

Notice of Meeting of the

ASSEMBLY

**to be held on Wednesday, 19 July 2017
commencing at 7:00 pm in the
Council Chamber, Town Hall, Barking**



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

Date of publication: 11 July 2017

Chris Naylor
Chief Executive

Councillors and Senior officers are invited to attend a briefing to be chaired by Cllr Laila Butt, Cabinet Member for Crime and Enforcement and led by Stephen Norman, the Borough Commander for the London Fire Service. The briefing will outline the range of fire prevention activities the Service conducts in partnership with the Council and will take place in the Council Chamber from 6.00 pm until 6.45 pm

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AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests

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

3. Minutes - To confirm as correct the minutes of the meeting held on 17 May 2017 (Pages 3 - 5)

4. Minutes of Sub-Committees - To note the minutes of the: (Pages 7 - 13)

- Joint JNC Salries & Conditions and Appointments Panel held on 10 May 2017;
- JNC Appointments Panel held on 23 May 2017; and
- JNC Appointments Panel held on 22 June 2017

5. Leader's Statement

The Leader will present his statement.

6. Appointments

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

7. Corporate Plan 2017/18 (Pages 15 - 37)

8. Treasury Management Annual Report 2016/17 (Pages 39 - 58)

9. Motions (Pages 59 - 67)

10. Questions With Notice

11. Any other public items which the Chair decides are urgent

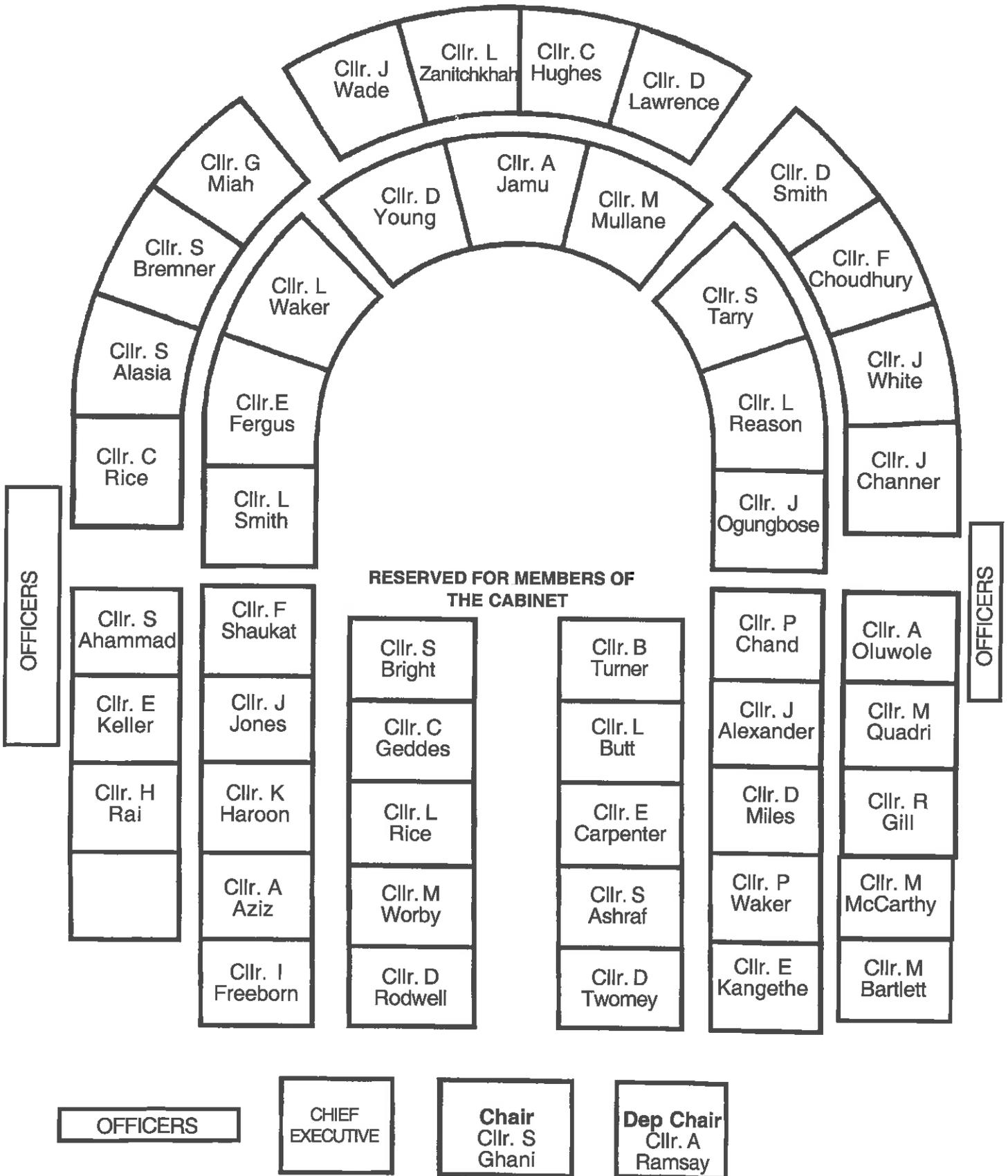
12. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.

Private Business

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

- 13. Any confidential or exempt items which the Chair decides are urgent**

BARKING TOWN HALL COUNCIL CHAMBER



SEATING PLAN FOR THE ASSEMBLY

Our Vision for Barking and Dagenham

One borough; one community; London's growth opportunity

Our Priorities

Encouraging civic pride

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

Enabling social responsibility

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

Growing the borough

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

Well run organisation

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

MINUTES OF ASSEMBLY

Wednesday, 17 May 2017
(7:01 - 7:20 pm)

PRESENT

Cllr Syed Ghani (Chair)
Cllr Tony Ramsay (Deputy Chair)

Cllr Syed Ahammad	Cllr Sanchia Alasia	Cllr Jeanne Alexander
Cllr Saima Ashraf	Cllr Simon Bremner	Cllr Sade Bright
Cllr Laila M. Butt	Cllr Evelyn Carpenter	Cllr Peter Chand
Cllr Faruk Choudhury	Cllr Edna Fergus	Cllr Irma Freeborn
Cllr Cameron Geddes	Cllr Kashif Haroon	Cllr Amardeep Singh Jamu
Cllr Jane Jones	Cllr Elizabeth Kangethe	Cllr Eileen Keller
Cllr Danielle Lawrence	Cllr Mick McCarthy	Cllr Giasuddin Miah
Cllr James Ogungbose	Cllr Adegboyega Oluwole	Cllr Moin Quadri
Cllr Hardial Singh Rai	Cllr Chris Rice	Cllr Lynda Rice
Cllr Darren Rodwell	Cllr Faraaz Shaukat	Cllr John White
Cllr Maureen Worby		

APOLOGIES FOR ABSENCE

Cllr Abdul Aziz	Cllr Melanie Bartlett	Cllr Josephine Channer
Cllr Rocky Gill	Cllr Chris Hughes	Cllr Dave Miles
Cllr Margaret Mullane	Cllr Sam Tarry	Cllr Bill Turner
Cllr Dominic Twomey	Cllr Jeff Wade	Cllr Lee Waker
Cllr Phil Waker		

1. **Appointment of Chair and Deputy Chair**

The Chief Executive opened the meeting and invited nominations for the positions of Chair and Deputy Chair of the Assembly for the 2017/18 municipal year.

The Assembly **resolved** to appoint Councillors Ghani and Ramsay as Chair and Deputy Chair of the Assembly respectively.

2. **Declaration of Members' Interests**

There were no declarations of interest.

3. **Minutes (22 February 2017)**

The minutes of the meeting held on 22 February 2017 were confirmed as correct.

4. **Appointments to the Political Structure and Other Bodies 2017/18**

The Director of Law and Governance introduced a report on the annual process of appointments to the various elements of the political structure and other internal

and external bodies.

The Chair invited the Labour Group Secretary, Councillor Carpenter, to advise on the Labour Group's nominations to the various positions to be appointed to. The Labour Group Secretary referred to the schedule that had been tabled at the meeting.

Assembly **resolved** to agree the appointments to positions as set out in Appendix 1.

5. Minutes of Sub-Committees - JNC Appointments Panel (4 April 2017)

The Assembly received and noted the minutes of the JNC Appointments Panel held on 4 April 2017.

6. Members' Allowances Scheme 2017/18

The Leader presented a report on the Members' Allowances Scheme for 2017/18.

The Leader advised that, in view of the continuing pressures on public sector funding and the Council's finances in particular, it was proposed that no changes be made to the scheme for 2017/18, representing a freeze in allowances levels for the ninth successive year.

Assembly **resolved** to:

- (i) Agree that no increase be applied to Members' basic and special responsibility allowances for the 2017/18 municipal year, representing a freeze in allowance levels for the ninth successive year; and
- (ii) Adopt the Members' Allowances Scheme 2017/18, attached as Appendix A to the report, to come into effect from 18 May 2017.

7. Appointment of Parent Governor (Secondary) Co-optee to the Children's Services Select Committee

The Cabinet Member for Educational Attainment and School Improvement introduced a report regarding the appointment of a parent governor (Secondary) Co-optee to the Children's Services Select Committee.

The Assembly **resolved** to agree the appointment of Dr Jo Finch to the position of Parent Governor (Secondary) Co-optee on the Children's Services Select Committee for a term of four years.

8. Motions

Moved by Councillor Bright and Seconded by Councillor Ashraf:

"This Council:

- Notes that 2017 is the twenty-second anniversary of the Srebrenica genocide in Bosnia and Herzegovina, which saw over 8,000 Muslim men

and boys killed by Serbian nationalist forces;

- Notes that in 2009 the European Parliament passed a resolution that 11 July should be recognised as the day of commemoration of the Srebrenica genocide all over the EU; and in 2015 urged the development of educational and cultural programmes that promote an understanding of the causes of such atrocities and raise awareness about the need to nurture peace and to promote human rights and interreligious tolerance;
- Applauds the work of those involved in the pursuit of justice for the victims and their surviving relatives, including the International Commission of Missing People (ICMP) and the Mothers of Srebrenica, whose courage and humility in the face of unthinkable horror is an inspiration to us all; and
- Commends the work of the charity, Remembering Srebrenica, in raising awareness of this tragic and preventable genocide and working in communities across Britain to help them learn the lessons of Srebrenica.

The Council resolves to:

- Offer support to Remembering Srebrenica delegates from the London Borough of Barking and Dagenham who visited Bosnia on the 'Lessons from Srebrenica' education programme and who have been working tirelessly in the community to raise awareness of the genocide and learn the lessons of Srebrenica;
- Support Srebrenica memorial events in July each year throughout the London Borough of Barking and Dagenham as part of the UK-wide Remembering Srebrenica Memorial Week; and
- Support the work of Remembering Srebrenica in communities across the London Borough of Barking and Dagenham to learn the lessons from Srebrenica and to tackle hatred and intolerance to help build a better, safer and more cohesive society for everyone."

The Assembly voiced its support of the motion and welcomed the opportunity to further bring the Borough together as one community.

The motion was put to the vote by way of a show of hands and **carried**.

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MINUTES OF JOINT JNC SALARIES & CONDITIONS AND APPOINTMENTS PANEL

Wednesday, 10 May 2017
(5:30 - 6:05 pm)

Present: Cllr Dominic Twomey (Chair), Cllr Cameron Geddes and Cllr Elizabeth Kangethe

Apologies: Cllr Darren Rodwell, Cllr Saima Ashraf and Cllr Eileen Keller

5. Declaration of Members' Interests

There were no declarations of interest.

6. Appointment of Chair

Councillor Twomey was appointed to preside over the meeting as the Chair of the Panel, Councillor Rodwell, was not present.

7. Private Business

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

8. Regrading of the Post of Commissioning Director, Education

The Chief Executive introduced a report on the proposed regrading of the post of Commissioning Director, Education.

In 2016, the Panel approved proposals to establish a high-level management structure to meet the objectives of the Council's Ambition 2020 (A2020) transformation programme. Part of the proposals included the new post of Commissioning Director, Education and the incumbent of the post of Divisional Director, Education Youth and Childcare was assimilated into this new post with the Divisional Director post being deleted.

The proposals approved in 2016 also included the deletion of the post of Corporate Director of Children's Services and the amalgamation of the statutory and other responsibilities of that role and those of the Corporate Director of Adult and Community Services, under the new post of Strategic Director, Service Development and Integration. The new arrangements have been in place over the past year, and the Commissioning Director, Education has taken on a higher level of responsibility, as well as increasing involvement in the wider skills agenda. Accordingly, the job description for the Commissioning Director, Education post had been reviewed and re-evaluated, under the HAY Job Evaluation Scheme, at grade CO4.

In response to questions from the Panel, the Chief Executive confirmed the following:

- a) The revisions to the job description, which reflected the additional responsibilities, did not require the post to be re-advertised;
- b) The postholder had been successfully assessed against the new job description and person specification for the role;
- c) The review of the job description and grade of the post reflected the postholder's instrumental role in leading the improvements in education in the Borough and the more complex demands of the role since the establishment of the post;
- d) The proposals were supported by the Cabinet Member for Educational Attainment and School Improvement; and
- e) The postholder's current salary was £98,399.

The Panel noted the revised job description for the post of Commissioning Director, Education and **resolved** to approve the regrading of the post from CO2 to CO4 under the HAY Job Evaluation Scheme with effect from 1 April 2017.

9. Permanent Establishment of Post of Transformation Director

The Chief Executive presented a report on the proposal to formally establish the permanent post of Transformation Director.

The Chief Executive advised that an initial six-month secondment opportunity had been advertised in May 2015 for the position of Programme Director to manage the Council's A2020 Programme. Meena Kishinani, then Divisional Director, Strategic Commissioning, Safeguarding and Integrated Early Help, applied successfully and was seconded on her existing grade of CO4.

On 9 March 2016, the JNC Salaries and Conditions Panel agreed interim changes to the management structure of the Council. The position of Commissioning Director, Children's Care and Support was created as part of the new structure, which became Ms Kishinani's substantive position through application of the Council's assimilation procedure. As Ms Kishinani's secondment had been extended, Christopher Bush was appointed as Interim Commissioning Director, Children's Care and Support from 25 April 2016 – 30 June 2017.

The Chief Executive stated that as it was clear that the process of transforming the Council's services would be ongoing, he wished to permanently establish the post of Transformation Director to oversee and manage the crucial stages of implementation. As a consequence, Ms Kishinani's substantive post of Commissioning Director, Children's Care and Support would be able to be filled on a permanent basis, providing stability within Children's Care and Support.

In response to Members' comments regarding the Council's transformation programme and the need for the post to be made permanent, the Chief Executive confirmed that the Council's process of transformation would take at least another two years to become embedded, which he felt justified making the post permanent.

The Panel **resolved** to approve the permanent establishment of the post of Transformation Director at grade CO4.

10. Appointment of Transformation Director and Commissioning Director, Children's Care and Support

Further to Minute 9 above, the Chief Executive presented a report on the proposed appointment of Meena Kishinani, who had held the position of Programme Director for two years on a secondment basis, to the permanent position of Transformation Director.

The report also proposed the appointment of Christopher Bush, who held the position of interim Commissioning Director, Children's Care and Support, to this position on a permanent basis in view of Ms Kishinani's proposed appointment as Transformation Director. The Head of Workforce Change advised, however, that the Council's policy stated that in the case of reviews, the person filling an interim or acting position was only considered for assimilation to the post on a permanent basis, if they had been in the position for two years or more. The Chief Executive recommended that Mr Bush be interviewed for the permanent position of Commissioning Director, Children's Care and Support and the appointment be referred to a future JNC Appointments Panel.

The Panel resolved to:

- (i) Approve the appointment of Ms Kishinani to the permanent post of Transformation Director; and
- (ii) Refer the appointment to the permanent position of Commissioning Director, Children's Care and Support to a future JNC Appointments Panel.

11. Proposed Revision to Senior Management Structure

The Strategic Director for Growth and Homes presented a report on proposals to create a new post of Commissioning Director, Regeneration, Housing and Investment, and to delete the posts of Commissioning Director, Growth, Homes and Regeneration, and Commissioning Director, Housing and Employment.

The Panel had heard that over the last 18 months, the JNC Salaries and Conditions Panel had approved a range of proposals relating to the top tier and second tier management structure of the Council to progress its transformation proposals and the recommendations of the Growth Commission.

The interim structure for the Growth and Homes service which was established in April 2016 comprised three Commissioning Director portfolios reporting to the Strategic Director, covering culture and heritage, regeneration and planning, and housing and employment strategy.

At its meeting on 19 July 2016, the Cabinet agreed the implementation of a range of new service design proposals as part of the Council's A2020 programme, which included the establishment of the Be First, Home Services and Traded Services Council-owned companies and the My Place corporate property management service.

The review of the structure and capacity within the Growth and Homes service was aimed at complementing the new delivery bodies and enabling the service to meet its key responsibilities under the new commissioning framework. The purpose of

the Growth and Homes service going forward would be to develop comprehensive strategies for growth, economic development, transport, housing, culture and heritage, and to ensure that the Council delivered its ambition to become "London's growth opportunity". The Strategic Director advised that the existing post of Commissioning Director for Culture and Recreation and the new post of Commissioning Director, Regeneration, Housing and Investment would be crucial to the successful implementation of the new operating model. No current postholders were eligible for assimilation and, therefore, the new post would be subject to open competition and advertised in line with Council procedures.

In response to questions from the Panel, officers clarified the following matters:

- a) The indicative grade of CO2 stated within the report for the new post was the same as that of the post of Commissioning Director for Culture and Recreation. It would be necessary to test the market and finalise the salary for the new post in accordance with the Council's job evaluation scheme; and
- b) The role of Commissioning Director for Culture and Recreation would have an important role under the Council's transformation agenda with a focus on strategy development and securing external resources to promote the Borough's parks and open spaces, culture and heritage.

The Panel **resolved** to:

- (i) Approve the creation of the new post of Commissioning Director, Regeneration, Housing and Investment;
- (ii) Note the indicative grade of CO2 for the new post and authorise the Chief Executive to determine the final grade/ salary in line with the Council's job evaluation scheme; and
- (iii) Approve the deletion of the posts of Commissioning Director, Growth, Homes and Regeneration, and Commissioning Director, Housing and Employment.

MINUTES OF JNC APPOINTMENTS PANEL

Tuesday, 23 May 2017
(5:09 - 5:50 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf, Cllr Kashif Haroon, Cllr Eileen Keller and Cllr Dominic Twomey

Apologies: Cllr Lynda Rice

1. Declaration of Members' Interests

There were no declarations of interest.

2. Minutes (4 April 2017)

The minutes of the meeting held on 4 April 2017 were confirmed as correct.

3. Private Business

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

4. Appointment of Operational Director: Public Realm

The Panel considered the papers that had been submitted in advance of the meeting, which included the job description and person specification for the post together with the CV of the shortlisted candidate.

The Panel reviewed the interview questions to be asked of the candidate.

Following the interview, Members discussed the responses to the questions and reached a unanimous decision.

The Panel **resolved** to appoint Shaun Morley to the fixed term post of Operational Director: Public Realm, subject to satisfactory references, other employment checks and usual terms and conditions.

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MINUTES OF JNC APPOINTMENTS PANEL

Thursday, 22 June 2017
(6:00 - 7:00 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Kashif Haroon, Cllr Elizabeth Kangethe, Cllr Dominic Twomey and Cllr Maureen Worby

Apologies: Cllr Saima Ashraf

5. Declaration of Members' Interests

There were no declarations of interest.

6. Minutes (23 May 2017)

The minutes of the meeting held on 23 May 2017 were confirmed as correct.

7. Private Business

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

8. Appointment of Commissioning Director, Children's Care and Support

The Panel considered the papers that had been submitted in advance of the meeting, which included the job description and person specification for the post together with the CV of the candidate.

The Panel reviewed and agreed the presentation topic as well as the interview questions to be asked of the candidate.

Following the interview, Members discussed the presentation and responses to the questions and reached a unanimous decision.

The Panel **resolved** to appoint Christopher Bush to the post of Commissioning Director: Children's Care and Support.

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ASSEMBLY**19 July 2017**

Title: Corporate Plan 2017-18	
Report of the Cabinet Member for Community Leadership and Engagement	
Wards Affected: All	Key Decision:
Report Author: Sal Asghar, Strategy and Performance Manager	Contact Details: Tel: 020 8227 3734 E-mail: Salauoddin.asghar@lbbd.gov.uk
Accountable Director: Tom Hook, Strategy and Programmes Director	
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
<p>Summary</p> <p>The development of a Corporate Plan ensures the Council's contribution to achieving the vision and priorities is proactive, co-ordinated, resourced in line with the MTFS and monitored so that Members and residents can see progress.</p> <p>For 2017/18, the Corporate Plan has been developed to take into account the Council's current position, developments that have taken place over the past year and the transformation programme the Council will deliver in 2017/18 and beyond.</p> <p>The newly developed Borough Manifesto and associated targets clearly articulate the shared, resident-led vision for the future of Barking and Dagenham. Our commitment to achieving the vision has been incorporated in the Corporate Plan for 2017/18.</p> <p>Progress against delivery of the Corporate Plan is supported through a robust corporate performance framework. With the Council moving to a commissioning model, it is proposed that the future corporate performance framework should reflect this change and quarterly performance reporting be used to successfully monitor and challenge progress against key indicators captured in Commissioning Mandates.</p> <p>It is, however, acknowledged that Commissioning Mandates for the various service delivery blocks will all be at various stages of development and are not likely to be ready until later in the year. Therefore, it is proposed that until a new performance framework informed by the Commissioning Mandates can be developed, progress against delivery of the Corporate Plan will be monitored through the existing Key Accountabilities and Key Performance Indicators. The existing Key Accountabilities and Key Performance Indicators have been subject to a light-touch refresh for 2017-18. Performance will continue to be reported quarterly at Corporate Performance Group (CPG), Quarterly Challenge Sessions, Cabinet and to the Public Accounts and Audit Committee every six months.</p> <p>The Cabinet considered and endorsed the 2017/18 Corporate Plan at its meeting on 20 June 2017.</p>	

Recommendation(s)

The Assembly is recommended to approve the Corporate Plan 2017/18 as set out at Appendix 1 to the report.

Reason(s)

Although there is no longer a specific statutory requirement to produce a Community Strategy or Corporate Plan, it is good governance to articulate the vision for the borough and agree the Council's priorities to inform decision making and allocation of resources. The key accountabilities and KPIs captured in the corporate plan will be monitored quarterly through the usual performance monitoring framework.

1. Background

- 1.1. Our borough and the context within which the Council operates has changed radically over the last decade and will continue to change. Austerity is set to continue and coupled with population and government policy changes, mean the way we deliver services also needs to change. As a Council we faced a simple choice: we could do nothing and continue to cut services which would affect our ability to improve outcomes for residents, or we could embrace the uncertain future and stay ahead of the curve by finding new ways of delivering them. We chose the latter.
- 1.2. We will own and drive change in the borough. Our plans are about us accepting that the status quo cannot continue and that we must evolve as an organisation in order to ensure we meet the needs of our residents and continue to provide the place based leadership required to deliver our vision for the borough. We look to the future with hope and aspiration and believe that the plans we have in place will ensure we continue provide services that are fit for purpose moving forward.
- 1.3. We know we are not where we could and should be. In areas, such as employment, skills, educational attainment, and health, outcomes for residents is well below London averages, and we should all have higher expectations.
- 1.4. Ultimately, our drive for change is to realise better outcomes for our residents. In the past year, we have been busy speaking to the community about the future of the borough. They have left us with no doubt about the aspirations they also have for Barking and Dagenham. These aspirations have informed the development of a new Borough Manifesto. A shared vision of the future of Barking and Dagenham, jointly owned by public, private, community and voluntary sector organisations.
- 1.5. Together, our ambition is to make Barking and Dagenham a stronger, more prosperous place to live, with opportunity for all. To achieve this ambition, we need to change the way the Council is run. We need to be less traditional, more innovative and flexible and develop new relationships with our partners and the community we serve.
- 1.6. Delivering Council services through long-standing service departments will be a thing of the past. We will be a different kind of Council. This year will see our transformation programme come to fruition. We will see delivery units with right skills liberated to become more entrepreneurial and generate new business and

clients within the borough and wider region. The introduction of service blocks such as 'Be First' will see services reconfigured, to make an active and coherent contribution to economic growth and prosperity.

- 1.7. Although change of this scale can be daunting, we must also remember we are in a unique position as London's growth opportunity and we have as many opportunities ahead of us as we do challenges. We see the Council's role as harnessing this growth and the borough's potential for the benefit of all, to ensure no one is left behind.
- 1.8. The Corporate Plan provides a clear narrative on how the vision and priorities will be delivered, allowing the Council to make best use of limited resources in areas that will make the greatest difference for our residents.

2. The Corporate Plan 2017/18

- 2.1. Although there is no longer a specific statutory requirement to produce a Community Strategy or Corporate Plan, they are essential components of good governance to articulate the vision for the borough and agree the Council's priorities to inform decision making and allocation of resources and in due course a reference by which outcomes can be measured.
- 2.2. Despite the Council's vision and priorities remaining the same, a refresh of the Corporate Plan is required to take into account the Council's current position, the developments that have taken place over the past year and the transformation programme the Council will deliver in 2017/18 and beyond. To support this the structure of the Council is changing, enabling the Council to realise its plans. These changes are all captured in the new Corporate Plan.
- 2.3. The Corporate Plan articulates the current landscape of the Borough, alongside the current external influences and budget pressures the Council faces. Together this provides a clear picture of the challenges the authority faces over the coming years.
- 2.4. Despite the challenges faced, the Corporate Plan 2017/18 gives a clear narrative of where the organisation is heading and provides the Authority with a one year plan, that will inform the Council's decision-making process throughout the coming year and up to the next election period.

3. The Borough Manifesto

- 3.1. Along with the rate of change to the Borough's demographics, we know that long term outcomes for our residents in areas such as health, education and employment are poor. Our focus on achieving better outcomes provides the basis of the Council's Corporate Plan for 2017/18.
- 3.2. The past year has seen the development of the Borough Manifesto, with clear themes, aspirations and targets. The manifesto articulates the shared, resident-led vision of the future of Barking and Dagenham.
- 3.3. Our commitment to achieving the vision set out in the Borough Manifesto drives how we will deliver our services and will inform our commissioning plans. This has been incorporated in the Corporate Plan for 2017/18.

- 3.4. Focus is also given to the Council's role as a partner of the Barking and Dagenham Delivery Partnership (BDDP) and our priorities for delivering the borough's shared vision. We are clear that strengthened partnership arrangements are essential to achieving better outcomes for our residents.

4. Delivery of the Corporate Plan 2017/18

- 4.1. The Corporate Plan is a key part of the Council's overall performance framework and delivery of the vision is supported by key performance measures which are incorporated in the Corporate Plan.
- 4.2. With the significant changes the Council is facing over the coming year, including the delivery of the transformation programme and the Council moving to a commissioning model, for 2017-18 a light-touch refresh of existing Key Accountabilities and Key Performance Indicators has been undertaken.
- 4.3. Commissioning Mandates will be developed for all 'service delivery blocks'. These will include detailed evidence and clear deliverables, performance measures and targets ensuring that delivery is focused on the achievement of the Council's goals. From 2018-19 the performance framework will reflect the content of the Commissioning Mandates.
- 4.4. Until Commissioning Mandates have been developed, our progress against delivery of the Corporate Plan will be monitored using the existing Key Accountabilities and Key Performance Measures (KPIs).

5. Consultation

- 5.1. The Strategy and Performance Team have worked closely with the Corporate Performance Group (CPG) to inform the approach of the Corporate Plan.
- 5.2. The Cabinet considered and endorsed the 2017/18 Corporate Plan at its meeting on 20 June 2017.

6. Financial Implications

Implications completed by: Kathy Freeman, Finance Director

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

7. Legal Implications

Implications completed by: Paul Feild, Senior Governance Lawyer

- 7.1 While it is correct to say there is no specific statutory duty to produce a corporate plan, it is a necessary element of good governance. The performance regime

established by the Local Government Act 1999 as amended by the Local Audit and Accountability Act 2014 together with supporting legislation, requires the Council to work to achieve continuous improvement and best value. A corporate plan, its objectives and in time how the delivery measures up in terms of outcomes, are therefore one of the signifiers of a well-run local authority.

- 7.2 Furthermore the Accounts and Audit (England) Regulations 2015 Regulations obliges the Council to produce an Annual Governance Statement for each accounting year evidencing how the Council has performed. This is to be done in accordance with proper practices. The *CIPFA / Solace Delivering Good Governance in Local Government Framework 2016* guidance sets out the required practice and that includes a clear statement of the Councils purpose and intended outcomes. The Corporate Plan thus plays a vital role in the legal duty to ensure sound governance of the Council.

8. Other Implications

- 8.1. **Risk Management** – There are no specific risks associated with this report. The corporate plan report and ongoing monitoring will enable the Council to identify risks early and initiate any mitigating action. The Council's business planning process describes how risks are mitigated by linking with the corporate risk register.
- 8.2. **Contractual Issues** – Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt with in individual project plans.
- 8.3. **Staffing Issues** – There are no specific staffing implications.
- 8.4. **Customer Impact** – The vision and priorities give a clear and consistent message to residents and partners in Barking and Dagenham about the Council's role in place shaping and providing community leadership. The key accountabilities and KPIs monitored allow the Council to track delivery ensuring resources and activity are effectively targeted to help achieve the vision and priorities. There are no specific customer impact issues to consider as a result of this report.
- 8.5. **Safeguarding Children** - The priority **Enabling social responsibility** encompasses activities to safeguard children in the borough and is delivered through the Local Safeguarding Children Board and Children's Trust. The Council monitor a number of indicators corporately which relate to Children's safeguarding. By doing so the Council can ensure it continues to discharge its duties.
- 8.6. **Health Issues** - The priority **Enabling social responsibility** encompasses activities to support the prevention and resolution of health issues in the borough and is delivered through the Health and Wellbeing Board. The borough has a number of health challenges, with our residents having significantly worse health outcomes than national averages, including lower life expectancy, and higher rates of obesity, diabetes and smoking prevalence. Although delivery of health services is not the responsibility of the Council, together with health partners the Council is committed to tackling the health issues prevalent in the borough.
- 8.7. **Crime and Disorder Issues** - The priority **Encouraging civic pride** encompasses activities to tackle crime and disorder issues and will be delivered through the

Community Safety Partnership. Whilst high level indicators provide Cabinet with an overview of performance, more detailed indicators are monitored locally.

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

List of appendices:

Appendix 1- Corporate Plan 2017-18



Corporate Plan 2017/18



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Foreword by the Leader

Our borough and the context within which the Council operates has changed radically over the last decade and will continue to change. Austerity is set to continue and coupled with population and government policy changes, mean the way we deliver services also needs to change.

As a Council we faced a simple choice: we could do nothing and continue to cut services which would affect our ability to improve outcomes for residents, or we could embrace the uncertain future and stay ahead of the curve by finding new ways of delivering them. We chose the latter.

We will own and drive change in the borough. Our plans are about us accepting that the status quo cannot continue and that we must evolve as an organisation in order to ensure we meet the needs of our residents and continue to provide the place based leadership required to deliver our vision for the borough. We look to the future with hope and aspiration and believe that the plans we have in place will ensure we continue to provide services that are fit for purpose moving forward.

We know we are not where we could and should be. In areas, such as employment, skills, educational attainment, and health, outcomes for residents is well below London averages, and we should all have higher expectations.

Ultimately, our drive for change is to realise better outcomes for our residents. In the past year, we have been busy speaking to the community about the future of the borough. They have left us with no doubt about the aspirations they also have for Barking and Dagenham.

These aspirations have informed the development of a new Borough Manifesto. A shared vision of the future of Barking and Dagenham, jointly owned by public, private, community and voluntary sector organisations.

Together, our ambition is to make Barking and Dagenham a stronger, more prosperous place to live, with opportunity for all. To achieve this ambition, we need to change the way the Council is run. We need to be less traditional, more innovative and flexible and develop new relationships with our partners and the communities we serve.

Delivering Council services through long-standing service departments will be a thing of the past. We will be a different kind of Council. This year will see our transformation programme come to fruition. We will see delivery units with right skills liberated to become more entrepreneurial and generate new business and clients within the borough and wider region. The introduction of service blocks such as 'Be First' will see services reconfigured, to make an active and coherent contribution to economic growth and prosperity.

Although change of this scale can be daunting, we must also remember we are in a unique position as London's growth opportunity and we have as many opportunities ahead of us as we do challenges. We see the Council's role as harnessing this growth and the borough's potential for the benefit of all, to ensure no one is left behind.



Cllr Darren Rodwell – Leader of Barking and Dagenham



Vision and Priorities

The Council's Vision and Priorities clearly articulate what we are seeking to achieve for the borough. They set out our role in place shaping and enabling community leadership within the context of a significantly reducing budget. They have also been developed to reflect the changing relationship between the Council, partners and the community.

Our vision for the borough:

**One borough; one community;
London's growth opportunity**

Our priorities:

Encouraging civic pride

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

Enabling social responsibility

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

Growing the borough

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

Well run organisation

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

For more detail on the vision and priorities please visit the Council's website www.lbbd.gov.uk/visionandpriorities.



Our Borough

Over the last 15 years our borough has become one of the fastest-changing communities in Britain. The population of Barking and Dagenham rose from 164,000 in 2001 to 186,000 in 2011, and an estimated 201,979 in 2015 (ONS mid-year estimates 2015). National statistics forecast a population of 220,000 by 2020, and up to 275,000 by 2037.

Change is everywhere, but the Council remains committed to ensuring equality of opportunity for all and establishing a 'one borough' sense of community.

The population is much more diverse than 15 years ago – since 2001 the proportion of the population from minority ethnic backgrounds has increased from 15% to 50%. That proportion is projected to increase to 62% over the next 25 years. We are proud to be a diverse and inclusive borough.

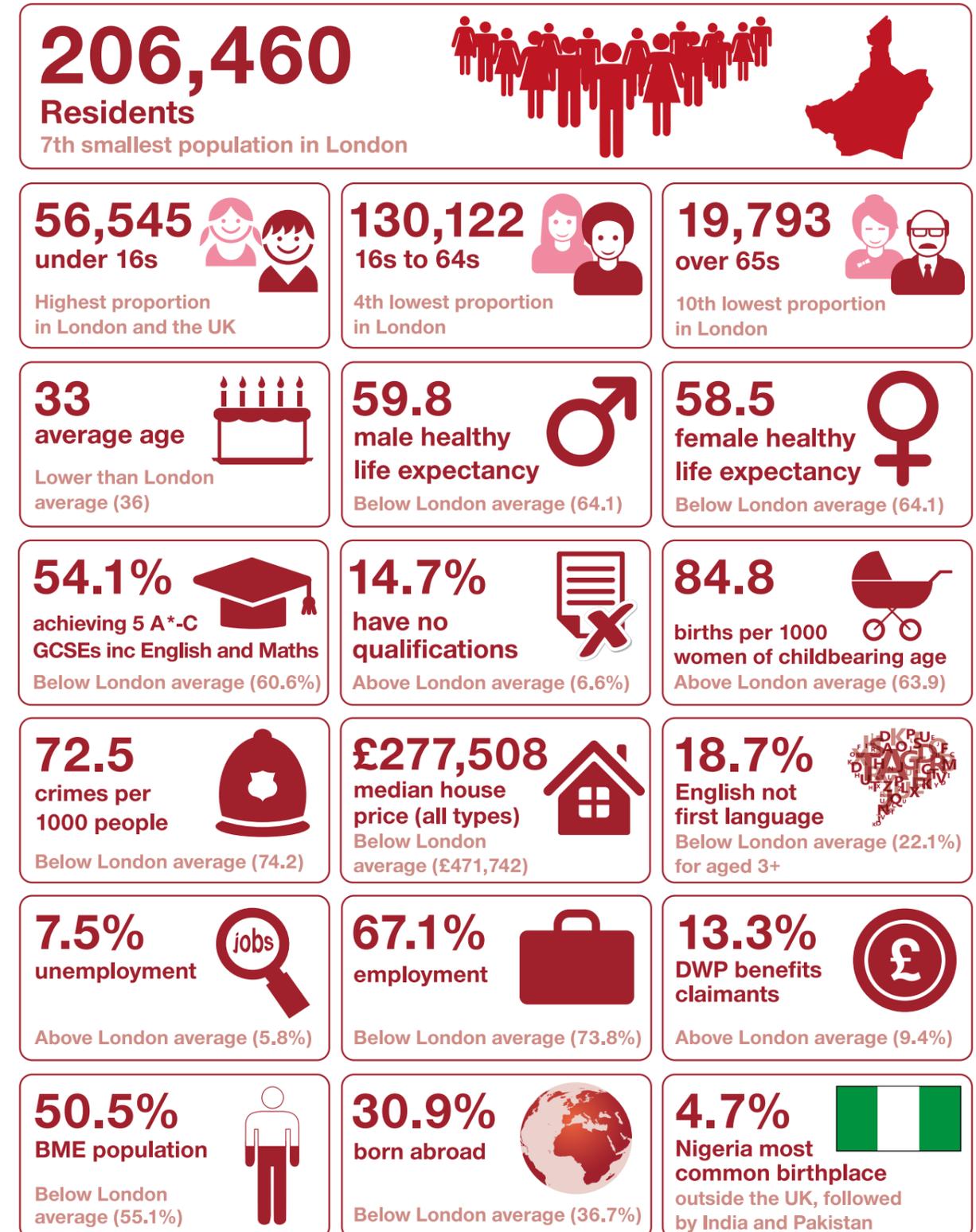
Like other London boroughs, there is also rapid movement of people: between 2012 and 2014 approximately 50,000 new residents came to the borough, and roughly the same number left, meaning that the 'turnover' was almost a quarter of the total population.

The age profile of the population is also changing. The borough has the fourth highest proportion of people aged 10 to 19 in the country and has seen an increase in the 20 to 29 age group of just under a quarter.

We are a young, rapidly growing and increasingly diverse borough. Diversity brings a range of challenges and we know our aspirations need to reflect that, to achieve the borough's potential for the benefit of all, so that no one is left behind.



Did you know LBBD has...



Outcomes for our residents

Along with the rate of change to the demographic of the borough, we also know that our residents are at the bottom of too many London league tables. People in our borough die earlier, have poorer health, and lower levels of education and skills than in most other London boroughs. Too many are insufficiently skilled, too many are in low paid work, too many struggle to find suitable accommodation to live in.

On many measures of health and well-being, our residents have significantly worse health outcomes than national averages – including lower life expectancy, and higher rates of obesity, diabetes, and smoking prevalence.

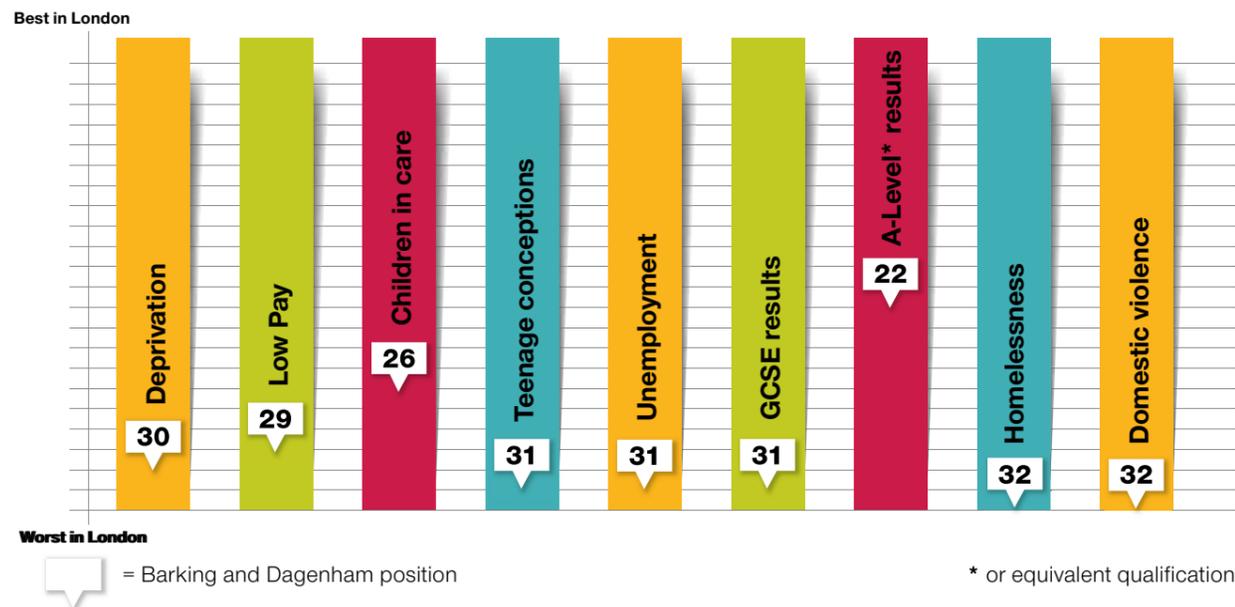
Changing the long-term outcomes for our residents is what drives us to succeed, but we recognise the challenges that we face in a time of Government cuts and economic uncertainty.

We also need to change because what we have done in the past is not good enough in meeting what our residents need and expect.

In the recent Residents' Survey 70% of our residents said that they were satisfied with the area, compared to 83% nationally. Only 52% said that the Council listens to, or acts on, the concerns of local residents. Lack of confidence in Council services undermines the trust of local people.

The development of the Borough Manifesto over the past year, provides a clear demonstration of our commitment to improving these long term outcomes for our residents.

Figure 1. How did Barking and Dagenham compare to other London boroughs in 2016?



External challenges to improving outcomes

The Government is also implementing reforms in national policy and legislation that will have a major impact on Council services, residents, and local businesses. They include:

- Reform of the housing and planning systems.
- Reform of adult social care, and health and social care integration.
- Promoting 'devolution deals' at regional or sub-regional levels.

These changes will have a major impact on many of the traditional approaches of the Council and the services people are accustomed to receiving.

The combined impacts of austerity, population change and government policy mean that we can no longer afford to meet the needs of our residents by spending more money on the kinds of services we currently provide.

Instead we need to re-focus what we do so that we identify the root cause of need and tackle it, so that people have a better chance of living more independently. Our job must be to build resilience so that people are better able to help themselves.



Withdrawal from the European Union (EU)

Over a year has passed since the EU Referendum, and the impacts of leaving the EU are still very much unknown. Article 50 has been triggered, which means the two year clock for the long negotiations has commenced. What kind of deal we negotiate with the EU remains to be seen but we know any final deal will need to be approved by Parliament.

The financial uncertainty during the negotiation process is likely to impact on prices and increase the cost of living, which in turn will affect the residents of Barking and Dagenham. There is also uncertainty regarding the workforce implications of local employers and the potential skills shortage that could follow.

The Council will continue to monitor the ramifications of 'Brexit' and any resulting implications for local government. The Council is clear that we will continue to ensure our residents are supported and 'No one is left behind'.

The impact of budget pressures

As Barking and Dagenham's population continues to grow, the number of residents in the younger and older age groups is increasing. The additional demand this puts on our services, alongside substantial Government cuts, means the Council faces a significant financial challenge.



By 2020, cuts in funding mean that the Council will have roughly half the amount of money that we had to spend in 2010. At the same time, the pressures caused by the growing population and more complex needs mean that we will need an additional £50 million to meet rising demands. Overall, we estimate that, if we did nothing, there would be a shortfall in our budget of £63 million by 2020/21.

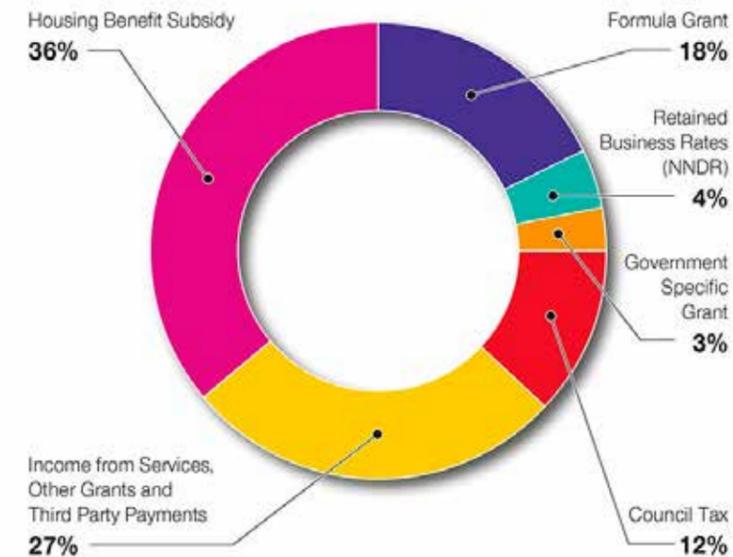
We believe the financial challenge facing us is unlike anything seen before, but the opportunities for growth that we have here in Barking and Dagenham are unique and not available anywhere else in the country. In developing proposals for the budget and MTFs we believe we have successfully managed to keep any negative impacts to a minimum. In fact, through re-designing the way we deliver services we feel that our residents will benefit from more responsive and fit for purpose services.

We acknowledge that reducing budgets using a cuts-based approach, through the reduction of services or staff, will not deliver the ambitions we, and our residents, have for the Borough. Our plans for the next four years are around investment, in order to deliver financial returns, together with long-term capital growth.

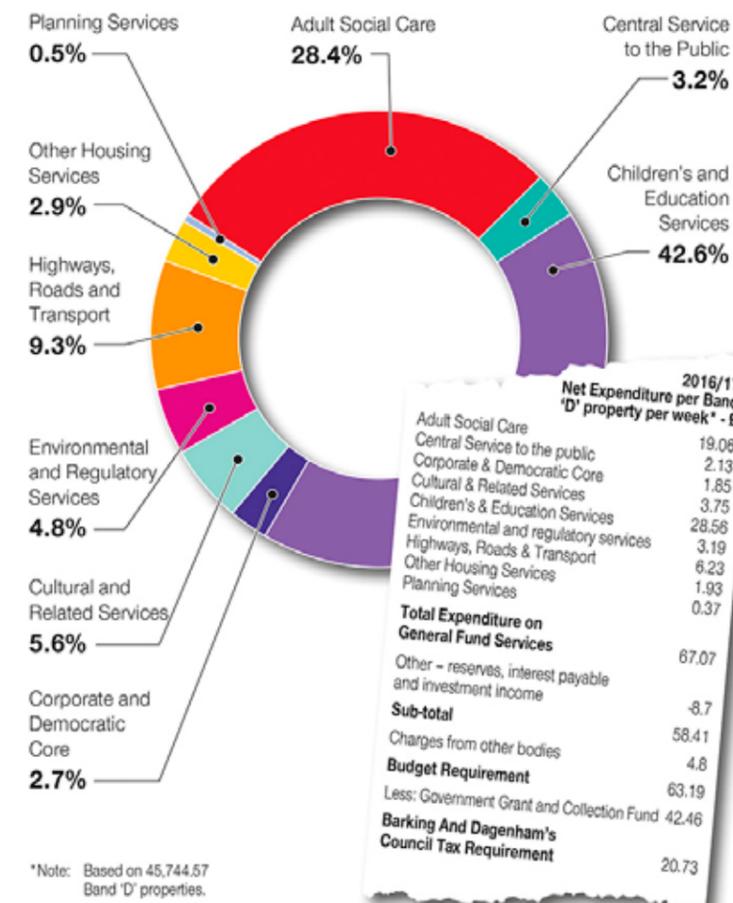
This means we have to make difficult decisions. Historical Council Tax freezes are no longer feasible if we are to meet our financial pressures. In 2017/18, Council Tax will increase by 1.99%, with a further 3% ringfenced to reduce pressures experienced by Adult Social Care.

For more information, further details can be found in our Medium Term Financial Strategy (MTFS).

Where our money comes from



Where your money goes



Our achievements 3 years on...



Developer selected to build 3,000 new homes at **Beam Park** Dagenham



Demolition of the **Ford Stamping Plant** started to make way for 2,650 new homes



£1.7m invested in the Abbey and Barking Town Centre **Conservation Area**



2,650 people **found work** through our Job Shops



Planning application for **£35 million** **Vicarage Fields** shopping centre revamp agreed

Growth



Plans for a **Film Studio** at Dagenham East backed by the London Mayor



BeFirst – our regeneration and investment company established



First direct freight train from China arrives in the borough



The 'Modern **University** of the year' moved to Dagenham's Civic Centre



100 per cent of **children's centres** are still outstanding or good



Every school in the borough had **improved** GCSE results last year and A levels results rose for the **fifth** year in succession



Pilot scheme puts **more bobbies** on the beat



7,500 children are now on our learn to swim programme



100,000 attended our 2016 summer events – almost half the borough's entire population

Highest number of **first choice** secondary school places in London



Civic Pride

Just under 3,000 people help to draw up our **Borough Manifesto** for a better borough



£1m savings made in the council's senior management



Monthly visits to the Abbey Leisure centre have now reached **38,000**



More than **4,300** sign up for our garden waste collection service



More than 100 organisations signed up to our **award winning** Gender Equality Charter

Over **£1 billion** investment in new homes and jobs **secured** in the borough

2,500 **low energy** street lights now being installed

£42m secured for Barking Town Centre Housing Zone

Social responsibility

The Huggett Women's Centre **opens** its doors in Dagenham

Over **12,000** private sector landlords registered with our licensing scheme and **25** rogue landlords prosecuted

70 purpose-built bungalows for **elderly and disabled** people completed

Our estates teams carried out **251** weapon sweeps last financial year, taking weapons off our streets

£400,000 invested in Chadwell Heath cemetery extension **underway**

140 sites now protected from illegal travellers' encampments

A record **2,000** people took part in our 7th Play Day celebration at Valence House

...and launched a Neighbourhood Plan for each and every ward

'Name and shame' launched, helping us catch and fine people for grime crime

Slim your bin campaign helps to **increase** recycling by **9 per cent**



Borough Manifesto

The Council recognises the challenges we are facing and following an independent review carried out by the Barking and Dagenham Growth Commission in 2015, we committed ourselves to the development of a 20-year vision incorporating ambitious long term goals for the Borough.

In the Summer of 2016, we began a 12-week in-depth consultation with our residents, determined to find out:

- What they liked about Barking and Dagenham
- What they disliked about Barking and Dagenham
- What their hopes were for the borough over the next 20 years



The results would form the development of the Borough Manifesto – a shared, resident-led vision of the future of Barking and Dagenham, jointly owned by public, private, community and voluntary sector organisations.

Paper based consultation forms were available from all leisure centres, children's centres, libraries, the Dagenham One Stop Shop and Barking Learning Centre, and various partner organisations. We carried out face to face engagement at the summer events programme, and consulted with pupils at all the Borough's schools. Alongside this, we ran an online consultation which was widely communicated, including promotion to commuters at train stations.

We received an unprecedented response, and our residents were resolute about their hopes for the future:

- A cleaner borough – streets, parks, front gardens
- People take pride in their local area and do their bit to keep it clean
- More affordable housing for all life stages
- Greater enforcement against environmental ASB and behaviour change amongst residents
- More high street shops and department stores in the Borough
- Places to eat, drink and socialise
- A more integrated, cohesive community with a renewed sense of community spirit
- An aspirational place to live and work, and for businesses to settle – a destination that people visit, not just pass through
- Higher standards in education and improved Ofsted ratings of the borough's schools
- More people in employment, more local job opportunities and overall a more affluent borough
- Less crime and a greater feeling of safety on the streets
- More facilities for young people to keep them off the streets and more services for older people to keep them active.

Their message resulted in a Borough Manifesto which incorporates clear aspirations and targets, and sets out how the Borough must change over the next twenty years, if it is to reach its true potential.

At the heart of the Borough Manifesto are ten themes, with aspirations and cross-cutting, ambitious targets for the next 20 years.

Themes and aspirations

Housing

“a place with sufficient, accessible and varied housing offer”

Education

“a place with high-quality education and sustained attainment for all residents”

Employment, Skills and Enterprise

“a place where every resident has access to lifelong learning, employment and opportunity”

Crime and Safety

“a place where everyone feels safe and is safe”

Barking and Dagenham

“a place people are proud of and want to live, work, study and stay”

Health and Social Care

“a place which supports residents to achieve independent, healthy, safe and fulfilling lives”

The Environment

“a clean, green and sustainable Borough”

Fairness

“a place where everyone is valued and has the opportunity to succeed”

Community and Cohesion

“a friendly and welcoming Borough with strong community spirit”

Regeneration

“a place where businesses and communities grow and thrive”

Arts, Culture and Leisure

“a place with great arts and culture for everyone, leading change in the Borough”

Targets

If we are to achieve our vision and make these aspirations become a reality for our residents, it is vital that we have clear targets of what we need to achieve.

1. Anti-social behaviour and crime in general lower than Outer London
2. Build 50,000 new homes over the next 25 years
3. Healthy life expectancy better than the London average
4. Recycling higher and waste production lower than the London average
5. Average income improving faster than the London average
6. Healthy weight better than the East London average
7. Rate of regular physical activity higher than the East London average
8. Growth in businesses larger than the East London average
9. Educational attainment at all levels and phases above the London average
10. Unemployment lower than the East London average
11. Personal wellbeing and happiness above the London average
12. At least 20% of residents regularly volunteering
13. Domestic violence and abuse rate per 1,000 residents lower than the East London average

A different kind of Council

Although we are facing a future of continuing government cuts and budget pressures, our fundamental values of public service, integrity, and social justice will continue to underpin everything we do. But we need the full involvement of local people to build relationships of trust, and the flexibility to respond in ways which help to break the cycle of dependence. We must be more commercially-minded and entrepreneurial so that our services can be financially self-sufficient wherever possible.

The Council's transformation programme, which began in response to the Growth Commission findings, will come to fruition over the coming year. By Autumn 2017, the Council will have moved away from traditional functional departments or directorates, to delivering services through a range of 'Service Delivery Blocks'.



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Reside

Barking and Dagenham Reside is a company set up, and wholly owned, by Barking and Dagenham Council to provide quality and affordable housing to local people.



What this will mean for our residents

The company offers brand new homes, built to the highest standard and available for affordable rent. Rents for Reside properties can be 20 percent less than the market rate and residents enjoy peace of mind and the security of a five-year tenancy.

The majority of homes are only available to people who are in employment. Reside aims to help those who can't afford to get on the housing ladder, but find it difficult to access social housing.

Be First

Be First will be a new company owned by the council to make sure that economic growth and regeneration in the borough happen more quickly and in the right way – so that everyone benefits. It will focus on housing, infrastructure and attracting inward investment for development.



What this will mean for our residents

Be First will make it easier and quicker to deal with routine planning applications and for companies and potential investors, it will make it easier to do business with the council.

Home Services

Home Services will offer a top quality, competitively priced repairs and maintenance service to the council and to local landlords.



What this will mean for our residents

Council tenants will experience quicker responsive repairs and better planned maintenance and private landlords and landlords will be able to buy competitively price repairs services. Home Services will start trading in April 2018.

Traded Services

Traded Services will offer a range of top quality and competitively priced services such as catering, payroll, and cleaning services, to schools, colleges, and other business.



What this will mean for our residents

Our schools will get top quality services at a competitive price.

Leisure Services

We are inviting not-for-profit organisations to run the Abbey and Becontree Health Leisure Centres and the Jim Peters Stadium in an aim to provide top quality, facilities and to get more local people active. The Council will continue to own the leisure centres and stadium, but the new operator will maintain and enhance them to the highest standards.



What this will mean for our residents

We will ensure that leisure services remain affordable to local residents. The new operator will safeguard existing uses and provide new and exciting ways to get active.

Elevate

Set up in 2010 as a joint venture between the London Borough of Barking & Dagenham (LBBD) and Agilisys, Elevate is an innovative and successful provider of digital and business solutions. This joint venture harnesses the skills, expertise and economies of scale that the private sector can offer with the Council's understanding and experience of serving their customers.



What this will mean for our residents

Elevate will continue to implement and support Council systems, transforming services whilst reducing cost, generating savings and improving service quality.

Community Solutions

Through 'Community Solutions', wherever we can we will help residents to become more self-sufficient and resilient, or otherwise to resolve resident's problems early.



What this will mean for our residents

Through 'Community Solutions', wherever we can we will help residents to become more self-sufficient and resilient, or otherwise resolve resident's problems early.

Care and Support (Children, Adults and Disability Service)

Care and Support will bring together children's and adult social care and the disability service provide seamless and continuing support to those that need it and to safeguard those who are at risk.



What this will mean for our residents

We will focus on helping our residents live safely, comfortably, and independently.

My Place

My Place will be a new service which manages all of the Council's property, infrastructure and assets. It will manage council buildings, schools, care homes, children's centres, housing, roads, parks and land.



What this will mean for our residents

For council and Reside tenants, My Place will provide excellent services, dealing more efficiently with all property issues such as repairs and maintenance.

For landlords, My Place will offer high quality property and tenancy management services at competitive rates.

Clean and Green (Cleaner Communities, Waste Services, Parks and Environment)



Our vision is to improve environmental standards in the borough and provide a responsive service, which is exceptional value for money. We want to encourage residents to reduce, reuse and recycle their rubbish and work with them and our partners to eliminate fly-posting, graffiti and litter.

What this will mean for our residents

The borough will be cleaner, better maintained and safer, with a range of new activities on offer in our parks. The bin collection service will be more reliable and better value for money, alongside faster response rates to graffiti, fly-posting and litter.

Heritage

Our heritage service will celebrate our borough's history – engaging our community and encouraging visitors to the borough. The service will also seek opportunities to develop new and exciting heritage options.



What this will mean for our residents

Valence House and Eastbury Manor will be vital centres from community activity and our residents will be able to take part in many activities, as well as enjoy the new events programme.

Enforcement

We want to build pride in the borough, encourage care for the local environment and mutual respect amongst neighbours. The service will take action against crime, anti-social behaviour and regulatory violations, as well as promote best practice among landlords and local businesses.



What this will mean for our residents

The Enforcement Service will respond fast and effectively to reports of crime, anti-social behavior and parking offences, as well as any rule-breaking by businesses or landlords.

BDT Legal

BDT Legal will be a council trading subsidiary with Thurrock Council, to provide legal services to councils, other public sector organisations and charities.



What this will mean for our residents

This will build on the success of the current traded activity of the shared legal team and anticipate that BDT Legal will generate additional income for both Councils.

The Core

The new structure will be fully supported by 'The Core', making sure the Council continues to meet all its legal obligations and statutory duties, as well as managing the Council's internal support functions such as finance, HR and IT.



What this will mean for our residents

The core will ensure that services are focused on what we need to achieve for our residents.

Commissioning for better outcomes for Barking and Dagenham

The move away from traditional departmental services to 'service delivery blocks' requires the implementation of commissioning structures which support this new way of working.

Barking and Dagenham has defined commissioning as 'the process by which the Council and our partners plan the services that are needed by the people who live in the local area, so that services are accessible, high quality and appropriate'.

The Council is focusing delivery of its services on outcomes that are important to its users with an emphasis on consumer-centred design. Accordingly, the Council is reflecting this focus by moving to adopt an outcomes-based commissioning model.

The commissioning model will be realised through a five-step commissioning cycle. This involves assessing needs (Analyse); deciding what services are required (Review); designing a strategy to deliver those services (Plan); ensuring they are in place (Do); and evaluating how they are working and making any changes as needed (Monitor).

Commissioning will sit primarily in the Council's 'Core' function. In addition, 'My Place' will commission services in its role as asset manager for the Council.

The Council's 'Core' function designs and articulates the overall outcomes and priorities in the corporate plan. These are based on the aspirations within the Borough Manifesto, existing statutory duties and other key partnerships strategies. Sitting underneath the Corporate plan will be a suite of strategies that form a more detailed strategic framework for the Council. From these the Commissioning plans will flow: where necessary these will be co-produced. Each service block will then have a single mandate. Mandates are the annual service agreements which contain the expected outcomes, key performance measures and targets, areas of priority, information on key developments and details of resources. Performance on the mandates will form part of the Council's formal performance monitoring and management arrangements.



Our Values

Delivering such a large programme of transformation requires a high level of commitment and resilience from the organisation. Our staff developed a set of Values to articulate how we will conduct our business. The Council will continue to ensure its Values are embedded across the organisation to ensure they underpin every aspect of our service delivery.

DRIVE

Deliver our best every day – and do what we have promised

Respond in a prompt, positive way to our community's needs

Inspire others with our attitudes and actions

Value people for who they are and what they can do

Engage with others to improve our resilience and flexibility

Equalities

Particularly through a period of significant change, the Council will continue to analyse changes to policies and services in order to assess the potential equalities impacts and risks before final decisions are taken. The Council's approach to equalities is embedded in the decisions we make as an organisation and is fully integrated into our decision-making processes and business planning.

To further strengthen our approach, in 2016/17, we developed an Equality Strategy for the Borough, setting out our strategic objectives, ensuring that we support and celebrate our diverse and changing population and that all people who live, work, study and visit our borough are treated equally and enjoy equal opportunities.

We will continue to use the information we hold about residents to break down by protected characteristics, wherever such analysis helps, to improve our services and intervene in a more intelligent manner.

We remain committed to our work to eliminate discrimination in Barking and Dagenham based on age, gender, sexuality, disability, religion and belief, ethnicity, gender reassignment, marriage and civil partnership, and pregnancy and maternity.

Residents Survey

We are committed to having an evidence led approach to decision making, one which takes into account the views of residents. That is why we commissioned a resident survey in late 2015, and again in 2016, to understand the views of residents and gauge resident satisfaction with Council services.

The survey is a useful tool for the Council to identify areas for improvement and where to focus resources. This evidence based approach will ensure that the limited resources the Council has at its disposal are spent in areas that really matter and will make the greatest difference to residents. We will commit to running the survey annually to ensure the views of residents help shape services and lead to improvement.

Interim performance management framework for 2017/18

Successful development of robust commissioning plans and mandates will be our main focus in 2017/18. Until these have been developed, we will continue to report progress against the existing Key Accountabilities and Key Performance Indicators (KPIs). Performance will continue to be challenged, ensuring our performance management arrangements tackle underperformance and the process supports continuous service improvement.

Key Accountabilities

Encouraging civic pride

Build pride, respect and cohesion across our borough

1. Delivery of the Borough Manifesto through the Barking and Dagenham Delivery Partnership.
2. Implement the Equality and Diversity Strategy for the borough ensuring that it helps the council deliver its vision.
3. Deliver the Gender Equality Charter actions, including Women's Empowerment Month.
4. Ensure Members and staff are appropriately trained in equalities issues.
5. Celebrate our diverse heritage by promoting the 'Donate a Flag' initiative.
6. Develop and publish a Cohesion Strategy for the borough.
7. Develop a programme to make the Council an exemplar equalities employer.

Promote a welcoming, safe, and resilient community

8. Summer of Festivals showcasing the best of the borough.
9. Develop a 'giving model' for the Borough including crowdfunding and local lottery schemes.
10. Strengthen partnership arrangements for the borough.
11. Support the development of the community and voluntary sector.

Build civic responsibility and help residents shape their quality of life

12. Implement the borough-wide parking strategy.
13. Deliver the new self-funding Enforcement Service using data and insight to target interventions and maximise impact, including the name and shame campaigns to communicate the enforcement work being undertaken.
14. Ensure the Council's Private Sector Licensing Scheme is working effectively and maximise enforcement activity using existing powers against rogue landlords.
15. Reduce the amount lost to the tax payer through rechargeable repairs where damages to council housing are the liability of the tenant.
16. Progress the Civic Pride agenda through a series of behavioural change campaigns including the reduction of dog fouling.
17. Ensure the Council promotes Reduce, Reuse, Recycling awareness.

Promote and protect our green and public open spaces

18. Develop a needs based targeted approach to street and open space cleanliness.
19. Implement the Highways Improvement Strategy and funded programme with the intention of improving conditions and perceptions of the quality of roads and pavements.
20. Delivery of an effective green garden waste service.
21. Adoption of a master plan for Parsloes Park.

Narrow the gap in attainment and realise high aspirations for every child

22. Seek to ensure all young people are in education, employment or training.
23. Work with partners (particularly schools) to get more young people to go on to study at 18 and ensure all young people achieve good GCSE and 'A' Level results.

Enabling social responsibility**Support residents to take responsibility for themselves, their homes and their community**

24. Launch Community Solutions within specified timeframe as set out in the Target Operating Model.

Protect the most vulnerable, keeping adults and children healthy and safe

25. Deliver transformation proposals for children and adults social care, disability services.
26. In implementing changes to children's social care, ensure new arrangements deliver improved outcomes for children and young people whilst delivering a balanced budget through initiatives such as improving the recruitment and retention of social workers.
27. Ensure that the Council is planning and delivering a comprehensive set of housing options for people with care and support needs, particularly older people and those with mental health problems.
28. Create employment opportunities and ensure appropriate support for people with Learning Disabilities.
29. Ensure that there is an organisational focus on safeguarding vulnerable adults and children and young people through appropriate governance, an updated Domestic and Sexual Violence Strategy and a focus on child sexual exploitation.

Ensure everyone can access good quality healthcare when they need it

30. Ensure the public health grant is effectively targeted to improve health outcomes and implement a range of behavioural change campaigns to help tackle issues such as obesity, smoking, substance misuse, teen pregnancy and low take up of vaccinations.
31. Continue to play a leading role in delivering greater integration of health and social care across Barking and Dagenham, Havering and Redbridge.

Ensure children and young people are well-educated and realise their potential

32. Create 300 new school places for September 2017 and 120 for September 2018.
33. Ensure every child attends a 'good' or 'outstanding' school, focusing on the schools that are currently 'requires improvement'.
34. Work with schools to improve teacher recruitment and retention.
35. Ensure a focus on the needs of vulnerable children in all areas of education including those with Special Educational Needs (SEN) and those looked after and implement SEND inspection recommendations.

Fully integrate services for vulnerable children, young people and families

36. Ensure corporate parenting responsibilities are being successfully undertaken.

Growing the borough**Build high quality homes and a sustainable community**

37. Implement the Local Plan for the borough, taking forward regeneration plans and ensuring high quality build for all new developments.
38. Supply heat and potential power to residents through affordable energy projects.

Develop a local, skilled workforce and improve employment opportunities

39. Develop and implement the Employment and Skills Strategy.

Support investment in housing, leisure, the creative industries and public spaces to enhance our environment

40. Develop an East London Industrial Heritage Museum as part of the redevelopment of the Ford Stamping Plant.
41. Improve the amenity value of the Abbey Green to encourage informal and formal recreation.
42. The establishment of the East London's Women's Museum.
43. Deliver the Youth Zone for Parsloes Park.
44. Develop a film and creative arts centre in the borough, raising the profile of the borough, improving local economy and providing local skilled employment.

Work with London partners to deliver homes and jobs across our growth hubs

45. Implement plans for new homes across the borough including schemes in:
 - Barking Town Centre
 - Riverside
 - Chadwell Heath
 - Ford Stamping Plant.
46. Offer affordable housing to key workers within service areas that are struggling to attract and recruit suitable staff.

Enhance the borough's image to attract investment and business growth

47. Develop and take forward transport and infrastructure developments to support and drive growth including:
 - the A13 Tunnel
 - Crossrail
 - Barking Station upgrade
 - Barking Riverside links
 - C2C stopping at Dagenham East
 - Lower Roding crossing
 - Thames crossing
 - DLR Extension.
48. Take forward Growth Commission proposals relating to business through the development of a Business Development Strategy.

Cross-cutting deliverables underpinning wider delivery

49. Ensure that the 2017/18 budget is delivered and a MTFS (Medium Term Financial Strategy) agreed.
50. Set a balanced budget for 2018/19.
51. Ensure the delivery of the Council's transformation programmes.
52. Ensure all residents that will be affected by changes to the benefits system are engaged with to support them in preparing for changes.
53. Maximise income collection through rents, Council Tax and the commercialisation of appropriate services.
54. Implement the new Customer Access Strategy which includes promotion of digital services including 'One Borough Live'.

Cabinet Member Portfolio	Key Performance Indicators (KPIs)
Community Leadership and Engagement	<ul style="list-style-type: none"> Participation and volunteering <ul style="list-style-type: none"> - The number of active volunteers - The percentage participating in the community - The number of engagements with social media - The number of One Borough newsletter subscribers - Average number of opens per One Borough newsletter issues The percentage of respondents who believe the Council listens to concerns of local residents* <ul style="list-style-type: none"> *with additional responsibility for all Residents' Survey indicators Impact / Success of events evaluation
Equalities and Cohesion	<ul style="list-style-type: none"> The percentage of Council employees from BME communities The percentage of residents who believe that the local area is a place where people from different backgrounds get on well together
Environment and Street Scene	<ul style="list-style-type: none"> The weight of fly tipped material collected The weight of waste recycled per household The weight of waste arising per household
Enforcement and Community Safety	<ul style="list-style-type: none"> The number of non-domestic abuse violence with injury offences recorded The number of serious youth violence offences recorded The number of burglary offences recorded The number of criminal damage offences recorded The number of properties brought to compliance by private rented sector licensing The number of fixed penalty notices issued The percentage of fixed penalty notices paid/collected
Social Care and Health Integration	<ul style="list-style-type: none"> The number of leisure centre visits The total Delayed Transfer of Care (DTC) Days in month (per 100,000) attributable to social care The number of permanent admissions to residential and nursing care homes (per 100,000) The proportion of people with a learning disability in employment Number of smoking quitters aged 16 and over through cessation service The percentage of healthy lifestyle programmes completed The number of children who received a 12-month review by 15 months The percentage of 4 weekly Child Protection visits carried within timescale The percentage of Care Leavers in employment, education or training The percentage of school age Looked After Children with an up to date Personal Education Plan (PEP) (last 6 months)

Cabinet Member Portfolio	Key Performance Indicators (KPIs)
Educational Attainment and School Improvement	<ul style="list-style-type: none"> The percentage of 16 to 18 year olds who are not in education, employment or training (NEET) or who have unknown destinations The percentage of pupils achieving GCSE grade 5+ The percentage of borough schools rate as 'good' or 'outstanding'
Finance, Growth and Investment	<ul style="list-style-type: none"> The average number of days lost due to sickness absence The percentage of staff who are satisfied working for the Council The average number of days taken to process Housing Benefit/Council Tax Benefit change events The percentage of Member enquiries responded to within deadline The percentage of customers satisfied with the service they have received The current revenue budget account position (over or under spend)
Economic and Social Development	<ul style="list-style-type: none"> The number of new homes completed Of the number of new homes completed, how many will be sub-market? The number of new homes that have received planning consent Repeat incidents of domestic violence (MARAC) The percentage of economically active people in employment The number of households in Bed and Breakfast accommodation The number of households in Bed and Breakfast for more than 6 weeks The average number of households in Temporary Accommodation over the year The percentage of people affected by the benefit cap now uncapped



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Monitoring outcomes and social progress

Our performance management arrangements are part of our commitment to making Barking and Dagenham a stronger, more prosperous place to live for the benefit of all, ensuring no one is left behind.

In addition to the Key Accountabilities and KPIs, in 2017/18 we will begin annual monitoring of our performance against the Borough Manifesto targets and the outcome measures incorporated in the Social Progress Index.

“A society which fails to address basic human needs, equip citizens to improve their quality of life, protect the environment, and provide opportunity for its citizens is not succeeding.”

Developed by the Social Progress Imperative from Harvard Business School, the Social Progress Index (SPI) was created as a framework for assessing social progress using social and environmental outcome measures.

Originally developed to determine the social progress of countries, we have been working with the Social Progress Imperative to use this framework to measure the social progress of the Borough.





Sources

Our Borough:

- Office of National Statistics 2016 Mid-Year Estimates (Number of residents; Age range of residents; Average age of residents)
- Office of National Statistics 2011 Census (BME population; Born abroad; Most common birthplace; English not first language)
- Office of National Statistics Annual Population Survey (January 2015 to December 2015) (Have no qualifications)
- Office of National Statistics Annual Population Survey (July 2015 to June 2016) (Unemployment, Employment)
- Department of Work and Pensions September 2015 (Benefits Claimants)
- Land Registry 2016 (Median house price, all type of dwelling)
- Metropolitan Police Service March 2015 to February 2016 (Crimes)
- Department for Education 2015 (GCSE results)
- Office of National Statistics 2012 to 2014 (Births)
- Office of National Statistics 2014 (Life expectancy)

Sources

Outcomes for Residents:

- Deprivation: Indices of Deprivation 2015: DCLG, (Rank of Extent)
<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>
- Low Pay: Annual Survey of hours and Earnings: DCLG 2016
<http://www.londonpovertyprofile.org.uk/indicators/boroughs/barking-and-dagenham/>
- Children in Care: DfE: Children in Care (Rate), 2015 Table LAA1
<https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2015-to-2016>
- Teenage Conception: ONS: Rates of conception to Women aged under 18 years: Vital Stats 2014/15
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/conceptionandfertilityrates/datasets/quarterlyconceptionstowomenagedunder18englandandwales>
- Unemployment: DWP (Annual Population Survey): 2016 (NOMIS) model based
<https://www.nomisweb.co.uk/reports/lmp/la/1946157260/report.aspx#tabempunemp>
- GCSE results: DfE: GCSE and equivalent results in England – SFR03 2016
<https://www.gov.uk/government/statistics/revised-gcse-and-equivalent-results-in-england-2015-to-2016>
- A level Results: DfE SFR05 2016
<https://www.gov.uk/government/statistics/a-level-and-other-16-to-18-results-2015-to-2016-revised>
- Homelessness: DCLG P1E Homelessness returns (quarterly) 2015/16
<https://www.gov.uk/government/statistics/statutory-homelessness-and-homelessness-prevention-and-relief-england-july-to-september-2016>
- Domestic Abuse: MOPAC
<https://www.london.gov.uk/what-we-do/mayors-office-policing-and-crime-mopac/data-and-research/crime%20domestic-and-sexual>

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ASSEMBLY**19 July 2017**

Title: Treasury Management Annual Report 2016/17	
Report of the Cabinet Member for Finance, Growth and Investment	
Open	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: David Dickinson, Group Manager Pensions and Treasury	Contact Details: Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
Accountable Director: Kathy Freeman, Finance Director	
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary	
<p>Changes in the regulatory environment now place a greater onus on Elected Members for the review and scrutiny of treasury management policy and activities. This report (the Treasury Management Annual Report) is important in that respect, as it provides details of the outturn position for treasury activities, significant new borrowing proposed, and highlights compliance with the Council's policies previously approved by the Assembly prior to the start of each financial year.</p> <p>This report presents the Council's outturn position in respect of its treasury management activities during 2016/17. The key points to note are as follows:</p> <ul style="list-style-type: none"> ➤ Investment income for the year was £4.6m (2015/16: £3.7m) compared to a budget of £2.1m; ➤ The Council's average interest return of 1.42% for 2016/17 was 0.83% higher than the average London Peer Group return and 0.73% higher than the Local Authority average return; ➤ The value of investments as at 31 March 2017 totalled £232.9 million; ➤ The value of long term borrowing as at 31 March 2017 totalled £457.3m, which includes £64m of long term General Fund borrowing in 2016/17. The total borrowing comprises market, Public Works Loan Board (PWLb), Local Authority, European Investment Bank and Green Investment Bank loans; ➤ The value of short term borrowing as at 31 March 2017 totalled £85.0m; ➤ The Council did not breach its 2016/17 authorised borrowing limit of £855m or its Operational Boundary limit of £745m; and ➤ The Council complied with all other set treasury and prudential limits. 	

The Cabinet considered and endorsed the Treasury Management Annual Report for 2016/17 at its meeting on 20 June 2017.

Recommendation(s)

The Assembly is recommended to:

- (i) Note the Treasury Management Annual Report for 2016/17;
- (ii) Note that the Council complied with all 2016/17 treasury management indicators;
- (iii) Approve the actual Prudential and Treasury Indicators for 2016/17;
- (iv) Note that the Council borrowed £60m from the Public Works Loan Board (PWLB) in June 2016 to fund capital expenditure;
- (v) Note that on 31 March 2017 a number of Loan Facility agreements were agreed between the Council and a number of Council owned Special Purpose Vehicles; and
- (vi) Maintain the delegated authority to the Chief Financial Officer, in consultation with the Cabinet Member for Finance, Growth and Investment, to continue to proportionally amend the counterparty lending limits agreed within the Treasury Management Strategy Statement to consider the additional cash holdings resulting from borrowing from the European Investment Bank and the PWLB.

Reason(s)

This report is required to be presented to the Assembly in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services.

1. Introduction and Background

- 1.1. The Council is required by regulations issued under the Local Government Act 2003 (as amended 2010) to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2016/17.
- 1.2 The report has been produced in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services 2009 adopted by this Council on 16 February 2010 and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3 For the 2016/17 period Assembly received the following reports:
 - an annual treasury strategy in advance of the year (Assembly 24/02/2016);
 - a mid-year (minimum) treasury update report (Assembly 30/11/2016); and
 - an annual review following the end of the year describing the activity compared to the strategy (this report).

1.4 This Annual Treasury Report covers:

- The Council's treasury position as at 31 March 2017;
- Economic Factors in 2016/17 and Interest rates Forecasts;
- Investment Strategy and Performance in 2016/17;
- Borrowing Outturn;
- Treasury Management costs in 2016/17;
- Compliance with Treasury limits and Prudential indicators;
- Lending to Commercial and External Organisations; and
- Prudential Indicators for 2016/17 (Appendix 1).

2. Treasury Position as at 31 March 2017

2.1 The Council's treasury position for 2015/16 and 2016/17 can be found in table 1:

Table 1: Council's treasury position at the start and end of 2016/17

	31-Mar-2016	Average Rate of interest	Average Life	31-Mar-2017	Average Rate of interest	Average Life
	£'000	%	Years	£'000	%	Years
Fixed Rate Debt - Long Term Borrowing						
Housing Revenue Account (HRA) – PWLB	265,912	3.50	39.67	265,912	3.50	38.67
HRA – Market	-	-	-	10,000	3.98	61.21
General Fund (GF) – PWLB	-	-	-	60,000	2.52	45.67
GF - Market	40,000	4.02	52.61	34,691	3.61	42.81
GF – EIB	89,000	2.21	28.00	86,669	2.21	27.00
Fixed Rate Debt - Short Term Borrowing						
GF - Local Authorities	57,200	0.52	0.08	85,030	0.40	0.11
Total Debt						
	452,112	2.92	39.34	542,302	2.72	32.29
Investments						
In-House*	227,111	1.37	1.24	232,721	1.30	0.90

* excludes a prepayment made to Elevate and external school cash balances.

2.2 The Council manages its debt and investment positions through its in-house treasury section to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.

2.3 Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.

3. Economic Factors in 2016/17 and Interest Rate Forecasts

3.1 From April to June 2016 long term borrowing costs slowly decreased as markets became nervous over the UK Referendum. Following the Referendum results, with a vote for the UK to leave the EU, rates dropped significantly, with the 50 year gilts rate dropping to a little over 1% in August 2016.

- 3.2 On the 4th of August 2016 the Monetary Policy Committee, (MPC), cut the Bank Rate from 0.50% to 0.25% to counteract a potential sharp slowdown in growth in the second half of 2016 following the vote for the UK to leave the European Union. However, economic data since August has indicated stronger growth than that forecast. In addition, inflation forecasts have risen due to a continuation of the sharp fall in the value of sterling since early August. Consequently, the Bank Rate was not cut again in November.
- 3.3 PWLB rates and gilt yields experienced elevated levels of volatility in 2016/17 that were highly correlated to geo-political events. It is likely that these exceptional levels of volatility will continue to occur for the near future. Overall 2016/17 was a difficult year for investing but provided opportunities to borrow at historically low rates.

4. Investment Strategy and Performance in 2016/17

4.1 Annual Investment Strategy (AIS) 2016/17

- 4.1.1 All investments were managed in-house and were invested with institutions of high credit standing listed in the Council's approved lending list and specified limits. The Council invested over a range of periods from overnight to three years.
- 4.1.2 Council officers met quarterly with Treasury Advisers to discuss financial performance, objectives, targets and risk in relation to the Council's investments and borrowing. Monthly treasury meetings were held between the Section 151 Officer, the Finance Director and the Treasury Section to discuss strategy and to ensure close monitoring of investment decisions. The Cabinet Member for Finance, Growth and Investment was briefed regularly on treasury activity by the Section 151 Officer.
- 4.1.3 During 2016/17 the Council's investment policy was governed by CLG guidance, which was implemented in the 2016/17 Annual Investment Strategy. The policy sets out the Council's approach for choosing investment counterparties.

4.2 Treasury Outturn

- 4.2.1 To support the Council's significant savings requirement for 2016/17, Members agreed savings targets for treasury. To achieve the interest target the Treasury Section was set a return target of 1.6% on an average cash balance of £160m. The savings target and return target for 2015/16 and 2016/17 are outlined in table 2 below:

Table 2: Treasury Savings Targets for 2015/16 to 2016/17

Savings Proposal	2015/16 £000	2016/17 £000	Total £000
Increase in Average Return as Rates Rise	500	500	1,000
Increase Counterparty and Duration Risk	350	-	250
Total Savings	850	500	1,350
Target Return	1.2%	1.6%	

- 4.2.2 To achieve the interest income budget set, without taking significant risk, the Treasury Section has sought to increase the duration of a number of investments. Potential higher returns will be weighed against the risk of locking in investments.
- 4.2.3 The Treasury Outturn position is in Table 3 below.

Table 3: Treasury Outturn for 2016/17

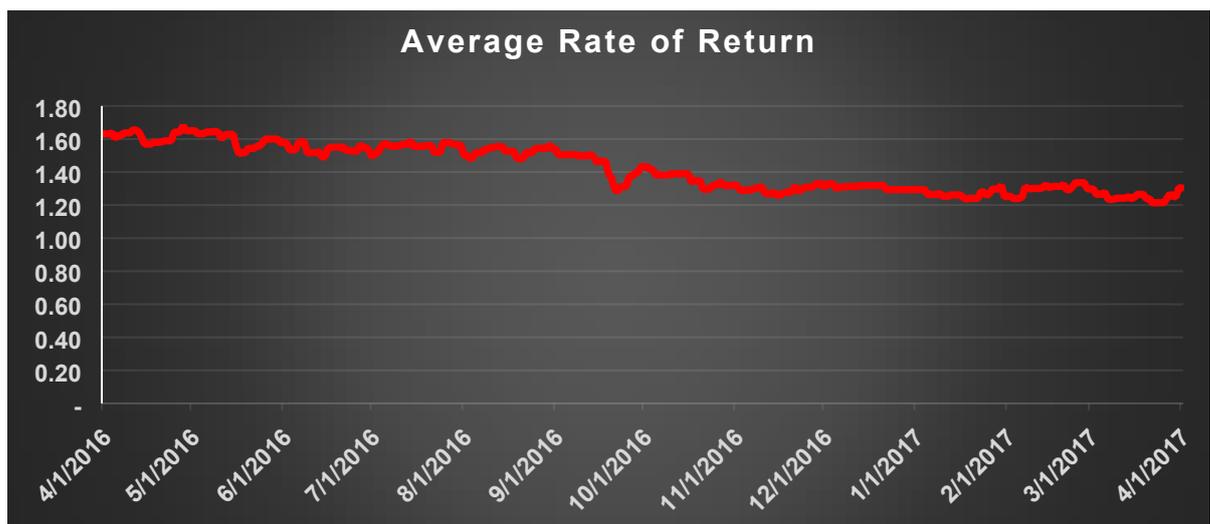
Interest	2016/17 Budget	2016/17 Actual	Difference
HRA Borrowing Costs	9,625	9,625	-
HRA and Schools Interest	(423)	(553)	(130)
GF Borrowing costs	2,251	2,806	555
General Fund Interest	(2,147)	(4,090)	(1,943)
Brokerage & Treasury Costs	-	175	175
European Investment Bank Interest	-	1,964	1,964
Business Support Reserve	-	(620)	(620)
Net Budget	9,306	9,307	0

- 4.2.4 Overall the General Fund borrowing costs were higher than forecast due to an additional £60m of borrowing from the PWLB. General Fund interest income was £1.94m more than budgeted due to higher than forecast cash balances held during the year.
- 4.2.5 An interest payment of £1.96m was paid to the EIB for the £89.0m of borrowing taken out in 2015 to fund the Council's regeneration programme. Rental income from Abbey Road 2 and Gascoigne Estate (East) Phase 1 will be used to cover the EIB interest costs in future but as Gascoigne Estate (East) Phase 1 is still being constructed, £620k from the Business Support Reserve was used to cover the interest shortfall. Previously Members agreed that up to a total of £2.0m could be used to support borrowing in advance. Of the £2.0m agreed, £1.26m is still available to cover the shortfall in interest payments.
- 4.2.6 The Council deals with most of its counterparties directly but from time to time the Council will use the services of brokers to act as agents between the Council and its counterparties when lending or borrowing. However, no one broker will be favoured by the Council. The Council will ensure that sufficient quotes are obtained before investment or borrowing decisions are made via brokers. In 2017/18, brokerage costs of £175k were incurred from the short-term borrowing and costs from borrowing from the PWLB and the Green Investment Bank. These costs are not budgeted from but form part of the borrowing costs for the year in which they are incurred.
- 4.3 Investments decisions during 2016/17
- 4.3.1 When making investment decisions the Council must have regard to its investment priorities being:
- (a) The **security** of capital;
 - (b) The **liquidity** of its investments; and
 - (c) **Yield** (after ensuring the above are met).

4.3.2 Using the above as the basis for investment decisions does mean that investment returns will be lower than would be possible were yield the only consideration. During 2016/17, the Council ensured that all investments were made with appropriately rated counterparties and that liquidity was maintained. On occasion, short term borrowing was also used to allow the Council to take advantage of investment opportunities.

4.3.3 During the year there were several opportunities for the Council to invest with credit worthy financial institutions as well as Local Authorities over a longer duration at much improved rates. As a result of these opportunities the Treasury Section was able to provide an average return of 1.42% for 2016/17 and ended the year with an average return of 1.37%. Chart 1 below graphically illustrates the increase in the average daily return for the Council during the year

Chart 1: Daily average investment return for 2016/17



4.3.4 The average cash balance held was £230m, which included the use of short-term borrowing to cover some of the investment opportunities. Short-term borrowing was also used to smooth the cash flow fluctuations, allowing treasury to keep a considerable proportion of its investments invested over a longer duration.

4.4 Strategy Changes in 2016/17

4.4.1 The Council's investment policy was agreed in the AIS approved by the Assembly on 24 February 2016. Members agreed to delegate authority to the Section 151 officer, in consultation with the Cabinet Member for Finance, Growth and Investment, to proportionally amend the counterparty lending limits agreed within the TMSS.

4.4.2 During the year, there were no changes to the AIS.

4.5 Performance Benchmark in 2016/17

4.5.1 As part of ensuring value for money and to monitor the Council's investment return, the Council's treasury performance is benchmarked by against a peer group of Local Authorities. Benchmarking date is provided by the Council's treasury

advisors, Capita Asset Services. Table 4 summarises the benchmarking data as at 31 March 2017.

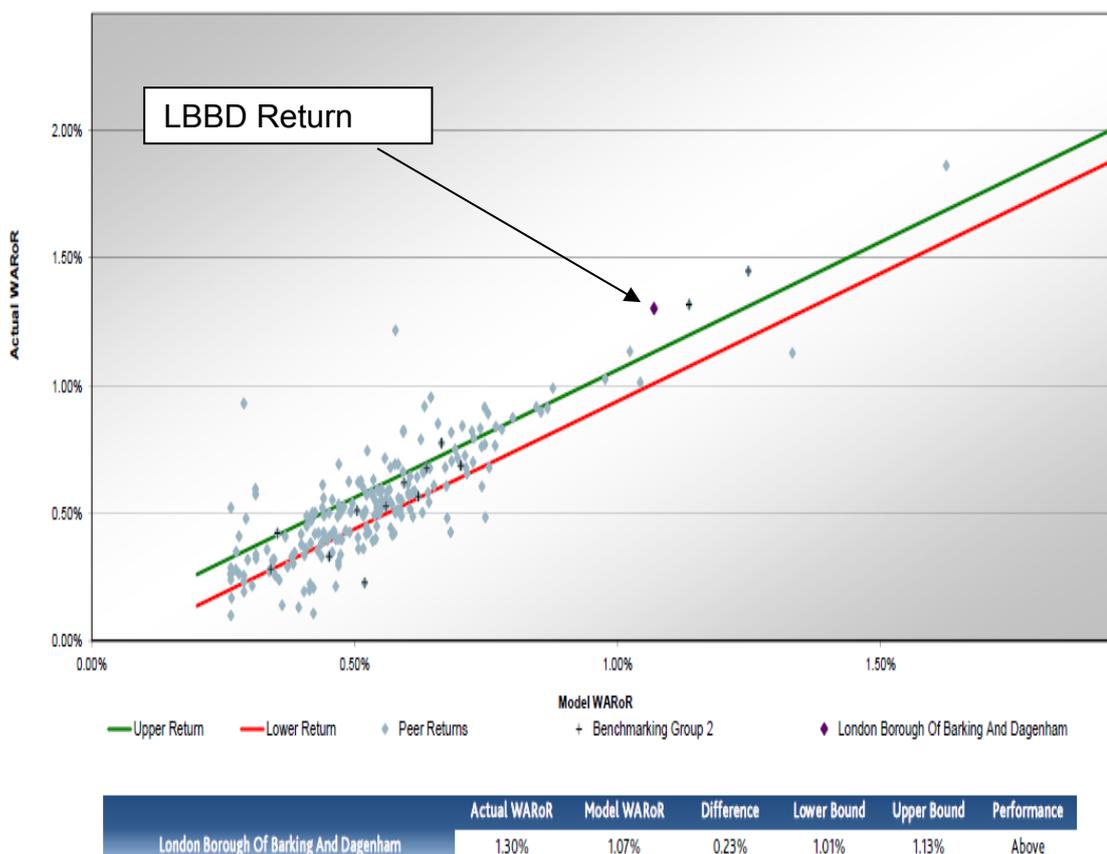
Table 4: Advisor’s Benchmarking data as at 31 March 2017

Savings Proposal	LBBB	London Peer Group (20)	Total LA Group (223)
Weighted Average Rate of Return	1.30%	0.69%	0.59%
Model Banding Target	1.01% - 1.13%	0.62% - 0.75%	0.56% - 0.69%
Weighted Average Maturity(days)	325	150	123
Credit Risk	3.29	3.19	3.06

4.5.2 The benchmarking data outlines the outperformance of the Council’s investment return compared to a group of 20 London Boroughs and 223 Local Authorities (LAs). The Council’s average return as at 31 March 2017 was 0.61% higher than the average London Peer Group return and 0.71% higher than the Local Authority average return.

4.5.3 The benchmarking data includes a model banding target which is a target return banding for the duration and credit risk taken for the investments. The Council managed to outperform the upper model banding target by 0.03%. Chart 2 illustrates the Council’s return against the upper and lower banding levels and shows the Council’s performance compared to all LAs within the benchmark group.

Chart 2: Advisor’s benchmarking data as at 31 March 2017



4.6 Investments Held as at 31 March 2017

4.6.1 Table 5 outlines the investments held by the Council as at 31 March 2017. The table also shows the interest rate received and the repayment date for each investment:

Table 5: Investments held as at 31 March 2017

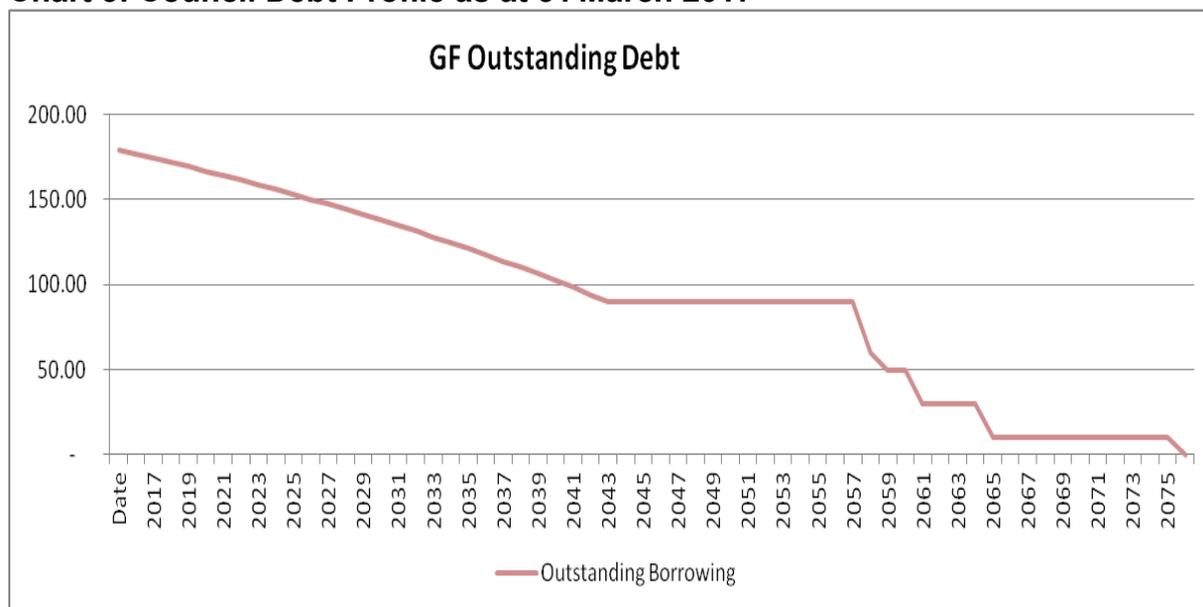
Investment	Rating	Interest Rate	Principal	Start Date	End Date
BARCLAYS BANK PLC	A	0.05%	9,308.36	25/03/2011	31/03/2017
Lloyds Deposit Account	A	0.15%	612.16	04/11/2013	31/03/2017
BARKING RIVERSIDE	N/A	3.50%	4,917,940.81	15/10/2014	01/04/2020
NEWPORT CC	AA+	1.50%	2,000,000.00	10/11/2014	11/07/2017
NEWPORT CC	AA+	1.10%	2,000,000.00	09/02/2015	10/07/2017
VALENCE SCHOOL	AA+	3.50%	100,000.00	12/02/2015	31/03/2017
NEWPORT CC	AA+	1.10%	1,500,000.00	09/03/2015	31/03/2017
RBS		1.45%	20,000,000.00	30/04/2015	31/03/2017
Dudley MBC	AA+	1.05%	10,000,000.00	15/05/2015	15/05/2017
RBS	BBB+	1.45%	20,000,000.00	26/06/2015	26/06/2017
RBS	BBB+	1.80%	20,000,000.00	24/07/2015	24/07/2017
Wolverhampton CC	AA+	0.94%	8,000,000.00	28/09/2015	28/09/2017
LANCASHIRE CC	AA+	1.00%	5,000,000.00	11/11/2015	11/05/2018
Fife Council	AA+	1.00%	4,000,000.00	14/01/2016	15/01/2018
LANCASHIRE CC	AA+	1.02%	5,000,000.00	16/11/2015	16/11/2017
LANCASHIRE CC	AA+	1.05%	5,000,000.00	08/01/2016	08/01/2018
LANCASHIRE CC	AA+	1.54%	5,000,000.00	26/11/2015	26/11/2018
LANCASHIRE CC	AA+	1.54%	5,000,000.00	20/11/2015	20/11/2018
LLOYDS BANK PLC	A	1.67%	5,000,000.00	20/01/2016	18/01/2019
LLOYDS BANK PLC	A	1.67%	5,000,000.00	03/02/2016	01/02/2019
Grafton Primary School	AA+	4.50%	100,097.98	03/03/2016	03/03/2026
Gascoigne School	AA+	4.50%	84,395.00	03/03/2016	03/03/2036
LLOYDS BANK PLC	A	1.80%	10,000,000.00	15/03/2016	15/03/2019
LLOYDS BANK PLC	A	1.79%	5,000,000.00	01/04/2016	01/04/2019
RBS	A	1.84%	5,500,000.00	21/04/2016	18/04/2019
RBS	BBB+	0.21%	8,737.28	31/03/2015	31/03/2017
LLOYDS BANK PLC	A	1.43%	10,000,000.00	06/06/2016	06/06/2018
Doncaster MBC	AA+	0.90%	2,000,000.00	24/06/2016	25/06/2018
LLOYDS BANK PLC	A	1.05%	5,000,000.00	01/07/2016	30/06/2017
LLOYDS BANK PLC	A	1.05%	10,000,000.00	14/07/2016	14/07/2017
LLOYDS BANK PLC	A	1.05%	5,000,000.00	03/08/2016	03/08/2017
Goldman Sachs	A	0.68%	10,000,000.00	03/10/2016	03/04/2017
Goldman Sachs	A	0.76%	10,000,000.00	07/10/2016	07/04/2017
BOROUGH OF POOLE	AA+	0.97%	7,500,000.00	18/11/2016	18/11/2019
RBS	BBB+	0.65/1.0%	20,000,000.00	30/01/2017	30/07/2018
LLOYDS BANK PLC	A	1.18%	5,000,000.00	16/03/2017	16/03/2020

5. Borrowing in 2016/17

5.1 Council's Growth Strategy

- 5.1.1 As part of the Council's Growth Strategy, Members agreed to increase the Council's income generating asset base and enable the Council to be an active participant in the growth opportunities within in borough but with a very clear focus on return. The target investment return expected, after all costs, is £5m per year by 2020.
- 5.1.2 To achieve this return requires significant investment by the Council in residential and commercial property, as well as renewable energy. These investments require the Council to significantly increase its borrowing, but given budgetary constraints, the cost of borrowing must also be carefully managed.
- 5.1.3 During 2016/17 the Treasury Section, in consultation with the Section 151 officer, began a strategy of building up a debt portfolio to support the Council's investment. Between 7 June 2016 and 3 July 2016, following a significant drop in the cost of borrowing, the Council borrowed £60m from the PWLB at an average rate of 2.5%.
- 5.1.4 Although the Council has significantly increasing its debt, officers have sought to ensure that the borrowing matches the relevant asset life and potential repayment profile of the Council's investment portfolio. Chart 3 below summarises the GF debt position as at 31 March 2017.

Chart 3: Council Debt Profile as at 31 March 2017



5.2 Green Investment Bank (GIB) Borrowing

- 5.2.1 At its meeting on 2 December 2015 the Council agreed to borrow £7.5m from the GIB arising from the Cabinet's decision under Minute 67, 10 November 2015 to finance the Low Energy Street Light Replacement Programme.
- 5.2.2 On 15 December 2016, a loan of £7.0m was borrowed from the GIB at a rate of 3.44% for a duration of 30 years. The borrowing will be drawn over a period of two-and-a-half-years. The loan repayment profile is structured to match the cashflows expected to be generated from the energy savings.

5.3 Borrowing Owed as at 31 March 2017

5.3.1 Table 6 outlines the borrowing owed by the Council as at 31 March 2017. The table also shows the interest rate charged and the repayment date for each loan. The loans are split between HRA, General Fund Long Term and General Fund Short Term Loans:

Table 6: Loans as at 31 March 2017

Lender	Start Date	End Date	Amount	Rate
HRA				
PUBLIC WORKS LOAN BOARD	28/03/2012	28/03/2042	50,000,000	3.5%
PUBLIC WORKS LOAN BOARD	28/03/2012	28/03/2062	65,912,000	3.5%
PUBLIC WORKS LOAN BOARD	28/03/2012	28/03/2061	50,000,000	3.5%
PUBLIC WORKS LOAN BOARD	28/03/2012	28/03/2052	50,000,000	3.5%
PUBLIC WORKS LOAN BOARD	28/03/2012	28/03/2060	50,000,000	3.5%
BARCLAYS BANK PLC	30/05/2008	30/05/2078	10,000,000	4.0%
HRA Total LT Borrowing			275,912,000	
General Fund				
DEXIA PUBLIC FINANCE BANK	30/06/2008	30/06/2077	10,000,000	4.0%
ROYAL BANK OF SCOTLAND	26/03/2010	27/02/2060	10,000,000	4.1%
ROYAL BANK OF SCOTLAND	26/03/2010	26/03/2059	10,000,000	4.1%
European Investment Bank	30/01/2015	31/03/2044	86,669,000	2.2%
PUBLIC WORKS LOAN BOARD	09/06/2016	09/06/2066	20,000,000	2.7%
PUBLIC WORKS LOAN BOARD	14/06/2016	15/12/2059	10,000,000	2.7%
PUBLIC WORKS LOAN BOARD	28/06/2016	29/12/2059	10,000,000	2.5%
PUBLIC WORKS LOAN BOARD	29/06/2016	29/06/2062	10,000,000	2.4%
PUBLIC WORKS LOAN BOARD	07/07/2016	06/01/2062	10,000,000	2.1%
STEVENAGE BOROUGH COUNCIL	09/01/2017	09/04/2020	2,000,000	1.0%
RUGBY BOROUGH COUNCIL	09/01/2017	09/04/2020	2,000,000	1.0%
Green Investment Bank	15/12/2016	30/09/2046	690,656	3.4%
GF Total LT Borrowing			181,359,656	
Anglesey	20/02/2017	01/04/2017	5,000,000	0.4%
Derby City	25/01/2017	01/04/2017	7,000,000	0.3%
Edinburgh	28/03/2017	01/04/2017	15,000,000	0.5%
Essex CC	27/03/2017	01/04/2017	8,000,000	0.4%
GLA	07/03/2017	01/04/2017	15,000,000	0.5%
GLA	28/03/2017	01/04/2017	10,000,000	0.5%
Hampshire CC	11/11/2016	01/04/2017	5,000,000	0.3%
Hampshire PC	11/11/2016	01/04/2017	2,000,000	0.3%
Kingston	31/03/2017	01/04/2017	2,000,000	0.5%
LB Brent	06/02/2017	01/04/2017	5,000,000	0.4%
LBBD Pension Fund	01/04/2017	01/04/2017	5,030,000	0.3%
Wakefield	07/10/2016	01/04/2017	5,000,000	0.3%
Winchester	11/11/2016	01/04/2017	1,000,000	0.3%
GF Total ST Borrowing			85,030,000	

6. Compliance with Treasury limits and Prudential Indicators

- 6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordable limits) are included in the approved Treasury Management Strategy (TMSS).
- 6.2 During the financial year to date the Council has operated within and complied with the treasury limits and Prudential Indicators set out in the Council's annual TMSS. The Council's prudential indicators are set out in Appendix A to this report. In 2016/17, the Council did not breach its authorised limit on borrowing of £855m.
- 6.3 The Operational limit set in the 2016/17 TMSS was £745m, which was also not breached. As at 31 March 2017 the total borrowing was £542.3m.

7. Lending to commercial and external organisations

- 7.1 Section 2 of the Local Government Act 2000 (power of well-being) gives authorities the power to lend as part of promotion or improvement of economic /social wellbeing of the Borough. The guidance encourages local authorities to use the well-being power as the power of first resort removing the need to look for powers in other legislation. Further the power provides a strong basis on which to deliver many of the priorities identified by local communities and embodies in community strategies. The Section 151 Officer determines the rates and terms of such loans.

8. Lending to Special Purpose Vehicles

- 8.1 At the 30 June 2014 Cabinet meeting, Members agreed to the principle of establishing a Special Purpose Vehicle(s) to develop, own and be responsible for procuring the management of the units to be developed as part of the Gascoigne Estate (East) Regeneration.
- 8.2 Members also agreed:
1. that the Council shall grant a 252-year lease to the Special Purpose Vehicle(s) which shall terminate at the option of the Council at the end of the funding term and repayment of the loans made by the Council, with full ownership reverting to the Council;
 2. to the principle of establishing an independent charity which shall own and control the Special Purpose Vehicle(s) in accordance with the funding terms imposed by the Council;
 3. to the principle of borrowing £62.86m within the General Fund to finance the development and ownership of the following tenures:
 - i. Borrow £39.98m to fund development and ownership of 236 affordable rented units, social rent units and shared ownership units to be owned and managed by a Special Purpose Vehicle(s) controlled within the General Fund;
 - ii. Borrow £3.75m to fund 50% of 51 private for sale units to be developed and sold jointly by the Council and East Thames Group via a limited company, and
 - iii. Borrow £19.13m to lend to East Thames Group to fund the development and

ownership of 135 units shared ownership units which shall be owned by East Thames Group subject to agreement of satisfactory terms;

8.3 Cabinet also delegated authority to the Chief Executive, in consultation with the Director of Law and Governance, the Section 151 Officer and the Cabinet Member for Finance, Growth and Investment, to negotiate terms and agree the contract documents to fully implement and effect the project and to authorise the Director of Law and Governance to execute all the legal agreements, contracts and other documents on behalf of the Council.

8.4 Following a significant period of legal discussions a number of SPVs were set up. On 31 March 2017, the following loan facilities were agreed between the Council and the Council owned SPVs.

1. £11,001,888 to B&D Reside Regeneration LLP
2. £36,315,762 to B&D Reside Weavers LLP
3. £37,002,114 to Barking and Dagenham Reside Roding Limited

8.5 Actual payment will be made to the various SPV throughout the construction period, with interest added to the Loan amount. After the construction period has been completed and the properties are being rented out, the loan and interest will be repaid.

9. Council Transformation Programme - Be First Loan

9.1 At the November 2016 Cabinet, Members agreed to establish a new Council-owned company to manage the delivery of the borough's regeneration agenda, Be First, in line with Recommendation 8 of the report of the independent Growth Commission. Be First will be a 100% Council-owned company that is operationally independent of the Council, operating in the same way as a commercial organisation, and being accountable to members through a Shareholder Executive Board.

9.2 At the 26 January 2017 Cabinet, Members agreed to a loan of £3.5m to support Be First's cash flow requirements during the first few years of established.

9.3 A report will be taken to the September 2017 Cabinet outlining Be First's working capital and set up cost requirements.

10. Conclusions

10.1 The key conclusions to draw from this report are as follows:

- a) The Council complied with prudential and treasury indicators in 2016/17;
- b) The value of investments as at 31 March 2017 totalled £232.7 million; and
- c) The value of long and short term borrowing as at 31 March 2017 totalled £542.3m. This comprised market, PWLB, GIB, EIB and Local Authority loans;

11. Options Appraisal

11.1 There is no legal requirement to prepare a Treasury Management Annual Report, however, it is good governance to do so and meets the requirements of both the

CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

12. Consultation

- 12.1 The Chief Operating Officer has been informed of the approach, data and commentary in this report.
- 12.2 The Cabinet considered and endorsed the Treasury Management Annual Report for 2016/17 at its meeting on 20 June 2017.

13. Financial Implications

Implications completed by: Kathy Freeman, Finance Director

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

14. Legal Implications

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

- 14.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor its budget during the financial year and its expenditure and income against the budget calculations. The Council sets out its treasury strategy for borrowing and an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 14.2 The Council also has to 'have regard to' the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out its functions under the Act.

15. Risk Management

- 15.1 The whole report concerns itself with the management of risks relating to the Council's cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income throughout the past year.
- 15.2 EIB funded urban regeneration programme - The urban regeneration programme will be governed by a programme delivery board established in the Regeneration department. A programme manager will be identified within the Council who will be responsible for delivering each scheme within the investment programme.

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

List of appendices:

- Appendix 1 - The Prudential Code for Capital Investment in Local Authorities
- Appendix 2 - Glossary of Terms

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The Prudential Code for Capital Investment in Local Authorities

Treasury Management Outturn Report 2016/17

1. Introduction

1.1 There are a number of treasury indicators which previously formed part of the Prudential Code, but which are now more appropriately linked to the Revised Treasury Management Code and guidance 2009. Local authorities are still required to “have regard” to these treasury indicators.

1.2 The key treasury indicators which are still part of the Prudential Code are:

- Authorised limit for external debt;
- Operational boundary for external debt; and
- Actual external debt.

2. **Net borrowing and the Capital Financing Requirement**

2.1 To ensure that borrowing levels are prudent over the medium term the Council’s external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.

2.2 Net borrowing should not therefore, except in the short term, have exceeded the Capital Financing Requirement (“CFR”) for 2016/17 plus the expected changes to the CFR over 2016/17 and 2017/17 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2016/17.

2.3 **The authorised limit** – This sets the maximum level of external borrowing on a gross basis (i.e. Not net of investments) and is the statutory limit determined under Section 3 (1) of the Local Government Act 2003 (referred to in the legislation as Affordable Limit).

2.4 **The operational limit** – This links directly to the Council’s estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limits reflecting the most likely prudent but not worst-case scenario but without the additional headroom included within the Authorised Limit for future known capital needs now. It should act as a monitor indicator to ensure the authorised limit is not breached.

2.5 Total external borrowing as at 31 March 2017 was £542.3m, which is lower than the Approved Authorised Limit of £855m and the Operational Boundary of £745m, which were set in the Treasury Management Strategy Statement for 2016/17.

2.6 The actual 2016/17 borrowing requirements and estimates for authorised limits and operational boundary limit set out in Table 1. Capital Programme Borrowing Requirement increases significantly in 2016/17 and 2016/17 as a result of the urban

regeneration and economic growth programme of Gascoigne Estate (East) Phase 1 and Abbey Road 2.

Table 1: Operational Limit and Authorised Borrowing Limits

	2016/17 Estimate	2016/17 Actual	2017/18 Estimate	2018/19 Estimate
	£'000	£'000	£'000	£'000
Capital Programme Borrowing Requirement (Cumulative)	298,095	291,745	311,757	316,526
HRA Self Financing Debt	281,672	276,232	276,232	276,232
Alternative Financing Arrangements:				
- PFI Schemes on Balance Sheet	50,969	50,969	49,407	47,707
- Finance Leases	1,244	1,244	-	-
Total Alternative Financing	52,213	52,213	49,407	47,707
Total CFR	631,980	620,190	636,874	640,465
External Long-Term Borrowing (Cumulative)	500,000	457,272	550,000	600,000
Operational Boundary on Borrowing	745,000	745,000	752,000	849,000
Authorised Limit (affordable limit)	855,000	855,000	902,000	949,000

3. Limits for Fixed and Variable Interest Exposure

The following prudential indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Council's existing level of fixed interest rate exposure is 100.0% and variable rate exposure is 0.0%. The high fixed interest rate is as a result of locking in low long-term rates for the HRA borrowing. The table 2 below shows the fixed and variable interest rate exposure.

Table 2: Fixed and variable rate exposure 2016/17 to 2019/20

Interest Rate Exposures	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
Upper limit for fixed interest rate exposure	100.0	100.0	100.0	100.0
Upper limit for variable interest rate exposure	70.0	70.0	70.0	70.0

4. Maturity Structure of Fixed Rate Borrowing

This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period, as summarised in table 3.

Table 3: Borrowing as at 31 March 2017

Maturity structure of fixed interest rate borrowing 2016/17			
	Actual Position	Lower	Upper
Under 12 months	16.1%	0%	20%
12 months to 2 years	0.4%	0%	40%
2 years to 5 years	2.1%	0%	70%
5 years to 10 years	2.5%	0%	70%
10 years and above	78.9%	0%	100%

The fixed rate borrowing over 10 years was 78.9%, which is within the limits outlined below:

Table 4: Maturity Structure of Borrowing for 2016/17

	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	70%	0%
5 years and within 10 years	70%	0%
10 years and above	100%	0%

5. Investments over 364 days

- 5.1 The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. Taking into account the current level of investments, and future projections of capital expenditure, the following limits will be applied to sums invested:

Maximum principal sums invested > 364 days £'000s	2016/17 £000's Actual	2017/18 £000's Estimate	2018/19 £000's Estimate	2019/20 £000's Estimate
Principal sums invested > 364 days	250,000	200,000	150,000	130,000

6. Summary Assessment

- 6.1 The outturn position is set out above in respect of the Prudential Indicators approved by Assembly in February 2016.
- 6.2 The outturn figures confirm that the limits and controls set for 2016/17 were applied throughout the year, and that the treasury management function adhered to the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability. The treasury management indicators were regularly monitored throughout 2016/17.

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Glossary of Terms

1. **Authorised Limit** –represents the limit beyond which borrowing is prohibited, and needs to be set and revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.
2. **Bank Rate** – the rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.
3. **Counterparty** – the other party involved in a borrowing or investment transaction.
4. **Capital Financing Requirement (CFR)** – the level of capital expenditure to be financed from borrowing.
5. **Liquidity** – The ability of an asset to be converted into cash quickly and without any price discount. The more liquid a business is, the better able it is to meet short term financial obligations.
6. **LIBID** – London Interbank Bid Rate - The interest rate at which London banks ask to pay for borrowing Eurocurrencies from other banks. Unlike LIBOR, which is the rate at which banks lend money, LIBID is the rate at which banks ask to borrow. It is not set by anybody or organisation, but is calculated as the average of the interest rates at which London banks bid for borrowed Eurocurrency funds from other banks. It is also the interest rate London banks pay for deposits from other banks.
7. **LOBO** (Lenders Option Borrowers Option) - Long term borrowing deals structured which usually has a short, initial period (anything from 1 year to 7 years), followed by a “step rate” to a higher rate of interest (the “back end” interest rate), which is to be charged for the remainder of the loan period.

The overall length of LOBO’s is usually 50 or 60 years but can be shorter or longer periods. After the “step up” date, and at set intervals thereafter, the lender (the bank) has the option of increasing the “back end” interest rate. Whenever this option is exercised, if the proposed new rate is unacceptable, the borrower (The Council) can redeem the loan without penalty.
8. **Monetary Policy Committee** – independent body which determines the Bank Rate.
9. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an early warning indicator to ensure the Authorised Limit is not breached.
10. **Prudential Code** – The Local Government Act 2003 requires the Council to ‘have due regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

11. **PWLB** – Public Works Loan Board. An institution managed by the Government to provide loans to public bodies at rates which reflect the rates at which the government is able to sell gilts.

ASSEMBLY**19 July 2017**

Title: Motions	
Report of the Chief Executive	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Leanna McPherson, Democratic Services Officer	Contact Details: Tel: 020 8227 2852 E-mail: leanna.mcpherson@lbbd.gov.uk
Accountable Director: Fiona Taylor, Director of Law and Governance	
Accountable Strategic Director: Chris Naylor, Chief Executive	
<p>Summary</p> <p>In accordance with paragraph 10 of Part 2, Chapter 4 of the Council Constitution, motions and amendments to motions on issues directly affecting the borough may be submitted to the Assembly to be debated and voted on.</p> <p>Two motions have been received in accordance with the Council's procedure rules and are attached as Appendix A and Appendix B.</p> <p>The deadline for amendments to the motions is noon on Friday 14 July 2017.</p> <p>For information, attached at Appendix C is the relevant extract from the Council's Constitution relating to the procedure for dealing with Motions With Notice.</p>	
<p>Recommendation(s)</p> <p>The Assembly is asked to debate and vote on the motions and any amendments proposed.</p>	

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

List of appendices:

- **Appendix A** – Notice of Motion: School Cuts
- **Appendix B** – Notice of Motion: Theresa May and the Democratic Unionist Party
- **Appendix C** – Extract from the Council Constitution, Paragraphs 10, 11 and 12 of Part 2, Chapter 4 – The Assembly

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Notice of Motion – School cuts

Councillor Carpenter has submitted the following motion:

“This Council is appalled by the Government’s decision to take education spending to an historic low by cutting £8.9bn in real terms from the national schools budget.

Research by the National Union of Teachers and the Association of Teachers and Lecturers, building on analysis carried out by the Institute for Fiscal Studies, shows that over the next 5 years schools in Barking and Dagenham are set to lose an average of £312,198. Every primary school and all but one secondary school in the borough is projected to lose funding, in what equates to an average cut of £461 per pupil by 2021/22.

This Council is particularly concerned about the Government’s decision to cut the Education Services Grant (ESG) by £600m, which will see Barking and Dagenham lose £1.8m of education funding in 2017/18 alone.

The Education Services Grant is used to fund school improvement and essential services in our local schools, such as support for children with special educational needs who require occupational therapy. It will be reduced from £3.4m in 2016/17 to £1.6m in 2017/18, and we believe that this cut amounts to nothing more than a cost shunt from central Government on to Local Authorities.

This Council believes that these cuts will result in unavoidable impacts on teaching and learning, putting at risk the improvements to outcomes for children that we have made in recent years.

This Council therefore calls on the Government to commit to maintaining per-pupil funding, reverse the £600m cut to the Education Services Grant and think again on its proposals for education funding.”

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Notice of Motion: Theresa May and the Democratic Unionist Party

Councillor Rodwell has submitted the following motion:

“Barking and Dagenham Council is appalled by Prime Minister Theresa May’s decision to do a deal with Northern Ireland’s Democratic Unionist Party (DUP) in order to prop up her minority Tory government.

Like other communities up and down the country, we have a long list of needs – for more homes, better health facilities, increased funding for schools, road improvements and investment in key infrastructure projects like the A13 riverside tunnel, which will help to unite our local community and ease air pollution.

However, this Council notes that despite the Tory commitment to austerity that has slashed £135m from our budget since 2010, the Prime Minister has managed to find £1bn of funding for Northern Ireland as part of her sweetheart deal with the DUP. This Council believes that austerity should end throughout the UK, and not just in Northern Ireland, so that the crippling cut backs this authority has been forced to make can be reversed and we can invest in our community once more.

This Council is also alarmed by the extreme views held by the DUP on issues such as abortion, LGBT rights and climate change, as well as the party’s historical links to loyalist paramilitary organisations. Equality and cohesion is something that we care passionately about in Barking and Dagenham and the values of the DUP run contrary to this Council’s desire, set out in our ground-breaking Gender Equality Charter, to “build a place where people understand, respect and celebrate each other’s differences.”

This Council believes that the Tory government’s reliance on a party that sits on the hard-right fringe of British politics can only be bad news for our borough. As the Prime Minister’s attention is turned towards stabilising her weak government by pandering to political extremists, it is clear that local residents will continue to lose out while issues such the desperate need to build more genuinely affordable homes and the crisis in social care remain unaddressed.

Barking and Dagenham has a long history of challenging political extremists. This Council resolves to continue that proud tradition by condemning, in the strongest possible terms, the views of the DUP and Theresa May’s decision to enter into an agreement with them.”

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10. Motions With Notice

- 10.1 Written notice of any motions must be received by the Chief Executive by no later than 4.00pm on the Wednesday two weeks before the meeting, except in respect of a vote of no confidence in the Leader of the Council for which the process in paragraph 13 applies.
- 10.2 A notice of motion must relate to a matter which affects the Council or its area and must relate to a matter in respect of which the Council has a relevant function. There is no limit on the number of motions that a Councillor may submit but the notice of motion must be submitted either by the Councillor who is proposing the motion or via the Group Secretary.
- 10.3 A notice of motion may be in more than one part and contain more than one recommendation, but must all relate to the same subject matter.
- 10.4 The Chief Executive may reject a notice of motion if, in his/her opinion:
 - (a) it is of a vexatious or derogatory nature or otherwise considered improper or inappropriate;
 - (b) is contrary to any provision of any code, protocol, legal requirement or rule of the Council;
 - (c) it does not relate to the business of the Council;
 - (d) is substantially the same as another motion already considered at the Assembly within the previous twelve months.
- 10.5 Where the Chief Executive rejects a notice of motion on any of the above grounds, he/she shall inform the Chair and the Councillor who submitted the notice of motion as soon as possible. Prior to determining whether to accept or reject a motion, the Chief Executive may seek clarification or propose alternative wording to the Councillor who submitted the motion.
- 10.6 In the event that the Councillor who is proposing the motion is not present at the Assembly meeting, the motion will be withdrawn.
- 10.7 Any motions withdrawn as indicated above, or withdrawn at the request of the Councillor who proposed the motion, either before or during the meeting, may not be resubmitted to the Assembly within a period of six months. This condition will be waived where the Councillor, or a colleague on their behalf, has notified the Chief Executive by 5.00 pm on the day of the meeting of their inability to attend due to their ill health or other reason accepted by the Chief Executive.
- 10.8 Motions will be listed on the agenda in the order in which they are received, save that:
 - (a) where two or more notices of motion are received from a particular Councillor for the same meeting, that Councillor's second notice of motion shall be included after all other Councillors' first notices of motion, that Councillor's third notice of motion shall be included after all other Councillors' second notices of motion, and so on.

- (b) where he/she considers that the notice of motion, statement or consideration of the notice of motion is likely to result in the disclosure of confidential or exempt information, in which case he/she may group such notices of motion together with other items of business which are, in his/her opinion, likely to involve the exclusion of press and public during their consideration.
- 10.9 Written notice of any amendments to motions must be received by the Chief Executive by no later than 12 noon on the Friday before the meeting. The same criteria and actions as described in paragraphs 10.2 - 10.8 will apply in relation to any amendments received.
- 10.10 Any amendments proposed after the time specified in paragraph 10.9 will only be considered for exceptional reasons such as a change in circumstances appertaining to the original motion, in which case the consent of the Chair will be required.
- 10.11 The Assembly shall not debate any motion which could give rise to a significant change to the income or expenditure of the Council or to contract terms unless, in the opinion of the Chief Executive acting on advice from the Chief Financial Officer and Director of Law and Governance as appropriate, the motion is accompanied by a report from the Chief Financial Officer or the Director of Law and Governance, as appropriate, setting out the financial or legal effect of the motion.
- 10.12 Where a motion which would require an accompanying report under Rule 10.11 falls to be moved without such accompanying report being made available to all Councillors, the motion shall stand adjourned without debate to the next available meeting of the Assembly.
- 10.13 Subject to Rule 10.14, if there are other motions or recommendations on the agenda that have not been dealt with by the close of the meeting, they are deemed formally moved and seconded and shall be put to the vote by the Chair without debate.
- 10.14 Where a notice of motion submitted under Rule 10 falls to be dealt with under Rule 10.13, the Councillor giving the notice may either:
 - (a) speak to the motion for not more than three minutes before the motion is put by the Chair without debate; or
 - (b) require that the motion is deferred to the next available meeting.

11. Motion to rescind a previous decision

- 11.1 A motion or amendment to rescind, or which has the effect of rescinding, a decision made at a meeting of the Assembly within the past six months, may not be moved except upon a recommendation from the Cabinet for a variation of the approved Budget or Policy Framework, or where the Monitoring Officer confirms that it is appropriate for the Assembly to reconsider the matter to comply with law, as a result of a change of law or material change of circumstances.

12. Rules of Debate

12.1 The following order / rules of debate shall apply:

- (a) Except with the Chair's consent, the debate on each motion shall last no longer than 10 minutes and no individual speech shall exceed two minutes.
- (b) The mover will move the motion and explain its purpose.
- (c) The Chair will invite another Councillor to second the motion.
- (d) If any amendment(s) has been accepted in accordance with paragraphs 10.9 or 10.10, the Chair will invite the relevant Councillor to move the amendment(s) and explain the purpose.
- (e) The Chair will invite another Councillor(s) to second the amendment(s).
- (f) The Chair will then invite Councillors to speak on the motion and any amendments.
- (g) Once all Councillors who wish to speak have done so, or the time limit has elapsed, the Chair will allow the mover(s) of the amendment(s) a right of reply followed by the mover of the original motion.
- (h) At the end of the debate, any amendments will be voted on in the order in which they were proposed.
- (i) If an amendment is carried, the motion as amended becomes the substantive motion to which any further amendments are moved and voted upon.
- (j) After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.
- (k) If all amendments are lost, a vote will be taken on the original motion.

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