will be left with an overspend.
- Commercial Services – Leisure Income: SLM has given notice that they will be terminating the Leisure contract from September 2024. It is assumed that SLM will continue to pay the concession fee up to the termination date. The assumed income is £665k in 2023/24. The service has not yet raised the invoices for 2023/24.
- Contaminated Land by Eastbrookend Park. Although a provision was made for this issue at the end of 21/22 until the matter is settled then there remains a risk.

Budget Increase: The Budget has increased by a net £20m from 2022-23

As part of the MTFs process growth was awarded in several areas. The most significant growth was driven by inflation and the Local Government Pay Award in Corporate Management. However, there were changes in other areas and these should be considered in line with the forecasted overspends when reviewing performance.

- **People & Resilience:**
 - Legislative Change (Adults Inspection and the Market Sustainability Fair Cost of Care Inc. London Living Wage) and Inflation growth.
- **Central**
 - LG pay award for 22/23 and 23/24, provision for energy and contracts inflation (to be distributed to services.)
- **Community Solutions**
 - Concessionary fares increases, TA inflation, additional support for residents in financial difficulties,
- **Enforcement and HR:**
 - Increased income, HR restructure post I Trent implementation
- **Inclusive Growth**
 - Additional income from Parks and Leisure concession fee
- **My Place**
 - Improving waste and recycling
- **Strategy and Culture**
 - Investment in Insight and Intelligence (Inc. One View)



2023-24 Savings Progress Overview

There were several savings targets identified as part of the MTFS process. The table opposite shows the performance in relation to those savings by area.

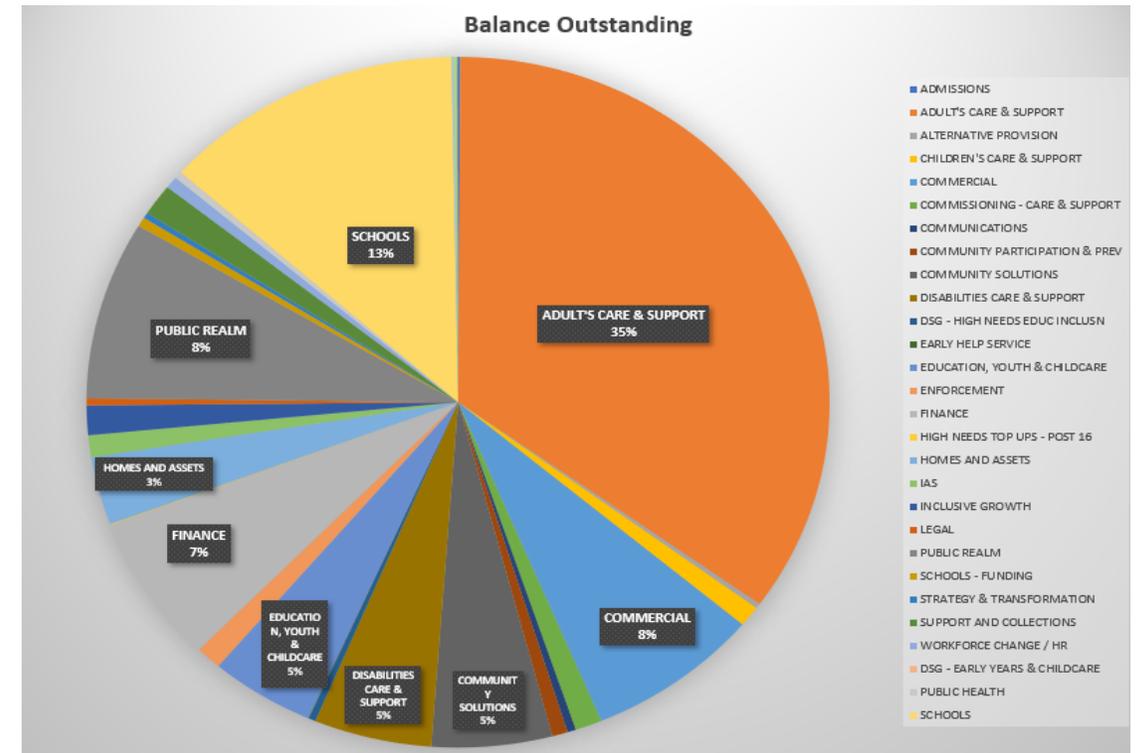
It is crucial that savings proposals are met, or alternatives found.

More detail on the specific savings can be found in the appendices.

	Savings Rated Green £ 000s	Savings Rated Amber £ 000s	Savings Rated Green £ 000s
Care and Support		237	500
Community Solutions	130	220	1,122
My Place	155		153
Inclusive Growth	500		370
Finance & IT			735
Law & Governance			2,300
HR	577		
Education	15		
EYCC		35	
Total	1,377	492	5,180

Bad Debt

DIRECTORATE	Overdue 0-12 months	Overdue 12-24 months	Overdue 24-36 months	Overdue 36 months +	TOTAL Balance Outstanding
ADMISSIONS	6,019	30,174	-	1,106	37,299
ADULT'S CARE & SUPPORT	1,612,670	4,117,839	3,107,538	4,718,303	13,556,350
ALTERNATIVE PROVISION	-	50,110	6,763	29,524	86,396
CHILDREN'S CARE & SUPPORT	3,220	86,951	6,020	281,346	377,537
COMMERCIAL	2,941,916	-	230	5,643	2,947,789
COMMISSIONING - CARE & SUPPORT	2,956	202,444	154,831	92,430	452,660
COMMUNICATIONS	18,050	56,004	37,875	31,218	143,147
COMMUNITY PARTICIPATION & PREV	61,369	43,473	52,829	104,635	262,306
COMMUNITY SOLUTIONS	836,325	1,197,090	4,210	1,485	2,039,110
DISABILITIES CARE & SUPPORT	307,476	619,541	394,580	672,852	1,994,449
DSG - HIGH NEEDS EDUC INCLUSN	21,120	87,734	1,616	7,980	118,450
EARLY HELP SERVICE	-	12,893	-	-	12,893
EDUCATION, YOUTH & CHILDCARE	866,803	123,381	352,188	427,180	1,769,551
ENFORCEMENT	46,381	17,309	312,229	60,431	436,349
FINANCE	435,834	527,643	1,077,663	659,196	2,700,337
HIGH NEEDS TOP UPS - POST 16	-	14,896	-	-	14,896
HOMES AND ASSETS	585,172	243,895	199,386	212,802	1,241,254
IAS	103,716	71,959	139,946	81,000	396,621
INCLUSIVE GROWTH	27,254	173,970	298,126	37,747	537,098
LEGAL	73,839	24,863	10,729	20,632	130,062
PUBLIC REALM	545,700	903,231	1,410,981	386,731	3,246,643
SCHOOLS - FUNDING	18,683	150,000	-	-	168,683
STRATEGY & TRANSFORMATION	65,261	5,250	27,554	3,646	101,710
SUPPORT AND COLLECTIONS	-	380,468	150,590	42,956	574,015
WORKFORCE CHANGE / HR	17,174	184,093	3,540	11,131	215,938
DSG - EARLY YEARS & CHILDCARE	-	-	25	75	100
PUBLIC HEALTH	-	80,000	49,700	-	129,700
SCHOOLS	4,898,914	197,169	3,430	8,299	5,107,812
SCHOOLS - ACADEMIES	1,883	18,420	-	8,806	29,110
HQ	7,447	40,776	18,321	5,804	72,350
CENTRAL EXPENSES	307	159	-	7,648	8,115
Grand Total	13,505,490	9,661,735	7,820,899	7,920,607	38,908,731



The above data comes from the 'All Invoices' report run from E5 and has been split out by Directorate based on the cost centre linked to the invoice.

The data shows total invoices outstanding as at 31st July 2023 and has been sorted into aging buckets.

Total Bad Debt above includes LBBDD schools and companies which would normally be excluded when calculating the bad debt provision.

At quarter one the total level of debt had decreased since year end – however it is thought this be in part a seasonal effect. We will not include a reduction in bad debt in the forecast until the trend is clearly established.

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Finance Budget Monitoring - HRA and DSG

P4 (July 2023)

2023/24



HRA: Period 4

Executive Summary

The HRA is reporting a **£7.480m** overspend projection at Period 4. The voluntary budget allocation to support funding the HRA Stock Investment Capital Programme of £6.680m has **already** been used to mitigate the pressure in revenue. This reduces the Capital available and will have an impact on both the Capital Scheme and potentially long-term revenue positions beyond this financial year.

The primary cause of the overspend is the significant increase of the BDMS Contract for Housing Repairs and Maintenance, which has gone from a budget of £15.670m to

2023/24 FORECAST OUTTURN				
REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
	£'000	£'000	£'000	£'000
SUPERVISION & MANAGEMENT	48,394	51,070	£2,676	£0
REPAIRS & MAINTENANCE	24,473	31,297	£6,824	£500
RENTS, RATES ETC	1,587	2,261	£674	£0
INTEREST PAYABLE	11,300	11,300	£0	£0
DISREPAIR PROVISION	0	0	£0	£0
BAD DEBT PROVISION (BDP)	3,309	3,309	£0	£0
CDC RECHARGE	1,102	853	(£249)	£0
TOTAL EXPENDITURE	90,164	100,090	£9,926	£500
DWELLING RENTS	(£90,432)	(89,387)	£1,045	£0
NON-DWELLING RENTS	(£765)	(765)	£0	£0
CHARGES FOR SERVICES & FACILITIES	(£26,158)	(24,516)	£1,642	£0
INTEREST & INVESTMENT INCOME	(£400)	(400)	£0	£0
TOTAL INCOME	(£117,755)	(£115,068)	£2,687	£0
NET TOTAL BEFORE CAPITAL	(£27,591)	(£14,978)	£12,613	£500
DEPRECIATION	19,210	20,765	£1,555	£0
TRANSFER TO MAJOR REPAIR RESERVE (MRR)	6,680	0	(£6,680)	£0
CAPITAL PROGRAMME FUNDING	£25,891	£20,765	(£5,126)	£0
NET TOTAL AFTER CAPITAL	(£1,700)	£5,787	£7,487	£500
TRANSFER TO HRA LEASEHOLDER RESERVE	£1,700	1,693	(£7)	£0
TRANSFER FROM/(TO) HRA RESERVE	(£0)	£7,480	£7,480	£500

Forecast Position: £7.480m Overspend

Key Drivers of the Position (Summary):

- **Supervision & Management: £2.676m overspend**
BDMS Contract £3.565m relating to Management of We Fix and Agency offset by **(£507,000)** mostly relating to the removal of reside related costs from the HRA position in 2023/24.
- **Repairs and Maintenance: £6.824m overspend**
BDMS Contract £7.238m relating to service costs (materials, subcontractors, contact centre etc). This is partly reduced by relatable reduction in the **Direct Labour Organisation (DLO) costs (£870,000)** and **(£44,000)** on **other areas**. However, Period 4 recognises a £500,000 cost for fleet vehicles activity from Public Realm due to this activity not being part of the BDMS contract fixed price.
- **Other Expenditure Lines: £425,000 overspend**
Rents, Rates £674,000 reflects **Insurance Premiums** reflects higher 2022/23 Outturns on Building and Employer and Public Liability together with a recognition that the HRA will likely have to pay **Council Tax** for its void properties. This is offset in part by a reduction in the projected **CDC recharge (£249,000)**.
- **Income: £2.687m under recovery**
Dwelling Rents £1.045m due to housing void levels above the 1% budget. This has been previously caused, in part, by the estate regeneration programme. There are 3 phases in the void process and it is identified that the middle phase with BDMS is not currently optimal. **Services & Facilities £1.642m** is reflecting the removal of Reside income from the HRA position in 2023/24.
- **Capital Programme & Financing: (£5,126m) underspend**
This essentially finances the HRA element of the Capital Programme alongside the Transfer to MRR (Major Repairs Reserve). **Depreciation** is expected to increase by **£1.555m** compared to budget and is mandatory. The **MRR** budget allocation has been released **(£6.680m)** to offer partial mitigation to the in-year overspend but capital borrowing costs could rise in future years for the HRA.

The HRA Capital Programme is under review given the constraints linked to the BDMS Contract and Government Cap on Rents (7%).

As the HRA in year position must balance at Outturn, should mitigation not be identified, then this would require funding from the HRA Reserve.

HRA: Period 4 Risks

Forecast Position: **£7.480m overspend**

Despite the seriousness of the HRA Outturn Projection, there are still a considerable number of risks that are NOT reflected in that position.

The quantified value is **£1.0m plus a long list of unquantified risks.**

However, there are some **Opportunities** identified totalling **(£1.750m)**. These relate to a potential underspend on the Bad Debt Provision **(£1.5m)** and possible reduction in Overtime on DLO **(£250,000)**.

ID	Service Area	Risk Description	Likelihood	Impact	Overall	Value '000	RAG	Mitigating Action	Owner	Portfolio
QUANTIFIABLE										
R1	Service Charge Actualisation 22/23 - Housing Ops	Service Charges are raised based on an estimate, then actualised six months after the financial year. For 4 years, the process has concluded actualisation as lower than the estimate. This is down to issues in budget estimates but also being unable to identify costs at block level in certain areas (e.g. R&M).	4	1	4	£ 100		A creditor based on the last 3 years of actualisation average has been raised. This will minimise impact to estimated £100k.	Jane Shaw	Community, Leadership and Engagement
R2	Security Costs - Landlord Services	Due to the Estate Renewal Blocks being partially empty and attracting ASB/Crime we have had to increase the security patrols around these blocks. 2023/24 budget is £550k but 2022/23 Outturn was £876k.	3	1	3	£ 100		Forecast within the outturn. We have put a plan in place to empty key blocks which would then reduce the need for security	Alan Caddick	Community, Leadership and Engagement
R3	Security Costs - Compliance	Night Wake security on two HRA Blocks whilst a new Fire Alarm System is installed is costing over £300k per qtr. There remains around 26 properties that require installation and the timelines have slipped by a qtr for this unbudgeted cost.	2	4	8	£ 300		My Place to urgently push through remaining alarms and revisit the manpower requirement urgently.	Tony Wiggins/Delroy Sylvester	Community, Leadership and Engagement
R4	BDMS Fleet - BDMS Contract	Fleet Costs are not within the 2023/24 BDMS Contract Price, compared to 2022/23. The HRA is likely to have to fund Fleet costs from either BDMS or Public Realm Fleet Management or a mixture of the two. The financial value could be higher than £1m.	4	4	16	£ 500		My Place, BDMS and Finance need to visit this area and agree an approach for 2023/24.	Leona Menville	Community, Leadership and Engagement
						£ 1,000				
NON-QUANTIFIABLE										
RA	Energy	There is uncertainty over energy budgets due to the world market but also the timing delays in receiving charges. Price uplift is further expected in November 2023. Additional resources are required in the Energy team.	2	2	4			Monitor and await new Laser prices due mid-November. Energy Team being created in Commercial (Inclusive Growth).	Alan Caddick	Community, Leadership and Engagement
RB	BDMS Repairs & Maintenance	Insufficient backing information from BDMS leaves Leasehold Services unable to apply the true cost of R&M to Leaseholders, reducing cost recovery to the HRA.	4	3	12			Monitor, service and BDMS to improve validation process.	Leona Menville/Jane Shaw	Community, Leadership and Engagement
RC	Historic Water Re-selling	Contracts between the water company and Council predating 2016 have been challenged through various legal routes (e.g. Southwark). It wasn't specific that the rate difference between what the Council was charged and the tenant charged covered administration duties by the Council. Could impact over 15,000 tenants.	1	4	4			Monitor. Business is considering options to refund tenants impacted although statute of limitations now applies.	Tom Hart	Community, Leadership and Engagement
RD	Landlord Services Legal	Aside from Disrepair activity, there are other legal issues which are backlogging, causing lost rental income but will also likely cost above the budget legal costs to rectify.	4	2	8			Monitor, Landlord Services and Legal to manage	Alan Caddick	Community, Leadership and Engagement
RE	Capital Works - Blocks - Leasehold	When capital works are carried out on blocks, Leaseholder's within the block should be charged appropriate apportionment for eligible works. The actual cost should be charged within a certain timeframe. Delays from Be First providing final accounts of works causes loss of income to HRA.	3	4	12			Monitor, project group to be setup by Tony.	Tony Wiggins	Community, Leadership and Engagement
RF	Disrepair Claims	Costs of payout for damages and related legal fees for delays in rectifying repair works. A Disrepair Provision exists in the HRA to fund this activity. However, no budget exists in 2023/24 for any further increase in the provision. 2022/23 had a £1m increase.	3	4	12			Monitor. BDMS contract extension and improved performance should limit this risk.	Alan Caddick	Community, Leadership and Engagement
RG	Housing System - SIB	The project for the future system procurement for Housing Management is underway therefore a plan of costs for 2023/24 and beyond should be identified as the current budget maybe insufficient.	2	2	4			Budget Manager to liaise with project lead.	Tom Hart	Community, Leadership and Engagement
RH	Electrical Remedials - Compliance	The high level estimates for the cost of remedial works that stem from the electrical testing maybe insufficient. This would cause a pressure on the available Compliance Budget which is fully committed.	3	3	9			Budget Manager to monitor contractor activity and costs.	Delroy Sylvester	Community, Leadership and Engagement
RI	Electrical Testing - Compliance	The timeline that matches the current budget for testing of all Housing electricals within the HRA Blocks might be sped up due to Regulator pressure. This would cause an increased spend in 2023/24 but in theory would reduce spend in 2024/25.	3	4	12			My Place to continue liaising with Regulator and agree what approach to take.	Leona Menville/Delroy Sylvester	Community, Leadership and Engagement
RJ	Borrowing Costs - Interest	If the Council agrees to a Capital Programme 2023/24 which is still higher than bare essentials, then the cost of this will likely be funded by borrowing. This will incur interest charges in future years.	2	2	4			Monitor and consider revised Capital Programme once completed in the Summer.	Alan Caddick	Community, Leadership and Engagement
RK	Long Term Debt - HRA	The HRA carries long term debt from the 2012 change in Policy which it will be expected to pay back. It has not begun paying back this debt despite being 11 years on. There is still time to do this but the longer this takes, the more material the funding requirement will be in future budgets.	2	2	4			My Place and Finance to monitor.	Leona Menville	Community, Leadership and Engagement

Dedicated Schools Grant (DSG)

Estimated DSG forecast for 23/24 is an overspend of **£3.5m**, this is mainly due to pressures within High Needs Block. The main drivers are combination of the following factors:

- Out of borough non-maintained **fees & top-up payments**
- **Revised HN funding allocation** announced in July by DfE reduced our HN funding by **£1.1m** from £50.9m to £49.8m due to import & export adjustments and recoupment for academies.
- **One-off exceptional payments** to schools to help alleviate the financial pressures schools are facing due to the ongoing demand and complex cases of children with SEND
- **The overspend will be funded from DSG reserves.**
- **There's no impact on the councils General Fund.**

Dedicated Schools Grant {DSG} Forecast	2023-24 Budget	2023-24 Projected Outturn	Surplus / (Deficit) Outturn March 2024
	£'000	£'000	£'000
Schools Block – ISB	188,955	188,955	0
Central Block	2,162	2,162	0
High Needs Block	49,837	53,337	(3,500)
Early Years Block	23,174	23,174	0
Total	264,128	267,628	(3,500)
DSG Surplus B/F			10,073
Revised DSG Reserve			6,573
add EY refund			264
23/24 DSG Reserve			6,837
Of which:			
SFFD retained		963	
Growth & Falling Fund B/F		309	
Net DSG Reserve			5,565

Appendices:

**Directorate Detail
Budget Monitoring**

**Barking &
Dagenham**

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2023/24

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People and Resilience: Period 4

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
PEOPLE & RESILIENCE	115,657,652	116,534,652	423,000	38,661,485	127,299,347	0	0	10,341,694	13,579,144
ADULTS DISABILITY	19,923,983	19,923,983		7,929,849	22,402,791	0	0	2,478,808	3,580,463
ADULT'S CARE & SUPPORT	23,580,403	23,580,403		8,886,434	23,979,412	0	0	399,009	1,276,781
COMMISSIONING - CARE & SUPPORT	14,602,173	14,602,173		5,079,343	14,382,056	0	0	(220,117)	4,112
PUBLIC HEALTH	(318,250)	(381,250)	63,000	(8,926,761)	(318,249)	0	0	1	0
CHILDREN'S CARE & SUPPORT	40,186,049	41,486,049		16,022,135	46,259,789	0	0	4,773,740	6,205,110
EDUCATION, YOUTH & CHILDCARE	3,754,781	3,754,781		6,265,895	3,754,781	0	0	(0)	(0)
EARLY HELP SERVICE	3,391,965	3,331,965	60,000	(555,249)	3,091,904	0	0	(300,061)	(313,252)
CHILDREN & YOUNG PEOPLE DISABI	10,536,548	10,236,548	300,000	3,959,839	13,746,862	0	0	3,210,314	2,825,930

Overall Summary

Overall, there is an overspend of £10.34m across the whole of People and Resilience. This is an improvement of £3.2m since last month – largely driven by application of grant income in Adults/Disability and the recognition of the budget growth relating to the Foster Carers inflation uplift. The pressures mostly relate to care packages (and legal and transport costs which are also demand led.) Most other areas of controllable spend are on budget or underspending.

The following slides will provide service level analysis of the reasons behind the variances and the movements since last month.

Key assumption

Placement forecasts within Children's and Adults Services are based on actual clients full year costs as shown in the social care placements database (controcc).

People and Resilience: Period 4 – Adults with Disabilities

Adult's Disabilities									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(3,157,300)	(1,065,139)	(4,345,734)	0	0	(1,188,434)	(42,857)	(1,145,577)	1
Staffing	2,864,475	677,519	2,321,496	0	0	(542,979)	(542,979)	0	2
Agency	0	121,068	621,128	0	0	621,128	621,219	(91)	
Premises	31,600	4,470	120,117	0	0	88,517	88,517	(0)	
Transport	22,600	3,421	7,301	0	0	(15,299)	(18,299)	3,000	
Supplies & Services	328,800	9,789	162,338	0	0	(166,462)	(270,897)	104,435	
Third Party Payments	19,833,808	8,178,607	23,516,145	0	0	3,682,337	3,745,759	(63,422)	3
Grand Total	19,923,983	7,929,734	22,402,791	0	0	2,478,808	3,580,463	(1,101,655)	

1. Income - Variance (£1.188m), Movement (£1.145m)

This is because of the receipt of and £1.3m additional Market Sustainability and Improvement fund from central government to support the workforce and inflationary pressures incurred by providers. We were not previously notified of this additional funding.

2. Staffing an Agency- Variance £0.078m, Movement £0m

Whilst the variance is not material it should be noted that 7fte posts are currently being filled by agency staff, due to difficulties in recruitment.

3. Third Party Payments- Variance £3.682m, Movement £0.063m

This area is made up of two areas of material variance.

This figure incorporates an uplift of £2.9m (16.17%) which was applied to all disability placements. From the Market Sustainability Grant £1.1m was applied to mitigate this pressure. This left £1.2m in Supported Living and £0.751m in Residential and Nursing of uplift pressures un-mitigated

A further £1.7m is continuing prior year pressures on Supported Living and Residential & Nursing which were apparent in the last financial year.

People and Resilience: Period 4 – Adults Care & Support

Adult's Care and Support									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(41,679,500)	(9,912,990)	(45,903,551)	0	0	(4,224,051)	(2,329,819)	(1,894,232)	1
Staffing	10,602,442	2,786,396	8,893,796	0	0	(1,708,646)	(1,708,651)	5	2
Agency	0	346,067	1,774,738	0	0	1,774,738	1,774,738	0	2
Premises	110,580	43,356	189,967	0	0	79,387	79,387	0	
Transport	36,100	15,866	46,404	0	0	10,304	10,304	0	
Supplies & Services	645,420	63,921	190,511	0	0	(454,909)	359,179	(814,088)	3
Third Party Payments	53,865,361	15,543,703	58,787,547	0	0	4,922,186	3,091,643	1,830,543	4
Grand Total	23,580,403	8,886,319	23,979,412	0	0	399,009	1,276,781	(877,772)	

1. Income - Variance (£4.224m), Movement (£1.894m)
 Movement is due to (£2.401m) Market Sustainability and Improvement Fund mitigation and £0.507m attributable to budget re-alignments
 Variance is due to receipt of additional Discharge Funding of £1.468m, and Market Sustainability Improvement Fund £3.527m. (MSIF allocations, Adults £2.410m, Disabilities £1.127m)
2. Staffing an Agency- Variance £0.066m, Movement £0m
 Whilst the over variance in not material it should be noted that 19 posts are currently being filled by agency staff, due to difficulties in recruitment.
3. Supplies and Service – Variance (£0.454m), Movement (£0.814m)
 £0.456m better Care Fund mitigation and £0.357m bad debt provision in year in improvement.
4. Third Party Payments- Variance £4.922m, Movement £1.830m
 £0.400m Out of Borough Placement uplift, £1.213 Home Care forecast remodelling due to inflationary uplifts, £0.482m Mental Health Supported Living inflationary uplifts and 3 new clients, 0.221m Mental Health Residential & Nursing inflationary uplifts and 3 new clients. The rest of 0.482m favourable movement is attributable to period 4 budget re-alignment between Adults and Disability

People and Resilience: Period 4 – Childrens Care & Support

Children's Care and Support									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves		Movement	Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance		£100k deminimus
Income	(5,258,300)	(204,588)	(5,583,750)	0	0	(325,450)	(665,622)	340,172	1
Staffing	19,995,516	5,507,862	15,851,399	0	0	(4,144,117)	(4,171,606)	27,488	2
Agency	522,000	1,443,423	3,663,247	0	0	3,141,247	3,276,040	(134,793)	
Premises	239,700	2,667	181,100	0	0	(58,600)	(9,600)	(49,000)	
Transport	286,900	85,348	209,362	0	0	(77,538)	(106,300)	28,762	
Supplies & Services	1,771,530	684,908	2,568,661	0	0	797,131	593,546	203,585	3
Third Party Payments	23,928,703	8,345,686	29,369,770	0	0	5,441,067	7,288,652	(1,847,585)	4
Grand Total	41,486,049	15,865,305	46,259,789	0	0	4,773,740	6,205,110	(1,431,371)	

1. Income – Variance (£0.325m), Movement £0.340m

Variance due to additional income in relation to Trading Standards, Youth Justice Board and HM Prisons and Probation

Movement is due to delays in Home Office finalising the 2022-23 grant claims for UASC, this has resulted in a reduction to the funding we can claim in 2023-24

2. Staffing and Agency – Variance (£1,003m), Movement (£0.107m)

Variance is due to the service carrying 65fte vacancies, currently covered by 55fte agency staff, along with an underspend on recruitment budget which had been used for overseas recruitment last year.

Movement is due to a reduction in the number of agency staff, with high cost consultants either having already ended or due to end within the next couple of months

3. Supplies and Services – Variance £0.797m, Movement £0.203m

Variance is being driven by court/legal costs for cases being presented at court.

Movement, there has been a significant increase in costs coming through on monthly basis reflecting the higher case load by legal services, this necessitated an increase to the forecast in P4.

4. Third Party Payments – Variance £5,441m, Movement (£1,848m)

	Variance	Movement
LAC	4,942,793	(1,452,002)
Non LAC	133,345	(405,703)
Other	364,929	10,120
Total	5,441,067	(1,847,585)

Looked After Children – Variance is driven by number of residential placements, currently 68 clients which is line with last years numbers, with 2 placements in excess of £10k per week.

Movement of (£1,300m) was due to an increase to the budget for Internal Fostering, covering the uplift to Fostering Fees agreed last year, and a change to the forecast methodology for Reverse Residential placements as it was previously assumed these placements would run for the full year whereas they generally run for no more than 8 weeks.

Non-Looked After Children – Movement is due to a reduction in the Adoption forecast which reflects the trend for this year with a reduction of 10 placements from 2022-23.

Other – Variance is due to high-cost placements within the safeguarding service.

People and Resilience: Period 4 – Children & Young People with Disabilities

Children's and Young People Disabilities									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(757,600)	(244,699)	(920,268)	0	0	(162,668)	(149,411)	(13,257)	
Staffing	1,569,582	532,097	1,318,092	0	0	(251,490)	(416,620)	165,130	1
Agency	0	124,404	714,251	0	0	714,251	763,914	(49,663)	
Premises	50,000	13,016	32,308	0	0	(17,692)	(17,692)	0	
Transport	1,498,988	681,507	2,479,009	0	0	980,021	668,631	311,390	2
Supplies & Services	510,860	95,635	813,546	0	0	302,686	362,686	(60,000)	3
Third Party Payments	7,664,718	2,757,880	9,309,924	0	0	1,645,206	1,614,422	30,784	4
Grand Total	10,536,548	3,959,839	13,746,862	0	0	3,210,314	2,825,930	384,384	

1. Staffing and Agency – Variance £0.463m, Movement £0.115m

Variance is due to the service having 1.4fte vacancies covered by 6fte agency staff, the variance is driven by the cost of a new respite review team forecast at £0.175m.

2. Transport – Variance £0.980m, Movement £0.311m

The increase and variance for this service are driven by the demand for transport services. New routes/travel plans are in the process of being calculated, but an increase of £0.300m was agreed with the service manager at period 4

3. Supplies and Services – Variance £0.303m, Movement (£0.060m)

The variance is being driven by legal services costs charged directly to children's and young people with disabilities, demand led provision based on number of cases going through the courts.

4. Third Party Payments – Variance £1.645m, Movement £0.031m

£1.444m of the variance is pressure from residential placements, demand led service currently with 18 clients at an average cost of £0.281m per annum. Remainder of services within Third Party are close to budget.

People and Resilience: Period 4 – Commissioning Care & Support

Commissioning Care and Support									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Period Movement	£250k deminimus
Income	(11,428,670)	(1,620,655)	(11,262,156)	0	0	166,514	517,407	(350,893)	1
Staffing	7,710,742	2,015,043	7,058,561	0	0	(652,181)	(842,663)	190,482	2
Agency	0	792,295	1,563,892	0	0	1,563,892	1,472,331	91,561	
Premises	0	4,681	0	0	0	0	0	0	
Transport	11,600	3,167	11,600	0	0	0	0	0	
Supplies & Services	1,864,367	(132,238)	1,373,380	0	0	(490,987)	33,109	(524,096)	3
Third Party Payments	16,444,134	4,017,049	15,636,589	0	0	(807,545)	(1,176,072)	368,527	4
Grand Total	14,602,173	5,079,343	14,381,866	0	0	(220,307)	4,112	(224,419)	

1. Income – Variance £0.167m, Movement (£0.351m)

Movement due to additional recharges to Public Health and Early Help.

2. Staffing and Agency – Variance £0.912m, Movement £0.282m

Variance due to service having 23fte vacancies, filled by 14fte agency staff, delays in recruiting to vacant post, with the movement due to reforecasting agency staff end dates to reflect a revised expected end date.

3. Supplies and Services – Variance (£0.491m), Movement (£0.524m)

Variance and movement in period 3 forecast in relation to consultancy fees was overstated; this has been rectified in period 4.

4. Third Party Payments – Variance (£0.808m), Movement £0.369m

Start for Life grant cost centre could not be completed on CP due to budget holder's non-access. Director's focus for CP forecasts was on service outturn, not on I&E category. This will have a net zero impact as both income and expenditure will be amended in period 5.

There is no forecast variance in **Public Health** which is grant funded by the Office For Health Improvement

Within **Early Help** there is a variance in Supplies and Services – Variance (£0.253m), Movement £0.031m

Variance due to underspend on staff due to holding vacancies. Need for realignment with salaries budget.

Currently 17.9fte vacancies, with 1fte agency staff member.

Corporate Management: Period 4

Forecast Position: Overspend £2,688.060

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
CORPORATE MANAGEMENT	44,046,151	44,019,381	26,770	495,717	46,833,571	0	(99,360)	2,688,060	(2,495,689)
STRATEGIC LEADERSHIP	425,369	425,369		112,485	419,597	0	(99,360)	(105,132)	(15,673)
FINANCE	12,859,478	12,813,708	45,770	7,231,688	12,226,154	0	0	(633,324)	(1,543,951)
IAS	(4,101,840)	(4,101,840)		(1,354,636)	(4,152,480)	0	0	(50,640)	(62,772)
CENTRAL EXPENSES	46,185,257	46,204,257	(19,000)	6,510,592	48,535,707	0	0	2,350,450	(2,000,000)
WORKFORCE CHANGE / HR	1,917,111	1,917,111		1,400,701	2,995,318	0	0	1,078,207	1,078,207
LEADERS OFFICE	271,251	271,251		105,363	319,750	0	0	48,499	48,499
TECHNICAL - CORP MGMT	(13,510,475)	(13,510,475)		(13,510,475)	(13,510,475)	0	0	0	0

Key Drivers of the Position:

There is a forecast overspend of £2,688,060 on Corporate Management mostly driven by the estimated impact of the pay award shown in Central Expenses.

- **Strategic Leadership (Chief Executive)** is forecast to underspend by (£105,100). This is due to (£70,000) savings from vacancies and (£31k) from HRA recharge surplus.
- **Finance** is forecast to underspend by (£633,300), due to the position in the following areas:

IT is reflecting an underspend of (£964,900):

£36,906 projected overspend in IT Third Party Contracts. The main cost driver is the maintenance and support contracts for IT systems. The forecasted overspend will be covered through the earmarked Cyber security grant not accounted for in the forecast.

(£1,1m) projected underspend on IT Staff and Agency, largely attributable to difficulties in recruiting to existing vacant positions. The underspend could decrease dependent on IT business as usual work requiring interim expertise to cover the shortfall in resource (vacant positions).

£178,000 overspend on IT Projects. There is an historical budget discrepancy which will be re-aligned to reflect service delivery as the service mostly recharges project costs to the Council wide services where the projects are being delivered.

This is offset by a net £212k overspend in Finance reflecting agency costs. This is likely to increase.

Forecast Position: Overspend of £2,688,060

Key Drivers of the Position (Continued):

Corporate Finance is reflecting an underspend of (£83,600) primarily due to delayed restructure implementation and recruitment into existing vacancies

Finance Director is projecting an overspend of £24,235 partly due to cross over costs in senior management positions and insufficient budget for added years compensatory payments

Service Teams Finance is reflecting a projected overspend £271,636 largely attributable to agency resource costs covering vacancies

- **IAS - Investment Strategy** - is reflecting a surplus of (£50,640,) on the (£4.1m) budget largely due to projected commercial rental income exceeding budget.
- **Central Expenses** - £3.5m inflation provision has been released from here to support services. The assumption in the previous forecast was a pay award of 4% considering the offers to other Public Sector workers averaging at 6% the forecast has increased the pay award assumption to 6%. This is a change in assumption from last period.
- We also hold a budget of £1.3m for redundancy costs. This currently is assumed to be fully spent. There is a £5m budget for contracts/energy inflation - £3.5m has been released . There are around £1.8m of other provisions and contingencies currently shown as fully spent.

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In previous years the Council has usually made a healthy underspend on net interest income and expenditure – up to £7m in a really good year. However this made not be so achievable in the current economic climate. This is currently not included in the forecast as is generally taken to the IAS reserve to fund future borrowing/investment,

Workforce Change/HR and Leader's office is forecast an overspend of £1.1m. The recalculation of the HRA recharge has resulted in an income shortfall within HR of £437k. HR are unable to deliver the MTFs savings of £577k in 2023/24 due to delays in implementation of the ERP system and delays in implementing the Self-Service Manager model. The Leaders Office has a historic budget pressure of £50k.

- The £99,300 drawdown from Invest to Save reserves is to fund a diagnostic social care service review.

Law and Governance: Period 4

Forecast Position: Underspend of £553k after transfer of estimated £0.9m PRPL income to reserve

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
LAW AND GOVERNANCE	(4,081,919)	(4,081,919)		774,957	(5,521,195)	916,000	(30,000)	(553,276)	(553,276)
LEGAL	3,628,084	3,628,084		1,720,157	3,713,236	0	(30,000)	55,152	55,152
ENFORCEMENT	(7,710,003)	(7,710,003)		(945,200)	(9,234,431)	916,000	0	(608,428)	(608,428)

Key Drivers of the Position (Summary):

The recalculation of the HRA recharge has resulted in an income shortfall within Legal of £180k

There are currently 95 vacant positions within Enforcement of which 56 are covered by agency staff. This is the key driver of the forecast underspend of £553k.

The Private Sector Property Licensing (PRPL) scheme income target will be met and a transfer of c£0.9m to reserve for future years.

The in-year Parking Off-Street income **c£0.5m** will not be transferred to reserve and is included in the outturn forecast as a mitigation.

Strategy: Period 4

Forecast Position: Overspend of £47,600

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
STRATEGY	3,387,678	3,387,678		1,232,141	3,554,271	0	(119,000)	47,593	238,753
STRATEGY & TRANSFORMATION	2,024,438	2,024,438		713,412	2,019,322	0	(119,000)	(124,116)	68,250
COMMUNICATIONS	1,363,240	1,363,240		518,729	1,534,949	0	0	171,709	170,503

Key Drivers of the Position:

The Strategy directorate is forecast to overspend by £47,600 at the end of Period 4 which is a reduction of £191,100 from Period 3. The recalculation of the HRA recharge has resulted in an income shortfall of £271,000 across Strategy.

Strategy– Forecast Position (£124,100) underspend:

- **The Advertising contract** is expected to exceed the £236,000 income target by (£56,000) based historical revenue information. Nonetheless, the excess income is variable and subject to change based on economic conditions.
- **Insight hub** is forecast to underspend by (£37,600) mainly due to delayed recruitment of vacant roles and £100,000 drawdown from reserves in respect of the One View contract.
- **The PMO** is forecasting an overspend of £87,462 due the removal of the HRA income (the net result of which is a shortfall of £116,643); two vacancies are being held, though are wanting to be recruited to.
- **The Corporate Strategy team** is forecast to underspend by £139,000. However, this underspend is needed to directly support the overspend in PMO (lost HRA income).
- **Director of Strategy** is forecast to overspend by £20,900 largely due to cross over of posts.

The above 3 cost centres (PMO, Corporate Strategy Team and Director of Strategy) report to a single Head of Service and the net result will be a balanced budget.

Forecast Position: Overspend of £47,600

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
STRATEGY	3,387,678	3,387,678		1,232,141	3,554,271	0	(119,000)	47,593	238,753
STRATEGY & TRANSFORMATION	2,024,438	2,024,438		713,412	2,019,322	0	(119,000)	(124,116)	68,250
COMMUNICATIONS	1,363,240	1,363,240		518,729	1,534,949	0	0	171,709	170,503

Key Drivers of the Position: (Continued)

Communications, Campaigns and Events – Forecast Position: £171,700 overspend:

- **Community Events** are forecast to overspend by £14,200 as a result of potential mounds and tree falling replacements costs at Parsloes Park for the Elrow Town Fest. Assumptions in the forecast include sponsorship income to be received to meet planned events costs.
- **Civic Events** are reflecting £31,700 over budget, largely attributable to a forecast overspend of £18,300 on salaries and £12,000 on overtime most of which will be reclaimed from the Mayors Charity income generation as incurred whilst running charity events.
- **Marketing & Communications** is forecast to overspend by £125,700. The £112,500 reduced HRA income is a large contributing factor to the position plus £17,000 overspend due to cancelled duplicate invoices pertaining to previous financial years. The main cost drivers are residents mailouts which have been reduced from four to three to contain costs.

The £119,000 transfer from Reserves represents a drawdown of £100,000 from the Supporting Families grant for the One View programme and £19k towards the salaries cost of the WRES post in the Director of Strategy service.

Strategy: Period 4 Mitigations Table

Forecast Position: Overspend of £47,593

Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
PMO	87,462	0	Pressure relates to £116k HRA shortfall, mitigated by managed underspend in Corporate Strategy Team and will resolve in a budget transfer.
Director of Strategy	20,972	0	Mitigated by managed underspend in Corporate Strategy Team
Community Events	14,237	(14,237)	Pressure due to £14,200 possible costs for mound/tree relocation at Parsloes Park for Elrow. May be able to mitigate through a few more sponsors and a contribution from My Place for £20k for Barking Mad About Christmas (BMAC)
Civic Events	31,724	(9,000)	Mitigation : Purchase cards spend - Team are working hard to keep spends to an absolute minimum. Members Allowance- A spending cap has been introduced on the engagements that the Mayor and her guests attend to ensure budget is not exceeded To gather different quotes and choose the cheapest option for all events to ensure value for money.
Marketing & Communication	125,747	0	The Mayors Fundraising events - now solely funded from the Mayors Charity Account from which overtime for these events will be funded
Other underspends	(232,549)		The Pressure largely due to HRA income shortfall
Total	47,593	(23,237)	

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

- Income from Digital Advertising is an area of opportunity. There is potential for new units to generate additional income of around £15k per annum. This is less than previous estimates which have been affected by the recent economic downturn. Despite this, negotiations are in progress with providers to establish the best possible position for the council. If we cannot achieve a good deal we may decide to wait a year before going to market again. This would delay the income stream. The service is currently in discussions with procurement, finance and external advisers to decide the best route.

Inclusive Growth: Period 4

Forecast Position: £3.9m (Overspend of £470,200)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
INCLUSIVE GROWTH	1,695,078	1,664,946	30,132	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334
COMMERCIAL	(679,237)	(679,237)		(1,454,043)	(661,437)	0	0	17,800	49,125
INCLUSIVE GROWTH	2,374,315	2,344,183	30,132	1,434,545	4,580,851	0	(1,754,096)	452,440	752,209

Key Drivers of the Position (Summary):

The Inclusive Growth Directorate is forecast to overspend by £470,240 at the end of Period 4, an improvement of £331,100 from the Period 3 variance.

Commercial Services – Forecast an overspend of £17,800

- **The Core Commercial Team** is projecting a (£28,000) underspend attributable to a vacancy in the service and other commercial services administrative service costs.
- **Procurement and Accounts Payable** – (£94,000) underspend – Procurement is affected by **£117,000 HRA income shortfall**, mitigated partly through vacancies and an £18k Accounts Payable HRA recharge income increase. It is assumed the position will change adversely in P5 due to planned budget movements within Inclusive Growth and recruitment into vacancies.
- **The Film Office** is projecting £70,200 income underachievement as a result of ongoing industry strikes leading to income generation uncertainties. The forecast assumes there will be some productions re- commencing although is impossible to predict the level of full year income achievable given the ad hoc and site-specific requirements.
- **The CR27** Investment is forecasting a £45,700 income underachievement. Further work is underway to determine insurance recharge to tenants (via the Insurance department) which may favourably alter this position.
- **The Isle of Dogs TL** investment is forecast to overachieve by (£10,000) due to reduction in the level of external advice required.
- **Leisure** is forecast to overspend by £46,000 on re- procurement costs as a result of SLM terminating the LBB Leisure contract. As a result of the termination a payment of £200,000 has been billed which will cover the overspend and indicatively hold £154,000 in reserves. **Leisure income for financial years 24/25 to 27/28 will be reduced by £5.8m as it is unlikely the new Leisure contract will provide the return as modelled in the existing MTFS.** Assumptions in the revised MTFS must align with procurement expectations.

Forecast Position: £3.9m (Overspend of £470,200)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
INCLUSIVE GROWTH	1,695,078	1,664,946	30,132	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334
COMMERCIAL	(679,237)	(679,237)		(1,454,043)	(661,437)	0	0	17,800	49,125
INCLUSIVE GROWTH	2,374,315	2,344,183	30,132	1,434,545	4,580,851	0	(1,754,096)	452,440	752,209

Key Drivers of the Position (continued):

Inclusive Growth – Forecast an overspend of £452,400

- **Parks Commissioning** forecast £565,375 overspend. Parks Commissioning main cost driver is the £500,000 income generation target from the soil importation that cannot be achieved in year OR in future years; one final payment of £74,250 is to be received in year from the legacy Central Park scheme. There is a further pressure of £133,000 income generation from Parks commercialisation projects which will not be achieved as part of the 23/24 MTFS OR in future years, as commercial returns are credited to the events team budget. The remainder of the overspend, is attributable to budget inflationary pressures in relation to the management of Eastbrookend Country Park Discovery Centre.
- **Culture and Heritage** are reflecting a £101,000 overspend. The main contributing factors being £83,500 income targets shortfall at Eastbury Manor with building and maintenance costs at both Eastbury and Valence House; including utilities inflationary pressures.
- The **Inclusive growth core teams** are reflecting a (£232,500) underspend partly due to delayed recruitment to vacant roles and a £58,000 HRA recharge contribution adjustment, pending review.
- **Development Planning** reflects a projected pressure of £38,000 due to Added Years Compensatory pension payments to ex – employees, subject to increase.
- **Adult College, Apprenticeships and Employment & skills** are currently projecting an aggregate overspend of £571,400. The services are largely grant funded with the current projected overspend on staff ascribable to income shortfalls (grants awarded but pending receipt of funds) and inflationary pressures to be covered through reserves. Further work is underway to determine the viability of the apprenticeships service.

The £1.7m transfer from Reserves, represents a drawdown from Inclusive Growth reserves: Made in Dagenham Endowment programme (£259,000), Employment Team overspend drawdown (£571,434) and (£924,000) grants brought forward drawdowns.

Inclusive Growth: Period 4 Mitigations Table

Forecast Position: £3.9m (Overspend of £470,200, potential mitigation of £163,700)

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Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
CR27 Investment	45,777	(78,000)	LBBB Insurance department to confirm insurance value to recharge directly to tenants. The net amount between CR27 insurance paid and recharge to tenants should offset wholly or in part this overspend. In 22/23 the surplus from recharge was £42,000. The rent levels are also due to be indexed upwards by 4.25% (capped) in July with potential income achievable of £36,000
Film	70,220	(40,000)	Seek other domestic income generating opportunities. Although film industry strikes have led to uncertainties, large film enquiries are being received through for Autumn and early 2024 which could see a reversal of the projected overspend. Use Reserve of £40k to partly mitigate overspend.
Leisure	45,658	(45,658)	Letter requesting termination fee of £200k payable has been sent out to SLM. The payment should cover the overspend once received.
Commissioning & programmes	37,643	0	No planned mitigation. Pressure relates to Added Years Compensatory pension costs with no supporting budget
Employment Team (Adult College, Apprenticeship, Kickstart, Employment & Skills)	0	0	<p>Overspend of £571,434 mitigated in the P4 forecasted outturn by reflecting a draw down from departmental ringfenced reserves: Adult College (£124,254) and Employment skills (£447,180) reserves with individual service mitigation actions planned:</p> <p>Adult College - £124,254 overspend - Mitigate by investigating potential overcharge for water and possibility of Business Rates relief; review of potential salary underspend from vacancies and increase income from assets and training.</p> <p>Apprenticeships - £131,512 overspend- grow the number of employers/learners on courses and review staff structure and costs by September 2023.</p> <p>Kickstart: £5,000 overspend - Mitigate the increase in outstanding training payments by reconciling and reviewing miscodes with the Treasury department.</p> <p>Employment & Skills: £310,800 overspend- £334,000 Salary costs will potentially be fully funded through the Welfare cost of living reserve with additional funding for staff costs from ESF and up to £40K from S106 monitoring fees.</p>
Heritage & Culture	100,919	0	A final mitigation plan is underway and to include: Potential reduction in opening days for Eastbury and Valence House in order to cut running costs. (Value to be fully quantified); increase income through engagement activities (Valence House) and increasing venue hire for weddings and other appropriate events/hires (Eastbury Manor). Further mitigation include potential receipt of the Valence House NNDR rebate (value to be confirmed) following Business rates reduction to be backdated to prior years.
Parks Commissioning	565,375	0	Parks Commissioning main cost driver is the £500,000 income generation target from the soil importation that cannot be achieved in year. In addition a further pressure of £133,000 income generation from Parks commercialisation projects which will not be achieved as part of the 23/24 MTFS
Other underspends	(395,352)		
Total	470,240	(163,658)	

Inclusive Growth: Period 4 Risk and Opportunities

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

Food Sector, Make it Here, Employment & Skills

- We have scope to draw down further funding for Employment for staff costs from an existing European Social Fund contract up to the value of £114K – we are looking to maximise this.
- We are using the food and film sector endowments from the City of London and MBS/Hackman to leverage additional funding from external funders – including a potential grant from Film London – and establish sustainable training programmes that do not require significant ongoing funding from the Council/key partners.

Heritage and Culture

- The Business Rates bills for Valence House has been appealed successfully and may result in a significant rebate payable in the 23/24 Financial year.

Parks Commissioning:

- Tennis Development Proposal – as per the associated report presented to Cabinet on 21.03.23 Parks Commissioning has secured internal (£75,400) and external funding from the LTA (£327,417) to invest in the borough's 17 tennis courts to bring them back up to a playable standard. Work on site is expected to commence in January 2024.
- External funding – Parks commissioning was successful in securing Rewild London (Round 2) funding including £39,000 and £35,410 respectively to deliver the River Rom Phase II and Reptile Survey projects. These projects will deliver significant social, environmental, and economic benefits for the borough and residents. In addition, two bids have been submitted to Natural England's Species Recovery Grant programme. If successful (the announcement is expected late July/early August) these bids will bring in significant additional funding to deliver the House Sparrow and Water Vole projects.

Community Solutions: Period 4

Forecast Position: £26.5m (overspend of £0.2m, 1% Variance)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
COMMUNITY SOLUTIONS	21,622,624	21,622,624		5,444,404	26,582,404	0	-4,731,748	228,032	739,768
SUPPORT AND COLLECTIONS	7,820,304	7,820,304		1,473,335	10,708,005	0	-1,511,164	1,376,537	1,206,175
COMMUNITY SOLUTIONS	7,437,372	7,437,372		2,412,708	6,886,439	0	-438,662	-989,595	-548,895
COMMUNITY PARTICIPATION & PREV	7,669,948	7,669,948		2,863,361	10,292,960	0	-2,781,922	-158,910	82,489
TECHNICAL - COMSOLS	-1,305,000	-1,305,000		-1,305,000	-1,305,000	0	0	0	0

Key Drivers of the Position:

The total overspend pressure for Community Solutions is **cf£3.4m**

The recalculation of the HRA recharge has resulted in an income shortfall of **cf£3.1m** across Community Solutions. There are delays in delivering MTFS savings across Community Participation & Prevention which is being closely monitored. The MTFS savings for transfer of buildings to VCS has been paused due to the emerging locality model proposals from Adults.

Community Solutions have taken a number of difficult decisions and identified one-off mitigations of **cf£3.4m** to reduce the outturn variance, which are listed in the mitigations table. It is to be noted that these mitigations come with their own level of risk/impact and this will be closely monitored.

The Ethical Collection Service has been forecasting income of **£900k**. Reconciliation for 1st quarter completed and the projected income expected is **£361k**, in line with the performance over the past 2 years. Finance recommendation was to reduce the forecast however service is working towards a higher income collection based on having a full establishment of staff and improved flow of data, although this has been in place since January and the income is yet to have changed in response to this. There is risk that this will not be achievable. The service has now reduced the forecast income to **£600k** however finance still believe the income will range from **£400k - £600k** and this may increase the outturn variance to **c.£500k**.

Community Solutions: Period 4 Mitigations Table

Forecast Position: £26.5m (overspend of £0.2m, 1% Variance)

In Year Mitigation	Amount	Comments
Service Development Salary underspend	100,000	A decision has been taken to not fill the Transformation Manager Position in the current financial year
Strategic Director Salary underspend	188,000	The Strategic Director position will not be filled in 2023/24.
Triage Salary underspend	80,000	There is a vacancy and not all staff are at the top of the grade.
Digitalisation Recruitment	306,000	Delay in recruitment process for the digitalisation team
Funding swap with additional HPG Grant - release GF	1,135,000	Additional grant to support Ukraine, will be delivered from existing stock
Additional Asylum Dispersal Grant - Funding Swap	475,000	Additional grant to support dispersal of Asylum seekers, using existing stock
Hold vacancy in CPP	40,000	RR Service area vacancy
P&E Vacancy	31,000	Hold vacancy
Court officers	25,000	Excelerate savings
SD Officer Secondment Cover	25,000	Hold vacancy
Consultancy Fee (SM)	100,000	Release of funding
Migration reserve release	200,000	
Taxi card reserve release	282,662	
Household Support Fund Admin Fee	400,000	HSF allocation for 2023/24 has been confirmed and attracts a fee income
Total Mitigations	3,387,662	

My Place Summary: Period 4

Forecast Position: £1,356k overspend

	This Years Budget	Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
MY PLACE	15,374,989	12,047,096	16,731,195	0	0	1,356,206	3,071,809
HOMES AND ASSETS	1,815,764	7,786,625	4,040,557	0	0	2,224,793	12,321,280
PUBLIC REALM	13,559,225	4,260,471	12,690,638	0	0	(868,587)	(571,100)

Executive Summary (for more details, see subsequent slides)

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The service is projecting a £1.356m overspend . The budget has been increased since period 3 to fund inflationary pressures of £1,418k. This accounts for the majority of the change in the variance. There has also been a reduction in the underlying overspend of £297k.

- **Commercial Portfolio: £885,000** overspend, Income under recovery and therefore non-delivery of savings £537,000 and pressures on expenditure £348,000.
- **My Place Recharge Budget: £1.068m** overspend, is caused by the change in non-controllable budgets and how they are funded by the HRA. The related non-controllable budget and charge was removed but the loss of charging it to the HRA must still be addressed.
- **Property Portfolio: (£157,000)** underspend due to vacancies
- **Reside My Place: £637,000** non-recovery of Reside Ltd Management Fee for 2023/24. Last two quarters not received. **It may be possible to fund from IAS.**
- **Contract Management: (£64,000)** underspend due to vacancies
- **Homes & Assets (Other Areas): (£144,000)** underspend across other areas are offering partial mitigation to the Commercial Portfolio pressure.
- **Public Realm: (£869,000)**, mainly across Waste Operations and Compliance, **although this is anticipated to reduce as a result of the HRA recharges review.**
- Quantifiable Risks stand at **£1.9m** vs **Opportunities of (£500,000)** – see subsequent slides.

My Place – Homes & Assets: Period 4

Forecast Position: £2,225k overspend

Commercial Portfolio is reflecting **£885,000** overspend. £537,000 income under recovery including £30,000 of non-deliverable income, £139,000 security of premises, £91,000 over establishment budget on agency and £118,000 on contractors mostly related to rent reviews. The income pressure is to do with the need for a complete asset list and rent roll to show what the achievable budget should be. The service continues to work on this.

Property Assets is underspending by **(£157,000)**.

My Place Recharge Budget: £1.068m overspend, is caused by the change in non-controllable budgets and how they are funded by the HRA. The related non-controllable budget and charge was removed but the loss of charging it to the HRA must still be addressed. This is included in the mitigation table as a potential reserve drawdown with the Council gap increasing by this amount for 2023/24.

Reside My Place: £637,000 non-recovery of Reside Ltd Management Fee for 2023/24. Reside Ltd is making a loss due mainly to rents increasing by less than the lease. This impacts My Place through the Property Management Agreement which covers managerial and service charge areas such as tenancy management, rent collection, caretaking and energy costs to name a few. Reside Ltd have been unable to pay any of the last 2 quarters and the pressure represents a full loss to My Place and the Council. Discussions are ongoing as to whether this will be transferred to the IAS and potentially funded by its reserve. It may also be possible that Reside Ltd can pay something this year, but no estimate has been provided. This will likely remain a reoccurring problem if not addressed.

Contract Management: (£64,000) underspend due to staff vacancies.

Homes & Assets (Other Areas): (£144,000) underspends across other areas are offering partial mitigation to the Commercial Portfolio pressure. This is mainly from Quality and Compliance reprofiling and staffing in areas like Business Development and Improvement.

My Place - Public Realm: Period 4

Forecast Position: (£869,000) underspend,

Waste Operations is reflecting a **£50,000 overspend**. The £4.3m Staffing budget, which is in line with last year's Outturn, is now projected to overspend by £159,000 but there is a level of uncertainty as staff convert from agency to be resolved in Period 5. Fleet Transport budgets are (£100,000) underspent currently but it is likely that during the year, we will see this reduce as costs transfer from Fleet (below).

Fleet & PTS is reflecting a **£251,000 overspend**. **Fleet Management** is (£39,000) underspent due to a staffing vacancy. **Frizlands Workshop** is reflecting a **£481,000 overspend** primarily due to income recharges being lower in Quarter 1. As the year goes on, this pressure will likely transfer to the relevant services.. **Passenger Transport** is reflecting a forecast underspend of (£148,000) due to staffing vacancies not completely covered by agency/overtime (£86,000) and Transport (£61,000).

Compliance (£475,000) underspend on PEST Control and Compliance, Green & Garden Waste, Projects and Administration (CPA). Trade Waste (£257,000) mainly due to above budget income recovery. CPA is underspending due to vacancies held ahead of restructure at (£146,000), PEST Control (£125,000) over recovery despite reduction in SLA to HRA, Garden Waste £53,000 overspend due to lower subscriptions.

Street Cleansing (£290,000) underspend due to Fleet Transport recharges being lower in Quarter 1 compared to 2022/23 Outturn. This service is expecting to operate within its budget position in 2023/24 because the current underspend will likely disappear due to the cost of 2022/23 vehicle purchases being paid for (currently projected in PR Director) and a share of the fleet overspend above will likely migrate.

Parks and Environment is reflecting a (£600,000) underspend. The My Place Directorate HRA Fixed Recharge budgets have been realigned to remove unnecessary variances leaving the net balance on Parks (£621,000). This is because Parks and Street Cleansing are still subject to review.

PR Director is reflecting a **£195,000 overspend**. This is predominantly due to the inclusion here of the cost to revenue of funding 2022/23 Fleet Vehicles that were purchased for Public Realm, mostly Street Cleansing. Once the virement is calculated, a budget reduction will occur in the relevant service.

My Place: Period 4 Risks

ID	Service Area	Risk Description	Likelihood	Impact	Overall	Value '000	RAG	Mitigating Action	Owner	Portfolio	Within Outturn Forecast	Prior Month Mov £'000
QUANTIFIABLE												
R1	R&M - Reside My Place	BDMS will carry out repairs and maintenance works on Reside Group assets and charge My Place. If they provide insufficient cost information and/or My Place do not appropriately pass on that information to service charge Reside Group, then My Place will be left with the bill. The financial value of the risk should be a maximum.	2	4	8	£ 750		Strategic Director has asked BDMS to supply cost information on a monthly basis and for works to go through the monthly validation process.	Alan Caddick/Olatunde Olayiwola	Community, Leadership and Engagement	£ -	(£200)
R2	Capitalisation of Staff Property Mngmt	If the HRA Capital Programme requires significant curtailment in 2023/24, then it is likely the level of project work available for staff within Asset Management and Major Works will reduce. This will leave a shortfall in capitalised recharges on staff time.	3	3	9	£ 450		Address impact of revised Capital Programme when available in the Summer.	Andy Bere / Anthony Wiggins / Garry Proctor	Community, Leadership and Engagement	£ -	£ -
R3	Public Realm Market SLA - Trade & Street Cleansing	Trade Waste must agree with other budget areas the appropriate service provision for 2023/24 that those areas which to pay for. Otherwise, it will suffer budget pressures from not being able to recharge (for example, Barking Market).	2	2	4	£ 100		Service is liaising with representatives to agree a new SLA.	Eric Writtle	Public Realm & Climate Change	£ -	£ -
R4	Optibag Savings - ELWA	Redbridge Council are seeking an end to the Optibag Savings within the Contract. This would require agreement from all four Borough's involved. For LBB, this would represent a lost income from the invoices raised to ELWA.	1	4	4	£ 588		Awaiting formal confirmation that this request is being rejected.	Rebecca Johnson	Public Realm & Climate Change	£ -	£ -
R5					0						£ -	£ -
						£ 1,888					£0	(£200)
NON-QUANTIFIABLE												
RA	Fleet Management	There is an anticipation for new Public Realm lease vehicles to be brought into areas like Street Cleansing.	2	1	2			Street Cleansing sweepers now included. Services continue to monitor.	Michael Bishop	Public Realm & Climate Change		
RB	Fleet Management	Income raised to BDMS in 2023/24 relating to Fleet Management services such as fuel, repairs and maintenance, may not be paid. This may result in a BDP adjustment impacting the PR outturn as was the case in 2022/23.	3	3	9			Monitor and for Budget Manager to keep communications with BDMS.	Michael Bishop	Public Realm & Climate Change		
RC	Bad Debt My Place	Invoices raised across Highways and Commercial Portfolio in particular, if unpaid, may likely result in an increase in the required Bad Debt Provision. This will negatively impact the My Place Outturn.	3	4	12			Monitor and for Budget Managers to keep liaising with General Income, Customers and Finance.	Ron Chaggar/Nick Davies/Andy Bere	Community, Leadership and Engagement		
RD	Costs of Reside - Reside My Place	2023/24 is the first year we are forming GF budget for Reside services provided by My Place and the Council. There is a risk that the costs will simply outway the income due. This is especially the case given the slow rate of bringing new tenants into the new developments and have no Property Management Agreements in place.	4	4	16			Significant attention and team work required between My Place, Reside and Finance.	Leona Menville	Community, Leadership and Engagement		
RE	Bad Debt - Public Realm	Invoices raised to customers of Trade and Bulky Waste recovery rates may mean a provision adjustment is required at year end. This would negatively impact the Outturn.	2	1	2			Monitor and for Budget Managers to keep liaising with General Income, Customers and Finance.	Michael Bishop	Public Realm & Climate Change		

My Place: Period 4 Opportunities

ID	Service Area	Opportunity Description	Likelihood	Impact	Overall	Value '000	RAG	Action	Owner	Portfolio	Prior Month Mov £'000
QUANTIFIABLE											
O1	Commercial Portfolio	There are some Commercial Properties managed by an intermediary (GMB) which pay LBBB on a 'cash basis'. The authority should be accruing on 'income due' basis but the service needs to work with the company to agree what that position is.	4	2	8	(£50)		Service to investigate and provide response.	Ron Chaggar	Community, Leadership and Engagement	
O2	Waste Growth - Public Realm	There is a chance that some of the Waste Growth built into the 2023/24 budget might not come to fruition in this year but be delayed until 2024/25. The figure included here is the maximum potential opportunity.	1	3	3	(£350)		Service Director monitoring	Rebecca Johnson	Public Realm & Climate Change	
O3	Parks - Public Realm	Parks is looking at ways to reduce reliance on contractors for certain workstreams.	1	1	1	(£100)		Service lead to monitor	Paul Clark	Public Realm & Climate Change	(£100)
						(£500)					(£100)
NON-QUANTIFIABLE											
OA	Energy	Should world energy prices reduce below budget expectations for 2023/24 then there is a potential for an underspend. This would benefit Facilities and Highways mostly within My Place.	2	1	2			Energy prices are fixed under laser contract, await November prices.	Andy Bere/Nick Davies	Community, Leadership and Engagement	

2023-24 Savings

*negative values (in brackets) are savings		2023/24 Target £k	RAG RATING
Service Area	Saving Proposal		
Care and Support	Finance Review Officer	(57)	
Care and Support	Early Help Investment deferral into 2024-25	(500)	
Care and Support	Early Years & Childcare	(180)	
Community Solution	Fund HAM Hub through collection fund surplus 40% - reserve transfer (Non-HRA)	(390)	
Community Solution	Delete x5 FTE vacancy from Welfare	(230)	
Community Solution	Service Development - Delete x2 FTE and x1 FTE recharge to Supporting Families Grant	(197)	
Community Solution	Customer Services - Delete X1 CSO	(34)	
Community Solution	Customer Experience team - Delete Internet Officer	(51)	
Community Solution	Delete x3 FTE Vacancy from Triage	(120)	
Community Solution	Stop Play and Comm Service (4.5FTE). Transfer to Family Hubs to be funded by Grant	(160)	
Community Solution	Transfer to VCS - WILLIAM BELLAMY CHILDREN'S CENTRE	(30)	
Community Solution	Transfer to VCS - LEYS CHILDREN'S CENTRE	(15)	
Community Solution	Transfer to VCS - SUE BRAMLEY CHILDREN'S CENTRE/ LIBRARY	(15)	
Community Solution	Creation of Heritage site at VALENCE LIBRARY + 2.5FTE Sc5	(130)	
My Place	NRSWA Income Stream Opportunities - Public Highway	(52)	
My Place	No longer have a dedicated Graffiti team.	(75)	
My Place	Security of vacant land.	(10)	
My Place	Reduce the opening days and times of the Town Hall and other buildings.	(50)	
My Place	Closure of Pondfield depot	(25)	
My Place	Increase the commercial income	(30)	
Inclusive Growth	New Town Culture	(260)	
Inclusive Growth	Line by Line Budget Review	(110)	

2023-24 Savings

		2023/24	RAG
*negative values (in brackets) are savings		Target £k	RATING
Service Area	Saving Proposal		
Finance & IT	WAN bill reduction £80K	(80)	GREEN
Finance & IT	ICT Consultancy £40K	(40)	
Finance & IT	Staff Dev & train £28K	(28)	
Finance & IT	Staff other expenses £10K	(10)	
Finance & IT	Entity recharges + 10% £48K (income)	(48)	
Finance & IT	Ezitracker £24K	(24)	
Finance & IT	One Trust £10K	(10)	
Finance & IT	Jontek £17K	(17)	
Finance & IT	Oracle Saving	(409)	
Law & Governance	Parking Services Income	(2,300)	
My Place	Property Management & Capital Delivery	(66)	
Finance & IT	Digital Identity Verification (requires £100k Capital)	(25)	
Finance & IT	Streamline IT Procurement	(44)	
EYCC	Staff Savings and DSG recharge	(35)	
P&P	FPN income	(15)	RED
Community Solutions	Everyone Everyday	(100)	GREEN
Inclusive Growth	Parks Commissioning - Soil Importation	(500)	RED
HR	Restructure	(577)	RED
Total		(7,049)	

GREEN	4548
AMBER/G	1124
RED	1377
	7049

CABINET

19 September 2023

Title: Gascoigne East Phase 3B Development – Revised Proposal	
Report of the Cabinet Member for Regeneration and Economic Development	
Open Report with Exempt Appendix 1 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Wards Affected: Gascoigne	Key Decision: Yes
Report Author: Ranvir Bairwal Senior Project Manager	Contact Details: E-mail: ranvir.bairwal@befirst.london
Accountable Director: Tim Porter, Director of Delivery, Be First	
Accountable Executive Team Director: James Coulstock, Interim Strategic Director, Inclusive Growth	
<p>Summary</p> <p>By Minute 43 (18 October 2022), Cabinet approved proposals to enter into a contract with Wates for the delivery of 334 new homes in Gascoigne East Phase 3B (GEP3B) under a JCT Constructing Excellence Contract for a target cost of £142,061,994. This sum included an inflation allowance of £6.8m.</p> <p>The works contract was split into three sections to allow design, enabling works, demolition and market testing of the contract packages under sections 1 and 2 and Main Works under section 3. The contract and approval provided that in the event that the target price could not be achieved following market testing of the contract packages, the scheme would be brought back to Cabinet for a decision on the way forward. The contract allows for termination of the contract if the target price cannot be achieved.</p> <p>Market testing of the contract packages established that the Target Price could not be achieved. The increased cost is primarily due to delays to vacant possession adding considerable programme delay and cost and build cost inflation having continued to outpace expectations. From an initial contract package return price of £161,000,000, supply chain negotiations have resulted in an offer put forward by Wates of £147,996,637.</p> <p>Although this is a higher price than that put forward to Cabinet in October 2022, external factors have had a significant impact on the ability to deliver the scheme at the originally approved target price. In order for the scheme to meet the established IAS metrics, including producing a positive cumulative cashflow in year 1, a series of proposed actions to make the scheme viable are set out in the report.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve the recommendation to proceed at the new Contract Sum agreed with Wates at £147,996,637;
- (ii) Approve the revised Total Development Cost of £174,657,138 including forecast capitalised interest (£169,256,073 exc. interest);
- (iii) Approve Option 1 (Proceed with Wates) and steps 1 to 4E as the most viable proposal that meets the IAS metrics and the steps required to achieve this position;
- (iv) Approve the handover loan to Reside at £96,080,179, comprising £75,170,844 for Affordable Rental homes and £20,913,031 for the London Affordable Rent homes;
- (v) Approve in principle the use of LBBF funding of up to £5,987,703 for the Public Realm works to be funded from the future disposal of commercial asset(s) or Section 106 monies. (For example, sale of Restore or S106 monies from Fresh Wharf);
- (vi) Approve the revised use of Right to Buy Receipts of up to £52m to support the viability of the Affordable Rent homes and 3-4 bed London Affordable Rent homes;
- (vii) Approve the revised use of GLA Affordable Housing Grant of £6m and GLA Right to Buy Ring Fence Monies of £9,754,813;
- (viii) Approve the allocation, subject to the endorsement of the Assets and Capital Board, of £1,771,784 of S106 contributions to support the viability of the LAR homes or the delivery of public realm; and
- (ix) Note that Scenario 4E meets the IAS return metrics producing a Net Present Value of +£40m and a positive cumulative cashflow in year 1.

Reason(s)

The proposal delivers new homes contributing to the following priorities set out within the Corporate Plan:

- Residents benefit from inclusive growth and regeneration.
- Residents live in, and play their part in creating, safer, cleaner and greener neighbourhoods.
- Residents live in good housing and avoid becoming homeless.

The scheme accelerates the delivery of new homes adding to the Council's residential portfolio with new energy efficient stock.

1. Introduction and Background

- 1.1 The purpose of the report is to set out the current contract position for the Gascoigne East Phase 3B (GEP3B) Contract and to seek approval for instruction to

be given for Wates Construction Ltd (Wates) to proceed with the delivery of Section 3 of the JCT Constructing Excellence Contract (JCTCE) for the revised Contract Sum of £147,996,637.

- 1.2 Resolution to grant planning permission was given in April 2022 and Cabinet approval was given in October 2022 to enter a JCTCE with Wates to deliver 334 new homes in GEP3B for a Gross Maximum Price (GMP) of £142,061,994, inclusive of an inflation allowance of £6.8m.
- 1.3 Due to concerns over prevailing market conditions at the time regarding material scarcity and supply chain inflation and to protect the Council's position, a JCTCE was utilised. The JCTCE to be delivered in three sections: -
 - Section 1 – Detailed Design and Package Tendering
 - Section 2 – Demolition and Enabling Works
 - Section 3 – Main Works
- 1.4 This reflects a fairly typical procurement, except that all works and services are to be carried out under one contract, rather than issuing separate pre-construction service agreements and enabling works contracts.
- 1.5 One of the drivers in pursuing the JCTCE contract was that this form of contract is premised on a collaborative approach to obtaining package prices and their scrutiny once received to get the best price and works package for the project.
- 1.6 A further driver for entering a construction contract was to safeguard the existing planning permission and the building control position before the implementation of forthcoming changes to building control requirements, specifically the requirement for the inclusion of a second staircase in buildings over 30 metres in height. GEP3B was approved by the GLA in February 2023 as compliant with building regulations and includes sprinklers to the residential units in the mansion blocks.
- 1.7 In March 2023 the Mayor of London unilaterally introduced a policy that all buildings over 30 metres will have to have a secondary staircase in each core to receive GLA Stage 2 approval without which a scheme's planning consent will not be valid. GE3B Stage 2 approval was achieved in February 2023.
- 1.8 The JCTCE contains two alternative options for payment: by reference to a Target Cost(s) or by reference to a contract Sum. If the revised contract sum is approved by Cabinet in effect the contract sum becomes fixed at £147,996,637 subject to the risk items highlighted below.
- 1.9 The s1 contract allowance was £5,877,892 which remains unchanged.
- 1.10 The s2 contract allowance was £4,378,157 and this has increased by £330,993 to £4,709,090, due to need for an updated bat survey, settling metre debts on vacated properties, the design and construction of 2 substations that UKPN have insisted are provided and forward funding of meaningful works to safeguard the Building Regulations position.
- 1.11 During Sections 1 and 2 Wates were required to carry out market testing on those sums identified as falling under section 3. At the time that Cabinet approval was

sought in October 2022, the scheme investment performance was stated as follows:

Investment Metrics	Oct 2022
Net Development Cost (Total scheme costs less any subsidy)	£138m
Cumulative Breakeven Year	Year 44
Cumulative Surplus at YR50	£36,990,642
IRR	4.49%
Net Present Value	-£15,885,868

- 1.12 The agreed contract included a break clause that can be operated at the Council's option in circumstances if, prior to the Commencement Date of the Services for Section 3, as a result of the Market Testing being undertaken as part of the Services under Section 1 and 2 it is determined that the Contract Sum for the whole of the Services (i.e. Section 1, 2 and 3) shall be, or is likely to be in excess of the Guaranteed Maximum Price (provided a minimum of 80% (by value) of the packages subject to Market Testing having been completed).
- 1.13 Wates submitted their tender in Jan 2022 on package prices that they had received from their supply chain in the months and weeks prior to their tender submission as is usual practice at the time but build cost inflation has meant that rules of usual business practice cannot be relied on in this period of hyperinflation.
- 1.14 Following completion of the market testing exercise, it is forecast that the Contract GMP of £142,061,994 will be exceeded. Wates have stated that they are continuing to see price increases in their supply chain and that their works and material subcontractors are pricing to ensure that they can supply materials and works for the contract but also in a way that ensures that they themselves do not get caught out by fluctuating prices.

2. Proposal and Issues

- 2.1 The proposal and recommended option is to continue the project with Wates on the basis of a Gross Maximum Price ("GMP") of £147,996,637 with a Practical Completion date of May 2026. This is termed option 4E in the tables below)
- 2.2 Wates are already on site and are well placed to deliver the scheme in accordance with the current programme, delivering on promises that have been made to the local community and to the wider Barking and Dagenham electorate, enhancing local life chances and regenerating the local area.
- 2.3 This option also means that the current planning consent and building control position would be utilised, avoiding the need for costly redesign of the scheme and the need to apply for a new planning consent to meet changed regulations.
- 2.4 Costs have been spent to safeguard the building regulations position, meaningful works consisting of drainage works to each of the blocks at a cost £80,000 is in progress.

- 2.5 If the planning consent is not implemented the costs for these works would likely be wasted. Any new scheme complying with the new building regulations could result in changes that mean that the drainage being installed now is in the wrong place and therefore these costs would be abortive.
- 2.6 As part of the planning application, a total CIL liability was incurred for the development of £2.1million. An application for relief for existing floorspace as allowed under the CIL Regulations was made to LBBB CIL officers and this reduced the CIL liability to £1.2m.
- 2.7 Deciding not to proceed with the scheme and failing to build it out would mean that a new liability would become due on any new planning application. Any CIL monies paid cannot be used against a new planning application and CIL payment would become due. The existing floor space credit would also be forfeited.
- 2.8 BCIS are still reporting on going inflation as set out in the table below based on tender returns of up to 18 months to the date of publication.

BCIS Inflation forecast Apr 23			
6 months	12 months	18 months	24 months
1.06%	2.09%	3.69%	5.80%

- 2.9 Our consultants Faithful and Gould (F&G) estimate that going forward the regulatory changes being introduced to building regulation to parts B: Fire safety, F: Ventilation, L: conservation of fuel and power, Part O: Overheating and Part S: Infrastructure for electric vehicles will likely add between 5-7% to build costs until the supply chain establishes the most efficient way to deal with the changes.
- 2.10 F&G have also estimated that a build price following a retendering exercise, excluding contingency design fees for planning, CIL is likely to be in the region of £170,000,000. This figure includes compounded interest from Q2 2023 to a start on site date of Q2 2025 and includes cost allowances to meet changes in building regulations and secondary staircases.
- 2.11 Upon first application to the GLA for Affordable Housing Grant (AHG) a grant of £90,000 per unit was able to be secured to support the viability of the 90 London Affordable Rent homes (LAR). Following negotiations with the GLA, Be First have been successful in increasing this rate to £150,000 per LAR unit making the total AHG support from the GLA of £13,500,000. This has been able to be claimed against 90 LAR units under “reprovision option” which no longer exists, i.e., has been withdrawn by the GLA and they are no longer considering allowing AHG claims for re-provision of council homes lost in redevelopment plans.
- 2.12 If the current planning consent is not built out this would mean that Be First/LBBB would still have an obligation to provide the lost social housing homes on this estate as the obligation runs with the land but with the possibility that AHG could not be secured at the same rate. Under GLA rules currently in effect 90% of the AHG has already been drawn down by Be First/LBBB and would have to be repaid to the GLA.
- 2.13 In addition to the GLA AHG mentioned above, agreement to use Right to Buy Ringfence receipts of £9,754,813 has been reached with the GLA which can

claimed upon LBBB signing the GLA's Ringfence agreement. This is an increase from £4.7m in Oct 2022 due to changes in the amount of RTB receipts that can be allocated towards the costs of build scheme from 30% to 40% per unit. The GLA have made us aware that failure to sign the Ringfence agreement could result in the monies being lost. LBBB's RTB contribution has reduced from £9.1 to £4.9 which represents 40% of the cost of the affordable rent homes.

2.14 Total costs have increased by £8m, this has been partly offset by the increases in grant, which is set out in the table below, which improved the schemes performance prior to the increase in Resides Operating Costs which has worsened the Net Present Value from -£14.4m to -£28.8m currently referred to as the base position.

2.15 The table below sets out the currently approved grant position (October 2022) and now proposed grant position (June 2023).

£m	Affordable Rent			London Affordable Rent		
	Oct 2022	June 2023	Variance	Oct 2022	June 2023	Variance
GLA AHP	0	0	0	11.3	13.5	+2.2
GLA RTB Ring Fence	4.7	9.7	+5	0	0	0
LBBB RTB Receipts	9.1	5	-4.1	0	0	0
HRA (rehousing costs)	0	0	0	3.2	3.2	0
Section 106	0	0	0	0	1.7	+1.7
Total	13.9	14.7	+0.8	14.5	18.5	+4

Notes:

- Right to Buy subsidy is capped at 40% of Total Scheme Costs.
- The TSC of Affordable Rent on Oct 22 was £35m (40%=£14m) and is now £36.9m (40%=14.7m)

2.16 Several scenarios have been explored to ascertain the extent that viability may be improved. These are summarised in the table below, showing the individual and cumulative improvement, with supporting narrative and a rating of likelihood. The most viable option incorporates steps 1 to 4E which provides a positive cumulative cashflow in Year 1

Steps		NPV Improvement	Cumulative NPV (5% DR)	Likelihood	Cumulative Cashflow (Positive)
	Base Position		-£28.8m		Year 48
1	Market rent homes changed to affordable rent supported by £36m of rtb receipts	+£1m	-£27.8m	Planning risk low/ LBBB to confirm rtb receipts	Year 50+
2	Add service charge of £33pw on top of the LAR rents charged	+£5.6m	-£22.2m	LBBB to consider – confirmed s/c can be included in Housing Benefit	Year 50+
3	LBBB provides £5.7m capital subsidy to fund the public realm rather than borrowing long term.	+£5.8m	-£16.4m	LBBB to consider	Year 47

	(Potential to look at an asset sale to be ringfenced for this)				
4A	Apply 40% RTB receipts for the 3&4 bed LAR homes to support their viability	+£6m	-£10.4m	LBBB to consider	Year 42
4B	Rental inflation on AR tenure increases from 2% to 2.5%	+12m	+2m	LBBB/Reside to consider	Year 33
4C	Long term interest rate reduced LAR 3.5 to 3% AR 4 to 3.5%	+11.6m	+13.7m	LBBB to consider	Year 23
4D	Reside operating costs reduce to 20% above benchmark rates in 5 years (2028) Assumes current Reside rates until 2028	+£23m	+£37m	Reside to consider	Year 12
4E	Affordable homes let from month 1	+£3m	+£40m	Reside to consider	Year 1

2.17 Below is an explanation of these steps with further information contained within the financial implications at Appendix 1.

- Base position without the following step produces an NPV - £28m
 - Step 1 - 167 Market rent homes switched to Affordable rent so that they can be supported by £36m of RTB receipts improves the NPV by £1m. This is recommended however Members should note that this would substantially deplete any RTB receipts remaining available for future schemes in the pipeline.
 - Step 2 – Service charge is not currently added to LAR rents. It is recommended that this is now added at a cost to tenants of c £33/week. Tenants would be aware of the full cost to them when they accept the lease and it is expected that the additional cost would be covered by an increased Housing Benefit allowance.
 - Step 3 - LBBB funds £5.7m for the public realm works. No LBBB funding is currently available for this although s.106 funding may become available. It is recommended that an asset be identified and ringfenced for disposal to ensure that LBBB has access to the required capital should alternative funding not be secured.
 - Step 4 A - Apply 40% RTB receipts for the 3&4 bed LAR homes to support their viability. Again, this is recommended however Members should note that this would substantially deplete any RTB receipts remaining available for future schemes in the pipeline.
 - Step 4B - Adopt a rental inflation position on AR tenure of increases from 2% to 2.5%. assumption will be reviewed as the scheme progresses.
 - Step 4C - Reduce Long term interest rates on LAR from 3.5 to 3% and AR 4 to 3.5%
 - Step 4D - Reduce Reside operating costs to 20% above benchmark rates in 5 years (2028). A report has been prepared for LBBB, Be First and Reside on

benchmark rates across the social housing world and this will be reviewed during the life of the build programme. Reside have agreed to work towards this.

- Step 4E - Assume Affordable rent homes are let within one month from handover. Currently occupation is expected to happen over a 12-month period. All other social housing landlords model occupation in month 1 after handover. Reside have agreed to work towards this.

2.18 We have considered a number of other steps which include:

- A reduction in Wates price – no scope to decrease below the £147.9m
- Rental values – Savills have advised that current values remain valid. These will be reviewed during the life of the build programme.

Tenure Cashflow of the Most Viable Scenario – Scenario 1 to 4E

Cashflow Performance Cumulative position	Affordable Rent	LAR	Total
Year 1	£162,168	£256,591	£423,244
Year 10	£1,348,733	£485,239	£1,843,491
Year 20	£10,077,550	£1,518,384	£11,605,453
Year 30	£31,116,946	£4,533,806	£35,660,271
Year 40	£68,140,495	£9,965,619	£78,115,633
Year 50	£124,267,448	£17,503,573	£141,771,022

2.19 Following the steps 1 to 4E route means all of the homes will be affordable. See tenure change table below:

Option	Market Rent	LAR	Affordable rent
Existing	167	90	77
Proposed MR swap	0	90	244

2.20 Below is a summary of the subsidy position of Option 4E.

Subsidy type	Amount – Option 4E
GLA AHP (£150k unit)	£6,000,000
GLA RTB Ring Fence – 77 AR homes	£9,754,813
LBBB - RtB Top Up to 40% total (existing 77 AR)	£4,372,599
LBBB RtB – for the 167 AR homes switched from MR	£35,968,018
LBBB RtB – 3 & 4 bed LAR homes	£11,548,323
HRA Subsidy (Decant)	£3,240,000
Public Realm Subsidy	£5,917,217
s106 Subsidy	£1,761,784
Total Subsidy	£78,562,754

Note: the RTB subsidy is dependent on achieving a certain number of council house sales per annum. The subsidy assumed is at risk if this is not achieved. The income assumption is based on current trends.

3. Options Appraisal

3.1 Officers have looked at a number of alternative options as outlined below but have discounted them. All of the following options would involve writing off costs relating to planning, CIL and design, potential loss of GLA AHG and right to buy ringfence receipts which may or may not be available next time.

3.2 Option B - Terminate the Contract with Wates and secure the site

3.2.1 Under this option Wates would continue to complete demolition of the site, removing foundations, terminating all services and clearing the site.

3.2.2 Once Wates hand back the site we would need to secure it and would then be responsible for ongoing security costs. Security costs are estimated to be in the region of £10,000/week based on previous schemes (figures provided by LBBB). Based on Oct 23 stop and Q2 2025 start these costs could be circa £780,000.

3.2.3 Stopping the contract after demolition and site clearance will mean a re-design of the scheme due to the requirement to comply with the new regulations, incurring redesign, planning fees and a new CIL payment, as well as having to account for build cost inflation as set previously in the report.

3.2.4 Current redesign costs have been estimated by our consultants Faithful & Gould to be in the region of £4.9 million made up of Architects: Built environment and Landscaping, planning, ME&P, and Structural engineering fees.

3.2.5 Given the current cost pressures within the construction sector that impacted the scheme, pausing the development has been considered as an option to establish if any delay to scheme delivery could result in a positive impact to the scheme's KPI's.

3.2.6 Pausing of Local Authority and Govt projects could create capacity in the market which could reduce prices, and although we have used estimated inflation figures there is still a high level of volatility and cost uncertainty it is extremely difficult to accurately predict future cost trends, particularly over the next 12-18 months.

3.2.7 Terminating Wates contract would involve writing off:

Cost item	Actual Spend to date (May 23)	Forecast future Liability
Works	£9.2m	£4.8m
Fees inc all on costs	£2.9m	£0.2m
CIL	£0	£1.3m
Sub total	£12.1m	£6.3m
Actual + forecast spend		£18.4m

3.2.8 Under the terms of the contract LBBB can terminate the contract through an instruction as the break value of £142,061,994 (Gross Maximum Price).

3.2.9 A previous option to demolish Anderson House and refurbish the remaining units was rejected on the basis of long-term operation cost risks associated with meeting

future environmental and regulatory standards, that option also produced an NPV of -£48.8 million and a payback year of 89.

3.3 Option C - Terminate Wates Contract and retender the contract attempting to safeguard the current planning and building control position

- 3.3.1 Wates have currently projected to be on site until September 2023 to complete the demolition. To maintain the building regs position as mentioned above there needs to be continuous working on the site which we would not be able to achieve.
- 3.3.2 The Be First contractor framework expired in Q4 2022 and is in the process of being re-tendered. The new contractor framework is unlikely to be available until Q1 2024. Alternative tendering routes available are:
 - a) An open tender following the OJEU process; or
 - b) Seeking an alternative framework to use
- 3.3.3 An estimate of time to retender the scheme provided by our consultants F&G and also our Programme Management Office given the current procurement routes available to us is of at least 6 months.
- 3.3.4 This option is therefore discounted as we would not achieve the meaningful start to protect the building regulations/planning approval position.

3.4 Option D - Terminate Wates contract and of dispose a cleared site to a third-party developer

- 3.4.1 The land and buildings that go to make up the Gascoigne Estate 3B redevelopment scheme currently sit within the LBBB HRA. There are legal requirements associated with disposing of HRA owned assets, which require consent under Section 32 of the Housing Act 1985.
- 3.4.2 It would be difficult to sell the site out of the HRA with a marketable planning consent due to the need to re-provide affordable homes on the site.
- 3.4.3 As mentioned previously one of the drivers for getting into contract was to preserve the Building Regulations position. To be able to maintain the building regulation position we would need to achieve a meaningful start by March 24. Without this in place a new planning consent would be required so delaying any sale.
- 3.4.4 The land on which the proposed scheme is located previously accommodated council housing and as such there is a requirement to re-provide the lost units. This currently amounts to 50% of the homes i.e. 167 new homes. This would mean that any sale agreement would have to have a stipulation that this floor space is re-provided limiting the developer's ability to negotiate their own level and type of affordable housing; any constraints on a purchaser's ability to deal with the site how they would like will impact the price that could be achieved possibly resulting in a negative land value.
- 3.4.5 This option will also result in a delay to the delivery of the scheme, whilst the developer gains their own planning consent. Be First and LBBB's approach to regeneration has been design led, sale to third party developer would mean that Be

First/LBBD would lose control over the design integrity of the scheme with only the planning system to rely on.

3.4.6 Given all of the above it is unlikely that a positive land value would be achieved. In addition, LBBD would suffer substantial abortive costs as mentioned in option B above.

3.5 **Option E - Terminate Wates contract, seek a planning consent starting site in Q2 2025**

3.5.1 In addition to security from the end of demolition to the start on site for a new scheme, pursuing this option does also mean forfeiting of the costs to planning of circa £5m, the Wates s1 contract fees of £5,877,892, s2 costs abortive design works of circa £3m and the CIL floorspace offset of £1.2m.

3.5.2 A new planning consent for the scheme would have to be applied for complying with all new regulations. In addition, our EA has estimated the second staircase will add 1%, sustainability 6-10%, and building Regs changes 5-7%. There would be further additional costs associated with the Building Safety Act.

3.5.3 The grant programmes are always changing and grants rates can be reduced. The increased challenges that this period of high inflation has brought to the sector regarding project viability issues being faced by Councils and Housing Associations, Social Housing Grant will be very sought after as organisations seek to keep their development plans moving. Ongoing conversations with the GLA will take place to maximise the amount of grant going into the scheme.

3.5.4 As well as the delay to the delivery of new homes current estimates from our consultants show that build costs could increase further by 4.9% for Q2 2025 start on site. The build price put forward by F&G includes compounded interest to Q2 2025 plus additional costs for secondary staircases and costs for regulatory changes.

3.5.5 Build cost estimate for this option as provided by our consultants is £170m. This option renders the project even more unviable.

4. **Consultation**

4.1 The Gascoigne East 3B development proposal itself has been through extensive pre planning and planning consultation.

4.2 The Council's Investment Panel considered and endorsed the proposals at its meeting on 16 August 2023.

5. **Commissioning Implications**

Implications completed by: Rebecca Ellsmore, Strategic Head of Place and Development

5.1 This phase of the Gascoigne East renewal programme has faced significant viability challenges. However, the report sets out a range of steps that can improve the

viability position to a point where the decision to proceed is recommended to Cabinet.

- 5.2 This decision does have implications for the future pipeline of schemes, in particular through the use of the substantial levels of Right to Buy receipts. However, the importance of this phase of development to the wider Gascoigne Estate renewal programme is recognised and the use of right to buy receipts to support this is again recommended.
- 5.3 The proposed steps to improve viability also have implications for Reside in terms of reduced operating costs and accelerated lettings. The need for improvements in both these areas is recognised and plans are already in place to pursue this improvement. This will be monitored by the commissioning leads but remains a risk until it is achieved.
- 5.4 The phase is now proposed to provide 100% affordable housing. Future phases will need to ensure that the wider Estate still accommodates a mixed tenure community.

6. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager and Jo Moore, Interim Strategic Director (S151 Officer)

- 6.1 The changes put forward in this report have resulted in GE3b becoming marginally viable, compared to the significantly unviable proposal agreed by Cabinet in October 2022. The key reasons for improved viability are the reduced interest rate, significant increase in Right to Buy receipts, agreeing service charges being charged for LAR properties and tightening cost at handover and for operational spend.
- 6.2 Potentially rents could improve as a result of the other Gascoigne developments and interest rates could improve which would further benefit the overall viability of the scheme and this will be closely monitored.
- 6.3 Further details of the financial implications are set out in Appendix 1, which is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7. Legal Implications

Implications completed by: Dr Paul Feild, Principal Standards & Governance Lawyer

- 7.1 This development has been considered by the Cabinet in April 2021 and again in October 2022 where a change in the building contract to Building Excellence was agreed. Further work has been carried out including the substantial decanting of the occupiers at the time. However since the scheme was envisaged, circumstances have placed even more pressure on the costs of the development principally but not exclusively construction inflation due to costs of, and scarcity of the necessary

components to build new homes affecting, logistics, raw materials, energy, professional services and workforce. Furthermore, the regulatory regime regarding issues relating to building safety is in flux with regard to the requirement for second staircases in buildings above a specified height. It is understood that the GLA approval was granted before it determined a local policy of requiring two staircases for buildings above 30 metres. For these reasons this report rightly updates the Cabinet of the changes which will impact on the cost of delivery of the development.

- 7.2 At this stage it must be flagged up that while the development scheme is compliant, the signalled potential change in the regulatory framework for building and environment is significant regarding requirement of double staircases. The GLA is requiring new buildings above 30 metres in height to have two staircases to as one of their requirements for stage 2 approval. However, a picture is emerging that the Secretary of State may set a lower height to 18 metres for new-builds. Clearly the Council will need to consider whether it will still wish to proceed with current single staircase design. Delay in proceeding with the development will mean that these changes will impact significantly on the project with substantial extra costs due to changes in methods and construction and need to get compliance with the revised planning regime.
- 7.3 Originally the contract to the contractor was awarded off one of the Be First Frameworks. It has now been changed to a JCT - Constructing Excellence form of contract. The revised arrangement does enable the council to reconsider its options due to the rise in construction costs.

8. Other Implications

8.1 Risk Management

8.1.1 In terms of the main risks, these are summarised below:

- Below ground unknowns – risk retained by ourselves retained as just antiquities (this is a standard JCT clause) – surveys do not show any issues so risk relatively low.
- Statutory Services/other requirements – this is a contractor risk item.
- District heating derogations – this is a contractor risk item.
- Soft/hard landscaping – agreed saving to tender but subject to planning. Agreed extra over cap to cover any planning risk of £500k which is covered in our contingency. The instruction is to design a scheme to the agreed budget and this element will be monitored on an open book basis. Our exposure is capped to £500k.
- Dry lining – agreed a saving to the tendered sum of £1m as we believe this can be achieved with hoped for tender softening in 2024. This is covered in our contingency but will be monitored on an open book basis if tender saving does not materialize. Our exposure is capped at the £1m.
- Supply chain insolvency – for additional saving we agreed to cover £500k for this item. This is incorporated in the contingency but will be monitored on an open book basis should any events occur. Our exposure is capped at the £500k.
- Reinforcement quantities and BSA are contractor issues.
- Force majeure are part and parcel of any JCT contract.
- Future employer led changes – we will not be making any changes without making a saving.

- Inflation is capped within the £148m and anything above is a contractor risk.

8.1.2 As mentioned above the risk work carried out suggests that a £6m project contingency additional to the contract value is appropriate, which represents a 4% contingency. The three main risks are incorporated in the table below.

Risk Item	Project contingency sum
	£6m
Risk Item 1 - Soft/hard landscaping	Capped at £500k
Risk Item 2 - Dry lining	Capped at £1m
Risk Item 3 – supply chain insolvency	Capped at £500k
Balance of project contingency	£4m

- £2m of this has come from a quantified risk register and £4m is general project contingency. Those items are currently have a green RAG rating.
- Utilisation of the full contingency allowance has been assumed in the viability assessment.
- Approval is requested for the contract value only but the Council should note that holding up to £6m in contingency is a prudent approach.
- The approach will be to minimise any spend of this contingency.
- Should any contingency draw-down be required the usual CRF process will be followed.
(Note: the £6m contingency sits within the total scheme costs of £174,657,138).

8.2 **Contractual Issues** – a Deed of Variation will be required to adjust the contract sum and dates.

8.3 **Property / Asset Issues** – all properties will be transferred to Reside to manage.

Public Background Papers Used in the Preparation of the Report:

“Gascoigne East Phase 3B Development” report to Cabinet, 18 October 2022 (Minute 43)
(<http://modgovapp.barking-dagenham.gov.uk/ieListDocuments.aspx?CIId=180&MIId=12607&Ver=4>)

List of appendices:

- **Appendix 1:** Additional Financial Information (exempt document)

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

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CABINET

19 September 2023

Title: Development of Land at Beam Park, Dagenham – Revised Proposals	
Report of the Cabinet Member for Regeneration and Economic Development	
Open Report with Exempt Appendix 1 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Wards Affected: Beam	Key Decision: Yes
Report Author: Lizzie Tobin, Development Manager, Be First	Contact Details: E-mail: elizabeth.tobin@befirst.london
Accountable Director: David Harley, Interim Development Director, Be First	
Accountable Strategic Leadership Director: James Coulstock, Interim Strategic Director, Inclusive Growth	
<p>Summary</p> <p>Beam Park is the strategic development by Countryside Properties (CPUK) straddling former Ford land in both Barking and Dagenham and Havering proposing 3,900 homes and a wide range of other facilities. It lies adjacent to Dagenham Green – the former Ford Stamping Plant coming forward for a further 3,502 homes. Beam Park is one of the Borough’s Transformation Areas set out in the draft Local Plan, moving away from low density industrial space to new communities with significant open space and green links, community and commercial facilities and new schools.</p> <p>By Minute 34 (20 October 2020), Cabinet approved the purchase of up to 936 homes over three phases (then known as phases 3, 4 and 5 - now known as phases 6, 7 and 8) on the western side of Beam Park (adjacent to Dagenham Green) for a mixed tenure scheme. This was based on a fixed price for the homes but with indexation added for construction inflation. The total development cost without indexation was £309,354,140. The Development Agreement was subsequently entered into with CPUK which provided flexibility over the units per phase given it was acknowledged CPUK were going to seek to increase unit numbers as part of detailed planning.</p> <p>CPUK are now intending to provide 520 units in Phase 6 and 335 units in Phase 7. There will be a Phase 8 but if the Council wanted to purchase units in that phase it would be subject to a further, separate Cabinet report.</p> <p>As of October 2020, the financial metrics for scheme viability were very positive. The assessment at the time considered a range of sensitivities. Unfortunately, the dire economic conditions since that time, especially related to construction inflation and interest rate rises, have combined to substantially worsen the scheme viability. Whilst remaining with a positive Net Present Value (NPV) the particular issue is cashflow in the early years following completion. Be First has been working with the Council and CPUK to consider a range of options to address the cashflow issue. These changes are set out</p>	

in the report and, if adopted, significantly address cashflow issues for Phase 6. Phase 6 would move to a completely affordable tenure scheme to benefit from grant and use of Right to Buy receipts.

With limited Right to Buy receipts and ongoing construction inflation, it is not possible to achieve a positive cashflow for the early years for Phase 7 unless additional grant or loan funding was secured from elsewhere. As the Council does not have available funding from mainstream public sector funding sources which are viable and reasonably satisfactory for the purposes of that phase of development, it is recommended the Council confirms that it is not able to meet the Funding Condition and, therefore, is not able to proceed with the acquisition of Phase 7 properties.

This paper sets out the implications of various changes to the viability. All the changes recommended in section 2 of the report relating to Phase 6 need to be agreed as a whole in order to achieve the metrics set out in Appendix 1. Be First and the Council will continue to have conversations with the GLA and CPUK to improve viability further.

Recommendation(s)

The Cabinet is recommended to revise the previous decision taken under Minute 34 (20 October 2020) as follows:

- (i) Agree the viability improvement measures set out in the report to enable the acquisition of 520 units within Phase 6 of the Beam Park development (excluding commercial units) from CPUK on a turnkey basis for an estimated total price of £166.4m and total scheme cost (including interest) of £183.5m;
- (ii) Allocate up to £36.4m of Right to Buy receipts to ensure positive cashflows for Phase 6 of the Beam Park development;
- (iii) Approve a handover loan to Reside of £114,356,401 to develop, own, let, sell, manage and maintain the Phase 6 properties in accordance with the funding terms set out in the report;
- (iv) Note that the revised proposal for Phase 6 of the Beam Park development meet the IAS return metrics, producing a Net Present value of £38,943,950;
- (v) Agree to confirm to CPUK that as the Council was unable to meet the Funding Condition within the Development Agreement in respect of Phase 7 of the Beam Park development, the Council was not able to proceed with the acquisition of properties within that phase; and
- (vi) Note that should additional grant or loan funding be secured which provided a positive cashflow for Phase 7 of the Beam Park development, a further report would be submitted to Cabinet.

Reason(s)

The proposal delivers new homes contributing to the following priorities set out within the Corporate Plan:

- Residents benefit from inclusive growth and regeneration.

- Residents live in, and play their part in creating, safer, cleaner and greener neighbourhoods.
- Residents live in good housing and avoid becoming homeless.

The scheme accelerates the delivery of new homes adding to the Council's residential portfolio with new energy efficient stock.

1. Introduction and Background

- 1.1 The Greater London Authority own the freehold of the former Ford Paint, Trim and Assembly (PTA) site and selected Countryside (CPUK) and L&Q as Development Partners in 2016. CPUK secured outline planning permission in 2019 for 3,000 homes with 50% affordable across eight phases. Substantial progress has been made on the Havering side of the development and the first phases in Dagenham with work also commencing on a new park alongside the River Beam (the borough boundary).
- 1.2 In October 2020 Cabinet agreed to purchase up to 936 homes on the western most part of the site. This would bring forward homes quicker than CPUK had planned and would contribute significant new stock across a range of tenures for Reside. The Development Agreement entered into with CPUK recognised they would seek to increase the number of units through planning. Over 3,900 homes are now proposed in total however instead of three phases of 936 units the offer is two phases totalling 855 with the potential for a future decision on the third phase.
- 1.3 The agreement with CPUK set a fixed price for each unit of different tenures but as delivery would take a number of years, the agreement added BCIS construction index inflation rates (indexation) to the cost up to a fixed date for each phase. Building Cost Information Service's construction inflation index is a well-used index as it compiles data from a wide range of sources to give a well sourced construction inflation rate. Such an index was utilised to prevent extended debates over specific scheme pricing. Unfortunately, with the war in Ukraine, Brexit/labour and supply chain issues and the energy crisis – the cost of both labour and materials has resulted in construction inflation being substantially above the standard assumptions that were used widely across the development sector. As part of the appraisal informing the 2020 Cabinet decision, construction inflation of £25,111 per unit was assumed (this followed industry standards at the time) – unfortunately the figure has been £69,856. The Delegated Authority assumed 3.2% inflation when the figure has been 23.2%. No further construction inflation can be applied to the works price of Phase 6 however for Phase 7 indexation would continue until December 2025.
- 1.4 Alongside this there has been a significant increase in interest rates – this does not change the proposed payments to CPUK but the higher interest costs challenge the overall scheme viability and particularly cashflow. Higher inflation has also impacted the operational costs (Opex costs) of managing and maintaining completed housing units which has similarly impacted on overall viability and cashflow.
- 1.5 Rents have increased since 2020 however nowhere near enough to counteract the changes in construction inflation, interest rates and operational costs. This has

moved the scheme from far exceeding the Investment and Acquisition Strategy metrics to having negative cashflows in the early years.

- 1.6 The Council has paid the first payment for Phase 6 covering design work and surcharging the land but has yet to confirm the ‘funding condition’ for Phase 7. This means if CPUK continue to meet their obligations in the agreement if the Council pulled out of Phase 6 it would as a minimum lose the amount paid to date (£25,621,299). Given the funding condition for Phase 7 there would not be any significant costs associated with not proceeding if the Council shows it cannot access the funding.
- 1.7 The scheme remains the same in terms of design quality and materials. The scheme will have second staircases.
- 1.8 Be First will continue to have discussions with the GLA on the potential for additional grant, replacing right to buy receipts with grant at the same level or interest free loans to support viability.
- 1.9 Whilst there is ongoing discussion about the proposed Beam Park station, phases 6 and 7 are considerably nearer the existing Dagenham Dock station and Peabody are required to provide an early walking route through to the station avoiding the need to go via Chequers Corner.
- 1.10 Beam Park is within close proximity to two other Be First ‘turnkey’ schemes – the former Job Centre Plus site on Chequers Lane (now operational and known as Kerwin House) and the former Transport House, which is under construction.

2. Proposal and Issues

2.1 Proposals for improving cashflow – Phase 6

- 2.1.1 Over recent months Be First has been working with the Council and CPUK to look at what factors can improve scheme viability, especially addressing the issue of negative cashflow in the early years. Some measures which improve the early years cashflow actually worsen the total scheme viability. The measures set out below all contribute towards improving viability and achieving the metrics set out in Appendix 1. These are a package of measures and would all need to be agreed for Phase 6 to be considered viable in the context of the financial metrics set out in the Council’s Investment and Acquisition Strategy (IAS):

2.2 Phase 6 proposed tenure / unit mix and Removal of Commercial space from LBB purchase

- 2.2.1 The proposal is to acquire of 520 units within Phase 6 of the Beam Park development (excluding commercial units) from CPUK on a turnkey basis. The tenure and unit mix is shown in the table below:

	1b1p	1b2p	2b3p	2b4p	3b4p	3b5p	4b5p	Total
Affordable Rent	15	102	69	44	15	20	0	265
Shared Ownership	5	64	3	2	32	17	11	134
London Living Rent	1	35	2	8	13	0	0	59
London Affordable Rent	0	18	10	11	21	2	0	62
Total	21	219	84	65	81	39	11	520

2.2.2 The ground floor spaces of both Phases 6 and 7 includes some commercial and community space. Whilst in time and with the significant growth in population in the area these units would probably attract good tenants and good rents, the challenge is the early years and the implications on cashflow. Excluding them from the purchase from CPUK means the commercial and community units would still be delivered but the Council would not have control over them (other than through planning) or gain income from them. Given the main viability challenge is early years cashflow, excluding them reduces the total cost paid by £1.9m and improves cashflow by c. £650,000 cumulatively over the first 10 years.

2.3 Apply Service Charge to LAR homes

2.3.1 Currently service charges apply to all Reside tenures except for London Affordable Rent (LAR) units. Applying service charges to LAR units is the standard across Boroughs and Housing Associations. Applying service charge to the 121 LAR units will improve the first 20 years' cashflow by £6.2m. In reality for many tenants the service charge costs would be covered by benefits however not applying service charges where there clearly are service charge costs means the scheme viability and cashflow is significantly worsened. New tenants will be made aware of this change.

2.3.2 The LAR rent and service charge cost combined generally total less than Local Housing Allowance and therefore should be covered by benefits as required by the residents, noting service charge has been applied equally to all units in the appraisal whilst in reality this should be apportioned by floor area such that the smaller 1B1P units are charged appropriately less than the 3B5P units. The current Reside service charge costs are higher than the benchmark rates which equate to £29.90 per week.

As at 2023	1B1P	1B2P	2B3P	2B4P	3B4P	3B5P
Market Rent	£290.00	£325.00	£370.00	£410.00	£420.00	£460.00
LHA	£207.12	£207.12	£264.66	£264.66	£316.44	£316.44
LAR Rent	£180.12	£180.12	£190.72	£190.72	£201.30	£201.30
Service Charge	£36.03	£36.03	£36.03	£36.03	£36.03	£36.03
Combined cost to tenant	£216.15	£216.15	£226.75	£226.75	£237.33	£237.33
£ variation to LHA	+\$9.03	+\$9.03	-\$37.91	-\$37.91	-\$79.11	-\$79.11
% of market rent	74.5%	66.5%	61.3%	55.3%	56.5%	51.6%

2.4 Tenure Switch of all market rent units to affordable rent and utilising Right to buy receipts

2.4.1 The Council is able to utilise its Right to Buy receipts to cover 40% of the construction cost of affordable housing units (but not market rent). Given this, cashflow is substantially improved by switching all the market rent units to affordable rent (at 80% of market rent) and utilising £36.4m of Right to buy receipts. Whilst this phase of the scheme would move from being mixed to all affordable, there are a mix of affordable tenure types and the wider Beam Park development will have a diverse mix of tenure types. Marketing and securing tenants for the 80% units will be easier and help support very early occupation of units post completion.

2.4.2 Whilst the use of Right to buy receipts radically improves scheme viability, a key issue is that right to buy receipts are finite and this scheme alongside Gascoigne 3B and other commitments would utilise the whole existing amount and the predicted sums for the next few years. Given the current viability challenge with schemes, the argument is to utilise Right to Buy receipts for Beam Park Phase 6 and Gascoigne 3B to enable schemes to proceed and avoid substantial abortive costs whilst focussing on improving scheme viability for the future pipeline.

2.4.3 The tenure for Phase 6 would be 265 affordable rent units (at 80% of market rent), 134 Shared ownership units, 59 London Living Rent units and 62 London Affordable Rent units.

2.5 **Negotiate GLA grant for LAR and LLR units**

2.5.1 The Council/Be First had secured GLA grant for 126 LAR homes at Phase 6, which involved the conversion of units acquired as LLR units instead delivered as LAR. The proposal to the GLA is to apply the same grant rate per unit on the 59 LLR units acquired but with their delivery tenure remaining as LLR, thereby remaining GLA funded units but improving the scheme viability.

2.6 **Adjusting rental assumptions**

2.6.1 Adjusting the assumption for rental growth rate for affordable rent units (80% of Market Rent values) up from 2% to 2.5% is seen as a realistic long-term assumption which improves viability. This does not account for a 'regeneration premium' whereby as Beam Park/Dagenham Green are developed out with parks, opens spaces, facilities and new schools then there is strong evidence that there would be an additional premium on the rents over and above market growth. Any 'regeneration premium' would improve viability further.

2.7 **Reducing Operational Costs**

2.7.1 Operational (opex) costs for looking after the properties post completion that are used in the latest financial model are significantly higher than the assessment made at the time of entering into the Development Agreement. This reflects inflation as well however they are significantly above benchmark levels for Opex costs elsewhere but do reflect current expenditure on similar Reside schemes. It is proposed to model Opex costs at this higher level until 2028 but then move to benchmark rates plus 20%. This gives time to achieve operational efficiencies. This also helps Reside's business plan. Given this issue is critical across the portfolio, it will need to be a key focus for the Council, Reside and Be First in the coming months.

2.8 **Interest rate at 4.5%**

2.8.1 The significant increase in the national base rate over the last 18 months has obviously fed through into the Public Works Loan Board rate. Utilising an interest rate of 4.0% for LAR, LLR and SO tenures and 5% for affordable rent achieves the metrics in Appendix 1.

2.9 Options Rejected

2.9.1 Be First/LBBD has also considered CPUK's offer to exclude one or more cores in each Phase for them to retain as market sale housing. Whilst this reduces the total amount of borrowing required it produces a more complicated scheme in terms of ownership and management and does not overall address the cashflow issue.

2.10 Phase 7

2.10.1 All the above options have been considered for Phase 7 however there are not enough available Right to Buy receipts to enable Phase 7 to be anywhere near cashflow positive. In addition, under the Development Agreement the construction inflation indexation continues for Phase 7, therefore uncertainty over the final price remains.

2.10.2 The Funding Condition in the Development Agreement requires that the Council has sufficient 'Financial Resource' for the construction costs of a Phase. Financial Resource is defined as: *funding from mainstream public sector funding sources available to LBBD (or other sources where the same are viable for the purposes of the Development) on terms which are reasonably satisfactory to LBBD for the purposes of LBBD funding the acquisition of the proposed Sections within a Phase Proposal.* The Council will only borrow from PWLB if it is confident it can meet the borrowing requirements and the significant early years negative cumulative cashflow means the project is not in that position.

2.11 Termination

2.11.1 Gowlings WLG have provided legal advice for LBBD and Be First. There is no route to termination of the acquisition of Phase 6 under the Development Agreement providing CPUK are meeting their obligations as on signing the Development Agreement the Phase Plan and Funding Condition were approved for Phase 6. £25,621,299 has already been paid to CPUK for them to commence surcharging and design work. There is no mechanism for this money to be returned to LBBD if we do not proceed with the acquisition. CPUK are not in breach of the Development Agreement and although there are long stop dates so far these have not been reached or have been reasonably extended by 'Delay Events' under the Development Agreement. If CPUK were to fail to satisfy the conditions under the Development Agreement, they are contractually obliged to return the money with interest.

2.11.2 Other abortive costs include £1,387,598 of spent costs and the £359,279 of interest accrued to date and separately the £15,170,400 of grant received from the GLA (held by Council but not spent) would need to be returned. In addition, further legal costs would likely be incurred especially if litigation is required as CPUK could seek specific performance under the contract.

2.11.3 Phase 7 is different as the Council now has the option to respond to the 'Funding Condition' in the Development Agreement saying finance cannot be secured on terms reasonably satisfactory to LBBD to proceed. Under the Development Agreement further timeframes to negotiate would be triggered but ultimately if a solution cannot be reached the acquisition of Phase 7 can be terminated. There would be minimal abortive costs with no money yet paid to CPUK for the Phase.

3. Options Appraisal

- 3.1 The report sets out the Council's options in terms of proceeding or not proceeding with Phases 6 and 7. In order to reduce negative cashflow in the early years, all the elements set out in section 2 need to be adopted to collectively address the cumulative negative cashflow of Phase 6. Do nothing is not an option – the Council needs to confirm whether it wishes to proceed with Phase 6 and Phase 7 with the implications of termination set out in paragraph 2.11.

4. Consultation

- 4.1 The Beam Park development proposal itself has been through extensive pre-planning and planning consultation.
- 4.2 Investment Panel have been engaged throughout the summer and at its meeting on 16 August 2023 agreed for the report to come to September Cabinet.

5. Commissioning Implications

Implications completed by: Rebecca Ellsmore, Strategic Head of Place and Development

- 5.1 The Beam Park turnkey schemes were set to provide 936 new homes. However, if approved, the recommendations in this report will reduce this to 520 new homes. Whilst this reduction is disappointing, the viability position for the units in phase 7 as set out in the report cannot be supported and there is therefore little option but to withdraw from this phase.
- 5.2 The viability on phase 6 remains challenging and the recommended steps set out in the report will all need to be pursued in order for the scheme to meet the required IAS metrics. These steps do have implications for the future pipeline of schemes, in particular through the use of the substantial levels of Right to Buy receipts. However, given the amount of money already committed to phase 6 the use of Right to Buy receipts on this phase is recommended.
- 5.3 The proposed steps to improve viability also have implications for Reside in terms of reduced operating costs and accelerated lettings. The need for improvements in both these areas is recognised and plans are already in place to pursue this improvement. This will be monitored by the commissioning leads but remains a risk until it is achieved.
- 5.4 The phase is now proposed to provide 100% affordable housing. The Council does not have any interest in further phases but it is anticipated that other owners/developers will provide alternative tenures ensuring that the wider development accommodates a mixed tenure community.

6. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager and Jo Moore, Interim Strategic Director (S151 Officer)

- 6.1 The changes put forward in this report have resulted in Phase 6 of the Beam Park development being marginally viable, compared to the significantly viable proposal agreed by Cabinet in October 2020. The key reasons for the reduced viability are the build costs. To resolve these issues, options have been put forward to improve the viability of this scheme and all of these options need to be agreed.
- 6.2 Even with applying the same options to Phase 7 of the Beam Park development, that phase remains unviable according to the metrics within the Council's Investment and Acquisition Strategy (IAS). It is therefore proposed that CPUK are advised that the Council will not proceed with the acquisition of properties within Phase 7.
- 6.3 Beam Park Phase 6 can proceed with a significant number of risks and concerns. The expected positive cashflows that were originally forecast for this scheme are now relatively small but remain positive, albeit that a significant amount of grant and Right to Buy receipts are required to retain the viability of this turnkey scheme. These measures will impact significantly on the Council's ability to agree future pipeline schemes.
- 6.4 The proposals is that Cabinet agree the acquisition of the 520 units from CPUK on a turnkey basis for an estimated total price (excluding commercial) of £166.4m and total scheme cost (including interest) of £183.5m and allocate up to £36.4m of RTB receipts to ensure positive cashflows. The net borrowing position would be £114.4m but the full amount would need to be borrowed during the construction phase.
- 6.5 Potentially, rents could improve as a result of the other development in this area and interest rates could improve which would further benefit the overall viability of the scheme and this will be closely monitored.
- 6.6 Further details of the financial implications are set out in Appendix 1, which is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7. Legal Implications

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

- 7.1 The nature of this report is to set out how the circumstances have changed since the proposal to acquire properties at Beam Park was presented to the Cabinet in October 2020.
- 7.2 Essentially the formula agreed between the Council and the Developer Vender within the Development Agreement allows for the cost of construction rises due to

inflation to be added to the contracted purchase price. Advice has been sought by Be First from Gowlings Solicitors with regard to the rise in costs and the Council's options with regard to its obligations regarding acquisition of homes from the phases 6,7 and 8 of the Beam Park development. It can be summarised as the Council's options are limited in that, while there is no legal binding obligation to proceed with phase 8, and potentially so too with phase 7 on current metrics, that is not the situation with phase 6. There will be a cost of £25.63m in the form of a non-refundable deposit if the Council decided not to proceed with phase 6 (see paragraph 2.11 above).

- 7.3 The Council finds itself with two difficult options. It can either lose a significant sum of money with no tangible benefit or continue with the purchase of phase 6 for the revised increased sum. As the cost rise is due to construction inflation, this cost impact is an economic externality universal to all builder developers and will affect all current housebuilders. Alternatively, to terminate the arrangement with the forfeit of the deposit would not appear to be a prudent use of public funds because while the expenditure of the purchase of homes from phase 6 would cease to be a commitment there will have been a significant exit cost for no return and which will need to be accounted for. While the 2020 decision had delegated decisions to officers, the circumstances have changed so significantly the advice to the Investment Panel that the right course was to return this matter to Cabinet so an informed decision can be made.

8. Other Implications

- 8.1 **Risk Management** – For Phase 6 there is no further construction inflation. The Construction risk lies with CPUK. Many of the measures set out in the body of this report (especially in relation of opex costs) require the Council, Reside and Be First to work closely together. This will be monitored via the Regeneration Delivery Working Group.
- 8.2 **Contractual Issues** – The Development Agreement between CPUK and LBBD has been entered into with advice from Gowlings. As set out in the report, contractually LBBD is committed to the Phase 6 purchase and would, as a minimum, lose the amount paid providing CPUK meet their obligations. For Phase 7, as the Funding Condition has not been met the Council has the ability to confirm it cannot provide the funding. The Council is to use reasonable endeavours to source Financial Resource for the proposed development of Phase 7 for the period of 40 Working days from receipt of the proposal.
- 8.3 **Property / Asset Issues** – Following completion the purchased units would be transferred to a Reside entity.
- 8.4 **Corporate Policy and Equality Impact** - The scheme addresses the following key Council priorities:
- Residents benefit from inclusive growth and regeneration.
 - Residents live in, and play their part in creating, safer, cleaner and greener neighbourhoods.
 - Residents live in good housing and avoid becoming homeless.

The delivery of high quality new affordable homes is a key Council priority which will improve residents' health and wellbeing. The project delivering 520 affordable

homes meets a significant number of residents needs and will deliver a range of positive outcomes. Lettings/allocation will be in line with Council and Reside policies which has been assessed for equality impact. The design of the scheme has addressed equality through the planning process.

Public Background Papers Used in the Preparation of the Report:

“Development of Land at Beam Park, Dagenham” report to Cabinet, 20 October 2020
(Minute 34)

(<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=180&MId=10816&Ver=4>)

List of appendices:

- **Appendix 1:** Additional Financial Information (exempt document)

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

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CABINET

19 September 2023

Title: Re-Procurement of Leisure Services Contract	
Report of the Cabinet Member for Community Leadership and Engagement	
Open Report with Exempt Appendix 4 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Wards Affected: None	Key Decision: No
Report Author: Sarah Ryan, Corporate Investment and Contract Manager	Contact Details: E-mail: Sarah.ryan@lbbd.gov.uk
Accountable Director: Hilary Morris, Commercial Director	
Accountable Executive Team Director: James Coulstock, Interim Strategic Director, Inclusive Growth	
<p>Summary:</p> <p>This report sets out the procurement strategy for the provision of a new leisure services contract operator. The Council's current operator has invoked a break clause in the current concession contract procured in 2017 and so will be exiting the contract with effect from 14 September 2024. Therefore, the Council needs to undertake a procurement exercise to select a new operator and award and mobilise a new contract in advance of this exit date.</p> <p>The scope of service is the management of:</p> <ul style="list-style-type: none"> • Abbey Leisure Centre • Becontree Heath Leisure Centre • Jim Peters Stadium <p>The main outcomes being sought in the procurement are:</p> <ul style="list-style-type: none"> • Maximise the financial return to the Council for the operation of the centres; • Increase overall activity levels of residents, but to focus on increasing activity levels and reducing levels of inactivity amongst those people with the lowest activity rates. This will support the improvement of health outcomes, both mental and physical, amongst the most deprived areas of the borough. <p>The contract term being procured is for 10 years with the potential extension option for a further 5 years, subject to satisfactory performance.</p> <p>The services specification will be developed to ensure the centres are managed against industry best practice and will include specific requirements to manage and maintain the centres to certain standards. The services specification and contract will be based on</p>	

Sport England standard templates, which are known to the market and will therefore ensure a time efficient process.

The specification will be aligned to supporting the Council to meet its outcomes under the Council's vision to make Barking and Dagenham "A place people are proud of and want to live, work, study and stay".

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a Leisure Services Contract in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Inclusive Growth, in consultation with the Cabinet Member for Community Leadership and Engagement, the Strategic Director, Finance and Investment and the Chief Legal Officer, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements to fully implement and effect the proposals.

Reason(s)

The leisure centres play a vital role in supporting the borough's residents live a healthy and more active lifestyle and, as such, the Council is committed to the on-going operational running of the leisure centres. The leisure centres support the following Council priorities:

- Residents live healthier, happier, independent lives for longer;
- Residents prosper from good education, skills development, and secure employment;
- Residents live in, and play their part in creating, safer, cleaner, and greener neighbourhoods.

1. Introduction and Background

- 1.1 The Council is seeking a new leisure operator for its leisure services to ensure that it can continue to provide high-quality and affordable leisure services for residents as well as provide a financial return to invest in core services.
- 1.2 The Council had previously contracted the incumbent provider to manage the leisure centres under a concession contract in 2017. The term was 10 years plus 5. However, following the loss of income resulting from the Covid lockdowns and increasing energy costs associated with the war in Ukraine, the provider has stated that they could no longer afford the concession contract payments to the Council and gave 18 months' notice to terminate the contract. The notice period ends 14 September 2024.
- 1.3 Therefore, the Council needs to undertake a procurement exercise to appoint a new operator to commence at the end of the current contract.

- 1.4 The Council has commissioned Max Associates, a local authority leisure consultant, to manage the end-to-end procurement and selection process as well as compiling an in-house project team. Max Associates provide subject matter expertise on the leisure market and will project manage the procurement process as well as support the Council throughout the procurement.
- 1.5 To support the procurement strategy, a PIN notice was issued on 27 June 2023 together with a soft market test questionnaire. Five leisure management organisations responded to the questionnaire and their responses have informed this procurement strategy.

2. Proposed Procurement Strategy

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

- 2.1.1 The specification follows the Sport England standard 'leisure operating contract' specification and is being made bespoke to the requirements of the Council. The three main centres include:
- Abbey Leisure Centre
 - Becontree Heath Leisure Centre
 - Jim Peters Stadium
- 2.1.2 The contract will have the ability to vary into the scope of services and include the Riverside Leisure Centre, if it is built and commences operation within the contract period but will not be required to appoint the winning bidder to run the Riverside Leisure Centre should it decide an alternative provider is better placed for that facility.
- 2.1.3 As part of the tender, the Council will confirm that it may be willing to provide funding for investment into the centres if there is a financial incentive to do so. This would be applicable, for instance, if additional capital investment could improve the Council's financial return or provide access to better services for residents. One example of this could be capital investment made to make the centres more energy efficient as a way to reduce energy costs over the longer term. Any investment would have to be paid back during the contract term and include the cost of capital (base rate plus 3%). This will be set out in the tender information for suppliers.
- 2.1.4 The specification sets out the Council's expectations in a number of areas including, but not limited to:
- Strategic objectives of the Council,
 - Services requirements (for example, minimum opening hours, pricing, safeguarding, H&S etc.)
 - Asset requirements (for example, building maintenance, environmental management, pool water quality etc.)
 - Performance management and reporting
 - The specification focuses outcomes to be achieved on the following:
 - Maximise financial return
 - Innovation and rejuvenation of Jim Peters Stadium
 - Increasing in participation, particularly under-represented groups

- Meeting health outcomes (for example, exercise on referral programmes)
- There is a comprehensive list of KPIs being included, based on:
 - Participation - based on gender, age, ethnicity, disability, deprivation.
 - Strategic outcomes - customer satisfaction, financially and environmentally sustainable facilities, increases in activity levels from underrepresented groups, social value.

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

2.2.1 Contract value has been assessed as the annual contract turnover x [10 plus 5] years.

2.2.2 Based on the annual turnover as at 2022/23, in addition to the draft business plan for the new Barking Riverside site, the value of the contract is listed as £8m per annum.

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

2.3.1 The contract will be 10 plus an optional extension of 5 years, commencing 15 September 2024.

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

2.4.1 This contract was previously awarded as a concession contract, procured under the Concession Contracts Regulations 2016. However, the market appetite for risk has altered since 2017 which has been evident in new contracts procured by other Local Authorities over the last couple of years, as well as the soft market testing that was undertaken. This made clear that some of the risks the Council transferred are no longer likely to be accepted by the market and, therefore, in order to secure a new operator the Council would have to take on some additional liability as has been set out below.

2.4.2 Given the risk balance between the parties has changed, it is considered the new contract should now be procured under the Public Contracts Regulations 2015. Some examples of the changes in risk are:

- Building structure and major equipment end of life replacement will be the Council's responsibility as it was under the previous concession contract.
- Utility tariff risk will remain with the Council (subject to any small cap and collar) although the operator will retain the consumption risk. The operator will have to use B&D Energy as a supplier for at least gas and preferably electricity as well.
- The local government pension risks of the 44 staff who are known to have a LGPS, will remain with the Council. This risk includes any increase in employer contribution rate (subject to any small cap and collar), any funding deficit at the beginning and end of the contract (ie. the operator paying all their employer contribution rates and not adversely impacting the fund, for example excessive pay rises, early redundancies.)

- Any impact of future COVID / pandemic legislation on closures / reduced occupancy of centres.

2.4.3 The soft market testing substantiated that if these risks do not remain with the Council, the response to the opportunity from the market is likely to be severely restricted, if not zero.

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

2.5.1 **Procurement routes** - There are various operator procurement procedures available to Councils to appoint a leisure operator.

Procurement Route Options:

- **Open Procedure** – this is a one stage process whereby bidders submit both selection questionnaire (SQ) and tender at the same time. You are not able to negotiate with bidders; they simply price against a fixed contract / specification, although the Council can clarify responses.
- **Restricted Procedure** – this is a two-stage process where the SQ is issued first followed by the tender. Some of the SQ questions are scored. The top 5-8 suppliers are invited to tender should they pass the SQ and scored questions. You are not able to negotiate with bidders; they simply price against a fixed contract / specification, although the Council can clarify responses.
- **Competitive Procedure with Negotiation** – can include a negotiation stage, Council reserves the right to award after ‘initial tenders’.
- **Competitive Dialogue** – for complex procurements, where it is difficult to define the whole specification, for example, projects including new build leisure centres; this project is not really ‘complex enough’ to warrant this procedure.
- **Concession contract** – like car parking concession, all / most risk with operator, specification very flexible, most likely where there is a payment to the Council.
- **Light Touch Regime** – there are no set procedures to be adhered to, however, need to ensure that bidders are treated equally when structuring the tendering stage.

2.5.2 A detailed assessment of each of the above procurement route options is set out at **Appendix 1**.

2.5.3 In light of the detailed assessment and following project team discussion, the officer recommended approach is for an OPEN process.

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

2.6.1 The contract will be based on the Sport England template leisure operating contract:

- LSDG Appendix 3 - Leisure operating contract
- LSDG Appendix 2 - Performance monitoring system
- LSDG Appendix 8 - Services Specification

2.6.2 The invitation documents will be based on Council standard documents, where available, but Sport England templates and ITT will be used, bespoke to LBBB requirements.

- LSDG Appendix 9 –SSQ template and guidance
- LSDG Appendix 10 – ITT template and guidance

2.6.3 This will ensure that a market standard approach is used (apart from LBBB project specific requirements). Therefore, the procurement will be able to be completed in the timescales required.

2.6.4 Leases for the Council’s leisure centres will be provided to the operator, giving them the right to deliver the services from the centres.

2.6.5 There will be a performance management system in place, which provides the opportunity for the Council to remedy and, if necessary, terminate as a result of any poor performance.

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

2.7.1 The specification focuses outcomes to be achieved on the following:

- Maximise financial return
- Innovation and rejuvenation of Jim Peters Stadium
- Increasing in participation, particularly under-represented groups
- Meeting health outcomes (for example exercise on referral programmes)

2.7.2 There is a comprehensive list of KPIs being included, based on:

- Participation; based on gender, age, ethnicity, disability, deprivation.
- Strategic outcomes; customer satisfaction, financially and environmentally sustainable facilities, increases in activity levels from underrepresented groups.

2.7.3 The contractor must report back on the KPIs on a quarterly and annual basis.

2.7.4 Each year, they must develop and agree with the Council an annual service plan, setting out the services’ priorities for the following year, based on the Council’s priorities, best practice and previous years’ performance, (to ensure continuous improvement).

2.7.5 Core participation KPIs are set out below.

Core Measures				
KPI	Description	Source	Time period	Analysis
Total members	Total number of members visiting the centre	Leisure Management system feed	Last Quarter vs Same Quarter previous year	% change
Total casuals		Proxies for unique participant equivalent calculation	Last Quarter vs Same Quarter previous year	% change

Core Measures				
KPI	Description	Source	Time period	Analysis
Gender Breakdown Male Female Other	Total number of members and casuals visiting the centre split by gender category	Leisure Management system feed	Last Quarter vs Same Quarter previous year	vs Local Catchment (20min drive time) Numbers and %
Age breakdown: 16-24 25-34 35-44 45-54 55-64 65-74 75-84 85+	Total number of members and casuals visiting the centre split by age category	Leisure Management system feed	Last Quarter vs Same Quarter previous year	vs Local Catchment (20min drive time) Numbers and %
Ethnicity breakdown: White Mixed Asian or Asian British Black or Black British Other Ethnic Group	Total number of members and casuals visiting the centre split by ethnicity	Leisure Management system feed	Last Quarter vs Same Quarter previous year	Numbers and %
Disability breakdown: Long term pain Chronic health condition	Total number of members and casuals visiting the centre registered disabled.	Leisure Management system feed	Last Quarter vs Same Quarter previous year	Numbers and %
Deprivation levels (1-10) based on postcode	Total number of members visiting the centre split by deprivation levels	Leisure Management system feed	Last Quarter vs Same Quarter previous year	Numbers and %
Total throughput	Total number of visits to the centre including members and casuals	Leisure Management system feed	Last Quarter vs Same Quarter previous year	% change
Baseline activity / facility area level	E.g. pools, gym, stadium etc	Leisure Management system feed	Last Quarter vs Same Quarter previous year	% change
Frequency of activity *inactive (less than 30 mins per week) -> less than 1 time per week *fairly active (30 mins – 149 mins per week) -> 1-1.5 times per week		Leisure Management system feed (participants)	Last Quarter vs Same Quarter previous year	% change

Core Measures				
KPI	Description	Source	Time period	Analysis
*active (150 mins or more per week) -> 1.5 times or more per week				

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

2.8.1 The evaluation criteria (price / quality) will be:

- Price – 60%
- Quality – 30%
- Social value – 10%

2.9 How the procurement will address and implement the Council’s Social Value policy

2.9.1 This contract will contribute to the Council’s Social Value Policy as 10% of the weighting will be for Social Value and tenderers responses will be marked against their commitments in working with the Council to meet its Borough Manifesto goals. Any commitments made by the successful supplier will be monitored throughout the contract as part of the general contract management to ensure these commitments are delivered within the agreed timeframes.

2.10 London Living Wage (LLW)

2.10.1 A requirement to pay, as a minimum, the London Living Wage to all employees working under this contract is included in the specification / contract.

2.11 How the Procurement will impact/support the Net Zero Carbon Target and Sustainability

2.11.1 In September 2023, Cabinet is due to be presented for approval the Council’s Zero Carbon Road Map. The Road Map will be shared with suppliers as part of the procurement process and their proposals on how they will support the Council to achieve its targets will be evaluated.

2.11.2 The leisure centres have high carbon emissions, particularly the pools. The services specification includes the Council’s targets and as part of the tender, Suppliers’ quality method statement shall include:

- how suppliers will support the Council meeting its targets; and
- investment proposals for the centres which will reduce carbon emissions, for example ASHPs, PVs etc.

3. Options Appraisal

- 3.1 The incumbent provider has terminated the existing contract. Therefore, the Council has the option of bringing the services in-house or re-procuring a new contractor within a relatively short timescales to meet the contract end date.
- 3.2 A detailed assessment of the advantages/disadvantages of both options are set out in **Appendix 2**.
- 3.3 In-house management is not deemed viable due to lack of internal resource and capacity to manage the service going forward as well as the fact that all risks associated with running the leisure services including trading, operating, management and maintenance would also be transferred back to the Council. There would also be significant one-off costs to bring the service in-house, particularly for instance in setting up the infrastructure and technology needed for payments, booking and management of memberships.
- 3.4 The external contractor option will transfer a significant amount of risk to the operator and guarantee a fixed management fee for the contract term. External contractors are more commercially focused than in-house operations and the contract and specification will be drafted to meet the Councils outcomes and priorities and ensure quality of service delivery.
- 3.5 Based on the advantages and disadvantages of each option, it is recommended that the Council re-procure the leisure management contract.

4. Waiver

- 4.1 Not applicable.

5. Consultation

- 5.1 The proposals in this report were considered and endorsed by the Procurement Board at its meeting on 21 August 2023.

6. Corporate Procurement

Implications completed by Sam Woolvett, Category Manager, Procurement

- 6.1 A full, Open tender process is likely to yield the best value for money for this requirement.
- 6.2 This approach complies with LBBDD's Contract Rules. As the value of this procurement exceeds the threshold for services under the Public Contracts Regulations 2015 (the Regulations), an FTS and Contracts Finder notice will be placed, and timelines and standstill periods will be adhered to.
- 6.3 Corporate Procurement will be assisting with the tender process.

7. Financial Implications

Implications completed by: Sandra Pillinger, Group Accountant

- 7.1 Under the current contract, the leisure operator receives all the income from leisure centre users and bears all the operating costs. The Council receives a fixed management fee from the operator and does not incur any cost. The fee was fixed at the start of the contract in 2017. This was re-negotiated to a lower value after the COVID pandemic as the leisure operator was unable to make the original fee payments because of reduced income.
- 7.2 The financial climate has changed considerably since the procurement of the leisure contract in 2017 and it is unlikely that the re-procurement will achieve similar levels of income to that which were due to be received under the current contract.
- 7.3 **Appendix 4** sets out the anticipated annual fee income from 1 April 2023 to the end of the revised contract – this information is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 7.4 The sums shown in Appendix 4 will no longer be received in full as the existing provider has given notice that it will be terminating the contract early on 14 September 2024. It is anticipated that the existing provider will continue to pay the fee income due until this date.
- 7.5 The Council's Medium Term Financial Strategy (MTFS) has not yet been updated to take into account a potential reduction in income. A reduction in income will have an adverse impact on the Council's finances and will increase the level of savings required to achieve a balanced budget.
- 7.6 Under the re-procured contract, the new operator will pay a fixed fee to the Council. The level of this fee will be determined by the successful bidder, so is not yet known. As part of the tender process, each bidder will provide estimates of income and cost over the life of the contract and the forecast surplus after taking their base level of profit. It is this estimated surplus which will be paid to the Council as a fixed fee. If the actual surplus is more than forecast, then this is subject to a profit-share arrangement, although there is no guarantee that the contract will perform above forecast.
- 7.7 The re-procured contract differs to the current contract in that certain aspects of financial risk have been passed to the Council. There is no budget provision for these costs.
- Changes in utility costs due to price fluctuations will be borne by the Council, subject to a cap and collar.
 - The pension risk of the leisure staff in the LGPS will remain with the Council. Should the employers' contribution to the pension fund increase then the Council will need to pay this cost, subject to a cap and collar.
 - The risk of a shortfall in income due to a potential future pandemic will be met by the Council. The details of this arrangement are being worked through.

- 7.8 A capital investment of approx. £1m is planned for the leisure centres' heating systems in order to reduce energy consumption and costs. The investment was to be funded from borrowing and repaid with interest of 3% from energy cost reductions, if realised, experienced by the leisure provider over a twenty-year period. There will need to be a repayment mechanism set out in the contract with the new operator for the Council to be able to recover the cost of the investment if energy consumption is reduced as anticipated. The Council does not have a budget for the planned investment, so costs will need to be recovered from future operators in full.
- 7.9 If the Operator can demonstrate that further capital investment in the leisure centres will improve the Council's financial return, then LBBB may consider funding this cost. Any investment will need to be repaid by the operator, including interest at base rate plus 3%.
- 7.9 The costs of the re-procurement process has been estimated at £60k. This will be funded from the £200k early termination fee payable by the incumbent provider.

8. Legal Implications

Implications completed by: Ian Chisnell, Locum Major Projects Lawyer

- 8.1 The Council has power under s 19 of the Local Government (Miscellaneous Provisions) Act 1976 to provide sports and leisure facilities and assistance to others in providing them.8.2. It also has the general power of competence available to it under s1 of the Localism Act 2011.
- 8.3 The current provider running the leisure centres referred to in this report has issued a notice of termination and it is proposed to procure a new provider in accordance with the detail in the report.
- 8.4 Any such procurement must be tendered in accordance with the provisions of the Public Contracts Regulations 2015 (as amended), the detail of which is set out in the report.
- 8.5 The staff currently employed will have rights under TUPE in relation to employment and may have rights under the Fair Deal, as referred to in paragraph 9.2 below.
- 8.6 As the current contract has been terminated, the new contract must be set up and mobilised by the termination date, or there will be no contractual provision for the running of the leisure centres.

9. Other Implications

- 9.1 **Risk and Risk Management** - There is a detailed risk register which is being managed through the project team. Some elements of risks management are captured within the proposals set out in this paper.
- 9.2 **TUPE, other staffing and trade union implications** - TUPE is likely to apply between the incumbent operator and the new operator. If the incumbent operator is awarded the new contract, TUPE will not apply.

The TUPE relationship is between the inbound and outbound contractor. However, the Council is not in a position to warrant the TUPE information as there is no employer/employee relationship between the Council and the employees. This means the Council must rely on contractual clauses to ensure the outbound provider supplies that data accurately in order to enable bidders to properly price for employment costs.

Pensions are outside the scope of TUPE. However, the Council has to observe what is known as the 'Fair Deal' described in the Cabinet Office Procurement Policy Note 05/14. This means the pension position of former Council employees is protected on a TUPE transfer regardless of how many transfers have taken place.

It is understood from the incumbent provider that 44 staff are still members of the local government pension scheme. An actuarial valuation is being prepared and will be used to advise the Council of the employer contribution rate for the suppliers to use for tendering purposes.

Any new operator will need to be or become an admitted body to the pension scheme or provide an equivalent pension, the latter of which is highly unlikely. The market will not accept any pension fund risk and will only bid based on the following assumptions:

- the fund is fully funded at the time of transfer,
- that they commit to pay the employer contribution rate and not take any action to negatively impact the fund (for example make any staff redundant with early redundancy benefits or give large over market position pay rises).
- Employer contribution rate increases remain the risk of the Council (subject to any cap or collar mechanism included in the contract).
- If they pay all employer contributions, they will have no risk for any fund deficit at the end of the contract.

9.3 **Corporate Policy and Equality Impact** – An Equality Impact Assessment has been undertaken and is set out at **Appendix 3**.

The successful tenderer will be required to have its own comprehensive set of supporting policies including disciplinary, safeguarding, training, induction processes etc. in accordance with industry best practice.

Further the overall equalities requirement sets out that the services provided must adopt a holistic and inclusive approach to equality of access and participation for all users, regardless of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

The Operator must employ sufficient staff, coaches and instructors currently qualified to promote and foster an inclusive approach to the provision of services with appropriate equality and diversity training, disability inclusion training and specialist training for staff delivering instruction or classes.

All new staff will be required to undergo equality and diversity training and disability inclusion training prior to commencing work within the facilities. All staff delivering

services are required to undergo regular (at least once every two years) recognised equality and diversity training and disability inclusion training.

The Operator will be required to submit their Equalities Policy for review before the commencement of the Contract, whenever the policy is amended and whenever deemed necessary by the Local Authority during the Contract term.

The Operator shall be required to undertake equalities monitoring of its staff and of users of the services, at least annually and in accordance with all relevant data protection legislation.

9.4 Safeguarding Adults and Children - The specification sets out the profile of the borough showing:

- 24% of children live in low-income households.
- 55% of the people live in the 20% most deprived areas.
- People from lower income area are less active; 46% of those people from NEC 6-8 meet the recommended levels of physical activity (England average 53%).

A concessionary pricing scheme is to be in place for those people where price is a barrier to using the leisure centres. Elderberry and Price for Life memberships will be protected.

The KPIs which the operator must report on, set out in the table in paragraph 2.7 above, includes demonstrating the number of members using the centres from the most deprived areas and the annual service plan will set out how this participation will be targeted and increased.

9.5 Health Issues - Only 45% of females in Barking and Dagenham meet the recommended levels of physical activity (England average 61%). 71% of adults are classified as overweight or obese and 33% of year 6 children are classified as overweight or obese – both of which are much higher than England averages.

The operator must demonstrate how they will positively impact these health inequality statistics through the operation of the leisure centres and increase the levels of overall participation.

The Operator shall develop an annual Active Communities Plan in partnership with the Local Authority's Public Health team which clearly identifies how any agreed outputs will be achieved. This plan will be monitored and reviewed by the Local Authority on a quarterly basis.

9.6 Crime and Disorder Issues - Under the social value section of the services specification, the Operator must work with the Council and other partners to provide diversionary activities designed to help reduce levels of crime, disorder and anti-social behaviour by people in Barking & Dagenham.

9.7 Property / Asset Issues - The services specification and leases will set out the maintenance split between the Council and the operator.

The Council shall maintain, repair and replace the following items of the Facilities so that they remain structurally sound, wind protected and watertight:

- The structure of the buildings, to include foundations and underground services (excluding those belonging to statutory undertakers), structural steelwork and concrete, load bearing walls and beams (but not the plastered surfaces or finishes of such walls and beams), external walls, roofs, ramps, staircases and floor structure (but not the tiles, surfaces or coverings)
- Access roads, kerbs, car parks and external drains
- External landscaping and pathways
- Renewal / replacement of plant, assets and equipment listed in the Appendix - Lifecycle Replacement Responsibility Schedule (of the specification) as being the Local Authority's responsibility.

Therefore, the Council will retain asset management responsibility – as it has under the current contract - and will need resources to monitor the new operator to ensure it is fulfilling its contractual obligations.

- 9.8 **Business Continuity / Disaster Recovery** - The operator will be obliged to have available for the Council to review its own emergency and business continuity plan.

In the services specification, the Council has the right to use the Facilities as emergency centres for any borough emergency. The Operator's staff would be expected to assist with the setup of any centres as a rest centre and provide further assistance in any way for which they are qualified during the emergency.

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

List of appendices:

- **Appendix 1:** Detailed assessment of procurement route options
- **Appendix 2:** Options Appraisal assessment
- **Appendix 3:** EIA
- **Appendix 4:** Concession Fee income under Current Contract (exempt document)

Procurement Route Options

Procurement procedures	Description	Appropriate for this project?
Open (RECOMMENDED)	Single stage process, all documentation sent out to all bidders who express an interest. Bidders submit SQ and tender together and there is no opportunity to negotiation or dialogue. Risk for bidders is that they have to submit a tender, not knowing if they will pass the SQ stage and so could be un-attractive to the market.	<p>Potential – All 5 suppliers who submitted a response to the soft market testing indicated they were likely to bid for this tender (subject to appropriate risk transfer).</p> <p>In an open tender, this would create significant work for the project team to evaluate all the tenders.</p>
Restricted	The procedure is designed as a two-step process. While a shortlist of bidders (at least five) may be invited to tender (following the supplier qualification (SQ) stage), there is only one round of bids and no mechanism for dialogue, negotiation or de-selecting after pre-qualification. Ideally the Council would want to negotiate price / risk with selected bidders to ensure best value.	<p>Potential – this two stage process reduces the risk as set out above. However, there is a risk that in a complex service, as leisure is, where the Council is trying to balance risk and financial reward, a best value contract will not be gained with no opportunity to negotiate at any stage with bidders.</p>
Competitive procedure with negotiation (CPN)	<p>This allows greater flexibility and may be a three-step process. The process permits (but does not require) negotiation to take place between the Council and bidders.</p> <p>Bidders are pre-selected at SQ and requested to submit initial tenders. The ITT specifies the areas open to negotiation. Following submission of initial tenders, the Council can accept one or go through to negotiation and then ask bidders to submit revised tenders. The Council can accept one of the revised tenders or ask for a final</p>	<p>Potential – This process allows for an initial and revised tender stage, which enables negotiation with top scoring bidders.</p> <p>However, there is the option to award directly after the initial tenders.</p>

Procurement procedures	Description	Appropriate for this project?
	<p>tender. The procedure should be justified and can be used when (for example.)</p> <ul style="list-style-type: none"> • A 'ready-made' solution does not exist • The Council requires 'innovative' solutions • The contract requires negotiation due to the specific nature, complexity, or legal or financial make-up of the contract it the risks attached to it. <p>It is a competitive process where negotiations are carried out with bidders left in the process following the SQ stage.</p> <p>Minimum bidders – 3</p>	
Competitive dialogue procedure (CDP)	<p>This is the procedure reserved for the most complex of procurements and allows stages of dialogue between the Council and bidders to determine a solution.</p> <p>The key feature of the competitive dialogue process is that it allows the Council to enter into dialogue with bidders to develop solutions to meet its needs.</p> <p>Dialogue usually consists of meetings with each bidder to focus on the different aspects of the procurement which relate to the price and risk of the bidder's solution.</p> <p>Therefore, there is a SQ stage, then bidders are invited to tender and they will have an opportunity to feed into aspects of the services specification. The Council can then make amendments to the ITT before initial tenders are submitted.</p>	<p>Unlikely - Project unlikely to be complex enough to require CD.</p> <p>These procedures can be very time consuming for bidders and the Council.</p>

Procurement procedures	Description	Appropriate for this project?
	<p>The Council may de-select bidders following evaluation of initial tenders, then enter into further dialogue to submit detailed solutions. Further dialogue with selected bidders at this stage occurs and then Final tenders are submitted once dialogue is closed.</p> <p>Further the Council can 'optimise' final tenders and negotiate with preferred tenderers. (Unlike the CPN procedure).</p>	
Concession	<p>A services concession contract is where the supplier is offered the opportunity to exploit the service included in the contract together with a payment provided that 'the award of the contract shall involve the transfer to the concessionaire of an operating risk in exploiting the service encompassing demand risk' and 'the part of the risk transferred to the concessionaire shall involve real exposure to the vagaries of the market, such that any potential estimated loss incurred by the concessionaire shall not be merely nominal or negligible' – i.e. the opportunity associated with the management of the leisure centres, and that the risks associated with this are also transferred to the contractor.</p> <p>Comes under the Concession contract regulations 2016 (CCR 2016) – where operational risk is transferred to the contractor and payment is based wholly or in part on the contractor's right to exploit the service. Common example is a car park concession.</p> <p>The process is quite flexible – no set procedures to follow and the design of the most appropriate procurement process is left to the Council. There are</p>	Unlikely , as it not believed sufficient risk transferred to the operator.

Procurement procedures	Description	Appropriate for this project?
	<p>however a number of principles that have to be followed. (E.g. transparent, avoid distorting competition, etc)</p> <p>The risk of using a Concession approach, is having a heavy services specification / contract in which the Council share a degree of risk in which case it could be considered a services contract.</p>	
Light Touch regime	<p>There are no set procedures to adhere to in a light touch regime, but Councils need to ensure that bidders are treated equally and in practice the Council can adapt one of the above procedures on a voluntary basis and structure the tender as it wishes, considering the overall nature of the contract.</p> <p>The documentation issues should set out the process being used so bidders understand how the tender will be managed.</p>	No - Legal advice is that leisure services do not fall under this regime.

The most typical leisure contract procurements include dialogue / negotiation. The pros and cons of the Restricted, Open and CPN procedures are set out in the table below. The concession / light touch regime may follow either of the processes.

OPEN PROCEDURE	
PROS	CONS
<ul style="list-style-type: none"> • Is a 1 stage process. • Can be completed in a timely manner. • Suitable where this is a clearly defined specification / contract and little / no investment required in the centres. 	<ul style="list-style-type: none"> • A one step process, with a busy market, may deter some (potentially strongest) suppliers from tendering, if they know everyone who passes the SQ will have their tender evaluated. • With no negotiation, although the Council can clarify responses, risk that tenders received are all not suitable / affordable, or the investment proposals received, the Council doesn't like.

RESTRICTED PROCEDURE	
PROS	CONS
<ul style="list-style-type: none"> • Is a 2 stage (not 3 stage) process. • Can be completed in a timely manner. • Suitable where this is a clearly defined specification / contract and little / no investment required in the centres. 	<ul style="list-style-type: none"> • Regulations state that the shortlist may not be less than 5 (provided 5 such organisations can meet the minimum requirements). This could be resource heavy (given response to SMT). • Negotiation is not permitted, although the Council can clarify responses. • With no negotiation, the risk that tenders received are all not suitable / affordable, or investment proposals received which the Council doesn't like.

COMPETITIVE PROCEDURE WITH NEGOTIATION	
PROS	CONS
<ul style="list-style-type: none"> • Includes options to allow the Council to tailor its procurement to meet its needs • Opportunity to accept initial tenders without any negotiation if the right to do this has been reserved in the contract notice. • A “fail safe” procedure if the Council is uncertain as to whether negotiations are needed. • If the Council so chooses negotiation/amendment is permitted to all elements of the tenders except for the award criteria or minimum requirements of the Council. 	<ul style="list-style-type: none"> • Following submission of final tenders no negotiation or clarification of tender submissions is permitted: preferred bidder negotiations are expressly prohibited. • Can take longer to complete than restricted / open process

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Detailed Options Appraisal

Option	Financial	Quality	
External Contractor	Advantages <ul style="list-style-type: none"> • Undertake a competitive process to manage services. • Gain the benefits of organisation already set up to maximise VAT and NNDR efficiencies. • More commercial with health and fitness membership sales swimming lesson income, catering and retail • Economies of scale in purchasing utilities, R&M contracts, fitness equipment etc. • Profit share mechanism in place. (Although if contract doesn't perform to projections, no benefit to the Council.) • The Council has an agreed management fee profile, which gives budget certainty and ability to plan for the long term. • Can deliver, large scale development projects and will provide the Council with cost certainty for a project or scheme. (Funding would be from the Council). 	Advantages <ul style="list-style-type: none"> • An output-based contract can be developed linked to current Council priorities, so the Council does not need to be involved in day-to-day operations. • Links with NGBs, suppliers and other physical activity providers in implement new programmes / activities across their portfolios • Head office specialists enable operations to be the 'latest' in the market. Enables best practice from several contracts to be disseminated across facilities. • Likely to be better placed to successfully operate in a competitive commercial fitness market. • Branding and marketing strong. • Generally, have well-structured Quality Management systems covering general operations, H&S, all product areas etc. 	Risks <ul style="list-style-type: none"> • A contract and specification that ensures roles and responsibilities are clearly defined between the parties. • Income risk and some expenditure risk transferred to the operator. • Partners unlikely to accept risk on utilities tariffs, LGPS pension contributions; NJA salary rises above inflation and building structure of older buildings. • Contracts will include pandemic related clauses, with risk remaining with the Council. • Financial risk premiums built into the tender price
	Disadvantages <ul style="list-style-type: none"> • Will want a contract / risk profile to protect against impact of Covid or similar circumstances in the future. 	Disadvantages <ul style="list-style-type: none"> • It can be harder to work with other partners effectively; other Council 	Other Considerations <ul style="list-style-type: none"> • The Council will have to undertake a compliant procurement procedure to select a new operator.

Option	Financial	Quality	
	<ul style="list-style-type: none"> Changes to the specification / contract require a variation that can affect the management fee and can incur legal costs. The Council is obliged to fulfil its responsibilities or be subject to a claim from the operator. 	departments, education, sports partnerships etc.	<ul style="list-style-type: none"> Cost of procurement and monitoring; officer and external support Timescales – c.12 months including mobilisation.
In-house	Advantages	Advantages	Risks
	<ul style="list-style-type: none"> Council does not pay for any risk premiums, can easily change service inputs to meet budgetary requirements. Share support costs with other departments. Effective purchase ledger and accompanying budget monitoring systems in place. Lower costs in providing capital if the Council has access to it. In-house teams are able to secure and support external commissions from partners such as Public Health Benefit from new VAT guidance treating leisure services as 'non-business'. 	<ul style="list-style-type: none"> Increases Council control over leisure services. More effective cross department working; public health, education, open spaces and community development. Officers have autonomy to make local decisions. Members / officers feel that they 'own / have control' of the services. Changes in priorities can be implemented quickly. Joined up service provision for residents. In-house teams can deliver a wider range of service offerings including sports development/outreach, health interventions, library services, cultural services and special events. 	<ul style="list-style-type: none"> All control and risk - including trading, operating and management and maintenance risk would remain with the Council.
	Disadvantages	Disadvantages	Other Considerations
	<ul style="list-style-type: none"> Higher staffing costs due to Council terms and conditions. Increased costs due to staff being able to access the LGPS. Additional resource may be required within the Council to support the contract e.g., HR and finance. 	<ul style="list-style-type: none"> Limited access to the benefits of developing new opportunities and from economies of scale and also to the wider knowledge gained by experienced operators for innovation and development. Can be slower to react to introduce income generating schemes. 	

Option	Financial	Quality	
	<ul style="list-style-type: none"> • In-house management is unlikely to enable the local authority to have financial certainty in relation to the cost of the service due to the lack of a contractually fixed cost or management fee. • Budget set year on year and may be subject to reductions with changing priorities of Council or central government. • Central/support costs of the Council can be arbitrarily included in leisure budgets and disproportionate to overall service delivery. • Any savings made within the service will go to the general fund and may lead to a reduced budget in the following year, not re-invested into the service / facilities. • Cost management can be inhibited by having to use local authority systems and reporting. • No 'sinking' fund in place for future lifecycle building works and equipment replacement. • Significant one-off cost to transfer the service back in-house 	<ul style="list-style-type: none"> • Sufficient resource required to support service delivery and wider outcomes such as sports development. • Without a defined specification, service delivery is often based upon short term priorities. • Often behind in industry innovation and new market led products, (for example, ICT initiatives). • The Council can be slow to react to implement change and is less able to react quickly to a highly competitive fitness market. • Reporting is predominantly about financial and usage performance as opposed to outputs and impacts of the service. 	

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Community and Equality Impact Assessment

As an authority, we have made a commitment to apply a systematic equalities and diversity screening process to both new policy development or changes to services.

This is to determine whether the proposals are likely to have significant positive, negative or adverse impacts on the different groups in our community.

This process has been developed, together with **full guidance** to support officers in meeting our duties under the:

- Equality Act 2010.
- The Best Value Guidance
- The Public Services (Social Value) 2012 Act

About the service or policy development

Name of service or policy	Leisure services re-procurement 2023
Lead Officer	Sarah Ryan
Contact Details	Sarah.ryan@lbbd.gov.uk

Why is this service or policy development/review needed?
The current provider of Leisure Services has served an early termination notice, resulting in the need to reprocure a replacement service provider.

1. Community impact (this can be used to assess impact on staff although a cumulative impact should be considered).

<p>What impacts will this service or policy development have on communities? Look at what you know. What does your research tell you?</p> <p>Please state which data sources you have used for your research in your answer below</p> <p><i>Consider:</i></p> <ul style="list-style-type: none"> National & local data sets Complaints Consultation and service monitoring information Voluntary and Community Organisations The Equality Act places a specific duty on people with 'protected characteristics'. The table below details these groups and helps you to consider the impact on these groups. It is Council policy to consider the impact services and policy developments could have on residents who are socio-economically disadvantaged. There is space to consider the impact below.

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			Leisure facilities available for all residents across the borough	
Age	x			Ageing Well Programme includes activities for older residents	

			at the Leisure Centres, which are heavily promoted with sensitive marketing. Swimming for under 5s is also provided free of charge.	
Disability	x		Availability of adapted equipment	The current provider has an inclusive programme, in other words, a range of sessions where all abilities (disabled or non-disabled) are welcome to participate, with staff who endeavour to aid access and inclusiveness. This requirement will be replicated in the new specification. Adaptations to the buildings, gym & swimming pool have been made to facilitate access to as many participants as possible with accessibility and inclusivity in mind.
Gender reassignment		x		Risk of stereotyping, discriminatory attitudes and behaviours but only small as relies on disclosure of participant
Marriage and civil partnership		x	n/a	
Pregnancy and maternity		x		Sessions are provided to expectant mothers (off peak) to participate in Aquanatal an aquatic antenatal class, they too have access to any other facilities providing medically safe to do so in pregnancy. The only negative impact with current provisions is the lack of Creche facilities to allow Mothers to exercise with childcare facilities available in the centres.
Race (including Gypsies, Roma and Travellers)		x		Small risk of stereotyping, discriminatory attitudes and behaviours.
Religion or belief			x	Risk of stereotyping and discriminatory attitudes and behaviours. National and local research does demonstrate that some BME groups are generally underrepresented at leisure centres. However, there is currently little statistical data available that shows physical activity participation by different religious groups. Accessibility will be hindered by: Dress code e.g. some Muslim women choose to wear the 'jilbab' (longer outer garment) which covers the whole of the body other women may dress modestly. Women following the Muslim faith cannot engage in mixed gender sports and for many apprehensions about taking part stems from a fear of discrimination or of facing negative

				attitudes from service providers in relation to their religious and cultural needs. Risk that participation may dip or be hindered at times when religious festivals and periods of fasting are taking place. Women's only gym and swimming sessions have been introduced to try and overcome some of the religious barriers to participation.
Sex			x	We are aware that national trends indicate that there is a potential risk of under representation in sport participation from females, but the introduction of women's only gym and swimming session may improve participation in these areas.
Sexual orientation			x	Potential risk of stereotyping and discriminatory attitudes and behaviours (includes risk of being treated differently due to perceived sexual orientation, or the sexual orientation of those a person may associate with)
Socio-economic Disadvantage	x			National data demonstrates that lower income households are less likely to be physically active – there is current provision for concession memberships for those in receipt of Universal Credit. Free swimming sessions for children during school holidays, meaning all children regardless of family socio economic status can still participate in exercise whilst away from school. Children under 5 can swim for free at all times. Healthy Lifestyles Team work in collaboration with the Leisure Centres to encourage exercise and can make referrals for a 12 week free intro gym membership to aid weight loss/healthier living, unhealthy lifestyles and socio economic status generally go hand in hand.
Any community issues identified for this location?		x		

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.

If you have already undertaken some consultation, please include:

- Any potential problems or issues raised by the consultation
- What actions will be taken to mitigate these concerns

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?
Through KPI's and contract monitoring	Contract manager	LBBD
Feedback and surveys from users of the facilities	Quarterly	The provider

4. 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
Hilary Morris	Commercial Director	25.08.2023

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

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CABINET

19 September 2023

Title: Disposal of Council-owned Land at the Former Bull Inn Public House, Rainham Road South, Dagenham	
Report of the Cabinet Member for Regeneration and Economic Development	
Open Report with Exempt Appendix 2 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Wards Affected: Village	Key Decision: No
Report Author: David Harley. Interim Development Director, Be First	Contact Details: E-mail: david.harley@befirst.london
Accountable Director: David Harley, Interim Development Director, Be First	
Accountable Executive Team Director: James Coulstock, Interim Strategic Director, Inclusive Growth	
<p>Summary</p> <p>The former Bull Inn on Rainham Road South has, since being closed as a Public House several years ago, become an eyesore in a prominent gateway site into the Borough. Hollybrook, a developer who has worked with the Council and Be First on a number of schemes, has purchased the main site and is looking to secure planning approval to bring forward a proposed redevelopment. There is a small piece of land shown in Appendix 1 which is owned by the Council. The land has formed part of the former pub garden and it is highly likely that an adverse possession claim could be made arguing that the site forms part of the former pub. The land is not a 'ransom strip' as Hollybrook could simply develop a scheme excluding this land however its transfer would create a better quality of development with stronger frontage to the prominent roundabout, whilst its exclusion would produce an odd anomaly and likely generate additional maintenance costs to the Council.</p> <p>An independent valuation has been carried out confirming the market value of the site and Hollybrook has agreed to pay the market value together with the Council/Be First's costs. The purchaser would be a specific entity for the scheme – Rainham Road South Limited.</p> <p>Selling the land for its market value is a means by which the Council can help facilitate new development and associated benefits which will transform an eyesore site, delivering new homes and raising a small capital receipt and associated Council Tax.</p>	
Recommendation(s)	
The Cabinet is recommended to:	

- (i) Agree that the Council disposes of the area of land, as shown edged red in the plan at Appendix 1 to the report, to Rainham Road South Limited (a subsidiary of Hollybrook) on the terms set out in Appendix 2 to the report;
- (ii) Delegate authority to the Strategic Director, Inclusive Growth, in consultation with the Chief Legal Officer and the Cabinet Member for Regeneration and Economic Development, to agree the final terms and contract documentation to fully implement the sale of the site; and
- (iii) Authorise the Chief Legal Officer, or an authorised delegate on her behalf, to execute all the legal agreements, contracts, and other documents on behalf of the Council.

Reason(s)

The sale of the land will help facilitate the delivery of The Bull Inn redevelopment delivering an improved environment on a prominent site and contribute towards delivering new homes. Transferring the land will support the Council's Local Plan requirement to deliver homes and progress regeneration of a key transformation area. It addresses the following key Council priorities:

- Residents benefit from inclusive growth and regeneration
- Residents live in, and play their part in creating, safer, cleaner and greener neighbourhoods.
- Residents live in good housing and avoid becoming homeless.

1. Introduction and Background

- 1.1 The former Bull Inn public house site on the junction of Ballards Road and Rainham Road South is a prominent entrance gateway into the Borough, a few hundred metres from Dagenham East station and the site of Eastbrook Film Studios. Since its closure as a Public House around 2020, the site's appearance has steadily worsened and there have been issues of anti-social behaviour. It fails to present an attractive gateway into the Borough.
- 1.2 Be First have been approached by Hollybrook who purchased the site in 2022. They are a medium sized developer who developed the former Chequers Lane Job Centre Plus site which is now Reside's Kerwin House and they are currently constructing Transport House on New Road for LBBD/Be First. Hollybrook have purchased the former Bull Public House site and are submitting a planning application for its redevelopment for new homes. A public exhibition was held to gain residents views which have informed the development of the proposal.
- 1.3 A small (c 150 sqm) plot of land adjacent to Hollybrook's land holdings forms part of a wider Council land ownership. Whilst it is likely that an adverse possession claim could be made given there is photographic evidence of the land being part of the public house garden, Hollybrook would sooner the Council agreed to sell the land to facilitate a better-quality development.

2. Proposal and Issues

- 2.1 The proposed development on the Bull Inn Land strip is expected to accommodate around 72 homes with 35% affordable. Transferring the land will support the Council's Local Plan requirement to deliver homes and progress regeneration within a key transformation area. Be First's remit is to help facilitate and accelerate delivery of new homes and regeneration and the recommendation contributes towards this. Be First planning consultancy is working on the application for Hollybrook.
- 2.2 An independent valuation has been commissioned by Be First from local agent Glenny. The market value from the valuation is shown in Appendix 2, which is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Hollybrook has agreed to pay this price as well as fund the cost of the valuation, the Council's legal fees and other costs associated with any transfer.

3. Options Appraisal

- 3.1 **Do Nothing** - Not providing a lease or sale to Hollybrook would either result in them pursuing an adverse possession claim and potentially securing the site for nothing or them reconfiguring the scheme to exclude this small area of land resulting in a poorer quality frontage. The Council owned land previously was part of the pub garden, and the Council has not maintained it - if it were left outside the scheme there would be pressure for the land to be maintained. The land would not be large enough for an alternative use.
- 3.2 **Seek a premium over and above market value** - Given the size of the plot, the land has no alternative use and negligible value to the Council. It is not a ransom strip in the sense that without it Hollybrook could still develop the site – however without the land it would be a poorer quality development. A higher than market price proposal would mean Hollybrook would instead focus on adverse possession likely resulting in the Council having legal fees and not resulting in any land receipt.
- 3.3 **Market the Site** - The site could be marketed however given its small size it is extremely likely the only buyer would be Hollybrook and the Council would face additional costs for marketing alongside its own legal costs for the sale.
- 3.4 **Sell to Hollybrook for market value (proposed option)** - This option would help facilitate the development including generating additional Council tax and bring in a small capital receipt at no cost to the Council. Whilst the Council had not been maintaining the land, if it wasn't sold and the redevelopment occurred without the Council's land it is highly likely there would be a requirement to maintain the site adding to revenue costs.

4. Consultation

- 4.1 Hollybrook has carried out pre-application consultation on the proposals for the Bull Inn redevelopment including a public consultation exhibition held at the Old

Dagenham Methodist Church on Wednesday 12th October 2022. Consultation has been broadly positive; however there has been no separate public consultation regarding the land sale.

- 4.2 A Village Ward member has noted their opposition to redevelopment stating reasons including being too high, out of caricature [sic] for the area, an over development, no firm management of the blocks in the future regarding ASB, rubbish and fly tipping, cleaning, maintenance and general management as well as being too expensive for people on low wages to access. They are against selling any more land saying it has no benefit to those living in Village Ward or visiting the area.
- 4.3 The proposals in this report were considered and endorsed by the Assets and Capital Board on 9 August 2023.

5. Commissioning Implications

Implications completed by: Rebecca Ellsmore, Strategic Head of Place and Development

- 5.1 Inclusive Growth are satisfied that in isolation this land cannot deliver any significant community benefit. The best option is therefore to allow disposal in order that it can be combined with adjacent land and brought forward for residential development, improving what is currently a derelict site, bringing in private sector investment and helping to increase the supply of homes in the borough.

6. Financial Implications

Implications completed by: Alison Gebbett, Capital Accountant

- 6.1 This report proposes to sell a small patch of unused land to the developer of an adjacent site. The land currently has no alternative use as and is likely to be of little value to anyone other than the developer.
- 6.2 Going ahead with the proposed transfer will not only allow a better-quality development, it will ensure that there are no future maintenance cost burdens on the Council relating to the land and will generate a small capital receipt. Costs incurred in obtaining the valuation and legal costs will also be reimbursed to the Council under the proposed transfer.
- 6.3 Any receipt from the sale of land or property in excess of £10,000 is treated as a capital receipt under The Local Authorities (Capital Finance and Accounting) Regulations 2003. Capital receipts can be used to fund future capital expenditure or to reduce the Council's Capital Financing Requirement (CFR) borrowing liability.

7. Legal Implications

Implications completed by: Ann Towndrow, Property Lawyer, Legal Services

- 7.1 Under s123 of the LGA a local authority may dispose of land subject to a duty to obtain the best consideration reasonably obtainable. An independent valuation has been obtained and Hollybrook will be paying the market price plus costs.

7.2 In addition, the general power of competence under section 1 of the Localism Act 2011 provides the Council with the power to do anything that individuals generally may do. Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge or any of its functions, whether or not involving expenditure, borrowing, or lending money, or the acquisition or disposal of any rights or property.

7.3 The Council's Constitution, Part 4, Chapter 4 sets out the Land Acquisition and Disposal Rules. In accordance with paragraph 2.1, all strategic decisions about the use, acquisition and disposal of land and property assets with a value exceeding £5,000 are within the remit of the Cabinet.

8. Other Implications

8.1 **Risk Management** – If the recommendation is followed, responsibility for the site would fall to the new owners.

8.2 **Crime and Disorder Issues** – The redevelopment of the site should remove the anti-social behaviour issues on the current vacant site.

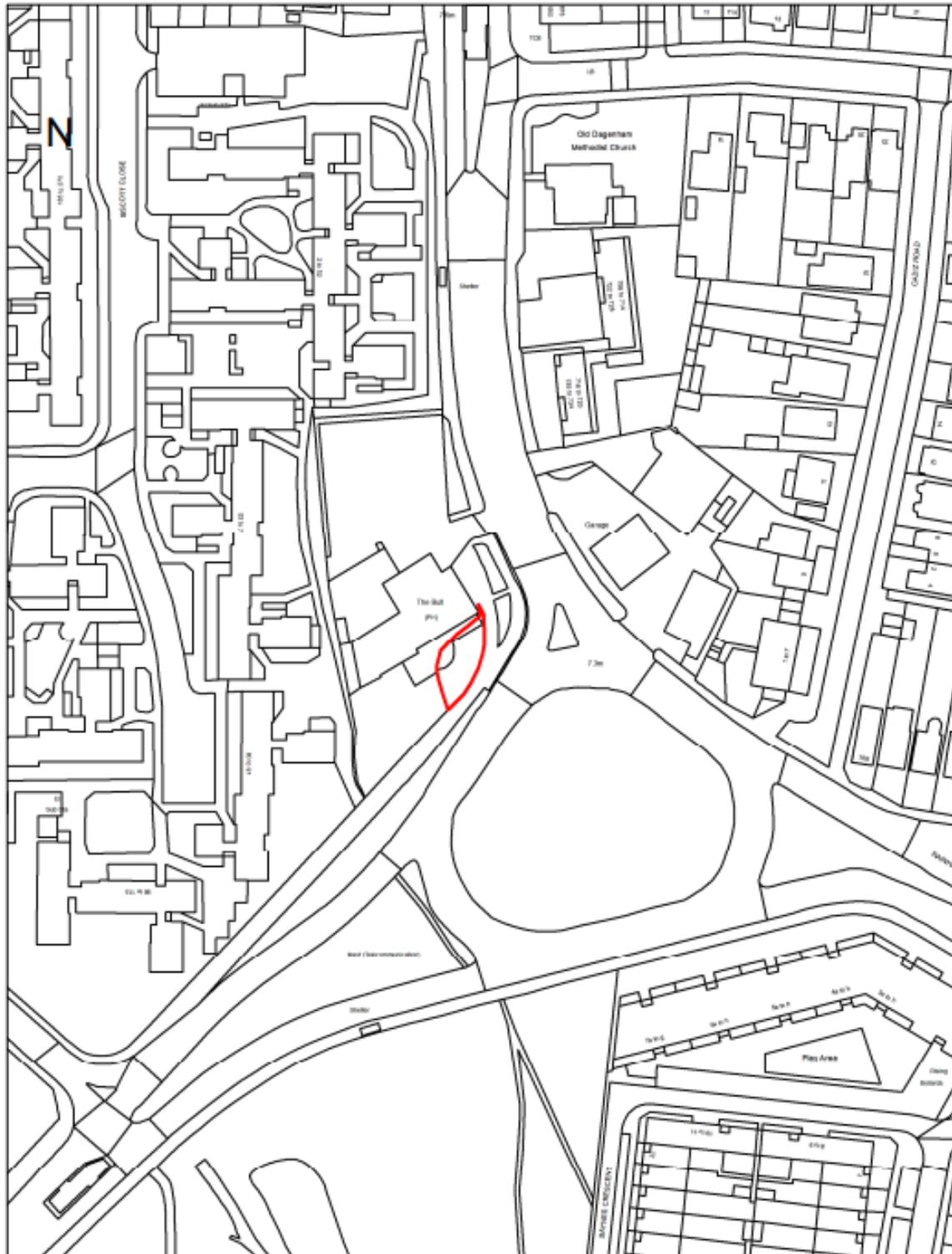
Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix 1:** The Bull Inn Land
- **Appendix 2:** Proposed sale terms (exempt document)

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LBBB Land to be Sold



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Land at Rainham Road South, Dagenham
Essex

**Barking &
Dagenham**

Town Hall, Barking Scale:- **1:1,250**
Barking, Essex produced By:- JRoach
Tel: - 020 8215 3000 Date - 30.08.2023



Area shaded orange - The Bull Public House owned by Hollybrook



Prehoarding photographs showing pub outside seating on LBB land

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

Document is Restricted

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CABINET

19 September 2023

Title: Annual Youth Justice Plan 2023/24	
Report of the Cabinet Member for Children's Social Care and Disabilities	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Angie Fuller, Head of Service Adolescent and Youth Justice Service	Contact Details: Tel: 020 227 5202 E-mail: Angie.fuller@lbbd.gov.uk
Accountable Director: April Bald, Operational Director Children's Care and Support	
Accountable Executive Team Director: Elaine Allegretti, Strategic Director, Children and Adults	
Summary	
<p>The Youth Justice Service is a multi-agency statutory service set up in line with the Crime and Disorder Act 1998 to deliver services to children involved in the criminal justice system. The Youth Justice Plan is an annual plan that reports on the work of the youth justice service within LBBD and the strategic management board that oversees this service. It highlights the performance of the team in meeting the three national performance targets and standards as well as local indicators and expectations.</p> <p>It is an annual report that is submitted to the Youth Justice Board in line with our conditions of grant to show how we are delivering youth justice services and meeting expected standards. It outlines the achievements of the service over the last 12 months and how this has impacted:</p> <ul style="list-style-type: none"> • First time entrants into the criminal justice service • Re-offending of children and young people • Reducing the numbers of children in custody <p>Overall, the service is positively impacting all three areas with all three performance indicators decreasing over the last five years but are still higher than London and National averages with regard to use of custody and first-time entrants.</p> <p>The plan sets out the priorities for the coming year and how they align with local and national priorities. Focus areas for the coming year are:</p> <p>Priorities</p> <ul style="list-style-type: none"> • Continued work focusing on reducing first time entrants and children in custody. • Continued focus on Education training and employment with a new education worker in post, ensuring good education, employment, and enrichment opportunities for young people with a focus on the expansion of the AQA accreditation. 	

- Develop targeted and effective interventions in collaboration with young people, particularly focusing on children with differing needs and young women and girls.
- Focused work on robbery, serious youth violence that also understand and young people as victims as well as perpetrators and links to substance misuse.
- Focus on achieving consistently good quality practice against all the practice standards. Meeting new KPIs and improved performance reporting through partnership engagement and delivery

Governance and partnership

- Involvement of young people at a strategic level on the board
- Embed anti -racist practice standards striving to achieve equity for our black and global majority children known to the Youth Justice Service.
- Improved partnership recording and sharing of information and impact of service delivery to inform wider issues affecting young people and to influence future work and commissioning.
- Strengthened quality assurance processes ensuring clear line of sight and understanding of quality of practice.
- Ongoing scrutiny of research and reports to inform the work of the board and the Youth Justice Service to ensure practice improvement is in line with most recent thinking and learning.

Recommendation(s)

The Cabinet is asked to:

- (i) Note the Barking and Dagenham Youth Justice Plan 2023/24 and the work of the youth justice service in addressing youth crime in the borough and the priorities for 2023/24, as set out in Appendix 1 to the report: and
- (ii) Recommend the Assembly to adopt the Barking and Dagenham Youth Justice Plan 2023/24.

Reason(s)

To assist the Council to achieve its priorities with regard to residents being safe, protected and supported at their most vulnerable, as well as helping children prosper from good education and skills development as well as living healthier and happier lives.

1. Introduction and Background

- 1.1 The annual Youth Justice Plan until this year has been a document agreed by the local multi agency youth justice management board and submitted to the Youth Justice Board in line with the conditions of grant and in line with the national expectations.
- 1.2 One of the expectations of the Youth Justice Board this year is that the annual plan is presented to and agreed by the Council. This is a new expectation by the Youth Justice Board who have also agreed that plans can be submitted once agreed by the Youth Justice management board with the expectation that it will also be ratified by the Council. This is the first year that this plan has been submitted to the Cabinet and Assembly.

2. Proposal and Issues

2.1 The proposal is that the Annual Youth Justice Plan is ratified and signed off by the Council with agreement that the priorities set out within the plan adequately address the needs of children and young people involved with the service. The service is meeting outcomes and delivering positively against national indicators with regard to:

- Reducing First time entrants into the criminal justice system
- Reducing re-offending by children and young people
- Reducing the use of custody for children

2.2 The plan is in line with national and local priorities and has been agreed at a partnership level. The plan outlines how it will continue to improve services where audit and quality assurance has highlighted areas for improvement and areas of future development to continue to improve the service. The plan clearly outlines the structure and financial envelope within which it works and delivers in accordance with these.

3. Options Appraisal

3.1 An options appraisal is not required due to the fact that this plan is an expectation of the Youth Justice Board who govern youth justice and set out the expectations for the delivery of youth justice services.

4. Consultation

4.1 Consultation on this report was completed with the Youth Justice Service management board and young people on 5 June 2023 and their ideas and comments have been included in the plan.

5. Financial Implications

Implications completed by: Paul Durrant, Finance Manager

5.1 The original 2023/24 annual budget plan for the Youth Justice Plan is £2.827m. The LBBD General Fund contribution is £1.663m, with further contributions from other parties listed below.

Agency	Total
Youth Justice Board	£505,789
Local Authority	£1,663,388
Police	£230,540
Police and Crime Commissioner	£200,000
Probation	£29,750
Health	£158,000
Other	£40,000
Total	£2,827,467

- 5.2 Recent correspondence from the Youth Justice Board states that they are increasing their contribution by a further £0.002m. LBBD is the custodian of the fund, with either direct funding provided from other parties or commitments to seconding their staff to the programme at level of funding stated.
- 5.3 The delivery of the programme is statutory under the Crime and Disorder Act 1998.

6. Legal Implications

Implications completed by: Nicola Monerville, Principal Solicitor

- 6.1 The local Youth Justice Plan is for review and consideration by the Council, setting out the work of the youth justice service in addressing youth crime in the borough and the priorities for the forthcoming year.
- 6.2 Part I, Chapter I, s.5 of the Crime and Disorder Act sets out the authorities responsible for strategies. This includes, amongst other statutory partners, the council for each area (s.5(1)(a)).
- 6.3 Part III, Youth Justice, s.37 (1) states that it shall be the principal aim of the youth justice system to prevent offending by children and young persons. Sub section (2) states that In addition to any other duty to which they are subject, it shall be the duty of all persons and bodies carrying out functions in relation to the youth justice system to have regard to that aim.
- 6.4 Local authorities have a statutory duty to submit an annual youth justice plan relating to the provision of youth justice services. Section 40 sets out the youth justice partnership responsibilities in producing a plan which should be in consultation with partner agencies. This plan should set out how use justice services in their area ought to be provided and funded and how they will operate and what functions will be carried out.

7. Other Implications

- 7.1 **Risk Management** – Potential risks associated with the recommendations could be that if the priorities of the plan are not agreed that services would not be delivered in accordance with expected standards and does not address the needs of the borough. This may negatively impact any future HMIP inspection of the service alongside any potential impact on current positive performance which could impact crime and disorder in the borough. These risks have been taken into account when developing the plan and consulting with partners in the hope that they are mitigated against in the priorities and actions set within the plan.
- 7.2 **Corporate Policy and Equality Impact** – The Youth Justice Plan at its very core has the expectation of ‘children first, offender second’. The youth justice service and plan outlines the inequality that can exist for young people within the criminal justice system and the measures taken to mitigate against this wherever possible. It outlines our work specifically with more marginalised young people in our communities and the efforts made to ensure that all children involved in the youth justice system are treated fairly and equitably. The Youth Justice Plan will ensure that services are being developed and delivered to take into account the views of children and their families and improve outcomes for those children involved in the

criminal justice system. One of the priorities this year is to increase our feedback processes to ensure that children are heard in our strategic boards as well as our operational practices.

- 7.3 **Safeguarding Adults and Children** – The Youth Justice Plan outlines the commitment of the Youth justice Service to improve outcomes for children involved in the youth justice system. It focuses specifically on the adverse childhood experiences of these children and identifies how the trauma that they have experienced has impacted their current behaviours. The service continues to advocate for children who have been marginalised and is committed to having high aspirations for those children who are more likely to experience poor outcomes due to their involvement in crime. The Service sits within Children’s care and support directorate and is always focused on the safeguarding and wellbeing of children that access the service.
- 7.4 **Health Issues** – The priorities within this plan also include expectations of health colleagues seconded into the service to provide health services for children involved in the criminal justice system in line with National key performance indicators which will impact children and young people in a positive way.
- 7.5 **Crime and Disorder Issues** – The Youth Justice Plan has been written to align with the National priorities outlined by MOPAC and YJB and local priorities set out by partners in the Community Safety Partnership. The work of the Youth Justice Service and its performance is monitored and governed by the Youth Justice Management Board with representation from across the partnership. The YJS Board also reports into the Community Safety Partnership Board and provides regular updates on pertinent issues related to crime and disorder.

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

List of appendices:

- **Appendix 1** – Annual Youth Justice Plan 2023/24

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BARKING AND DAGENHAM YOUTH JUSTICE PLAN 2023/24

April Bald

Director of Operations -
Children's Care & Support

Angie Fuller

Head of Adolescent & Youth
Justice Service

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Introduction, vision, and strategy

The London Borough of Barking and Dagenham continues to be a borough that embraces challenges and creatively designs and develops services to meet these challenges and demands. The Adolescent and Youth Justice Service is one of the services in the borough that is ever changing and often at the forefront of innovative work, and the last year has been no exception.

The youth justice national performance indicators have continued to improve, and reoffending rates are now the lowest they have been in five years with binary and frequency rates largely in line with the London and National rates. Custody and first-time entrants (FTE) continue to remain a challenge. Rates continue to decrease but remain above the regional and national averages. The gap is however slowly narrowing. It is important to note this is against a landscape of being a borough with one of the fastest rates of population growth in the country and the highest under 16 age group in England and Wales, including being the most deprived of the London Boroughs.

This youth justice plan has been developed and endorsed by our Youth Justice board members and a cohort of young people during a recent board development day. Attendees took stock of achievements over the last year and looked ahead to the next 12 months, agreeing our priorities for 2023.

Over the next year we will continue to focus on getting the basics right as we respond to the ever changing and complex needs of children and young people in Barking and Dagenham. This last year has included redesign of our processes, introduction of new roles and developing staff. The year going forward will focus on firmly embedding those changes with continual self-evaluation to assure ourselves that our offer and services are right for our young people and continuing to improve.

Continuing to involve children and young people, ensuring we are obtaining their feedback at all stages remains a priority for us. Recruiting new young people's representatives to the management board is essential. Young people's feedback will be a key agenda item at the Board in the year ahead. It is imperative we see evidence of their voices shaping our services.

We have learnt much from the last year, understanding which part of our young people's community is most impacted and at risk of entering the Youth Justice Service. LBBD has a distinct demographic and has changed significantly since the 2011 Census. Black and global majority children are now the majority in our borough and when analysing our data, we are seeing our mixed heritage young people reflected most significantly in the disproportionality data. Learning from research and their lived experience, our year ahead will give specific focus to this cohort. We also want to include focus to our young women and girls who can often be missed despite their specific vulnerabilities.

The Youth Justice Service, being a part of Children's Social Care and Support has continued to enhance and support our 'child first ethos' and in turn the trauma informed, strengths focussed (pro-social) approaches applied by the Youth Justice Service has influenced our new LBBD Children's Care & Support practice framework – CARES.

CARES describes our values – compassion, accountability, respect, empower and sharing. Values which are at the heart of all practitioners working across our services. Keeping children and young people safe and supported with their families, putting the child in the centre, and ensuring they receive the right services at the right time by a practitioner with the right training, knowledge and skills set – are some key priorities of the CARES practice framework. Our 8 key principles some of which are: collaboration, cultural competence, creativity and consistent – are exactly the key principles required in everyday practice by Young Justice Practitioners to meet the needs of our young people.

At our previous year's YJ Plan development day we developed our mission statement which we all agreed remains relevant and continues to capture our aims and the focus of our work for the coming year. This mission statement is strongly aligned to our wider CARES practice framework.

Vision / Mission Statement:

- *We aim to give children and young people hope, aspiration and opportunity and celebrate their success.*
- *We will work to change, challenge and support young people to be the best they can be and for them to feel connected to their community.*
- *We will provide and improve access to services for young people to divert them from the youth justice system and to help them to achieve their goals and aspirations.*
- *We will provide a service where children feel safe, listened to, supported to be brilliant and understood to be the experts through their own experiences.*
- *We will value the diversity of young people and their families and ensure that everyone is treated fairly, promoting equity at all times.*

About the borough

Barking and Dagenham has become one of the fastest-changing communities in Britain. The population was estimated to be 218,900 in 2019 at Census 2021: an increase of 18% since 2011 Census – the 3rd highest growth in England and Wales. GLA projections estimate the population to increase to 264,500 people by 2030.

The age of the community is changing with the highest birth rate in London, and a large proportion of young people. Barking and Dagenham has the highest proportion of under 16-year olds in England and Wales at 26.1%. The borough becomes more diverse each year with 66% of the resident population identifying as having a global majority ethnic background compared to 19% in 2001. 41.3% of Barking & Dagenham Residents were born outside of the UK – 10.4 percentage points higher than 2011 Census.

Barking and Dagenham had the highest overall deprivation score in London and 17th highest in England (IMD 2019; MHCLG). The Census data 2021 shows that the borough has the fourth highest average household size at 2.96 and over 60% (3 in 5 households) were deprived – the highest proportion in England and Wales.

People in the borough die earlier, have poorer health and lower levels of education and skills than across London whilst too many residents are in low paid work and struggle to find suitable homes they can afford. Unemployment remains high. Barking and Dagenham has the highest percentage (12.8%) of lone parent households with dependent children in England and Wales. An increasing number of families have and are continuing to experience the effects and impact of the pandemic and now the cost-of-living crisis and as a result, are displaying an increasingly higher level of need.

Our child population

Barking and Dagenham is a young borough, with around 63,509 children and young people under the age of 18 – 30% of the total population, the highest proportion in England and Wales.

76% are from black and global majority ethnic groups and the proportion of children and young people who speak English as an additional language is more than twice the national average. This level of diversity presents its own challenges when working with families and young people, where a better understanding of cultural subtleties becomes crucial.

25% of children under 16 in the borough are living in relative low-income families, significantly above the UK average of 19%. The proportion of children known to be eligible for free school meals in 2011/22 is 25.5% compared to 22.5% across England.

Domestic abuse is a significant issue in Barking and Dagenham and impacts on all service areas - 16.7 domestic abuse offences per 1,000 people – and is the highest in London. It accounts for 39% of violence with injury offences in the borough and is a presenting factor for at least 20% of children's social care contacts annually and around a third of social care assessments for children have domestic abuse as a presenting factor in the family.

Despite the challenging context, the Council and elected members are ambitious and aspirational in their commitment to improving the lives and outcomes of our residents and vulnerable children, young people, and families. Their vision being *'no one left behind'*.



These statistics are a stark reminder of the challenging context that our young people and their families are living in LBB. Our children are some of the most disadvantaged in the country. We know that those who become known to the Youth Justice System have been the most vulnerable and likely to have been exposed to adverse child-hood experiences (ACE's) such as deprivation, poverty, domestic abuse, and absent positive roles models which fathers should play in their lives. These ACE's are features for many children growing up in LBB, thus if we are to prevent them coming into the Youth Justice System, we require a call for action for the whole 'system' to work together to tackle these inequalities.

Child First

LBBB Youth Justice Service and its partnership board uphold the four tenants of the 'Child First' principle and continues to develop the offer for young people by listening to what they tell us, identifying and responding to their needs and ensuring that the right staff are in place at the right time to help and support them toward pro social and positive behaviours and opportunities.

See children as children.

We continue to understand the importance of recognising each's child's uniqueness. They are individuals with differing capabilities, capacities, potential and needs. Each therefore requires an individualised plan and set of interventions. We continue to advocate for children, acknowledging the structural barriers they face. We work with our partners to ensure that the interventions are child focussed and developmentally informed and meeting our responsibilities towards them. The service has moved away from the term 'offending' and has changed the name of the service to reflect this. Examples of putting a child first approach into practice includes:

The first-time entrants (FTE) multi partnership sub-group continues to look at the themes and issues that exist for young people entering the service and adapts the offer to meet the identified issues. There is also a continued focus on the wider offer for children and young people in the borough who may be at risk of entering Youth Justice Services and this has been expanded within the last year to continue to reduce the numbers of children entering statutory services.

Tri borough court meetings with Havering and Redbridge Youth Justice Service (YJS), that have taken place have explored the disproportionality of back and global majority ethnic groups in the criminal justice system. Given that a large proportion of our young people attend Barkingside Youth Court for sentencing, an exploration of ways to ensure that there is parity of sentencing across the boroughs regardless of the ethnic and gender demographic of young people. These discussions have resulted in the introduction of a Trauma informed Report template. The purpose of all YJS's using the same template was to ensure that the court will adopt a child-first approach to sentencing; through gaining an understanding of the lived experiences of the young person and the causal link to the commissioning of the offences. The use of a standardised template also ensured that there was parity with sentencing, regardless of the borough the child resides in.

In August 2022, the trauma informed pre-sentence report template was presented at our YJ service Good Practice event. The presentation set out the reasons for the change in template and allowed the practitioners to reflect on this child first approach. Overall, the new template was met with positivity, and the use of the template was rolled out at the beginning of September 2022. From 1st September 2022 to 30th April 2023, 26 pre-sentence reports have been prepared for twenty-two young people. Of the twenty-six sentence proposals, the court followed the proposal on nineteen occasions. The remaining seven young people received higher sentences because of the court being of the view that their current and previous offending history warranted a stronger sentence. The learning that can be taken from the seven cases is that more attention to detail needs to be given to the frequency and seriousness of the current and previous offending history as well as the guidance provided by the Court Bench Handbook and other sentencing guidelines. However, it is important to note that where court feedback was available for these reports, it was still felt that the report author had written a good or excellent report.

With regards to the report feedback received from the court, there is a consensus that the court view the reports to be of a good or excellent quality. Comments around the proposals are also positive in that the depth of information put forward about the individual is very good.

The target for the remainder of the year and 2024 is to carry out more trauma informed Pre-sentence report training to ensure the new members of the team have a good understanding of why such a template is being used and the standard of information that is expected to be present. Additionally, a

drive will also take place to ensure that all reports going to court have a Feedback form attached, so that we increase the volume of feedback received from the courts to ensure ongoing practice standard improvements. Further training regarding sentencing proposals will be delivered in the hope that this will result in a higher congruence rate between PSR proposals and outcomes of sentence.

Another example of taking a child first approach is the National referral mechanism Panel – a Home Office initiative where LBBB have devolved decision making for NRM decisions, meaning our young people who have been trafficked can obtain conclusive and reasonable ground decisions on their NRM status in good time. This offers the Courts further opportunity to understand their experiences, vulnerabilities, and causal links to their offending behaviours. LBBB NRM work has been seen as a front-runner in the country and recently presented to government ministers and special advisers to the Prime minister as an example of best practice in devolved delivery.

Finally, staff continue to access Trauma informed and skills training so they can better engage and understand the lives of the children that they work with. Much of trauma informed practice and its underlying principles resonate with our CARES priorities, values, and practice principles. We want to ensure a culture where individuals are not blamed or punished for adverse experiences which are beyond their control, where a survivor is not made to feel shame or stigma for the trauma they have suffered. We want to foster a culture where people experience compassion, empathy and kindness and are empowered to access the services they need to help support their recovery, and to build and strengthen trusting relationships with others. It is this trauma informed culture that provides the foundation for trauma informed practice. Our staff understand that a young person's offending and associated complex behaviours are potential responses to trauma related triggers. Practitioners prioritise building trusting mutual relationships above all else. Examples of trauma informed approach in practice this year has included: creating an inviting office space where young people can feel safe and contained, providing well decorated young people friendly rooms and garden spaces. Staff are trained in cognitive behavioural therapies and receive clinical supervision to support them in becoming reflective practitioners as well as helping them manage any vicarious trauma they experience in their role.

Develop pro-social identity for positive outcomes.

Our staff understand that developing a pro social identity means they need to help the young people they work with to see themselves in ways that encourage positive behaviour and build constructive futures. Fundamental to our CARES practice framework is the strengths-based approach which lends itself to promoting pro-social identities. A strengths-based approach essentially means doing more of what works and less of what does not work – focusing on what is strong rather than what is wrong. Being a strengths-based practitioner requires a hope inducing relationship as the approach aims to increase the hopefulness of the young person. This approach encourages pride in achievements, and with this sense of pride comes an increased confidence, positive -reframing, increased trust in their capabilities and generally promotes well-being.

The recent YJ Board development day included a "show & tell walk-about " at the service base office. Our youth justice practitioners and young people were show-casing the work they had done together. There were wonderful images of young people transforming local spaces with their reparation worker, providing children with green spaces to play. Another young person proudly spoke about his first boxing match which his YJ worker attended and his aspiration to be a professional boxer. Two other young men, alongside the education worker spoke of their desire to get business degrees and were proud of



their maths skills. What shone through in the day was the sense of 'hope' that the young people had. Another who was there for the first time said he would be back as it felt like a nice place to be with 'people who will listen and help'.

Positive role-modelling is key for our young people, and many don't have this from within their families. Them being on interview panels when we recruit staff has been another means to not only develop their confidence but also giving them insights into the working world. In addition, this opportunity allows them to feel empowered and able to influence decisions on who will work with them in the future. They will and do choose staff who they can relate to and in doing so we have a diverse staff group who in many ways reflects the young people we work with. This enables pro-social working.

Recently introduced to the service is the Your choice – Cognitive behavioural programme, a new pan-London pro-social violence reduction programme. Aimed to harness young people's interests, empowering them to break the cycle. They work intensively with the practitioner focussing on what matters to them and are provided with resources to achieve their goals.

The year ahead will include further strengths-based training and skill development for all our staff. We aim to all see case records consistently reflecting young people's interests, strengths, aptitudes, and aspirations with plans which are aligned to these.

Collaboration with children & the child's voice

Meaningful participation with young people and their families is one of our key priorities. Linked to the wider children's social care and support we embrace the mantra '*nothing about me without me*' – something our children in care council asked of us. Meaning, don't make decisions about young people without including them. As outlined above we have continued to include young people in our ongoing recruitment processes enabling them to have a say in which staff are recruited into the service to work with them. This ensures that we recruit staff that can build trust with young people and relate to them in a way that they understand and respond to. Young people also feel that their voice is heard and their opinion matters. One young person who worked with YARM said "it was like talking to a mirror, she just got me".

Unfortunately, we lost our young people's representative at the YJ Board in the last year, and his absence was felt. There have however been some good examples of collaboration more widely which has influenced the shaping of the service, this includes: a contextual safeguarding summit, inviting children from all schools in the borough to a session where we learn about what they experience as safe and unsafe spaces in the borough and their schools. This feedback has influenced partnership wide improvement plans and commissioning.

Several of our young people known to the service are discussed at the monthly Multi agency missing and sexual exploitation (MASE) group and the Criminal Exploitation group (CEG). These meetings routinely seek feedback from young people and their parents regarding what services make the most positive impact and helped the most. Youth justice or Youth at risk matrix (YARM) practitioners and local commissioned services such as Spark 2 life and Barnardos' mentors are frequently mentioned. This feedback informs our commissioning planning and applications for bids. A recent leadership event heard back from a cohort of young people who had engaged with the YARM workers, they spoke about their workers "always being there, being someone to talk to and confide in. Someone who understood them, and taught them the right things".

Within the Referral Order arena, plans have been adjusted so there is a specific part for both the young person and parent's views to be heard. There has been training delivered to the volunteers who assist with panels to ensure inclusion of the voice and views of the young person and parent within the plan.

Practitioners continue to attend the Out of Court Panel where the voice of the child is clear within the information they deliver to the panel. The police also present what the young person had said during the police initial interview on arrest.

The parenting worker has introduced new ways of working with parents. One of the worksheets delivered is 'What would you Change?' This worksheet is given to both young person (through the practitioner) and Parent/Carer at the start of both interventions to gain further insight into the family dynamics as well as to hear the voice of both. This worksheet is used to form the basis for effective interventions being delivered and informed by the family's point of view.

There is an emphasis with all reports to ensure the young person's voice is central, an example being our Court report templates which have been reviewed and have at the outset an account of the 'journey of the child', rather than the offence.

In addition to this we have introduced a participation group across the wider service to engage with children that have experienced involvement from our preventative and diversionary services as well as our statutory exploitation and Youth Justice Services. It is hoped that this will create an ongoing forum where we can get young people's views on a range of issues. We would want to also see these participants facilitating wider participation by reaching out and engaging with their peers.

The year ahead we aim to ensure ongoing collaboration in all aspects of our work, ensuring as a matter of course we are routinely receiving feedback at each stage of a young person's journey. More importantly we will create a means to collate the feedback from across the service area, delivering a coherent account of what young people have said, how we have responded and evidence what the impact and outcomes were of this collaboration.

Promote diversion.

LBBB has continued to run its FTE subgroup to ensure that we have a focused view on those children that are entering the youth justice system and are able to understand the changing landscape as well as the issues that exist for these children. An example of diversion work in practice is the recent appointment of our Young Women and Girls Worker after we identified a growing female cohort. This worker has begun to creatively engage with young women one of whom recently attended our YJ Board development day. She spoke with confidence and was a key contributor to the day.



The Turnaround programme funded by the government is now up and running. The funding injection to local authorities is aimed at providing services that intervene early with adolescents displaying signs such as poor school attendance, substance misuse and difficulties at home. Interventions are aimed at steering them away from the youth justice system. We identify young people for the programme who have been arrested but released with no further action or bailed to return at a later date.

This continues alongside our strong preventative programme YARM that works with those children identified as at risk by the schools [YARM Feedback](#)

Together with our neighbouring boroughs we have the 'Engage' project that works with children whilst they are in police custody, recognising the importance of harnessing those reachable teachable moments.

Governance, leadership, and partnership arrangements

The Youth Justice Service Management Board is chaired by the Director of Operations for Children's Care and Support who has held this position since coming to LBBD in 2018. The board chair is also the direct line manager for the Youth Justice Head of Service. Thus, the service sits firmly within the Children's care and support directorate. This enhances the partnership between Youth justice practitioners and social workers, ensuring improved planning for children who are known to both Youth Justice and statutory social work services. It is also our belief that the alignment of youth justice with the wider social care teams better supports the child first approach being realised. The Adolescent team was implemented in 2019/2020 and sits alongside the Youth Justice Service under the same Head of service. This joining of the two services together with the Adolescent and Youth Justice Service now being a member of the MASH (front door Multi agency safeguarding hub) has brought strength to practice in both parts of the service as well as benefitted young people who have challenges that are cross cutting e.g. are being exploited and have committed an offence. The joining of the services has further allowed for "role generosity" where specialists such as the Young Woman and Girls Worker and NRM Practitioner or CAMHS specialist and police representative can all be utilised and contribute to planning for children across the two services.

The board chair also chairs the monthly Missing and Sexual Exploitation group (MASE) and Criminal Exploitation Group (CEG) and the quarterly partnership Adolescent safety and wellbeing strategic group. The latter is a sub-group of the Safeguarding Children Partnership Board and the Community safety partnership (CSP) Board. Both the Director of Operations and Head of service attend the CSP Board and provide quarterly updates on the work of the Youth Justice Board and the strategic group.

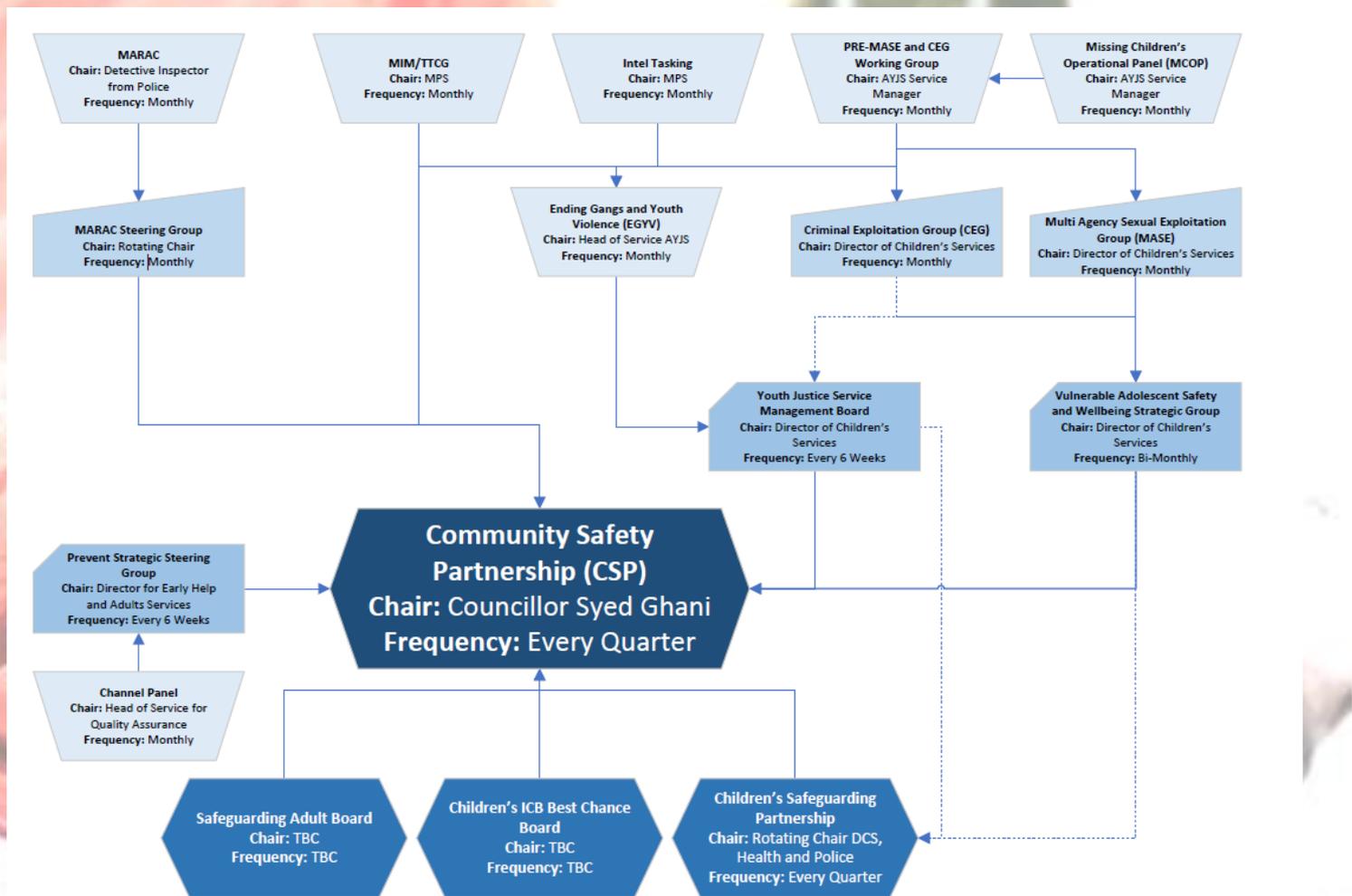
These chairing and governance arrangements further ensure that children within the Youth Justice Service are very much considered in a child first context and safeguarding issues are identified at the earliest opportunity.

The Youth Justice Management Board meets on a six-weekly basis with every quarter there is a key focus on the performance data and what it means for our children. Outside of important business items the agenda's intermittently take on a workshop style where we focus on topical issues and regularly use research and audit findings to facilitate partnership discussions and collaboration to address key areas of practice. We hold an annual Board development day reminding ourselves of what a 'Good' Board looks like and the roles and responsibilities as members. The day also involves reflections of the year gone by and planning for the year ahead. As mentioned earlier the recent Development Day had resounding positive feedback from all Members who attended. Not only was it an excellent collaborative opportunity with young people and partners but it included time to meet the practitioners in the service and young people accessing the service. The two hours at the Youth Justice premises allowed Members to get a real insight to the breadth of work being undertaken by our staff and young people. The day ended with a tour of the Ben Kinsella trust providing members a sobering reminder of the vulnerability of our young people to knife crime.

Whilst Board attendance has been overall positive, we have had to escalate concerns about the commitment to regular attendance by a couple of key partners as well as the seniority of the members attending. We have missed the regular attendance of our Youth Justice Board lead; however, our Head of Service has ensured attendance at wider London YJ meetings ensuring our Board remains abreast of improvement initiatives and directives. She is also a lead on the sector led Improvement partnership (YJSIP), offering great opportunity to share experience and learn from others. This year we have welcomed a Magistrate to our Board, who has brought good challenge and insights.

Appendix 1: Board Members and attendance details

The Governance structure chart below illustrates how the Youth Justice Service management board is connected to a range of operational and strategic groups that focus on both criminal justice matters and wider issues that exist for children and young people such as serious youth violence, and exploitation. This highlights the pivotal role the Youth Justice Service plays in many of the local priority areas.

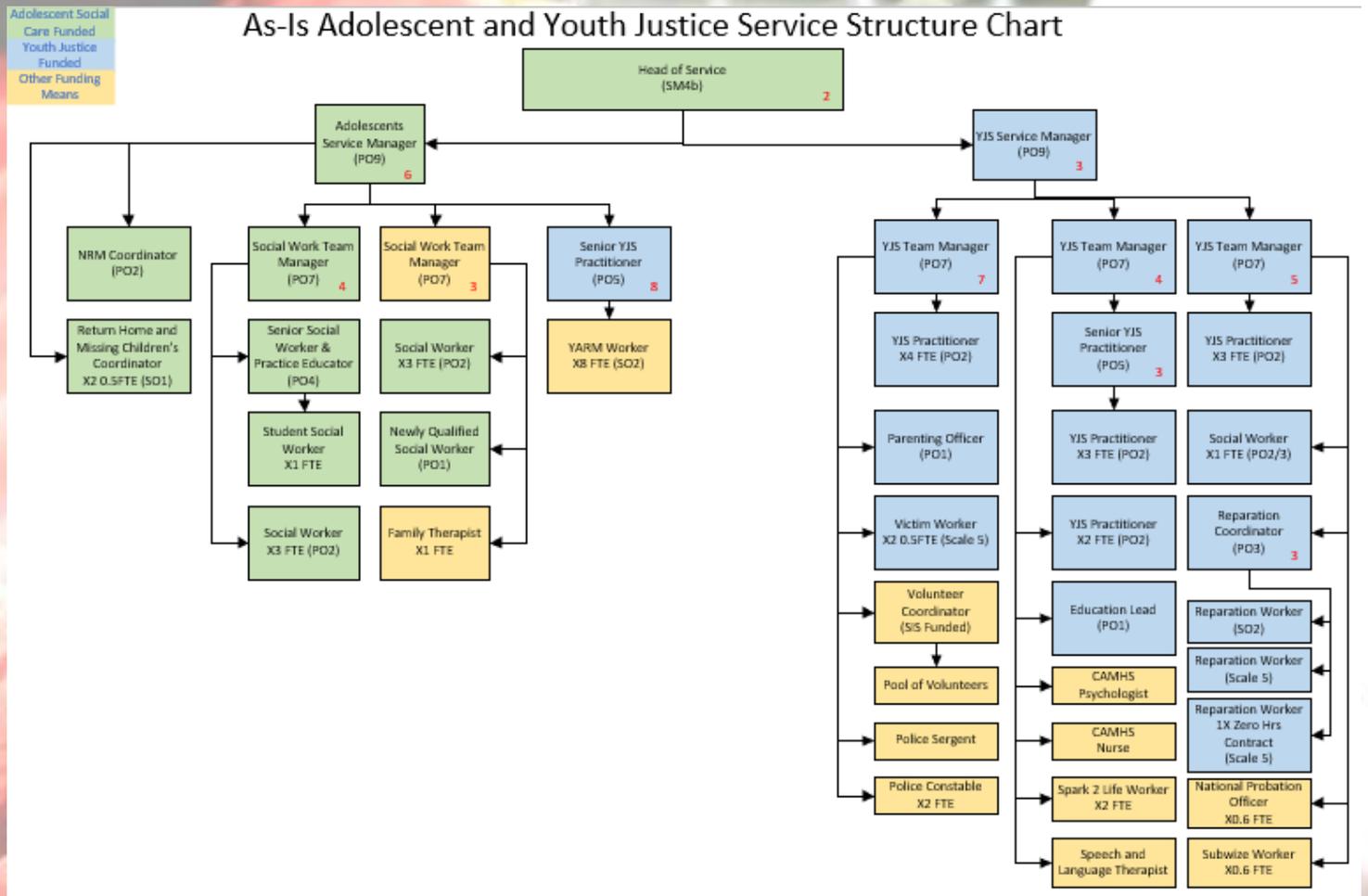


The Adolescent and Youth Justice Service structure depicted in the chart below evidences the wealth of partnership activity across the service.

Partners include:

- **Health & wellbeing** - CAMHS nurse, family therapist, psychologist and Subwize substance misuse, Young Women & Girls Worker
- **Police and Probation** – YJS police officers
- **Education** - Speech & language worker and education lead
- **Engagement & interventions** - Spark2 life mentors, Turnaround, YARM, Victims worker, Volunteers, Reparation
- **Safeguarding**- Missing coordinators, NRM coordinator, Social Workers, and Youth Justice practitioners

Services are funded by the Local authority, Youth Justice Board, Community safety partnership and through successful bids for monies from wider government initiatives. We are a service who has always embraced new initiatives that will benefit our young people and have successfully implemented several pilot projects over the year. The Head of service together with commissioning colleagues will continue to horizon gaze, making bids for pots of money where we see they will benefit our service and young people.



Progress on previous plan

Priority areas for the Youth Justice Service in 2022/23 were: -

- Ongoing focus on First Time entrants
- Deliver on actions to address disproportionality.
- Improved aspirations and educational outcomes for young people
- Development of formal and informal feedback processes to continually inform service development.
- Improved quality of plans and interventions, with particular focus on diversity, knife carrying and girls and young women

Staffing changes in the last year have impacted on some of the priorities being fully delivered. The year ahead will see a restructure of the service that we believe will bring added value to service delivery and particularly to staff retention and development.

First Time Entrants (FTE)

This is an area that has continued to remain a focus and will do for the coming year. Whilst the service has seen ongoing reductions in FTE which follows the national trend, LBBB has not yet been able to close the gap between the London and National averages in comparison. We have moved from having the 9th highest rate in London (April '21 – March '22) compared with now being 6th highest in London (October '21 – September '22). This is disappointing after moving from the highest rate just a few years ago.

The FTE partnership subgroup continues to meet and discuss themes and trends for those young people coming into the service and ways in which the partnership can collectively work to improve the potential for children to stay out of the criminal justice system. The introduction of the young women's and girl's worker into the service will offer an intervention for the girls entering the service. It is anticipated that the addition of the 'Turnaround Programme' will also impact these figures by offering a service to children who may not have had such a swift and responsive support previously. The fact that the service has continued to impact the FTE rate and over the last five years has seen an ongoing decline in the numbers of children coming into the system is positive against a backdrop of a borough with a challenging context and high levels of inequalities and young people population.

Disproportionality

Addressing racism is a key priority set out in LBBB's Corporate plan and similarly the Youth Justice Service and its management board are committed to being an inclusive service and addressing racism and any disparities featuring in our data and quality assurance activities. We want to find ways to ensure our black and global majority children grow up safe and well and stay outside of the youth justice system.

Regularly sharing disparity data at the Youth Justice board has helped members be cognisant of the community we service, increased awareness and allowed for discussion on approaches to tackling disproportionality. Using research and learning e.g. Child Q, we have explored the prevalence of stop and searches for our children, recognising there is work to do to change the experience for our black children in the borough.

The service has introduced a monitoring tool within the court arena to understand equity of sentencing for our young people and in doing so then able to challenge any disparity with sentencers.

The introduction of pre-sentence reports focussing on trauma experienced by our young people has allowed issues of discrimination, racism, and related racial trauma to be at the forefront for the report authors mind whilst writing the report and for the sentencers in the court arena.

When considering wider intersectionality, we have considered the needs of our young women involved or on the periphery in youth offending due to their links with young men open to the service. The Girls and young women in the service have been a focus for this year and key staff have been selected to train to deliver the 'Go Girls' programme. We also have our Young Women and Girl's Worker offering a range of interventions across the service to address issues that are prevalent for young women.

In the year ahead we will take messages from the recent publication by the Staff College 'Just Fair': Leading in Colour 'to deliver services, experiences and contexts that are 'just fair' for our black and global majority children. Our workforce development will focus on developing staff cultural competence, improving their ability to view the world through the lens of others.

Improved Aspirations and Educational Outcomes for Young People.

There have been a range of good practice events and training delivered that have focused on education and have been designed to change practitioners thinking away from what a young person has done, to one of what they can become. This way of working is designed to complement the approach taken with trauma informed assessment reports including recommendations made for court sentencing identifying individual opportunities. This also mirrors the Youth Justice Board's work around constructive resettlement.



The education worker and manager have developed and implemented the following: -

- Strategies within Educational Settings and the YJS to improve service outcomes, prevent and reduce re-offending.
- Direct work with ages 10 – 17 to improve educational outcomes.
- Secure estate liaison – Ensuring/supporting practitioners to create appropriate/high quality plans upon entry to, during a custodial sentence and before re-integration to the community.
- Work across all educational/training and employment settings to monitor and record educational outcomes and attainment.
- Work with YJS practitioners and advise on how to best support their young people to achieve successful educational outcomes.
- Representation at relevant meetings as well as creating/maintaining partnerships.
- Liaise with SALT/CAMHS/Education teams to ensure all children open in the service are screened and tracked throughout their journey.

SEN

Both Local HMIP (2018) and National Educational Inspections (2022) have evidenced that improved Educational Training and Employment outcomes for children positively affect desistance from offending. LBBY Youth Justice Service wants to target those who have Special Education Needs (SEN) and who are detached from any education, training, or employment environment and in particular those who are in a secure setting and transitioning back into the community. These young people will be subject to all community or detention and custodial disposals. This is being achieved through: -

- Work with Specialist ETE Consultant to achieve clear policy guidance and procedures for those children identified as having SEN. These will be aligned with the new SEN KPI - This indicator concerns the number of children identified as having SEND and those with a formal plan - both for children of statutory school age and those in the post-16 cohort are counted.

- Co-ordinating the Identification of children with special educational need to ensure that they receive a swift and appropriate response with regard to educational outcomes.
- Training and arranging good practice events to identify specialist advice and guidance from areas such as Education psychologist, Autism – Specialist guidance /advice and Physical Health School nurse.

AQA

Our Youth Justice Service is excited to have now successfully achieved registration as a certified AQA centre. The scheme is a unique way to record learner achievements. Its 'can do' approach is used to boost participants confidence, engagement, and motivation. We have now moved to commencing the development of the scheme to link achievement certificates and awards with successful completion of sessions and programmes that the YJS deliver as part of intervention plans for all young people. An example was showcased at the annual YJ Development board where the Reparation team and young people displayed their AQA Certificates alongside photographs of the work they had undertaken in the community. The newly appointed Youth Justice Education worker will lead on co-ordinating awards for all those eligible and staff will incorporate individual award plans into YPs intervention plans.

- Training is planned for the Co-Ordinator Role with the AQA Unit Award Scheme
- Current work is taking place with AQA Unit Award Scheme utilising existing YJS delivery programmes which will direct and determine LBBB awards Scheme programmes.
- Identification of other Co-Ordinator's to ensure that the process is not reliant on an individual and will ensure that risks of blockages are managed, and awards are processed in a timely manner.
- Training for all staff, including specialist services, in the use of AQA Accreditation through AQA Teacher Training

Creative Collaboration

The Youth Justice Service has worked closely with New Town Culture (NTC), our cultural partner in Children's social care. This is an initiative to incorporate arts and culture into the everyday practice of social work and youth justice practitioners, enhancing the quality of direct work and engagement with young people. They are currently delivering a sound engineering Podcast and Artwork project based on the lived experience of the young person. Becontree Broadcasting has also been an effective outlet which uses music to indirectly address mental health, problem-solving and offers taster sessions and job opportunities.

The Service have been involved in further discussions with the White House in Dagenham with a view to using this unique setting as a future programme delivery hub. Ongoing work with New Town Culture is planned and our young people are supported to engage in the variety of holiday programmes delivered by NTC. Our Youth Justice Senior practitioner leads on the commissioning of joint projects with NTC.

Development of formal and informal feedback processes to continually inform service development.

The area of feedback has been an area that the service has not made as much progress as expected this year due to changes in personnel and competing priorities. We have developed the processes across the service for the collection of feedback and are now implementing these. We anticipate improved feedback loop and improved understanding of the voice of the child and parent not only on an individual level but as a collective.

We have collated feedback on the services delivered at court and the quality of reports provided to the court which have been very positive.



We have quarterly meetings with our Complaints team who feedback learning coming out of Complaints re children's social care staff. We ensure relevant messages are incorporated into our Good Practice Sessions. We also routinely collate any compliments received from professionals, families, and young people, and these are shared with the Director of Operations as part of our celebration of good practice approach. These compliment and highlight practitioners who are caring, engaging, professional and making a real difference to young people's lives. Two examples:

- *From a MAPPA chair: T really held her own in a challenging meeting. She was clear and considered. She supported the transition of the young person back into the community and on to Probation, her transition work can be described as exceptional.*
- *From a family member – A huge thank you to N and the whole team. It's been a crazy, emotionally very hard experience and still is. The support N has given us as a family has been amazing. She has been a blessing sent to our family. She has supported my brother through this journey mentally, emotionally, and physically. We couldn't thank you enough. She comes to court and checks in on us, she has been on this journey with us and has a big heart.*

A participation group is also in the process of being created to further develop the feedback from young people not only on the services we deliver but also the plans and processes that we write and implement. This is key to developing the service to ensure it is continually meeting the needs of the children and young people that access it.

Improved quality of plans and interventions, with particular focus on diversity, knife carrying and girls and young women

There has been a programme of training provided by an external trainer focussing on quality planning and purposeful and timely interventions. In addition, managers have participated in workshops to improve their understanding of what robust management oversight looks like to ensure quality of practice is consistent and maintained across the service.

Our new Young Woman and Girls Worker focusses specifically on the interventions needed for young women. Additional practitioners have been trained to deliver the 'Go Girls' programme and it is expected that this work will be further developed over the coming year and will respond to the needs of young women as they change.

Knife carrying and weapons offences are still prevalent in the borough and the service had been working hard to identify the young people where there are concerns about these issues and offer them alternative activities and opportunities to focus on. The borough continues to commission knife awareness programmes in schools as well as the Ben Kinsella Trust exhibition. Board members and staff have all had the opportunity to experience this exhibit, increasing their insight and facilitating further Board discussions and planning around knife carrying and weapons offences.

Resources and services

Most secondment arrangements within the service continue to be maintained.

The East area BCU continues to provide a police sergeant to work across LBBD, Redbridge and Havering. There are an additional two police officers to work just within LBBD (although they cover leave and sickness across the BCU when required). The officers are fully integrated in the Youth Justice Service and attend the multi-agency panels and meetings to ensure that information is shared, and multi-agency safety plans are put in place where needed.

Health have continued to provide the roles of psychologist, mental health nurse, family therapist and speech and language therapist to the wider Adolescent and Youth Justice Service. Unfortunately, we are currently without a person in the psychologist role due to long term sickness and resignation and Health colleagues are working to fill this position. The family therapist role has also been vacant for a period but just recently appointed into. The presence of our health colleagues in the Youth Justice Service were impacted following the pandemic. Concerns about their presence in the office were escalated to the YJ Board and the Chair and Head of service addressed this with senior Health colleagues. New Standard Operating procedures were agreed setting out clear expectations regarding office presence and recording on Child view systems by the health practitioners. There is a clear expectation that young people coming into the service will receive a SALT screening and emotional health and wellbeing screening. Health colleagues are expected to have input into all multi agency panels to ensure all children receive access to good health care provision. They will also continue to offer training and workshops for staff as needed.

Subwize, our drug and alcohol service for young people, continue to provide a young people's substance misuse worker. They are closely linked to the out of court work to manage referrals for young people who are in receipt of community resolutions for possession of cannabis. The aim being to offer support at the first opportunity in the hope that children will be diverted from entering the youth justice system. They also attend multi agency panels to ensure they are focussing on the right young people identified as needing support in this area.

We have a full-time education worker within the service to focus on education, employment, and training opportunities for young people with particular focus on those young people who struggle to maintain engagement in education and/or training. There is a part time career advisor supporting post 16 young people to make choices and offer opportunities at this crucial point in their education journey.

The local authority is a key partner, and the Adolescent and Youth Justice Service sits within the directorate for children's care and support. Funding continues to be provided to support the youth justice work alongside the wider vulnerable adolescent and exploitation work. The joint work between the youth justice element of the service and the adolescent/exploitation element is strong and highlighted in audits. A restructure is underway aimed to further strengthen the work undertaken with vulnerable adolescents across the wider social care services. The Specialist intervention service sits at the heart of Children's care and support offering interventions to children and families. Their work is designed to complement the statutory roles of the social workers and youth justice practitioners e.g. family support workers, Restorative intervention practitioners, Family group conferences, therapists, and volunteers. These services would be available for some of the young people open to the Youth Justice Service.

Unfortunately, we have now been without a seconded probation officer in the service for over a year. Recruitment issues within probation have hampered the filling of this position. The capacity was reduced to two days per week, and we have not been able to attract a probation officer to this role. Next steps will be to look at how we may be able to fill this role in a different way to support the transition for young people as they turn 18. Probation are invited to multi agency panels across the service, but attendance has been sporadic, and this is being addressed with the Probation head of service who is supportive and cognisant of the concern we have regarding the gap in service.



We continue to utilise our youth justice grant, partner contributions and available resources to deliver Youth Justice Services. The youth justice grants for 2023/24 will provide the following benefits and outcomes for the service: -

- Increased user feedback to inform service delivery.
- Continued improvement in the three key performance measures
- Meet the expected new key performance indicators.
- Improved education training and employment outcomes
- Maintain and improve National Standards
- Develop and deliver services and interventions in line with national and local priorities

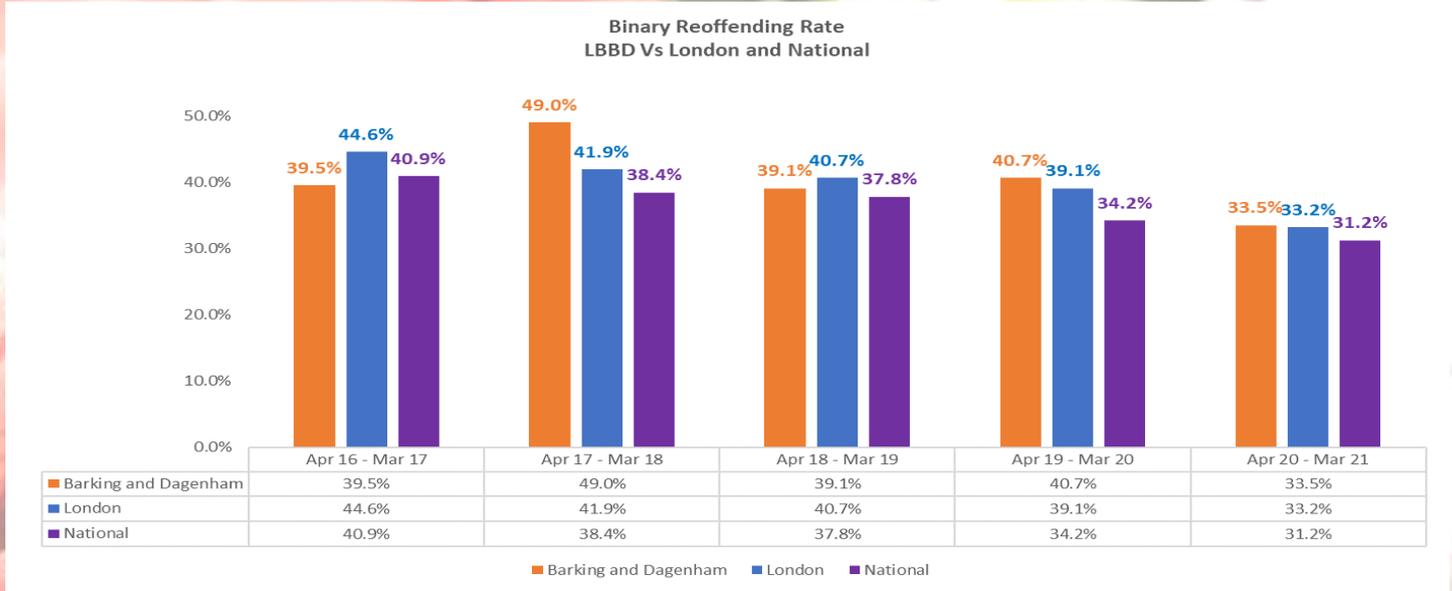
Appendix 2: financial contributions to the Youth Justice Service

Performance

Binary Reoffending Rate

Despite fluctuations, the overall trend in the binary rate of reoffending is a declining one. The data below, published by the YJB, shows the annual weighted average rate for the past five years.

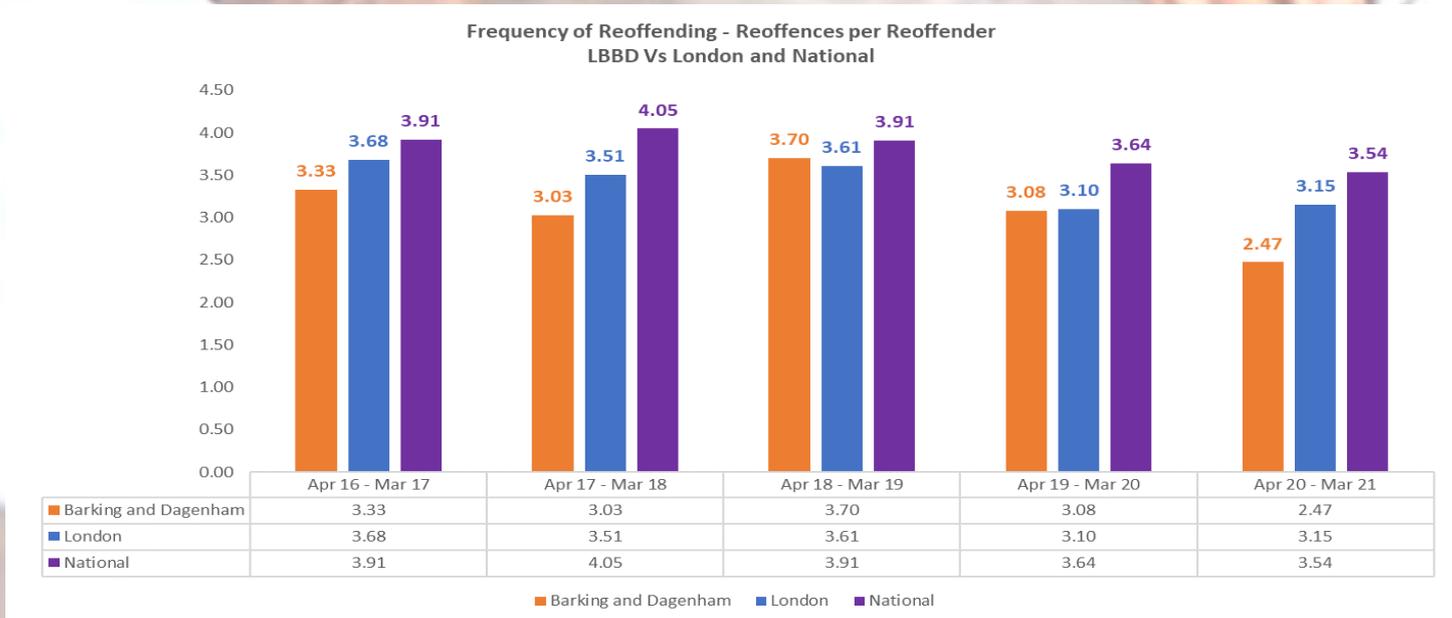
The latest data (April '20 – March '21) reports that the binary reoffending rate for Barking and Dagenham was at its lowest point in the five-year period. It was comparable to both the London and national rates.



Source: YJB Youth Justice Service Data Summary 113

Frequency of Reoffending

This concerns the average number of proven offences per reoffender. Apart from the reporting period for April 2018 – March 2019, the frequency of reoffending was lower for Barking and Dagenham than both the London and national rates.



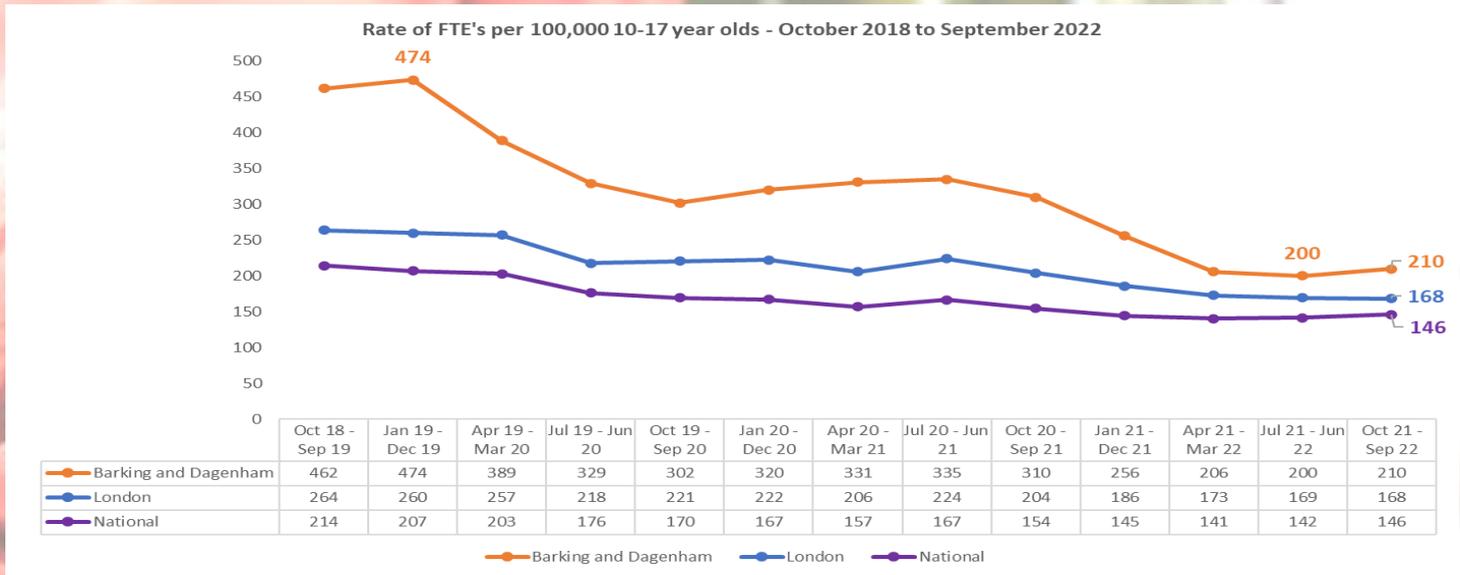
Source: YJB Youth Justice Service Data Summary 113

First Time Entrants

Following the national trend, the rate of First Time Entrants in Barking and Dagenham is in decline. The data below shows that between the reporting periods October 2018-September 2019 and October 2021-September 2022 the rate has fallen by 54.5%

The rate in Barking and Dagenham has consistently remained above that of both the London and national rates. However, recent reporting periods indicate a narrowing in the gap.

The service continues to maintain a focus on this area and a quarterly FTE subgroup attended by partners has been chaired by the Head of Service to ensure that any themes and trends for this cohort are identified and appropriate plans put in place to impact the numbers of young people entering the youth justice system.

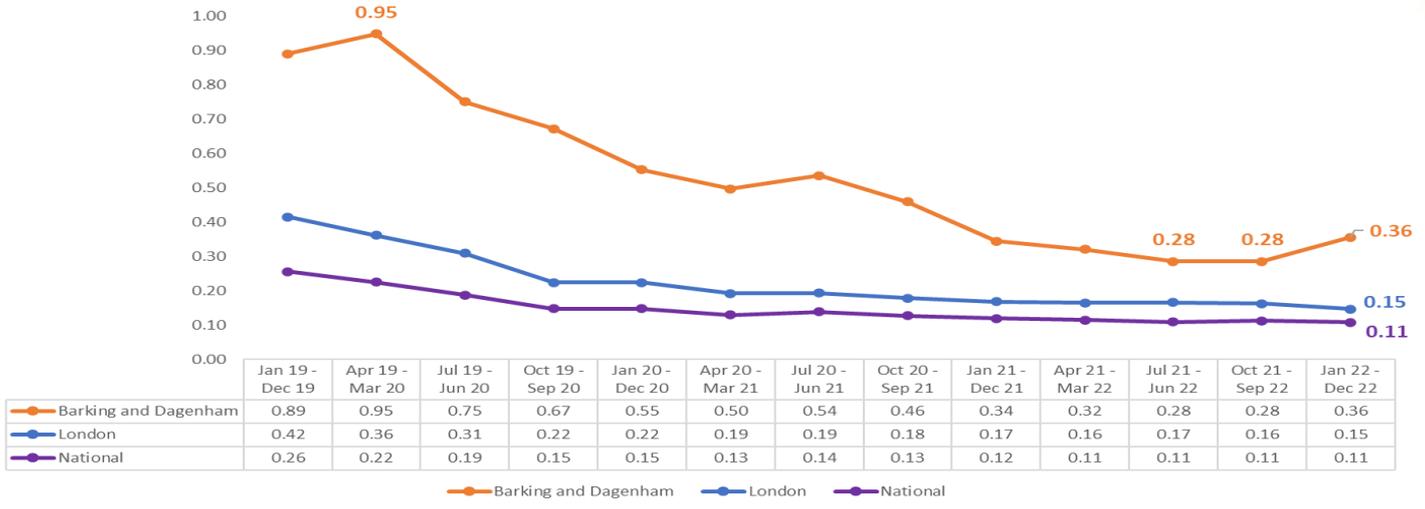


Source: YJB Youth Justice Service Data Summary 113

Use of Custody

Despite a significant decline in Barking and Dagenham's custodial rate it remains significantly higher than its YJS Family and both the London and national rates. The service continues to monitor all children in custody and the Head of Service chairs a monthly resettlement panel to ensure that there are appropriate resettlement plans in place and that all agencies are aware of and engaged in these plans.

Rate of Custodial Sentences per 1,000 10-17 year olds - January 2019 to December 2022



Source: YJB Youth Justice Service Data Summary 113

Additional Key Performance Indicators (from April 2023):

The service has a new performance officer, and we now have access to clear data and analysis helping to inform service development and improvements.

The rollout of the additional key performance indicators is being monitored and tracked closely. Steps have been taken to ensure that the case management system will be upgraded to the latest version so that the new indicators can be captured by practitioners. Training and guidance have been disseminated to the service to ensure that staff are clear on what the new indicators entail and how to collect and record this information in order that we can easily extrapolate the data needed for reporting.

Suitable accommodation – collection of this data remains the same as it has done historically. Improvements in the case management system now ensure that this information must be updated for each young person. In the most recent data available, 76 out of 79 young people were recorded as being in suitable accommodation at the end of their order.

Education, Training and Employment (ETE) – Similarly to the previous indicator, system changes have allowed for the capture of suitability of ETE provision. A specialist education worker will be assisting with the determination of suitability. In addition, ETE information is being reviewed weekly to ensure completeness and accuracy of information.

Mental Healthcare and Emotional Wellbeing / Substance Misuse – Partner agencies (CAMHS and Subwise) have been fully briefed on the requirements and expectations for accurately recording the screening and assessment of children and recording subsequent interventions.

Links to Wider Services – Data collection and recording concerning children known to Children's Services is a priority area and processes and procedures are in place to ensure that the requirements of this KPI are fully met.

Victims – The embedded victims workers have received an induction on the requirements of this KPI. They are being actively supported to ensure that the journey of victims, their involvement in the justice system and the support victims are offered is captured.

There is still further work to be done on the recording and relevant processes for the seconded staff within the service to ensure that their assessments, interventions and outcomes is clear to identify and report on for the new key performance indicators but work is underway to make the necessary amendments needed. The service is confident that it will have the necessary processes in place to meet the new KPI reporting requirement within timescales.

There is ongoing work underway on the recording by seconded staff to ensure that their assessments, interventions, and outcomes are clear on the child view system, allowing us to capture relevant data supporting reporting for the new key performance indicators.

The service is confident that it will have the necessary processes in place to meet the new KPI reporting requirement within timescales. We are on track to submit our first round of the new data set in August 2023. The Data lead is keeping the Youth Justice Board members abreast of progress and any anticipated hurdles.

Priorities

Ethnic Disparity

The Ethnic Disparity Tool published by the YJB gives an overview of the ethnicity profile of the YJS population. It is based on information about children and young people who were cautioned or sentenced. The latest tool available was published in May 2022 and includes data until the year ending March 2022.

Headline Data:

- 27,928 children aged 10-17 in Barking and Dagenham (2021 census)
- 126 children were cautioned or sentenced in April 2021-March 2022 (YJB)
- 45% of these children are from a White background
- Children from a Mixed ethnic group have the highest relative rate index (RRI)
- Children from a Black ethnic group are most likely to commit a serious offence
- Children from a Black background are most likely to be sentenced at court rather than receive a Youth Caution or Youth Conditional Caution*

Ethnicity Profile and Over-Representation:

The following table shows the change in the ethnicity profile of Barking and Dagenham's offending population.

Share of total	2017	2018	2019	2020	2021	2022	2021 mid year 10-17 population by ethnic group
Asian	7%	9%	4%	6%	7%	6%	26%
Black	23%	26%	27%	31%	29%	33%	30%
Mixed	10%	8%	9%	6%	17%	15%	7%
Other	4%	4%	4%	2%	2%	0%	4%
Black and Global Majority Groups	43%	47%	44%	45%	55%	55%	67%
White	57%	53%	56%	55%	45%	45%	33%

When comparing 2017 with 2022:

- The proportion of White children has fallen by 12.2 percentage points
- The proportion of Black children has risen by 10.7 percentage points
- The proportion of Mixed children has risen by 5.9 percentage points
- The proportion of children from Black and Global Majority groups has risen by 12.2 percentage points

The data from 2022 shows that:

- Mixed children and White children are over-represented in the youth offending cohort and that the levels of over-representation is statistically significant (highlighted above). The significance level of this test is set to 5%.
- The share for Mixed children is 8 percentage points higher in the youth offending cohort compared with the 10-17 population. For White children the share in the youth offending population is 12 percentage points higher than the 10-17 population.

The Relative Rate Index (RRI) is an increasingly adopted statistical approach to the comparison of the relative difference in rates between two fixed populations and was a recommendation of the 2017 Lammy Review concerning disproportionality in the Criminal Justice System.

The RRI is used below to determine whether the outcomes for each ethnic group differ significantly compared to the White ethnic group.

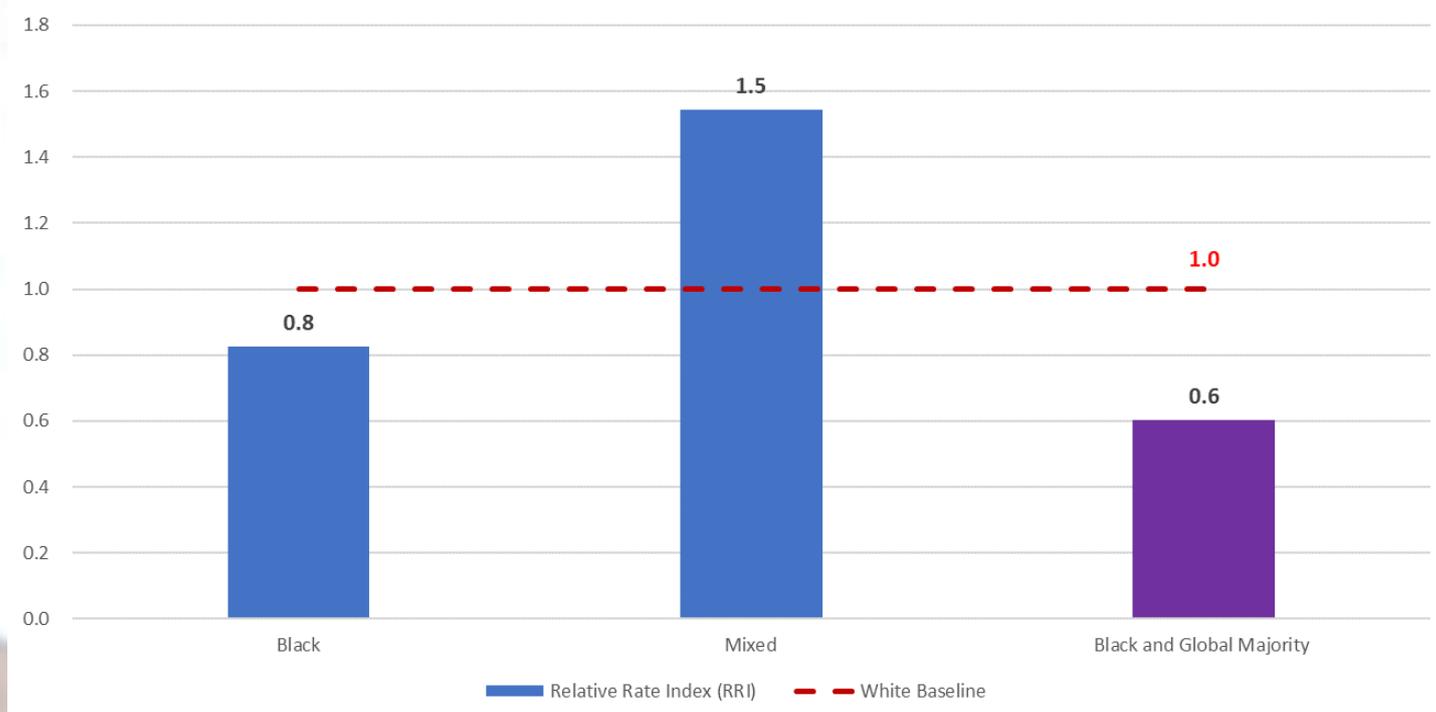
In the table below the RRI tests whether children from Black and Global Majority ethnic groups are more or less likely to be cautioned or sentenced compared with White children.

The White youth offending population is used as a baseline and given an RRI of 1. A rate of cautions/sentences for other ethnicities that is above 1 would indicate a higher likelihood of being cautioned or sentenced. An RRI less than 1 indicates the group of interest was less likely than the White ethnic group to be cautioned or sentenced.

The data for April 2021 – March 2022 indicates that children from Mixed ethnic groups are 1.5 times more likely to be cautioned or sentenced than White children.

Ethnic group	Number	Share of total (1)	2021 mid year 10-17 population by ethnic group	Rate per 1,000 population	Relative Rate Index (RRI) ⁽²⁾
Asian	7	6%	7,248	1.0	n/a
Black	39	33%	8,277	4.7	0.8
Mixed	18	15%	2,047	8.8	1.5
Other	0	0%	1,052	0.0	n/a
Black and Global Majority Groups	64	55%	18,624	3.4	0.6
White	53	45%	9,304	5.7	1.0

Relative Rate Index (RRI) for cautions and sentences given to children
Year ending March 2022

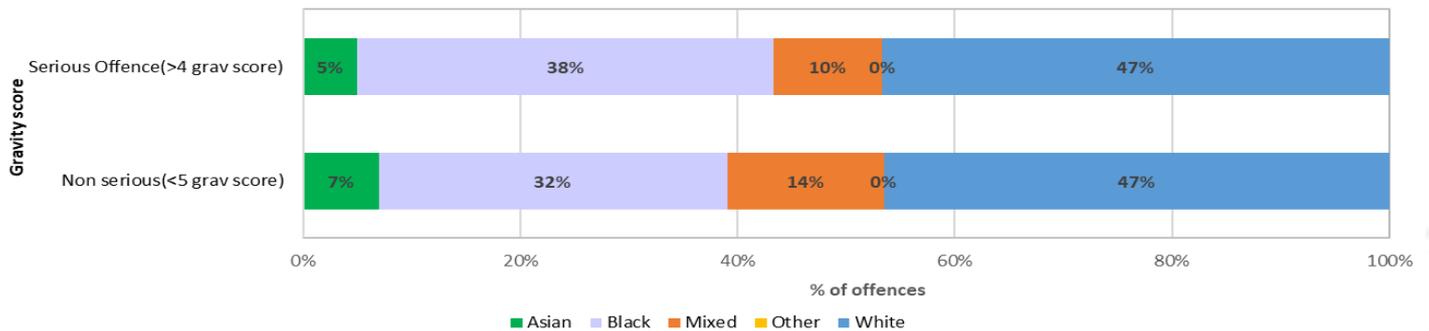


Ethnic Disparity – Seriousness of Offending

The table below reports on the number and proportion of offences committed by children broken down by ethnic group and gravity score for the period year ending March 2022. Offences have been grouped into serious offences (gravity score of 5 or more) and non-serious (gravity score of 4 or less).

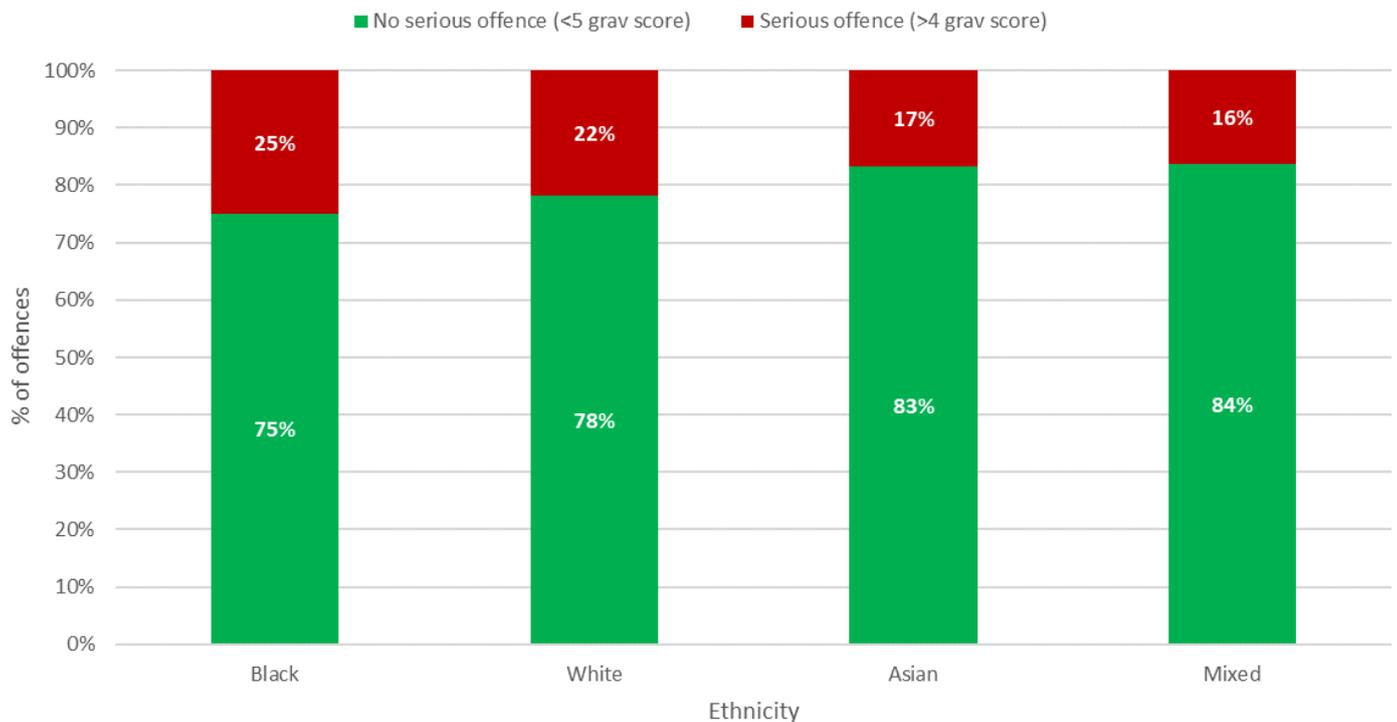
Gravity Score	Asian (18 Offences)	Black (92 Offences)	Mixed (37 Offences)	Other (0 Offences)	White (128 Offences)	Black and Global Majority Groups (147 Offences)
Serious (> 4)	3 (5%)	23 (38%)	6 (10%)	0 (n/a)	28 (47%)	32 (53%)
Non-serious (< 5)	15 (7%)	69 (32%)	31 (14%)	0 (n/a)	100 (47%)	115 (53%)

Proportion of offences committed by children by ethnicity, within each gravity score group, year ending March 2022



Proportionally, Black children were more likely to commit a serious offence with a gravity score in the higher band (of five to eight). 25% of all proven offences committed by Black children were serious offences.

Proportion of serious offences committed by children by offence gravity, within each ethnicity group, Barking and Dagenham YJS year ending March 2022



Ethnic Disparity – Community Resolutions and Triage

The tool published by the YJB does not include data concerning informal diversion interventions. In Barking and Dagenham this are composed of Community Resolution and Triage voluntary interventions.

Similar trends exists in this cohort to those children that were cautioned or sentenced.

Headline Data:

- 97 children had either a Community Resolution or Triage intervention
- 57% of these children were from a White background*
- Children from a Mixed ethnic group have the highest relative rate index (RRI)*
 - The data for April 2021 – March 2022 indicates that children from Mixed ethnic groups are 1.2 more likely to receive a Community Resolution or Triage intervention than White children. Black children are least likely to receive a Community Resolution or Triage intervention relative to White children.

*There were 10 cases where the ethnicity was not recorded – they have been discounted from this calculation

Ethnicity Profile and Over-Representation:

The data from 2022 shows that:

- Mixed children and White children are over-represented in the youth offending cohort and that the level of over-representation is statistically significant. The significance level is set to 5%
- The share of Mixed children is 8 percentage points higher in the youth offending cohort compared with the 10-17 population. For White children the share in the youth offending population is 24 percentage points higher than the 10-17 population.

We want our children and families from the black and global majority to be active participants in all interventions, in a way which ensures they are treated with dignity and respect. We want to build a two-way learning experience which acknowledges the unique struggles that they because of society and/or the system(s) that place them at a disadvantage due to their culture and/or ethnicity. We want our young people to be willing and able to raise their concerns about racism and discrimination, because they can be confident that we as a service takes this issue seriously. We want to reduce the disproportionality in our system, so that the cultural and ethnic background of the children and families that we work with in our system is proportionate to the diversity of our community.

We want our staff to feel confident and competent in challenging racism in all its forms, on behalf of the young people they work with. In doing so we will continue to use our Good Practice events to have conversations regarding racism and being a culturally competent practitioner. We will continue to assure ourselves the make-up of our staff group is reflective of the young people we work with. We will develop a set of practice standards as an aide memoire to practitioners supporting them in developing their practice in this space. Staff will be reminded to be curious about a young person's cultural heritage and customs and how this shape them and the world as they see it. They will be mindful of racial trauma and its impact, and case records and assessments will clearly reflect these conversations.

Through staff supervision and clinical support, they will reflect on intersectionality, thinking about the additional needs and experiences of young people from the LGBTQ+ community and our young woman. Learning from Child Q we will work with Police colleagues, helping them understand the lived experience of our young people who have been stopped and searched. We will hold our police

colleagues to account as they deliver on their 'More trust, less crime, high standards' vision. There is much to do in this space and the LBBB YJ Board will continue to scrutinise the data and challenge partners where there is disparity.

Girls in the Youth Justice Service

Gender	2017	2018	2019	2020	2021	2022
Female	28 (13%)	21 (10%)	31 (17%)	40 (21%)	21 (14%)	22 (17%)
Male	194 (87%)	180 (90%)	155 (83%)	148 (79%)	127 (86%)	104 (83%)
Total	222	201	186	188	148	126

We still see a proportion of our children involved in the youth justice system are girls and young women and whilst the percentage remains relatively stable, we also know that they may be on the peripheries of offending by young men and witnessing and experiencing trauma as part of their life experience. We also understand that they need a different kind of intervention to support them.

The service now has a Young Women and Girls Worker who can support those females not only involved in the criminal justice process but also those unidentified young women who experience the trauma of offending in their daily lives. In addition, we have also trained some members of staff in the 'Go Girls' programme to ensure that this knowledge is widely shared.

Prevention

The Youth At Risk Matrix (YARM) has been set up since 2018 to tackle first time entrants to the Youth Justice Service which at the time had one of the highest FTE rates in the country.

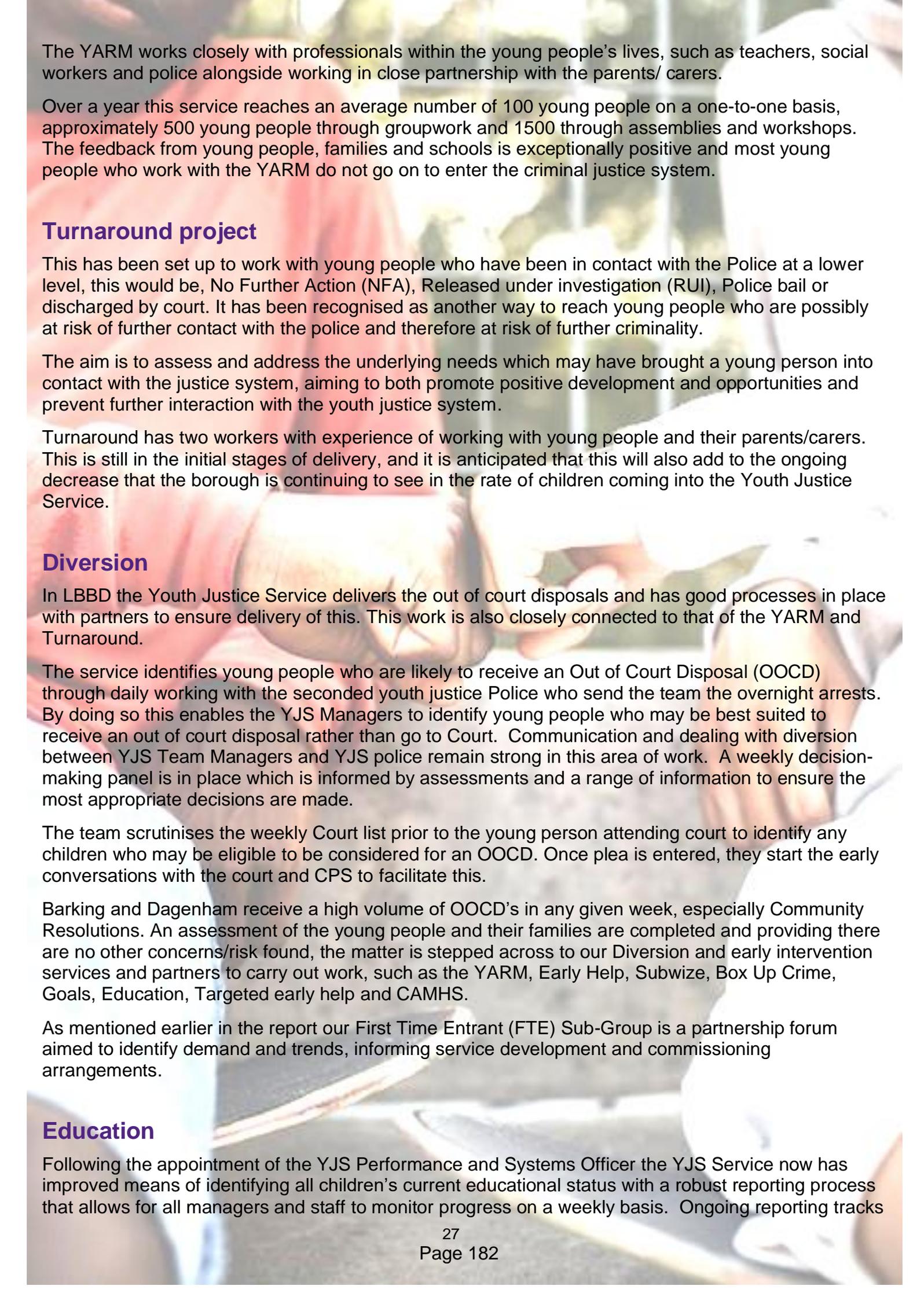
The aim of the YARM is to build a voluntary relationship with young people and divert them away from criminal behaviours with a recognition of what young people can be exposed to within their family and community environments.

Our team of 8 workers are experts in understanding the issues young people face within LBBB and have previous experience of working in a variety of settings such as, Youth work, Education, Family support, gangs' work within a prison setting and working with young people in care.

The YARM receives referrals from professionals predominantly within schools and social care settings who identify that the young people they are working with are on the edge of or at risk of criminality. They refer in using the YARM matrix which is a specific screening tool that is designed to highlight key areas and indicators of concern that would possibly lead young people towards increased risk of offending behaviours.

When working with young people we recognise "one size does not fit all " and thus varied options of interventions and approaches are available. The YARM offers one to one support for young people who need more focussed work, group work for young people that influence each other negatively and larger workshops for delivering general messages of keeping safe. Over the last year they have run specific programmes of work with groups of young people throughout school holidays that have been identified as being most at risk of offending. This has proved to be a positive experience for the young people who were able to experience things they had not previously done such as attending music events, sport events and areas of interest. We aim to replicate this throughout the summer holidays in 2023 for young people across the Adolescent and Youth Justice Service.

The key topics of work are, consequential thinking, peer relationships, general criminality, knife crime, staying safe and a strong emphasis on staying in education to improve outcomes.



The YARM works closely with professionals within the young people's lives, such as teachers, social workers and police alongside working in close partnership with the parents/ carers.

Over a year this service reaches an average number of 100 young people on a one-to-one basis, approximately 500 young people through groupwork and 1500 through assemblies and workshops. The feedback from young people, families and schools is exceptionally positive and most young people who work with the YARM do not go on to enter the criminal justice system.

Turnaround project

This has been set up to work with young people who have been in contact with the Police at a lower level, this would be, No Further Action (NFA), Released under investigation (RUI), Police bail or discharged by court. It has been recognised as another way to reach young people who are possibly at risk of further contact with the police and therefore at risk of further criminality.

The aim is to assess and address the underlying needs which may have brought a young person into contact with the justice system, aiming to both promote positive development and opportunities and prevent further interaction with the youth justice system.

Turnaround has two workers with experience of working with young people and their parents/carers. This is still in the initial stages of delivery, and it is anticipated that this will also add to the ongoing decrease that the borough is continuing to see in the rate of children coming into the Youth Justice Service.

Diversion

In LBBDD the Youth Justice Service delivers the out of court disposals and has good processes in place with partners to ensure delivery of this. This work is also closely connected to that of the YARM and Turnaround.

The service identifies young people who are likely to receive an Out of Court Disposal (OOCDD) through daily working with the seconded youth justice Police who send the team the overnight arrests. By doing so this enables the YJS Managers to identify young people who may be best suited to receive an out of court disposal rather than go to Court. Communication and dealing with diversion between YJS Team Managers and YJS police remain strong in this area of work. A weekly decision-making panel is in place which is informed by assessments and a range of information to ensure the most appropriate decisions are made.

The team scrutinises the weekly Court list prior to the young person attending court to identify any children who may be eligible to be considered for an OOCDD. Once plea is entered, they start the early conversations with the court and CPS to facilitate this.

Barking and Dagenham receive a high volume of OOCDD's in any given week, especially Community Resolutions. An assessment of the young people and their families are completed and providing there are no other concerns/risk found, the matter is stepped across to our Diversion and early intervention services and partners to carry out work, such as the YARM, Early Help, Subwise, Box Up Crime, Goals, Education, Targeted early help and CAMHS.

As mentioned earlier in the report our First Time Entrant (FTE) Sub-Group is a partnership forum aimed to identify demand and trends, informing service development and commissioning arrangements.

Education

Following the appointment of the YJS Performance and Systems Officer the YJS Service now has improved means of identifying all children's current educational status with a robust reporting process that allows for all managers and staff to monitor progress on a weekly basis. Ongoing reporting tracks

both school age and post school age children known to the service. Staff have clearer pathways for communication and resolution of cases where both educational offers and/or engagement and attendance have been identified as an issue through improved links with educational teams such as: -

- Virtual Schools for children in care.
- Education Statutory Services Team for those missing or not attending school.
- Exclusion Leads and Inclusion Partners across the borough.
- The NEET Team attached to the Home and Money Hub
- Specialist Alternative school Provision – Mayesbrook

The Youth Justice Service including YARM are now present at key educational partners meetings including the Vulnerable pupil panel meetings. Our reporting confirms that in the vast majority of children referred to the service, that school age children in LBD have a suitable educational offer.

Whilst the Education Worker post was vacant, practitioners and managers remained committed to and motivating young people who were detached or missing from education, linking them in with suitable and appropriate educational and enrichment opportunities.

The ETE post has now been filled with an anticipated start date of June/July 2023 which will greatly assist young people (particularly those post 16) to receive additional help and assistance. This will include being present at the newly formed Assessment Case Planning Forums at which all stakeholders feed into assessments and plans at the earliest opportunity. The ETE worker will be able to identify where a need for intervention is present and plan accordingly with the case manager and young person and family.

Where practicable the careers advisor attached to the service has assisted in helping young people through direct work and advice. The careers advisor will target those in Year 11 and upwards including supporting them with college applications.

Regular reporting on the education and training status and opportunities for our young people takes place at the YJS Board and the Team Manager responsible for Education attends the board. The reporting not only includes numerical data but includes an individual story board for those identified as having an identified educational issue. The partnership board has been utilised to support when issues have needed further escalation.

We recognise that more needs to be done for the cohort of school leavers. The incoming Educational Worker will lead on this group and assist practitioners in identifying further support and guidance for young people in this age range. As well as traditional pathway support such as Colleges, there is a range of apprenticeships available alongside other organisational support methods such as St Giles Trust, Princes Trust, and Maximus. The services' partnership with New Town Culture projects has enabled young people to gain certification in Podcast Skills and Sound Engineering. Alternative and shorter programmes like this are ideal in enabling young people to realise their potential to learn new skills, engage in team working and to gain structure in their day. The service will prioritise similar joint working projects in year ahead.

It is noted that key skills like English and Maths are an issue for some young people to progress onto apprenticeships and other courses, such as areas within the construction industry. Many struggle to engage in these subjects when they have been detached from a learning environment for some time. We recognise that an alternative method of coming back to a position of learning and achievement can be through pathways such as AQA certification.



As a result of the LBBD Youth Justice Service achieving AQA Centre Award Status we will now be able to deliver a range of AQA achievement certification and where the young person has the capability knowledge and skills, higher AQA certification. The AQA scheme will allow our young people to identify their own areas of interest and with the help of their youth justice practitioner and specialist workers create their own portfolio of achievement via the AQA website. Sessions themselves can be incorporated into learning as young people use the website to research their own learning areas. These may range from

specific offence related pieces of work such as substance misuse, anger management and awareness of peer pressure to areas of support around emotional wellbeing, mindfulness, or pathways to employment. The award scheme is vast and there will be something for every learner that is put forward for an award.

SEN

In order to report on the percentage of children who have an identified SEND who are in suitable ETE and have a formal learning plan in place for the current academic year we have secured the services of a specialist SEN Consultant who has started working with Service and the EHC SEND team to create a joint working protocol and processes for our young people known to both services. The protocol and processes are near completion and training on roles and responsibilities will align when the YJS education worker is in post.

Restorative approaches and victims

We remain committed to understanding the experiences and needs of the victims of youth offending. In doing so we have reviewed the contracts used by volunteers at the Referral Order Panel to include a specific area for feedback from victims to ensure that their voice is heard.

More emphasis has been put on engaging and keeping in contact with the victim/s, should they desire, through the duration of the order of the young person, which includes informing the victim of the young person's start of order, progress throughout the order as well as when the order finishes.

We have supplied victims with panic alarms, referred to 'Dear Santa' and referred on to other services where needed.

We have worked closely with the parent/carer and the practitioner for the person who committed the offence focussing on safety planning needed to safeguard the victim should they live in close proximity to each other or attend the same school or both.

We recognise that many young people are both victims and perpetrators of crime and address this with these young people involved with the service. Further work is planned to focus on young people who are the victims of robbery offences which is more prevalent within the borough, particularly for children under the age of 17.

We continue to invite victims to the Referral Order Panel so that their voice is central. Where most do not want to meet the young person that committed the crime against them, most are willing to write a statement and for it to be read out at the young person's panel by the Victim Officer. We have also introduced the victims voice via MS Teams at Pre-panel stage, should they not wish to attend. Victim's views are also sought to inform reparation that they may want the young person to carry out.

We have introduced 'Dear Santa' a charity that give monetary vouchers to young people and their siblings around Christmas time. Our Victim Officer also sits on various panels such as Risk Management, Out Of Court Disposal (OOCd) panel and Resettlement panels to ensure the voice of the victim is heard at each. Moving forward, we are working on ways to engage corporate victims and how we can further support young victims of crime through positive activities.

The management board heard an excellent presentation regarding the victim services offered and the outcomes achieved. This recent presentation showed progress in levels of engagement and evidencing outcomes when compared with the previous year.

Work is underway together with the performance officer to ensure that required data is collated to meet the new key performance indicator set by the YJB with regard to victim work.

Reparation projects offered by the team have been varied and included working within a variety of settings such as community centres, parks, libraries, and contact centres to improve the quality of these venues and the services they offer to the wider community. Young people have continued to gain AQA awards and CSCS cards through this work. Reparation opportunities are now available for young people who receive out of court disposals to engage them in community provision at the earliest opportunity. The Board has seen some impressive transformations of public and personal garden spaces – before and after photos with young people proudly showing off their hard work. This work offers young people an experience of social value and the worth in contributing to the communities in which they live. This in turn is known to instil a sense of purpose, empowerment, hope and feeling fulfilled.

Serious violence and exploitation

The Head of Service is a participant in a local multi agency group to focus specifically on the serious violence duty for the borough. This is a new group that has been set up by the Community Safety Partnership and is still in its infancy. The involvement of the Youth Justice Service in this group will ensure that any areas of concern for children are understood and addressed effectively by the partnership.

There is a Serious Incident notification protocol, and all such incidents are reported to the board in order that learning can be shared, and service needs and changes can be discussed and agreed. One particular incident considered resulted in a multi-agency rapid review as per the Safeguarding Children reporting procedures. Initial findings and areas for learning have been shared with staff in a good practice event and a Board meeting.

The Head of Service also has responsibility for adolescents and exploitation across LBBD and is therefore able to ensure that both parts of the service are well connected and that the issues of exploitation are understood across the service areas.

Recent audits have shown that there is a good joint working between workers in both parts of the service and they are able to work effectively together to achieve the best outcomes for young people who are exploited and also open to Youth Justice Services. The audits have also shown that there is more work to do to ensure that all workers across the wider children's care and support teams as well as partner agencies fully understand the issues of exploitation and how to work with children that have experienced exploitation. Work is currently underway to address this with the addition of a dedicated exploitation practice lead who will drive consistency of practice across the services, linking in with partners agencies and regional and national work on exploitation.

LBBD has been a pilot site for the National referral mechanism (NRM) devolved decision making process with the home office and is now in its third year of funding. This has enabled the borough to employ an NRM co-ordinator who sits within the adolescent and Youth Justice Service. LBBD has been seen as an area of good practice in this field and are able to achieve reasonable and conclusive grounds decisions within 30 days compared to many months prior to the pilot process. The monthly NRM decision making panel includes a range of agencies which includes; health, police, education, social care and the ICTG service.

As previously mentioned LBBD has received Turnaround money from the home office which is being used within the borough to focus on those children who are released under investigation or bailed to return to the police station. There is also the 'Engage' project based in the local custody suite and our Out of Court disposal team. The Turnaround workers straddle across the Adolescent team and the Youth Justice teams with close links with police ensuring timely identification, assessment, and planning with a view to the right interventions being offered.

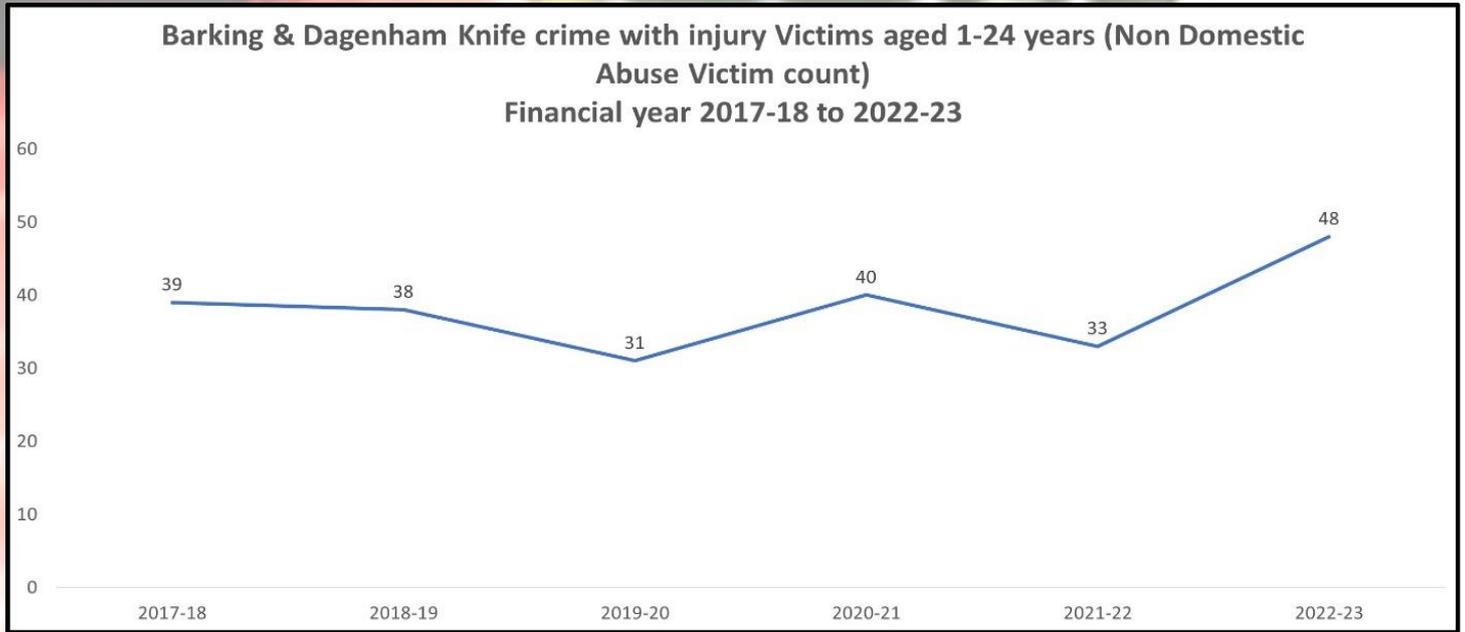
Knife Crime offences reported to and recorded by the police:

The table below shows the number of knife crime offences reported to and recorded by the police for Barking and Dagenham in April 21 to March 22 and April 22 to March 23. Caution should be taken when interpreting these figures as the country was emerging from COVID 19 lockdown restrictions in the 2021-22 period. The charts further down show offences levels from 2017/18 to 2022/23.

Knife crime offences	12m to Mar 2022	12m to Mar 2023	Change (n)	% Change	CSP Priority?	Rate per 1,000 pop in Top or bottom Quartile in London?
Overall Knife crime	329	468	139	42.2%	Y	Top
Knife crime with injury	82	127	45	54.9%	Y	Top
Knife crime with injury (Personal robbery)	11	15	4	36.4%	Y	Top
Knife Injury Victims (1-24)	35	54	19	54.3%	Y	Top
Knife Injury Victims (non-DA 1-24 Gang Flagged)	2	4	2	100.0%	Y	Top
Knife Injury Victims (non-DA 1-24)	33	48	15	45.5%	Y	Top

- **In 2022-23** there were **468** knife crime offences reported overall. This figure will include offences for victims and perpetrators of **all** ages, domestic and non-domestic offences, whether the victim received an injury or not and whether the knife or sharp object was seen or believed to be present.
- Of the 468 offences, **127** (27%) were Knife crime with injury offences which means the offence resulted in an injury to the victim, these figures will include victims or perpetrators of any age and both domestic abuse and non-domestic abuse offences.
- Of the 127 Knife Crime with Injury offences a total of 15 were personal robbery offences (12%)
- Of the 127 Knife Crime with Injury offences a total of 54 involved victims aged 1-24 years old (43%) – this will include domestic abuse and non-domestic abuse offences.
- Of the 127 Knife Crime with Injury offences a total of 48 involved victims aged 1-24 years old which were not Domestic abuse related (37%). This is one indicator used to reflect the levels of serious youth violence taking place on the streets.
- Of the 127 Knife Crime with Injury offences a total of 4 were flagged as gang related (3% of knife crime with injury offences or 8% of knife crime with injury victims aged 1-24 years non-domestic abuse offences)

Knife Crime with Injury Victims Aged 1-24 years (non-domestic abuse):



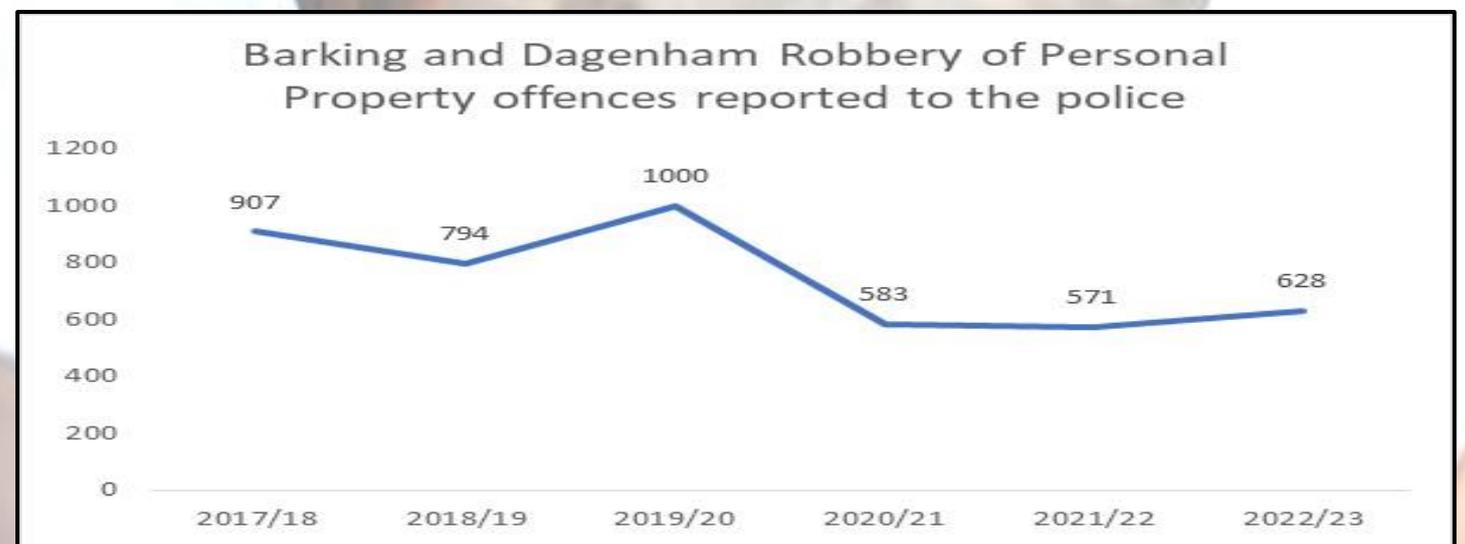
The number of non-domestic abuse knife crime victims aged 1-24 years is starting to increase and 2022-23 recorded the highest number of victims in the last 6 years.

Robbery of Personal Property offences reported to and recorded by the Police:

Robbery of personal property offences is known to disproportionately affect young people in Barking and Dagenham. The table below shows the number of Robbery of Personal Property offences reported to and recorded by the police for Barking and Dagenham in April 21 to March 22 and April 22 to March 23.

	12m to Mar 2022	12m to Mar 2023	Change (n)	% Change	CSP Priority?	Rate per 1,000 pop in Top or bottom Quartile in London?
Robbery of Personal Property	571	628	57	10.0%	Y	Mid-range

Robbery of personal property offences increased from 571 offences in the 12 months to March 2022 to 628 offences in the 12 months to March 2023 (+ 10% / up 57 offences). It should be noted that these increases are not considered to be statistically significant at that point in time and offence levels in the 12 months to March 2023 are not higher than pre-covid levels (see table below). However, offence levels are increasing once more.



A recent survey completed with young people in LBBB that focused on robbery showed that high percentages of children do not feel safe in LBBB (89%), and a large percentage also had been or knew someone who had been robbed (93%). This already is a priority area for the borough and will need to be a focus going forward not only for the Youth Justice Service but also for the partnership. The children involved in the Board development day said that they would not report this to the police for fear of retribution from their assailant and some were also unlikely to report this to their parent. Sadly, there was also a sense of “this is just the way it is ” which also impacted on the motivation to report the incident. Therefore, it is highly likely that the numbers of proven offences for robbery are underestimated where children are the victim.

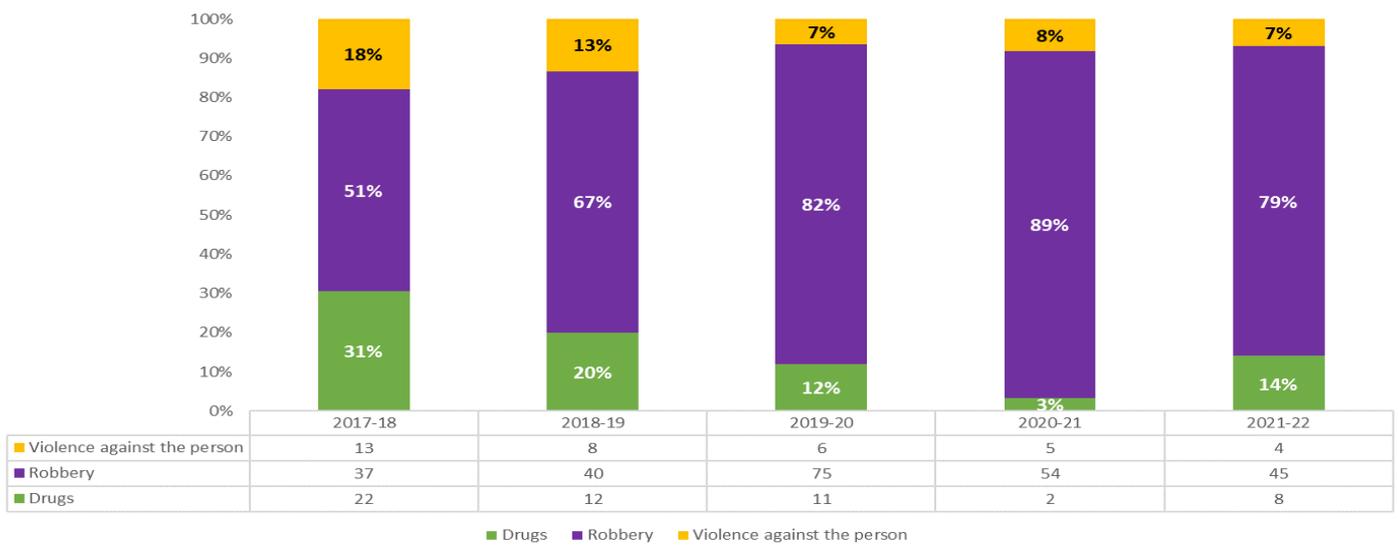
Serious Violence – Juvenile Cohort

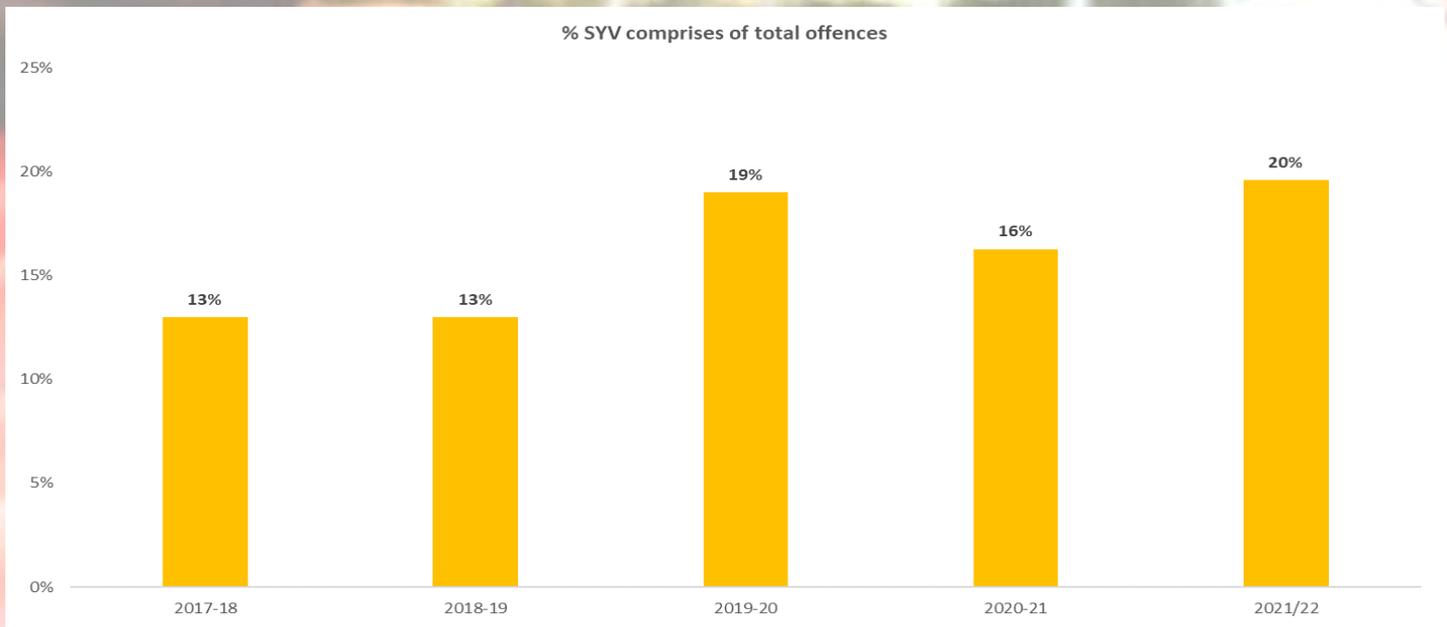
The Youth Justice Board's operational definition of Serious Violence (SV) is any drug, robbery or violence against the person offence that has a gravity score of five or more. Robbery offences all carry a gravity score of 6. Gravity scores range from 1 (least serious) to 8 (most serious).

Number of serious youth violence offences and the number of children committing these offences



Distribution of Serious Violence Offences





Proven Offences by children who received a caution or a court sentence:

The counts in this section represent all proven offences committed by the children in the corresponding time periods and not simply the primary proven offence that they received a caution or court sentence for.

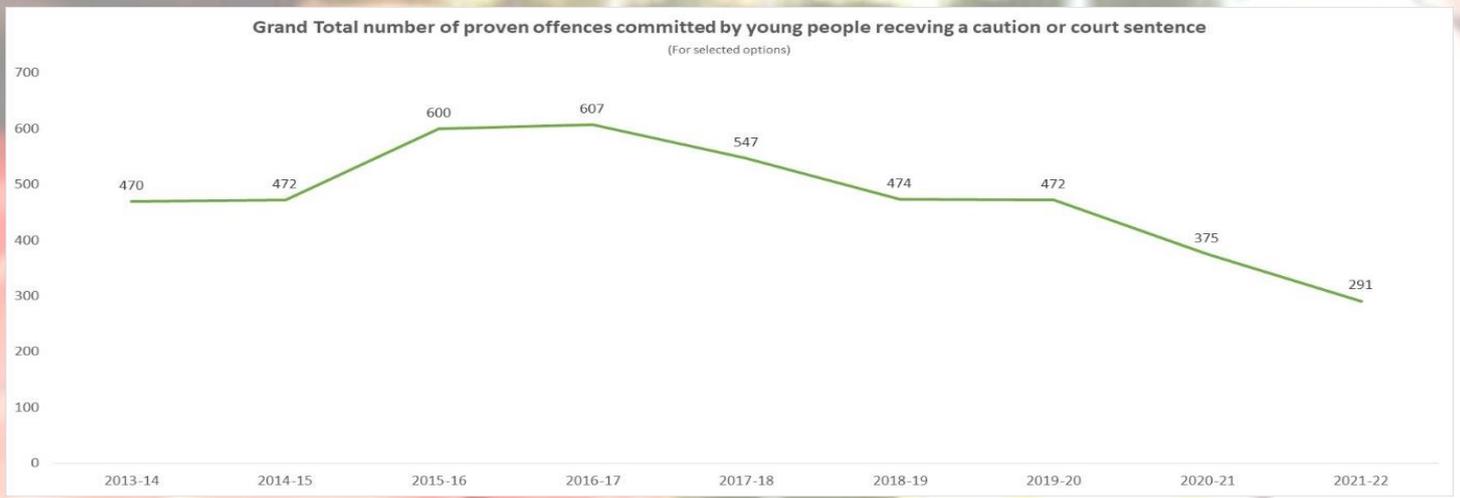
In summary, in Barking and Dagenham in the year ending March 2022:

- The number of proven offences committed by children fell by 22% from the previous year to 291, the lowest in the time series reflecting regional and national trends.
- Compared with the previous year, while most offence types saw a decrease, Burglary, Sexual and Public Order offences saw the biggest year on year falls (100%, 100%, and 52% respectively). Robbery and Violence Against the Person Offences had the smallest decreases with -17% and -4% respectively. Drug offences increased by 15% compared with the previous year.
- Whilst the number of proven offences committed by children has fallen for most crime types when compared with 9 years ago, the proportions of these offence groups has been changing. Violence Against the Person Offences have seen the greatest increase in proportion, gradually increasing from 23% in 2013/4 to 33% in 2021/22.

Grand total proven offences by Barking & Dagenham Children:

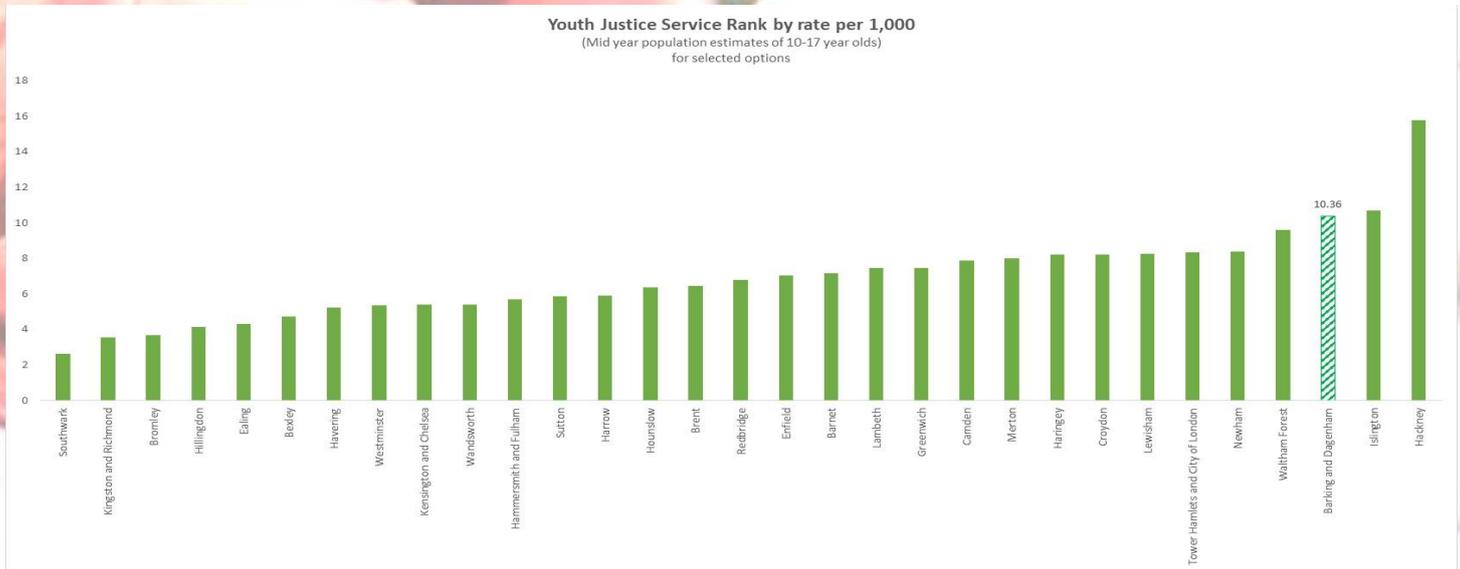
The number of proven offences by Children in Barking and Dagenham has continued to fall. In the year ending March 2022, there was 291 proven offences committed by children which resulted in a caution or sentence in court. This was the lowest number in the time series and a fall of 22% from the previous year and a fall of 38% since the year ending March 2014. This downward trend is reflected in regional and national figures.

There was an increase in offences from 2015/16 peaking in 2016/17. Modest decreases were seen year on year up to the end of 2019/20 and then more significant decreases were seen from 2020/21 to 2021/22 which is when the COVID 19 pandemic lockdown restrictions took place and then removed.



Proven offence rate per 1,000 10 to 17 year olds:

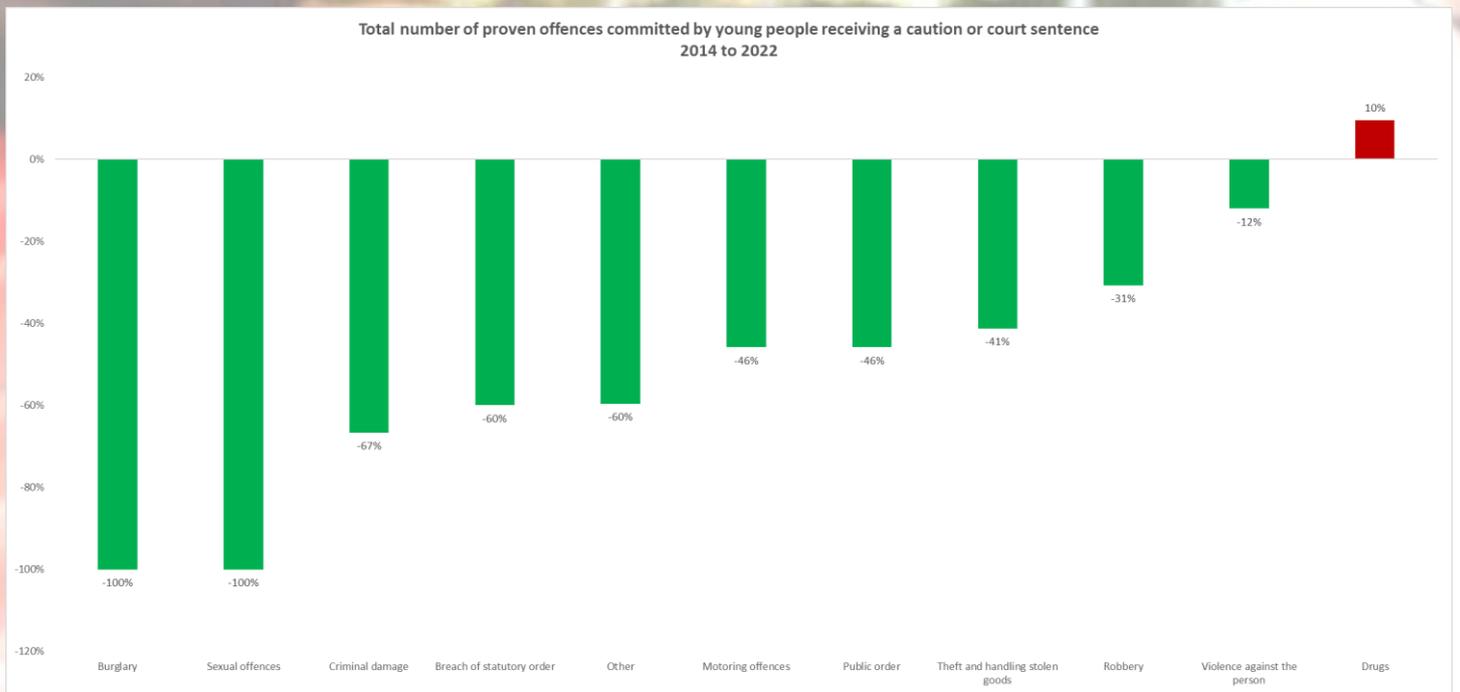
In 2021/22 Barking and Dagenham had the 3rd highest proven offence rate in London (see chart below). Barking and Dagenham had the 3rd highest, 2nd highest and 5th highest rate in 2021/22 for Robbery, Theft and Handling and Violence against the person offences respectively.



Trends in offence types:

In Barking and Dagenham since 2013/14, the number of proven offences has fallen across most offence groups with the exception being drug offences. The level of drug offences will be impacted by proactive police operations and the pandemic which generally saw an increase in drug possession offences regionally and nationally whereby people (of all ages) were found by the police to be in possessions of drugs in public places when they should have been self-isolating.

Burglary, Sexual, and Criminal Damage are the three offence groups to see the largest fall between 2013/14 to 2021/22 (with Burglary and Sexual offences decreasing to 0 proven offences in 2021/22 and Criminal Damage decreasing by 67%).

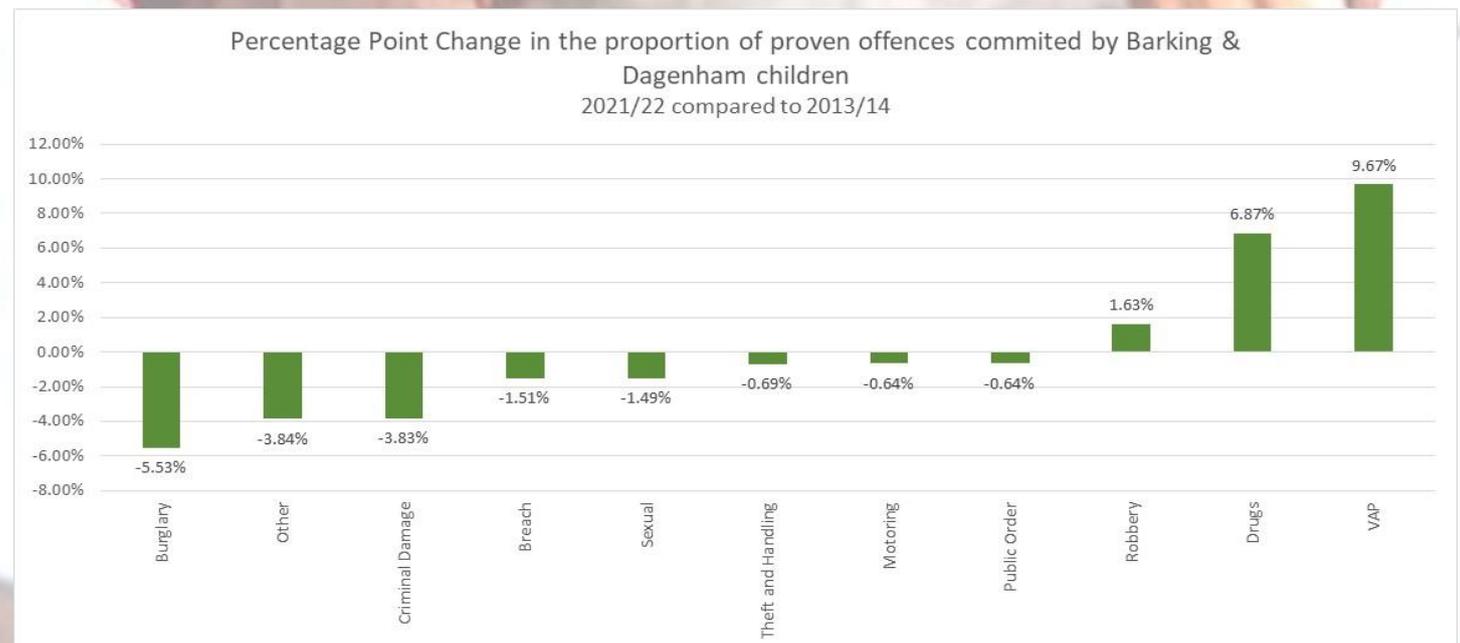


2021/22 Offence breakdown

Violence Against the Person offences has consistently been the highest volume offence committed by Barking and Dagenham children since 2013/14, representing 33% of all proven offences in 2021/22 mirroring regional and national trends. The second and third highest offence type has fluctuated over the years between Theft and Handling offences and Robbery offences (12%-18% and 6%-15% of total proven offences over the years respectively).

Offence volume as a proportion of total

Whilst the number of proven offences committed by children has fallen for most crime types when compared with 9 years ago, the proportions of these offence groups has been changing (see chart below). Violence Against the Person Offences have seen the greatest increase in proportion, gradually increasing from 23% in 2013/4 to 33% in 2021/22.

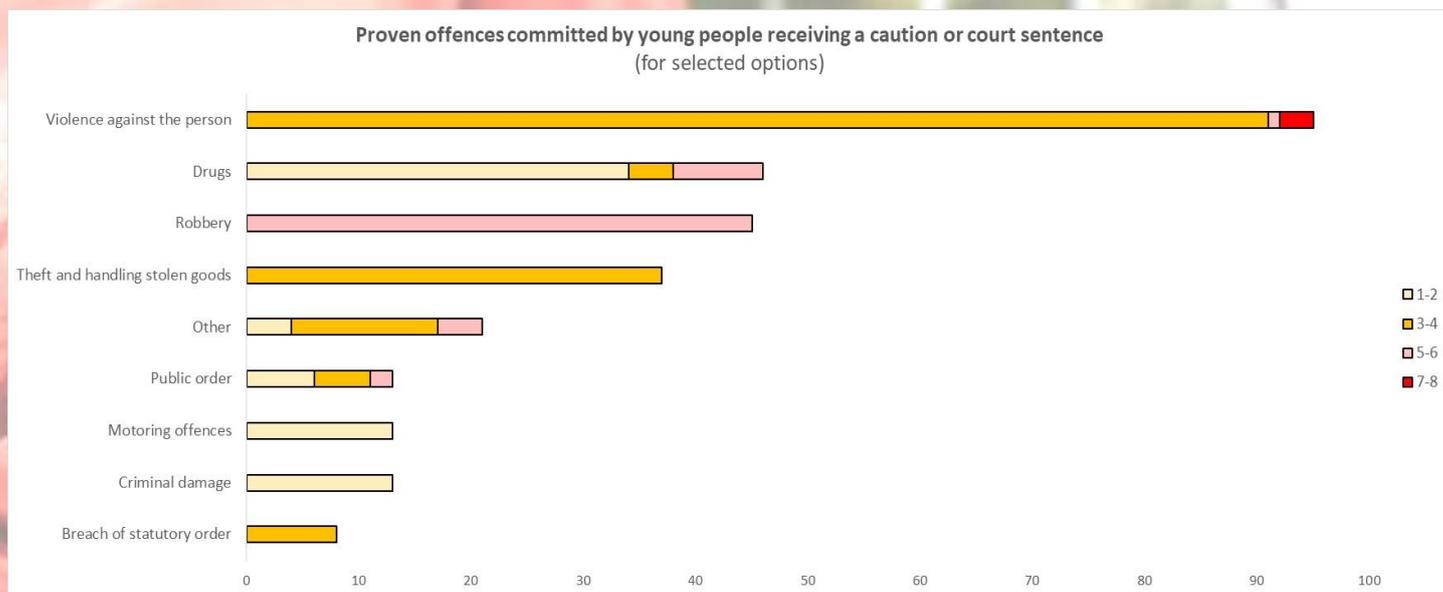


Offence group by gravity score:

An offences' gravity score is scored out of eight, ranging from one (less serious) up to eight (most serious). For example, non-payment of travel fare has a gravity score of 1 while murder has a gravity score of 8.

The chart below shows that the violence against the person group made up the largest share of offences in the year ending March 2022. Only a small proportion of offences (4%) within this group had a higher gravity score of five to eight. Robbery has a higher gravity score of 6 and was the most serious offence type in 2021/22 a trend which has continued from previous years and a trend that is seen across regional and national figures. Burglary and Sexual offences can also be higher in Gravity scores but there were 0 proven offences in 2021/22 for these offence types.

In the latest year, 3 proven offences committed by children from Barking and Dagenham had the highest gravity score of seven to eight, which accounted for 1% of all proven offences. They were all Violence Against the Person offence.



Detention in police custody

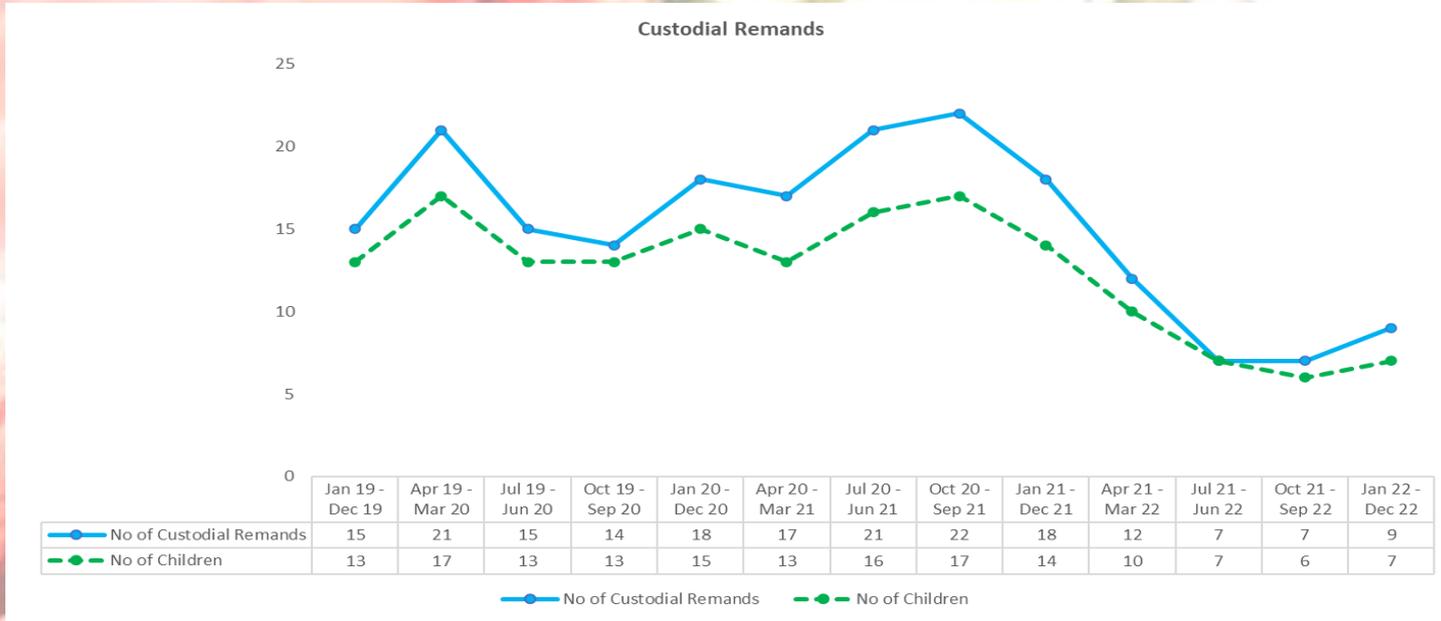
The appropriate adult arrangements within LBBD are a commissioned service provided to young people and also vulnerable adults as needed. Wherever possible we will encourage parents or carer to act as appropriate adults and help to facilitate this where we can. If this is not possible an allocated worker who the young person knows, or a duty worker will attend. Only when these avenues have been exhausted will the appropriate adult service be utilised.

The EDT (out of hours emergency duty team) is aware of the commissioned arrangement with the Appropriate adult service and will call on them for any young person who attends custody out of hours. LBBD have a positive reputation with our EDT for being responsive to finding appropriate accommodation for young people reducing the time they are in custody. The HoS and Board chair receive monthly reports on young people who were presented at police custody overnight and the HoS quality assures all instances where accommodation was not found in good time in order that we understand the issues at hand.

As mentioned earlier, LBBD young people have access to the 'Engage' project that will go into custody when a young person is detained, this is seen as a "reachable teachable moment" where the practitioners engage with an effort to connect them into local services.

Remands

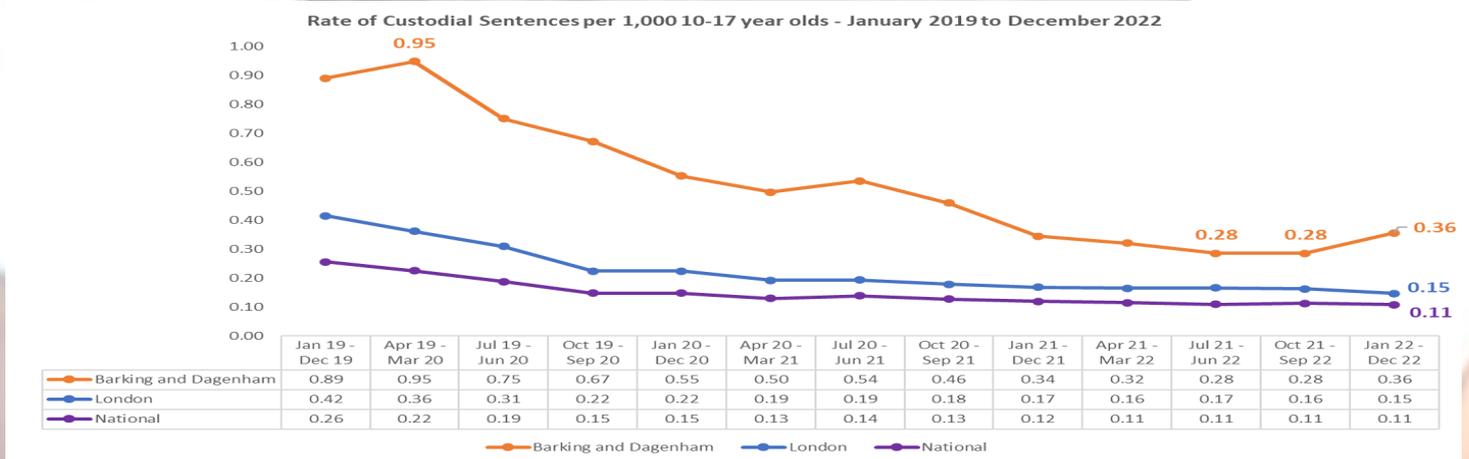
The use of remands in LBBB is low and the percentage of children who receive a custodial sentence after remand is high. This would indicate that only those children that commit the most serious offences are remanded to custody and due to the serious nature of the offence this leads to a custodial sentence. LBBB will always look at the most appropriate bail packages available offering a range of conditions as well as intensive support where appropriate. LBBB is involved in the London accommodation pathfinder initiative and will utilise this when necessary to avoid a remand wherever possible.



Use of custody

Custody numbers continue to remain lower than previous years, although a slight increase on last year's figure. There is a weekly cusp of custody panel in place that looks at those children where an all options report has been requested by the court and a custodial sentence may be a possibility. This panel is attended by team managers and practitioners to look at what alternative options may be available for sentence to avoid custody wherever possible. An annual deep dive presentation is delivered to the Board on those children both remanded and sentenced to custody to ensure that they are sighted on our most vulnerable and complex children and can understand the issues that exist for them.

Custodial Sentences Rate:



	Jan 19 - Dec 19	Apr 19 - Mar 20	Jul 19 - Jun 20	Oct 19 - Sep 20	Jan 20 - Dec 20	Apr 20 - Mar 21	Jul 20 - Jun 21	Oct 20 - Sep 21	Jan 21 - Dec 21	Apr 21 - Mar 22	Jul 21 - Jun 22	Oct 21 - Sep 22	Jan 22 - Dec 22
Barking and Dagenham	22	24	19	17	14	13	14	12	9	9	8	8	10

Constructive resettlement

In LBBB there is a multi-agency Resettlement panel that meets monthly and is chaired by the Adolescent and Youth Justice Head of service that focuses on young people in custody and the plans for their resettlement. This panel looks at young people remanded to custody as well as those sentenced to custody to ensure that parallel planning processes are taking place alongside the court process. This panel is attended by education, health, police, secure estate, probation, and voluntary and community sector partners. This ensures that all aspects of the child's resettlement plans are discussed, and actions put in place to make this a smooth transition wherever possible. This is also an opportunity to address any issues and escalate these where necessary.

The resettlement panel has been expanded within the last six months to also consider those young adults in custody who are care leavers. Similar to our younger cohort, this ensures a multi-agency partnership focus on these often most complex and vulnerable young adults who we know from research are at risk of worse life outcomes due to their care status. The Service manager responsible for Care leavers is a key member of the panel alongside the partner agencies. This ensures the planning is aligned to the care leaver's Pathway plan and all needs in relation to their transitions into adulthood are carefully considered and planned for. This section of the panel is still in its infancy and still being developed to ensure it meets the expected outcomes.

Standards for children in the justice system

LBBB has not completed a further self-assessment specifically regarding the National Standards since last year when it showed that four out of five areas were rated good, and one requires improvement.

However, the service has instead commissioned a full case audit by an external agency to ensure that all standards within the service meet the expected requirements as well as to give a sense of the quality of case work across the system.

This audit was completed at the end of 2022 and rated most of the work as still requiring improvement which has been disappointing given the previous good progress made. Findings included: -

- Assessment timeliness and quality inconsistent.
- Identification and management of risk and vulnerability required improvement.
- Planning needs to be clearer and focused on the identified areas.
- Management oversight and supervision inconsistent and requires strengthening.
- Further clarity needed regarding the impact that multi agency panels have on managing risk and vulnerability.
- Clearer footprint on the file needed from partner agencies to evidence work.

As a result of these findings rapid and intensive development work has been ongoing in the service focused on the following areas: -

- Five workshops for all practitioners and managers on assessments, plans and interventions focusing on risk and safety planning.
- Follow up event with staff and managers to consolidate learning.
- Monthly workshops with managers further embedding standards of good practice.
- Review of multi-agency panels to ensure they are enhancing practice and having the desired impact.
- Ongoing performance monitoring through performance reports and weekly meetings
- Regular Dip sample audit activity by the Head of Service reviewing a cohort of case files focussing on areas of quality.

These pieces of work will be ongoing throughout the coming year with a further full audit scheduled to assess distance travelled and the outcomes of the improvement work later in 2023.

Workforce Development

The career progression framework is still in place for staff and a current remodel is being considered to offer additional career progression for staff into a senior position. Three managers are continuing to study on the leadership course and are expected to complete this year. We have been proud to see staff gaining promotions in the last year. Whilst we have lost some staff, we have seen them leave for positive reasons taking good learning and development with them.

One of the team managers has completed peer review training and completed a second peer review within the last year.

The Head of Service has continued in the role of co-chair of the Youth justice sector Improvement Partnership (YJSIP) Board and has been actively involved in training peer reviewers as well as co-leading on peer reviews within the last year.

Staff continue to access Inset training focused specifically on youth justice issues such as AIM, report writing and court skills as well as local safeguarding training and exploitation training.

Some staff have been trained in specific programmes such as 'Go Girls', 'Your Choice' and sexual abuse practice lead training.

All youth justice practitioners have had external training on Assessment, planning, intervention, review, and evaluation over a period of five days and will receive a consolidation event later this year.

Staff in the team continue to have the regular Good Practice Meeting focussing on quality of practice and bringing new research and ways of working to their attention. Having the adolescent team as part of the service means the YJ Team have access to learning opportunities re exploitation and contextual safeguarding.

Staff are also linked into the Children's care & support Training portal and can access wider training opportunities.

Workforce Priorities

- Delivery of remodel of service to offer further career progression opportunities.
- Provision of ongoing clinical supervision sessions
- Development of joint supervision sessions with social care colleagues
- Further development of volunteers across the service
- Further provision of training offer over the coming year.
- Ongoing managers workshops to ensure quality oversight.

Evidence-based practice and innovation

Youth Justice Services in LLBD are embedded alongside the adolescent team and the YARM to ensure that there is a clear focus on adolescents and the complex issues that they face. This has enabled the service to participate in a range of pilot projects and initiatives that cut across the service.

LLBD has been part of the original scale up work with University of Bedfordshire and Durham and whilst this has now concluded the authority continues to focus on contextual safeguarding issues and continued development of practice.

The borough is one of the sites for National Referral Mechanism (NRM) devolved decision making which has enabled young people to receive both reasonable and conclusive grounds decisions in a much shorter time due to the partnership panel and processes that have been developed in this work. Outcomes for this process are extremely positive and children are receiving reasonable and conclusive grounds decisions within 30 days.

This NRM work has continued, and the processes embedded into practice. As a borough we have run workshops for other Authorities to assist them in setting up similar processes. This programme is currently being evaluated by Ipsos Mori.

The service runs the 'Your Choice' programme within LLBD enabling staff to receive training in cognitive behavioural therapy (CBT) to apply when working with young people. This programme offers the opportunity to work in a more intensive way, promoting engagement in positive activities with the aim being to divert the young person from further offending. Rollout of this CBT training for staff is being expanded across other areas of children's care and support and we have now entered the efficacy stage of the programme. The training is delivered by a team manager in the service alongside a therapeutic practitioner. The Anna Freud Centre and Institute for fiscal studies are evaluating this programme.

The East London BCU were successful in getting the 'Engage' programme into the police custody suite in the area to offer positive engagement and diversion at the earliest opportunity. Utilising the contact in custody as a reachable, teachable moment that can be utilised to divert children into community support. This programme will also be subject to evaluation.

The service has been successful in bidding for young women and girls funding from the Home Office. This has been used to provide specific training to all staff within the service and to also employ a Young Women and Girls Worker. This will now allow the service to provide bespoke one to one and groupwork to young women and girls.

As mentioned earlier, the Youth at Risk Matrix (YARM) continues to provide an early offer of intervention with some of our most complex adolescents that have been identified by the school as at risk of entering Youth Justice Services. The service provides an annual evaluation to evidence work undertaken and its impact. Year on year the team have grown and their reputation with our family of schools is strong.

The chair of the Board frequently tables the latest research, examples of best practice from elsewhere or relevant regional and national learning papers at the YJ board, facilitating debate and discussion with a constant drive for improvement. Our team recently visited Hammersmith and Fulham Youth Justice Service following their Outstanding HMIP inspection. Even though the two boroughs have some stark differences in terms of demand and need, there was much to learn. Both the Chair of the Board and Head of service attend London Council's facilitated HoS YJB sessions and Chair's of Board meetings to ensure we are up to date with YJB initiatives and changes, alongside hearing and learning from others.

The Board has also intermittently revisited the standard of what makes a "good board" reiterating the expectations of members. Whilst we have not had a young person representative, we have made sure the service present "Deep dive" presentations based on reviews of our young people's circumstances

– this feedback brings the lived experience of the young people into the Board, informing discussions and actions going forward.



Service development plan

Preparation for this plan has included a development workshop with members of our LBBD Youth Justice board and young people to collectively agree the focus of the service improvement plan for the coming year. This workshop considered the YJB refreshed guidance and the priorities and actions we thought would be most relevant considering the needs of our young people and their families.

Priorities

- Continued work focusing on reducing first time entrants and children in custody.
- Continued focus on Education training and employment with a new education worker in post, ensuring good education, employment, and enrichment opportunities for young people with a focus on the expansion of the AQA accreditation.
- Develop targeted and effective interventions in collaboration with young people, particularly focusing on children with differing needs and young women and girls.
- Focused work on robbery, serious youth violence that also understand and young people as victims as well as perpetrators and links to substance misuse.
- Focus on achieving consistently good quality practice against all the practice standards.
- Meeting new KPIs and improved performance reporting through partnership engagement and delivery

Governance and partnership

- Involvement of young people at a strategic level on the board
- Embed anti -racist practice standards striving to achieve equity for our black and global majority children known to the Youth Justice Service.
- Improved partnership recording and sharing of information and impact of service delivery to inform wider issues affecting young people and to influence future work and commissioning.
- Strengthened quality assurance processes ensuring clear line of sight and understanding of quality of practice.
- Ongoing scrutiny of research and reports to inform the work of the board and the Youth Justice Service to ensure practice improvement is in line with most recent thinking and learning.

Community Safety Partnership Priorities

- Keeping Children and Young People Safe
- Tackling safety in the neighbourhood and community
- Reducing offending
- Standing up to Hate Intolerance and Extremism
- Tackling violence against women and girls

Cross cutting themes

- Support to Victims
- Perceptions of safety
- Reduction in violence

London wide priorities set by MOPAC covering 2022-25

- Reducing and preventing violence
- Increasing trust and confidence
- Better supporting victims
- Protecting people from being exploited or harmed.

SERVICE DELIVERY PLAN 2023/24

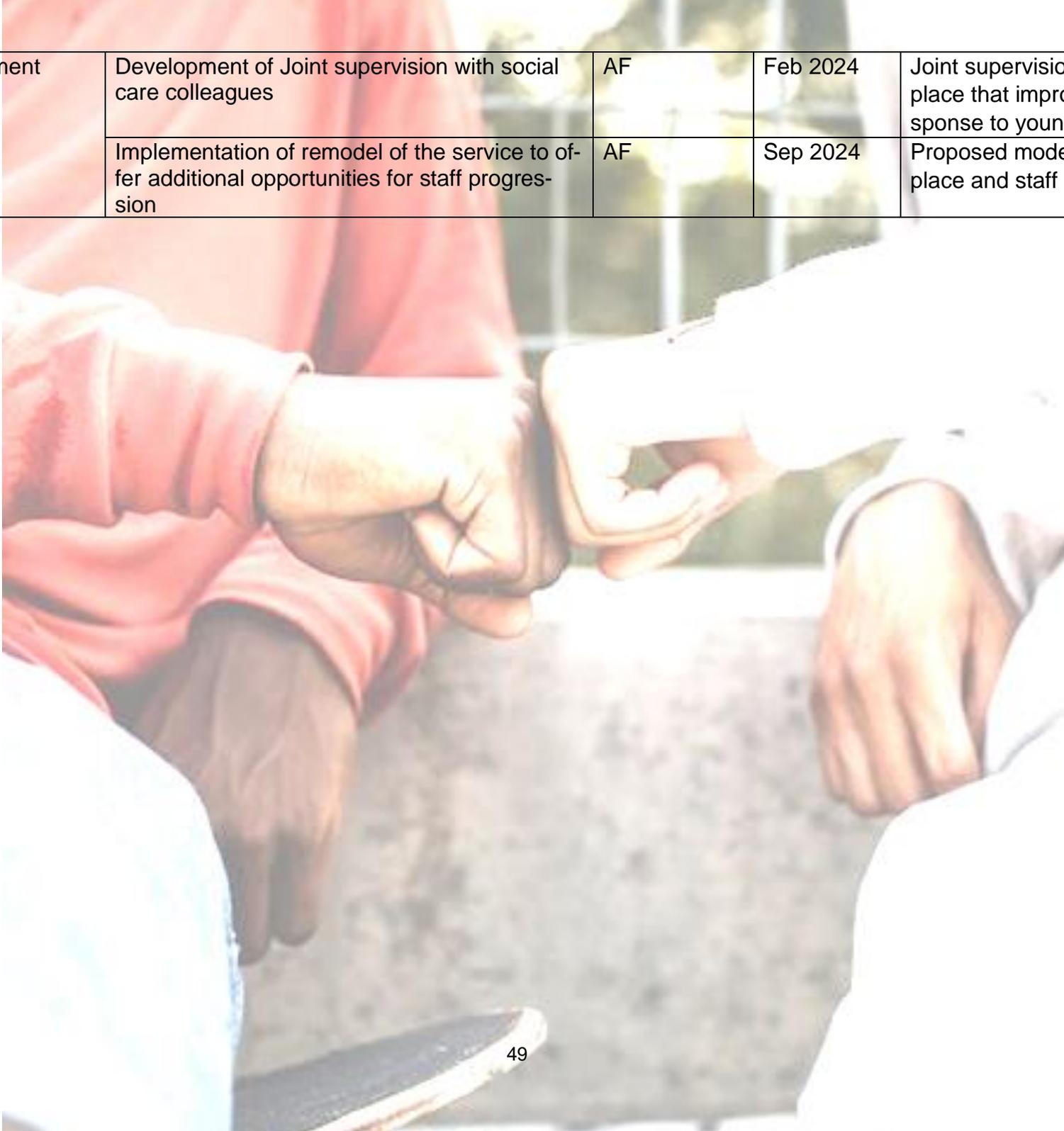
Priority Area	Action Identified	Person Responsible	Timescale	Outcomes
Continued work focusing on reducing first time entrants and custody	Increase partnership engagement in the Out of Court Disposal Panel (OOCDD) Meetings	AF/JE	Sep 2023	Children receive the correct outcome at the decision-making panel, based on good sharing of information amongst partnerships, to make plans effective, and minimize risks
	Increase the amount of Victim statements taken before the OOCDD panel commences	JE/JS/JK	Nov 2023	All decision making at panel is better informed by the views and wishes of the victim.
	Continue to identify themes and trends through the FTE subgroup and develop delivery of services accordingly.	JE/AF	Mar 2024	Interventions within the YJS and across the partnership are delivered in line with themes and trends identified in the FTE subgroup
	Develop additional activities/opportunities for young people through Turnaround to reduce the potential for young people to enter the criminal justice system	LA/LH	Jan 2024	Young people engaged with Turnaround and offered opportunities do not enter the Youth Justice Service
Continued focus on Education training and employment with a new education worker in post, ensuring good education, enrichment, and employment opportunities for young people with a focus on the expansion of the AQA accreditation.	Develop LBBD YJS AQA delivery award scheme for all eligible young people	JR/SE	Commence June / July 2023	All AQA students are engaged with learning and have their achievements formally recognised.
	AQA Unit Award Scheme Training for all YJS Case Managers, Subwise, CAMHS, S2L, Victims, Adolescent social workers, YARM, and Turnaround	JR	December 2023	All staff who work with young people in the youth justice system will have access to Teacher Training for completing AQA units and at least 50% of staff are utilizing this accreditation for their work.

	Create a purpose-built Youth Justice Directory of interventions from the extensive list of AQA units currently available.	JR/LR/SE/AK	March 2024	Delivery of bespoke packages of intervention that will target the most common areas of crime recorded in LBBD based on the needs and interests of the child.
	Create clear policy and pathway for children with Special Educational Needs	JR/MM/DW/SE	Oct 2023	Policy and pathway in place and children with SEN are quickly identified and receive the right support.
	Increase the use locally of ROTL as a means of securing suitable ETE provision for children and Young People in a secure setting.	LRP/JE/AK	Feb 2024	Training for staff on the effective use of ROTL and children on ROTL are utilising this to secure ETE provision.
Develop effective interventions in collaboration with young people, particularly focusing on children with differing needs and young women and girls.	Development of gender specific programmes for both boys and girls open to the service.	LR/RW/LA/JE	Mar 2024	Intervention programmes devised and delivered with and to young people that are gender specific as needed
	Delivery of 'Go Girls' programme	RW/DJ/NB	Jan 2023	At least one delivery of 'Go girls' programme delivered to young people
	Delivery of co-production with young people and artists at Wigmore Hall	LR/RW	Mar 2024	Co-produced work with young people delivered at Wigmore Hall
	Delivery of cultural competence training for the service, including the development of anti-racist practice standards	AF	Mar 2024	Staff are confident in working with young people and able to learn about how a young person's culture, ethnicity, heritage, gender, and identity impacts on them both recognising and proactively responding to any discrimination they are experiencing
	Exploration of additional activities/funding opportunities and links to sport/positive activities within the community to increase the offer of positive opportunities for young people.	All managers		More opportunities for young people to engage in positive activities in the borough where they feel safe and confident to participate

Focused work on robbery and serious youth violence that also understands and focuses on young people as victims as well as perpetrators and links to substance misuse	Develop a specific programme of work to support young people who are victims of robbery.	JE/JK	Dec 23	Young people who are reported as victims of robbery are properly supported.
	Develop education sessions to use with young people regarding safety and reducing the potential to become a victim of robbery	LA/YARM	Dec 23	Young people are educated about personal safety and feel more confident to report being a victim.
	Develop education session to deliver to all children to ensure they are better informed about their rights regarding stop and search	LA/YARM	Oct 23	Young people are properly informed about their rights when stopped and searched
	Work with the partnership to ensure that allocated funding is directed to the right areas and informed by young people	AF	Aug 23	Funds allocated to the borough focus on the needs of children and is informed by them.
	Biannual mapping exercise completed to fully understand existing criminal groups and emerging individuals and groups of concern which will allow for a more accurate picture of where resources should be targeted for the borough identifying offence trends and areas of concern	YJS service manager	Biannual. Two to be completed by Mar 2024	Staff and partner agencies are well informed regarding the areas and issues of concern within LBBB regarding criminal groups and serious youth violence to direct resources
Meeting new KPIs and improved performance reporting through partnership engagement and delivery	All new Court Orders will be discussed in an in person planning forum with all stakeholders' present confirming existing information and identifying partnership roles and interventions.	JR/JE/CB/W W	Aug 23	Plans are clear and include partner agencies and are reviewed formally on a three-monthly basis.
	Improve the MAPPa process and increase staff understanding of this, building confidence of staff to attend and make appropriate representation to MAPPa panel.	CB	Aug 2023	Staff are well versed and confident in the MAPPa process and attending MAPPa panel
	Ongoing work and training with partner agencies to ensure that the work is evident on the electronic systems.	JR/CB/AF/partner agencies	May 2023	There is clear evidence and a footprint of partnership work throughout the data systems.
	Develop clear process for all children entering the service to receive a SALT and health and wellbeing screening with first four weeks.	JR/BC/AF	July 2023	100% of children coming into the service receive a SALT and health and wellbeing screening.

	Encourage more contact with victims and corporate victims by introducing outreach work.	JE/JK	Dec 23	More victims to attend or have an input in the Referral Order Process
	Complete an analysis regarding the age profile of victims for the last 12 months and understand the link between being a victim and potentially becoming a perpetrator. Developing training for staff regarding this.	JE/JK	Nov 23	To address during intervention those young people who have been victims of crime and to refer into appropriate services for further support where this is a feature.
	Further development of substance use work within the service to address the increases in drug offences and any themes/trends as they occur.	CB/SC	Dec 2023	Substance use work is well known within the service and accessed routinely by young people.
	Develop additional opportunities for the engagement of parents with the service including DIY projects, groupwork and education sessions	JE/SR	Jan 2023	Parents engage with the service and report that this has impacted them in a positive way.
Feedback/participation	Participation group set up with young people	LA	Sep 2023	Young people are consulted and included in developments and decisions of the service
	Regular reports to staff and management board giving overview of feedback	AF/WW	Sep 2023	The staff and members of the board are fully sighted on the feedback regarding the service and any improvement work needed.
	Recruit two or more young people to attend the LBBB YJ Board	AF	Sep 2023	The Board is better informed hearing directly from young people
Strengthened quality assurance processes ensuring clear line of sight and understanding of quality of practice - driving improvements and consistently good quality practice against all the practice standards	National Standards self-assessment refresh	AF	Mar 2024	National standards self-assessment completed, and highlights distance travelled
	Follow up audit and continued dip sampling to drive continuous practice improvement and assess distance travelled	AF	Sep 2023	All practice areas have 'good' and 'outstanding' audit findings

Workforce development	Development of Joint supervision with social care colleagues	AF	Feb 2024	Joint supervision arrangements in place that improves the joint response to young people
	Implementation of remodel of the service to offer additional opportunities for staff progression	AF	Sep 2024	Proposed model for service is in place and staff retention is good



Challenges, risks, and issues

Currently there are a number of key vacancies within the Youth Justice Service that are impacting timeliness and capacity. Recruitment into the service manager will be crucial to continuing to improve quality and consistency of practice across the service.

The approval and delivery of a remodel of aspects of the service will give further opportunities for development of staff which will be crucial in continuing to retain and develop staff within the service.

Although data provision has vastly improved in the last three months since the recruitment of a new performance officer there is still further work needed to ensure that robust data analysis drives ongoing performance across the service.

Seconded staff into the service have been slower to move back into face-to-face work with children and young people in the space provided and this will need improvement to ensure that all aspects of the service are easily accessible including building the relationships between staff across the service.

Recruitment into the probation officer role is key to ensuring that young people have a smooth transition into adult services as needed.

The capability for seconded practitioners to record in the Child view system requires ongoing focus to ensure that the service can meet the new key performance indicators expected.

The borough is one with high levels of deprivation, high youth population where children and young people are experiencing adverse childhood experiences and inequalities. They are often the most likely to be victims of crime. This is a challenging context to be working in.

Serious youth violence continues to remain an issue for the borough and partnership arrangements are key to addressing this. Increased transparency by the Gangs team and sharing of relevant intelligence and data by the team is needed if we are to successfully tackle the challenges as a partnership. Similarly, we need a more nuanced understanding of county lines running in /out of LBBD.

The partnership needs to ensure that young people remain a priority for all services and that a proactive and collective response is needed to address issues of safety for children, particularly regarding robbery and serious youth violence and understanding the complexity of the lived experience of some of our most vulnerable children.

Signoff

This plan has been agreed and signed off by the chair of the LBBB Youth Justice Board and is due for full sign off by Cabinet on Sep 18th, 2023.



April Bald

Operational Director, Children's Care and Support

Page 206

Special thanks to the young people involved in this plan: -

Beyonce

Corey

Literis

Elizabeth

Mitchell

Appendix 1: List of Youth Justice Management Board Members

Children's Social Care Members	Board Member Attendance out of a possible 7 Board Meetings during the period of April 2022 – March 2023
Director of Operations, Children's Care and Support, LBBD (Chair of the Board)	7 out of 7
Head of Service Barking, Dagenham, and Havering Probation Service	5 out of 7
Head of Service Adolescent and Youth Justice Service, LBBD	7 out of 7
Service manager Adolescent team	6 out of 7
Service Manager Corporate Parenting, LBBD	4 out of 7
Children's Commissioner, LBBD	6 out of 7
Wider Council Members	
Director of Community Safety and Enforcement, LBBD	4 out of 7
Director of Education, LBBD	6 out of 7
Director of Community Safety Commissioning Manager, LBBD	7 out of 7
Service Manager for Targeted Early Help, LBBD	7 out of 7
Head of Participation and Engagement, LBBD	2 out of 7
Finance lead for Adolescent and Youth Justice Service, LBBD	7 out of 7
Partnership Members	
Superintendent, Metropolitan Police Service	7 out of 7
Sergeant Youth Justice Service, Metropolitan Police Service	7 out of 7
Youth Justice Board Regional Advisor for LBBD	1 out of 7
Subwise Head of Service	7 out of 7
North East London Foundation Trust (NELFT) Service Director	4 out of 7
NEFT Manager (CAMHS)	5 out of 7
Commissioner, NHSNEL (NHS North East London)	6 out of 7
Youth Justice Service team managers	6 out of 7
Magistrate representative	2 out of 7
Young People Representative	1 out of 7

Appendix 2: re Staff structure additional information – Youth Justice Staff Only

Sex	Number of staff
Male	16
Female	13
Age Range	
20-29	4
30-39	10
40-49	8
50-59	6
60+	1
Ethnicity	
Asian or Asian British	2
Black or Black British - African	11
Black or Black British - Caribbean	2
Mixed - Any other mixed background	1
Mixed - White and Black Caribbean	1
White - Any other White background	1
White - English/Welsh/Scottish/Northern Irish/British	11
Disability	
Learning	2

Appendix 3

Agency	Staffing costs	Payments in Kind	Other delegate funds	Total
Youth Justice Board	£505,789			£505,789
Local Authority	£1,663,388			£1,663,388
Police		£230,540		£230,540
Police and Crime Commissioner	£200,000			£200,000
Probation		£29,750		£29,750
Health	£55,000	£103,000		£158,000
*Welsh Government				£0
Other	£40,000			£40,000
Total	£2,464,177	£363,290	£0	£2,827,467

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CABINET**19 September 2023**

Title: Appointee and Deputyship Service Policy	
Report of the Cabinet Member for Adult Social Care and Health Inequalities	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Donna Radley, Head of Welfare	Contact Details: Tel: 0208 227 2406 E-mail: donna.radley@lbbd.gov.uk
Accountable Director: Susanne Knoerr, Operational Director, Adult Social Care	
Accountable Executive Team Director: Elaine Allegretti, Strategic Director, Children and Adults	
Summary	
<p>LBBD offers an Appointee and Deputyship Service to support residents who lack capacity to manage their finances. The service was introduced for those who, through lack of capacity and support, have no means to appoint their own independent provider. Those managed by this service have been determined to lack capacity in accordance with Mental Capacity Act 2005 and the Care Act 2014.</p> <p>The Appointee and Deputyship Service will be engaged, through relevant court orders, to undertake the financial management of a person's assets including tenancy management. The services provided are chargeable and claimable from the appointee, deputy, or in rare cases the Litigant Friend.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree the Appointee and Deputyship Policy as set out at Appendix 1 to the report, to be effective from 1 April 2024; and (ii) Agree to the commencement of public consultation in respect of the proposed charges associated with the Appointee and Deputyship Policy. 	
Reason(s)	
<p>To support the Council priorities and ensuring those who lack capacity are safe, protected, and supported at their most vulnerable, they are supported to live healthier, happier, independent lives for longer and live in good housing and avoid becoming homeless.</p>	

1. Introduction and Background

- 1.1 The Appointee and Deputyship service provides support to those are unable to manage their personal assets and finances due to mental incapacity, as defined by the Mental Capacity Act 2005 (MCA). The appointee service was provided by Barking and Dagenham as a free service.
- 1.2 An appointee is either an individual or organisation assigned by the Department for Work and Pensions (DWP) to manage someone else's state benefits and pay any costs of living. In most cases this will involve making claims and receiving benefit payments for individuals who lack the mental capacity to do so, the appointee will then use these benefits in the best interests of the individual, such as paying for necessary goods or necessary domestic or personal care services.
- 1.3 Within Barking and Dagenham it became apparent that there was a large demographic of residents who not only lacked capacity, but also any support structure to be able to manage their finances or have someone do it for them. Due to this, the service grew at a considerable rate and as such the decision was made in 2017 that a charge would be implemented. This charge was set at £8 per week, per individual, effected from 1st May 2017 and contributed to the costs of providing the service.
- 1.4 For several years, the service (two FTE staff) successfully supported many individuals, managing an average of 80 clients per week.
- 1.5 During the process of managing appointees, it was noted that a number of residents had incomes that meant an appointee could not manage them however they lacked sufficient capital assets for a private establishment to support, for example a Solicitor. This meant that there were residents at risk in the community without having adequate support to manage their finances.
- 1.6 In 2021 the decision was made to create a Deputyship Service due to the number of individuals who lacked both capacity and support, however whose income meant that they fell outside the purview of an appointee. Three full time equivalent staff would support both functions.
- 1.7 A deputy is an individual or organisation appointed by the Court of Protection (COP) to make decisions for people who lack the mental capacity to do so for themselves. Deputies are regulated by the Office of the Public Guardian (OPG) and, unlike appointees who manage the expenses and living costs of a mentally impaired individual, deputies can be responsible for the individual's entire estate; known as a property and affairs deputy. This means the Council could then support those who had larger capital assets and private incomes beyond state benefits.
- 1.8 The purpose of this report is to set out the main requirements of an appointee and deputy service and applicable charges.

2. Proposal and Issues

- 2.1 The full policy regarding the Appointee and Deputyship service is set out at Appendix 1 and an overview is detailed below.

- 2.2 Whilst the Appointee and Deputy Service is not a statutory duty, if they are provided then the following Acts and Statutory responsibilities apply:
- Mental Capacity Act 2005 and Code of Practice (MCA)
 - Office of the Public Guardian (OPG) Public Authority Standards
 - Court of Protection Rules 2017 (COP)
 - Social Security (Claims and Payments) Regulations 1987
 - Care Act 2014
 - Care and Support Statutory Guidance
- 2.3 It was agreed that the principles of the appointee and deputy service would be to:
- Maximise the individual's capacity to decide and act before interference.
 - Adopt the least restrictive approach, unless necessary.
 - To act in the best interests of the individual.
 - Balance independence with safety and protection and encourage participation and self-reliance.
 - Maintain the individual's environment and values.
- 2.4 Before any appointee or deputyship is undertaken, a full Mental Capacity Assessment must be undertaken; this assessment determines an individual's capacity to manage their finances or a specific aspect of it and whether they have capacity or a wish to appoint someone of their choosing. This assessment must be carried out by a qualified professions and in compliance with the Mental Capacity Act 2005 and its code of practice.
- 2.5 The Council will have a duty to notify parties it deems relevant or who are affected by the application to the COP.
- 2.6 The Council will apply for any court orders it deems applicable in order to support the deputyship application. Examples would be a Investigate and Report order that allows the authority to undertake searches in respect of an individual to ascertain their financial asset or an order that allows the LA to manage an individuals' tenancy.
- 2.7 The Council will comply with all regulated terms and conditions as defined by the Court of Protection including Annual Reports, HMRC Income Tax Returns and audited visits.
- 2.8 As Deputy, the Council agrees to act in the best interests of the individual and within the terms of the court order. The individual's wishes in respect of managing their financial affairs will be included in decision making in all appropriate circumstances.
- 2.9 The Council will manage the individual's finances and assets in a manner that is in their best interest, including decisions regarding:
- Budgeting
 - Investments
 - Decisions regarding the upkeep of the home
 - Maximising their income
 - Support regarding property maintenance

- 2.10 The COP published practice directives which inform an authority of the level of fee's that they are able to charge individuals for the work they undertake on their behalf. These are shown in **Appendix 1**. The authority intends to implement these charges in respect of each Deputy it manages and the authority reserves the right to waive these charges where appropriate. It should be noted that the charging directives establish that any charges applied cannot be for profit making purposes, they must be equal to the cost of service provided. A profit is allowable however only if the profit is reinvested into the service and enhancing its provisions.
- 2.11 As there are existing appointees in place, the Council intends to utilise advocates to allow consultation on the new proposed charges for services. Any deputyship applications that are currently being considered will be included in the consultation.
- 2.12 The new proposed appointee charges will be an annual charge based on whether the care is residential or domiciliary (homecare). The charge differs between residential and domiciliary as residential placements have less financial requirements, this is because their needs are met within the residential placement and not charged separately. Someone who receives care at home requires financial management for rent, shopping, gas, electric, water whereas residential placements include all these in the fees.
- 2.13 The charges to be introduced will now include a set up administration fee as well as a discharge fee due to level of administrative work required on the on/off boarding. All bank charges will be passed to the appointee and dictated by the bank. All appointees and deputies will be managed using a Lloyds banking platform and have their own bank accounts held by LBBB Appointee Deputy Service.
- 2.14 For comparison purposes an existing appointee now will pay £416 per annum and under the new policy an appointee in residential care will pay £500 per annum and those in domiciliary care will be charged £650. New appointees will incur a £150 set up fee and a £75 discharge fee, should they leave our services.
- 2.15 These charges are under market value, comparative checks on private organisations who offer these services ranged from £15 to £25 per week, £780 to £1,300 per annum. It was also noted that some packages were offered at basic, premium and enhanced/elite rates and the level of service was dedicated by how much you paid. Our service provides all options on all packages offered up to and at enhanced or elite and were substantially cheaper.
- 2.16 As Appointees or Deputies the Service can manage an individual's financial assets to ensure stability, avoid debts and put in place support mechanisms that allow the resident to live a fulfilled and supported life. Financial matters are intrinsically linked to mental health and by avoiding exacerbated mental health issues we reduce the risk of increased care costs, which effect the council and homeless prevention.
- 2.17 Of the 77 appointees in place now, a minimum of 52 of these will be moved to a Deputyship, this is because they have capital exceeding £16,000 which is the upper limit for appointee's, require tenancy management or have private incomes. The authority also manages a few appointees whose income is such that a deputyship should be in place however emergent action was required to support the individual and an appointee was undertaken as an interim option.

- 2.18 The 52 appointees who will need to be moved to a deputyship will incur £90k in first year fees, £1,736 individually. These are the fees that are applied to onboard a Deputy excluding Court Costs however these fee's drop after year one to £866 per deputy held. This means these same 52 deputies will be charged £45k per annum for the service on an ongoing basis. This is broken down as follows:

Deputyship	Fixed Fee	
	Year 1	Year 2
Application Fee	£745.00	
Annual Management	£775.00	£650.00
Annual Report Fee	£216.00	£216.00
Total	£1,736.00	£866.00

- 2.19 Before any appointee is moved a full review and updated mental capacity assessment will be undertaken to ensure appropriate action and controls are in place.
- 2.20 The policy will be applied, subject to consultation and Cabinet approval, from 1 April 2024.

3. Options Appraisal

- 3.1 **Do Nothing** – The existing charge can be left and not increased and the Deputyship Service provided free of charge, this would be at a financial cost to the authority. As the service is not a statutory function it would be providing staff and resources to with no return or grant support. As the service grows the resourcing requirements would increase, further impacting the financial costs.
- 3.2 **Remove the services** – Both appointee and deputy services are not a statutory function and can be removed. Whilst this could provide an initial saving in staff resourcing there would be a considerable risk to the existing appointees and future appointee's. The service was created to support those who did not have the capability, family or friends to find an alternative, the burden would then fall to the support worker to enable this activity. This would increase the workloads of the support worker and if not undertaken, leave the resident at risk of failing to pay rent, utilities, care, be evicted or financially abused.
- 3.2 **Implement New Charges** – This would allow for the provisions of both services, provide greater financial stability within the service and the ability to take on more residents needing this service.

4. Consultation

- 4.1 The proposals in this report were considered and endorsed by the Adults Improvement Board on 16 August 2023.
- 4.2 Full consultation will be undertaken with those effected by this policy with the support of advocates and any supporting friends or family, prior to its implementation on 1 April 2024.

5. Financial Implications

Implications completed by: Paul Durrant, Finance Manager

- 5.1 Currently based on a cohort of 77 clients, the full year income for annual fees equates to £32k.
- 5.2 If the proposal was adopted the annual fees for appointee ship would generate £15k and deputy ship would generate £51k (£66k in total).
- 5.3 There are additional fees to be charged for application and set up costs, which would be dependent on the number of new starters each year.
- 5.4 The appointeeship set up costs are £150, with discharge costs of £75. Given the size of the cohort of 25, this is likely to generate less than £1,000 per annum.
- 5.5 The deputyship set up costs are £745. Given the size of this cohort of 52 and assuming five new clients per annum. this is likely to generate £4k per annum.
- 5.6 In total, the proposal, would general £70k per annum, which is currently £38k more than the current charges.

6. Legal Implications

Implications completed by: Sarah (Okafor) Dawkins, Barrister Consultant on behalf of the Chief Legal Officer, Alison Stuart

- 6.1 There appear to be no external adverse legal implications arising for the Council from the proposed recommendations as set out.

7. Other Implications

- 7.1 **Risk Management** – Those being consulted on have mental impairments which effect their ability to make financial decisions independently. An advocacy service has been engaged to aid all affected persons through the consultation process and/or any family/friends or PA's in place.
- 7.2 **Corporate Policy and Equality Impact** – By nature of the service, all clients fall under the protected characteristic of disability. All clients in need of appointee or deputyship are identified by social care and as a result of the Council providing this service, we are able to support these vulnerable residents, and prevent these clients from having to pay for this service in the private market, often at a greater cost.

Both appointee and deputy services are non-statutory functions, but the removal of which would put both existing and future appointees at significant risk. The service was created to support those who did not have the capability, family or friends to find an alternative, the burden would then fall to the support worker to enable this activity.

Throughout the consultation process we will be using Disablement Association of Barking and Dagenham (DABD), as advocates for all clients. They will be contacting clients and meeting with them in person to get to know them. This will

allow them to identify what our clients understand, and what elements of the decision-making process they can partake in. Where clients lack the capacity to fully engage, DABD will act as advocates on their behalf to ensure that their voices are heard throughout the consultation process. Attached at Appendix 2 is the full Equality Impact Assessment.

- 7.3 **Safeguarding Adults and Children** - Adults being consulted on have mental impairments which effect their ability to make financial decisions independently. An advocacy service has been engaged to aid all affected persons through the consultation process and/or any family/friends or PA's in place.

Public Background Papers Used in the Preparation of the Report:

- Mental Capacity Act 2005 Code of Practice [Mental-capacity-act-code-of-practice.pdf \(publishing.service.gov.uk\)](https://www.gov.uk/publishing.service.gov.uk/publications/mental-capacity-act-2005-code-of-practice)

List of appendices:

Appendix 1: Appointee and Deputyship Policy

Appendix 2: Equality Impact Assessment

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APPOINTEE AND DEPUTYSHIP POLICY

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Document Control

Title	APPOINTEE AND DEPUTYSHIP POLICY
Document Type	Draft
Author	Joe Price-Tume and reviewed by Andrew Barnard
Owner	Client Affairs Team
Subject	An administrative policy to communicate the purpose, operations and principles of the appointee and deputyship services offered by the London Borough of Barking Dagenham through the Client Affairs team.
Government Security Classification	Official
Created	17/07/2023
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Version	Date	Author and Role	Description of Change
00	17/07/2023	Joe Price-Tume, Appointee & Deputyship Officers	Draft
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1. INTRODUCTION

- 1.1 Individuals with impairments of or disturbances in the functioning of their mind or brain may, at times, have difficulties making decisions. Specifically in the context of this policy, those difficulties can impact the person's ability to manage their property and financial affairs.
- 1.2 If such an individual is deemed to lack capacity to manage aspects of, or make specific decisions about their affairs, they may appoint someone to make these decisions for them or someone may be appointed for them.
- 1.3 If the person also lacks capacity to appoint someone, the **Authorised Officer** will apply to become the person's **appointee** or **deputy** subject to the criteria specified within this policy.
- 1.4 In carrying out our duties, the Authorised Officer and its delegated officers ("delegates") will be guided by the principles and criteria within this policy and will act in compliance with the relevant statutes and official guidelines.

2. POLICY STATEMENT

- 2.1 This policy guides the Authorised Officer and its delegates, but also communicates to the public and other interested parties how the local authority will act as a public authority deputy and appointee.
- 2.2 Unless otherwise stated, this policy strictly applies to the local authority's role as a public authority property and affairs deputy, appointee and when acting as a litigation friend for the sole purpose of administering funds held with the **Court Funds Office** ("CFO").
- 2.3 This policy does not apply to **personal welfare deputyships**.
- 2.4 The Authorised Officer and its delegates must adhere to the principles, statutes and official guidelines set out in this policy.
- 2.5 Specific and detailed procedure documents provided for the Authorised Officer and its delegates are guided by this policy.

3. PRINCIPLES

- 3.1 The following principles must underpin the actions and decisions of the Authorised Officer and its delegates:

- i. Always start from the assumption that the individual has capacity to make the decision.
- ii. Empower the individual to make their own decisions by offering or ensuring they have been provided with all practicable support to maximise their capacity.
- iii. Before making a decision or acting on behalf of the person who lacks capacity, consider what else could be done that would interfere less with their basic rights and freedoms. This includes considering whether there is a need to act or make a decision at all.
- iv. Encourage participation and autonomy but balance this with safety and protection.
- v. Make decisions in the person's best interests, considering their views, feelings, beliefs, values, history and circumstances.
- vi. Be transparent and accountable.

3.2 These principles are guided by the statutes, codes of practice, standards and court judgements provided in the next section.

4. STATUTES AND OFFICIAL GUIDELINES

Statutes

4.1 The following are primary statutes:

- i. Mental Capacity Act 2005¹
- ii. The Social Security (Claims and Payments) Regulations 1987²
- iii. The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013³
- iv. The Court of Protection Rules 2017⁴
- v. Human Rights Act 1998⁵
- vi. The Data Protection Act 2018⁶

¹ <https://www.legislation.gov.uk/ukpga/2005/9/contents>

² <https://www.legislation.gov.uk/uksi/1987/1968/contents>

³ <https://www.legislation.gov.uk/uksi/2013/380/contents>

⁴ <https://www.legislation.gov.uk/uksi/2017/1035/contents/made>

⁵ <https://www.legislation.gov.uk/ukpga/1998/42/contents>

⁶ <https://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

Official Guidelines

4.2 The following are primary official guidelines and standards:

- i. Mental Capacity Act 2005: Code of Practice⁷
- ii. OPG Deputy Standards: Guidance for Public Authority Deputies⁸
- iii. Significant Court of Protection judgements

Mental Capacity Act 2005

4.3 The Mental Capacity Act 2005, covering England and Wales, provides a statutory framework for people who lack capacity to make decisions for themselves. It sets out who can take decisions, in which situations, and how they should go about this.

4.4 Within the framework are five statutory principles which are adopted by this policy. These principles are:

- i. A person must be assumed to have capacity unless it is established that they lack capacity.
- ii. A person is not to be treated as unable to make a decision unless all practicable steps to help him to do so have been taken without success.
- iii. A person is not to be treated as unable to make a decision merely because he makes an unwise decision.
- iv. An act done, or decision made, under this Act for or on behalf of a person who lacks capacity must be done, or made, in his best interests.
- v. Before the act is done, or the decision is made, regard must be had to whether the purpose for which it is needed can be as effectively achieved in a way that is less restrictive of the person's rights and freedom of action.

4.5 The legal framework provided by the Mental Capacity Act 2005 is supported by the Code of Practice, which provides guidance and information about how the act works in practice.

7

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921428/Mental-capacity-act-code-of-practice.pdf

8

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1139348/opg-deputy-standards-guidance-for-public-authority.pdf

Deputy Standards

- 4.6 The seven standards (excluding standard 7, which applies only to personal welfare deputies) set out by the **Office of the Public Guardian** (“OPG”) in its *Guidance for Public Authority Deputies* are adopted by this policy:
- i. **Obligations:** having an awareness of the relevant statutes and guidelines. Acting only within the powers granted and reviewing whether they are still required. Not taking advantage of the position and keeping accurate records and accounts. Ensuring the person is indemnified against negligence. Making only appropriate court applications.
 - ii. **Best interest decision making:** make sure that all the decisions made are in the best interests of the person, that records of decisions are kept and encouraging participation.
 - iii. **Maintaining contact with the person:** engage with the person in an appropriate manner taking into account their individual circumstances.
 - iv. **Financial management:** managing the person’s finances appropriately depending on the particular assets of their estate. Ensuring all assets and liabilities are investigated, paid, secured and kept separate. Providing the person with sufficient funds for them to use for personal expenses.
 - v. **Financial record keeping:** keep financial records up to date and recording the relevant factors as to what was spent and why.
 - vi. **Property management:** manage the person’s property in line with the deputyship order and in their best interests. Securing and maintaining property and selling property only when it is in the person’s best interests.
 - vii. **Additional obligations:** to audit internal files, report concerns about other deputies, comply with other regulatory bodies and report any investigations about us to the OPG.
- 4.7 Whilst these standards apply when we act as deputy, we will uphold the same standards (where applicable) when acting as appointee and/or litigation friend.

Appointee Standards

- 4.8 The official responsible of an appointee are to:
- i. Sign the benefit claim form; and

- ii. Tell the benefit office about any changes which affect how much the claimant gets; and
- iii. Spend the benefit (which is paid directly to us) in the claimant's best interests; and
- iv. Tell the benefit office if we stop being the appointee, for example the claimant can now manage their own affairs.

4.9 In addition to the official standards, we will

- v. Ensure benefits are maximised, i.e., all entitled benefits are received or claimed; and
- vi. Ensure the individual receives their personal allowance(s); and
- vii. Ensure any bills or payments are invoiced accurately and are due before making payment, and
- viii. Assist in producing a personal budget for the individual, where necessary.

4.10 There are limitations to an appointeeship and some of these are listed below:

- i. Receive any incomes other than those paid by the State.
- ii. Invest or manage bank accounts held in the person's name.
- iii. Make decisions about the person's debt, except that owed to the DWP.
- iv. Sign the person's tenancy agreement and/or agree any changes to it.

5. ELIGIBILITY CRITERIA

5.1 If an individual meets the following criteria, we will apply to become their deputy, appointee and/or litigation friend (for the sole purpose of administering their CFO account).

5.2 Each role (deputy, appointee and litigation friend) has its own criteria as laid out in this section.

5.3 A formal assessment of a person's capacity will be carried out by a qualified professional, who must record their assessment in a report. The report in turn will be scrutinised by a panel of relevant experts before its findings are accepted.

5.4 The panel must review whether the assessment is statutory compliant and that the report sufficiently supports the professional's findings with consideration to paragraph 28 of the judgement given in *AMDC v AG Anor*⁹.

Deputy

5.5 We will apply to be the person's deputy if:

⁹ <https://www.bailii.org/ew/cases/EWCOP/2020/58.html>

- i. The person's **ordinary residence** is within the area of the London Borough of Barking and Dagenham; **and**
- ii. The person does not already have a deputy or lasting power of attorney (or a legacy attorney); **and**
- iiia. The person has no one willing to be their deputy or lasting power of attorney; **or**
- iiib. The person has no one willing to be their deputy and they lack capacity to make a lasting power of attorney; **and**
- iv. The person lacks capacity to manage aspects of their property and affairs; **and**
- v. It is appropriate to do so.

5.6 We reserve the right to refuse to be the person's deputy:

- i. Where there is suitable family who could be the person's deputy or make arrangements for a deputyship; **or**
- ii. The person's total capital exceeds £85,000; **or**
- iii. The person has property to be managed.

5.7 If we refuse to be someone's deputy for the reasons given in 5.4 (ii) and (iii), we will apply to the **Court of Protection** and request that the person be allocated a **Panel Deputy**¹⁰.

5.8 If the person has a deputy or power of attorney but they are no longer suitable or unwilling to continue to act then we may apply to be deputy, subject to the other criteria being met.

Appointee

5.9 We will apply to be the person's appointee if:

- i. The person's ordinary residence is within the area of the London Borough of Barking and Dagenham; **and**
- ii. The person does not already have an appointee, deputy or lasting power of attorney (or a legacy attorney); **and**
- iiia. The person has no one willing to be their appointee; **or**
- iiib. The person lacks capacity to choose an appointee; **and**

¹⁰ <https://www.gov.uk/guidance/panel-deputies-list-of-court-approved-professionals>

iv. The person lacks capacity to manage aspects of their finances.

5.10 We reserve the right to refuse to be the person's appointee where there is suitable family who could be the person's appointee or could arrange an appointeeship.

Litigation Friend

5.11 We will apply to be a person's litigation friend if:

- i. All litigation has ended; **and**
- ii. The person has money held with the Court Fund Office; **and**
- iii. The person lacks capacity to manage the funds paid in court.

5.12 We reserve the right to refuse to be a person's litigation friend for any lawful and fair reason.

6. THE PERSON'S ESTATE WHEN THEY DIE

6.1 When a person dies and it appears to us that no suitable arrangements are in place to wind up the person's estate and/or dispose of their body, we will carry out work toward "**winding up**" the estate and any statutory duties under Section 46 of the Public Health (Control of Disease) Act 1984¹¹.

6.2 Work that we may carry out will be, but is not limited to:

- a. Arrange for disposal of the deceased's body
- b. Search for a Will
- c. Search for information about the estate
- d. Value the estate
- e. Filing the appropriate forms
- f. Search for next of kin / genealogy
- g. Secure property
- h. Gather together estate assets and liabilities

6.3 The amount of work we do will vary depending on the circumstances. At a minimum, we will try to locate a Will or next of kin and dispose of the body when required under Section 46.

¹¹ <https://www.legislation.gov.uk/ukpga/1984/22/part/III/crossheading/disposal-of-dead-bodies>

6.4 Where there is no Will nor next of kin, we will refer the estate to the Government Legal Department acting on behalf of the Crown who will take lawful possession of the estate.

7. COSTS AND CHARGES

7.1 **Appendix 1** (“the schedules”) list all costs and fees payable to us and some common costs to third parties. All costs, fees and charges are payable from the person, or as indicated.

7.2 The local authority has no statutory duty to be someone's deputy, appointee or litigation friend but recognises there is a local need. In delivering this service we are mindful of how a non-statutory service impacts and burdens taxpayers. To reduce this burden a charging model has been adopted that aims to cover the service running costs.

7.3 The charges will be reviewed periodically to ensure that they continue to be:

- i. Fair and reasonable
- ii. Affordable
- iii. Compliant with relevant statutes and official guidelines
- iv. Not for profit

7.4 The costs and fees we charge are considered remuneration for the work we do. We do not intend to profit from the work and any surplus above the costs for carrying out the work will be used to invest in the service.

7.5 We reserve the right to not charge for our costs, charge less than and no more than the amounts in the schedules or, for deputy fixed costs, no more than allowed under Practice Direction 19B (which may change before the schedules can be updated).

7.6 Fees and costs to third parties, such as the Court of Protection and the Office of the Public Guardian are not set by this policy and may differ from what is shown in the schedules. The amount payable is whatever is charged by these organisations and other third parties.

Deputyship Fees and Costs

7.7 Public authority deputies are entitled to take costs for the work that they have carried out throughout a management year.

7.8 When we are appointed deputy, the Court of Protection make a court order outlining our authority as deputy. One such authority is the entitlement to be paid in respect of the work done on behalf of the person. Under the “Costs and expenses” section of the court order, the judge will outline how we should be remunerated, which is typically either fixed costs or detailed assessment by the **Senior Courts Costs Office**.

- 7.9 Practice Direction 19B¹², which supplements Part 19 of the Court of Protection Rules 2017 sets out the fixed costs public authorities may charge in remuneration for their work as someone's deputy.
- 7.10 Where a court order provides for a detailed assessment of our costs, we may decide to take fixed costs in lieu of a detailed assessment, but this is not mandatory.
- 7.11 Fixed costs are not expected to cover our costs however, there is no intention to have our costs assessed within the first year of this policy taking effect. If we decide to have our costs assessed, we will publish an updated assessed costs schedule.

Appointee Fees and Costs

- 7.12 A person whose income is solely from state benefits have a fixed income, and this will be the circumstance for the majority of persons whom we act solely as appointee. As such, a fixed costs model is deemed the most reasonable and affordable model.
- 7.13 There is a disparity of work required for an appointee acting for a person in the community and for a person living in a nursing/care home or hospital. This is reflected in the fixed costs. However, where someone occupies a nursing/care home or hospital setting but in practice require a similar amount of work as those in the community, we may charge a fee up to the amount charged to those in the community.

Litigation Friend Fees and Costs

- 7.14 Unless we are the person's deputy, the relevant costs in the schedules for work carried out as the person's litigation friend apply.

Deceased Person Fees and Costs

- 7.15 Section 46 of the Public Health (Control of Disease) Act 1984 places a duty on us to dispose of the deceased's body where it appears to us that no suitable arrangements for the disposal of their body have been or are being made. The same act allows for us to recover our costs for carrying out this work from the deceased's estate.
- 7.16 We will also charge a fee for our costs winding up a deceased person's estate. Our costs are for work carried out concluding a deceased person's estate, to whatever extent is required or considered necessary. The work carried out will vary depending on the circumstances, size and complexity of the person's estate. As such, our costs are based on the time we spend on this work.

¹² <https://www.judiciary.uk/wp-content/uploads/2022/09/pd-19b-fixed-costs-1.pdf>

Miscellaneous Fees and Costs

- 7.17 We will charge our costs for work carried out putting together records and accounts. Records and accounts will only be provided where it does not breach statutes or the confidence of the person (whether alive or deceased) who the records and accounts pertain to. Our fee is payable by the person or organisation requesting the service unless they are acting on behalf of another person, then it is payable by that person or their estate.

APPENDIX 1 – COSTS AND CHARGING SCHEDULES

DEPUTY FIXED COSTS SCHEDULE		
Category	Detail	An amount not exceeding*
Category I	<p>Application Fee</p> <p>Work up to and including the date upon which the court makes an order appointing us or another person or organisation as deputy for property and affairs.</p>	£745
Category II	<p>Annual Management Fee**</p> <p>a) In the first year:</p> <p>b) For the second and subsequent years:</p> <p>c) Where the net assets of the client are less than £16,000:</p>	<p>£775</p> <p>£650</p> <p>3.5% of the total value of the client's net assets on the anniversary of the court order appointing the local authority as deputy</p>
Category III	<p>Annual Property Management Fee**</p> <p>Work involved in preparing property for sale, instructing agents, conveyancers, etc or the ongoing maintenance of property including management and letting of a rental property or properties where 'P' is a tenant.</p>	£300
Category IV	<p>Annual Report Fee</p> <p>Preparation and lodgement of a report or account to the Public Guardian.</p>	£216 per report
Category V	<p>HMRC Income Tax Return Fee</p> <p>Basic Return (Preparation of bank or NS&I interest and taxable benefits):</p> <p>Complex Return (Basic return with a small investment portfolio):</p>	<p>£70</p> <p>£140</p>

Disbursements	Disbursements We can use a person's funds to pay for specialist services that they would normally have been expected to pay if they had retained capacity. These services include but are not limited to conveyancing, obtaining expert valuations and obtaining investment advice.	Actual cost as charged by the supplier.
Travel Rates	Travel Fee Deputies can claim travel costs for each hour spent travelling, regardless of the pay or position in the organisation of the person travelling.	£40 per hour
Outsourcing of Work	Outsourcing of Work When we outsource deputyship work, client's will not be expected to pay any more than they would if the work had been carried out by us.	the fees stated above for their respective service or disbursement.
<p>*The fixed costs are set by <i>Practice Direction 19B Fixed Costs in the Court of Protection Practice Direction</i>. If the practice direction fixed costs differ from this schedule, the costs of the practice direction are overriding.</p>		
<p>**Charged pro-rata (a proportional amount will be charged if the anniversary date is brought forward, e.g., if the deputyship ends or the client no longer has property to manage).</p>		

DEPUTY ASSESSED COSTS SCHEDULE		
Category	Description	Cost
General Management	Remuneration and Costs When the Court of Protection provides an order for our costs and charges to be assessed.	The amount agreed by the Senior Courts Costs Office.

COURT OF PROTECTION – FEES*		
Category	Description	Cost
Application Fee	Payable on making an application to start court proceedings or on making an application for permission to start proceedings.	£371
Appeal fee	Payable on filing an appellants notice appealing a court decision or seeking permission to appeal a court decision.	£234
Hearing fee	Payable where the court has held a hearing to decide the application and has made a final order, declaration or decision.	£494
Copy of document fee	Payable on requesting a copy of a document filed during court proceedings.	£5
<p>*All fees are recoverable from the person the application is about. Fees may not apply or may be reduced if a successful application (COP44a) for an exemption or reduced fee is made.</p> <p>The Court of Protection publish these fees online: https://www.gov.uk/government/publications/court-of-protection-fees-cop44 If the fees differ to this schedule, the fees published by the court are overriding.</p>		

OFFICE OF THE PUBLIC GUARDIAN – FEES*		
Category	Description	Cost
General supervision fee	An annual supervision fee.	£320
Minimal supervision fee	Applies to some deputies managing less than £21,000.	£35
<p>*All fees are recoverable from the person with the deputy. Fees may not apply or may be reduced if a successful application (OPG120) for an exemption or remission is made.</p> <p>The Office of the Public Guardian (OPG) publish these fees online: https://www.gov.uk/government/publications/deputy-fees-remission-or-exemption If the fees differ to this schedule, the fees published by the OPG are overriding.</p>		

APPOINTEE COSTS SCHEDULE		
Category	Description	An amount not exceeding
Setup Fee	All work up to and including the date we receive the first benefit payment.	£150
Management Fees	A annual fee from the date of first benefit payment received. Community-based: Care/Nursing home or hospital based:	£650* £500*
*Charged pro-rata (a proportional amount will be charged if the anniversary date is brought forward, e.g., if the appointeeship ends before the annual charge is due).		

LITIGATION FRIEND COSTS SCHEDULE		
Category	Description	An amount not exceeding
Setup Fee	Work involved but not limited to setting the person up on our systems, banking platform, and registering with the Court Fund Office.	£150
Administration Fee	Work involved but not limited to account drawdowns, book and record keeping, spending, arranging and reviewing spending schedules and reporting. Administrative work: Travel:	£35 per hour £40 per hour

PREPAID PAYMENT CARD COSTS SCHEDULE		
Category	Description	Cost
Finance Management	Prepaid cards – If applicable	Actual cost as charged by the supplier or third party

BANK ACCOUNT COSTS SCHEDULE		
Category	Description	Cost
Banking	Bank account management costs	Actual cost as charged by the bank

DECEASED PERSON COSTS SCHEDULE		
Category	Description	Costs
Final Disposition – Burial, Cremation, Donation to Science.	Work carried out under Section 46 of Public Health (Control of Disease) Act 1984	
	Administrative work:	£35 per hour
	Travel:	£40 per hour
	Disbursements:	Actual cost as charged by the supplier or third party
“Winding Up” Costs	Work carried out with winding up the estate.	
	Administrative work:	£35 per hour
	Travel:	£40 per hour
	Disbursements:	Actual cost as charged by the supplier or third party

MISCELLANEOUS COSTS SCHEDULE		
Category	Description	Costs
Records Request	For the work involved in putting together records and accounts.	
	Administrative work:	£35 per hour
	Travel:	£40 per hour
	Disbursements:	Actual cost as charged by the supplier or third party

APPENDIX 2 – DEFINITIONS

Word or Term	Definition
Appointee	An appointee is a person or organisation that is registered with the Department for Work and Pensions (DWP) to manage a person's benefits if they lack capacity to do this themselves.
Authorised Officer	The authorised officer is the person in the local authority, usually at director level, who has been appointed to perform the duties of an appointee or deputy. NB the day-to-day management of these duties is delegated to specialised officers.
Court Funds Office	The Court Funds Office provides banking and investment services for money paid into court. The office deals with the assets of people who are unable to manage their own financial affairs.
Court of Protection	The Court of Protection is a specialist court that makes decisions about the property, finances and personal welfare of those who lack the mental capacity to take decisions themselves.
Deputy	A deputy is someone appointed by the Court of Protection to deal with the property and financial affairs of a person who lacks the mental capacity to do so themselves.
Lacks Capacity / Incapacity / Lack of Capacity / Lacks Mental Capacity	A person who lacks capacity is someone who at the material time they are unable to make a decision for themselves in relation to the matter because of an impairment of, or a disturbance in the functioning of, the mind or brain.
Litigation Friend	A litigation friend is someone who helps a “protected person” with their legal issues. A protected person is an adult who cannot manage their own affairs as a result of lacking the necessary mental capacity to make legal decisions about the issue in question.
Mental Capacity	Mental capacity is a person's ability to make decisions for themselves, at the time a decision needs to be made.
Office of the Public Guardian	The Office of the Public Guardian in England and Wales is a government body that, within the framework of the Mental Capacity Act 2005, polices the activities of deputies who act to protect the financial affairs of people who lack the mental capacity for making decisions about such things.

Ordinary Residence	A person's ordinary residence is typically in the area in which they resided immediately before they began to receive care under the Care Act 2014. Further nuance is provided within the Care Act 2014 ¹³ .
Panel Deputy	Some professional deputies are called “panel deputies”. They are appointed by the Office of the Public Guardian. The Court of Protection chooses from a list of panel deputies when no one else is willing or able to act as a deputy for someone who lacks mental capacity.
Personal Welfare Deputy	A personal welfare deputy makes decisions about medical treatment and how someone is looked after.
Senior Courts Costs Office	The Senior Courts Costs Office assess the costs incurred by deputies appointed by the Court of Protection in respect of general management.
Winding Up	Winding up, for the purpose of this policy, refers to the work carried out concluding a deceased person’s estate, to whatever extent is required or considered necessary.

¹³ <https://www.legislation.gov.uk/ukpga/2014/23/part/1/crossheading/establishing-where-a-person-lives-etc/enacted>

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	Appointeeship and Deputyship Policy
Lead Officer	Donna Radley (Head of Welfare) & Lee Powell (Service Manager)
Contact Details	lee.powell@lbbd.gov.uk donna.radley@lbbd.gov.uk

Why is this service or policy development/review needed?
<p>The Welfare Service, commissioned by Adult Social Care, are proposing to implement a new Appointeeship and Deputyship Policy to formally outline how Barking and Dagenham Council charges for the service provided.</p> <p>LBBB offers an Appointee & Deputy Service to support residents who lack capacity to manage their finances. The service was introduced for those who, through lack of capacity & support, have no means to appoint their own independent provider. Those managed by this service have been determined to lack capacity in accordance with Mental Capacity Act 2005 & the Care Act 2014.</p> <p>The Appointee & Deputy Service are engaged, through relevant court orders, to undertake the financial management of a person's assets including tenancy management. The services provided are chargeable and claimable from the appointee, deputy, or in rare cases the Litigant Friend.</p> <p>There are two ways in which LBBB may take these activities on; through the role of an Appointee or Deputy, depending on whether the individual meets the eligible criteria outlined in the policy.</p> <p>Appointee</p> <p>An appointee is either an individual or organisation assigned by the Department for Work and Pensions (DWP) to handle someone else's state benefits and pay any costs of living. In most cases this will involve making claims and receiving benefit payments for individuals who lack the mental capacity to do so, the appointee will then use these benefits in the best interests of the individual, such as paying for necessary goods or necessary domestic or personal care services.</p> <p>Deputyship</p> <p>A deputy is an individual or organisation appointed by the Court of Protection to make decisions for people who lack the mental capacity to do so for themselves. Deputies are regulated by the Office of the Public Guardian (OPG) and unlike appointee's who manage the expenses and living costs of a mentally impaired individual, deputies can be responsible for the individual's entire estate; known as a property and affairs deputy. A deputy can also be responsible for making decisions regarding someone's care and treatment; known as a personal welfare deputy. This policy does not pertain or apply to personal welfare deputyships.</p> <p>Historically, within Barking & Dagenham it became apparent that there was a large demographic of residents who not only lacked capacity, but also any support structure to be able to manage their finances or have someone do it for them. Due to this, the service grew at a considerable rate and as such the decision was made in 2017 that a charge would be implemented. This charge was set at £8 per week, per individual, effected from 1st May 2017 and contributed to the costs of providing the service.</p>

Why is this service or policy development/review needed?

Currently there are 77 individuals who are under the appointeeship service and receive support in their day to day lives, for which they pay a fee of £8 per week.

At present there are no active cases under deputyship within LBBB. However, should responsibility fall to LBBB to undertake this role, without the new policy in place, the service would have to be carried out free of charge.

Within the 77 Appointees under LBBB, there are currently 52 clients that meet the criteria for deputyship and thus should incur higher charges for the level of service provided.

The new proposed appointee charges will be an annual charge based on whether the care is residential or domiciliary (homecare). The charge differs between residential and domiciliary as residential placements have less financial requirements, this is because their needs are met within the residential placement and not charged separately. Someone who receives care at home requires financial management for rent, shopping, gas, electric, water whereas residential placements include all these in the fees.

The charges to be introduced will now include a set up administration fee as well as a discharge fee due to level of administrative work required on the on/off boarding. All bank charges will be passed to the appointee and dictated by the bank. All appointees and deputies will be managed using a Lloyds banking platform and have their own bank accounts held by LBBB Appointee Deputy Service.

For comparison purposes an existing appointee now will pay £416 per annum and under the new policy an appointee in residential care will pay £500 per annum and those in domiciliary care will be charged £650. New appointees will incur a £150 set up fee and a £75 discharge fee, should they leave our services.

If LBBB were not to provide this service, the clients would either be left alone without the necessary support or be forced to find this service in the private market. Comparative checks on private organisations who offer these services ranged from £15 to £25 per week, £780 to £1,300 per annum. It was also noted that some packages were offered at basic, premium and enhanced/elite rates and the level of service was dedicated by how much the individual paid. Our service provides all options on all packages offered up to and at enhanced or elite and are substantially cheaper.

Deputyship fees are set nationally and before any appointee is moved to this service, a full review and updated mental capacity assessment will be undertaken to ensure appropriate action and controls are in place.

Deputyship	Year 1	Year 2
Application Fee	£745.00	
Annual Management	£775.00	£650.00
Annual Report Fee	£216.00	£216.00
Total	£1,736.00	£866.00

Both appointeeship and deputy services are non-statutory functions, the service was created to support those who did not have the capability, family or friends to find an alternative, the burden would then fall to the support worker to enable this activity.

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?

Please state which data sources you have used for your research in your answer below

Consider:

- National & local data sets
- Complaints
- Consultation and service monitoring information
- Voluntary and Community Organisations
- The Equality Act places a specific duty on people with 'protected characteristics'. The table below details these groups and helps you to consider the impact on these groups.
- It is Council policy to consider the impact services and policy developments could have on residents who are socio-economically disadvantaged. There is space to consider the impact below.

- **Age**

Of this population currently 57,150 are aged under 16. This is the highest proportion in England and Wales.

Of this population currently 142,700 are aged 16 – 64, and 19,050 aged over 65.

The largest age group bracket is age 35 – 39 with 8.5% (18,606) of the borough.

The average age in the borough is 33. This is lower than the London average of 35.

Barking & Dagenham has a significantly higher age profile between 0-19 than the London average.

The age profile has seen a decrease of 1.7% in people aged 65 and over, with an increase of 20.8% of people aged 15-64. The age profile for children under 15 has also increased by 17.3%.

57,100 (26.1%) of residents were aged under 16 on Census day, the highest proportion in England & Wales.

This demonstrates the changing profiles of the age of the population in Barking & Dagenham.

- **Disability**

Currently 13.2% of the population is registered as disabled under the Equality Act.

Barking & Dagenham currently has 4,790 people of working age (16-64) claiming Disability Living Allowance & 9,687 claiming Personal Independence Payment.

29.8% of households have at least one person who identifies as disabled, the highest proportion in London.

(Census 2021)

- **Gender reassignment**

9 in 10 Barking & Dagenham residents' gender identity was the same as sex registered at birth (90.4%)

Of all English & Welsh local authorities, Barking & Dagenham had the:

- highest proportion of trans women (0.25%)
- 3rd highest proportion of trans men (0.24%)
- 5th highest proportion of people whose gender identity was different but no specific identity given (0.64%)
- 17th highest who did not answer the gender identity question (8.4%)

Nearly 9 in 10 Barking & Dagenham residents described their sexual orientation as Straight or Heterosexual (88.6%)

Of all English & Welsh local authorities, Barking & Dagenham had the:

- 4th highest proportion who described their sexual orientation as all other sexual orientations (0.07%)
- 23rd highest proportion who described their sexual orientation as Pansexual (0.38%)

- **Marriage & civil partnership**

Barking & Dagenham currently has 42.8% of the population married or in a civil partnership, up from 42.1% in 2011. The number of people who were married increased and fell across England.

41.8% of the population were never married or registered in a civil partnership.

8.1% are divorced or in a dissolved civil partnership.

(Census 2021)

- **Pregnancy & maternity**

There are currently 64.2 births per 1000 women of childbearing age the highest in London.

Barking & Dagenham saw England's joint second largest % rise in the proportion of households including a couple with dependant children from 20.9% in 2011 to 24.1% in 2021.

There are 9,4000 (12.8%) lone parent households with dependent children, the highest proportion in England & Wales.

Teenage pregnancy rates? Query

(Census 2021)

- **Race and ethnicity**

The proportion of the borough population identifying as coming from black and minority ethnic backgrounds has increased from 19.1% to 50.5% between the 2001 and 2011 censuses, and is now at 69.1%, the 10th highest in the country.

In 2021 25.9% of residents identified their ethnic group as Asian, Asian British or Asian Welsh, up from 15.9% in 2011. This 9.9% increase was the largest increase among high level ethnic groups in this area.

44.9% of residents identified as white compared with 58.3% in 2011.

21.4% of residents identified as Black, Black British, Black Welsh, Caribbean of African compared to 20% in 2011.

Ethnic diversity has increased between 2011 and 2021 with the percentage of non-white British residents rising by 18.6% over the decade.

The most common language of residents whose main language is not English is Romanian (4.8%) followed by Bengali (3.1%).

2 in 5 residents were born outside of the UK.

Barking & Dagenham has become increasingly ethnically diverse in the last 10 years.

(Census 2021)

- **Religion**

45.4% of the population identify as Christian, down from 56% in 2011.

18.8% identify with no religion.

24.4% of residents identify as Muslim, up from 13.7% in 2011. This rise of 10.7% was the largest increase in religious groups in Barking & Dagenham.

These groups are the predominant religion in the borough with the next highest identifying as Hindu at 3%.

(Census 2021)

- **Sex/Gender**

Currently 51.3% of the borough's residents are female, and 48.7% are male. This is broken down by population:

- Male – 106,548
- Female – 112,202

(Census 2021)

➤ **Sexual orientation**

Query on current data

➤ **Socio-economic disadvantage (deprivation in the borough)**

In April 2023 the updated poverty indicator tracker for Barking & Dagenham held the:

- 34th (worst) average rank (combining the 10 indicators of poverty) against all 309 English Local Authorities
- 32nd highest unemployment rate
- 5th highest rate of Universal Credit claimants in employment (previously 5th in the 2021 census)
- 7th highest proportion of households claiming Housing Benefits
- 70th highest proportion of households living in fuel poverty
- 63rd highest proportion of children under 16 living in relative low income families.

This compared to April 2022:

- 18th (worst) average rank (combining the 10 indicators of poverty) against all 309 English Local Authorities
- 2nd highest unemployment rate
- 2nd highest rate of Universal Credit claimants in employment (previously 5th in the 2021 census)
- 5th highest proportion of households claiming Housing Benefits
- 17th highest proportion of households living in fuel poverty
- 34th highest proportion of children under 16 living in relative low income families.

This showed a:

- Falling unemployment rate
- Reduction in fuel poverty (data remains pre cost of living crisis)
- Reduction in children living in relative low-income families

Within London the borough has the highest rates of:

- Universal Credit claimants in employment

The 3rd highest rate of

- Children aged under 16 living in relative low income families.

The 4th highest rate of:

- Households living in fuel poverty
- Income Support claimants

Barking & Dagenham has dropped from the 18th lowest (worst) to 34th lowest (worst) combining the 10 indicators of poverty. This is the first time Barking & Dagenham has:

- Featured outside of the top 20 (worst) Local Authorities since February 2020
- Not been the most impoverished borough (3rd)

Although these poverty indicators have improved Barking & Dagenham remains a very impoverished borough.

The 2021 census also provided data on poverty indicators:

- 46,100 (62.4%) of households have at least one measure of deprivation.
- 46% of children are estimated to live in poverty the 3rd highest in England & Wales.
- The borough also had an economically inactive rate of 35.9%, higher than the London average of 33.8%.
- 7% of the population were providing unpaid care.
- 58.5% of residents are economically active in employment, lower than the London average of 61.4%.
- 16.1% were employed in professional occupations with 15.9% employed in elementary occupations.
- The largest socio-economic classification was lower managerial, administrative and professional occupations at 15.3%, lower than the London average of 20.6%.
- 11.4% of the population were engaged in part time work of 15 hours a week or less, higher than the London average of 10.7%.
- 22.7% of the population hold no formal qualifications, higher than the London average of 16.2%.
- The number of residents renting privately has increased by 412% since 2001.
- 18,100 (24.5%) of households rent from the Council, the 3rd highest in England & Wales.
- 17.8% of households are living in a property without enough bedrooms, the 2nd highest proportion in England & Wales.

The socio-economic indicators in the borough highlight high levels of deprivation, poverty and issues with housing and present a challenging outlook for the Council.

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																					
Age		X		<p>Within the existing client base the age groups are:</p> <table border="0"> <thead> <tr> <th>Band</th> <th>Number of SU</th> </tr> </thead> <tbody> <tr> <td>18 – 29</td> <td>= 5</td> </tr> <tr> <td>40 – 49</td> <td>= 11</td> </tr> <tr> <td>50 – 59</td> <td>= 20</td> </tr> <tr> <td>60 – 69</td> <td>= 14</td> </tr> <tr> <td>70 – 79</td> <td>= 7</td> </tr> <tr> <td>80 – 89</td> <td>= 10</td> </tr> <tr> <td>90 – 99</td> <td>= 3</td> </tr> </tbody> </table>	Band	Number of SU	18 – 29	= 5	40 – 49	= 11	50 – 59	= 20	60 – 69	= 14	70 – 79	= 7	80 – 89	= 10	90 – 99	= 3	<p>There are no perceived negative impacts on these protected characteristics.</p> <p>Officers are aware of the sensitive nature surrounding age and understand how to work with people of all ages. Tailoring approach based on the nature of disability and age.</p> <p>Awareness around all thoughts and feeling of the individuals are sought and upheld through the course of them being under our service.</p> <p>Working closely with next of kin, support workers and adult social services we can understand the individuals needs better.</p>
Band	Number of SU																				
18 – 29	= 5																				
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50 – 59	= 20																				
60 – 69	= 14																				
70 – 79	= 7																				
80 – 89	= 10																				
90 – 99	= 3																				
Disability	x		x	<p>All existing clients will be affected by the increase in proposed fees.</p> <p>By the nature of the service, all service users fall under the protected characteristic of disability. All thoughts and feelings of the individuals are sought and upheld where possible through the course of them being under the service.</p>	<p>The proposed fees have been kept significantly below market value and a greater level of service is offered than by private organisations at a reduced cost.</p> <p>Despite clients requiring the service due to lack of capacity, we work closely with next of kin and support workers to ensure that they are assisted to maintain their independence in accordance with their mental capacity assessment, whilst ensuring their needs are safeguarded.</p>																
Gender reassignment		X		<p>There is no service data held for this specific category.</p> <p>The policy will not treat people of different genders any differently.</p>	<p>There are no perceived negative impacts on these protected characteristics.</p>																

			The policy will not have a differential impact on people who are proposing to undergo, is undergoing, or has undergone a process (or part of a process) to re-assign their gender.	
Marriage and civil partnership		X	<p>There is no service data held for this specific category.</p> <p>The policy will not treat people either married or in a civil partnership any differently.</p> <p>The new policy will not have a differential impact on people who are married or in a civil partnership.</p>	There are no perceived negative impacts on these protected characteristics.
Pregnancy and maternity		X	<p>There is no service data held for this specific category.</p> <p>Pregnancy will not affect how we charge against the policy.</p> <p>The new policy will not have a differential impact on people who are pregnant or on maternity leave.</p>	There are no perceived negative impacts on these protected characteristics.
Race (including Gypsies, Roma and Travellers)		X	<p>There is service data held for this specific category.</p> <p>Race will not affect how we charge against the policy.</p> <p>The proposed new policy will not have a differential impact on people because of their race or ethnicity.</p>	<p>There are no perceived negative impacts on these protected characteristics.</p> <p>Officers are acutely aware of the sensitive nature surrounding race and understand how to work with people from diverse backgrounds. All staff members carry out the mandatory E&D training.</p> <p>Awareness around all thoughts and feeling of the individuals are sought and upheld through the course of them being under our service.</p> <p>Working closely with next of kin, support workers and adult social services we can understand the individuals needs better.</p>

Religion or belief		X	<p>There is service data held for this specific category.</p> <p>Religion or belief will not affect how we charge against the policy.</p> <p>The proposed new policy will not have a differential impact on people because of their religion or belief.</p>	<p>There are no perceived negative impacts on these protected characteristics.</p> <p>Officers are acutely aware of the sensitive nature surrounding religion and individual beliefs and understand how to work with people from diverse backgrounds.</p> <p>Awareness around all thoughts and feeling of the individuals are sought and upheld through the course of them being under our service.</p> <p>Working closely with next of kin, support workers and adult social services we can understand the individuals needs better.</p>
Sex		X	<p>Within the existing client base we have a 26 female service users and 42 male (no individual has expressed any preference over gender / sex used)</p>	<p>There are no perceived negative impacts on these protected characteristics.</p> <p>Service users who have concerns surrounding preference of interactions with a specific Sex, can be mitigated by use of their preferred care coordinator or Support Worker currently in place.</p> <p>Designated request would be made with Adults Social Care when care and support put in place.</p>
Sexual orientation		X	<p>There is no service data held for this specific category.</p> <p>The proposed new policy will not have a differential impact on people because of their sexual orientation.</p>	<p>There are no perceived negative impacts on these protected characteristics.</p>
Socio-economic Disadvantage	x		x	<p>At the point of entry into the service some users will be recognised as being at a socio-economic disadvantage and will be affected by the proposed charges. Existing users of the service and</p> <p>The proposed fees have been kept significantly below market value and a greater level of service is offered than by private organisations at a reduced cost.</p>

			<p>those effected, at this time, by the proposed introduction of increased charges are no longer considered as being socio economically disadvantaged.</p> <p>Due to the historic actions of the service, the service users are no longer considered to be at an economic disadvantage.</p> <p>Budget planning, debt management has helped provide financial resilience to the service users.</p>	<p>The service reserves the right to waiver charges where appropriate or apply to the Courts to have the charges waived. These charges can be waived in their entirety or postponed for recovery until a later date.</p>
Any community issues identified for this location?				

2. Consultation.

<p>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.</p> <p>If you have already undertaken some consultation, please include:</p> <ul style="list-style-type: none"> • Any potential problems or issues raised by the consultation • What actions will be taken to mitigate these concerns
<p>Plan to consult existing clients within the service.</p> <p>Issue</p> <p>By nature of the service and our clients' lack of capacity, it is important that we consider that a problem may occur when trying to consult on the proposed changes. There is a risk that they do not understand what they are being consulted on. Therefore, for them to make financial decisions it is necessary for ethical consultancy to instruct an advocate to speak on the service users' behalf.</p> <p>Mitigation</p> <p>Throughout the consultation process we will be using Disablement Association of Barking and Dagenham (DABD), as advocates for all clients. They will be contacting clients and meeting with them in person to get to know them. This will allow them to identify what our clients understand, and what elements of the decision-making process they can partake in.</p> <p>Where clients lack the capacity to fully engage, DABD will act as advocates on their behalf to ensure that their voices are heard throughout the consultation process.</p>

3. Monitoring and Review

How will you review community and equality impact once the service or policy has been implemented? <i>These actions should be developed using the information gathered in Section 1 and 2 and should be picked up in your departmental/service business plans.</i>		
Action	By when?	By who?
Annual Review of policy	End of each financial year	Client Affairs Team / Service Manager
Annual checking of Deputyship Fees	End of each financial year	Client Affairs Team / Service Manager

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 summarise your findings below. This can then be added to your report template for sign off by the Strategy Team at the consultation stage of the report cycle.

Implications/ Customer Impact
<p>By nature of the service, all clients fall under the protected characteristic of disability. All clients in need of appointee or deputyship are identified by social care and as a result of the Council providing this service, we are able to support these vulnerable residents, and prevent these clients from having to pay for this service in the private market, often at a greater cost.</p> <p>Both appointeeship and deputy services are non-statutory functions, but the removal of which would put both existing and future appointees at significant risk. The service was created to support those who did not have the capability, family or friends to find an alternative, the burden would then fall to the support worker to enable this activity.</p> <p>Offering financial support ensures that those who lack capacity are safe, protected, and supported at their most vulnerable, they are supported to live healthier, happier, independent lives for longer and live in good housing and avoid becoming homeless. As Appointee's or Deputies, the Service can manage an individual's financial assets to ensure stability, avoid debts and put in place support mechanisms that allow the resident to live a fulfilled & supported life. This will further support more residents by introducing a deputyship service.</p> <p>By implement new charges, it would allow for the provisions of both services to provide greater financial stability with the service and the ability to support more residents who need this service.</p>

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
Donna Radley	Head of Welfare	18/08/2023

CABINET

19 September 2023

Title: Contract for School Data and Applications Solution Software	
Report of the Cabinet Member for Educational Attainment and School Improvement	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Ben Davis, IT Project Manager	Contact Details: E-mail: ben.davis@lbbd.gov.uk
Accountable Director: Jane Hargreaves, Commissioning Director, Education	
Accountable Executive Team Director: Elaine Allegretti, Strategic Director, Children and Adults	
<p>Summary:</p> <p>Access Solutions are a market leading Education software solutions company with presence in 20 London Boroughs and many other local authorities across the country, they are also the Councils current incumbent supplier for Education Case Management. On our estate currently there are two separate Access Solutions products with databases attached; these are Family Information Service and Pupils Admission. An approach was made following the Covid-19 pandemic to undertake workshops where we identified what our needs were so to understand what the two externally hosted systems, currently on the estate could look like if merged into one primary system and how that could benefit the service. Access Solutions were also queried on whether there were suitable additional software modules to support the above requirements.</p> <p>Access Solutions provided a demonstration of the additional modules available, which was attended by approximately 20 staff from the education team including the SMT. The demonstration session was followed up by another Q&A session following feedback from the team.</p> <p>Access Solution have provided a quotation to merge the current Family Information Service (Early Years) and Pupil Admissions service into a single system. This would be the first steps in providing the single view of the child or pupil. There are three additional modules which would support the service moving wholly into a systems environment without the need to rely upon separate worksheets and pupil files. These are:</p> <ul style="list-style-type: none"> • Specialist Case Management - Education • Specialist Case Management – SEND • Orchestra for Schools. <p>Included in Access Solutions are further modules for consideration. One includes the ability for Liquid Logic to pull data from Synergy which would be of benefit to the Social Service Teams. These modules will be investigated throughout the duration of the contract.</p>	

The contract will be acquired using the Yorkshire Purchasing Organisation (YPO) software and Application Solutions Framework which is operational until 20 February 2025. The YPO framework has been selected specifically for its Direct Award criteria for products pre-existing on the estate and is seen as the favoured compliant route to market to acquire a 7-year contract (5+2 contract structure).

The 7-year contract will result in a total cost of £1,096,283.50, this equates to £142,654.79 per annum with a one-off cost in the 1st year of £97,700 for implementation and training of the additional modules being acquired. The contract will start on 1 October 2023 and run until 31 September 2030.

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a contract with Access Solutions for the proposed Synergy database merge and the purchase of additional software modules to support the single view of the child and safeguarding via the YPO software applications and data framework 1095, in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Commissioning Director, Education, in consultation with the Chief Legal Officer, to award and enter into the contract and any extension periods with Access Solutions to fully implement and effect the proposals

Reason(s)

To accord with the Council's Contract Rules and the Public Contract Regulations 2015 and provide a more efficient service for pupils, families and carers which supports the Best Chance for Child Strategy.

1. Introduction and Background

- 1.1 One of the main drivers of the Education Senior Management Team (SMT) resulting from the pandemic was the need to review and improve current systems and work processes across the education service with regards to pupil information so to improve safeguarding and how limited resources are best directed to improve outcomes. The driver was a single view of the child or pupil which would not only be available to education professionals in carrying out their function or duties but extended wider to other services such as Social Workers and the Councils One View project.
- 1.2 Secondly, the review included what and when information was collected from schools besides the census information and in view of the Governments published White and Green papers for education, how could this be improved in terms of resource efficiency and perhaps live time data to track attendance, managed moves, exclusions and off rolling to improve visibility of safeguarding.
- 1.3 The SMT conducted a series of workshops so to understand what was working well and what areas could be improved. Currently, the Early Years and Pupil Admissions

service use an education software package called Synergy provided by Access Solutions to undertake the function of the services. In addition, the SEND Service also have a Synergy module which is used in part to support the functioning of the service. Within other service areas the use of excel worksheets and pupil files were used to track pupil information however these were insular and reliant upon regular updating/version control. This was considered a high risk in that there was a possibility of professionals not seeing the full landscape of the child or young person.

- 1.4 It was agreed that the best approach going forward was to explore the possibilities of moving to a systems environment for the service as a whole. The benefits would be a greatly improved SEND service and in particular Education Health Care Plans process management including yearly reviews, the tracking and recording of pupils who have elected to be home educated or were missing in education. Identification of pupils involved with other services, this could be the police, youth offending or Social Services.

2. Proposed Procurement Strategy

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

- 2.1.1 This procurement will be looking to obtain Support and Maintenance as well as additional modules for the Synergy System. Furthermore, an exercise will be completed as part of this contract to merge the two existing primary databases into one.
- 2.1.2 Synergy is a third party hosted system, which uses a set of databases to collect and process pupil information in respect of Early Years, School Admissions and Education Health Care Plans. It is the backbone IT system for the service, where data is used to, for example, undertake national offer day for starting Primary, Reception and Secondary as well as completing data returned to the DfE such as SEND2. In addition, the data is collated and used to form cases for management by the Education team to create views of children and pupils from the borough in order to inform where resources or support is needed to improve outcomes.
- 2.1.3 The new proposed additional modules will include Specialist Educational Management Core which will enable education professionals to log, track data and integrate data which would be shared across the service, moving away from spreadsheets. Specialist Case Management SEND would be a major upgrade for the Education Health Care team which improves working for both Professionals and Parents or Carers involved with pupils or young persons with a Education Health Care Plan or going through the assessment for one. Other modules included in the procurement and would be considered for implementation during the contract would be Orchestra for Schools which would enable live data from schools to be imported daily. This would require support and agreement with schools if we were to proceed.

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

- 2.2.1 The estimated contract value over the 7-years (5+2) with Access Solutions for the Synergy system is £1,096,283.50, with a per annum cost of £142,654.79 and a one-off implementation and training cost in year one of £97,700.00.

2.2.2 These values include the support and maintenance of the current product set and the new products being procured, as well as their one-off cost.

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

2.3.1 The overall contract length would be 7-years, this will be structured in a 5+2 format. The choice of a break clause is to give the Council the opportunity to assess the Market prior to the 5-year anniversary and ensure that Access Solutions still provide the best product for the Service.

2.4 **Is the contract subject to the Public Contracts Regulations 2015? If Yes and the Contract is for services, is it subject to the light touch regime?**

2.4.1 Yes, this is above the thresholds for goods and services which are currently £213,477 (inc VAT) in contract value.

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

2.5.1 IT Services would like to proceed with a Direct Award to Access Solutions, for the aforementioned Synergy system and additional modules, via the Yorkshire Purchasing Organisation Framework 1095. This framework is for the provision of software application solutions which has been developed from extensive public sector customer and supplier engagement. Designed to meet the needs of all public sector organisations including Local Authorities, Education, Housing, Charities, Central Government, Emergency Service and NHS Establishments.

2.5.2 The Education Senior Management Team believe there are sufficient grounds to Direct Award based on point 1 of the Framework Direct Award criteria. This would ensure continuity of the Synergy system and its modules for the Education team.

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

2.6.1 This contract will be managed on a day-to-day basis by Education and supported by IT services where necessary.

2.6.2 The management of the contract will be as per the T&Cs of the YPO Framework.

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

2.7.1 By securing the Synergy system for 7-years (5+2), this will allow Education to continue their current service, whilst also undertaking exercises and tasks to greatly improve the role of the product within the service. The merging of databases and addition of modules will result in better outputs as well as improved business process and thus efficiency.

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

2.8.1 This is a Direct Award to Access Solutions via the YPO Framework; no criteria will be used in this procurement process.

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

2.9.1 As part of the Councils strategy to ensure Social Value is delivered by all major suppliers, Access Solutions have been notified of the Councils Social Value policies, as part of the contract signing agreement, Education will liaise with the Access Solutions account manager to discuss and negotiate a Social Value offering.

3. Options Considered

3.1 Option 1 – Do nothing (Rejected)

3.1.1 This option has not been considered due to the importance of the Synergy System to the Education team. Failure to renew and have a contract in place would be of huge risk and impact to the Service, the Council and most importantly children and pupils across the borough.

3.2 Option 2 – Alternative Frameworks (G-Cloud 13; YPO, 1095 Framework)

3.2.1 G-Cloud 13 is a Framework designed for Direct Award but often for products which are deemed off the shelf, meaning many prices are fixed, furthermore G-Cloud 13 only offers a maximum term of 4 years. The service believes the role of Synergy and its place in the market warranted a longer contract, thus rejected G-Cloud 13.

3.2.2 The YPO 1095 is a Framework designed for direct award for software applications, services and hardware for use by public sector organisations including, Local Authorities, Education, Housing, Charities, Central Government, Emergency Service and NHS Establishments. Having a simplified lot structure to allow for purchase based on solutions and outcomes is the preferred procurement route.

3.3 Option 3 – Open Market (Rejected)

3.3.1 Access Solution's Synergy are market leaders in Education case management systems and an open market tender would not be beneficial as Synergy is available on compliant frameworks of which the Council has access to.

4. Waiver

4.1 Not applicable.

5. Equalities and other Customer Impact/GDPR

5.1 At the time of this report, an Equalities and Impact Assessment has been submitted to the CE-Strategy Team and awaiting approval and guidance.

6. Consultation

6.1 The proposals in this report were considered and endorsed by the Procurement Board on 3 April 2023.

7. Corporate Procurement

Implications completed by: Francis Parker, Senior Procurement Manager

- 7.1 Officers have satisfied themselves that the chosen provider and their product offers the best value for money to the Council.
- 7.2 Officers must ensure that they comply with the terms of the framework and that a direct award to the chosen provider is permissible and compliant with the PCR 2015

8. Financial Implications

Implications completed by: Kofi Adu Group Accountant

- 8.1 This is a 7-year contract at an annual cost of £142,654.79, the total cost over the 7 years will be £998,583. In addition there will be a one-off cost in the 1st year of £97,700 for implementation and training.
- 8.2 The one-off cost will be funded from Admissions budget ringfenced grants from DSG, the annual revenue cost will be shared between the following three services: Admissions Service, Early Years and Education & Health Care Service. This contract will not have any adverse financial impact on the Council's general fund. The cost of any delays or slippages will be contained within the allocated budget.

9. Legal Implications

Implications completed by: Kayleigh Eaton, Principal Contracts and Procurement Solicitor, Law & Governance

- 9.1 This report is seeking approval to use the YPO 1095 Software, Services and Hardware Solutions Framework to procure Access Solutions via a direct call-off for the proposed Synergy database merge and the purchase of additional software modules to support the single view of a child and safeguarding needs plus support and maintenance.
- 9.2 This report states that the total value of the procurement will be £1,096,283.50, which is above the threshold for service/goods contracts means that there is a legal requirement to carry out a tender exercise in accordance with the Public Contracts Regulations 2015 (PCR). Using an already established framework is a compliant route to market under the PCR. This will also satisfy the Council's Contract Rules. Rule 5.1 (a) advises that it is not necessary for officers to embark upon a separate procurement exercise when using a Framework Agreement providing the Framework being used has been properly procured in accordance with the law and the call-off is made in line with the Framework terms and conditions.
- 9.3 The use of the YPO framework will satisfy the above requirements as the Council is permitted to call off from the framework, which has been set up following a compliant process for all local authorities in the country and is valid until 20 February 2025. It is noted that the framework also permits direct awards and allows call-offs up to 7 years in duration.

9.4 Contract Rule 28.8 of the Council’s Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contracts following the procurement process with the approval of Corporate Finance.

10. Other Considerations and Implications

10.1 Risk and Risk Management

Risk Description	Mitigating Actions	RAG Status
Not acquiring a new contract with Access Solutions for the Synergy product could leave the Education service without a vital application preventing them from completing their tasks and statutory duties.	Approve the direct award of a 7-year contract via the YPO 1095 Framework for the Synergy system, its support and maintenance and additional modules.	A
Not amalgamating the existing databases and moving to a whole service integrated approach will prevent the underlying opportunity to have a single view of the pupil or young person to improve Safeguarding and business efficiency	Approve the direct award of a 7-year contract via the YPO 1095 Framework for the Synergy system, its support and maintenance and additional modules	A

10.2 **TUPE, other staffing and trade union implications** - Not Applicable.

10.3 **Safeguarding Children and Vulnerable Adults** - The adoption of the recommendations would support The Barking and Dagenham Best Chance Strategy Sept 2022-25, the partnership plan for babies, children, young people and their families. This is so every baby, child or young person and their family gets the best start, is happy healthy and achieves, thrives in inclusive schools and settings, inclusive communities, are safe and secure, free from neglect, harm and exploitation, and grow up to be successful young adults. The additional modules would enhance the systems priorities of the strategy including, improving quality, access and support for those with SEND, a better offer for those with social mental or health needs.

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

List of Appendices: None

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CABINET**19 September 2023**

Title: Contract for the Provision of Security Doors and Screens for Council and Other Properties	
Report of the Cabinet Member of Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Rubina Abi Business Information and Performance Manager	Contact Details: E-mail: Rubina.Abi@lbbd.gov.uk
Accountable Director: Alan Caddick, Director of Homes and Assets	
Accountable Executive Team Director: Leona Menville, Strategic Director, My Place.	
<p>Summary:</p> <p>The Council uses security screens and security doors to secure properties when properties are decanted, vandalised or there has been a forced entry by the police or emergency services.</p> <p>This report presents proposals relating to the procurement of a new contract to provide security screens and doors. The previous long-term contract expired on 1 September 2023 and a 12-month direct award has been put in place to prevent a gap in service whilst we carry out the full tendering process. The waiver covers September 2023 to August 2024, total value will be £158,400.00., therefore, it is best practice to review if the LA is getting value for money. The council needs to fully evaluate its options and to drive best value for money through market competition.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree that the Council proceeds with the procurement of the provision for security screens and doors on a maximum five-year term (3 + 2) in accordance with the strategy set out in the report; and (ii) Delegate authority to the Strategic Director, My Place, in consultation with the Chief Legal Officer, to conduct the procurement and enter into the contract and all other necessary or ancillary agreements, including contract extensions, with the successful bidder. 	
<p>Reason(s)</p> <p>To ensure compliance with the Council's Contract Rules and Public Contracts Regulations 2015, protect assets and safeguard them from theft and vandalism and assist in achieving the Council's priorities in relation to living in safe neighbourhoods.</p>	

1. Introduction and Background

1.1 The Council uses security screens and doors to ensure the security of properties in a number of different circumstances, in order to prevent vandalism and/or squatters moving in, which can become very costly. These include:

- At large regeneration programmes, where old properties are being demolished and new ones built. During this process the properties are decanted and decommissioned. At the end of this process the properties are secured awaiting demolition.
- When the Police or other emergency services have to enter properties using force and these properties have to be secured until repair works are carried out.
- When properties become void, they undergo repair before the new tenant moves in. During this process we have to secure some vulnerable properties from vandalism and squatting.
- During major repair works, for example replacing windows and doors.
- Some commercial buildings that are not let need to be secured when they are likely to be vacant for a long time.
- When the Council presents evacuation notices, in case tenants damage them or refuse to leave.

2. Proposed Procurement Strategy

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

2.1.1 A 24-hour service for providing security screens and doors to secure properties.

2.1.2 In addition to normal security screens the company will be required to:

- a) purchase and install Perma screens where properties are going to be secured for a long time. The Perma screens are a one-off charge and once installed we will cease paying weekly charges.
- b) receive orders online and maintain accurate records for each request in line with their invoicing system.
- c) provide a named contact that the LA can use in case of any queries during normal operating hours 0800 -1800. Outside of these times we will require a dedicated phonenumber.
- d) secure the current decanted stock and any new additional properties being decanted which stands between 150 to 200 screens.
- e) provide a full hire stock list each month prior to invoicing, to help internal stock tracking.
- f) have an automated IT system that keeps a record of all stock.

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

2.2.1 The total value of the contract is at £792,000 over the five years which includes a 10% contingency sum (£72,000 over the 5 years)
The annual value inclusive of the contingency is £158,400.

2.2.2 These figures have been calculated based on the current void trends and what will be incurred on the completion of phase three and four of the regeneration programme and any future regeneration programmes.

2.3 Duration of the contract, including any options for extension

2.3.1 The initial contract term will be three years with the option to extend up to a maximum of two further years.

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

2.4.1 The contract is subject to Public Contract Regulations 2015 and is classified as a service, but is not subject to the Light Touch Regime.

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 A full open tender will be carried out and advertised on Find a Tender, Jaggaer/Bravo (e-tendering), Contracts Finder and the Councils Website. The tender will be published via the jagger/Bravo Solutions procurement portal.

2.5.2 The procurement is required to be let under an open procedure as it exceeds the requirements set out under the Gold thresholds in the Contract Rules. The open procedure will allow for engagement with SME and Local Suppliers and will generate competition.

2.5.3 Suppliers will be required to have sufficient financial standing.

Indicative Procurement Timetable

Stage	Estimated Date
Report to Cabinet	19 September 2023
Publish Tender	October 2023
Tender returned	January 2024
Tender evaluation completed by	March 2024
Standstill period	April 2024
Award Report approval	May 2024
Award contract	June 2024
Implementation	July 2024
Contract Commencement	August 2024

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 The contract will be let using a JCT Measured Term Contract.

2.6.2 The agreement of the contract will be between The Council and the provider. The contract will serve My Place, Be First, Reside, Commercial, Temporary Accommodation, emergency services and BDMS.

- 2.6.3 Finance – this will be managed through purchase orders and cost codes as the service will be delivered to different departments within the council. Invoices will be coordinated by the My Place admin team. The overall value of the contract may lie against HRA, Comsol and Be First. There are assigned cost codes and process in place.
- 2.6.4 Every quarter a meeting of all service users(departments) will be organised by My Place to discuss the contract and how it is being delivered. My Place will coordinate the response and raise any issues with the provider and the contract manager.
- 2.6.5 This contract will be managed through quarterly meetings in the year. These meetings will be attended by My Place, Comsol, BDMS and Be First and the contractor to review any operational issues and working processes. There will be one annual meeting with the contracts team to review performance.
- 2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**
- 2.7.1 The outcomes, savings and efficiencies expected as the direct consequence of awarding this contract will be:
- (i) Value for money contract which might lead to cost avoidance.
 - (ii) We will aim to re-procure a company that is able to handle records in a format that is compatible internal Council systems.
- 2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**
- 2.8.1 The tenders will be evaluated though a scoring matrix based on:
- 80% price,
 - 10% quality,
 - 10% social value.
- The service specification can be stipulated relatively clearly.
- 2.9 How the procurement will address and implement the Council's Social Value policy**
- 2.9.1 The Social Value toolkit will be published as part of the tender documentation pack. A delivery plan (what) and Method statement (how) questions relating to social value will hold 10% of the overall evaluation. Special consideration will be given to those suppliers who focus on social value directed at care leavers and those within the care system. The social value coordinator will be invited to sit on the evaluation panel to grade this delivery plan and method statement alone, while the main evaluation panel members will be asked to evaluate the whole tender response.
- 2.10 London Living Wage (LLW)**
- 2.10.1 The contractor will need to meet the requirements of LLW. The duration of the contract and the number of hours of their service is at the threshold that requires the supplier in this case to ensure that they meet the LLW requirements.

2.11 **How the Procurement will impact/support the Net Zero Carbon Target and Sustainability**

2.11.1 There will be a dedicated section within the quality evaluation where we will ask bidders to provide a method statement on their own current targets as well as how they will support the councils' targets through the provision if they were to be awarded the contract.

3. **Options Appraisal**

- 3.1 **Option One – Open procurement procedure for a 3-year contract with the option to extend for two 12-month intervals.** This is the most favourable option as it allows the council to dictate the service requirements without any scope limitations to social value, it ensures that local organisations have a better chance to secure contracts with the councils due to the award criteria being heavily weighted on the pricing.
- 3.2 **Option Two – Mini competition Framework** – This option would be the quickest route to market but was rejected due to the limited number of suppliers on the framework. There would be a struggle to demonstrate value for money especially since there would be cost avoidance of the frameworks management fee if we were to go with option one.
- 3.3 **Option Three – Direct Award** – This option has been rejected as it does not demonstrate value for money and will impact on the Council's ability to request Social Value commitments.
- 3.4 **Option Four- Remain with the current provider (do nothing)** – This is no longer an option as we have been renewing the current contract already and it would not be best practice to continue without tendering the contract out.

4. **Waiver**

4.1 Not Applicable

5. **Consultation**

- 5.1 There has been extensive consultation in relation to this procurement exercise and all the key teams took part in these consultation processes. This consultation period was over a three-month period.
- 5.2 The proposals in this report were considered and endorsed by Procurement Board at its meeting on 21 August 2023

6. **Corporate Procurement**

Implications completed by: Euan Beales, Head of Procurement

- 6.1 The Council's Contract Rules require all Gold threshold procurements to be competed in the open market, this report satisfies that requirement.

- 6.2 The evaluation methodology and criteria states 80% price, 10% quality and 10% Social Value, in my opinion the quality ratio means that ALL possible requirements MUST be specified to ensure the outcome is one of need against a fair cost. This means the specification needs to contain all requirements and processes and expectations that make up the service or contractual variations maybe required.

7. Financial Implications

Implications completed by: Sandra Pillinger Group Accountant

- 7.1 This report seeks approval to proceed with the procurement of a contract for security screens for a maximum five-year term. The contract cost is variable and has been estimated at £144,000 pa, based on historic usage. The actual cost will depend on activity and will be based on a schedule of rates.
- 7.2 The requirement for security screens is largely within the Estate Renewal programme (managed by Be First), and this cost is met from the capital programme allocation for Estate Renewal. Other areas within the Council, such as Landlord Services (for HRA properties), Reside and Community Solutions (for temporary accommodation) will also be able to access the contract, and will need to manage activity within their respective budgets.

8. Legal Implications

Implications completed by: Yinka Akinyemi, Solicitor – Contracts and Procurement, Law and Governance

- 8.1 This report is seeking approval to proceed to tender on a maximum five-year term (3 + 1 + 1) basis for the provision of security screens and doors in accordance with the strategy set out in the report.
- 8.2 The estimated value of the contract will be in excess of the threshold for goods and services under the Public Contracts Regulations 2015 (the Regulations) and therefore a competitive tendering process will be required, which will be subject to the full application of the Regulations.
- 8.3 The procurement procedure anticipated by this report in clause 3.1 and 6.1 and elsewhere in this report would qualify as a compliant route to market in accordance with the Regulations and the Council's contract rules.

9. Other Implications

- 9.1 **Risk Management** – The Security Doors and Screens Risk Register is attached at **Appendix 1**.
- 9.2 **Corporate Policy and Equality Impact** – It is important that residents are safe, protected and supported at their most vulnerable. When properties are vacant, either for repair or awaiting demolition, they become a target for vandals, drug users and dealers and squatters. This risk is very high within Barking and Dagenham. By securing the properties promptly we reduce the risk to residents.

In some cases, the regeneration programme may take years as the properties are decanted and residents housed in other properties. This often leaves residents living in blocks where a large number of properties are vacant. To ensure that residents live in good housing and avoid becoming homeless, it is paramount to secure these vacant properties so that crime and antisocial behaviour does not impact the lives of these residents.

By securing our properties when vacant we are ensuring that residents, particularly those who are vulnerable, are safe. For example, lifts are often vandalised when empty properties are damaged and squatters or other criminals move into them. This can impact negatively on people with disabilities, and they may not be able to leave their properties. Young families will not be able to use lifts if they are vandalised.

An Equality Impact Assessment Screening Tool has been carried out and is attached at **Appendix 2**.

- 9.3 **Safeguarding Adults and Children** - Vacant properties can cause vandalism within blocks. Squatters can take hold of buildings putting adults and children at risk in our properties. This could encourage crime in the area, expose children and adults to drugs and drug related crime.
- 9.4 **Business Continuity / Disaster Recovery** – The Council has access to frameworks of which there is the option to direct award to suppliers on the framework in the event that there is supplier failure with the winning supplier.

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

List of appendices:

- **Appendix 1:** Security Screens Risk Register
- **Appendix 2:** EIA Screening Tool Provision of Security Screens and Doors

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Security Doors and Screens Risk Register

ID	Date raised	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Severity <i>Rating based on impact & likelihood.</i>	Owner <i>Person who will manage the risk.</i>	Mitigating action <i>Actions to mitigate the risk e.g. reduce the likelihood.</i>	Contingent action <i>Action to be taken if the risk happens.</i>
1	04/08/23	Vandals breaking into a flat and stealing metal	Very likely	Damage to the property costing the council and putting staff and contractors in danger when they access the property.	High	Landlord Officer	Secure the empty property with security screens and security doors.	Assess the damage and arrange repairs
2	04/08/23	Squatters entering and property	Very likely	Removing squatters can be very costly to the council.	High	Landlord Officer	Secure the empty property with security screens and security doors.	Assess the damage and arrange repairs
3	04/08/23	Adults and children getting injured.	Very likely	Injury if a property is vandalised in residential areas. The risk can impact children and adults entering the flat or going near a vandalised property	High	Landlord Officer	Secure the empty property with security screens and security doors.	Assess the damage and arrange repairs
4	04/08/23	Empty properties used by drug users and dealers	Very likely	Children can get exposed to drug dealers and users. They can be physically harmed. Other drug related crime will	High	Landlord Officer	Secure the empty property with security screens and security doors.	Assess the damage and arrange repairs

5	04/08/23	Flooding	Very likely	Vandals access water by damaging pipes in decommissioned properties	High	Landlord Officer	Secure the empty property with security screens and security doors.	Assess the damage and arrange repairs
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Equality Impact Assessment Screening Tool

Equality Impact Assessments help the Council to comply with its public sector duty under the Equality Act 2010 to have due regard to equality implications. EIAs also help services to be customer focussed, leading to improved service delivery and customer satisfaction.

The Council understands that whilst its equalities duty applies to all services, it is going to be more relevant to some decisions than others. We need to ensure that the detail of Equality Impact Assessments (EIAs) are proportionate to the impact of decisions on the equality duty, and that in some cases a full EIA is not necessary.

This tool assists services in determining whether plans and decisions will require a full EIA. It should be used on all new policies, projects, functions, staff restructuring, major development or planning applications, or when revising them.

Full guidance on the Council’s duties and EIAs and the full EIA template is available at [Equality Impact Assessments](#).

Proposal/Project/Policy Title	Security Screens and security doors	
Service Area	My Place	
Officer completing the EIA Screening Tool	Rubina Abi	
Head of Service	Alan Caddick	
Date	27/07/2023	
Brief Summary of the Proposal/Project/Policy Include main aims, proposed outcomes, recommendations/decisions sought.	This is a request to tender out the contract for security screens and doors which are used when properties the council is responsible for are vacant or damaged. We currently have a large number of decanted properties that are vacant awaiting demolition that need to be secured so that intruders do not get injured, vandalise or squat. We need to procure a supplier of security screens and doors that provides value for money. The current contract is now coming to an end and we are unable to extend it any further if we are to keep within the competitive tendering process. The decision sought is to allow My Place to procure a contract that can meet its needs in securing properties in line with the best value principles.	
Protected characteristic	Impact	Description
Age	Positive impact (L)	Safe environment

Disability	Positive impact (L)	Safe environment
Gender re-assignment	Not applicable (N/A)	Describe the impact.
Marriage and civil partnership	Not applicable (N/A)	Describe the impact.
Pregnancy and maternity	Positive impact (L)	Safe environment
Race	Not applicable (N/A)	Describe the impact.
Religion	Not applicable (N/A)	Describe the impact.
Sex	Not applicable (N/A)	Describe the impact.
Sexual orientation	Not applicable (N/A)	Describe the impact.
Socio-Economic Disadvantage¹	Positive impact (L)	Safe environment
How visible is this service/policy/project/proposal to the general public?		High visibility to the general public (H)
What is the potential risk to the Council's reputation? Consider the following impacts – legal, financial, political, media, public perception etc		Medium risk to reputation (M)

If your answers are mostly H and/or M = **Full EIA to be completed**

If after completing the EIA screening process you determine that a full EIA is not relevant for this service/function/policy/project you must provide explanation and evidence below.

Security screens and doors are used on vacant properties, this in addition to keeping the properties safe from damage and squatting they also keep residents safe. Anyone entering these properties could get hurt as they may be damaged and decommissioned. Staff and residents are safe from getting injured. These screens also keep vandals and squatters away from residential areas.

¹ Socio-Economic Disadvantage is not a protected characteristic under the Equality Act. London Borough of Barking and Dagenham has chosen to include Socio-Economic Disadvantage as best practice.

CABINET**19 September 2023**

Title: Debt Management Performance 2023/24 (Quarter 1)	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Stuart Kirby, Head of Collections	Contact Details: E-mail: stuart.kirby@lbbd.gov.uk
Accountable Director: Stephen McGinnes, Director of Support and Collections	
Accountable Executive Team Director: Fiona Taylor, Acting Chief Executive	
Summary	
This report sets out the performance of the Collections service in the collection of revenue and debt management for the first quarter of the financial year 2023/24.	
Recommendation(s)	
The Cabinet is recommended to note the performance of the debt management function carried out by the Council's Collection service, including the improvements in collection in some areas and the challenges in others.	
Reason	
Assisting in the Council's Policy aim of ensuring an efficient organisation delivering its statutory duties in the most practical and cost-effective way. This ensures good financial practice and adherence to the Council's Financial Rules on the reporting of debt management performance and the total amounts of debt written-off each financial quarter.	

1. Introduction and Background

- 1.1. This report sets out performance for the first quarter of the 2023/2024 financial year and covers the overall progress of each service element since April 2023.
- 1.2. The Collection service is responsible for the collection of Council Tax, Business Rates, Housing Benefit Overpayments, General Income, Rents and for the monitoring of cases sent to Enforcement Agents.

2. Council Tax

- 2.1. The target for collection this year is a 94.6%, which is a 1% increase. At the end of quarter 1 collection increased by 0.7% compared with the same time last year
- 2.2. Collection of arrears (debts prior to April 2023) has increased by £197k compared with the same time last year.
- 2.3. Whilst the arrears created by the pandemic and the cost of living crisis continue to make collection challenging, changes to process and new communication strategies have been implemented to improve collection rates.
- 2.4. Customers that fall behind have always been sent texts and emails (where contact details exist) but until this year they have been relatively basic in nature. The service is now using Telsolutions to send reminders to residents. These new messages contain links to allow residents to make payment, view their bills, find help etc.
- 2.5. Currently of the 79,649 accounts in the borough 45,242 pay by Direct Debit, which is a 3% increase since the start of the year. This represents 56.8% of residents paying by this method. Payment by Direct Debit is considerably cheaper than other methods and allows for better control over payments.
- 2.6. A campaign to increase the number of Direct Debit payers has been started in 23/24, including a prize draw of £1k to be made to one resident in December.
- 2.7. To further support residents and to ensure that at as many points of contact debt matters can be resolved, Universal staff working in the front line at libraries and hubs have been trained in council tax and rent debts.
- 2.8. Universal staff have been given access to Oneview so staff are now able engage residents in conversation about their debts. In this way any resident seeking help can discuss their debts and be given the appropriate advice.
- 2.9. The annual review of single person discounts started in June. There are 23k council tax accounts with the 25% discount. The process involves a credit check to establish occupancies and letters to residents. It is estimated that this will increase the taxbase by £300k.
- 2.10. Work continues to review historic bad debts; the table below shows the movement of debt since the start of the year:

ARREARS	01-Apr-23	31-Jul-23	VARIATION
1999/00	£8,678	£8,678	£0
2000/01	£14,775	£14,553	-£222
2001/02	£20,079	£19,204	-£876
2002/03	£30,646	£28,794	-£1,852
2003/04	£57,323	£53,679	-£3,644
2004/05	£95,370	£91,181	-£4,189
2005/06	£125,832	£117,672	-£8,160
2006/07	£193,071	£181,381	-£11,690
2007/08	£295,711	£278,129	-£17,583

2008/09	£354,660	£336,185	-£18,475
2009/10	£421,137	£403,488	-£17,649
2010/11	£466,684	£446,627	-£20,057
2011/12	£492,096	£473,084	-£19,013
2012/13	£556,227	£540,446	-£15,781
2013/14	£669,029	£648,776	-£20,252
2014/15	£691,337	£668,828	-£22,509
2015/16	£825,919	£802,323	-£23,597
2016/17	£1,022,200	£995,595	-£26,606
2017/18	£1,276,557	£1,240,592	-£35,966
2018/19	£1,691,604	£1,641,284	-£50,320
2019/20	£2,475,080	£2,397,379	-£77,700
2020/21	£3,393,282	£3,241,594	-£151,689
2021/22	£4,576,673	£4,318,786	-£257,888
2022/23	£6,607,443	£5,720,401	-£887,041
TOTALS	£26,361,415	£24,668,656	-£1,692,759

- 2.11. Since April 2022 council tax debt has been reduced by £14.8m and a further £5-£6m will be collected or written off as bad debt by the end of 23/24.
- 2.12. Enforcement action continues for all years, the table below shows a breakdown of actions excluding recovery costs.

Status	Balance
Enforcement agent	£17,445,401
Enforcement agent returned for further action	£2,029,238
Enforcement agent returned for write off	£1,365,371
Charging order	£83,126
Attachment of benefits	£478,655
Attachment of earnings	£255,384
Bankruptcy	£75,281
Repayment arrangement	£1,338,519
Potential fraud	£80,804
Identified for write off	£88,657
Total	£23,240,436

3. Business Rates

- 3.1. Business rates collection is 0.3% above last year at 27.9%.
- 3.2. The Government have revalued all businesses in 2023/24 which has in many cases increased the amount to be paid. Whilst there is a transitional relief scheme in place the reduction decreases each year.
- 3.3. The Government changed legislation in order that businesses are revalued every 3 years rather than 5. This will make the increases after revaluation smaller but more frequent.

- 3.4. The fraud team has been assisting the team by carrying out a review of businesses entitled to small business rates relief. This has involved a review of 1,600 business to ensure that they are still eligible. Whilst this review is continuing the net result is that an increase in business rates of £85k.
- 3.5. Arrears continue to reduce since the start of the year. However, business rates is subject to back dated changes as a result of appeals and amendments to the rateable values. Whilst back dated changes have increased the amount charged by £835k, although overall arrears have reduced by £769k.
- 3.6. The table below shows the debts by year:

ARREARS	01-Apr-23	31-Jul-23	VARIATION
2000/01	£0	£0	£0
2001/02	£0	£0	£0
2002/03	£990	£990	£0
2003/04	£0	£0	£0
2004/05	£8,821	£8,821	£0
2005/06	£23,754	£14,232	-£9,521
2006/07	£31,997	£21,800	-£10,197
2007/08	£27,720	£15,009	-£12,712
2008/09	£145,205	£115,445	-£29,760
2009/10	£198,279	£148,478	-£49,802
2010/11	£261,409	£193,414	-£67,995
2011/12	£447,583	£316,864	-£130,719
2012/13	£658,304	£658,254	-£50
2013/14	£650,292	£650,292	£0
2014/15	£596,642	£596,592	-£50
2015/16	£531,884	£531,293	-£591
2016/17	£582,704	£577,909	-£4,796
2017/18	£633,849	£637,209	£3,361
2018/19	£926,290	£941,465	£15,174
2019/20	£1,230,811	£1,199,548	-£31,263
2020/21	£1,828,544	£1,756,003	-£72,541
2021/22	£1,132,506	£1,098,058	-£34,448
2022/23	£2,173,526	£1,840,763	-£332,763
TOTALS	£12,091,112	£11,322,439	-£768,673

4. Rents

- 4.1. Rent collection for quarter 1 ended 0.54% behind.
- 4.2. The methodology used to calculate rent collection has been changed. In previous years the amount to be charged for the year was estimated and collection measured against that figure. The method has been changed to measure rent charged to date against what has been paid.

- 4.3. Rent arrears have increased due to the reduction in eviction action over the past three years. Collection of rent in the current financial climate continues to be challenging.
- 4.4. Residents continue to migrate from housing benefit to universal credit (UC). This delays payment of rent by 4 to 6 weeks whilst the tenant awaits their first payment.
- 4.5. Rent collection is also utilising Telsolutions to send new and improved emails and texts to customers. As with council tax, this is giving customer direct access to online services and sign posting assistance.
- 4.6. The rent collection team has been merged with the tenancy sustainment team to increase the resource available from 23 to 35 staff focusing on non-payment as well as continuing to help residents to sustain their tenancies.
- 4.7. A Direct debit campaign has been started to increase the number of residents using this method of payment. This includes a competition with a prize of £1k to be drawn in December.
- 4.8. The recovery process has been fully reviewed and extensive changes have been made to the Capita system to optimise the automated process and continue to evict those refusing to pay their rent.

5. Reside

- 5.1. Reside collection for quarter 1 was 93.24%.
- 5.2. The methodology for measuring Reside collection has been amended in 23/24 and is not comparable with 2022/23. However, the target for 2023/24 is 99%. Collection is down compared to the target.
- 5.3. Improvements to the recovery process have been put in place and collection will improve throughout the year.
- 5.4. Payment by Direct Debit has now been introduced. All Reside tenants can now make payment by this method with the exception of Reside Regen as it is still awaiting a merchant code.
- 5.5. Online payment options will be available to residents in September followed by an automated telephone payment line.
- 5.6. After a delay due to some legal issues, which have now been resolved, eviction actions have restarted and those deliberately not paying will be evicted.

6. General Income

- 6.1. General income (sundry debt) collection is currently 31.8%. Due to the introduction of E5 at the start of last year percentage comparisons will not be entirely accurate. However, the reported collection rate at the end quarter 1 last year was 19%.
- 6.2. The first quarter has seen a reduction in arrears as work continues to review outstanding debts and collect or write off those uncollectable.

6.3. The table below shows debts prior to 2022/23:

DEBTS PRIOR TO 2023/24			
SUNDRY DEBT	YEAR START	QUARTER 1	VARIATION
Sum of Overdue 2017	£270,692	£200,264	-£70,428
Sum of Overdue 2018	£145,164	£137,048	-£8,117
Sum of Overdue 2019	£268,935	£224,347	-£44,588
Sum of Overdue 2020	£759,021	£345,571	-£413,449
Sum of Overdue 2021	£2,764,415	£1,751,306	-£1,013,109
Sum of Overdue 2022	£7,526,611	£1,778,427	-£5,748,184
TOTAL	£11,734,838	£4,436,962	-£7,297,876

7. Adult social care

7.1. The overall collection rate for homecare and residential debts increased to 26.4% at the end of quarter 1. Homecare collection was 24.4% and residential 27.7%.

7.2. This improvement in collection has continued with performance at the end of August being 50.9%, a 16% improvement on same period last year. The target for 2023/24 is 60% and collection rates are improving month on month to achieve/better this.

COMBINED - ASC SUMMARY 2023/24					
MONTH	NO OF INVOICES	NET COLLECTABLE DEBIT	TOTAL PAID	%	BALANCE
APRIL	730	£1,049,997	£220,747	21.02%	£829,250
MAY	1,432	£2,148,096	£594,425	27.67%	£1,553,671
JUNE	4,459	£4,368,746	£1,153,891	26.41%	£3,214,855
JULY	5,597	£5,361,944	£2,249,450	41.95%	£3,112,494
AUGUST	6,736	£6,522,688	£3,323,649	50.96%	£3,199,039

7.3. Action taken or planned to increase the collection rate include:

- Improved collection process – First point of contact on billing is now at the financial assessment stage, prior to invoice. Service users are advised of the invoices, payment schedule and options to pay.
- Reminders – Outstanding invoice reminders have now been re-introduced, one at 29 days after invoice production and a final reminder a further two weeks after that.
- Direct debit – Testing continues for fixed and variable invoices by direct debit with the target to go live by end of year for service users with fixed contributions.
- Non engagement – Service Users who have elected not to undertake a Financial Assessment are being visited with the aim of reducing debts owed by assessing their needs against their income. 35% success rate on visits completed to date.

- Data Quality – Interim resource in place to review and correct errors in provision loaded by ASC which are preventing billing or service users paying due to inaccurate bills.
Separate projects running to review cases where charges have been suspended by ASC; where financial assessment has not been possible due to an outstanding mental capacity assessment; and where ASC has requested no charges to be applied.
- Legal Process - Case are now being escalated for legal action. 148 cases to date and up to a further 1200 debts identified for legal action.

7.4. Prior year arrears have continued to reduce as aged debts are reviewed, with £1.9m (12.5%) collected in the first quarter of 23/24

8. Housing Benefit overpayments

8.1. Housing benefit overpayment occurs when the claimant has failed to disclose changes in their circumstances resulting in benefit being overpaid.

8.2. This is one of the most challenging debts to collect as the debtor is usually on a low income. Where the debtor has not paid or entered into a repayment agreement, attachments are utilised. However, in recent years the DWP has de-prioritised the collection of overpayments and it is therefore not always possible to use this method of recovery. The table below shows the current status of overpayment debts.

DEDUCTIONS AND AGREEMENTS			
Debt recovery stage	Balance	Invoices	Percentage
Being Paid - deductions via DWP	£4,493,729	2,099	23.3%
Being Paid - Payment Arrangement	£3,654,509	1,702	19.0%
Being Paid - deductions LBBD HB	£2,888,495	2,366	15.0%
Being Paid - by Salary Deductions	£458,814	186	2.4%
Being Paid - Salary Deductions Applied For	£164,086	97	0.9%
TOTAL	£11,659,634	6,450	60.6%

FURTHER ACTIONS			
Debt recovery stage	Balance	Invoices	Percentage
Debt Review Underway - further action to be taken	£2,333,335	1,320	12.1%
Recent Notice Sent To Demand Payment	£1,141,563	600	5.9%
On hold due to Appeal or HB reassessment	£1,029,118	132	5.3%
Awaiting Payments from Insolvency	£464,487	189	2.4%
Corresponding with Customer	£384,798	38	2.0%
Court Proceedings Underway	£306,138	30	1.6%
Traced - Notice Sent	£155,366	65	0.8%
New Debt Within 28 Days	£120,499	56	0.6%
Hold - Under Breathing space	£14,779	13	0.1%
Aged debt being reviewed (potential write off)	£1,635,936	1,500	8.5%
TOTAL	£7,586,020	3,943	39.4%
GRAND TOTAL	£19,245,653	10,393	

9. Collection rates

9.1. The table below shows collection rates for quarter 1:

Collection Area	2023/24	2022/23	Variation
Council Tax current year	29.4%	28.5%	+0.7%
Council Tax arrears	£853,346	£736,685	+116,661
Rents	97.2%	97.7%	-0.54%
Business Rates	27.9%	27.6%	+0.3%
General Income	31.8%	19.0%	+12.8%
Leasehold	34.5%	35.1	-0.6%
Commercial rent	19.8%	20.1%	-0.3%
Care	26.4	19%	+7%
Housing Benefit Overpayment	3.7%	3.5%	+0.2%
Reside	93.24%		

10. Arrears

- 10.1. The table below shows arrears at the start end of quarter 1. With the exception or rent, Reside and former tenants, arrears are defined as debts raised prior to 2023/24.
- 10.2. Rent, Reside and former tenant debt cannot be defined by year, and these are debts that have been outstanding for more than 1 week.
- 10.3. Arrears have significantly reduced since the start of 2022/23; however, it should be noted that the amounts shown below include arrears for 2022/23 and will continue to reduce throughout the year.

ARREARS (PRIOR TO 2023/24)			
	YEAR START	QUARTER 1	VARIATION
Council tax	£26,361,415	£24,668,656	-£1,692,759
Business rates	£12,091,112	£11,322,439	-£768,673
General income	£16,814,748	£6,366,278	-£10,448,470
Homecare & residential	£15,527,927	£14,559,166	-1,929,316
HB overpayments	£19,926,437	£19,245,653	-£680,784
Rents	£8,591,121	£9,321,826	£730,705
Reside	£982,741	£1,483,157	£500,416
Former tenants	£2,491,923	£2,705,262	£213,339
TOTAL	£102,787,424	£89,672,437	-£13,114,987

11. Financial Implications

Implications completed by: Nurul Alom, Finance Manager

- 11.1. Compared to the same period last year, collection rates have improved across most categories of debt. However, they have not recovered to pre-pandemic levels, this is due to the impact of the Cost-of-living crisis and transition of residents from Housing Benefit to Universal Credit. To try and alleviate some of this additional pressure, adjustments have been made to the process of debt recovery allowing residents a longer period of time to pay, given their reduced financial circumstances. Communication with debtors has also changed with the introduction of Telsolutions allowing customers direct access to accounts and payment options.
- 11.2. The Collection team has been working closely with the wider Community Solutions to identify residents in financial difficulty and to provide support to assist in tackling financial problems and managing debt. In addition, a new data led approach is being taken which is more targeted. It is anticipated that the introduction of community banking in the borough will accelerate the wider support given to residents in financial difficulty and managing debt.
- 11.3. Collecting all debts due is critical to funding the Council and maintaining cashflow. Monthly performance monitoring meetings with the Director of Support & Collections focus on where the targets are not being achieved to improve prompt collection of Council revenues.
- 11.4. The Council maintains a bad debt provision which is periodically reviewed. Increases to the provision are met from the Council's revenue budget and reduce the funds available for other Council expenditure. A mid-year review will be carried out and any movement in the provision will be reported in the next quarter.
- 11.5. The arears project will review historic debt and where these are recoverable the necessary action will be taken. Where debt is no longer recoverable, they will be written off. The vast majority of these debts are more than three years old and a 100% provision has been allowed for these debts.

12. Legal Implications

Legal Implications completed by: Dr. Paul Feild, Principal Standard & Governance Lawyer

- 12.1. Monies owned to the Council in the form of debts are a form of asset that is the prospect of a payment sometime in the future. The decision not to pursue a debt carries a cost and so a decision not to pursue a debt is not taken lightly. The courts held at common law the Council holds a fiduciary duty to its residents to act as a trustee and to the government to make sure money is spent wisely and to recover debts owed to it.
- 12.2. The Accounts and Audit Regulations 2015 require the Council's statement of accounts to be prepared in accordance with proper accounting practice. The CIPFA Code of Practice on Local Authority Accounting, requires the council's statement of accounts to include sufficient provision for bad debts to be determined by the S.151 Local Government Act (the Chief Finance Officer).

12.3. If requests for payment are not complied with then the Council will seek to recover money owed to it by way of court action once all other options are exhausted. The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

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

List of appendices: None