



CABINET

7.30 pm	Wednesday 10 October 2018	Council Chamber - Town Hall
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Members 9: Quorum 3

Councillor Damian White (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Robert Benham

Cabinet Member for Education, Children & Families

Councillor Osman Dervish

Cabinet Member for Environment

Councillor Joshua Chapman

Cabinet Member for Housing

Councillor Jason Frost

Cabinet Member for Health & Adult Care Services

Councillor Roger Ramsey

Cabinet Member for Finance & Property

Councillor Viddy Persaud

Cabinet Member for Public Protection and Safety

Andrew Beesley
Head of Democratic Services

For information about the meeting please contact:

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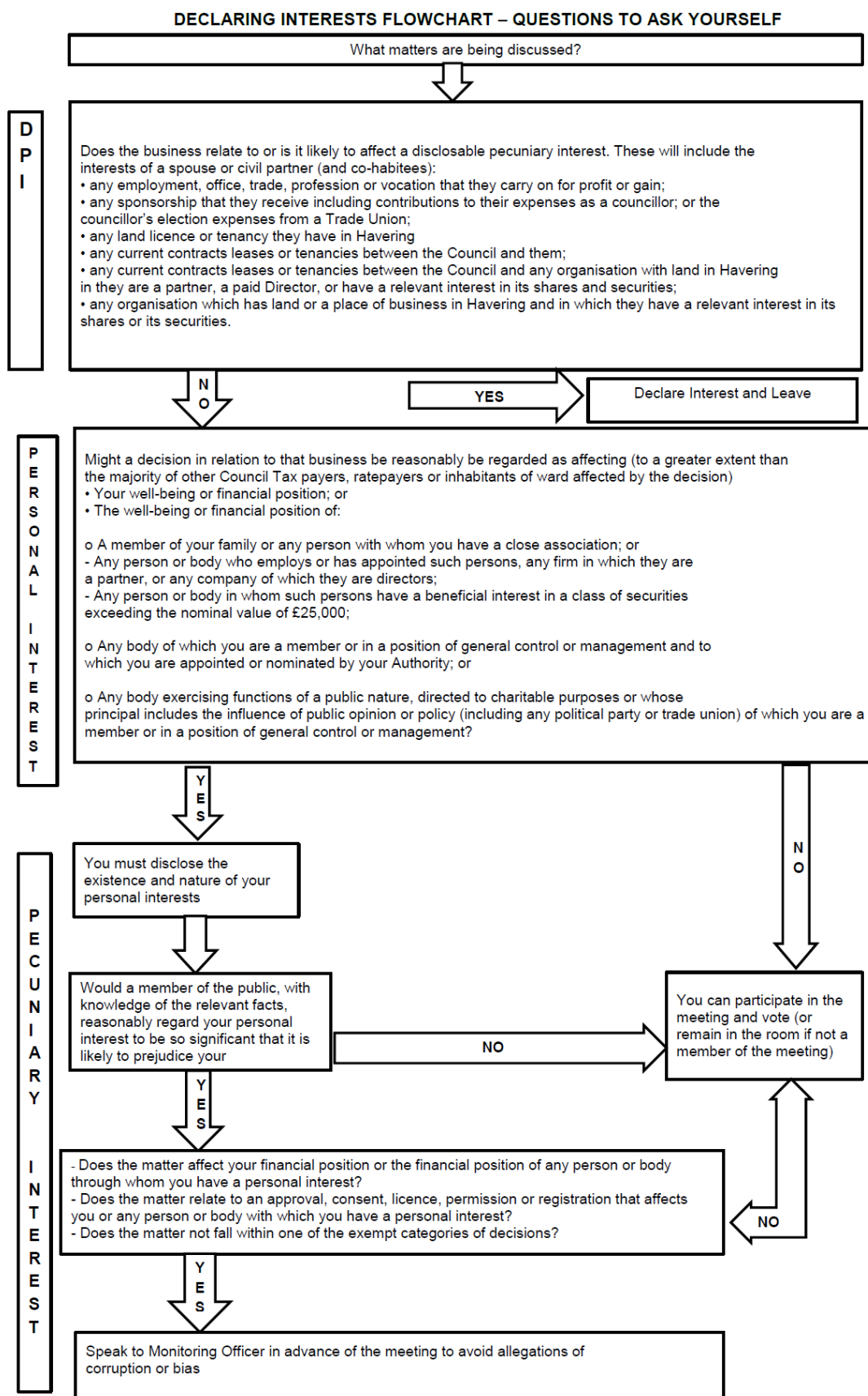
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- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.



AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

Members are invited to disclose any interests in any of the items on the agenda at this point of the meeting. Members may still disclose an interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 16)

To approve as a correct record the minutes of the meeting held on 25th July, 2018 and the Extraordinary Cabinet meeting on 8th August, 2018, and to authorise the Chairman to sign them.

5 COMMUNITY COHESION STRATEGY (Pages 17 - 64)

6 PERSONAL BUDGET POLICY WITH GUIDANCE FOR PARENTS AND DIRECT PAYMENTS POLICY (Pages 65 - 112)

7 CORPORATE PERFORMANCE REPORT QUARTER 1 (Pages 113 - 134)

8 AUTHORITY TO PROCEED TO PROCUREMENT FOR THE PROVISION OF 35 RESIDENTIAL PLACEMENTS FOR LOOKED AFTER CHILDREN (LAC) ACROSS 8 NORTHEAST LONDON AUTHORITIES, (Pages 135 - 150)

9 BID TO THE GREATER LONDON AUTHORITY FOR A FUNDING PROGRAMME UNDER THE 'BUILDING COUNCIL HOMES FOR LONDONERS' PROGRAMME. (Pages 151 - 212)

10 EXCLUSION OF THE PRESS AND PUBLIC

To consider whether the press and public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the press and public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman.

- 11 RAINHAM AND BEAM PARK, LAND ACQUISITION STRATEGY, MAKING OF CPO(S) (Pages 213 - 460)**

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 25 July 2018
(7.00 - 8.35 pm)

Present:

Councillor Damian White (Leader of the Council), Chairman

Councillor Robert Benham

Councillor Osman Dervish

Councillor Joshua Chapman

Councillor Jason Frost

Councillor Roger Ramsey

Councillor Viddy Persaud

Cabinet Member responsibility:

Cabinet Member for Education,
Children & Families

Cabinet Member for Environment

Cabinet Member for Housing

Cabinet Member for Health & Adult
Care Services

Cabinet Member for Finance &
Property

Cabinet Member for Public
Protection and Safety

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

2 DISCLOSURES OF INTEREST

6. Funding Applications to Veolia Havering Riverside Maintenance Trust.
Councillor Robert Benham, Non Pecuniary.

Councillor Robert Benham declared a non-pecuniary interest as a Trustee of The Veolia Havering Riverside Maintenance Trust (VHRMT) and absented himself from the meeting for the duration of the discussion and decision making process.

3 MINUTES

The minutes of the meeting held on 13th June, 2018 were agreed and signed by the Chair as a correct record.

4 **CONTRACT AWARD FOR THE PROVISION OF THE INTEGRATED SEXUAL HEALTH SERVICE**

Councillor Jason Frost, the Cabinet Member for Health and Adult Care Services, presented the report to Cabinet, detailing the proposed contract for the provision of an Integrated Sexual Health Service (ISHS) in Havering, Barking & Dagenham and Redbridge (BHR).

The Council has a statutory duty to ensure all residents have open access to services of screening and treatment of Sexually Transmitted Infections (STI) and contraception.

Currently, Barking Havering and Redbridge University Hospitals NHS Trust (BHRUT) are commissioned to provide an Integrated Sexual Health Service (ISHS). That contract is due to expire on 30th September 2018.

London Borough Havering (LBH) in partnership with the London Boroughs of Barking and Dagenham (LBBD) and Redbridge (LBR) has undertaken a three- borough procurement of the ISHS with LBBD leading the procurement exercise on behalf of the other two boroughs.

It is proposed that the decision to award the contract be delegated to the Interim Director of Public Health in consultation with the Director of Legal and Governance and Director of Finance.

Councillor Frost outlined the history to the matter as set out within the report.

Members indicated that it would be helpful to have details relating to the number of people using the service and the outcomes of it. It was further suggested that an All Member Briefing be organised in the future to provide further detailed information.

The ISHS is a user driven service and the Council will only pay for the services used. The ISHS brings together all sexual and reproductive services including Genitourinary Medicine (GUM) and HIV. It was noted that HIV services and treatment are procured separately and paid for by NHS England.

Cabinet:

- **Delegated** the power to the Director of Public Health acting in consultation with the Director of Legal and Governance and the Director of Finance to make the decision to award a contract for the provision of the Barking & Dagenham, Havering and Redbridge (BHR) Integrated Sexual Health Service (ISHS) to Barking Havering and Redbridge University Hospitals NHS Trust (BHRUT) for a period of 5 years from 1st October 2018 to 30th September 2023 with the

option to extend for a further three-year period on an annual basis at the sole discretion of the Councils.

5 FUNDING APPLICATIONS TO VEOLIA HAVERING RIVERSIDE MAINTENANCE TRUST

Councillor Osman Dervish, Cabinet Member for the Environment, presented the report to Cabinet.

This detailed an update on the position in relation to the Veolia Havering Riverside Maintenance Trust (VHRMT). This was set up by Veolia in response to the lease granted on the Veolia Landfill Site in Havering, which required long term funding to be made available to secure the aftercare of the site, once the area had been restored post-landfill. The total amount of funding available is approximately £5 million.

Due to legislative changes agreed by the Department for Communities and Local Government and ENTRUST, and the decision to abolish the Landfill Communities Fund by 2020, the way that this funding is distributed and used has been amended.

A previous Cabinet Report submitted for consideration on 10th May, 2017, recommended that the Council approve submissions for funding to Veolia, and delegate authority to the Chief Executive to sign off these submissions. It also recommended that options for ensuring future funding for the maintenance and management of the site were explored, with the preferred option identified and put in place. These recommendations were agreed at that Cabinet meeting.

Subsequently, use of a Charitable Incorporated Organisation (CIO) as the mechanism for ensuring future funding was agreed, and work began on putting this together.

A number of eligible capital projects were submitted for funding in 2017/18, with a total value of approximately £750,000 awarded.

In 2018, the Council were notified that Veolia no longer required the future funding element to be put in place, meaning that setting up the CIO is no longer necessary. The funding was also opened up more widely, to all eligible organisations in Havering.

To reflect this change, this further report has been produced recommending that the Council continue to submit applications for capital project funding to Veolia in 2018/19 and 2019/20, and also removing the requirement for a future funding mechanism to be put in place.

Further detail in relation to the applications for funding will be supplied to Members. It is important that other eligible community groups in Havering are made aware of the possibility of making applications for funding and

work will take place to ensure this is sign posted and communicated as clearly as possible with prominent publicity.

The Council has an option to take a pie-crust lease in relation to the site in 2031, where the responsibility for the maintenance of the site will remain the responsibility of the owners. An endowment is in place to limit these running costs.

Cabinet:

- **Agreed** that the Council prepare and submit funding applications to the Veolia Havering Riverside Maintenance Trust (the “Trust”) that meet the objectives of the Trust and the Council.
- **Delegated** authority to the Director of Neighbourhoods, after consultation with the Leader, to identify projects which meet the required objectives and authorise submission of applications.

6 COMMISSIONING PLAN FOR EDUCATION PROVISION 2019-2023

Councillor Robert Benham, Cabinet Member for Education, Children and Families presented the report to Cabinet, detailing the Commissioning Plan for Education Provision (CPEP). This is a four year rolling plan which is updated annually. The CPEP sets out how Havering Council seeks to ensure that there is sufficient capacity to meet demand for early years, primary, secondary, post 16 and special school places across the Borough.

The draft Plan is available for consideration at Appendix 1 of the report and contains information on:

- The current pattern of early years, primary, secondary, post 16 and special school provision across the Borough;
- Forecast of future demand;
- Plans to meet the needs for additional places in areas for growth and regeneration; and
- Policy for school organisation and expansion

Additionally, it is intended that the CPEP will:

- Help the education community to understand the longer term school population trends;
- Inform parents and the wider community of the changes planned and seek their views and preferences; and
- Outline to potential sponsors the need for school places.

Subject to approval by Cabinet, the draft CPEP will be circulated for consultation to schools, parents, residents, the Dioceses and all other education stakeholders. The consultation period will run for eight weeks commencing mid-September, 2018.

Following this consultation the CPEP will be revised accordingly and, subject to the approval of the Cabinet Lead Member, will be in place for the next four years.

There will be close consideration of recruitment to staff school expansions and a strategy to retain staff in schools, which is a challenge across the whole of East London at present. The Havering Academy of Leadership will be working closely with schools in this regard.

In terms of finance, there are a number of provisions which will be looked at. The Council are currently bidding for the next wave of free school provision which will have funding from the Education and Skills Funding Agency (ESFA). In 2019/2020, there is a projected allocation of close to £20 million and this will be used to fund the plan.

There will be a further report to Cabinet in January, 2019 which will detail the schemes required. Close working with regeneration colleagues will take place to ensure appropriate provision is made in line with growth schemes in the Borough.

Updates will be going to the Children's Overview and Scrutiny Sub Committee.

Birth rate figures will be closely checked and monitored in order to shape the most accurate forecasts for expansion and demand to sustain communities moving forward.

Cabinet:

1. **Approved** the draft Commissioning Plan for Education Provision (CPEP) in Havering 2019-2023;
2. **Approved** the circulation of the draft CPEP for consultation to all stake holders in early years and school place planning;
3. **Delegated** the determination of the final CPEP, to the Cabinet Member for Children & Learning in consultation with the Director of Children's services;
4. **Approved** for the LA to work with Havering sponsors to submit an application in Wave 13 for a new 3 FE mainstream primary free school in Romford.
5. **Approved** for the LA to submit an Expression of Interest (EOI) for a new special free school and an AP free school
6. **Noted** that a further report will be going to Cabinet, setting out the details of each expansion scheme, the consultation process and indicative costs and funding for each scheme.

7 THE DEVELOPMENT OF A SEMI-INDEPENDENT PROVISION AND RESIDENTIAL UNITS IN BOROUGH

Councillor Robert Benham presented the report to Cabinet seeking approval to obtain capital funding to redevelop two council-owned properties in the Borough and commence a tender process for care provision for children and young people in those buildings.

Drivers for the work include:

- The Secretary of States Sufficiency Guidance, placing a statutory duty on local authorities to provide sufficient accommodation for looked after children (LAC)
- A recommendation of the 2016 OFSTED inspection report for the Borough to take steps to improve local provision and place more children and young people in care within the Borough. The OFSTED report of 2018 stated that “The Sufficiency Strategy is robust and there is a good awareness of any gaps in provision”, which supports this approach.
- The need to develop cost effective capacity in provision in the light of increasing demand in Havering.
- Improving outcomes for young people through local provision which in turn will lead to: more stable relationships with families and professionals; reduced risk of young people going missing from placements and exploitation; more oversight and quality control; and better coordinated care pathways.

The Capital required for the renovation works for both properties is estimated at £350,000. The two proposed care facilities will be based at Widecombe Close, in the Heaton ward which would provide a six bedded home and Park End Road, in the Romford Town ward which provide another 6 bed facility.

Savings from the placement budgets, delivered as a result of having more control over property costs and the market are estimated at £144,000 in 2019/20 and will contribute to the Children’s MTFS annual savings target of £250,000.

It is proposed that the final decision regarding the second unit will be delegated to the Director of Children’s Services, Tim Aldridge. The cohort of Children in care has reduced from 17 to 8 and therefore the viability of a residential children’s home is less clear. There is a demand for semi-independent units. It was noted that a children’s home would need to be OFSTED compliant and that it is easier to find providers for semi-independent provision.

There are clear advantages of having Havering LAC within the Borough to help build the necessary level of support where there would be a greater

degree of control and an enhanced quality of care. Local provision would also ensure a speedy response if issues did arise.

Cabinet:

Reviewed and **approved** the commencement of tendering processes for:

- 1) The works to refurbish two council properties;
- 2) The funding to carry out the works, which is estimated to be £350k
- 3) A care provider to deliver and manage a semi-independent 6 bedded unit in the borough.
- 4) A care provider to deliver and manage a residential or semi-independent 6 bedded unit in the borough.
- 5) The delegated authority for the Director of Children's Services to make the decision in relation to decide on whether the provision will be semi-independent or residential.

8 UPDATE OF THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY (MTFS) AND BUDGET FOR 2019/20

The Leader of the Council, Councillor Damian White, presented the report to Cabinet.

It was noted at the outset that an application had been made to the Chair of the Overview and Scrutiny Board to exempt the MTFS and Budget Update report from the requisition procedure in accordance with the rules of the Constitution, Paragraph 18, of the Overview and Scrutiny Committee Procedure Rules.

This application was granted and therefore this decision is exempt from the Call-in process as set out in the supplementary Agenda.

The report detailed the current position on the Council's Medium Term Financial Strategy which outlines the pressures and funding changes the Council is expecting over the next four years. In addition, the report explains the complex range of factors affecting local authority forecast funding streams and expenditure and the Council's position in relation to these matters.

These factors are all detailed at length in the report and there had been a recent All Member Briefing for Councillors.

Central Government Funding to Havering has reduced by over £29m since 2014/15 with a further reduction to come for 2019/20. There continues to be significant uncertainty for the future.

The Fair Funding Review Consultation is now complete and implementation is due in April 2020.

The review is about a fairer distribution system and every Authority will get a new baseline calculated after revised needs formulae have been agreed.

20/21 will be a transition year and the effect of any significant distribution changes will be damped by this.

The Council currently receives a number of unringfenced grants from Central Government. Better Care Fund (BCF) / Improved Better Care Fund (iBCF) and the New Homes Bonus are examples of these. For the majority, there are no guarantees for their future and services will experience significant pressures.

Havering has entered into the London Business Rates Pool Pilot which is voluntary but includes all London authorities.

All member councils will receive some share of any net benefits arising from the pilot pool. This recognises that growing London's economy is a collective endeavour in which all boroughs make some contribution to the success of the whole.

The Secretary of State has recently announced that the Green Paper on Adult Social Care will be published in the autumn to align with the NHS Plan. The funding for Adult Social Care will be determined as part of the 2019 Spending Review.

In 5 years since 2014/15 the Council has achieved over £77m in savings and increased income. The Budget Report to Council in February, 2018 balanced the budget and identified a remaining gap to be closed of £30.025 million over the next four years. Since that meeting there has been a lot of work to update and refresh the MTFs these changes and the proposals to close the gap are addressed and set out in detail in the report appendices.

The work falls into two themes:

- The first theme includes a range of service reductions and income generation proposals which have been identified for consideration. These are set out in Appendix A of this report. The proposals are service changes that can be implemented swiftly to meet the significant financial challenges that the Council faces in 2019/20 and 2020/21.
- The second theme takes a more transformational approach and includes programmes and projects that will modernise and improve services while delivering key efficiencies to help balance the budget. The proposals are set out in summary in Appendix Bi 'Transformation – Doing things differently' and in the form of individual concept cases in Appendix Bii. The nature of these programmes and projects means they will take longer to develop and implement. They are typically cross-departmental and require collaboration and cultural change across the Council, making them riskier to implement. They require corporate overview and programme management, and will only begin to provide a low level of savings in 2019/20.

Consultation on proposals is planned to take place during August and September to enable the findings to inform the November Budget report.

Jane West, s151 Officer, indicated to Members that she would be able to address any concerns separately if needed.

The consultation process will commence and it is hoped that members of the public will engage with the Council and pick up within the consultation process, areas that are of particular interest to them. There is a desire to make this as clear as possible so the wording of the consultation will be looked at again to ensure matters are clear and easy to understand and respond to.

There will be a series of public events in an attempt to maximise responses from the public.

Cabinet:

1. **Noted** the financial context.
2. **Agreed** the proposed consultation process and associated timetable as set out in section 7.
3. **Considered** the proposal to revise the Council Tax Support Scheme and agree that the statutory consultation be undertaken on the basis set out in Section 5, Section 7, Appendix D and Appendix E.
4. **Gave approval** to commence consultation on the proposal to increase the Council Tax empty homes premium to 100% for properties that have been empty for more than two years.

Chairman

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 8 August 2018
(7.30 - 7.38 pm)

Present:

Councillor Damian White (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Robert Benham	Cabinet Member for Education, Children & Families
Councillor Osman Dervish	Cabinet Member for Environment
Councillor Joshua Chapman	Cabinet Member for Housing
Councillor Jason Frost	Cabinet Member for Health & Adult Care Services
Councillor Roger Ramsey	Cabinet Member for Finance & Property
Councillor Viddy Persaud	Cabinet Member for Public Protection and Safety

9 DISCLOSURES OF INTEREST

There were no declarations of interest.

10 HAVERING COMMUNITY INFRASTRUCTURE LEVY - DRAFT CHARGING SCHEDULE

The Leader of the Council, Councillor Damian White introduced Martyn Thomas, Development and Transport Manager to present his report to Cabinet.

Mr Thomas detailed the proposals for the Havering Community Infrastructure Levy (CIL), stating that the Council recognises the delivery of infrastructure will be the key to successfully realising planning and regeneration strategies across Havering. The London Borough of Havering is committed to the timely and efficient delivery of infrastructure to support residents and businesses in Havering.

CIL is a monetary 'charge' which will be placed on new development to secure a contribution towards the cost of infrastructure from developers.

CIL funds can be used to help provide new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure. It cannot be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be worsened by new development.

In line with statutory requirements for preparing a CIL, the report detailed a recommended Draft Charging Schedule and relevant supporting documents.

CIL must have a sound and robust evidence base as it is subject to external scrutiny by an independent Examiner before it can be adopted.

In preparing the CIL, the Council has taken account of its latest updated evidence on infrastructure and up to date information on viability considerations and the preparation and submission of the Havering Local Plan.

The report recommends increased CIL charges for new residential development. Specifically, an increase for housing in the northern charging zone from £70 to £125 per sqm and a more modest increase for new housing in the southern charging zone (from £50 to £55 per sqm).

The supporting items depicted in the appendices include an Infrastructure Funding Gap Report and a draft Regulation 123 list. The former shows that the cost of the infrastructure necessary for growth in the Borough is much greater than the funding available for it and this justifies the Council seeking to implement a CIL scheme.

The latter sets out which infrastructure the Council will seek to use CIL funding for and those which it will continue to use planning obligations for.

Cabinet approval is sought to consult the public for six weeks on the CIL Draft Charging Schedule and supporting documentation before they are submitted for Examination.

The Council will still continue to make use of Section 106 planning obligations to secure funding from developers and the CIL scheme will work alongside this well-established and successful mechanism. Planning obligations will continue to provide a valuable income stream towards the cost of infrastructure to support development. The CIL will not replace the current Planning Regulations but will work alongside them.

Planning obligations will continue to have an important role in cases where a scheme needs on-site mitigation measures to make it acceptable in planning terms and where a development itself gives rise to a specific infrastructure requirement such as a school. The Council will also use planning obligations for certain other specific matters which will sit outside the CIL scheme (e.g. affordable housing, job brokerage and waste management).

The Council must keep its CIL under review and will have to publish information about it (including how much it collects and how it spends it).

Adopting CIL will help the Council to ensure that residents are able to enjoy a high quality of life founded on the infrastructure that they need for day to day living. It will assist also in ensuring that Havering remains a borough with a high quality environment and high levels of transport accessibility and connectivity where people want to live and businesses want to invest.

Notwithstanding the scope arising from CIL, it will remain essential, for the Council and other stakeholders to continue to explore every opportunity to secure funding from other sources to complement and augment CIL monies.

It was also noted that a Supplementary Agenda had been produced to recommend a revision to **Table 1 in section 4** of the report which sets out the recommended CIL charging rates. Cabinet agreed to receive the supplementary Agenda. The revision concerns the definitions set out in the table and in the explanatory notes beneath it.

Specifically, the adjustment provides an accurate description of the retail uses that will pay the respective CIL charges. It:

- responds to representations made at the initial stage of public consultation
- better reflects the viability assessment
- places the Council in a stronger position to robustly justify its Draft Charging Schedule

The table is also included in some of the supporting documents and these will be adjusted as necessary.

Cabinet:

Agreed to receive the supplementary Cabinet agenda and **noted** the amendments to be made to the report as detailed therein.

In addition, Cabinet:

- (a) **Approved** the Council's responses to the representations submitted during the consultation in 2015 on the Preliminary Draft Charging Schedule (**Appendix 1 of the report**);
- (b) **Approved** for public consultation, the following Proposed Submission documents, prior to their submission to the Secretary of State :
 - the Havering CIL Draft Charging Schedule (**Appendix 2**) as revised and updated from the Preliminary Draft Charging Schedule;
 - the draft Regulation 123 list (**Appendix 3**) ;

- the procedural and evidence based documentation supporting the Draft Charging Schedule as listed below :
 - (i) Consultation Statement following consultation on the Preliminary Draft Charging Schedule (2018) (**Appendix 1**)
 - (ii) Infrastructure Funding Gap Report (2018) (**Appendix 4**)
 - (iii) Viability Assessment (2018) (**Appendix 5**)
 - (iv) Infrastructure Delivery Plan (2018) (**Appendix 6**)
- (c) **Delegated** authority to the Director of Neighbourhoods, following consultation with the Leader, to finalise and approve the proposed Submission documents, as set out in 1(b) (above) for submission to the Secretary of State, including to:
 - (i) make modifications to the Submission documents arising from consultation;
 - (ii) submit the Draft Charging Schedule, the draft Regulation 123 list, the Council's responses to the representations submitted to the Preliminary Draft Charging Schedule, and the necessary procedural and evidence base documentation, together with any proposed modifications, to the Secretary of State;
 - (iii) make submissions to the Examiner in support of the Submission Draft Charging Schedule (including the supporting procedural and evidence base documentation);
 - (iv) make modifications to the Submission documents during, and as a result of, the Examination process;
 - (v) undertake any further consultation required during the Examination ;
- (d) **Approved** the revocation of the Havering Planning Obligations Supplementary Planning Document (2013) on adoption of the CIL

Chairman

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Cabinet

10 October 2018

Subject Heading:

One Havering: Community Cohesion Strategy 2018 - 2022

Cabinet Member:

Councillor Damian White, Leader of the Council

SLT Lead:

Jane West, Chief Operating Officer

Report Author and contact details:

Vernal Scott
Corporate Diversity Advisor
vernal.scott@havering.gov.uk
01708 431915

Policy context:

Public authorities, including councils, have a duty under the Equality Act 2010 to pay 'due regard' in carrying out their functions, to ensure that they:

Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;

Advance equality of opportunity between people who share a protected characteristic and those who do not, and Foster good relations between people who share a protected characteristic and those who do not.

'One Havering' relates to the requirement to foster good relations between local people who share protected characteristics and those who do not.

Financial summary:

There are no financial implications associated with approving the Strategy and Charter. However, their delivery and monitoring may have financial implications for the Council and its partners. It is envisaged that these financial implications will be contained within existing budgets of the relevant services but where opportunities arise to attract additional sources of funding (e.g. grants), these will be pursued through the relevant channels.

Is this a Key Decision?

Yes

Leader's Briefing 5 September 2018

Is this a Strategic Decision?

Yes

When should this matter be reviewed?

The Community Cohesion Strategy 2018 - 2022 is a four year plan. The action plan will be refreshed annually. The strategy is due to be refreshed by March 2022.

Reviewing OSC:

Overview and Scrutiny Board

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report seeks Cabinet's approval of the 'One Havering: Community Cohesion Strategy' and its adoption across services.

This is Havering's first Community Cohesion Strategy which, in line with the Equality Act 2010, aims to foster good community relations and a complementary union between the Council's stated values and the borough's evolving diversity profile. The Strategy deliberately focuses on the many common experiences, aspirations and values that unite local people as one community, as One Havering. It seeks to make a very clear policy statement about how the Council will go about nurturing and promoting "a cohesive, healthy and optimistic borough, underpinned by modern British values; where everyone experiences dignity and equal life chances, and neighbours, colleagues and different community groups interact with, respect and value each other, regardless of age, colour, disability, education, ethnicity, gender, health status, marital status, nationality, political perspective, religion, sexuality or socio-economic status".

The proposed strategy is framed around four themes:

- **Building** – Enabling new interactions and relationship building between different community groups;
- **Sharing** – Promoting common aspirations and experiences between different people;
- **Protecting** – Activities that promote crime prevention and community safety, and
- **Healthier** – Activities and projects that promote health and wellbeing

The proposed strategy also sets out four overarching cohesion priorities:

Leader's Briefing 5 September 2018

- We will engage with all communities in the further development of this Community Cohesion Strategy via the soon to be established Community Engagement and Cohesion Forum;
- Our residents will safe and protected in their homes and neighbourhoods;
- To ensure our economic and physical regeneration activity supports the creation of safe, strong, cohesive communities, and
- We will reduce inequalities in health and wellbeing across communities in Havering. People who use our services will have a healthy life expectancy and an improving quality of life.

Finally, the proposed strategy has four overarching equality objectives running throughout it:

- Understanding the needs of Havering's diverse communities;
- Improving life chances for all, particularly for the most vulnerable members of the community;
- Removing barriers to accessing the Council, and
- Promoting community relations and civic pride.

The crucial practical element involves the rollout of a series of community-facing projects designed to encourage different community groups to interact and get to know each other. The Corporate Diversity Advisor will work with services, both internal and external, to produce and develop cohesion-related projects across the borough and within available resources. An initial list of projects will be contained in an update report due in April 2019.

RECOMMENDATIONS

That the Cabinet:

1. **Approves** the One Havering: Community Cohesion Strategy (attached at **Appendix A**);
2. **Agrees** to the establishment of the Community Engagement and Cohesion Forum and the proposed Terms of Reference (attached at **Appendix E**), and
3. **Agrees** that monitoring of the Strategy will be undertaken by the Community Engagement and Cohesion Forum with advice from the Corporate Diversity Advisor.

REPORT DETAIL

1. Background

- 1.1 Public authorities, including councils, have a duty under the Equality Act 2010 to 'pay due regard' in carrying out their functions, to ensure that they:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
 - advance equality of opportunity between people who share a protected characteristic and those who do not, and
 - foster good relations between people who share a protected characteristic and those who do not.
- 1.2 'One Havering' relates to the requirement to foster good relations between local people who share protected characteristics and those who do not.
- 1.3 The evolving demographics and cultural norms of Havering now include diverse families, individuals, community groups and lifestyles. With the level of planned regeneration across the borough it is expected that this diversity will continue to increase. It is within this context that the ethics and functions of the Council remain actively committed to fairness, inclusion and dignity for all, coupled with an unwavering respect for British values.
- 1.4 The borough's increasing diversity will bring new opportunities and challenges, including that of providing high quality services in a climate of greatly reduced budgets and increasing demand. It will also bring the challenge of ensuring that long-standing communities and newer diverse communities live and work in harmony. The development of this important strategy is evidence that the Council intends to play a proactive role in setting the overarching culture and tone of Havering, through its local place-shaping activity; positively influencing the quality of local life and how different communities experience life together.
- 1.5 Community cohesion can be described as an often unseen or unconscious natural mechanism, thread, or chemistry which is present in most places and enables different community groups and individuals to live and work together in harmony. It is present in Havering's streets, schools, offices, shops, market places, housing estates, neighbourhoods, and our bustling town centres and social settings.
- 1.6 Sustained community cohesion is sometimes taken for granted, especially when it appears to be working well on 'auto-pilot'. However, it can become disrupted by a range of different factors, from nuisance neighbours, random or incessant criminal activity, disrespectful or other anti-social behaviour, unfair treatment of individuals or groups, poor civic leadership, disengaged silo communities, and people feeling excluded or rejected or that they do not belong. An actual or perceived breakdown in cohesion can prompt fear and even lead to significant social disorder. Ill-informed comments, negative stereotyping, financial exclusion, discriminatory practices, long-term unemployment, poor housing, poor education, and misplaced assumptions about "other people" can also lead to a weakening of community cohesion.

- 1.7 Harmonious communities are happier and more productive communities and there are significant advantages for the Council and its residents in proactively seeking to strengthen the mechanisms and spirit of local community cohesion. Although this task can be both simple and complex, many local authorities have embraced this challenge and are engaged in related activities. There is a real risk that if councils don't set the tone in their local areas then other, perhaps objectionable voices, may seek to do so, be they far-right, religious extremists, or otherwise.
- 1.8 Sustainable community cohesion is enabled and secured by determined leadership and the active development of trusting, inclusive community relations. As seen in places impacted by acts of violent extremism, effective civic leadership can help to restore calm and have a positive effect on the public's confidence and sense of wellbeing. It can only be helpful to have strong community relations fully established and in place in advance of such random and unpredictable events.
- 1.9 It is proposed that monitoring of the strategy will take place via the proposed Community Engagement and Cohesion Forum with guidance from the Corporate Diversity Advisor. The Cabinet will be provided with progress updates on a six-monthly basis.
- 1.10 As the strategy is implemented, residents' perception surveys should reflect an improving level of satisfaction with the local area. The proposed Community Engagement and Cohesion Forum as well as survey findings highlight the strong engagement structures in place which enable the Council to better understand the needs and aspirations of local communities. Further examples of good practice include the Youth Council, Older People's Forum and other community forums supported by the Council.

REASONS AND OPTIONS

Reasons for the decision:

As set out above, adoption and implementation of the strategy is recommended in order to nurture and promote a unified borough underpinned by modern British values, where everyone experiences equal life chances and is respected regardless of their identity. By adopting and implementing the strategy, the Council can play a proactive role in shaping the overarching culture and tone of the borough and enhance the quality of local life for all its communities. Adoption and implementation of the strategy will also assist the Council in discharging its duties under the Equality Act 2010.

Other options considered:

The Cabinet could chose not to adopt the proposed strategy however, as set out above, if the Council does not take the leadership role in setting the tone for community relations and cohesion, this could be disrupted by a range of different factors as described earlier in the report.

Leader's Briefing 5 September 2018

In the absence of a specific Community Cohesion Strategy, other corporate and partnership documents (including, but not limited to, the Corporate Plan, Voluntary Sector Strategy, Volunteering Strategy, Community Safety Plan, Health and Wellbeing Strategy and the Financial Inclusion Strategy) would still further the cohesion agenda, however the opportunity would be lost to ensure effective joining up of this work and for the Council, in its community leadership role, to make a strong policy statement about its commitment to fairness, inclusion, dignity for all and respect for British values.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications associated with approving the Strategy and Charter. However, their delivery and monitoring may have financial implications for the Council and its partners. It is envisaged that these financial implications will be contained within existing budgets of the relevant services but where opportunities arise to attract additional sources of funding (e.g. grants), these will be pursued through the relevant channels.

Human Resources implications and risks:

There are no direct human resource implications for the Council. The project management and implementation requirements will be met by the existing resources of the Council.

Legal implications and risks:

As set out in the report, there is a duty imposed on the Council under section 149 of the Equality Act 2010 to have due regard to the need to foster good community relations between different groups. Approval of the strategy is in line with this duty.

Equalities implications and risks:

In line with the Equality Act 2010, the strategy is intended to foster good relations between people who have 'protected characteristics' and those who do not. It has been agreed with Legal that an Equality Impact Assessment is not necessary for this strategy as it is clearly intended to promote inclusion and equality for 'protected' groups and all others.

BACKGROUND PAPERS

None

One Havering

Havering Community Cohesion Strategy 2018 - 2022

V0.6 24 August 2018

Document Control

Document details

Name	Community Cohesion Strategy
Version number	V0.6
Status	Draft 7 (24 August 2018)
Author	Vernal Scott (Corporate Diversity Advisor)
Lead officer	Phillipa Brent-Isherwood (Assistant Director of Policy, Performance & Community)
Approved by	Cabinet
Review date	September 2019

Supersedes	Single Equality Scheme 2013-16, Equality in Service Delivery Policy, Equality in Employment Policy
Target audience	This strategy is aimed at all Council staff, community stakeholders and the wider public. It sets out a series of high level themes, outcomes and related projects that will promote safe, strong and interactive communities in Havering. In a move away from a traditional 'cohesion' approach, the strategy will prompt activity that will make a difference to community relations and further the Council's commitment to meeting its duties under the Equality Act 2010.
Related to	Corporate Plan, Community Safety Plan, Equality Framework for Local Government, Serious Group Violence and Knife Crime Strategy, Reducing Reoffending Strategy, Violence against Women and Girls Strategy, PREVENT Plan, Health and Wellbeing Strategy, Drug and Alcohol Strategy, Business Intelligence Strategy, Cultural Strategy, Economic Growth Strategy, Financial Inclusion Strategy, Voluntary Sector Strategy, Volunteering Strategy, Local Lettings Plan and Consultation Policy.

Version history

Version	Status	Date	Dissemination/Change
V0.1	Draft	19.10.16	Sarah Homer (Interim Chief Operating Officer). HCSP consultation
V0.2	Draft	01.11.16	Post HCSP comments
V0.3	Draft	18.01.17	Further HCSP consultation
V0.4	Draft	07.02.17	Pippa Brent Isherwood (Assistant Director of Policy, Performance and Community)
V0.5	Draft	14.07.17	Vernal Scott (Corporate Diversity Advisor)
V0.6	Draft	24.08.18	Jane West (Chief Operating Officer)

			Pippa Brent Isherwood (Assistant Director of Policy, Performance and Community) Vernal Scott (Corporate Diversity Advisor)
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Approval history

Version	Status	Date	Approved by
V0.5	Draft	December 2017	Senior Leadership Team (SLT)
V0.6	Draft	September 2018	Cabinet

Equality Impact Assessment record

Date	Completed by	Review date
08.02.17	Savinder Bharna (Corporate Diversity Advisor)	
22.08.18	Vernal Scott (Corporate Diversity Advisor)	September 2019

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Foreword

One Havering: Community Cohesion Strategy

Havering is an ambitious borough where local people experience a genuine sense of belonging and pride. We comprise of diverse individuals, families, community groups, lifestyles, and political opinions, but our ethics and functions as a Council are underpinned by an unwavering respect for British values. 'One Havering' is our first Community Cohesion Strategy (2018 – 2022). While acknowledging the differences between local people, it focuses on our similarities, common experiences, aspirations and the values that unite us as one community. Respect and tolerance for difference cannot be taken for granted, hence the development of this important strategy, which aims to:

'Nurture and promote a cohesive, healthy and optimistic borough underpinned by mainstreamed inclusive British values, where everyone experiences dignity and equal life chances, and where neighbours, colleagues and different community groups interact, respect and value each other'.

Good progress has already been made, thanks to effective partnership working with community organisations, including faith leaders and the voluntary sector. Our work on community cohesion will be ongoing over the months and years ahead. When our current objectives are achieved, we'll set ambitious new ones. The future will be shaped by all of us taking responsibility and working together.

Cllr Damian White, Leader of the Council

1. Executive summary

Havering's demographics have changed over the years and will continue to do so in the years ahead. This will bring greater diversity, and with it, inherent opportunities and new challenges, including that of providing high quality services in a climate of greatly reduced budgets and increasing demand. However, by developing this innovative Cohesion Strategy the Council is grasping these challenges as an opportunity to promote inclusive place-shaping, including supporting newer and older communities to live well and interact with each other.

General Cohesion Principles:

Build local community resilience where the greatest cohesion challenges exist, by:

- 1) Establishing a Community Engagement and Cohesion Forum and ensure the profile of participants reflect the diversity of Havering;
- 2) Ensuring thorough community and wider stakeholder consultation and buy-in to the cohesion agenda;
- 3) Delivering focused projects that will address the key issues for that particular area of Havering, including those that generate positive interactive relationships between different community groups and mentoring schemes that build the confidence of young people who lack positive role models;
- 4) Developing a set of localised indicators to measure the integration of newer and minority communities;
- 5) Working with schools to promote British values both in schools and the wider community, and appreciation and adherence to laws;
- 6) Co-designing with the community a Havering Good Citizen Charter (to include schools), which set out the expected commitments and behaviours of all new residents;
- 7) Utilising housing and regeneration plans to encourage social mixing of communities from different cultural backgrounds;
- 8) Improving English language provision through the funding of community-based classes;
- 9) Seeking ownership of the delivery of the Cohesion Strategy and projects by different stakeholder community groups, including disabled and elderly people, LGBT groups, Black and Asian communities, and others;
- 10) Developing community programmes to engage young people away from gangs, radicalisation, and criminal activity;
- 11) Opening ourselves and each other to peer challenge to improve each other's role in promoting greater cohesion.

The primary outcome of our cohesion effort is the building of trusting relationships between people who are similar to, and different from, each other. We want a strong, resilient Havering, and to this end, we will be delivering a range of public-facing cohesion projects over the months and years ahead which are intended to deliver tangible results. The strategy consultation process will seek to give a voice to the Borough's currently 'hidden' communities, including African, Asian, LGBTQ, and minority communities of faith, as well as the wider Caucasian majority. This strategy is complemented by the Council's Development Plan, Regeneration Plan, Hate Crime Initiatives, Prevent initiatives and Fair to All equality policy, all of which will be monitored as components within the proposed Equality Framework for Local Government with which the Council will be aiming for 'Excellent' status.

Unpredictable and unforeseen events may occur from time to time that will seek to challenge and undermine our unity as a community, but we will endeavour to remain focused and support each other through such times, if and when they occur. We will not do the work of the perpetrators of hate and terrorism for them by turning against each other. That said, being 'politically correct' in addressing their destructive agenda is, itself, incorrect, so working with the police and other partner agencies we will observe, analyse, and articulate problems as we see them and apply the necessary solutions as needed. Again, we are one Havering and we will not allow hate or extremist ideology of any kind to propagate and divide us. Wider stakeholder support will help to overcome occasional difficulties and ensure that we remain on course to become a modern beacon Borough. We are just as determined in our approach to hate crime; the perpetrators will not be tolerated. Hate crime is where the victim is targeted solely because of a human characteristic that they cannot alter, such as their ethnicity, disability, sexuality, religious or gender identity. We stand with the police and the victims and will ensure that prevention in relation to all crime remains a top priority across Havering.

Havering's Equality and Community Cohesion Objective is:

'To nurture and promote a cohesive, healthy and optimistic Borough underpinned by mainstreamed inclusive British values, where everyone experiences dignity and equal life chances, and where neighbours, colleagues and different community groups interact, respect and value each other'. *

*** Regardless of age, colour, class, disability, education, ethnicity/race, sex, health status, marital status, nationality, political perspective, religion, transgender identity, sexuality, or socio-economic status.'**

Community Cohesion explained

Community cohesion describes how everyone in a geographical area, such as Havering, lives alongside each other with mutual understanding and respect. Cohesion has a number of inherent complexities, including citizenship rights and responsibilities, perceptions of belonging and difference, fairness and trust, and relationships between different groups. Havering's community profile has changed in recent years and will continue to do so in the years ahead, but not everyone understands the change or appreciates it. It is, however, a permanent feature and will continue to develop in the years ahead. The Council isn't willing to take continued community cohesion for granted. With this strategy and the cohesion themes and community-facing projects detailed below, we aim to ensure that it is sustained and enhanced. Within each theme there are specific projects with clear outcomes which will make both a visible and long lasting difference. We are also open to new ideas. It is important to make clear that there has been cohesion-related work in the Borough for some time, and where those initiatives are still active this strategy will seek to complement them.

Community cohesion is about inclusion and the proactive fostering of good relations. It is also about consultation and engagement, building interactive relationships between neighbours, different faith groups, different races, young and old, and people of different socio-economic status. The Local Government Association has defined a cohesive community as one where:

- There is a common vision and a sense of belonging for all communities;
- The diversity of people's backgrounds and circumstances is appreciated and positively valued;
- Those from different backgrounds have similar life opportunities; and
- Strong and positive relationships are being developed between people from different backgrounds and circumstances in the workplace, in schools and in neighbourhoods.

It is also acknowledged that there are seven steps to developing effective community cohesion. These are:

- Leadership and commitment
- Developing a vision and values for community cohesion
- Programme planning and management
- Engaging communities
- Challenging and changing perceptions

- Community cohesion and specialist areas
- Ensuring sustainability of programmes

The general equality objectives relevant throughout this strategy are:

- Understanding the needs of Havering's diverse community
- Improving life chances for all, particularly for the most vulnerable members of the community
- Removing barriers to accessing the Council
- Promoting community relations and civic pride

2. Context, Case and Purpose of this Strategy

A cohesive community is a happier community. Creating a just and fair society where everyone can prosper and get on with each other is a key British value that Havering Council is proud to promote. The consequences of economic and social exclusion are long-lasting and negatively impact everyone in different ways. For example, school children from poorer families do less well than others and are more likely to experience ill-health and pressures associated with unemployment and criminality. If future generations are going to do better with whole-life outcomes, then we must ensure that school attainment gaps for the economically advantaged and disadvantaged, and between pupils of different racial groups, is narrowed.

We also know that where communities live in silos and don't interact there is greater mistrust, anxiety, and prejudice. Havering is a Borough that continues to change with many of our wards becoming more ethnically, culturally and socially diverse. Where areas experience significant population change occurs, tensions can sometimes arise. This can sometimes manifest itself as anti-social behaviour, but sometimes reflects a lack of mutual understanding and stereotyping of a particular community. To do this we want to support the integration of new communities, raise awareness of all forms of hate crime and improve support for victims. We want to work in close partnership with community, voluntary and faith groups to positively engage local people in building good community relations and preventing alienation and mistrust. English language proficiency is a common denominator, or should be, and greatly aids integration. Therefore, availability of English classes is a positive conduit to better cohesion and should be made available where possible to undermine the likelihood of silos developing locally.

Similarly, shared common values, including respect for the rule of law, democracy, equality and tolerance, are inhibitors of division and extremism. Social interactions between different community groups generate a general sense of safety and wellbeing for everybody and lessen the chances of those with a destructive or

exploitative agenda from influencing the vulnerable. Women, disabled people and LGBT communities all need bespoke attention, starting with direct consultation with those groups to ascertain their experiences, needs, and aspirations. Positive equality policies don't always translate to positive attitudes towards the disabled, LGBT communities, and women. Men, on the other hand, are more likely to be the perpetrators of domestic violence and tend to need significant encouragement to address potential medical issues such as prostate and testicular cancer. Again, consultation with men via churches, mosques, gyms and barber shops will be a worthwhile activity to promote healthy and holistic wellbeing, talk about relationships, parenting, sexual health, and domestic violence. This is the reason this strategy is very much a project lead strategy so we, as a community, make a real difference.

We will need to link our efforts to challenging negative behaviours; integration of newer communities; crime rates; and improving health, security, and socio-economic status for everyone. The Council has a key role in creating an ethos in the Borough where change isn't perceived as a threat.

The essence of Havering's cohesion work mostly involves the rollout of a series of innovative community-facing projects that have been designed to enable different or diverse individuals and groups to interact and grow in a unified, vibrant and safe way, rather than be afflicted by alienation, suspicion, ignorance, prejudice, conflict or a sense of grievance. Positive interactive community relationships, equal life chances and dignity for all, are fundamental values respected here in Havering. Service excellence for everybody is another key value; this involves reducing inequality in employment, standards of housing, education, health and economic wellbeing.

However, the major test for cohesion and equality in Havering, as in all Boroughs, isn't just about how well we get on with each other, but how well we do when compared to each other. This is a living strategy, which, when successfully implemented, should help prevent in-community silos and inspire people to reach their personal goals. It addresses the causes of negativity with positive projects that will lead to greater harmony among different community groups. The attainment of life-positive outcomes for everyone is our goal, and to this end, we will keep this strategy growing and under review in the years ahead to ensure that its mission and 'One Havering' title don't become well-meaning rhetoric.

Havering is predominantly characterised by green open spaces, a thriving town centre night time economy, and a Caucasian older population with a proud appreciation of British identity and values. However, diversity here is more than

ethnicity or skin colour; it is age, disability, culture, gender, religion, marital status, sexuality, nationality, political outlook, and economic status.

Community cohesion cannot be taken for granted, especially as our local diversity continues to evolve with the arrival and settlement of newer communities, and the increasing visibility of previously 'hidden' communities. Tragically, we are also living in an age of random threats brought about by extreme ideology and unpredictable random acts of terrorism. In the face of such threats, consciously managed cohesion is essential to optimising our strengths as a community. In order for people who are different from each other to get on, they need to feel a shared sense of the value of community, belonging and mutual respect. They also need to understand that people who are 'different' present no threat and are more likely to have similar characteristics than might at first be obvious.

We are committed to making Havering a safe place for all residents, especially the elderly, disabled, and other vulnerable or marginalised groups. Life can be much harder for some in our community and we should be honest and transparent in our discourse in order to find workable solutions and promote better life outcomes. Improving integration and the life chances of the most disadvantaged and disconnected will also inspire resistance and resilience against those who might seek to cause division through extremist ideology and hate. There are no acceptable excuses for crime of any kind. Crime undermines personal and community confidence and runs contrary to the spirit of cohesion, therefore, one or two of our suggested projects are specifically designed to thwart the perpetrators of criminality. The Council has a zero tolerance approach to the perpetrators of hate crime and other offences. Through the Havering Community Safety Partnership (HCSP), delivery of the annual Community Safety Plan and associated crime reduction strategies, as well as forums such as the Domestic Violence and Community MARACs (Multi-Agency Risk Assessment Conferences) and the projects set out in this strategy, the Council will continue to work with partners to address crime and disorder in the Borough.

The London Borough of Havering has a long and proud history of engaging with its residents and encouraging co-operation across the borough. The Council will work with communities to identify, promote and uphold diversity and promote a shared sense of pride and belonging locally.

As a Council we are committed to ensuring that we support the empowerment of people in local life and decision making through the delivery of a local Compact with the voluntary and community sector. For the public sector, empowerment is particularly important as it demonstrates where effective relationships and

engagement between service providers and the public have been established. This is even more important in an environment of diminishing resources. We wish to encourage conversations with our communities and listen to what our people are saying. Our approach will be delivered through the implementation of the Voluntary Sector Strategy, and by embedding a new, more proactive approach to community development work via community hubs.

The Council acknowledges that that a “one size fits all” does not work for all sections of the community and is committed to ensuring that seldom heard from communities are not excluded from the process. As such there will be a strong emphasis to ensure that our approach is informed by changing demographics and changes in local need.

All cohesion projects deliberately focus on our many human similarities and seek to enable harmonious outcomes in respect of our often over-exaggerated differences. The rollout of the projects will typically involve the Council working with concerned stakeholders to encourage a shared experience of unison, dignity, safety and respect for the women, men and young people who live, work, learn and play in the borough. All communities will be encouraged to participate.

People have natural biases and are less likely to mix with people who are perceived as different from themselves, or who they don't know. Some people only learn about others from media reports, television and rumour rather than direct contact. Those depictions are often themselves biased or truncated.

There is a difference between bias, whether conscious or unconscious, and outright prejudice. Prejudice is wrong and harmful to the perpetrator as well as their victim. Prejudice and discrimination feeds and exacerbates a sense of grievance, unfairness and isolation, and should be proactively countered by all responsible stakeholders. A successful community cohesion drive will challenge our natural biases and encourage informative interactions with people who are different from us; leading us to treat others with respect and build strong relationships between different parts of the community. The Council is determined to share the facts rather than myths about different ‘diverse’ groups and individuals in order to eradicate prejudice and unwarranted fear and to foster trusting community relations.

For our work on cohesion to be sustainable, the Council and all stakeholders will need to be willing to challenge ourselves and look at whether our own practices in any way contribute to the causes of the problems that we are seeking to resolve. Some of the questions or answers might be difficult, but this doesn't mean we

shouldn't ask or answer them. Indeed, stakeholders should be encouraged to challenge each other to see how we might maximise our respective roles to better promote the cohesion agenda. As well as hard questions, we should seek to ascertain what the actual real life outcomes are for our residents. For example: do white schools pupils fair as well as Asian or black pupils? Do older and younger people share an equal sense of safety? Do disabled residents feel enabled by the manner in which they are treated?

There can be no 'no go' topics, including those which seek to understand and counter potential terror. Havering Council is committed to equality and fairness, but this does not extend to our being silent on difficult issues for fear of being perceived as racist, Islamophobic, or any other label. Public sector organisations cannot condone or collude with minority cultural practices that cause harm or abuse; FGM (Female Genital Mutilation) is such an example. The Council is willing to do what must be done to ensure our equality and cohesion effort will have a meaningful impact and change lives for the better, including the lives of people from minority communities at risk of regressive, divisive and harmful cultural and religious practices.

The Council believes disadvantage at birth, or indeed at any time in life, should not be permitted to dictate whole-life outcomes that remain disadvantaged; a change of circumstances and new opportunities should be afforded to all who seek them. Major stakeholders, including the Council, should explore how we can use our respective roles and resources to help make those opportunities possible. As a minimum, institutionalised barriers which inhibit or curtail one's full-life potential or undermine community cohesion, should be systematically identified and removed; a task aided by the good practice of carrying out Equality Impact Analysis. Leadership on community cohesion isn't an easy task, but we wouldn't be responsible leaders if we neglected to tackle these matters.

Effective consultation and buy-in involving all Havering's communities is crucial to the success of this strategy. Through the soon to be established **Community Engagement and Cohesion Forum**, the Council will:

- Work with diverse community groups to directly involve them in the delivery of the projects associated with this strategy;
- Help raise the aspirations of younger people who perhaps lack positive role models;
- Identify 'hidden' or 'excluded' community and seek to involve them in civic engagement;
- Provide leadership on issues that impact on local community cohesion;

- Promote dialogue, tolerance, shared understanding, the breaking down of myths, and the building of strong community relationships between different groups;
- Champion equality and challenge prejudice and misunderstanding;
- Plan for national and international diversity events, such as Day of the Disabled Person, International Women's Day, Holocaust Memorial Day, World AIDS Day, Black History Month, LGBT History Month, Dementia Awareness Week, International Day of The Older Person, Gay Pride, etc.

How does this Cohesion Strategy meet the Council's current priorities?

The overarching vision for the Borough is about embracing the best of what Havering has to offer, and how we as a Borough can play an active role in the success of the whole of London. This Community Cohesion Strategy addresses all four of the Council's objectives:

- 1) Communities making Havering - Supporting families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents. This strategy aims to build life-affirming relationships between different individuals and groups and therefore greatly complements the stated objective. It will also help to identify health and wider inequalities and promote productive voluntary and community interactions.
- 2) Places making Havering – Delivering high quality homes which will improve the health and well-being of our residents, and continuing to invest in our housing stock to ensure that decent, safe and high standard properties are provided for all our residents, regardless of their needs. A home is greatly enhanced when the occupants feel safe and neighbours interact and respect each other, which is a key aim of this strategy.
- 3) Opportunities making Havering – The Council is committed to providing first-class business opportunities by supporting the commercial development of companies within the Borough, and to ensuring sustainable economic growth that generates local wealth and opportunities, high-quality skills and careers. The business case for equality and community cohesion is clearly relevant here. Data shows that businesses thrive where diversity and equality are a living and working reality.
- 4) Connections making Havering – The Council wants to capitalise on Havering's location and connectivity, with fast and accessible transport links both to central London and within the Borough. This strategy sends a strong message to talented people from diverse backgrounds to come to Havering and to see

it as a welcoming destination where they and their families can achieve their full potential.

This strategy adopts an approach that is inclusive of people with 'protected characteristics' under the Equality Act, but also those not explicitly covered by the Act, such as carers or people who are financially self-sufficient and have little interaction with social care or social housing. In accordance with this approach and as made clear by our overall objective, the Council aims to meet and go beyond its responsibilities under the Public Sector Equality Duty by nurturing a Borough where:

- All residents feel they belong, feel safe, and have respect for each other
- There is a shared vision of 'cohesion'
- British people and those of diverse identities interact positively and feel appreciated and valued
- People of different backgrounds have similar life opportunities
- Strong and positive relationships are being developed between people from different backgrounds and circumstances in the workplace, in schools and in neighbourhoods
- People of all backgrounds can live, work, learn and socialise without fear

Leadership is in place at political, officer and community levels, to ensure responsibility for the success of this strategy is owned, shared, and actively managed. Our vision is brought to life by the content of this strategy and other activities which complement our spirit of cohesion. Successful implementation of this strategy is dependent on integrated working and new partnerships between and within communities, businesses, voluntary and faith groups, residents, and the wider public.

"We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents."

Excerpt from the Council's vision re. Communities.

Across the health and social care economy, our Joint Health and Wellbeing Strategy (JHWS) has been developed by Havering's Health and Wellbeing Board and it is the overarching plan to improve the health and wellbeing of children and adults in our borough. The vision of the Havering Health and Wellbeing Board is: *"For the people of Havering to live long and healthy lives, and to have access to the best possible health and care services."*

Informed by the Joint Strategic Needs Assessment (www.haveringdata.net/jsna) and other needs analysis, we have identified the most pressing health and social care issues in the borough. By working collectively as a strategic partnership, the Health and Wellbeing Board has prioritised the actions we need to take to deliver our vision and improve outcomes for local people across four key themes:

- **Theme 1: Primary prevention** to promote and protect the health of the community and reduce health inequalities. *Healthy* life expectancy can be increased by tackling the common socio-economic and behavioural risk factors for poor health:
- **Theme 2: Working together to identify those at risk and intervene early** to improve outcomes and reduce demand on more expensive services later on.
- **Theme 3: Provide the right health and social care/advice in the right place at the right time.**
- **Theme 4: Improve the quality of services and user experience**

With addressing inequalities at the very heart of the Health and Wellbeing Strategy, the actions the Council has committed to will also form the delivery plan for this Community Cohesion Strategy. The Council and its partners are committed not only to increasing the life expectancy of our residents, but to ensuring that people are encouraged and supported to remain active and contribute to community life.

3. Cohesion Themes and Projects

Tangible cohesion is intrinsic to the holistic wellbeing of everyone in our community. We want local people to get on with each other and for all local organisations and business to see themselves as integral to making that happen. A calendar of events is already organised to celebrate nationally recognised initiatives such as International Women's Day, Black History Month, Day of the Disabled Person, Holocaust Memorial, LGBT Pride, World AIDS Day, etc. The practical element of this strategy involves the delivery of a range of projects that will prompt productive interactions between people who are different from each other. The projects will deliberately emphasise what makes them similar. When successful, the overall outcome of the projects will be the promotion of shared understanding across the Borough about our similarities, but also, a crucial appreciation of how our differences can enhance rather than tarnish each other's lives. The Corporate Diversity Advisor will work with services, both internal and external, to produce and develop cohesion-related projects across the borough and within available resources. An initial list of projects will be contained in an update report due in April 2019.

4. Overarching Cohesion Priorities

Priority 1

We will engage with all communities in the further development of this cohesion strategy via the soon to be established Community Engagement and Cohesion Forum.

We will do this by:

- Producing Terms of Reference for the Community Engagement and Cohesion Forum
- Reaching out to local community groups and inviting them to participate
- Furthering consultation via the already established Compact
- Using available data and neighbourhood profiles to evidence changes in communities, highlight community needs and to inform the development and delivery of community initiatives.
- Equipping communities with the skills and knowledge to deliver services on behalf of themselves and the Council
- Supporting the development of an ensemble of voluntary sector agencies working in partnership to bid for funding and contracts

What will success look like?

- Successful roll out of a series of cohesion-related projects
- Increased levels of volunteering within Havering.
- Increased interventions such as special project vehicles and neighbourhood agreements.
- Increased participation in consultation and community engagement activities, from all sectors of the population.
- Increased levels of public trust and confidence in the Council and its services.

Priority 2

Our residents will feel safe and protected in their homes and neighbourhoods.

We will do this by:

- Developing and implementing an annually refreshed Community Safety Plan.
- Developing and implementing a Corporate Hate Crime Protocol.

- Working with partners to prevent local residents being drawn into extremist behaviour, through the development and implementation of an annually refreshed PREVENT plan.
- Disrupting gang activity, organised crime groups and criminals involved in the supply of drugs through the production and delivery of a refreshed Serious Group Violence Strategy 2017-2021.
- Reducing reoffending through the delivery of the Reducing Reoffending Strategy 2016-2020.
- Ensuring protection and support services for children, young people and adults at risk of danger and harm from sexual exploitation.
- Improving support and interventions provided for victims of domestic abuse and their families through the delivery of Violence against Women and Girls Strategy 2017-21.
- Delivery of a Community Safety communications plan to address the disproportionate fear of crime in Havering.

What will success look like?

- A reduction in repeat victimisation for hate crime and domestic abuse
- Reduced levels of reoffending
- Improvements in the perception of crime in Havering as measured by the Police Public Attitude Survey

Priority 3

To ensure our economic and physical regeneration activity supports the creation of safe, strong, cohesive communities.

We will we do this by:

- Developing new housing zones across the Borough.
- Reducing disparities in educational attainment by ensuring that people are supported through their learning journey and have equal access to all learning opportunities.
- Working closely with our local businesses to ensure that learning and training opportunities are aligned to current and future business need.
- Implementing and delivering a new Employment and Skills Plan 2018-2021 to support residents into work and support businesses with a better skills and employment offer

- Developing a pilot employer brokerage service which will provide the infrastructure to engage with employers to identify employment and training needs and provision
- Providing support and advice to people impacted by welfare reforms. Encourage a regular programme of high quality outdoor arts events, including street arts and local shows.
- Encouraging, in partnership with local leisure providers, access to our sporting and leisure venues by making them safe and accessible to all.

What will success look like?

- A growing economy with rising employment, supplying a range of skill sets to meet the demands and changing needs of the local economy.
- Increased take up of learning and training opportunities across all age groups and protected characteristics.
- Increased employment sites that support business investment and expansion.
- Improved connectivity, including road and rail, and the communications network.

Priority 4

- We will reduce inequalities in health and wellbeing across communities in Havering.
- People who use our services will have a healthy life expectancy and an improving quality of life.

We will do this by:

- Supporting Havering residents to lead healthy, active lifestyles by providing access to good quality leisure facilities and open spaces and through the provision of information and advice.
- Continuing to engage with Friends of Parks groups to maintain and improve the borough's parks and open spaces
- Reducing the impact of alcohol and drugs through the delivery of the Drug and Alcohol Strategy 2016 - 2020.
- Implementing strategies to improve mental wellbeing and supporting those suffering from mental ill health.
- Working with agencies to develop and provide services that allow older and vulnerable people to live independently either in their own homes or cared for in the community.
- Providing and facilitating support for carers to assist more people to be cared for at home.

- Developing and implementing initiatives to reduce social isolation.
- Developing the use of integrated impact assessments to assess (and mitigate where possible) the health, equality and community cohesion impacts of our functions, policies and strategies.

What will success look like?

- A reduction in the harm caused by problematic drug and alcohol abuse
- Increased take up of mental ill health and wellbeing services
- An increase in the number of older and vulnerable people who have access to services that allow them to live independently either in their own homes or cared for in the community.
- Increased support for carers, allowing more people to be cared for at home.

5. Responsibility and Accountability

Overall responsibility and accountability

The Leader and Cabinet are responsible for holding the Council to account for the delivery of the Strategy. The Chief Executive has overall responsibility for ensuring that the actions in this Strategy are delivered. Leadership will also come from the Policy, Performance and Community service.

The Role of Elected Members

Members have a very important role in championing community cohesion and demonstrating that this is a key responsibility and at the heart of how the Council runs its business. This Strategy will stand a greater chance of success if it is championed by Cabinet Members, together with the related projects. Ward councillors are also well placed to provide support in local communities.

The Leader and Executive Members

The Leader and Cabinet hold the Council to account for the delivery of the Strategy. The Leader will advise the Cabinet of progress in delivering this Strategy.

Senior Leadership Team (SLT)

The Senior Leadership Team is responsible for overseeing this Strategy, and is responsible for ensuring activity is carried out in a timely manner and to an agreed quality standard.

The Corporate Leadership Team (CLT)

Outcomes related to the themes contained in this Strategy have been allocated to relevant Heads of Service and Assistant Directors. They are responsible for ensuring activity is carried out in a timely manner.

All Staff

All staff are responsible for promoting the values contained within this strategy and ensuring that people are aware of their rights and responsibilities so that everyone knows what is expected of them and what they can expect in return. These values are enshrined in the Council's Code of Conduct and reflected in the golden thread across and down the organisation through the Corporate Plan, objectives and appraisals. Many staff live in the borough so their support and advocacy for local projects will be key.

Community Engagement and Cohesion Forum

This is the principal forum that will monitor the delivery of cohesion projects across Havering. It will also reaffirm the Corporate Objective and listen to potential threats and concerns about cohesion from forum participants.

Lead Officer

The Corporate Diversity Advisor is responsible for providing progress reports on the implementation and delivery of this strategy.

6. Key actions and measures of performance

Projected demographic and economic changes (see Appendix C) mean that both the Borough and Council will look very different in the future. Therefore we are committed to developing new ways of delivering services by working in partnership with other public and voluntary sector organisations. In doing so we aim to reduce inequalities and safeguard those most at risk. An action plan which details key actions and measures of performance is available in Appendix B.

7. Timescales

The Community Cohesion Strategy 2018 - 2022 is a four year plan. The action plan will be refreshed annually. The strategy is due to be refreshed by March 2022.

8. Consultation

The original draft of this document was consulted on through the Havering Community Safety Partnership and all partners therein. Further consultation will take place via the Community Engagement and Cohesion Forum, which is currently being established.

9. Authorisation and communication

The strategy has been authorised by Cabinet and will be communicated via the Council's usual corporate communications networks to both staff and residents.

10. Implementation and monitoring

The lead officers stated in the action plan will be responsible for ensuring the actions are delivered in accordance with the timescales stated.

Delivery of the action plans will be reviewed quarterly. The Corporate Diversity Advisor will be responsible for providing a six-monthly report to the Senior Leadership Team outlining the progress made in delivering the Strategy.

11. Evaluation and review

The Council will produce a six-monthly report outlining its progress in delivering the strategy. The Strategy will be reviewed every four years

12. Further information

Please contact the Corporate Diversity Advisor by email to diversity@haverling.gov.uk or vernal.scott@haverling.gov.uk

Appendix B – Next Steps

Once the Cohesion Strategy is approved, the next steps will be to:

a) Identify what activity Council or community services are currently doing or planning which fall within a 'cohesion' theme

The Corporate Diversity Advisor will carry out an audit to identify cohesion-related activity and seek to support them to maximise their potential by April 2019.

b) Agree and produce a programme of events and affordable projects (within existing resources) with the proposed Community Engagement Forum

The Corporate Diversity Advisor will work with services, both internal and external, to produce and develop cohesion-related projects across the borough and within available resources. An initial list of projects will be contained in an update report due in April 2019.

Current project ideas include (subject to change):

- Meet My Neighbour
- Clean Havering, Proud Havering
- London Bloom – Expanding street gardening projects
- Love Lives – Havering (Web) Remembrance Project
- Havering Run – Local marathon
- Sporting Buddies – Teaming-up with fellow residents and colleagues to get/keep fit
- Hobby Swap – Sharing skills with neighbours
- Inspiring Success – LB Havering Managers Giving Back!
- My Havering Story – Older residents tell their stories
- Up My Street – Neighbourhood Watch/Street Care
- Produce a calendar of Diversity events for sign-off by CLT. To include one-off events to acknowledge and celebrate 'Havering – a Special Place'

c) Work with the Project Team working up the Community Hubs Model to ensure cohesion outcomes are being addressed in their design

The Corporate Diversity Advisor will actively support the development of Community Hubs and ensure that they are inclusive of all local communities. On-going.

d) Report on progress to Cabinet and the Engagement Forum every six months.

The Corporate Diversity Advisor will produce an update report every six months, commencing in April 2019.

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Appendix C: Community Cohesion Corporate Performance Monitoring

Focus Area	Priority Area	Key Actions	Measures of Performance	KPI	Timescale	Lead
Community Development and Wellbeing	1. Establishment of a Community Engagement and Cohesion Forum. We will engage with all communities, by listening and responding appropriately to concerns, complaints and satisfaction levels.	<ul style="list-style-type: none"> • Forum TOR drafted • Working with community groups, equality partnerships and forums to improve consultation and engagement with the Council through the delivery of the Council Voluntary Sector Strategy • Using available data and neighbourhood profiles to evidence changes in communities, highlight community needs and to inform the development and delivery of Community initiatives through the delivery of the Data Warehouse • Equipping communities with the skills and knowledge to 	<ul style="list-style-type: none"> • Increased levels of volunteering within Havering. • An effective Special Purpose Vehicle in place that allows the voluntary sector to work in partnership to bid for funding and contracts. • Positive results from satisfaction surveys with staff and feedback from local communities 	<ul style="list-style-type: none"> • Number of volunteers supporting council services • Reported outcomes for residents delivered by the community and voluntary sector • Satisfaction with the way Havering Council runs things • Satisfaction with Havering as a place to 	<p>June 2019</p> <p>Sept 2020</p> <p>October</p>	Corporate Diversity Advisor

		<p>deliver services on behalf of the Council through the delivery of the Council's Volunteering Strategy and Community Hubs</p>		<p>live</p> <ul style="list-style-type: none"> • Strength of belonging to the local area • Trust in Havering Council 	2019	
Community Safety	2. Our residents will feel safe and protected in their homes and neighbourhoods.	<ul style="list-style-type: none"> • The development and implementation of an annually refreshed community safety plan • The development and implementation of a Corporate Hate Crime Profile • Working with partners to prevent local residents being drawn into extremist 	<ul style="list-style-type: none"> • Reductions in violent crime and burglary within Havering • Increases in reporting of hate crime and domestic abuse in Havering. • A reduction in 	<ul style="list-style-type: none"> • Reduction in the number of violence with injury offences • Reduction in the proportion of repeat victims of domestic abuse 	<p>March 2020</p> <p>Jan 2019</p> <p>On-going</p>	Chief Operating Officer - Neighbourhoods

		<p>behaviour, through the development and implementation of an annually refreshed PREVENT plan.</p> <ul style="list-style-type: none"> Disrupting gang activity, organised crime groups and criminals involved in the supply of drugs through the production of a refreshed Serious Group Violence Strategy 2017-2021. Reducing reoffending through the delivery of the Reducing Reoffending Strategy 2016-2020. Ensuring protection and support services for children, young people and adults at risk of danger and harm from sexual exploitation through the delivery of the LSCB CSE Strategy 2017. Improving support and interventions provided for victims of domestic abuse 	<p>repeat victimisation for hate crime and domestic abuse in Havering</p> <ul style="list-style-type: none"> Reduced levels of reoffending in Havering Reductions in the perceptions of crime in Havering as measured by the Police public attitude survey 	<ul style="list-style-type: none"> Reductions in the rate of re-offending for those individual offenders completing drug and alcohol treatment referrals Reduction in the percentage of residents worried about crime in the Borough A reduction in the percentage of residents worried about ASB in the Borough 	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>	
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		<p>and their families through the delivery of Violence against Women and Girls strategy 2017-21</p> <ul style="list-style-type: none"> • Delivery of an annually refreshed Community Safety communications plan to address the disproportionate fear of crime in Havering. 			Annual	
Economic wellbeing	3. To ensure our economic and physical regeneration activity supports the creation of safe strong cohesive communities.	<ul style="list-style-type: none"> • Developing new housing zones across the Borough. • Reducing disparities in educational attainments across protected characteristics by ensuring that people are supported through their learning journey and have equal access to all learning opportunities. • Working closely with our local businesses to ensure that learning is aligned to current and future business need, including through the 	<ul style="list-style-type: none"> • A growing economy with rising employment, catering for a range of skill sets to meet the demands and changing needs of the local economy. • Increased take up of learning opportunities across all age groups. • Increased number 	<ul style="list-style-type: none"> • Increase in the percentage of homeless preventions and reliefs (homelessness resolved without the provision of temporary accommodation) • Selection of delivery partner for new homes to be built 	<p>March 2022</p> <p>March 2019</p>	<p>Director of Neighbourhoods and Housing</p> <p>Director of Children's Services</p> <p>Chief Operating Officers</p>

		<p>development of a new Employment and Skills Plan and Economic Development Strategy.</p> <ul style="list-style-type: none"> • Providing support and advice to people impacted by welfare reforms. • Bringing together Havering's creative community and empowering them to take charge of developing their own cultural future. • Encourage a regular programme of high quality outdoor arts events, including street arts and local shows. • Encouraging, in partnership with local leisure providers, access to our sporting and leisure venues by making them safe and accessible to all. 	<p>of children and adults in education or employment</p> <ul style="list-style-type: none"> • Increased employment sites that support business investment and expansion. • A reduction in the impact of Welfare Reform through the provision of welfare /income maximisation advice 	<p>through the HRA regeneration programme by 2025</p> <ul style="list-style-type: none"> • Increase in the percentage of children achieving a good or better level of development at age 5 (EYFSP) • Increase in the percentage of children in good or outstanding schools • Pupil progress in 8 subjects, from the end of primary school to the end of secondary 	<p>Ongoing</p> <p>March 2020</p> <p>On-going</p> <p>On-going</p>	
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				<p>school</p> <ul style="list-style-type: none"> • Number of Green Flag awards • Percentage of 16-18 year olds who are known to be in education, employment or training 		
Community Development and wellbeing	<p>4. We will have reduced inequalities in health and wellbeing across communities in Havering.</p> <p>People who use our services will have a healthy life expectancy and an improving quality of life.</p>	<ul style="list-style-type: none"> • Supporting Havering residents to lead healthy, active lifestyles by providing access to good quality leisure facilities and open spaces and through the provision of information and advice. • Reducing the impact of alcohol and drugs through the delivery of the Drug and Alcohol Strategy 2016 -2020. • Implementing strategies to improve mental wellbeing and support those suffering 	<ul style="list-style-type: none"> • Increased take up of mental ill health and wellbeing services • An increase in the number of older and vulnerable people who have access to services that allow them to live independently either in their own homes or cared for in the community. 	<ul style="list-style-type: none"> • Number of Green Flags awards for our parks. • Reductions in the number of people who die from preventable causes (not linked to clinical care) per 100,000 population 	<p>Ongoing</p> <p>March 2020</p>	<p>Director of Neighbourhoods</p> <p>Director of Public Health</p> <p>Director of Adults Social Care</p>

		<p>from mental ill health.</p> <ul style="list-style-type: none"> • Working with agencies to develop and provide services that allow older and vulnerable people to live independently either in their own homes or cared for in the community. • Providing and facilitating support for carers to assist more people to be cared for at home. • Developing and implementing initiatives to reduce social isolation. • Minimising the impact of welfare reform through the provision of welfare /income maximisation advice. • Developing the use of integrated impact assessments to assess (and mitigate where possible) the health, equality and community cohesion impacts 	<ul style="list-style-type: none"> • Increased support for carers, allowing more people to be cared for at home. 	<ul style="list-style-type: none"> • Reductions in the rate of re-offending for those individual offenders completing drug and alcohol treatment referrals • Percentage of people (aged 65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services • The number of instances where an adult patient is ready leave 	<p>Ongoing</p> <p>March 2020</p> <p>March 2020</p> <p>March 2020</p> <p>Ongoing</p>	
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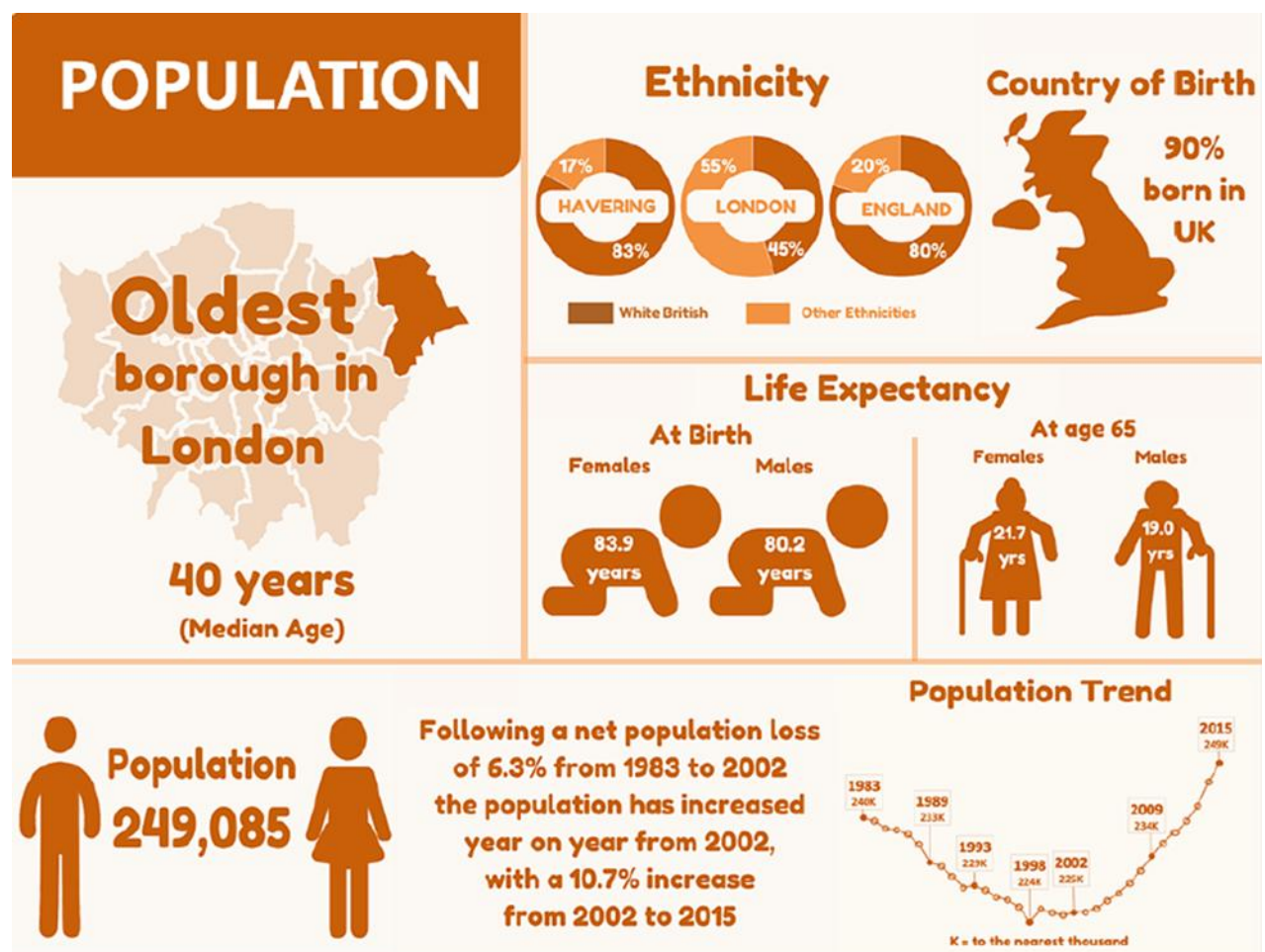
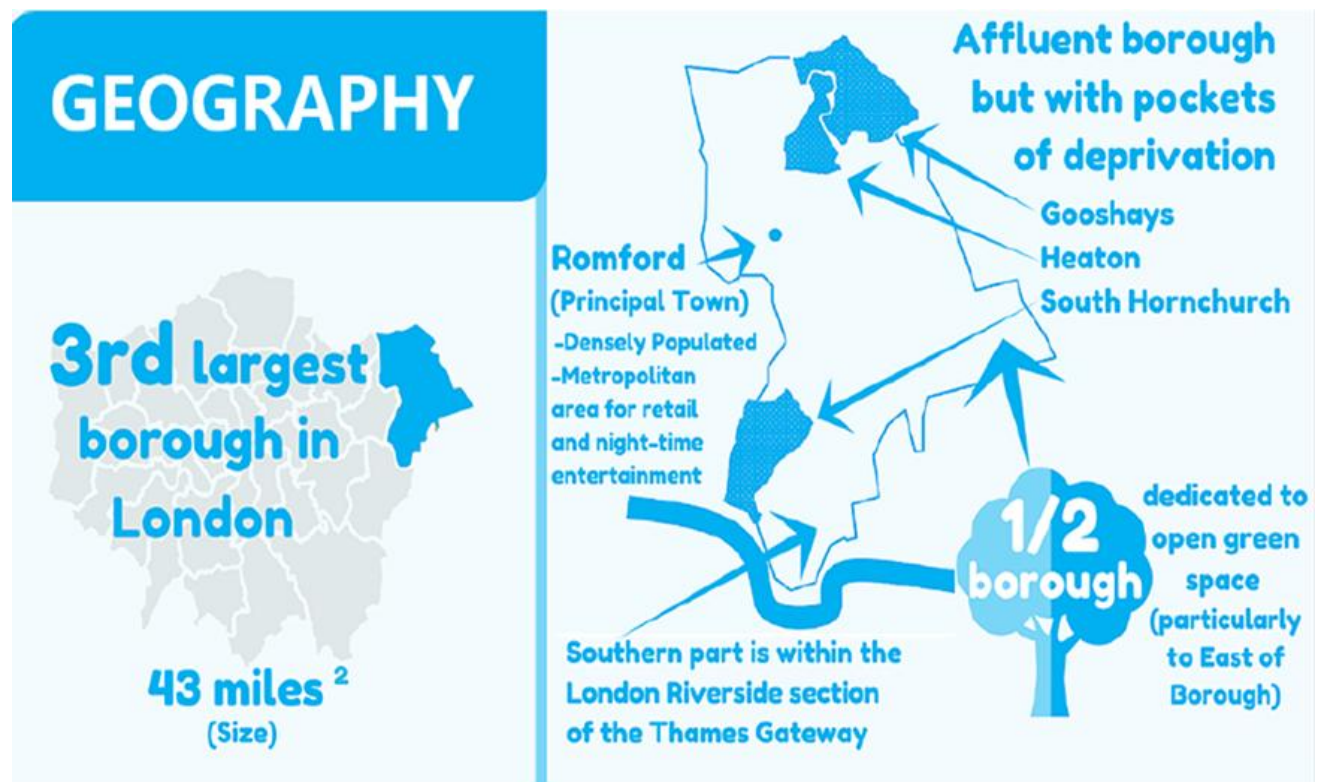
		of our functions, policies and strategies.		<p>hospital for home or move to a less acute stage of care but is prevented from doing so, per 100,000 population (delayed transfers of care)</p> <ul style="list-style-type: none"> • Rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 65+) • Carers receiving a needs assessment or review and a specific carer's 	March 2020	
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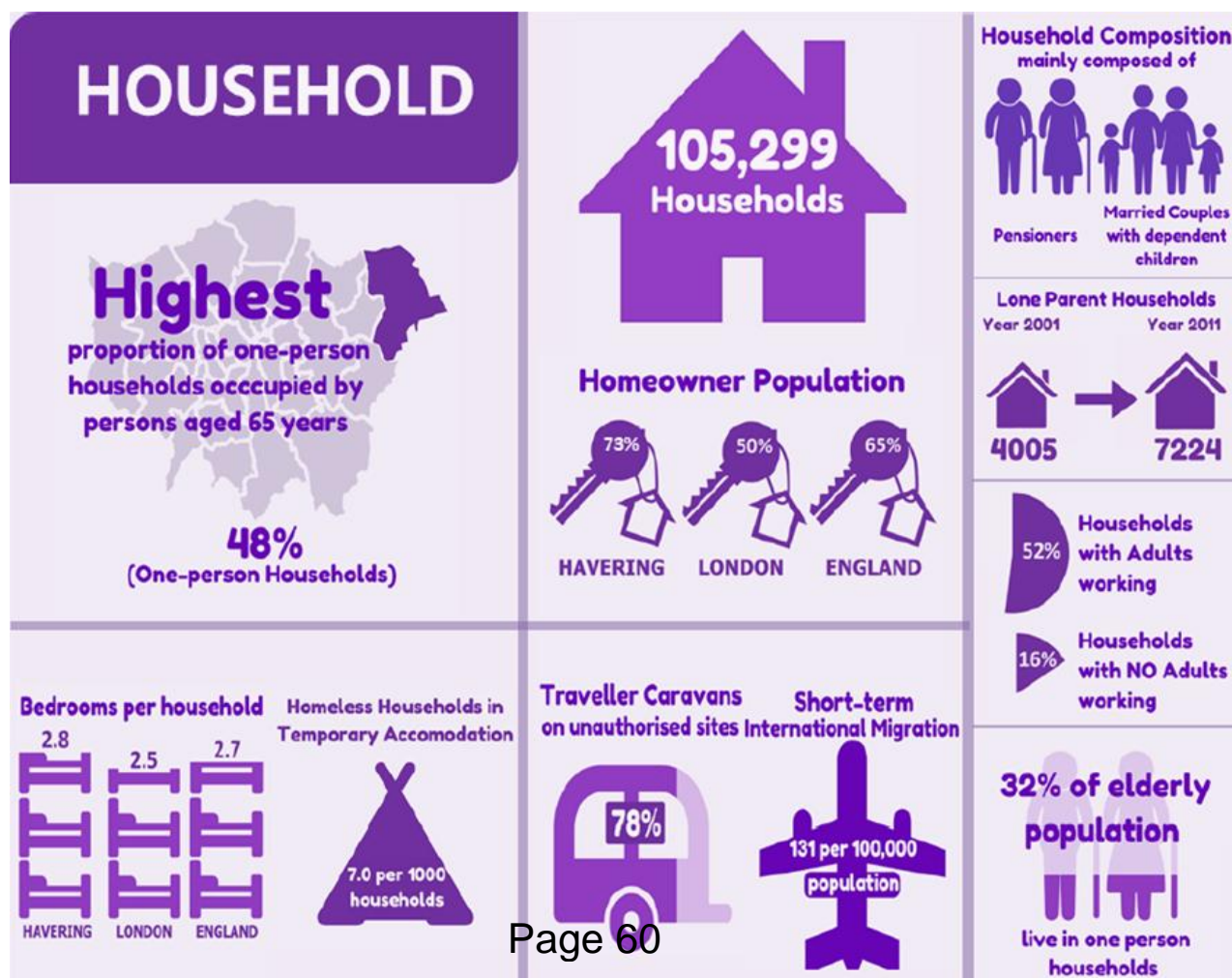
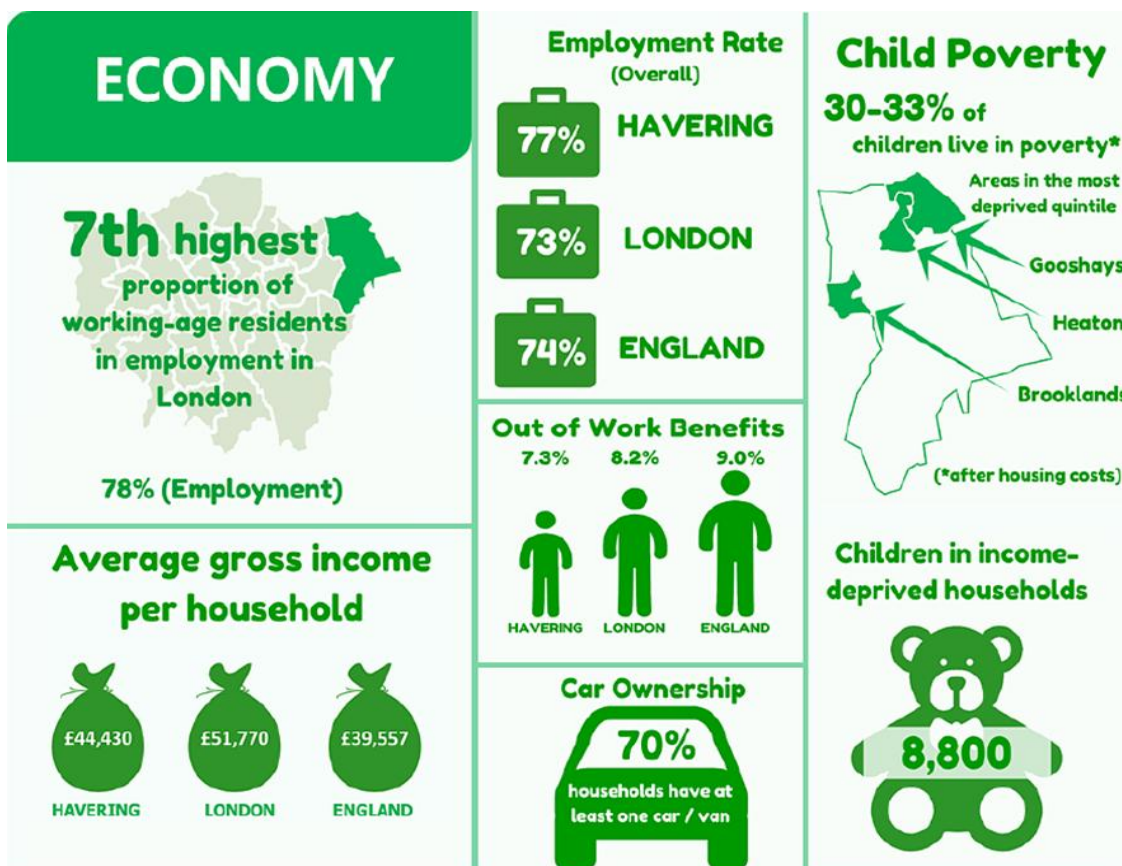
				<p>service, or advice and information</p> <ul style="list-style-type: none"> • Reported outcomes for residents delivered by the community and voluntary sector • Residents reporting good outcomes from their community service (home care service) 		
Our Workforce	5. Havering will have a talented workforce able to meet the challenges of the future	<ul style="list-style-type: none"> • Developing a Corporate People Strategy that sets out the vision for the workforce of the future. • Ensuring that anyone delivering services on behalf of the Council will understand Havering's vision 	<ul style="list-style-type: none"> • A skilled workforce enabled to meet the challenges facing local govt. • Improved staff retention rates • Reduced sickness 	<ul style="list-style-type: none"> • Strategy in place • Training programme in place • All staff to complete E&D 	<p>On-going</p> <p>On-going</p>	<p>Head of Learning</p> <p>Managing Director of oneSource</p>

		<p>and understand the importance of fairness dignity and respect in delivering those services</p> <ul style="list-style-type: none"> • Developing a workplace environment where all members of our workforce are treated with dignity and respect. • Ensuring that any impacts arising from our change or restructuring programmes on workforce diversity are identified and appropriate mitigating actions put in place. • Ensure that organisational learning from Employment Tribunals (ETs) and other processes is captured and implemented where possible. • Developing and delivering focused equality and diversity training to meet skills gaps, this includes 	<p>and absence levels for Council employees</p> <ul style="list-style-type: none"> • Positive results from satisfaction surveys with staff. 	<p>mandatory e-learning within 6 months of joining the organisation</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>On-going</p>	
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		training for Councillors /Elected Members.				
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Appendix D – Havering Demographics





APPENDIX E

TERMS OF REFERENCE FOR THE COMMUNITY ENGAGEMENT AND COHESION FORUM

1. The purpose of the Community Engagement Forum is to:
 - a) To support the implementation of the Council's One Havering: Community Cohesion Strategy and related projects, and to win ownership of both by Havering's diverse community groups;
 - b) To facilitate constructive engagement with visible and 'hidden' community groups, to ascertain their views and experiences of Council services;
 - c) To facilitate constructive discourse and consultation regarding the development and implementation of Havering's Community Cohesion Strategy;
 - d) To undertake the planning of diversity-related events such as Day of the Disabled Person, International Women's Day, Holocaust Memorial Day, LGBT History Month, Black History Month, World AIDS Day, etc.;
 - e) To help welcome newer communities, encourage participation in civic life, and break down silos by encouraging interaction between different community groups;
 - f) To undertake an agreed programme of 'mystery shopping' to help ascertain the accessibility and suitability of Council services in respect of disability and other 'Protected' issues, with a view to helping services improve;
 - g) To discuss matters concerning 'Prevent' and how best to lessen the chance of terrorism or far-right activity in Havering;
 - h) To suggest content for publicity campaigns to promote Havering as an inclusive, diversity-friendly borough, and encourage active participation in civic life by all local people;
 - i) To facilitate consultation and feedback about different Council services;
 - j) To discuss matters of concern and wellbeing, such as hate crime and personal safety;
 - k) To invite and listen to guest speakers on Cohesion or Diversity theme.

2. Membership

Membership will be open to Havering residents, community and faith groups, and concerned individuals with knowledge of equality, diversity and community cohesion issues.

The core membership will include LBH Officers, Statutory Stakeholders and key sector CEO's or their representatives.

Membership will remain flexible and open throughout the year.

Member representation	Number
LBH Corporate Diversity Officer - Chair	1
Tapestry	1
Met Police	1
Havering Volunteer Centre	1
Havering LGBTQ Forum	1
Disability Forum	1
Havering BME Forum	1
Havering Faith Forum	1
To attend in advisory capacity/supporting role	Number
LBH Communications	1
LBH Community Development Officer	1
LBH Community Safety & Development Manager	1

3. Admin support

London Borough of Havering to provide the secretariat role

4. Accountability

The forum will be accountable to senior management in Policy and Community Development (Diane Egan and Jerry Haley).

5. Meetings

Neither the Forum nor its members will be subject to legal obligations or consequences. All such responsibilities lie with the Council.

The Forum will meet for a minimum of four times a year. An agenda will be issued in advance.

Any member who has not attended 3 consecutive meetings without apology and/or valid reason, may be deemed to no longer be on the forum group

The thematic sub-groups may wish to meet more frequently and outside the steering committee.

The forum will convene annual meetings every twelve months (January) to discuss progress made as well as challenges and outstanding targets.

6. Review

These terms of reference will be subject to review once every twelve months, at the annual meeting to be held in January.

7. Code of Conduct for Members

- Members must declare conflict of interest where appropriate
- Not to accept gifts or hospitality that may be seen to influence or intended to influence opinion or judgement
- Take decisions solely in the terms of interest of the Forum
- Members must not use their position to gain financial, material, political or other personal benefit for yourself, family or friends
- Members must respect fellow members and treat them with courtesy, respect and in a non-discriminatory manner at all times
- Members must ensure that confidential material, including details about Individuals, is treated as such and that it is handled with dignity and discretion and is not used for personal, malicious or corrupt purposes
- Any conduct considered to be offensive or discriminatory will result in the member concerned be asked to leave the Forum

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CABINET

Subject Heading:

Personal Budget Policy & Guidance for Parents, and Direct Payments Policy.

Cabinet Member:

Robert Benham, Deputy Leader, and Cabinet Member for Education, Children and Families.

Tim Aldridge, Director of Children's Services.

SLT Lead:

Report Author and contact details:

Priti Gaberria, Programme Manager – Children & Young People Priti.Gaberria@havering.gov.uk

Policy context:

The Guidance and Policy relate to our Council Objectives on Communities.

Financial summary:

There are no financial implications of the decision.

Is this a Key Decision?

Yes. It is a key decision because it has a significant impact on two or more wards.

When should this matter be reviewed?

September 2019 (12 Months after potential decision)

Reviewing OSC:

Children's OSC

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

Section 49 of the Children and Families Act 2014 provides that the Local Authority (LA) have a duty to prepare a personal budget for children, young people and young adults with Special Educational Needs and Disabilities (SEND) where the young person or the parent requests this, subject to being satisfied of a number of matters. LA's have a statutory duty to consult on the content of its local offer and publish their local arrangements in relation to, amongst other matters, Personal Budgets.

The draft 'Personal Budget Parents Policy & Guidance for Parents' and the 'Direct Payments Policy' are designed to inform parents and families about their options and the regulations around the monitoring of such budgets.

It is also intended that the documents help the LA and its partners to work better together in delivering a joined up approach that will give more flexibility to parents and families in meeting the needs of Children and Young People with SEND.

Consultation on draft documents has been conducted with parents and stakeholders, and they have commented on format and language. Further consultation is necessary to refine the documents; however the LA is currently at risk of not fulfilling statutory duties due to the Personal Budget Policy not being published.

RECOMMENDATIONS

Cabinet is recommended to review and approve the draft policies (Personal Budget Policy & Guidance for Parents, and Direct Payments Policy.)

1. The recommendation is for Members to accept the draft policies for further parent and stakeholder consultation.
2. Members are also asked to delegate sign off of the final policy following consultation to the Director of Children's Services in consultation with the Deputy Leader, and Cabinet Member for Education, Children and Families.

REPORT DETAIL

1. Background

1.1 Section 49 of the Children and Families Act 2014 provides that the Local Authority have a duty to prepare a personal budget for children, young people and young adults with Special Educational Needs and Disabilities (SEND) where the young person or the parent requests this and subject to being satisfied of a number of matters.

1.2. Under the SEND reforms in the Children and Families Act 2014 Education, Health and Care Plans (EHC Plan) replaced Statements of Special Educational Needs. Where a child or young person has been assessed as requiring an EHC Plan, the child's parent/s or the young person has a right to request a Personal Budget, when the local authority has completed an EHC needs assessment and confirmed that it will prepare an EHC plan.

1.3. The SEND Code of Practice states that *'Personal Budgets should reflect the holistic nature of an EHC plan and can include funding for special educational, health and social care provision. They should be focused to secure the provision agreed in the EHC plan and should be designed to secure the outcomes specified in the EHC plan'*.

1.4. The key principles of the Code of Practice require 'greater choice and control for young people and parents over support'. Personal Budgets are one means by which that control can be delivered.

1.5. The Code of Practice also states that *'Local authorities must ensure that children, young people and parents are provided with the information, advice and support necessary to enable them to participate in discussions and decisions about their support. This should include information on their rights and entitlements'*.

1.6 Direct Payments are one way in which parents can be provided a Personal Budget. Guidance to support the way in which these are administered and used by parents/families are outlined in the Direct Payment's Policy for children and young people (up to 18 years old). There is a separate policy for direct payments provided by Adult Social Care.

1.7 The policy for direct payments for children's has been developed following an internal audit recommendation to make the regulation for children's direct payment's clearer. It may be possible to develop a combined policy for both adults and children in the longer term.

1.8 The draft Personal Budgets Parents Guide and Direct Payments Policy Guidance ("the Statements") ensures that the Council is compliant with the current legislation and guidance regarding Personal Budgets. Both policies may need to be read in conjunction in order to truly understand the options that are available to access personal budgets.

1.9 Both policies have undergone an initial consultation with stakeholders, this includes parents and carers.

1.10 It is proposed that the draft Statements should be subject to further consultation before a final decision is taken upon its content, format and style. The following groups will be consulted with:

- (a) children and young people with special educational needs and the parents of children with special educational needs;
- (b) children and young people with a disability, and the parents of children with a disability;
- (c) the governing bodies of maintained schools and maintained nursery schools;
- (d) the proprietors of Academies 1;
- (e) the governing bodies, proprietors or principals of post-16 institutions;
- (f) the governing bodies of non-maintained special schools;
- (g) the management committees of pupil referral units;
- (h) the advisory boards of children's centres;
- (i) the providers of relevant early years education;
- (j) the youth offending teams that the authority thinks have functions in relation to children or young people for whom it is responsible;
- (k) voluntary sector organisations

1.11 The consultation will run from October 2018 to December 2018

1.12 After consultation, and subject to Cabinet's decision above, the Director of Children's Services will approve the final version of the policies. These will then be published and available as part of the Local Authority's SEND Local Offer and made available on request to children and young people with SEND and their families.

1.13 It is intended that following consultation the policies would be implemented from January 2019.

REASONS AND OPTIONS

2. Reasons

2.1 Reasons for the decision: The Policies and Guidance are requirements of the Children and Families Act 2014. Information about Personal Budgets and Direct Payments must be placed on the Local Offer. This is a statutory obligation.

3. Options

3.1 Other options considered: There are no other options given the statutory requirement.

IMPLICATIONS AND RISKS

4. Financial implications and risks:

4.1 None

5. Legal implications and risks:

5.1 As set out in the Report the provision of direct payments to young people/carers of children and young people who have EHC Plans is obligatory if a request has been made for them and the Authority is satisfied that:

- (a) the recipient will use them to secure the agreed provision in an appropriate way;
- (b) where the recipient is the child's parent or a nominee, that person will act in the best interests of the child or the young person when securing the proposed agreed provision;
- (c) the direct payments will not have an adverse impact on other services which the local authority provides or arranges for children and young people with an EHC plan which the authority maintains; and
- (d) securing the proposed agreed provision by direct payments is an efficient use of the authority's resources

5.2 Direct payments cannot be used for anything that is not in the EHC Plan or for funding a place at a school or post 16 institution. (Regulation 6 Special Educational Needs (Personal Budgets) Regulations 2014/1652)

5.3 Under Regulation 3 of the Special Educational Needs and Disability Regulations 2014/1530 the Authority must include in its local offer “the arrangements the local authority has for funding children and young people with special educational needs including any agreements about how [providers of education] will use any budget that has been delegated to that person by the local authority.”

5.4 The Local Authority also has a duty to consult on its local offer before finalising and publishing this, and must then publish the final version in the prescribed manner.

5.5 The main requirements for lawful consultation are that the consultation occurs before any final decisions have been taken, that all consultees have sufficient information and time to make intelligent comments and that all responses are then conscientiously taken into consideration before any final decisions are taken.

6. Human Resources implications and risks:

6.1 None

7. Equalities implications and risks:

- 7.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
 - (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

7.2 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. Direct Payments management will adhere to the Equality Act 2010 in the manner in which all recipients are included and respected.

7.3 Consultation (and research)

In terms of administrative law this has a specific meaning, and has to be done properly and fairly i.e. sufficient time and information for consultees to comment meaningfully on the proposed plan and the consultation responses taken conscientiously into account by the decision maker.

BACKGROUND PAPERS

None

PERSONAL BUDGETS

**A GUIDE AND POLICY FOR FAMILIES/CARERS,
CHILDREN AND YOUNG PEOPLE
LONDON BOROUGH OF HAVERING**

Document Control Sheet

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DRAFT

This guide and policy is for Families/Carers and Children and Young People who are considering a Personal Budget.

The sections in this guide and policy are as follows:

- 1) What is a Personal Budget?
- 2) Who can have a Personal Budget?
- 3) Why might someone want a Personal Budget?
- 4) What a Personal Budget can and cannot be spent on
- 5) How can I manage my Personal Budget?
- 6) Why you might not be able to have a Personal Budget
- 7) How Education, Health and Care are working together on Personal Budgets
- 8) How can I get a Personal Budget or find out more about Personal Budgets?

1) What is a Personal Budget?

A Personal Budget is an amount of money that is allocated to a family/carers, child or young person to help meet their assessed needs and achieve agreed outcomes.

In this context **needs** are those that the social care and education service have deemed eligible for support as determined by the Children and Families Act 2014.

Outcomes are changes to a child or young person's life that they would like to make. Eg An outcome might simply be to increase confidence in establishing friendships or to become more independent.

For a Personal Budget needs can relate to:

- Education Needs
- Care and Support Needs
- Health Care Needs

A child or young person might have a Personal Budget to meet any or all of these types of needs. There are different Personal Budget arrangements related to each of these needs.

This guidance covers Personal Budgets in relation to Education and Social Care needs. The Clinical Commissioning Group (CCG- Havering) holds the responsibility for health budgets and any requests for a health budget would need to be made directly to the relevant health authority.

Examples of the kinds of things or services that meet Education, Health, and Care and Support needs are as follows;

- Education needs and outcomes could be met for example by specialist equipment or support from a Personal Assistant (PA) to assist with accessing educational activities and increasing learning.
- Health needs might be met by the employment of support at home to carry out specialist health procedures at a time of your choosing.
- Care and support needs such as emotional or practical needs might be met by short breaks or care in a home. Getting this as a Personal Budget is partly dependent on whether there is already provision.

These are just examples and everyone will differ in relation to how their needs can be met and outcomes can be achieved.

There is a lot of flexibility in what Personal Budgets can be used for.

One example of the flexibility of Personal Budgets is that the budgets for more than one element in the EHCP eg education and social care can be pooled to meet needs. For example, one child might receive support in the home in the mornings, then get transport to school and also have personal care during the day at school. Instead of these separate parts, the family could employ one personal assistant to carry out all of these tasks. The funding source would be social care and education but the support is joined up and provides more continuity for the child or young person.

Who can have a Personal Budget?

To have a Personal Budget, children and young people or carers must have eligible needs which have been assessed during the EHC planning process.

In the EHC planning process, parents/carers, and the child or young person, and representatives from Education, Health and Social Care, discuss needs and the outcomes that children and their families want to see. The assets and support you already have is also discussed. Families will be encouraged to make the best use of their own resources, unique skills, and networks within the community to find ways to meet their needs.

The emphasis for families is on 'what's important for your child' and therefore 'how we can sort it out'. It's about finding solutions to the outcomes to be achieved.

If having a Personal Budget will make a difference to meeting needs and achieving outcomes related to Education, Health and Care, then a Personal Budget will be offered.

Whatever the agreement, the arrangement will be reviewed at least annually, seeing what is working and if outcomes are being achieved – potentially stretching outcomes, changing support, with potentially more or less resources agreed.

Personal Budgets are also an important part of The Care Act (2014). The Care Act focuses on the achievement of wellbeing for people who are 18 and over through effective care and support. Personal Budgets for Care and Support for those 18 and over are subject to eligibility criteria set out in the Care and Support (Eligibility) Regulations 2014. Children and Young People with Special Education Needs (SEN) up to the age of 25 may also be eligible for Personal Health Budgets.

More information on the EHC planning process in Havering can be found at: [TO INSERT REFERENCE BEFORE PUBLISHING]

2) Why might someone want a Personal Budget

A Personal Budget should give the person who has it, more choice and control of how their needs are met and also help them to achieve the outcomes set out in the EHC Plan.

People can choose what is best for them, providing what they choose meets agreed outcomes and is a good use of wider council and school and other resources.

People tend to know what works for them – for instance – a long period of respite or short regular breaks. People's ability to choose gives them more independence with potentially services become more responsive to the people's needs.

Even if you are offered a Personal Budget and don't want one, you can still receive services.

3) What a Personal Budget can and cannot be spent on

Can be spent on:

As said above a Personal Budget must be spent in relation to needs and achieve agreed outcomes in the plan. In effect, this means it can be spent on anything that achieves those agreed outcomes – providing it is safe and legal and is an efficient use of funding.

This is why it is important that you feel able to suggest ways to use your child's Personal Budget that are personal to your child and your family circumstances. You are very much part of the process.

Examples:

- Support in your own home (equipment or help with personal and domestic activities)
- Equipment to help communication or learning
- Support for your child to join in with local clubs or activities
- Sports or cultural activities
- Short breaks
- Employing Personal Assistants (PA's)
- Someone to go with you on a day trip to give you more time to talk to brothers or sisters
- Work based learning opportunity

While this is a useful list – it is really about being creative. Some excellent examples are given in the publication: ‘Making it Personal: A Family Guide to Personalisation, Personal Budgets, and Education, Health and Care Plans’¹

In Havering, there is some flexibility to use Personal Budgets in relation to short breaks and employing personal assistants. We are seeking to be flexible if there is clear case for the use of a Personal Budget and again if it is a good use of resources.

We will be working to increase the range of services and provision that are relevant for Personal Budgets.

Cannot be spent on:

A Personal Budget cannot be spent on a place at a school or college.

4) How can I manage my Personal Budget?

A Personal Budget can be managed in one of 3 ways:

- As a **Direct Payment**

This is cash, usually in the form of card, a bit like a debit card where you or your family can spend on the agreed support or services. However, you cannot use the card to withdraw cash.

- As a budget that is managed by the Local Authority or School.

This is often known as a **Managed or Notional Budget**. In this case you won’t actually receive the money to spend it. You receive the service and you know how much is being spent on it.

- As a budget managed by another organisation but on your behalf (This cannot be a Local Authority or a School). This is sometimes known as a **Third Party Arrangement**.

The organisation that manages the budget will listen how you want to spend the money and then spend it influenced by you. In this case you might better be able to influence the times a carer visits, or who the support person is for your child.

¹ Department for Education 2014. See Section 7: Stories of Using Personal Budgets.

You can use a combination of these three options. For example, the Local Authority could provide a short break service, while you use a Direct Payment service to pay for a Personal Assistant (PA) to support the child to make and meet friends at the local youth club.

Each of these options for managing a Personal Budget has implications and you need to make a decision as to whether the benefits of having a particular type of Personal Budget outweigh the costs.

For instance, with a Direct Payment some people might want to pay for a Personal Assistant (PA). If they do so, they will actually employ that PA which brings with it extra responsibilities which might be a cause of worry. However, there will be local organisations to help you, including with things like recruitment, employment contracts and payroll.

Whatever you decide, a full understanding on behalf of each party will be necessary and in the case of Direct Payment, a contract with various stipulations signed.

In Havering at present, there are two types of Personal Budgets available for children and young people. These are Direct Payments, and Managed/Notional Budgets.

5) Why you might not be able to have a Personal Budget

The Regulations provide that a direct payment may only be made where the Local Authority is satisfied that:

- a) You will use them to secure the agreed provision in an appropriate way
- b) You will act in the best interests of the child or young person
- c) The direct payments will not have an adverse impact on other services which the Authority arranges for other children and young people with EHC Plans.
- d) Securing the proposed agreed provision by direct payments is an efficient use of the Authority's resources.

The Council and its partners already buy services that meet the needs of the population. It might buy services for particular client groups and in doing so, may well already meet the needs of those who would otherwise benefit from a personal budget and EHC plan. Personal Budgets are really additional resources for more specialised needs.

That said, it is clear that discussions should be creative and listen to the needs that people have and outcomes they want to achieve, and if it is best for families and not

detrimental to other families then a Personal Budget may be given. The Council and its partners and many providers that are being commissioned from, are ready to be flexible about this.

In relation to specific areas, whilst you have a right to request Direct Payments from all services, for Social Care, Local Authorities must offer direct payments.

For Education and Health Care, there are some conditions:

- For Education Direct Payments, Local Authorities have to consider the impact on other services for children and also whether they would still be getting value for money. They also have to get agreement from your child's school if you want to use a Direct Payment for a service that will be delivered at a school.
- For Health Direct Payments, there must be agreement about managing risks and a named person who will be responsible for managing the healthcare that's been agreed in the plan. NHS organisations will also want to ensure value for money.

6) How Education, Health and Care are working together on Personal Budgets now and in the future

The Children and Families Act 2014 effectively requires that the various agencies involved specifically Schools, the Local Authority Education Department, Health (the local NHS), and the Local Authority's Social Care Services which provide Care and Support have to come together as partners and provide a coordinated response to a child and young person's needs. This is in relation to children and young people with Special Education Needs and Disabilities. (SEND). Many of the activities described in this guide and policy reflect that intention and this co-ordination between Education, Health and Care and Support is progressing well.

The London Borough of Havering and its partners are committed to increasing the use of Personal Budgets and moving towards integrated Personal Budgets across Education, Health and Care.

This is in its early stages, but as integration develops it will increasingly enhance personal and family choice and control which will lead to better service responsiveness.

Personal Budgets are here to stay and they will become increasingly more important in the provision and improvement of services that are person centred.

7) How can I get a Personal Budget or find out more about Personal Budgets?

You have a right to ask for and have a Personal Budget if you have an Education, Health and Care plan or are working towards one.

You can talk to the Children and Adults with Disabilities (CAD) Team or your school or college to tell you more about Personal Budgets and how you might apply. For the CAD Team, please call: [TO ADD NUMBER BEFORE PUBLISHING]

If your requirement relates to Personal Health Budgets you can talk to the Clinical Commissioning Group at: [TO ADD NUMBER BEFORE PUBLISHING]

Disputes

Any disputes in relation to the allocation or provision of personal budgets should be addressed to the Head of Service, Children & Adults with Disabilities Service in the first instance.

If the recipient of a personal budget or direct payment has a complaint about services they have purchased independently, they should address this with the service provider or employee concerned.

CHILDREN AND YOUNG PEOPLE'S DIRECT PAYMENTS POLICY GUIDANCE AND AGREEMENT

2018

London Borough of Havering

Direct Payments Guidance Policy and Agreement

Page 1

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Introduction

A Direct Payment is a form of a Personal Budget. More information on Personal Budgets, and the services that are included, can be found in the Personal Budget policy.

A Direct Payment is a monetary amount paid to a parent, carer, authorised or nominated person, hereafter referred to as the responsible person, on behalf of a young person, from their Personal Budget to be spent on the provision specified in their EHC Plan or any services under section 17 Children Act 1989. This allows the responsible person to choose how and when the young person receives services instead of Havering Council arranging services on their behalf.

This policy has been created to provide guidance to, parents and carers of disabled children and children who are the subjects of EHC Plans and Havering Council staff on the making and receiving of Direct Payments. This policy provides guidance as to the availability and practice and procedure for direct payments under section 49 Children and Families Act 2014, the Special Educational Needs (Personal Budgets) Regulations 2014/1652, section 57 Health and Social Care Act 2001, section 17A Children Act 1989, and the Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2009/1887.

The provisions arising from the Children and Families Act relate to the needs identified in the Education Health and Care Plan (EHC Plan) whereas the support under s17 Children Act 1989 relate to the assessment of need specified in the Child in Need Plan. It is possible that there may be some overlap.

When the young person reaches 18 years their community care needs will normally be met by Adult Social Services, although the criteria for eligibility for care and support for adults is different and it may be that more or less support is provided.

For young people who have EHC Plans their support may continue from age 18-25 years on the same basis as set out in this policy.

Section 1 – Receiving a Direct Payment

1. Who can receive a Direct Payment?

1.1. Any parent/carer of a child or young person who has been assessed as being eligible for an EHC Plan or services under section 17 Children Act 1989 from Havering Council can apply for a Direct Payment. They may nominate a person in writing to receive direct payments on their behalf.

1.2. The following conditions must be met to receive a Direct Payment:

- The parent/carer requests a Direct Payment;
- Havering Council is satisfied that the person who will be responsible for managing the direct payment is capable of managing a Direct Payment with or without support.
- Havering Council is satisfied the making of a Direct Payment is an appropriate way to meet eligible needs.

1.3. There are cases where a Direct Payment may not be available to meet needs. For example, when the support is being provided as part of a larger budget (for example a contract with the NHS to provide all speech and language therapy or occupational therapy) and the LA can't separate out or 'disaggregate' the Personal Budget from that overall larger budget because it would have an adverse impact on other services for children and young people with EHC Plans or would not be an efficient use of the local authority's resources.

1.4. There are a number of different categories of persons who may not receive direct payments under the Children Act 1989. These are listed at Appendix 1.

2. Assessing Mental Capacity to receive payments

Carers with capacity

2.1. Before a Direct Payment can be set up, Havering Council must be satisfied that the person who will be a recipient of the direct payments (“the responsible person”) has capacity to consent to the making of Direct Payments to cover some or all of the child’s care needs.

2.2. The following conditions must be met:

- The responsible person has capacity to make the request and agrees to receive the payment.
- Havering Council is satisfied that the responsible person is capable of managing Direct Payments either by themselves or with support.
- Havering Council is satisfied that making Direct Payments to the responsible person is an appropriate way to meet the child’s needs.
 - In the case of Children Act support the Council is satisfied that the welfare of the child in respect of whom the service is needed will be safeguarded and promoted by securing the provision of it by means of a direct payment.

- 2.3. The responsible person must be involved in appropriate stages of the care planning journey, which may include playing an active part in agreeing the content of the care plan and/or EHCP, whichever is appropriate.

Carers without capacity

- 2.4. Where a person has been assessed as lacking capacity to request a Direct Payment an “responsible person” can request the Direct Payment on the child’s behalf.
- 2.5. A “responsible person” is someone who agrees to manage a Direct Payment for a person who lacks capacity according to the Mental Capacity Act 2005.
- 2.6. Havering Council must be satisfied that the responsible person meets all the conditions set out in the responsible person agreement.
- 2.7. Havering Council must consider the suitability of the person requesting the Direct Payment and determine whether to provide a Direct Payment by ensuring the following conditions are met:
- Best interests – Havering Council is satisfied that the responsible person will act in the child or young person’s best interests in arranging the provision of care and support.
 - Capability – The responsible person is capable of managing the Direct Payment either by themselves or with support.
 - Appropriate – A Direct Payment is an appropriate way to meet the eligible assessed unmet needs -identified in the care plan and/or EHCP.
- 2.8. The decision should be recorded in the child/young person’s file. If the request is refused, the person should be provided with a written explanation. A person who wishes to make representations about this decision may in the first instance ask the Head of Service for the Children & Adults with Disabilities Service to review its decision.
- 2.9. People who are acting in the capacity of the responsible person for the purpose of the Direct Payment, or who otherwise have formalised control or influence over the recipients financial affairs; for example power of attorney, may not also be employed to provide care and support services that are paid for through the Direct Payment.
- 2.10. If there is no suitable Deputy, Lasting Power of Attorney, other family member or friend, the allocated worker must identify whether there is another appropriate person or organisation that is willing to receive the Direct Payment.
- 2.11. If no responsible person is available then no Direct Payment can be

made.

3. Services which cannot be the subject of direct payments.

- 3.1. The Council may only make direct payments in respect of the special educational provision specified in the EHC plan, and may not make direct payments for the purpose of funding a place at a school or post-16 institution.
- 3.2. The Council may not make direct payments in respect of any goods or services which are to be used or provided in a school, post-16 institution or early years educational setting without the written consent of the head teacher, principal, provider or the person occupying an equivalent position.

4. Frequency of Payments

- 4.1. Payments will be made every four weeks in advance to the young person's pre-paid account.

5. Payment method

- 5.1. Havering Council will pay the Direct Payment amount agreed as the individual's assessed need.

6. Pre-paid cards

- 6.1. Havering Council has a pre-paid account system in place which can be used to receive Direct Payments. The pre-paid system can be used like a basic bank account to make payments and set up standing orders.
- 6.2. Pre-payment cards do not automatically allow cash withdrawals. However, in exceptional circumstances where cash withdrawals are needed, this can be agreed by the relevant manager.
- 6.3. In the event the responsible person loses their pre-payment card, they will be charged a replacement fee of £3.50.
- 6.4. Havering Council is entitled to recover any under spend or misappropriation (theft) of Direct Payment funds from the responsible person (as the case may be). This will result in a review of the young person's eligibility for a Direct Payment. The Council may decide to withdraw direct payment and offer alternative service.

7. Contingency and reserves

- 7.1. The amount that is included in a direct payment must be sufficient to meet the assessed needs that Havering Council has a duty to meet. The assessed needs may include a contingency element that can be used to cover fluctuating needs. The use of the contingency will be monitored by Havering Council to ensure that it is being spent in line with the young person's assessed needs.
- 7.2. Where a direct payment is being used to employ a personal assistant (PA), clear plans should be in place and agreed on how needs will be met in the event of the PA being absent.
- 7.3. Costs incurred in meeting a young person's assessed needs should be met from the Personal Budget and therefore direct payment; this can include recruitment costs, employer's national insurance contribution, employer's pension contributions, employers liability insurance, DBS costs and administrative/support costs.
- 7.4. Following a review of spending in October and February respectively by the Council, if funds exceeding eight (8) weeks are being held within the pre-paid account; these may be recovered at the earliest opportunity except where variation has been agreed.

8. Administration Costs

- 8.1. The management and administration of a large payment, along with organising care and support can be a complex and time consuming task.
- 8.2. Havering Council can provide support to the responsible person to manage the young person's Direct Payments through one of their 3rd Party payroll agencies. The responsible person is also free to identify an alternative provider of their choice as long as costs are reasonable. The costs of this service will be paid for by Children's services.
- 8.3. The payment for administration to a friend/family member is not intended to be income replacement and there may be implications for the recipient in terms of tax and employment and payment may also impact upon other benefits.
- 8.4. The circumstances and payment amount will be decided and agreed with the young person, the family member, Havering Council and any other person (i.e. advocate), with Havering Council taking steps to ensure all

parties agree.

- 8.5. These decisions will be recorded as part of the young person's assessed need and include the amount of the payments, their frequency and the activities that are covered.
- 8.6. The Director may agree for the responsible person to administer a Direct Payment from which another family member is being paid to deliver care. However, the paid carer cannot usually live at the same address as the young person.

Section 2 - How to Spend Direct Payments

9. What can Direct Payments be used for?

- 9.1. The responsible person shall only use sums paid by means of a Direct Payment for the sole purpose of achieving the identified outcomes as part of the young person's assessment and support/EHC plan. A failure to adhere to this section shall invoke the right to recover misappropriated funds.
- 9.2. Havering Council cannot draw up an exhaustive list as to how the responsible person can/cannot spend the young person's Direct Payment. Each case must be decided on its own merits and documented as part of the young person's assessed need, based on the following key principles. The service, activity or item proposed should:
 - be clearly linked to the outcomes identified as part of the young person's support/EHC plan and meet the young person's assessed eligible needs.
 - be able to show how it will keep the young person healthy, safe, contribute to their education and be well.
 - be affordable and proportionate to the young person's assessed eligible needs.
- 9.3. Working within the above guiding principles, Direct Payments cannot be used for the following things:
 - Anything illegal
 - Purchase of alcohol, tobacco or gambling • Long term residential care
 - A health care need that should be provided by the NHS or CCG
 - Any spend involving commitments out of the country shall need to be approved by the Director on a case by case basis and cannot be assumed.

- For a placement in a school or post 16 institution

9.4. The Personal Budgets scheme has been designed to apply to a wide range of support in accordance with the Children and Families Act 2014, the Special Educational Needs (Personal Budgets) Regulations 2014/1652, the Children Act 1989, and the Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2009/1887. These could include:

- A personal assistant or agency care
- Community activities
- Short breaks
- Specialist technology
- Specialist educational support or therapy
- Home to school transportation

9.5. Where a Personal Assistant (PA) has been agreed as part of the assessed need, the Direct Payment will include funds to employ a PA, including recruitment costs (where required), employer's national insurance contributions, income tax, employers' liability insurance, pension and other costs associated. Havering Council will provide information and support on how to begin employing a PA and will provide regular monitoring to ensure payments are being made correctly. Becoming an employer carries with it certain responsibilities and obligations, in particular in relation to paying Tax, National Insurance, minimum / living wage requirements and ensuring that any person employed has the right to work in the UK.

9.6. If for any reason the responsible person would like to spend the young person's Direct Payment on anything other than items outlined as part of their assessed needs they will need to contact the Direct Payment team for agreement prior to purchase. Any change in spend may require a review of the young person's assessed need.

9.7. Direct Payments made under the Children Act for a disabled child cannot be used to pay for a young person to live in long-term residential care placement. They can be made to enable the responsible person to purchase a short break for the young person, provided that the stay does not exceed a period of four consecutive weeks in any 12-month period, or where the period between two stays on a short break is less than four weeks. This could be used to provide a respite break for a parent/carer. Where the period between two short breaks is less than 4 weeks, then the two stays should be added together to make a cumulative total, which should also not exceed four weeks.

10. Paying family Members

- 10.1. Direct Payments cannot be used to secure the services from a family member who lives in the same household as the young person with the exception of administration costs, as outlined in section 9, other than in exceptional circumstances to be agreed in writing by Havering Council.

11. Employment Duties

- 11.1. The responsible person needs to be aware that they are responsible for the day-to-day management of the young person's Direct Payments including that of employing suitably qualified workers where necessary to provide the assistance identified as part of the young person's assessed needs.
- 11.2. Havering Council will signpost the responsible person to information in regards to their role as an employer. For responsible persons that request or require further help or assistance, Havering Council will arrange face to face advice and guidance.
- 11.3. When employing any person, the responsible person shall comply with their legal duties and obligations as an employer in the United Kingdom including that which is required by HM Revenue and Customs and the UK Border Agency. The responsible person shall be responsible for making appropriate deductions for tax and national insurance contributions from the remuneration paid to its workers, register as an employer with HMRC and ensure all checks are made of their potential employee, including a DBS check and the right to work in the UK.
- 11.4. The responsible person will need to have in place Employers Liability Insurance. The Employers Liability Insurance should be taken out with a reputable insurance company or underwriters with a minimum limit for any one claim of £5 million (responsible persons will be notified if this limit is increased or decreased in the future as reasonably required by the Chief Finance Officer of the Council.) The insurance policy and premium receipts must be produced on demand when requested by Havering Council.
- 11.5. The responsible person must ensure that any person they employ with the use of Direct Payments will not be considered or consider themselves an employee or agent of Havering Council, and that Havering Council will not be responsible for any income tax, National Insurance or any other payments or responsibilities in relation to the employee of the responsible

person. It must be clearly stated in their contract of employment or written statement of work that they are employed solely by the responsible person.

11.6. The responsible person will be expected by Havering Council to ensure that they have made provisions for cover in emergency situations or when the young person's PA is not able or not due to attend to support them, such as in cases of annual leave or sickness.

11.7. In the event that the normal contingency arrangements by the responsible person for the provision of the services breaks down, in an emergency Havering Council shall endeavour to ensure that the young person receives appropriate services to achieve their agreed outcomes for that period until their responsible person is able to resume their usual arrangement. This will result in the need for repayment to Havering Council of monies already paid to the responsible person. The amount will be recovered by Havering Council from the Pre-payment account and the details provided to their responsible person in writing. Havering Council may recover any amount due greater than money in the Pre-payment account from future Direct Payments after conducting a re-assessment of the young person's needs in consultation with the Young person and their parent/carer.

12. Safeguarding

12.1. It is an offence under the Criminal Justice and Court Services Act 2000 and Safeguarding Vulnerable Groups Act 2006 for anyone to knowingly offer work with vulnerable people or children to, or procures work with vulnerable people or children, or allows such an individual in such work without relevant checks.

12.2. The responsible person shall ensure that when employing a person that will have unsupervised access to young or otherwise vulnerable people during the course of their work that the responsible person conducts an enhanced DBS (Disclosure and Barring Service) check to ensure that the person has no relevant criminal convictions that would preclude them from working with children or vulnerable people. Havering Council will meet the cost of the DBS check.

13. Direct Payments – Paying for Council Services

13.1. As a general rule, Direct Payments should not be used to pay for services provided by Havering Council. If a young person wishes to receive a service from Havering Council that has been identified as part of their assessed needs, this will be arranged by the Council and the Direct

Payment will be reduced by the service cost before it reaches the pre-paid card account.

13.2. There may be cases where Havering Council will exercise discretion to provide care and support by receiving a Direct Payment amount, for example this could be where a person who is using Direct Payments wants to make a one-off purchase from Havering Council, such as sensory equipment. In these cases, Havering Council will take into account the wishes of the person requiring care and support when making a decision. In one off cases such as these, it may be less burdensome to accept the Direct Payment amount, rather than providing the service and then reducing the Personal Budget and Direct Payment accordingly.

13.3. This does not preclude the responsible person from using the young person's Direct Payment to purchase care and support from a different local authority. For example, a person may live close to authority boundaries and another local authority could provide a particular service that their 'home' authority does not provide.

Section 3 – Audit and Review of Direct Payments

14. Review of Direct Payments

14.1. As part of the monitoring and review process, an initial light-touch review will take place 4-6 weeks after the Direct Payment has started to ensure that the responsible person is comfortable with using the Direct Payment, and experiencing no initial issues. The review will take place to establish if the Direct Payment is being spent, to ensure unmet assessed eligible needs and outcomes are being met and that the Direct Payment is being used as detailed within the assessed individual needs and within the terms of the Direct Payment agreement. It should ideally be incorporated within the initial review of the young person's assessed needs. However, if the initial review raises concerns or requires actions that affect the detail recorded in the plan, then a full review of the plan will need to be carried out.

14.2. If at the initial review it becomes clear that the responsible person is struggling to understand their responsibilities in operating the Direct Payment, Havering Council shall assist with further information, advice and support.

14.3. Havering Council will review the Direct Payment arrangements six months after the initial payment, and thereafter every 12 months if no further issues arise to enable Havering Council to establish that the Direct Payment is still an appropriate way of meeting the young person's needs and outcomes, and that conditions upon which it is made are being met.

14.4. The monitoring will take place across both the financial aspects of the Direct Payment and to identify risks and issues. For example, if the responsible person is employing people, Havering Council will include in the review, checks to ensure the individual is fulfilling their responsibilities as the employer. In particular that they are submitting PAYE returns to HMRC as well as paying tax and National Insurance deductions made to HMRC.

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- 14.5. Where a Direct Payment is being allocated to a nominated/responsible person, or where there may be a family carer being paid for administrative support, the review should, where possible, incorporate all of these parties as well as the person in need of care and support. This will ensure that Havering Council receives views from everyone involved in the Direct Payment to ensure there are no initial issues that require resolving.
- 14.6. Havering Council has the right to increase, decrease, suspend or terminate the Direct Payment in line with a regular review or reassessment of the young person's assessed eligible needs.
- 14.7. Where Havering Council has identified a change in circumstance that it deems affects the current level of Direct Payments due, and following a new assessment or review, Havering Council will give the responsible person 7 days written notice of the change. This notice period may be extended where a reduction may affect any pre-existing contractual arrangements, such as a Personal Assistant.
- 14.8. The responsible person will ensure that arrangements are in place to notify Havering Council immediately if there are any changes in their circumstances which may affect their entitlement to Direct Payments. Examples of changes are: if the young person is admitted to hospital, is going to be away for periods beyond 4 weeks or no longer requires the service, a change of address or support arrangements. It is the responsibility of the responsible person to check with Havering Council if they are unsure if a change in circumstance will affect the young person's eligibility to continue to receive Direct Payments.
- 14.9. Following a discussion with the responsible person, Havering Council may temporarily reduce or suspend payments if the young person is unable to receive services for a period of time, such as for long stays in hospital. Havering Council shall give consideration to a young person's individual circumstances upon admission to hospital. Direct Payments may continue to be paid for short stays in hospital to facilitate staff retention by the responsible person.
- 14.10. A formal review or reassessment of the young person's circumstances by Havering Council can be requested at any time.

15. Audit of Direct Payments

- 15.1. The responsible person shall keep all documents and/or records generated in connection with the provision of services to which their Direct Payment relates for a period of 6 years following the end of the services. The documents and/or records held by the responsible person may be inspected by Havering Council via its staff, including Havering Council's Internal Audit Service or other person authorised by Havering Council.

- 15.2. The activity on the pre-payment account will be monitored by Havering Council via the pre-payment on-line system. Havering Council will not normally require or request documentation for a transaction that appears on the on-line account that clearly identifies the service and is within the agreed assessed needs.
- 15.3. Havering Council will request information and supporting documentation for an entry on the pre-payment card account that is not easily recognisable, exceeds or is notably lower than the agreed care or service costs. The responsible person shall provide this information within 14 days of the request. Failure to provide such documentation shall result in a reassessment of the young person's eligibility for receipt of Direct Payments.
- 15.4. The responsible person shall contact Havering Council's Direct Payment Team when requested and submit to the periodic monitoring and review of the service.
- 15.5. Havering Council will provide information and advice to the responsible person who opts to receive a young person's care and support through the payment of a Direct Payment. It will be made clear to the responsible person that the Direct Payment account is auditable and the need for good record keeping on expenditure is important.
- 15.6. The Direct Payment account will be subject to regular audits in relation to the use and management of the Direct Payment, the account will be audited initially at 6-8 weeks from it starting and any issues will be addressed.
- 15.7. Thereafter Direct Payment accounts will be audited quarterly. Audits are required to ensure that the Direct Payment is being used for the purposes detailed as part of the young person's assessed needs with accurate receipts and records being kept. Any discrepancies will be investigated and resolved and any debt will be recovered by Havering Council.
- 15.8. Havering Council has the right to suspend or terminate the Direct Payment as a result of the findings of the audit of the Direct Payment account.

16. Recovery of Direct Payments

- 16.1. Havering Council reserves the right, after consultation with the responsible person, to adjust future payments to recover any over-payments or under-spends, after taking into consideration any other expenses the responsible person is required to meet in relation to their Direct Payments, such as statutory holidays and payments due to the HM Revenue and Customs.

17. Unspent Direct Payments

- 17.1. Where money remains on the Pre-payment account outside the allowed or agreed amount for contingency, HMRC, annual leave, respite, fluctuating needs or one-off payments for example, any overpayment or under-spend will be recovered from this account by Havering Council.

18. Wrongful Use of Direct Payments

- 18.1. Havering Council has a duty of care to ensure the responsible person is using the Direct Payment to achieve the outcomes agreed in the young person's Support/EHC plan that the charges the young person incurs are reasonable and that public funds are being used effectively. Where requested, the responsible person is required to provide as much information as possible in the time frame given.
- 18.2. In the event that fraud, abuse or misuse is reasonably suspected, Havering Council may refer the matter to Internal Audit for investigation and offer support to the responsible person to reduce the risk of further loss occurring. Havering Council shall refer any potential criminal activity to the Police for further investigation and reserve the right to prosecute where fraud is suspected to have taken place.
- 18.3. Havering Council will not be responsible for any losses incurred by the young person or their responsible person, therefore they should ensure that they have adequate content insurance cover in place should losses arise that can be mitigated by home content insurance.

19. Direct Payments and Hospital Stays

- 19.1. There may often be occasions when the young person requires a stay in hospital. If a young person is in hospital for 4 weeks or more a review will take place. Payments may be reduced in the event that a young person is due to remain in hospital for a long period of time. Consideration to contractual agreements with PAs will be taken into account to ensure a continuity of care when discharged from hospital.
- 19.2. During the review, consideration will be given to how the Direct Payment may be used in hospital to meet non-health needs or to ensure employment arrangements are maintained. For example, the young person may prefer the PA to visit the hospital to help with personal care matters outside those performed by hospital staff. This may be especially so where there has been a long relationship between the Direct Payment holder and the PA. This should not interfere with the medical duties of hospital personnel, but be tailored to work alongside health provision.

- 19.3. In some cases, the responsible person managing the Direct Payment may require a hospital stay. In these cases Havering Council must be notified and an urgent review will be conducted to ensure that the young person continues to receive care and support to meet their needs. This may be through a temporary responsible person, or through a short-term care and support arrangement.
- 19.4. Upon imminent discharge from hospital a review of the care and support needs of the young person will be undertaken by Havering Council to ensure that an appropriate plan is in place before the young person returns home. Direct Payments may be reinstated if these were temporarily ceased or reduced, provided the young person continues to meet the eligibility criteria.

20. Direct Payments - Periods Away from Home (excluding Short Breaks)

- 20.1. Young person's intending to travel outside their ordinary area of residence for short periods must inform Havering Council of their plans prior to making those arrangements. The responsible person will need to state the period of time from which they will be away and to confirm their arrangements for support during this period.
- 20.2. Any spend involving commitments out of the country shall need to be approved by the Director of Children Services on a case by case basis and cannot be assumed. If approved, the responsible person must ensure that they comply with the country's employment rules and regulations.
- 20.3. The responsible person must retain receipts for payment of wages to workers as well as all other documentation related to such employment; this includes copies of receipts and invoices relating to purchases made from their Direct Payment pre-paid account. These should be submitted to Havering Council when asked.
- 20.4. The responsible person retains responsibility of ensuring that arrangements are in place to pay the wages of their employee/s in the UK if they wish to retain them while they are away from home.

Section 4 - Ending Direct Payments

21. Terminating Direct Payments

21.1. Direct Payment will only be terminated as a last resort. Havering Council will take all reasonable steps to address any situations without the termination of the payment. If terminating a Direct Payment, Havering Council will ensure there is no gap in the provision of care and support.

22. Terminating Direct Payments by the Direct Payment Recipient

22.1. If a responsible person expresses a desire to terminate the Direct Payment, the reasons for the termination should be provided to Havering Council. In these cases Havering Council will then work with the responsible person and the young person to plan how their assessed eligible care needs will be met in an alternative way and Havering Council will ensure there are no outstanding contractual liabilities before the Direct Payment is terminated.

22.2. A Direct Payment may be terminated by the responsible person by providing 4 weeks' notice to enable Havering Council to, if required meet the assessed needs outcomes by alternative means to the Direct Payment.

23. Havering Council Terminating Direct Payments

23.1. Havering Council shall cease making Direct Payments if the responsible person no longer appears to be capable of managing the Direct Payment or of managing the payment with support. Havering Council will make timely arrangements for services to be provided in lieu of the Direct Payments, to ensure continuity of support.

23.2. Direct Payment should be discontinued when a person no longer needs the support for which the Direct Payments are made. This might happen in situations where the Direct Payments are for short-term packages when leaving hospital. Direct Payments for after-care services under section 117 of the Mental Health Act would also cease once the clinical commissioning group and Havering Council are satisfied that the person concerned is no longer in need of such services.

23.3. There may be circumstances in which Havering Council will discontinue Direct Payments temporarily. An example might be when an individual does not require assistance for a short period because their condition improves and they do not require the care and support that the Direct Payments are intended to secure. Havering Council will discuss with the young person, their responsible person, and any other person concerned on how best to manage this.

- 23.4. The responsible person should be allowed to resume responsibility for the appropriate young person's care after the interruption, if that remains their wish, unless there has been a change of circumstances which means that the conditions in the Act and/or Regulations are no longer met. If there is a change of circumstances that affects the identified assessed needs, Havering Council will revise the plan to ensure that it is still meeting all outcomes.
- 23.5. Havering Council might also discontinue payments if the responsible person fails to comply with a condition imposed under regulations to which the Direct Payments are subject or if for some reason Havering Council no longer believes it is appropriate to make the Direct Payments. For example, Havering Council may discontinue the Direct Payment if it is apparent that they have not been used to achieve the outcomes outlined as part of the young person's assessed needs.
- 23.6. Direct Payment must not be provided under certain conditions, such as where the responsible person is placed by the courts under a condition or requirement relating to a drug and/or alcohol dependency. See Appendix 1.
- 23.7. Where Direct Payments are discontinued as a result of criminal justice legislative provisions, Havering Council will make timely arrangements for services to be provided in lieu of the Direct Payments, to ensure continuity of support.

24. Discontinuation of Direct Payments

- 24.1. If the responsible person loses capacity to consent, Havering Council will discontinue Direct Payments to that person and consider either making payments to another responsible person or terminating the Direct Payment and instead providing direct support. In the interim, Havering Council will make alternative arrangements to ensure continuity of support for the young person concerned.
- 24.2. If Havering Council believes the loss of capacity to consent to be temporary, it may continue to make payments if there is someone else who is willing to manage payments on the responsible person's behalf. This situation should be treated as strictly temporary and will be closely monitored to ensure that, once the primary responsible person has regained capacity, they are able to exercise overall control over the Direct Payments as before. If the person's loss of capacity to consent becomes prolonged, Havering Council will consider making more formal arrangements for an alternative responsible person to take over receipt of the Direct Payments on that person's behalf. The arrangement is designed to be temporary, so that the person managing the Direct Payment does not enter into any long-term contractual arrangements.
- 24.3. Havering Council will discontinue Direct Payments if Havering Council is

not satisfied for whatever reason that the responsible person is acting in the best interests of the beneficiary, within the meaning of the 2005 Mental Capacity Act. Havering Council may discontinue the Direct Payments if it has sufficient reason to believe that the conditions imposed under regulations on the responsible person are not being met. Havering Council may wish to consider if someone else can act as a responsible person for the person lacking capacity, or whether there is a need for the Council to arrange services for them in place of the Direct Payments.

- 24.4. Havering Council will discuss as soon as possible with the responsible person managing the Direct Payments if it is considering discontinuing Direct Payments to them, in order to explore all available options before making the final decision to terminate the Direct Payments. For example, if ability to manage is an issue, the individual should be given an opportunity to demonstrate that they can continue to manage Direct Payments, albeit with greater support if appropriate. Havering Council will not automatically assume when problems arise that the only solution is to discontinue or end Direct Payments.
- 24.5. If Havering Council does decide to withdraw Direct Payments, it will need to conduct a review of the plan and agree alternative care and support provision with the young person and their responsible person, unless the withdrawal was following a review after which Havering Council concluded that the services were no longer needed. A 4 week period of notice will normally be given before Direct Payments are discontinued.
- 24.6. It will be extremely unlikely that Havering Council will discontinue Direct Payments without giving notice, although in serious cases this may be warranted (for example, the responsible person is not acting in the best interests of the person). Havering Council should explain to people, before they begin to receive Direct Payments, the exceptional circumstances in which this might occur and discuss with them the implications this has for the arrangements that individuals might make.
- 24.7. Havering Council retains the right to recover Direct Payments in full or in part if it is satisfied that the money had been diverted from the use for which it was originally intended.
- 24.8. If Direct Payments are discontinued, some people may find themselves with ongoing contractual responsibilities or having to terminate contracts for services (including possibly making employees redundant). Contractual obligations will require a notice period for termination such as service paid for in advance and employment contracts. These arrangements will need to be taken into consideration when Direct Payments are discontinued by the responsible person.
- 24.9. There may be circumstances where the responsible person has lost the capacity to manage the Direct Payment and there is no-one else to manage the payment on the young person's behalf, or where a person

needs additional support to terminate arrangements. In these cases Havering Council will provide support to ensure that any contractual arrangements are appropriately terminated to ensure that additional costs are not incurred.

25. Transferring Direct Payments to Adult care

- 25.1. The Direct Payment allowance will be reassessed when the young person becomes 18 years old. For EHC Plans direct payments for education may continue on the same basis until the EHC Plan ceases, which may be up until age 25.. Direct Payments provided under the Children Act 1989 may be transferred to the Adults team at Havering Council.
- 25.2. Transition to adulthood starts at the age of 14, in Year 9 at school, and continues up to the age of 25. A young person who has been deemed eligible for support under adult social care legislation can continue to meet their support needs by way of a direct payment from Havering's adult services from the age of 18.
- 25.3. Havering's Preparation for Adulthood team works with young disabled people with significant needs from the age of 14 - 25 years. Where a young person has significant and continuing needs, a social worker will work with the family to make and/or coordinate assessment from other professionals involved. These assessments will be then used to see whether the young person is eligible for adult services.
- 25.4. Referrals are made through the social care team or by the social worker in the Preparation for Adulthood team.

26. Ending Direct Payments – on death

- 26.1. In the event of the death of the young person any amount of Direct Payment remaining in the young person's pre-payment account will be repayable to Havering Council following a discussion with the family and/or responsible person. There will be funds available to pay for commitments outlined as part of the assessed needs if an agreement is in place for advance payments or notice needs to be given before termination.
- 26.2. Any amount due to the estate of the young person for the fulfilment of contractual and legal obligations relating to any person employed by the young person or to HM Revenue and Customs shall be paid by Havering Council on receipt of supporting documentary evidence or an invoice relating to the services received, this would be limited to the amount of arrears only.

27. Disputes

27.1 Any disputes in relation to the allocation or provision of personal budgets should be addressed to the Head of Service, Children & Adults with Disabilities Service in the first instance.

27.2 If the recipient of a personal budget or direct payment has a complaint about services they have purchased independently, they should address this with the service provider or employee concerned.

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I confirm that I have read and understand the content of the Direct Payments Policy and make the following declaration:

(Please tick each declaration.)

- That I will comply with the Terms and Conditions of the Direct Payment Agreement, and understand that failure to do so may lead to the suspension or possible termination of the Direct Payment. ☐
- To comply with the Council's Anti-money laundering policy I will ensure that all funds remain in the pre-paid account with no transfers to other bank accounts unless paying for care in accordance with the Support/EHC Plan. ☐
- If in exceptional circumstance it is agreed that I will maintain a traditional bank account; I will ensure that all Direct Payments paid by the Council will be paid into a dedicated bank account which is solely for income and expenditure relating to the direct payment. ☐
- That in accordance with the Data Protection Act 2018, I will allow information to be shared for the prevention and detection of fraud. ☐
- That following non-compliance with Direct Payments monitoring requirement, the following consequences may occur: ☐
 1. The Council will authorise the transfer of Direct Payments to be managed by a Third party.
 2. Service Manager may authorise suspension if not transferred to a third party.
 3. Provision of a directly commissioned service managed by the Council will be arranged by a social worker if suspension is agreed.
- That following a review of spending in October and February respectively by the Council, if funds exceeding eight (8) weeks are being held within the pre-paid account; these may be recovered at the earliest opportunity except where variation has been agreed. ☐
- That the Direct Payment will be used in accordance with the EHC Plan. ☐
- This Authority is under a duty to protect the public funds it administers, and to this end may use the information you have provided on this form for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes. For further information, see <http://www.haverling.gov.uk/Pages/ServiceChild/Fair-processing-notice.aspx>
- That if I have knowingly given false information in order to obtain Direct Payments, I may be liable to prosecution or other action. ☐

Appendix 1 – PERSONS EXCLUDED FROM DIRECT PAYMENTS

This Schedule applies to a person if they are—

- (a) subject to a drug rehabilitation requirement, as defined by section 209 of the Criminal Justice Act 2003(1), imposed by a community order within the meaning of section 177 of that Act, or by a suspended sentence of imprisonment, within the meaning of section 189 of that Act;**
- (b) subject to an alcohol treatment requirement as defined by section 212 of the Criminal Justice Act 2003, imposed by a community order, within the meaning of section 177 of that Act, or by a suspended sentence of imprisonment, within the meaning of section 189 of that Act;**
- (c) released on licence under Part 2 of the Criminal Justice Act 1991(2), Chapter 6 of Part 12 of the Criminal Justice Act 2003 or Chapter 2 of the Crime (Sentences) Act 1997(3) subject to a non standard licence condition requiring the offender to undertake offending behaviour work to address drug or alcohol related behaviour;**
- (d) required to submit to treatment for their drug or alcohol dependency by virtue of a community rehabilitation order within the meaning of section 41 of the Powers of Criminal Courts (Sentencing) Act 2000 or a community punishment and rehabilitation order within the meaning of section 51 of that Act(4);**
- (e) subject to a drug treatment and testing order imposed under section 52 of the Powers of Criminal Courts (Sentencing) Act 2000(5);**
- (f) required to submit to treatment for their drug or alcohol dependency by virtue of a requirement of a probation order within the meaning of sections 228 to 230 of the Criminal Procedure (Scotland) Act 1995 or subject to a drug treatment and testing order within the meaning of section 234B of that Act(6); or**
- (g) released on licence under section 22 or 26 of the Prisons (Scotland) Act 1989(7) or under section 1 or 1AA of the Prisoners and Criminal Proceedings (Scotland) Act 1993(8) and subject to a condition that they submit to treatment for their drug or alcohol dependency.**

1. Parties to the Agreement

This Agreement is between The London Borough of Havering ("the Council") and the young person

Name of the young person:
Address:
Postcode

Name of responsible person for the young person.

Responsible person's Name:
Address:
Postcode:
Relationship to the young person:

2. Basis of the Agreement

- 2.1. This Agreement should be read alongside Havering's Children's Social Care Direct Payment Policy Guidance. The Agreement is made on the basis that:
- 2.2. The young person's needs have been assessed as eligible to receive care and/or support services as identified and agreed as part of the assessed need in the Child in Need Plan or the EHC Plan.
- 2.3. The responsible person is willing and able to secure the service(s) detailed in the young person's assessed needs.
- 2.4. The Council will make payment(s) to the responsible person's direct payment pre-paid account / Third party pre-paid account to enable the responsible person to purchase the services agreed in the young person's assessed needs to achieve the agreed outcomes.

3. Start date of the Agreement

- 3.1. The Agreement will begin on (insert date). Recurring payments from the Council will generally be made every four weeks in advance into the responsible person's Direct Payment account / Third party pre-paid account. The four weekly amount paid will be in accordance with your signed EHA plan.

4. Review

- 4.1. The young person's support/EHC plan and direct payment will be reviewed shortly after it has been set up to ensure the young person and the responsible person are happy with the services and they are able to meet the young person's outcomes identified in the assessment. This will normally be within six weeks of the start of the direct payment.
- 4.2. Reviews after this will be carried out at least annually. Reviews can be carried out more frequently if either you or the Council have any cause for concern or need additional support.
- 4.3. You must inform the Council immediately if at any time you experience difficulty achieving the agreed outcomes in the young person's support/EHC plan or managing the direct payment pre-paid account.

5. General rules about how to use the money

- 5.1. Your direct payment is to enable you to buy the services as detailed and agreed in your support/EHC plan.
- 5.2. You must notify the Council if you wish to change anything in the young person's support/EHC plan and obtain approval in writing from the Council prior to purchase.
- 5.3. You cannot use the young person's Direct Payments to buy anything other than meeting the outcomes as agreed in the young person's support/EHC plan. In particular, although not an exhaustive list, you cannot spend any Direct Payments on the following items:
- Anything that is illegal
 - Alcohol, tobacco, drugs or gambling
 - A Stay in a residential home for longer than 8 weeks in a year
 - Pay a close relative that lives with you
 - A placement in a school or post 16 institution.

6. Directly Employing Staff

- 6.1. If you do choose to employ your own staff, you need to ensure you understand your responsibilities as an employer.

You need to comply with all your legal duties and obligations as an employer in the United Kingdom, including what is required by HM Revenue & Customs and the UK Border Agency.

- 6.2. You will need to have appropriate Employers Liability Insurance in place, taken out with a reputable insurance company or underwriters. The Council can assist you with this.
- 6.3. You shall be responsible for making appropriate deductions for Tax and National Insurance contributions from the remuneration paid to your workers.
- 6.4. Any person you employ with the use of Direct Payments will not be considered an employee or agent of the Council and the Council will not be responsible for any Income Tax, National Insurance, any other payments or responsibilities in relation to that person.

7. Records you must keep

- 7.1. You will need to retain all invoices, correspondence, receipts and statements for any payment made in relation to the services received.
- 7.2. The activity on the Direct Payment account will be monitored by the Council, via the Pre-Paid account on-line system or via the Third Party provider. The Council will not normally require or request documentation for a transaction that appears on the on-line account that clearly identifies the service and is within the agreed support/EHC plan limits.
- 7.3. The Council will request information and supporting documentation for any entry on the on-line account that is not easily recognisable, exceeds or is notably lower than the agreed care hours or service cost. You will be required to provide this information within fourteen (14) days of the Council's request.
- 7.4. Your payments may be suspended if you are unable to provide evidence of spend when required by the Council.

8. Inappropriate spending

- 8.1. The Council retains the right to recover Direct Payments in full or in part if it is satisfied that the money has been diverted from the use for which it was originally intended, as set out in your care and support plan.

9. Refund of Unspent Funds

- 9.1. Unspent money in your Direct Payment account / Third Party Provider

account should not normally exceed the equivalent of eight weeks of your direct payment amount.

This does not include any money that you have put by for outstanding commitments such as tax or annual respite. Any excess money in Direct Payment account / Third Party Provider account will be recovered by the Council following a discussion with you.

10. Ending the Agreement

10.1. This Agreement may be terminated by you or the Council by either party giving 4 weeks' notice in writing to the other party.

10.2. The Council may discontinue payments and terminate this Agreement with immediate effect, if:

10.2.1. After investigation, it is found by the Council that you are failing to comply with the terms and conditions of this Agreement and the Council has reason to believe that you are using the money illegally or inappropriately;

10.2.2. The Council is not satisfied that your support needs can be met by a direct payment; or

10.2.3. You no longer need care and support service.

10.3. Before terminating the Agreement, the Council will work with you to find a resolution to the issues wherever possible.

Pre-paid Account details

Name of account holder			
Bank Name			
Account no:		Sort Code	

11. Agreement & Declaration

Here all parties are signing to indicate that they understand and agree to the terms set out in this Agreement.

I, the Young person realise that I may be committing a criminal offence by giving false or misleading details, or withholding information in order to receive payments from the Council and that if I provide information which I know to be false, I may be liable to prosecution.

Young person Name:

Signature:

Date:

If the Young person is unable to sign or understand the Agreement - please complete this section: I confirm that the direct payment will be managed on behalf of the Young person as agreed in the signed care & support plan/ EHC Plan. I agree to act as Representative on behalf of the Young person. I am independent of the Direct Payments Provider and agree to be bound by the terms and conditions of this Agreement.

Representatives Name:

Signature:

Date:

If the Young person or representative requires services to support them in managing their payments, such as payroll, help with payment of invoices etc. and they have requested a Third Party Financial Services, please complete the provider's details below

Third Party Provider Name:

Name of Council Representative:

Signature:

Date:

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Leader's Briefing

5 September 2018

Subject Heading:

Quarter 1 Corporate Performance Report (2018/19)

Cabinet Member:

Councillor Damian White, Leader of the Council

SLT Lead:

Jane West, Chief Operating Officer

Report Author and contact details:

Pippa Brent-Isherwood, Assistant Director of Policy, Performance and Community
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01708 431950

Policy context:

The report sets out Quarter 1 performance against each of the strategic goals set out in the Corporate Plan

Financial summary:

There are no direct financial implications arising from this report. However adverse performance against some corporate performance indicators may have financial implications for the Council.

All service directorates are required to achieve their performance targets within approved budgets. The Senior Leadership Team (SLT) is actively monitoring and managing resources to remain within budgets, although several service areas continue to experience financial pressure from demand led services.

Is this a Key Decision?

No

Leader's Briefing 5 September 2018

Is this a Strategic Decision?

No

When should this matter be reviewed?

The Corporate Performance Report will be brought to Cabinet at the end of each quarter, with an annual report brought at the end of Quarter 4.

Reviewing OSC:

The six overview and scrutiny sub-committees (Children and Learning, Crime and Disorder, Environment, Health, Individuals, Towns and Communities) have each selected a basket of indicators that they will track performance against throughout the year. Progress against these indicators will be reported to the Overview and Scrutiny Board on a quarterly basis. Many of these will either duplicate or be "feeder" indicators for the PIs featured in the Corporate Performance Report.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

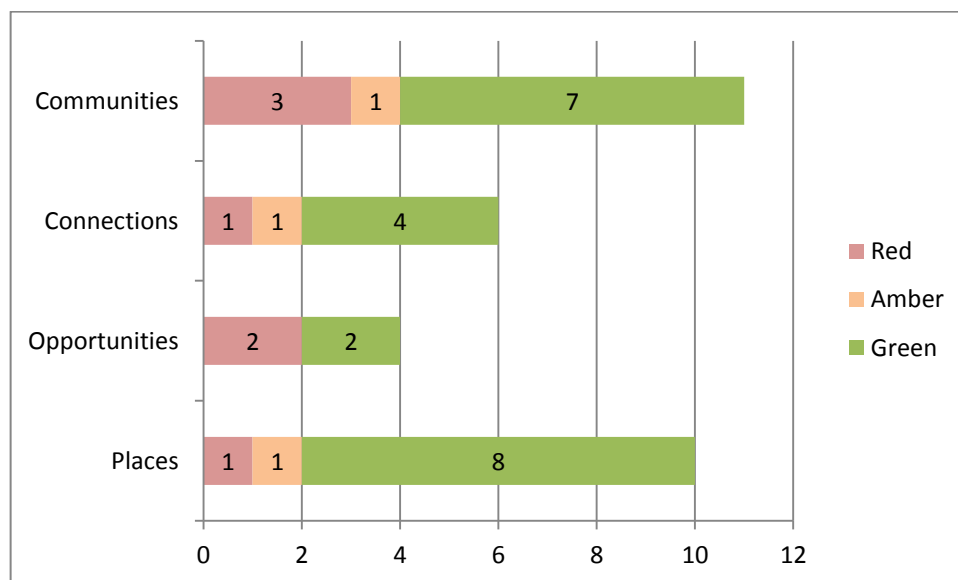
SUMMARY

1. The Corporate Performance Report provides an overview of the Council's performance for each of the strategic goals. The report highlights areas of strong performance and potential areas for improvement.
2. Following a trial without them during 2017/18, tolerances around targets (and therefore the amber RAG rating) have been reinstated for 2018/19 corporate performance reporting. Performance against each corporate performance indicator has therefore been classified as follows:
 - **Red** = outside of the quarterly target and outside of the agreed target tolerance, or 'off track'
 - **Amber** = outside of the quarterly target, but within the agreed target tolerance
 - **Green** = on or better than the quarterly target, or 'on track'

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3. Where performance is rated as 'Red', 'Corrective Action' is included in the report. This highlights what action the Council will take to improve performance.
4. Also included in the report are Direction of Travel (DoT) columns, which set out:
 - Short-term direction of travel – compared with the previous quarter (Quarter 4 2017/18)
 - Long-term direction of travel – compared with the same time the previous year (Quarter 1 2017/18)
5. A green arrow (↑) means performance is better and a red arrow (↓) means performance is worse. An amber arrow (→) means that performance has remained the same.
6. For Quarter 1, a RAG status has been provided for 31 of the 45 Corporate Performance Indicators and nine of the 25 perception / engagement indicators.

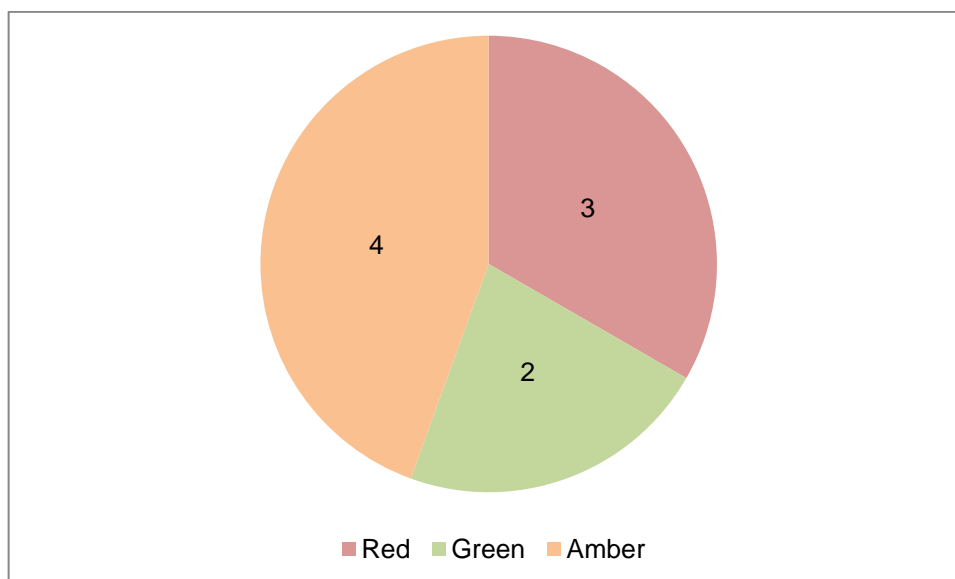
Quarter 1 Summary – Corporate Performance Indicators



7. In summary, of those corporate performance indicators that have been RAG rated:
 - **21** (68%) have a **Green** (on track) status
 - **3** (10%) have an **Amber** status
 - **7** (23%) have a **Red** (off track) status

This is a very slight improvement on the position at the end of Quarter 4 2017/18, when 67% of indicators were rated **Green**.

Quarter 1 Summary – Perception/Engagement Indicators



8. Of those perception / engagement indicators that have been RAG rated:

- 2 (22%) have a **Green** (on track) status
- 4 (44%) have an **Amber** status
- 3 (33%) have a **Red** (off track) status

This is a decline in performance compared with the position at the end of Quarter 4 when 75% were rated **Green**.

Demand Pressures Dashboard

8. The current levels of performance need to be interpreted in the context of increasing demand on services across the Council. Also attached to the report (as **Appendix 2**) is a Demand Pressure Dashboard that illustrates the growing demands on Council services and the context that the performance levels set out in this report have been achieved within. These indicators highlight that:

- The increase in customer contact to the Council was sustained in Quarter 1, although this was expected due to continued annual activities such as green waste collection renewals and council tax billing.
- The total number of school applications received in the first quarter of the year is 44% higher than in the same period last year.
- There has been a decrease of 14.3% in the number of contacts relating to children received in the Multi-Agency Safeguarding Hub (MASH) compared with the same quarter last year but an increase in both the number becoming referrals to Social Care, and the number referred to Early Help. In Quarter 1 of last year, 56% of contacts progressed to either Social Care or Early Help, and in 2018/19 this has risen to 69%. This indicates both that the majority of contacts to Children's Services are appropriate, and that more concerns are being identified (and therefore acted upon) at an earlier stage.
- The number of children subject to a child protection plan is up by over 10% compared with the previous quarter, although the long term trend remains a reduction, with 245 children subject to a CPP at the end of

Quarter 1 (7.5% fewer than at the end of Quarter 1 2017/18). The number of children on child in need plans meanwhile continues to increase, and at 501 as at 30 June, is up 49.6% compared with the same point last year. This is reflective of the service's aim to work with families in a more systemic way, with a focus on developing relationships and face to face practice.

- The looked after children cohort has continued to reduce and is now down to 244 children and young people compared with 258 at the same point last year (a reduction of 5%).
- There has been a reduction in the number of residents requiring an ongoing Adult Social Care service following a period of reablement compared to the same period last year, despite there being an increase in the total number of residents using the reablement service.
- The borough is continuing to see an overall upward trend in the number of individuals monitored by the Serious Group Violence (SGV) Panel. Officers and lead Members are currently considering how best to enhance the Council's response to this trend.

RECOMMENDATIONS

That the Cabinet:

1. **Reviews** the performance set out in **Appendix 1** and the corrective action that is being taken.
2. **Notes** the content of the Demand Pressures Dashboard attached as **Appendix 2**.

REPORT DETAIL

COMMUNITIES MAKING HAVERING

1. The Council's progress in delivering this theme of the Corporate Plan has been positive, with performance against 64% (7 of 11) indicators being rated Green or "On Track".

1.1 **Highlights:**

- (PI 6) The percentage of children in good or outstanding schools is above target at 85%, and has improved from the previous quarter as a result of one Academy having its first inspection (with an outcome of Good) and another Academy converting to sponsor led and reopening with a 'Fresh Start'.
- (PI 16) The percentage of homeless preventions and reliefs (i.e. cases where homelessness was resolved without the need for provision of temporary accommodation) was significantly better than target during Quarter 1, at 86% against a target of 70%. 207 households were prevented from becoming homeless or found alternative accommodation before becoming homeless,

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which in turn reduces demand for temporary accommodation, which is costly to the Council and can be unsuitable for families in need.

- (PI 18) The number of adults and older people who can choose how their support is provided is above target at the end of the first quarter, at 96.7% against a target of 95%. Currently there are 1,903 service users receiving their Adult Social Care via Self Directed Support. At the same stage last year there were 1,778, representing an increase of 7%.

1.2 Improvements required:

- (PI 11) The rate of carers receiving a needs assessment or review and a specific carer's service, or advice and information is below target for the quarter at 70 compared with the target of 150. To date there have been 138 assessments undertaken of carers, whereas at the same stage last year there had been 192 (a reduction of 28%). Performance in this area will be discussed at the regular meeting between the service and the Performance Team and, in the meantime, a number of reports will be run to identify possible carer's assessments.
- (PI 19) The rate of delayed transfers of care (instances where an adult patient is ready to leave hospital for home or move to a less acute stage of care but is prevented from doing so) per 100,000 of the population, is outside of the target of 7, at 7.8 (lower being better). In the first quarter there has been an average of 15 delayed discharges per month, whereas at the same stage last year there had been an average of 10. The vast majority of delays are in the acute sector, and are the responsibility of Health.

CONNECTIONS MAKING HAVERING

2. The Council's progress in delivering this theme of the Corporate Plan has been positive, with performance against 67% (4 of 6) indicators being rated Green or "On Track".

2.1 Highlights:

- (PI 22) There has been a further reduction in avoidable customer contact for Customer Services during the first quarter of the year, so the outturn for this indicator was considerably better than target at 16.79% against a target of 20% (where lower is better). This means there are fewer customers seeking clarification of correspondence, chasing visits (e.g. repairs, missed waste) or the status of applications / correspondence submitted.
- (PI 23) The Harold Wood railway station scheme is now on track following recent discussions with Network Rail and works are due to commence in September / October. Meanwhile the Romford railway station works have been completed and work at Gidea Park station is on track and continues to progress to schedule.

2.2 Improvements required:

- (PI 25) The proportion of adults in contact with secondary mental health services who are in paid employment is just below target, at 8.2% against a target of 8.6%. Currently there are 37 service users on a Care Programme Approach (CPA) who are in employment. At the same stage last year there were 38. There were, however, less service users on a CPA in June 2018, when compared to June 2017

OPPORTUNITIES MAKING HAVERING

3. The Council's progress in delivering this theme of the Corporate Plan has been mixed, with performance against 50% (2 of 4) indicators being rated Green or "On Track".

3.1 Highlights:

- (PI 32) The Mayor of London has now agreed the Council's decision of the planning application in respect of the new Hornchurch Sports Centre and a date for starting on site is being agreed with the contractor.

3.2 Improvements required:

- (PI 28) The number of investment enquiries to the Borough converted into a new business or expansion (8) is below the quarterly target (12) and is lower than for the same period last year (20). The service is currently progressing actions designed to highlight the borough's offer and secure inward investment. Whilst this is likely to be successful in relation to town centre retail and the industrial sector, there are limitations in relation to the availability of office space. This will be addressed via the master planning process for Romford, through discussions with developers.
- (PI 33) The number of businesses expressing an interest in relocating to the Borough which have a turnover of £10m+ or international recognition is considerably behind profile, at 8 against a Quarter 1 target of 37. Performance is, however, improved on the same period last year. The Economic Development Strategy and Master Planning for Romford Town Centre will seek to address the current retraction in commercial development in order to create a balanced environment going forward.

PLACES MAKING HAVERING

4. The Council's progress in delivering this theme of the Corporate Plan is strong, with performance against 80% (8 of 10) indicators being rated Green or "On Track".

4.1 Highlights:

- (PI 35) The number of burglary offences committed is better than target (at 382 offences against a target of 543). There has been a reduction of 29% compared to last quarter, and when compared to Quarter 1 2017/18, there were 31% fewer offences committed. Levels in Quarter 1 fell to the lowest seen in the previous 12 months, and June experienced the lowest total level since October 2016. The reductions demonstrate continued success for the Police's Priority Crime Team, carrying on from the work of Operation Mexico which was set up to tackle the spike in burglaries over the winter months.
- (PI 40) The proportion of adult safeguarding cases in which the adult's desired outcomes were expressed and either fully or partially met (at 96.1%) is markedly above target (90%) and is an improvement on the same time last year. Up to the end of Quarter 1, 51 people had completed an adult safeguarding enquiry and had been asked or expressed their desired outcomes, of which those expressed by 49 people had been either fully or partially met. At the same stage last year, 40 people had expressed their desired outcomes, of which those expressed by 36 people had been fully or partially met.

4.2 Improvements required:

- (PI 36) The level of waste per head of population presented to the East London Waste Authority (ELWA) is above target, but this can be largely attributed to the increase in green waste during the spring. The Waste team continues to deliver various waste prevention campaigns, however without restrictions on the amount of waste collected through the household waste collection service, containing and reducing tonnages is very challenging and relies on attitudinal change.

5. The full Corporate Performance Report is attached as **Appendix 1**.

REASONS AND OPTIONS

Reasons for the decision: To provide Cabinet Members with an update on the Council's performance against each of the strategic goals set out in the Corporate Plan.

Other options considered: N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications arising from this report. However adverse performance against some Corporate Performance Indicators may have financial implications for the Council.

All service directorates are required to achieve their performance targets within approved budgets. The Senior Leadership Team (SLT) is actively monitoring and managing resources to remain within budgets, although several service areas continue to experience significant financial pressures in relation to a number of demand led services such as Housing and Children's and Adults' Social Care. SLT officers are focused upon controlling expenditure within approved directorate budgets and within the total General Fund budget through delivery of savings plans and mitigation plans to address new pressures that are arising within the year.

Further information on the financial performance of the Council has been reported as part of the Medium Term Financial Strategy (MTFS) report to the Cabinet in July.

Human Resources implications and risks:

There are not any implications arising directly from this report that impact on the Council's workforce.

Legal implications and risks:

Whilst reporting on performance is not a statutory requirement, it is considered best practice to review the Council's progress against the Corporate Plan and Service Plans on a regular basis.

Equalities implications and risks:

The following Corporate Performance Indicators rated as 'Red' could potentially have equality and social inclusion implications for a number of different social groups if performance does not improve:

- (PI 4) % of LAC who are in long term foster placements (18 months+)
- (PI 11) Carers receiving a needs assessment or review and a specific carer's service, or advice and information (rate per 100,000)
- (PI 19) The number of instances where an adult patient is ready to leave hospital for home or move to a less acute stage of care but is prevented from doing so, per 100,000 population (delayed transfers of care)

The commentary for each indicator provides further detail on steps that will be taken to improve performance and mitigate any potential inequalities.

BACKGROUND PAPERS

The Corporate Plan is available on the Council's website at:

https://www.havering.gov.uk/downloads/download/575/corporate_and_service_plans

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RAG Rating	Direction of Travel (DOT)
GREEN	On or better than target On track ↑
AMBER	Worse than target but within target tolerance →
RED	Worse than target and outside tolerance Off track ↓

Description
Outturns reported cumulatively
Outturns reported as a snapshot
Outturns reported as a rolling year

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Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18	Long Term DOT against Q1 2017/18	Comments		Service & Supporting Service	
Communities: Healthy and Active Lives												
1	Rates of reoffending for those individual offenders completing drug and alcohol treatment referrals (measured through a follow-up 6 months after completion)	Smaller is better	14% (Alcohol) 38% (Drugs)	14% (Alcohol) 38% (Drugs)	±5%	N/A	-	44% ATR 14% DRR	-	NEW	This figure will be calculated at the end of Q2 in order to allow a sufficient period of time to pass following completion of the treatment programme to evaluate efficacy.	Policy, Performance & Community • Public Health
2	The number of people who die from preventable causes like deprivation, accidents, and air quality – but not related to clinical care, per 100,000 population (R)	Smaller is better	Better than England (Annual 3-year rolling period) (2014-2016 = 183 per 100,000 population)	Better than England (Annual 3-year rolling period) (2014-2016 = 183 per 100,000 population)	Similar to England	164 per 100,000 population (2014-2016) GREEN	-	N/A	↓	157 per 100,000 population (2013-2015)	Data is published for three-year rolling periods. The latest available data relates to the period 2014 - 2016. For this period, Havering's mortality rate from preventable causes (164/100,000, with a range of 154 - 174 per 100,000) was lower than the England average (183/100,000) but higher than the previous period (2013-2015). The observed rise from the previous period's rate of 157/100,000 is however not statistically significant. The latest annual data for Havering (2017) indicates an improved figure of 155 per 100,000. National data will next be available in May 2019, so the England average shown here as a target is indicative only as this too will change. Performance will be considered "Similar to England" if the latest England average falls within Havering's latest range	Public Health • Environment • Adult Services • Children's Services
3	% of people (aged 65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	Bigger is better	88.4%	N/A	±5%	N/A	-	88.2%	-	N/A	Performance against this indicator is not measured until Q4	Adult Services
Communities: A good start for every child to reach their full potential												
4	% of LAC who are in long term foster placements (18 months+)	Bigger is better	62%	62%	±2.5%	59.6% RED	↓	60.6%	↓	65%	The outturn for 2018/19 Q1 for this KPI is 59.6% (87/146). Corrective Action: Stability for children in care remains an overarching aim but the service is also clear that placement moves are at times necessary to best meet the needs of the child or young person. This is particularly the case for long term looked after children who may benefit from a move to a semi-independent placement as they begin the transition to adulthood. Through the in-care strand of the innovation programme we have bolstered our in-house provision and, as a result, have been able to move some children from agency placements to in-house provision. As well as being more cost effective, an in-house placement is often more local and therefore enables the child in care to access familiar settings, such as school and health services, to aid minimal disruption to their lives. Planning for looked after children is overseen at regular permanency planning meetings, and LAC reviews ensure oversight and challenge from Independent Reviewing Officers. The focus on permanency within the service will continue and will always be considered with the views of the child or young person in mind.	Children's Services
5	School readiness - % of children achieving a good or better level of development at age 5 (EYFSP)	Bigger is better	74%	N/A	±3%	N/A	-	72% (2016-17)	-	71% (2015-16 results)	Foundation Stage Profile (FSP) results are yet to be published by the Department for Education (DfE)	Learning & Achievement • Children's Services
6	% of children in good or outstanding schools	Bigger is better	84%	84%	±1.5%	85% GREEN	↑	82%	↑	80%	Performance is above target. Since last quarter, one academy has had its first inspection (with an outcome of Good) and another Academy converted to sponsor led and reopened with a 'Fresh Start'	Learning & Achievement • Children's Services
7	Pupil progress in 8 subjects, from the end of primary school to the end of secondary school ("Progress 8" score)	Bigger is better	N/A	N/A	+/- 0.05	N/A	-	-0.04 (2016/17)	-	-0.14 (15/16 Results)	2018/19 academic year target to be set in September as part of the Secondary Improvement Action Plan	Learning & Achievement • Children's Services

Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments	Service & Supporting Service
8	% of looked after children who ceased to be looked after as a result of permanency (Adoption and Special Guardianship Order)	Bigger is better	27.5%	6.9%	±10%	13.3% GREEN	↓	24.6%	↓	14.8%	During June, two more children ceased to be looked after as a result of permanency, giving us a year to date figure of four and an outturn of 13.3% Comparing our performance to this time last year, we are in a similar position which suggests that the momentum and focus on permanency is continuing. As of the end of June we currently have 22 looked after children subject to placement orders, which means that the local authority can actively seek adoptive placements. With the development of the Regional Adoption Agency and the increased focus on supporting families through the Adoption Support Fund, we anticipate an increase in performance against this KPI as the year progresses.	Children's Services
9	% of Havering parents receiving an offer of their first preference primary school	Bigger is better	87%	N/A	±2.5%	N/A	-	88% (2017-18)	-	NEW	The outturn for this financial year will be reported in the Autumn term	Learning & Achievement • Children's Services
10	% of Havering parents receiving an offer of their first preference secondary school	Bigger is better	80%	N/A	±2.5%	N/A	-	79% (2017-18)	-	NEW	The outturn for this financial year will be reported in the Autumn term	Learning & Achievement • Children's Services
Communities: Families and communities look after themselves and each other												
11	Carers receiving a needs assessment or review and a specific carer's service, or advice and information (rate per 100,000)	Bigger is better	600	150	±5%	70 RED	↓	570.6	↓	97	To date there have been 138 assessments undertaken of carers, whereas at the same stage last year there had been 192. Corrective Action: Performance in this area will be discussed at the regular meeting between the service and Performance Team and, in the meantime, a number of reports are going to be run to identify possible carers assessments which will be sent out to the service as part of data cleansing.	Adult Services
Page 124	Number of volunteers supporting Council services	Bigger is better	1,129	1,069	±10%	1249 GREEN	↓	1,333	↑	1,129	The number of volunteers supporting services across the council is above target. This PI counts the number of volunteers who assist in Libraries, Youth Services, Health and Wellbeing, the London Youth Games, Housing Services, Community Clean-ups, as active members of a Friends of Park group, and in the Early Help Service.	Policy, Performance and Community • Culture and Customer Access • Housing • Children's Services • Environment
	Placeholder: Reported outcomes for residents delivered by the community and voluntary sector	Bigger is better	TBC	TBC	TBC	N/A	-	N/A	-	N/A	This indicator is currently in development by the Joint Commissioning Unit and will be co-produced with newly commissioned providers. The start of the new contracts was delayed from September to February, hence the delay in confirming the target and outturns associated with this indicator.	Adult Services • JCU
Communities: Supporting vulnerable residents in our communities												
14	% of care leavers in both education, employment or training and suitable accommodation	Bigger is better	60%	60%	±5%	57.4% AMBER	↓	58.8%	↓	60.9%	<p>Of 148 care leavers, 85 are in both EET and suitable accommodation. The percentage of care leavers in suitable accommodation remains above 90% and consideration is being given to ensuring that the categorising of the accommodation as 'suitable' takes into account the young person's view as well as that of the professionals involved. The proportion in education, employment or training is lower, although still better than national and London averages. Performance often dips at this point in the year, as young people's destinations post September are not known. Another factor is young people coming into care later, and the service therefore having less time to work with them in preparing for the transition to adulthood.</p> <p>Corrective Action: There is an ongoing focus on the outcomes of care leavers through the Face to Face Pathways Innovation Programme. A recent successful application to the DWP's Community Budget will enable us to deliver a programme which will support young people to attain employment and / or embark on further education. The programme will focus on functional skills qualifications, becoming 'work-ready' and stepping into employment.</p> <p>Funding from the DWP has also allowed the Council to set up a fortnightly Work Club at The Cocoon providing drop-in sessions which offer practical support and help to unemployed young people in care and care leavers.</p>	Children's Services • Policy, Performance and Community

Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments	Service & Supporting Service
15	The proportion of repeat victims of domestic abuse (C)	Smaller is better	27%	27%	±5%	N/A	-	28.2% (Provisional 2017-18 average)	-	30.5% (2016-17 average)	The Mayor's Office for Policing and Crime (MOPAC) has not yet launched its revised domestic abuse dashboard which will provide a consistently calculated figure. At a recent meeting of the London Partnership Analysts Group, a MOPAC representative explained the difficulties in calculating this figure. For this reason we will wait until MOPAC provides a standardised figure, from which we will provide a reliable update on whether the 2017/18 target was met, and how this has figure has changed since the last available figure was reported in December 2017. The target for 2018/19 may be revisited in light of this.	Policy, Performance and Community • Adult Services • Children's Services
16	Percentage of homeless preventions and reliefs (homelessness resolved without the provision of temporary accommodation)	Bigger is better	70%	70%	±0%	86% GREEN	-	NEW	-	NEW	207 households were prevented from becoming homeless or found alternative accommodation before becoming homeless during Quarter 1. Higher prevention and relief figures mean that the need for temporary accommodation which is costly and can be unsuitable for families is reduced. This PI's definition has been amended for 2018/19 to reflect the changes introduced by the Homelessness Reduction Act	Housing
17	Rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 65+)	Smaller is better	660	165	±5%	106 GREEN	↑	519.01	↑	108.1	At the end of Q1 there had been 49 new admissions into long term residential / nursing care. At the same stage last year there had been 50. The target has been set higher than last year's outturn due to this indicator being a BCF indicator, against which 2 year targets were previously submitted to NHS England for both 2017/18 and 2018/19.	Adult Services
18	Number of adults and older people who can choose how their support is provided to meet agreed health and social care outcomes in the year (self-directed support)	Bigger is better	95%	95%	±5%	96.7% GREEN	↑	95.3%	↑	86.7%	Currently there are 1,903 service users receiving their Adult Social Care via Self Directed Support. At the same stage last year there were 1,778.	Adult Services
19	The number of instances where an adult patient is ready to leave hospital for home or move to a less acute stage of care but is prevented from doing so, per 100,000 population (delayed transfers of care)	Smaller is better	7	7	±10%	7.8 RED	↓	5.46	↓	4.92	To date there has been an average of 15 delays to discharges per month, whereas at the same stage last year there had been an average of 10. The vast majority of delays are in the acute sector and are the responsibility of Health.	Adult Services
20	Residents reporting good outcomes from their community service (home care service)	Bigger is better	TBC	TBC	±5%	N/A	-	85.6	-	N/A	The indicator is not measured until Q4 and will be based on the proportion of 216 homecare service users scoring their service 'Good' or better in an annual survey.	Adult Services • JCU
Connections: A digitally enabled borough												
21	Improved Socitm score for the www.havering.gov.uk website	Bigger is better	3	N/A	N/A	3 (2016/17) GREEN	→	3	→	3	Whilst retaining a 3 Star rating, our direction of travel is still one of continued improvement as we moved from a score of 9 out of 16 to 13 out of 16 for online tasks (the user journey across pages to complete a transaction). Current SOCTIM testing rules mean a final accessibility test that would give sites enough 'points' to reach 4 star status is only open to members. It is not clear if that scoring system will be in place for 2018/19 ratings at the time of writing.	Culture and Customer Access / Transformation • OneSource (ICT)
22	Avoidable customer contact for Customer Services (S)	Smaller is better	20%	20%	±5%	16.79% GREEN	↑	19.6%	↑	21.9%	Recorded monthly by Contact Centre staff during a two hour window, the level of avoidable contact was comparatively low given that demand in the first quarter of each financial year is high following annual Council Tax billing, Green Waste Renewals, annual rent billing and other demands at that time of year.	Culture and Customer Access / Transformation • OneSource (ICT)
Connections: Capitalising on our location and connectivity												
23	Delivery of public realm improvements at the borough's three Crossrail stations	N/A	Improvements delivered	N/A	N/A	On Track	↑	Off Track	↑	Off Track	Romford station's Crossrail supplementary works have now been completed. Gidea Park's works are on track and progressing well. The Harold Wood scheme is now on track following recent discussions with Network Rail and works are due to commence in September / October.	Development
Connections: Fast and accessible transport links												
24a	Improve air quality in the borough by	Smaller is	40 µgm-3	40 µgm-3	40%	Battis: 69.1 RED	-	N/A	↑	Battis: 71.7	Air quality monitoring and reporting against air quality objectives are undertaken based on a calendar year. The outturns and targets are set on this basis, in line with GLA guidance. For the purposes of monitoring performance against this indicator, two sites have been selected: Romford Battis (where the highest NO2 levels have been recorded) and	Environment

Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments	Service & Supporting Service
24b	reducing the level of NO2	better	10 ppm	10 ppm	±5%	Langton's: 21.7 GREEN	-	N/A	↓	Langton's: 20.1	Langton's (where the lowest NO2 levels have been recorded) When comparing the 2017 and the 2018 Q1 outturns, there is a slight decrease in NO2 at Battis and a slight increase at Langton's. However, given the varying weather conditions over the year and that air quality is influenced by weather conditions, it is difficult to draw safe conclusions from the quarterly outturn.	• Development
Connections: Access to jobs and opportunities												
25	Proportion of adults in contact with secondary mental health services in paid employment	Bigger is better	8.6%	8.6%	±5%	8.2% AMBER	↓	8.5%	↑	6.9%	Currently there are 37 service users on a Care Programme Approach (CPA) who are in employment. At the same stage last year there were 38. There were, however, less service users on a CPA in June 2018, compared to June 2017.	Adult Services • Policy, Performance and Community
26	Proportion of adults with learning disabilities in paid employment	Bigger is better	8.1%	N/A	±5%	N/A	-	8.1%	-	N/A	Performance against this indicator is not measured until Q3	Adult Services • Policy, Performance and Community
Opportunities: First class business opportunities												
27	Number of jobs created and safeguarded through Economic Development's London Riverside Programmes	Bigger is better	49.6	0	±10%	0 GREEN	→	0	→	0	Job Creation Targets Q1 - 0 Q2 – 14.6 Q3 – 10 Q4 – 15 Job Safeguarded Targets Q1 - 0 Q2 – 5 Q3 – 3 Q4 – 2 These targets will be achieved through the project 'Driving Growth in the London Riverside Opportunity Area (LROA)'. The project is a partnership between GLA, LBH and CEME running from 01/11/16 until 31/03/19. This project has four key milestones, of which one is to create 39.6 FTE posts and another to safeguard 10 FTE posts. CEME will be managing a new workspace, Launchpad, whose aim is to nurture and support young businesses in the Manufacturing, Engineering & Technology (MET) sector. It is through this workspace that most of the outcomes will be achieved.	Development • Policy, Performance and Community
28	Number of investment enquiries to the Borough converted into a new business or expansion	Bigger is better	50	12	±10%	8 RED	↓	96	↓	20	Performance is below the quarterly target (12) and lower than for the same period last year. Corrective Action: The service is currently progressing actions designed to highlight the borough's offer and secure inward investment. Whilst this is likely to be successful in relation to town centre retail and the industrial sector, there are limitations in relation to the availability of office space. This will be addressed via the master planning process for Romford, through discussions with developers.	Development • Communications
Opportunities: High-quality skills and careers												
29	Number of apprentices (aged 16-18) recruited in the borough	Bigger is better	800 (August 2017 to July 2018)	N/A	±10%	N/A	-	680 (provisional 2016/17)	-	N/A	Data has not yet been published by the DfE for 2017/18 and is not expected to be available until Q3	Learning & Achievement • Policy, Performance and Community
30	Number of apprentices (aged 19+) recruited in the borough	Bigger is better	1340 (August 2017 to July 2018)	N/A	±10%	N/A	-	1330 (provisional 2016/17)	-	N/A	Data has not yet been published by the DfE for 2017/18 and is not expected to be available until Q3	Learning & Achievement • Policy, Performance and Community
31	% of 16-18 year olds who are not in education, employment or training or not known (S)	Smaller is better	3.0%	N/A	±15%	N/A	-	2.9%	-	N/A	Data has not yet been published and is not expected to be available until Q4	Learning & Achievement • Policy, Performance and Community
Opportunities: Dynamic development and infrastructure												

Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments	Service & Supporting Service
32	New Hornchurch Sports Centre planning application approved and contract awarded to build the new centre	N/A	Timescale achieved	N/A	N/A	On Track	➡	On Track	⬆	Off Track	The planning decision was referred to the Mayor of London which caused a slight delay due to the requirement to have a completed S106 agreement in place before the referral was considered by the Mayor. The Mayor has now agreed the Council's planning decision and start on site is being agreed with the contractor. There has been an estimated two month delay from original timescales as a result.	Culture and Customer Access
Opportunities: A thriving local economy												
33	The number of businesses expressing an interest to relocate to the Borough with a turnover of £10m+ or international recognition.	Bigger is better	150	37	±10%	8 RED	⬇	31	⬆	5	8 businesses that have a turnover of £10m + or international recognition expressed an interest to relocate to the Borough in Q1. Corrective Action: The Economic Development Strategy will agree and set out the level of ambition in relation to the level of intervention in the property market, and develop an offer we can promote through inward investment and marketing.	Development • Communications
34	Proportion of businesses showing employment growth	Bigger is better	83,830 (+1% growth)	N/A	±10%	N/A	-	N/A	-	83,000 (2016)	This indicator measures the total employee count in Havering and is only available annually using Business Register and Employment Survey data.	Development
Places: A clean, safe environment for all												
35	The number of burglary offences (C)	Smaller is better	1,812	543	±5%	382 GREEN	⬆	2,310	⬆	555	Q1 2018/19 saw a 29% reduction in burglary offences from Q4 2017/18; and when compared to Q1 2017/18, this year was 31% lower. Levels in Quarter 1 have fallen to the lowest seen in the previous 12 months, and June experienced the lowest total level since October 2016. When broken down into the two categories of burglary, burglary of a dwelling has fallen by 421 offences, down to 290, while burglary other than of a dwelling has also fallen by 134 offences, down to 92. The reductions demonstrate continued success for the Police priority crime team, carrying on from the work of Operation Mexico which was set up to tackle the spike in burglaries over the winter months.	Policy, Performance and Community
36	The level of waste per head of population presented to the East London Waste Authority (ELWA)	Smaller is better	441.01 kg per head	110.25kg per head	±10%	120.20kg per head (provisional) RED	⬆	436.07 kg per head	⬇	118.4kg per head	Performance is above target (where lower is better) but this will be as a consequence of high levels of green waste during the Spring. Corrective Action: Various waste prevention campaigns focusing on home composting, reuse, and the Love Food Hate Waste campaign are in place to help achieve the target. We are also reviewing operations in Highways and Grounds Maintenance to reduce waste and, with ELWA, are strengthening processes targeting potential commercial waste entering the domestic waste stream at the household reuse and recycling centre. Without restrictions on the amount of waste we collect through the household waste collection service, containing and reducing tonnages is very challenging and relies on attitudinal change.	Environment • Communications
37	The number of non-domestic violence with injury offences (C)	Smaller is better	1,311	349	±5%	349 GREEN	⬆	1,296	➡	349	The level of non-domestic violence with injury offences remains the same as for Q1 2017/18. The wards which have accounted for higher proportions of violence within this period have been St Andrews, in April and June, and Gooshays in April, May, and June; however Romford Town Centre saw a reduction in the level it accounted for in June (22.5% compared to figures closer to 30% in most other months). A number of the offences committed in St. Andrews concerned events in and outside night-time economy premises; and disputes starting in shops and fast-food vendors. The offences in Gooshays ward occurred primarily in residential addresses and encompassed a variety of situations, with several being neighbour disputes which turned violent. Operations to tackle violence in Romford town centre during night time economy hours continue to be carried out, with use of drugs dogs and knife arches to detect offenders and provide a highly visible deterrent.	Policy, Performance and Community • Children's Services (YOS) • Culture and Customer Access (Youth Services)
38	The number of anti-social behaviour (ASB) offences (C)	Smaller is better	6,100	1,378	±5%	1490 AMBER	⬆	5,368	⬇	1,050	Over the last two years the period from February onwards throughout Quarter 1 has seen an increase in ASB, and this trend is repeated this year, to a higher level than previously. The ASB increase can be attributed to a rise in incidents of rowdy or inconsiderate behaviour across the borough but with particular increases in the Hylands ward in April and May. Corrective Action: Meetings are held involving relevant partners when persistent issues arise. Discussions are ongoing with the Parks Constabulary to attempt to turn their patrol notes into an intelligence product which can be learnt from and shared with other agencies such as the Fire Brigade, which may also be able to task resources.	Policy, Performance and Community • Children's Services (YOS) • Culture and Customer Access (Youth Services)

Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments	Service & Supporting Service
39	Local Plan progressed and successfully adopted in accordance with the timeframe set out in the Local Development Scheme (LDS)	N/A	Timescale achieved	N/A	N/A	On Track	➡	On Track	➡	On Track	The LDS anticipated the Local Plan would be subject to Examination in Summer 2018 and adopted in early 2019. Delays by the Planning Inspectorate (outside the control of the Council) have pushed back the start of the Examination and this is now due to take place in Autumn 2018.	Development
40	Making Safeguarding Personal: % of cases where desired outcomes were expressed and these were either partially or fully met	Bigger is better	90%	90%	±5%	96.1% GREEN	➡	96.1%	⬆	90%	Performance is currently exceeding target. To date 51 people have completed a safeguarding enquiry and have been asked and expressed their desired outcomes, of which those expressed by 49 have been either fully or partially met. At the same stage last year, 40 people had expressed desired outcomes, of which those expressed by 36 people had been fully or partially met.	Adult Services
Places: High-quality homes												
41	% of council homes that meet the decent homes standard which ensures standards of fitness, structure, energy efficiency and facilities in council properties.	Bigger is better	99.9%	99.9%	±0%	99.9% GREEN	⬆	99.8%	⬆	99.2%	The focus of the programme for 2018/19 is to increase further the percentage of decent homes and to prevent other homes, by virtue of the age of their components, becoming non-decent during the course of the year. These figures exclude properties due for regeneration through the joint venture, for which capital investment has been put on hold.	Housing
Places: Award-winning parks and open spaces												
42	% of parks supported by a “Friends” group	Bigger is better	17%	17%	±0%	17% GREEN	➡	17%	➡	17%	17 out of 100 parks and green spaces continue to be supported by a Friends Group	Environment • Policy, Performance and Community
43	Number of Green Flag Awards	Bigger is better	14	N/A	±0%	14 GREEN	⬆	13	⬆	11	14 Green Flags have been achieved for 2018/19 but the results are not formally announced until Quarter 3.	Environment • Policy, Performance and Community
Places: A vibrant cultural and leisure destination												
44	Deliver the Romford Market Transformation Support Programme	N/A	Transformation support programme delivered	N/A	N/A	On Track	➡	On Track	-	NEW	The Romford Market Transformation Support Programme is progressing. A business plan and brief is being prepared setting out the short, medium and long term objectives of the programme. This business plan will be presented to the Leader and Cabinet.	Development
Perception / Engagement PIs												
Police public attitude surveys	% of respondents worried about ASB in the area (R)	Smaller is better	15%	15%	±5%	22% RED	⬇	21%	-	N/A	Locally, levels in excess of 20% have not been recorded since Q1 2015/16; however the London figure has also increased, to 32% up from 21% last Q1. Corrective Action: Meetings are held involving relevant partners when persistent issues arise. Discussions are ongoing with the Parks Constabulary to attempt to turn their patrol notes into an intelligence product which can be learnt from, and shared with other agencies such as the Fire Brigade, which may also be able to task resources.	Policy, Performance and Community
	% of respondents worried about crime in the area (R)	Smaller is better	28%	28%	±5%	28% GREEN	⬆	29%	-	N/A	The proportion of respondents to the survey who are worried about crime is slightly down on the last period. The London-wide figure has seen an increase to 29%.	Policy, Performance and Community
Residents Survey	Satisfaction with the way Havering Council runs things	Bigger is better	65%	N/A	±6%	58% RED	-	N/A	⬇	61% (2016)	Ipsos MORI undertook a telephone survey of 800 residents aged 18+ between 27 March and 26 April 2018. The results indicate that satisfaction with the local area is broadly comparable with national averages, but the London benchmark suggests that Havering's residents are less positive about community cohesion than those of other London boroughs. Whilst trust in the Council compares favourably with the national average, residents in Havering feel less positive about how the Council runs things.	Communications
	Satisfaction with Havering as a place to live	Bigger is better	88%	N/A	±8%	80% RED	-	N/A	⬇	88% (2016)		Communications
	Strength of belonging to the local area	Bigger is better	80%	N/A	±5%	77% AMBER	-	N/A	⬇	79% (2016)		Communications
	Trust in Havering Council	Bigger is better	70%	N/A	±20%	62% AMBER	-	N/A	⬇	70% (2016)		Communications
Housing Status Survey	Satisfaction with the service provided by LBH Housing Services	Bigger is better	85%	N/A	±0%	N/A	-	N/A	-	79%	The survey has not yet been completed for 2018/19.	Housing
	Satisfaction that LBH Housing Services listen to tenants' views and act upon them	Bigger is better	75%	N/A	±0%	N/A	-	N/A	-	53%	The survey has not yet been completed for 2018/19.	Housing
Adult Social Care Survey	% of respondents reporting control over their daily life	Bigger is better	N/A	N/A	N/A	N/A	-	77%	-	N/A	The Adult Social Care Survey is completed annually. The 2018/19 survey will be distributed in January 2019.	Adult Services
	Overall satisfaction with the care and support services received	Bigger is better	N/A	N/A	N/A	N/A	-	60%	-	N/A		Adult Services

Line.no	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments	Service & Supporting Service
Adult	% of respondents reporting feeling safe	Bigger is better	N/A	N/A	N/A	N/A	-	71%	-	N/A		Adult Services
Carers Survey	Overall carers' satisfaction with the support or services carers and service users have received from Social Services in the last 12 months	Bigger is better	N/A	N/A	N/A	N/A	-	N/A	-	34.2% (2016/17)	The Carers Survey is completed biennially. The last survey was completed in 2016/17, and is due to be completed again later in 2018/19.	Adult Services
	% carers reporting that, over the last 12 months, they have been involved or consulted as much as they wanted to be, in discussions about the support or services provided to the person they care for	Bigger is better	N/A	N/A	N/A	N/A	-	N/A	-	71.4% (2016/17)		Adult Services
	% carers reporting that, over the last 12 months, they have found it easy to find information and advice about support, services or benefits	Bigger is better	N/A	N/A	N/A	N/A	-	N/A	-	66% (2016/17)		Adult Services
Early Help Service	Proportion of families who show continued overall progress after their initial assessment (C)	Bigger is better	50%	50%	±5%	73% GREEN	↑	66%	-	N/A	Performance against this indicator is measured through the 'Outcome Star Family Star Plus Assessments' used by practitioners with families in Early Help. Performance has increased compared to last quarter.	Children's Services
Public Health- Outcomes Framework	Percentage of respondents scoring 0-4 in response to the question "Overall, how happy did you feel yesterday?"	Smaller is better	Better than England (2015/16 = 8.8%)	Better than England (2015/16 = 8.8%)	Similar to England	7% (2015/16) AMBER	→	7% (2015/16)	↑	9.8% (2014-15)	Data is published annually. 2016/17 data has been published but there were insufficient respondents to produce a Havering value. The most recent data available from Public Health England for Havering is therefore still for the period 2015-16. Havering's outturn of 7% (with a range of 4.6% to 9.4%) is better than England's (8.8%, where smaller is better) but similar once the confidence interval is applied, hence the amber rating. Performance was however better than the year before. 2017/18 data will be available in May 2019, so the England average shown here as a target is indicative only as this too will change. Performance will be considered "Similar to England" if the latest England average falls within Havering's latest range.	Public Health
	Percentage of respondents scoring 6-10 in response to the question "Overall, how anxious did you feel yesterday?"	Smaller is better	Better than England (2016/17 = 19.9%)	Better than England (2016/17 = 19.9%)	Similar to England	17.7% (2016/17) AMBER	→	17.7% (2016/17)	↑	18% (2015/16)	Data is published annually. The most recent data available from Public Health England is still for the period 2016-17. Havering's outturn of 17.7% (with a range of 13.2% to 22.1%) is better than England (19.9%, where smaller is better) but similar once the confidence interval is applied, hence the amber rating. Performance was also better than the year before. 2017/18 data will be available in May 2019, so the England average shown here as a target is indicative only as this too will change. Performance will be considered "Similar to England" if the latest England average falls within Havering's latest range.	Public Health
Resident Survey - Environment Services	% respondents satisfied with refuse collection	Bigger is better	N/A	N/A	N/A	88%	-	NEW	-	NEW	Ipsos MORI undertook a telephone survey of 800 residents aged 18+ between 27 March and 26 April 2018. The results indicate that satisfaction with Environment services is generally holding up well, with the notable exceptions of road and pavement maintenance and parking, and that, among service users, experiences are, in the main, positive.	Environment & Communications
	% respondents satisfied with street lighting	Bigger is better	N/A	N/A	N/A	85%	-	NEW	-	NEW		Environment & Communications
	% respondents satisfied with recycling	Bigger is better	N/A	N/A	N/A	75%	-	NEW	-	NEW		Environment & Communications
	% respondents satisfied with street cleaning	Bigger is better	N/A	N/A	N/A	67%	-	NEW	-	NEW		Environment & Communications
	% respondents satisfied with pavement maintenance	Bigger is better	N/A	N/A	N/A	46%	-	NEW	-	NEW		Environment & Communications
	% respondents satisfied with parking	Bigger is better	N/A	N/A	N/A	39%	-	NEW	-	NEW		Environment & Communications
	% respondents satisfied with road maintenance	Bigger is better	N/A	N/A	N/A	30%	-	NEW	-	NEW		Environment & Communications
	% service users satisfied with parks and open spaces	Bigger is better	N/A	N/A	N/A	91%	-	NEW	-	NEW		Environment & Communications

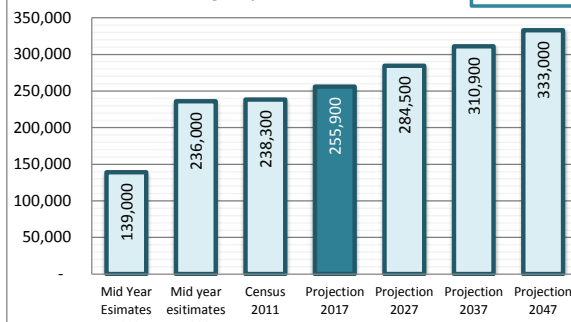
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Appendix 2: Quarter 1 2018/19 Demand Pressure Dashboard

POPULATION

DP 01: Havering Population Growth

Annual



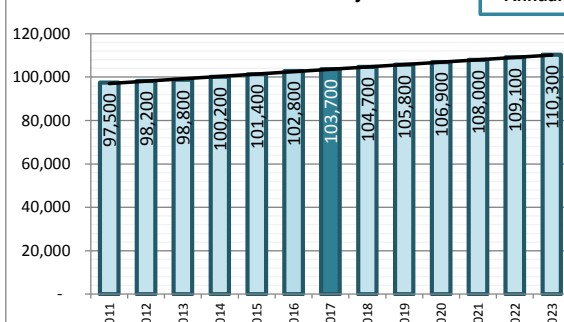
Source: 2011 Census; GLA 2016-based long-term trend population projections

Population projections show that Havering's population has seen the second largest proportional increase in London from 1939-2016 (at 81%). Hillingdon has the highest increase (at 88%) and Hounslow saw the third highest proportional increase in London (at 39%).* Figures rounded to nearest 100

POPULATION

DP 02: Households - GLA Projections

Annual



Source: GLA 2016-based households long-term trend Projections

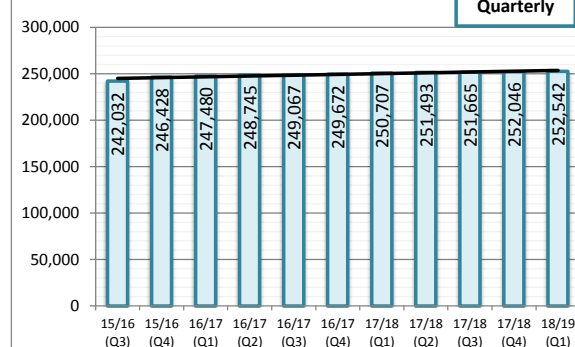
GLA estimates of the total number of households by borough indicate that the number of households in Havering has grown by 6,200 households from 2011 to 2017 and is projected to grow by a further 6,600 households by 2023.

* Figures rounded to nearest 100

POPULATION

DP 03: GP Registrations

Quarterly

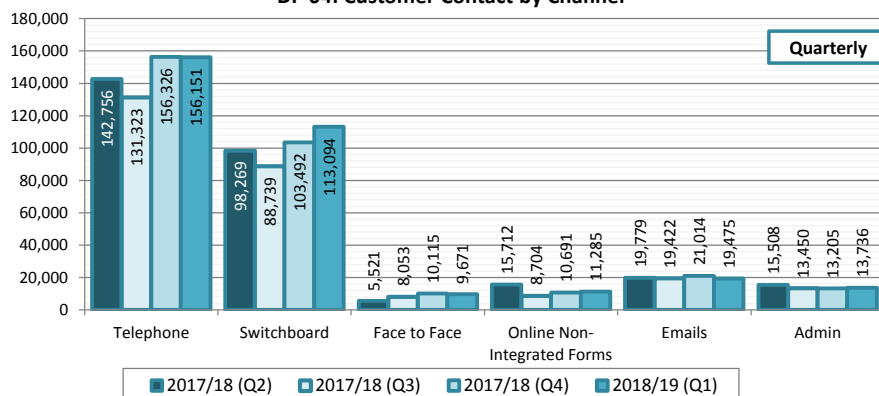


Data received for Q1 2018/19 shows that Havering's GP registrations are continuing to increase each quarter, with 496 additional registrations between Q4 2017/18 and Q1 2018/19.

CUSTOMER SERVICES

DP 04: Customer Contact by Channel

Quarterly

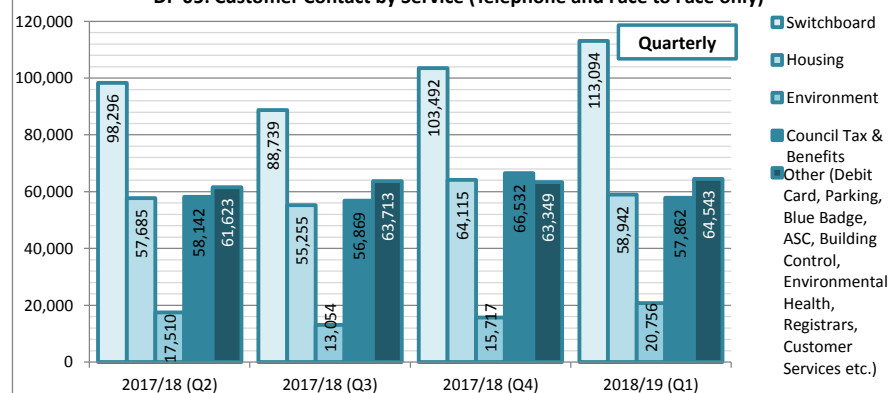


The planned introduction and promotion of further services available online will assist in the reduction of telephone contact, which continues to be the preferred method of customer contact. Online non-integrated structured web forms are preferred to email channels but still create a demand on Customer Services as the form requires processing by an agent. Online integrated forms are not handled by an agent and are directly sent to the appropriate service area.

CUSTOMER SERVICES

DP 05: Customer Contact by Service (Telephone and Face to Face only)

Quarterly

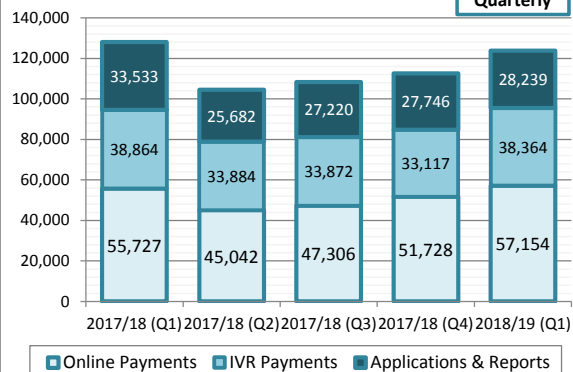


Council Tax, Benefits, Environment and Housing contacts place the greatest pressures on service delivery due to the volume and complexity of enquiries. Services that are fully integrated with technology have been identified and work has begun to implement an online approach to move this demand to the most cost effective channels.

CUSTOMER SERVICES

DP 06: Online Transactions

Quarterly

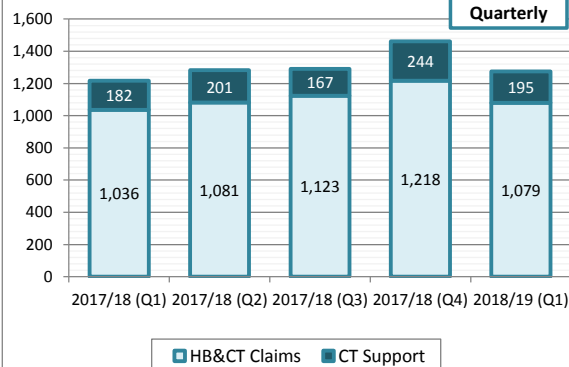


There have been increases in online payments, IVR payments and online service requests / applications compared with the last three quarters. However there have not been as many online transactions in Quarter 1 of 2018/19 as there were in the same period last financial year.

HOUSING BENEFIT

DP 07: New Housing Benefit/Council Tax Claims

Quarterly

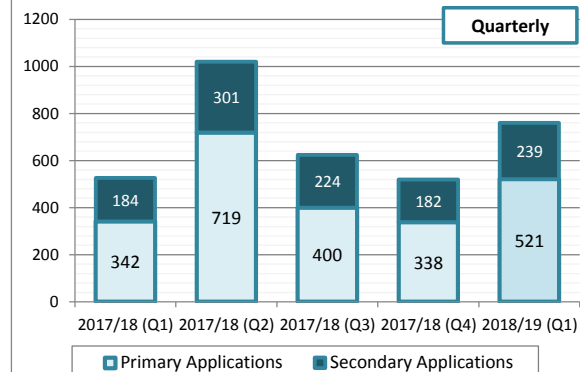


The total number of HB applications has decreased by 11% from Q4 2017/18 to Q1 2018/19 but is slightly more than during the same period last year. The Universal Credit (UC) roll out has been peripatetic but did commence in late June 2018 so the effect on the number of claims (given that new customers will claim UC instead of Housing Benefit) will be seen as a reduction in the coming months.

SCHOOL APPLICATIONS

DP 08: School Applications

Quarterly

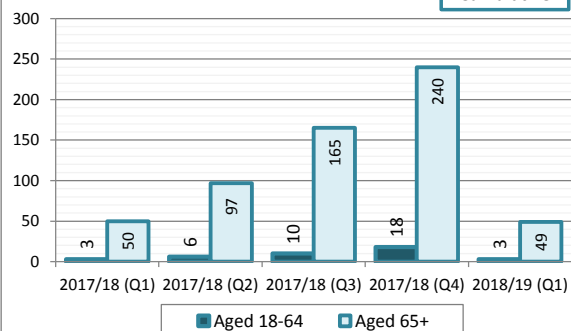


Compared to last quarter and same period last year, the total number of applications has increased by 46% and 44% respectively.

ADULT SOCIAL CARE

DP 09: Permanent admissions to residential and nursing care homes

Cumulative

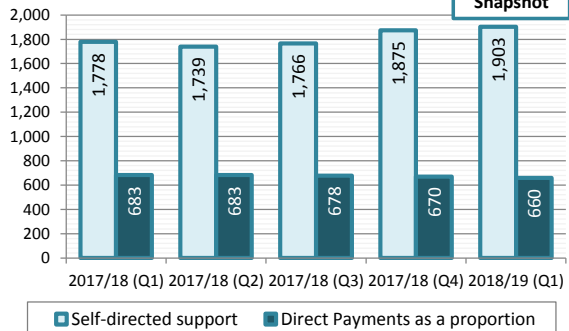


By the end of Q1, there had been 3 adults aged 18-64 in council-supported permanent admissions to residential and nursing care, which is the same as in Q1 in 2017/18. There had been 49 adults aged over 65 in council-supported permanent admissions, whereas for the same period in 2017/18 there had been 50

ADULT SOCIAL CARE

DP 10: Self Directed Support and Direct Payments as a Proportion

Snapshot

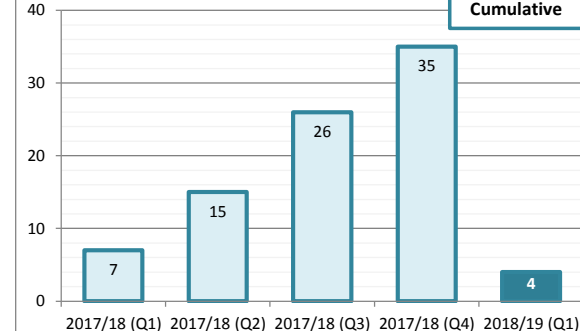


At the end of Q1, there were 1,903 service users receiving self directed support, compared to 1,778 at the same stage last year (an increase of 7%). However there was a 3% reduction in the take-up of direct payments from June 2017 compared to June 2018.

ADULT SOCIAL CARE

DP 11: Residents Requiring On-going Service After Reablement

Cumulative

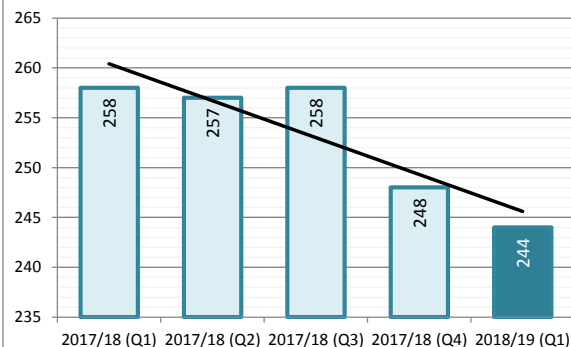


The number of service users requiring long term services after a successful reablement episode has improved with 4 service users returning in June 2018, compared to 7 in June 2017. It should also be noted that the total number of service users using reablement continues to increase.

CHILDREN'S SERVICES

DP 12: Number of Looked After Children (LAC)

Snapshot

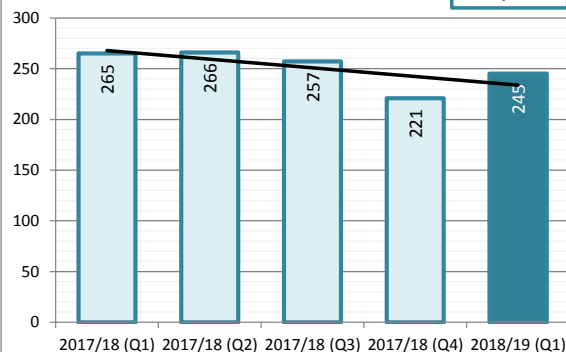


The number of looked after children in Q1 2018/19 (244) is 5% lower than at the same point last year (258). The size of the cohort has also decreased slightly when compared with Q4 of 2017/18.

CHILDREN'S SERVICES

DP 13: Number of Child Protection (CP) Plans

Snapshot

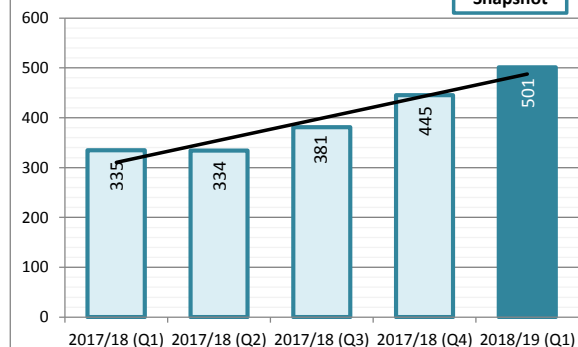


The number of children subject to Child Protection Plans has increased during Q1 (from 221 to 245, a rise of 10.9%). However, it is 7.5% lower than at the same point last year (265).

CHILDREN'S SERVICES

DP 14: Number of Children in Need (CIN) Plans

Snapshot

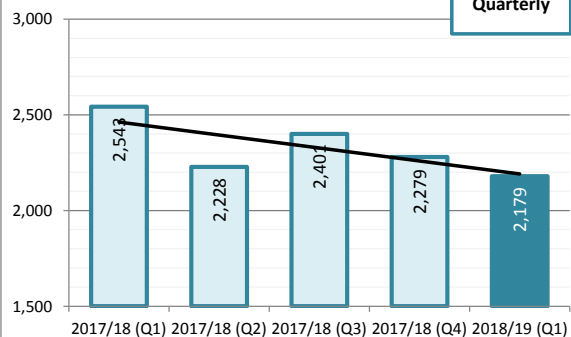


The number of CiN plans has seen another sharp increase in Q1 (+12.6% on Q4 and +49.6% on Q1 2017/18) and is currently the highest Havering has ever seen.

CHILDREN'S SERVICES

DP 15: Number of Contacts received in Triage / MASH

Quarterly

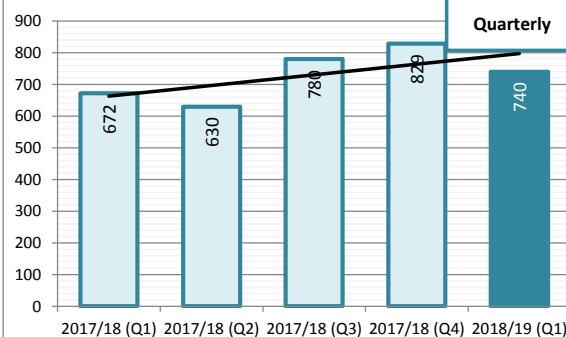


There were 2,179 contacts received in Triage / MASH in Q1 2018/19, a reduction of 100 (-4.4%) on Q4 of 2017/18. We have also seen a significant decrease of 364 (-14.3%) when compared to the same period last year.

CHILDREN'S SERVICES

DP 16: Number of contacts becoming referrals to Children's Social Care

Quarterly

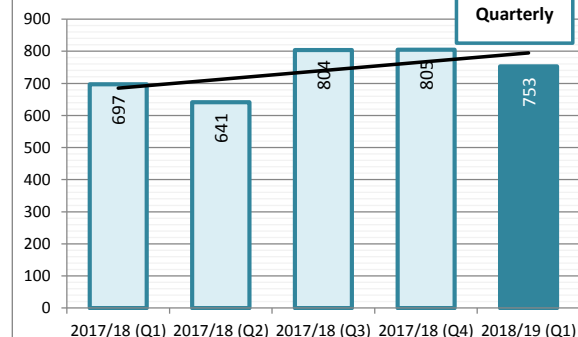


There were 740 contacts that became referrals in Q1 2018/19. Overall activity has decreased compared with the previous two quarters. However, there has been an increase (of 10.1%) when compared to Q1 2017/18.

CHILDREN'S SERVICES

DP 17: Number of referrals becoming assessments

Quarterly

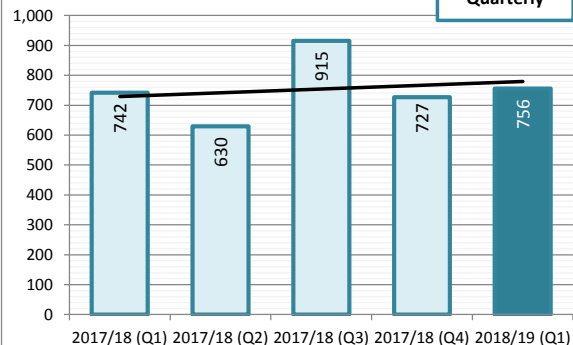


There were 753 referrals that became assessments in Q1 of 2018/19, which is a decrease of 52 (-6.5%) on the previous quarter, but an increase of 56 (8%) compared to the same period last year.

CHILDREN'S SERVICES

DP 18: Number of contacts referred to Early Help

Quarterly

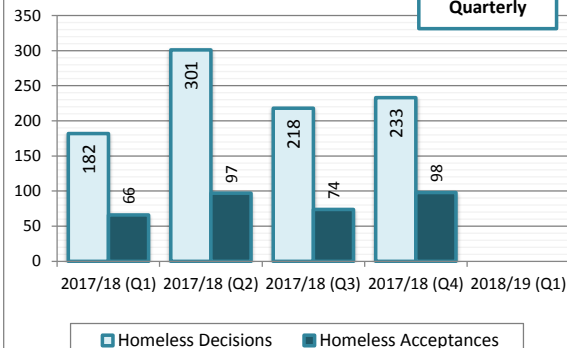


We have seen slight increases of 29 (4%) and 14 (2%) in contacts referred to Early Help when compared to Q4 and Q1 2017/18 respectively.

HOMELESSNESS

DP 19: Homeless Decisions and Acceptances

Quarterly

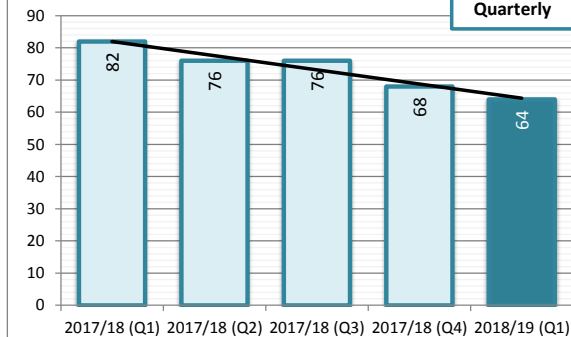


Due to new legislation (the Homelessness Reduction Act), there have been a number of changes to processes and reporting. This demand pressure indicator is to be reviewed as part of this.

COMMUNITY SAFETY

DP 20: Offenders supported through IOM

Quarterly

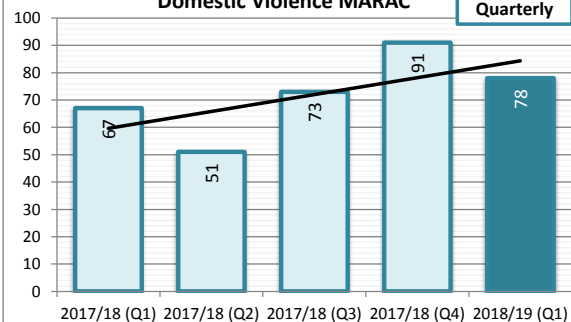


The ideal capacity of the group is 80 persons. Despite the caseload being significantly lower than at the same point last year, a cohort of 64 persons at the end of Q1 demonstrates both that there is demand for the service, and that effective work can be carried out with current resources.

COMMUNITY SAFETY

DP 21: Number of cases referred to the Domestic Violence MARAC

Quarterly

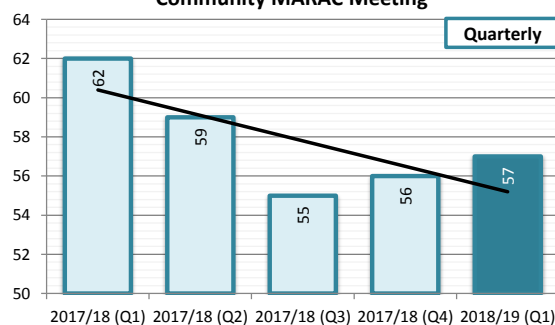


The meetings are changing frequency to three weekly, rather than two weekly, which will influence how many cases are discussed. Overall, there are steady levels of referrals coming through, with issues being more around quality than numbers, and steps taken to address this.

COMMUNITY SAFETY

DP 22: Number of cases referred to the ASB & Community MARAC Meeting

Quarterly

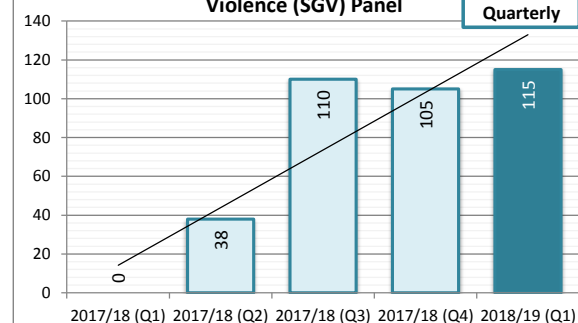


The conference has seen similar levels of cases discussed in each quarter over the past year, with the changes in numbers not representing any developments which need to be addressed.

COMMUNITY SAFETY

DP 23: Cases coming to the Serious Group Violence (SGV) Panel

Quarterly



The cohort monitored by LBH's Gangs Analyst continues to increase as a result of forming links with local professionals, with only those posing the highest risk taken to the panel for further discussions and interventions to be explored.

CABINET

Subject Heading:

Authority to proceed to procurement for the block provision of 35 residential placements for looked after Children (LAC) across 8 Northeast London Authorities

Cabinet Member:

Robert Benham, Deputy Leader, and Cabinet Member for Education, Children and Families.

SLT Lead:

Tim Aldridge, Director of Children's Services

Report Author and contact details:

Nick French, Programme Manager, Joint Commissioning Unit
Tel: 01708431776

Policy context:

This proposal is guided and underpinned by the principles of the Children's Act 1989, The Children's Homes Regulations and Quality Standards 2014 and the Children and Families Act 2014.

Financial summary:

Havering's share of the contract will be 5 placements. Based on average costs for the whole Partnership, and the assumption of full occupancy, the estimated contract value for the London Borough Of Havering is up to £5.3M for 8 years, with the intention of delivering a cumulative saving of approximately £1.9M (c.£241k per annum).

However these figures are only indicative. The actual savings will depend on the number and cost of the individual placements that are relocated under the new contract.

Estimated contract value across the 8 Northeast London Authorities is up to £36,837,147 for 8 years. This would be a saving of £13,520,255

Set up and administration costs over the first 3 years will be met from a £782,750 Innovation grant (with a further £53,000 dependent upon satisfactory evaluation of the project). Beyond that contributions from all partners will be sought to meet the ongoing administration costs of £70,000 per annum.

Is this a Key Decision?

This is a key decision under the grounds of expenditure in excess of £500,000 and impact on communities living or working in an area compromising two or more wards.

When should this matter be reviewed?

The contract arrangements will be reviewed 18 months after the contract commences.

Reviewing OSC:

Children's Services

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

1. The Department of Education's (DfE) Children's Social Care Innovation Programme has awarded the East London Health & Care Partnership (formerly the North East London Sustainability and Transformation Partnership) (the "Partnership") £782,750 (with a further £53,000 dependent upon satisfactory evaluation of the project).
 - 1.1 The award is over a period of three years to jointly commission up to 35 Looked After Children (LAC) residential placements within the geographical footprint of Northeast London.
 - 1.2 After the first three years the member Local Authorities will need to negotiate their ongoing contribution to the sub regional commissioning functions going forward. These contributions would be built into the cost of placements and charged pro-rata to ensure there is an agreed way of meeting these costs for the duration of the contract between the partners. Other LA's 'spot-purchasing' would be charged a fee to contribute to administration costs.
 - 1.3 Currently most LAC are placed a considerable distance from the home Local Authority. The Partnership brings together 8 Local Authorities and 12 NHS organisations in the areas within:
 - The London Borough of Havering
 - The London Borough Barking and Dagenham
 - The London Borough of Tower Hamlets
 - The London Borough of Newham
 - The London Borough of Waltham Forest
 - The London Borough of Redbridge
 - The Corporation of the City of London
 - The London Borough of Hackney
 - 1.4 Havering is the lead authority and will be responsible for contract procurement, management and monitoring functions.
 - 1.5 This report proposes that each of the Local Authorities in the Partnership, with the exception of City (because they currently have no residential LAC placements) allocate up to, £650,000 per year over eight years to jointly commission up to 35 residential placements within the footprint of the Partnership.
 - 1.6 Placements will not be at 100 percent occupancy from the outset of the contract. The local authorities in the partnership will identify how many LAC they can transfer into the new placements and the expected timescales they

can move towards 100% occupancy. The contract will allow the Partnership only to pay for the used beds during the scale up to 100%.

1.7 At 100 % occupancy this will produce:

- sub regional savings over one year of £1,690,032
- Individual Local Authority savings of £241,433 per year
- Sub regional savings over 8 years £13,520,255
- Individual Local Authority Savings over 8 years £1,931,465

Note: the above figures are based on average costs for the whole Partnership and also assume full occupancy. As such, they are only indicative at this point in time.

(Mitigations against low occupancy rates are included in the main body of this document. See 5.7)

1.8 Placing children and young people nearer to their home communities will also have improved lived experience and outcomes for children in residential care.

RECOMMENDATIONS

2. That Cabinet grant authority to proceed to procurement of block residential provision.

2.1 It is also recommended the decision to allocate funds for each of the following seven years is delegated to the Director of Children's Services, in consultation with the Lead Member of Children's Services and the Chief Operating Officer.

REPORT DETAIL

3. Background

3.1 The proposed joint commissioning arrangements are based on Sir Martin Narey's research findings that coming together as a sub-regional partnership will lead to significant savings and improved outcomes for children. There is evidence from the Buckinghamshire regional commissioning model that this is the case.

3.2 The average cost of a LAC residential placement outside of the North East London sub regions is £179,848 per year. The average cost of a residential placement within the footprint of North East London is £131,561 per year.

3.3 Each of the Partnership's eight Local Authorities duplicates a brokerage system to

purchase LAC residential placements based on a spot purchasing system that is forcibly causing costs to spiral. The quality of providers within the Partnerships footprint is highly variable leading Local Authorities to place many LAC a long distance from their home Local Authority.

3.4 Placements through the new contract will be managed and quality assured by the London Borough of Havering's LAC brokerage team. The additional resource required to expand the Havering team's capacity will be funded by the Innovations Grant for the first 3 years. Thereafter the member Council's in the Partnership will need to negotiate their contributions to the central brokerage function. These contributions will be funded from the realised savings. If the savings prove substantial, the member Local Authorities may wish to consider expanding the number of beds commissioned.

3.5 Commissioning LAC residential placements across the sub-region currently has five main problems:

- Placement instability and unsuitability
- Poor value for money.
- Inefficient commissioning arrangements
- Variable quality of residential providers
- Variable quality of relationships between local authorities and providers

3.6 **Instability and unsuitability** - Young people in residential care from across the sub-region have expressed feelings that LAC residential placements are 'done to' them and have said that they do not feel their views are always considered about placement options. Young people who are placed outside of their community often express feelings of isolation and loneliness as it is difficult to maintain meaningful relationships with their family network, peer group and professional network. These feelings often lead young people to go missing from their placement which often raises the risk of sexual exploitation. Such placements, arranged without planning, are often short lived with mixed outcomes.

3.7 **Value for money** - All eight of the local authorities across the Partnership spot purchase residential placements. Spot purchasing occurs on a case-by-case basis and often results in Local Authorities within the sub-region competing against each other for limited placements with trusted providers. This in turn drives up the price over time. The average residential placement cost for each Local Authority in Northeast London varies; however, each Local Authority in the Partnership has seen an increase in the average LAC residential placement cost over the past two years. Some Local Authorities have seen an increase of approximately 25% in the average LAC residential placement cost in the last two years.

3.8 **Inefficient commissioning arrangements** - Each Local Authority has their own team or specific officers who are in charge of identifying residential placements and matching young people. It is not uncommon for a placement officer to call upwards of 100 residential providers before finding a provider who can and is willing to accept a young person. The time spent identifying placements and matching is significant and this is occurring in each Local Authority. This process

is resource intensive and creates significant duplication across the sub-region as officers from different Local Authorities are calling the same providers.

3.9 Variable quality – Both commissioners and young people in the sub-region report that quality varies between residential providers. Young people are often placed outside of their communities due to a lack of quality and lack of capacity in local residential providers. Local Authorities in the sub-region struggle to consistently and effectively ensure high quality residential placements due to a culture of spot purchasing and the current relationship between supply and demand in the market. Individual Local Authorities do not currently have sufficient influence in the market to shift commissioning practices.

3.10 Quality of relationships – The current commissioning framework in Northeast London does not create a platform for developing lasting and meaningful relationships between Local Authorities and providers. Due to high demand and limited supply, commissioning teams spend most of their time finding placements and not working with providers to develop quality focused on improving outcomes for young people. No Local Authorities in the sub-region hold block contracts with residential providers. All Local Authorities in the Partnership rely on spot-purchasing.

3.11 The Sub-Regional Partnership. A sub-regional partnership has been developed across Northeast London. The constituent Local Authorities in the Partnership have negotiated a legal agreement (Memorandum of Understanding) enabling the LBH to operate as the Lead Authority with the responsibility of commissioning LAC placements on their behalf. The Partnership has also held a market mobilisation event and facilitated several provider workshops to stimulate the market.

3.12 The Partnership will aim to agree an eight year block contract with the providers; 4 years, with the possibility of twice extending the contract for a further 2 years following quality assurance checks.

3.13 A provider contract of this duration gives the sub-regional partnership an opportunity to cultivate close and effective relationships with the providers. The Partnership will focus on quality by developing a coherent approach to work with young people based on systemic practice and developing a career pathway for residential staff into the social work profession. The focus on quality will improve key outcomes such as placement suitability, transitions to independence and value for money.

3.14 Other innovative aspects of the contract specification are:

- **Focus on quality** – Focusing on quality is a thread that runs through this programme. One of the innovative ways LBH will achieve quality is through workforce development opportunities. To start with, residential staff will be trained in foundation level systemic practice. Systemic practice is an evidence-based model that has proven effective in children's services and residential

settings in a few areas across Britain. Another way this programme develops the residential workforce is by developing a career pathway into the social work profession. LBH will work with learning and development teams across the Partnership to include residential workers in the 'Step-up to Social Work' qualification scheme and "grow" social workers within the sub-region. Likewise, LBH will offer staff in social care the opportunity of secondments into residential work. This model will upskill the residential workers and creates a coherent and complementary approach to working with young people across social care and residential care.

- **Three-way co-production** - We are expanding the concept of co-production to include the residential provider. Developing an equitable relationship between the commissioners, young people, and the provider can go a long way in breaking down barriers in the current framework.

3.15 **Scaling and spreading innovation.** The evaluation and evidence collated through the commissioned provision will enrich our understanding of the lived experience of young people in residential care and enable LBH to disseminate our learning across the Partnership and to a wider audience.

3.16 The directors of children's services across this sub-region are committed to delivering on this vision. Wider discussions are taking place about how this model can be scaled up and spread to commissioning for different populations of LAC in the Northeast London sub-region.

3.17 The formalised sub-regional Partnership will also provide a blueprint for future sub-regional ventures between the eight Local Authorities. In order to support the dissemination of learning outside of the North East London sub-region, we will produce a codification of the solution throughout the funding period and produce a toolkit to support other local authorities to establish the programme in their area.

3.18 **Young people's views** Young people across North East London often describe feeling that services are "done to" them and say that they do not feel like their voices are heard during the placement and planning processes. Young people have stated they:

- Do not like being placed outside of their communities
- Want more support to maintain good relationships because isolation and loneliness is common
- Would like more services to be available as they transition to adulthood
- Want more input and more choice about where they are placed and where they live
- Want a clearer and easier care system to navigate
- Would like more support to return home

3.19 **Improved tender process** – the approach to contracting will be based on

block contracts with providers and payment-by-results clauses to incentivise quality and positive outcomes for young people. The Partnership want to agree 4+2+2 block contract duration with providers to create a period of time where meaningful and lasting relationships can be developed. We intend to include payment-by-innovation clauses to incentivise the providers to strive for continued improvement based on positive outcomes for young people, such as representation in Education, Employment, and Training, sustainable step-downs from residential care, and placement stability.

3.20 **We will be commissioning different levels of support.** There will be a fixed price per placement for basic requirements and a sliding scale of costs for more specialist support over and above the basic. There will be an expectation that the specialist costs will reduce as LAC children progress along their care plan.

3.21 We have undertaken a comprehensive 6 month co production/ market stimulation exercise to ascertain the needs of LAC and the views of providers. Over 120 providers have been included in the co-production of the contract specification

3.22 The procurement process will be an open tender with the encouragement for submission of consortium bids.

3.23 **Outcomes.** The Partnership is stipulating a number of outcomes successful providers must deliver, including:

- Improved placement stability measured by the Stability Index and number of placement breakdowns
- Improved placement suitability measured by in-placement interviews with young people and the number of unplanned placement moves
- An increase in the number of young people placed through this programme in Education Employment or Training
- Increase in young people staying put in residential placements until the age of 21
- Increase in the number of LAC 'stepping down' out of residential care.
- Decrease in unauthorised absence from placement and missing episodes
- Decreased risk of sexual exploitation
- Decrease in the number of engagements with the criminal justice system

3.24 **Organisational Aggregated Monitoring.** Below is a list of organisational performance indicators we will track through the programme.

3.25 Placement Stability:

- Stability Index (Developed by the Office of the Children's Commissioner)
- Number of placement moves

- Number of unauthorised absences and missing episodes

3.26 Placement suitability:

- Feedback from young people
- Number of unplanned placement moves
- Wellbeing of young people in residential placements measured through the Strengths and Difficulties Questionnaire

3.27 General indicators:

- The number of new local placement options within the sub-region
- Improved educational attainment - the percentage of those in care achieving 5 A*-C for GCSEs
- Staying close – all young people placed in residential care through this programme will be placed within 20 miles of their home authority
- Child Satisfaction measured through surveys
- The number of young people involved in co-production, through membership of the young person's forum and contract management.
- Residential provider satisfaction measured through surveys
- Local Authority satisfaction across the partnership measured through surveys
- The number of young people engaged with community professionals, i.e. Child and Adolescent Mental Health Services and health providers.

3.28 Individual Child Outcome Monitoring:

The Partnership will also be monitoring individual children's progress towards their personal targets. This will be accomplished using:

- Care plans
- Stepdown plans
- Personal education plans

3.29 Financial Monitoring:

- Average weekly cost of residential placements inside of the Partnership's geographical footprint, compared to the cost outside of the footprint
- Average duration of residential placement
- Reduction in overhead cost savings from young people placed less than twenty miles from their originating community
- The number of young people who are sustainably stepped-down from

residential placements

- The reduction in overhead costs delivered through smarter commissioning and a centralised approach
- Reduced usage of secure placements

REASONS AND OPTIONS

4. Reasons for the request to proceed to tender:

4.1 The procurement exercise will ensure compliance with all eight Local Authorities' Contract Procedure Rules and EU Procurement Legislation and (subject to contract) the award of contract will ensure LBH fulfils its statutory duty to provide LAC residential placements and the sub regional aim of placing LAC closer to home.

4.2 Other options considered:

Option 1: Do Nothing

Remain as is with each local authority running separate spot purchasing brokerage systems with ever increasing placement costs.

Option 2: Procure as a single Borough Service

Going out to market for a Havering only service would not offer the same opportunities for economies of scale that an eight-borough tender across North East London would offer. There would be no saving relating to a central brokerage function.

IMPLICATIONS AND RISKS

5. Financial implications and risks:

5.1 There are no financial implications directly associated with the tendering process for this contract, as costs will be grant funded or met from existing budgets.

5.2 There will be financial implications associated with the tender award which will be assessed at that time, however they are likely to include the following:

5.3 **Placements** - The estimated value of the 8 year contract across all partners is c. £36.8M giving rise to potential savings of £13.5M. The Havering element of this is £5.3M and £1.9m respectively. However, the costs and savings quoted in this report are based on full occupancy and current averages costs across the whole Partnership, and as such should only be viewed as indicative figures for individual Boroughs. The actual impact on Havering will be dependent upon the contract award, and the number and value of Havering placements relocated under the block contract. A cohort of mainly high cost placements is likely to deliver greater savings opportunities, but the true impact of the new block contract can only be assessed after placements have occurred.

5.4 It is also likely that at some point during the 8 year contract, if placements are made directly into the block contract rather than being relocated from other areas, the benefits arising will be in the form of cost avoidance rather than savings,

5.5 Risks: The primary risk associated with any block contract is under occupancy.

5.6 In the proposed model, the financial risk of vacancies sits with the Local authorities not the provider. If only 50% of the vacancies are filled the local authorities would be over paying £2,302,322 per year for unfilled places.

5.7 However, this is not considered to be a high risk as most local authorities have stated they could fill their allocated five places multiple times. The risk can also be mitigated by careful contract management to ensure that:

- There is a cohort of suitable placements available to transfer into the new provision.
- Only places that can be filled are commissioned initially and gradually increased up to 35 as and when they are required

5.8 In addition to this an internal market can be developed between the Local Authorities enabling vacant placements allocated to one authority to be purchased by another authority.

5.9 Furthermore, in relation to contract management, the current proposal is that as lead Borough, LBH would be responsible for all payments to providers. If that is the case Havering would need to ensure that:

- Each member is charged accurately for it's usage under the contract.
- Havering receives prompt reimbursement for costs incurred on behalf of other Boroughs - It is envisaged that all Partnership members would be required to make an "up front" contribution in respect of contract costs.

- However, further work will be carried out to identify the most efficient financial processes.

5.10 **Joint Commissioning arrangements:** In the first 3 years the set up and administration costs associated with the JCU will be funded from the Innovation Grant. The allocation is £782,750 with a further £53,000 dependent upon satisfactory evaluation of the project.

5.11 Beyond that contributions from all partners will be sought to meet the ongoing administration costs of £70,000 per annum. The LBH contribution of c. £10,000 will be met from savings arising.

5.12 Efficiencies in the new commissioning arrangements should lead to reduced administration costs across the Partnership.

6. Legal implications and risks:

6.1 This report seeks Cabinet authority) to commence a tendering process for an eight-year block contract with providers in connection with thirty-five (35) Looked After Children (LAC) residential placements (the “Services”); and ii) to delegate authority to award all contracts in connection with the Services to the Director of Children’s Services acting in consultation with the Chief Operating Officer.

6.2 LBH is a local authority as defined by section 270 of the Local Government Act 1972 and has a general duty under section 1 of the Care Act 2014 to promote the well-being of individuals. “Well-being” in relation to an individual is defined within the 2014 Act as including suitability of living accommodation.

6.3 LBH is a member and the nominated commissioning lead of the East London Health & Care Partnership (the “Partnership”) comprising 8 Local Authorities and 12 NHS organisations in the North East London area.

6.4 The proposed contracts would be between LBH (acting on behalf of the Partnership) and the successful providers, for the period from 1 April 2019 up to 31st March 2024 with an option to extend for a period of 2 years up to a maximum of two 2 occasions.

6.5 The Services fall within the description of “Health, social and related services” under Schedule 3 of the Public Contracts Regulations 2015; and are services to which the light-touch regime (LTR) may apply. The relevant financial EU procurement threshold for LTR services is £615,278.

6.6 The estimated total value of the Services attributable to the Council is £13,520,255, over the full eight years. The value of the Services exceed the

relevant EU procurement threshold and will require (unless LBH call-off the Services from an existing compliant framework) publication of a Contract Notice in the Official Journal of the European Union (OJEU), and an advertisement on Contracts Finder.

- 6.7 Under section 2 [Executive Functions] of Part 3 [Responsibility for Functions] of the Council's Constitution (the "Constitution") the Leader of the Council is responsible for arranging for the exercise of all executive functions and may by way of written notice delegate executive functions to, inter alia, staff.
- 6.8 This is a key decision, subject to the requisite (call-in) procedure under paragraph 17 of Part 4 [Rules of Procedure] Overview & Scrutiny Committee Procedure Rules) of the Constitution.
- 6.9 There are no implications for the Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

7. Equalities implications and risks:

- 7.1 The service will impact on LAC. The service will contribute towards reduced levels of placement disruption for those children in care.
- 7.2 Wellbeing of children in the borough: and ensuring that potentially vulnerable children and young people are safely housed and supported based on their needs, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.
- 7.3 Integrated service provision will enable children and young people to be safeguarded while being housed and allows them to experience services within the community in a safe way, thereby, contributing to positive life chances, educational and social development.

BACKGROUND PAPERS

Appendix 1. Benefits Table: Summarising the non-cashable benefits of the joint commissioning venture.

Accountable Person for Benefit Realisation	Expected Benefit	Baseline to Measure Against	How will Achievement be Measured?	When Benefit can be Measured ?	Frequency when the Benefit will be measured	Resources Required for Review
Contract Manager. To be appointed	Fixed cost over the life of the programme	Currently there has been a rise of 21% increase placement costs over the last two years due to the nature of spot purchasing	Fixed price block contract	One calendar year after endorsing of the contract	Annually	Contract Manager. To be appointed
Contract Manager. To be appointed	Improved quality of care support in residential homes due to the Partnership providing step up a step up to social work career path and Systemic Practice professional development training to the staff of successful bidders.	Currently there are 180 LAC children placed in residential care across the partnership.	Increase in the number of LAC children 'stepping down' from residential care into other LAC provision i.e. into semi-	One calendar year after endorsing of the contract	Annually	Contract Manager. To be appointed

			independent provision, foster care and adoption			
	A reduction in the Percentage of LAC young people Not in Employment education or training.	The percentage of Lac Young People not in Employment education or training was 14.1% as of July 2018	15 billion ebp monthly performance statistics	One Quarter after the endorsing of the contract	Quarterly compared against the same Quarter the year before.	Contract Manager. To be appointed

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CABINET

10th October 2018

Subject Heading:

Bid to the GLA for a funding under the “Building Council Homes for Londoners” Programme

Cabinet Member:

Councillor Damian White, Leader of the Council

SLT Lead:

Neil Stubbings – Director of Regeneration Programme

Report Author and contact details:

Kevin Hazlewood –Assistant Director of Housing Services (Acting)

Policy context:

*Havering Housing Strategy 2014-2017
HRA Business Plan 2017-2047
National Planning Policy Framework 2018
Draft New London Plan 2017
Rainham and Beam Park Planning Framework, 2016
Romford Development Framework 2015
Havering Proposed Submission Local Plan 2017*

Financial summary:

Approval to submit bids is sought under the GLA Building Council Homes for Londoners programme. If successful, the bids will make available up to £122.6 million of capital funding and up to £65.1 million of HRA borrowing headroom to deliver 1,470 units of affordable housing

Is this a Key Decision?

External funding bid of £500,000 or more
and
Significantly affecting two wards or more

When should this matter be reviewed?

November 2019

Reviewing OSC:

Towns and Communities

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering

[x]
[x]
[x]

Connections making Havering

[]

SUMMARY

- 1.1 It is requested that Cabinet grant approval for the Council to submit bids to the Greater London Authority (GLA) for additional funding to support the delivery of affordable housing in the borough, to meet requirements of Havering residents.
- 1.2 In May 2018, the Mayor of London published the 'Building Council Homes for Londoners' grant funding prospectus to encourage London Councils to develop new, affordable homes to respond to the London Housing shortage. All homes funded by this grant must achieve a start on site by March 2022.
- 1.3 In addition to this, in July 2018, the GLA published an addendum to this prospectus which granted London Councils with the opportunity to increase their Housing Revenue Account (HRA) headroom for the purposes of developing new homes. A total of £500m has been made available for London Councils.
- 1.4 Both funding regimes present an opportunity for the Council to fund its housing aspiration of 11,700 new homes by 2025, as presented in the Draft Local Plan 2017 and set by the London Plan.
- 1.5 A bid for up to £122.6m of Affordable Housing Grant has been prepared, together with a strategy to use Right to Buy receipts to fund the delivery of affordable housing around the Borough. In addition to this, the Council has also prepared a bid to increase the HRA headroom by up to £155m in order to accelerate its housing development aspirations and increase housing supply to better respond to housing demand. This would contribute to responding to the General Fund pressures associated with increased homelessness demand.
- 1.6 Based on current forecasts and value for money parameters, success of these bids could unlock the development of over 4000 new homes for local people, with an aspiration to achieve at least 40% affordable housing where viability permits. On Council-owned sites in particular, the funding enable 63% affordable housing, above the Mayor of London's 50% target, although subject to viability assessments on a project by project basis.
- 1.7 The deadline for the bids is end of September 2018. Draft bids have been submitted to the GLA and the GLA has confirmed that the GLA will accept the Bids subject to the approval of this Cabinet. The outcome of the bidding process is expected in Autumn 2018

RECOMMENDATIONS

2. Recommendations

2.1 For the reasons set out in this report, Cabinet is recommended to agree to approve the submission of the following bids to the GLA “Building Council Homes for Londoners” programme of : -

- Up to £122.6 million Affordable Housing Grant in line with the draft bid set out at Appendix 1.
- Up to £65.1 million HRA headroom in line with the draft bid set out at Appendix 2.

2.2. Cabinet is asked to note if successful in the bid(s):

2.2.1 The Council will need to sign funding agreements with the GLA for which further Cabinet approval will be sought. A report seeking these approvals is likely to be submitted Spring/Summer 2019.

2.2.1 The Council will develop a housing delivery programme relating to the bid programme

2.2.1 In addition the Council will continue to explore other external funding opportunities to complement the above programmes.

2.3 Delegate authority to Section 151 Officer, after consultation with the Director of Neighbourhoods to enter into the Right to Buy ring-fence agreement with the GLA.

REPORT DETAIL

3. Background

3.1 In 2016 a Strategic Housing Market Assessment was carried out across the borough to assess the current and future housing need. The assessment recommended that a total of 30,052 new homes were required over the period, from 2011 – 2033 to meet the borough’s housing need. Since then, the London Plan has set the Borough a minimum housing target of 11,700 new homes over a 10 year period from 2015 – 2025.

3.2 Affordability was a key factor of the assessment and in the 2017 Draft Local Plan it was identified that at least 35% of the new homes should be available on an affordable tenure.

- 3.3 The Council's own housing stock has significantly depleted as a result of the Right to Buy which has reduced the number of homes available for social rent to local people.
- 3.4 Legislative changes in recent years such as the Welfare Reform 2016 and Homeless Reduction Act 2017 have increased the demand for affordable housing and the obligations on Councils to provide housing solutions, particularly in London and the South East, where local rents tend to be higher than the Local Housing Allowance.
- 3.5 In order to help to manage the demand on Housing Stock the Council has revised its Allocation Policy in order to ensure that local homes are allocated to Havering residents. As it stands, there are 2000 residents on the Council's Housing Register and c.900 homeless households in the Councils' managed Private Sector Leasing scheme.
- 3.6 In 2018, following Cabinet approvals in November and December 2017 and January 2018, the Council established three Joint Venture Vehicles for the delivery of affordable housing in the borough. In January 2018 it was reported to Cabinet that these entities would deliver over 4,700 new homes, including 1,790 affordable homes.
- 3.7 The approval to submit the bid under the Mayor of London's Building Council Homes for Londoners funding Programme complements other strategic priorities for the Council with the aim of accelerating the delivery of additional new homes in the borough and the Council will aim to work with its JV partners and wholly owned companies as well as other delivery vehicles in order to support the delivery of the programme. Those decisions will be subject to further appropriate decisions Legal and financial due diligence.

Building Council Homes for Londoners

- 3.8 In May 2018, the Mayor of London launched his Building Council Homes for Londoners funding Programme (Appendix 3) where he set out his aspirations for London Councils to build more social rented, genuinely affordable homes. This Programme includes:
- Increasing the affordable housing grant available to councils to £100,000 per home for Social and London Affordable Rented homes started by March 2022; £38,000 per new home delivered on an Intermediate Tenure started by March 2020; and £28,000 per new home delivered on an Intermediate Tenure started by March 2022. Intermediate tenures included the London Living Rent and Low Cost Home Ownership.
 - Ring-fencing Right to Buy receipts to allow for greater flexibility in how they are spent; and
 - Developing in-house skills and expertise within councils, to expand their homebuilding capacity.

Additional Housing Revenue Account Headroom

- 3.9 At the Autumn Budget 2017, the Chancellor announced that the Government would make up to £1 billion additional HRA headroom or borrowing available in areas of high affordability pressure for councils that are ready to start building new homes.
- 3.10 In July 2018, the GLA published an addendum to the Building Council Homes for Londoners prospectus (Appendix 4) which set out the opportunity for Councils to bid for a share of the £500m additional HRA headroom.
- 3.11 In addition to the opportunity to extend HRA headroom, flexibilities have been introduced to allow Councils to combine either affordable housing grant or retained capital receipts (RTB) with the additional headroom to fund new build housing programmes.

The Proposal

- 3.12 The Council is in a fitting position to maximise the opportunities posed by these funding options and spearhead the development potential of the borough to take a leading position in the delivery of affordable housing across all wards with the assistance of its delivery partners. The announcements offer a unique opportunity to unlock the required capital to accelerate and expand the Council's aspirations for delivering affordable housing to local people.
- 3.13 The key objective of the Building Council Homes for Londoners Programme is to build at least 10,000 new Council and Right To Buy replacement homes, starting by 2022. As such the London Mayor has encouraged councils to put forward ambitious bids which maximise their housebuilding potential.
- 3.14 Due to timescales, on behalf of the Council, officers have submitted a bid for GLA grant of up to £122.6m to help fund the delivery of 1,470 affordable housing units. The Council's submission to the GLA for September 2018 comprised of a range of indicative opportunities that form a development programme which efficiently utilises GLA grant opportunities, Right to Buy Receipts and the HRA headroom.
- 3.15 The Council will adopt phasing methodologies to achieve a start on site across the portfolio of sites. Each of the works packages to be assembled must demonstrate site viability which will be reflected in a release schedule for each works package. In accordance with agreements with the GLA, the Council will aim to achieve the desired annual output of affordable housing product.
- 3.16 Included within the total bid amount is £22.9m to facilitate the delivery of affordable housing on the Bridge Close Regeneration Site. As previously reported to Cabinet, the site sits within the Romford Housing Zone and has previously been allocated £12.4m of Housing Zone funding. In the event that

Cabinet approve the submission of this bid, any funding agreement with GLA under the Building Council Homes for Londoners Programme will supersede the Housing Zone Borough Intervention Agreement in relation to Bridge Close Regeneration although this is subject to contract to vary the current terms and appropriate decisions.

- 3.17 The Affordable Housing Grant is offered on the condition that rented accommodation is offered at rents up to the London Affordable Rent level (LAR) which is set by the GLA. LAR for a 2-bed home is currently £158.84 per week and £167.67 for a 3-bed home, which is below the national affordable rent level and local housing allowance, proving to be a genuinely affordable product for local people. LAR is above social rent levels so where viability permits Councils may elect to let these properties at social rent levels. For the purposes of this bid LAR has been assumed.
- 3.18 The GLA has stated that the additional HRA headroom available for the three years from 2019/20 to 2021/22 will be subject to the conditions of the Building Council Homes for Londoners programme. Key terms include a start on site by March 2022, that homes are let by a Housing Association or the HRA, and rents are set as explained above although the draft agreement for the programme has not yet been circulated.
- 3.19 The additional borrowing headroom would improve the HRA's limited investment capacity to unlock the development pipeline, and build new affordable homes to be retained within the HRA. Appendix 2 demonstrates the £65.1million additional headroom required.
- 3.20 Thus far, the Council has engaged positively with residents in regards to its regeneration aspirations and its priority to deliver affordable housing for local people. Once proven viable and approved by Cabinet, all developments will proceed with the commitment to continue resident and stakeholder engagement and deliver housing products that meet the requirements and aspirations of local people.
- 3.21 Indicative sites have been selected from a range of existing regeneration schemes and HRA development pipeline opportunities that have been identified through past land reviews. Sites were selected for potential inclusion in the programme based on delivery timescales and affordable housing provision. Many of the sites have been considered for development for some time. Several are in a state of dereliction with the Council paying ongoing holding costs including security, rates and management costs. Some sites have become magnets for anti-social behaviour and fly-tipping.
- 3.22 A portfolio approach will be adopted to manage the delivery of housing development funded by the Building Council Homes for Londoners Programme. This gives the Council flexibility to promote new schemes for development if other opportunities are no longer deliverable. The appropriate approvals will be sought before embarking on each development opportunity.

REASONS AND OPTIONS

Reasons for the decision:

- 4.1 Until the recent GLA and government announcements regarding additional funding and the potential for increased HRA headroom, the Council has been limited in the number of affordable homes deliverable through the HRA. Enhanced development of affordable housing via regeneration has required cross-subsidy from open market sales. The delivery of significantly increased numbers of genuinely affordable homes will require additional direct or indirect subsidy and sources of funding to be deliverable. At present, other than the current funding sources, there are no other known sources of significant levels of subsidy.
- 4.2 The current approach assumes maximising the provision of homes at social rents. Should viability challenges remain as the programme develops, alternative, genuinely affordable rent levels or home ownership options may need to be considered.

Other options considered:

- 4.3 There is a demonstrable housing need within the Borough, and the funding opportunities presented by recent GLA and government announcements give the Council the opportunity to take a leading role in the development of new homes for local people. The alternative option to not submit a bid for the Affordable Housing Grant or the additional HRA Headroom would unnecessarily limit and decelerate the delivery of new, affordable homes.

IMPLICATIONS AND RISKS

5. Financial implications and risks:

- 5.1 This report recommends approval to submit a bid under the GLA Building Council Homes programme. The bid encompasses the following components: -
- A bid of up to £122.6million affordable housing grant to fund the schemes specified under Appendix 1
 - A bid of £65.1million additional Housing Revenue Account borrowing headroom.
 - GLA ring-fence of Havering Right to Buy (RTB) receipts, which in effect safeguards the Council from potential loss of 1-4-1 RTB receipts.

- 5.2 With the exception of Bridge Close, the funding will exclude any pipeline sites which fall within the 2016-21 Affordable Housing programme. The bid will therefore exclude Phase 1 of the 12 Estates programme.

5.3 Affordable Housing Grant

Under the terms of the prospectus, the Council are required to submit sites (Appendix 1) which are likely to start on site by the end of March 2022.

Under the bid, the GLA are offering the following enhanced grant rates: -

- £100,000 – affordable homes for rent
- £38,000 – shared ownership (started before 1st April 2020)
- £28,000 – shared ownership (started on or after 1st April 2020)

The enhanced grant rates will be applied to infill and acquired sites. The intention is to submit a bid of up to £122.6million to subsidise the development of 1,470 new affordable homes.

Each scheme in the bid will be subject to due diligence in terms of funding and deliverability.

5.4 Additional HRA Headroom

The Council is bidding for to an additional £65.1million of HRA headroom. This will provide additional investment capacity over the long term to the HRA. The additional headroom will not be time limited.

This will require the Council to borrow up to its existing headroom cap of £209 million in advance in 2019/20 with the additional borrowing to be drawn down in accordance with the bid profile. The Council will need to demonstrate that the existing headroom is committed to existing capital schemes.

As a result the HRA will incur additional financing costs, and in advance of grant acceptance officers will conduct a review of HRA 30 year model to ensure the Council can deliver the bid commitments within the requested funding envelope.

The guidance strongly encourages bids which drawdown additional borrowing in 2019/20. If the Council fails to drawdown in accordance with the approved bid, the GLA reserve the right to withdraw the additional borrowing headroom.

Schemes will be formally assigned against the additional headroom and the GLA will monitor progress on a quarterly basis.

5.5 RTB Ring-fence Offer

The GLA are also offering to safeguard receipts paid back to the Government under the terms of the RTB 1-4-1 agreement. The GLA will undertake to hold the receipts and the associated interest for an additional

three years, which in effect extends the limit to use the receipts from three to six years.

Officers are currently reviewing the HRA Business plan, with a view to going to Cabinet in November which will incorporate the outputs of a successful bid including a strategy for use of RTB receipts.

Bridge Close

5.6 Under paragraph 3.15, the total bid is inclusive of submission for Bridge Close, totalling £24.17 million to fund the acquisition of 321 units of affordable housing. This has been included to improve the overall viability of the Bridge Close development,

5.7 If successful, the existing contract with the GLA providing £12.4 million of Housing Zone funding will be cancelled. Therefore if successful, the bid will generate a net increase of £110.2 million (£122.6 million - £12.4 million) of capital funding towards the development / acquisition of affordable housing in the borough.

If successful, the bid will have significant financial and treasury implications for the HRA. A review of the 30 year HRA model will be undertaken prior to acceptance of the grant.

5.8 An assessment of the risk associated with the bid is provided at Appendix 5.

6. Legal implications and risks:

6.1 The Council is a local housing authority and has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation. These duties can be coupled with the Council's general power of competence under Section 1 of the Localism Act 2011, which gives the power to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power.

6.2 In line with the Council's constitution, approval is sought from Cabinet for the submission of the affordable housing grant and HRA headroom bids, and approval is sought to ring fence RTB receipts.

6.3 Should the bids be successful, a further report will be submitted to Cabinet seeking approval to enter into the funding agreement(s) and that report will outline any further legal implications. Members should note that acceptance of funding from the GLA will be subject to a number of conditions which are likely to include clawback and withdrawal of funding in certain circumstances. The substance of these conditions is not presently known while the Council awaits the issue of the GLA funding contracts. The Council

is not contractually binding itself in making the bid(s) in line with the recommendations in this report.

- 6.4 There will be a number of financial and legal implications arising from any decision to proceed with the programmes outlined in the bids.

7. Human Resources implications and risks:

- 7.1 None specific to this report

8. Equalities implications and risks:

- 8.1 The public sector equality duty under section 149 of the Equality Act 2010 (“PSED”) requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. ‘Protected characteristics’ include: gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.
- 8.2 GLA funding under the Building Council Homes for Londoners prospectus will enable the Council to accelerate the delivery of affordable housing within the borough. Residents eligible for these properties, as determined by the Council’s Allocation Policy, will be amongst some of the most vulnerable people in society.
- 8.3 The equality implications of each development project or programme will be assessed individually and disadvantages mitigated where possible. The wider implications of new-build development have been assessed in previous Cabinet Reports where it has been concluded that the development new homes will have an overall positive impact for local people.

BACKGROUND PAPERS

London Borough of Havering HRA Development Programme

Scheme				Tenure			Demolition ?
Site Name	Area	Total Housing units	Type	London Affordable Rent	Low Cost Home Ownership	Private Sales	Y/N
White Hart Lane	Collier Row	23	Family housing and flats	23	0	0	No
New Zealand Way	Rainham	30	Family Housing	30	0	0	No
Whitchurch Road	Harold Hill	5	Family housing	5	0	0	No
Dagnam Park Drive	Harold Hill	21	Family housing	0	21	0	No
Chudleigh Road	Harold Hill	6	Family housing	6	0	0	No
Kingsbridge Circus	Harold Hill	18	Family housing	18	0	0	No
Compton Avenue	Romford	2	Family housing	2	0	0	No
Brentwood Road	Romford	30	Family houses and flats	30	0	0	No
Bridge Avenue	Upminster	5	Family housing	3	2	0	No
Wantz Lane	Rainham	12	Family housing	12	0	0	No
Vernon Road	Romford	10	Family housing	10	0	0	No
Belle Vue Road	Collier Row	2	Family housing	0	2	0	No
Firbank Road	Collier Row	9	Family housing	5	4	0	No
Udall Gardens	Collier Row	10	Family housing	5	5	0	No
Cross Road	Collier Row	20	Family houses and flats	20	0	0	No
Chippenham Road	Harold Hill	200	Family flats	98	42	60	Yes
Subtotal - Council Owned Sites		403		267	76	60	
Bridge Close	Romford	1070	Family flats	193	128	749	Yes
Angel Way and adjoining sites	Romford	2500		400	0	2100	
Site A	Rainham	167		32	23	112	Yes
Site B	Rainham	362		104	82	176	Yes
Site C	Cranham	285	Flats	100	0	185	Yes
Site D	Rainham	100		25	25	50	Yes
Subtotal		4484		854	258	3372	
Total		4887		1121	334	3432	

Grant Available (per home)		No. of homes
Social Rent / Affordable rent	£ 100,000.00	1121
Intermediate Housing (post-April 2020)	£ 38,000.00	180
Intermediate Housing (pre-April 2020)	£ 28,000.00	131
Total Bid Submission		£122,610,000.00

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	<u>HRA Headroom</u>	
White Hart Lane	£	3,100,000
New Zealand Way	£	5,400,000
Whitchurch Road	£	900,000
Dagnam Park Drive	£	4,662,000
Chudleigh Road	£	960,000
Kingsbridge Circus	£	2,880,000
Compton Avenue	£	320,000
Brentwood Road	£	4,800,000
Bridge Avenue (Upminster)	£	924,000
Wantz Lane	£	1,920,000
Vernon Road	£	1,600,000
Belle Vue Road	£	504,000
Firbank Road	£	1,728,000
Udall Gardens	£	1,960,000
Cross Road	£	3,200,000
Chippenham Road	£	14,359,333
Angel Way & adjoining sites	£	15,866,667
Bridge Close (Romford)	£	-
SITE A	£	-
SITE B	£	-
SITE C	£	-
SITE D	£	-
	£	65,084,000.00

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MAYOR OF LONDON

Building Council Homes for Londoners

FUNDING PROSPECTUS

May 2018

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Foreword

I grew up in council housing, so I know first-hand what a vital role it plays in London. I believe building new council homes must be at the heart of our efforts to tackle London's housing crisis. That's why we need a huge increase in the amount of housing councils build in London.

It is the only way we will ever build the number of homes we need in our city, and particularly those for social rent. London has a great tradition of social housing. This is thanks in large part to the ambition of London's councils over more than a century.



Today, amongst London's councils newly-elected in May, that ambition is stronger than ever. But like City Hall, they are being held back by a lack of resources and by Government-imposed restrictions on their freedoms.

Despite my limited powers at City Hall, last year my 'Homes for Londoners' programme saw work start on 12,526 genuinely affordable homes. That's more than in any year since City Hall took control of housing investment. Crucially, this included thousands of new homes based on social rent levels – that's up from zero homes for social rent when I came to office. London's councils have been stepping up too, building over 2,000 homes in the last seven years, compared to only 70 homes in the seven years before that.

My new 'Building Council Homes for Londoners' programme will help us go even further. I will work with councils across London to build new council homes for social rent that future generations can be proud of.

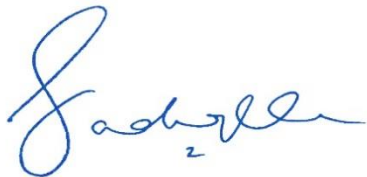
Through the programme, I will work with councils to start at least 10,000 new council homes over the next four years. I will help councils to achieve this with a special grant rate in my affordable homes programme specifically for new council homes, and I will support councils to invest their own resources including Right to Buy receipts. Alongside financial support, I will offer practical help to councils that are keen to boost their capacity to get these homes built.

This will make a real difference to tens of thousands of Londoners who need social housing. It is the first time City Hall has launched a programme specifically for council

housing. It reflects the significance to Londoners of new homes for social rent and how important I believe council homebuilding is. It also shows the ambitions of newly-elected councils across the city to do more.

The programme will also demonstrate the key role that councils can play in building homes, further strengthening our case to Government that London's councils and City Hall should be given the powers and resources to do much more.

Only by fully empowering us to build the new homes for social rent and other genuinely affordable homes that Londoners need, will we be able to truly fix the capital's housing crisis.



Sadiq Khan

Mayor of London

Part 1: Building Council Homes for Londoners

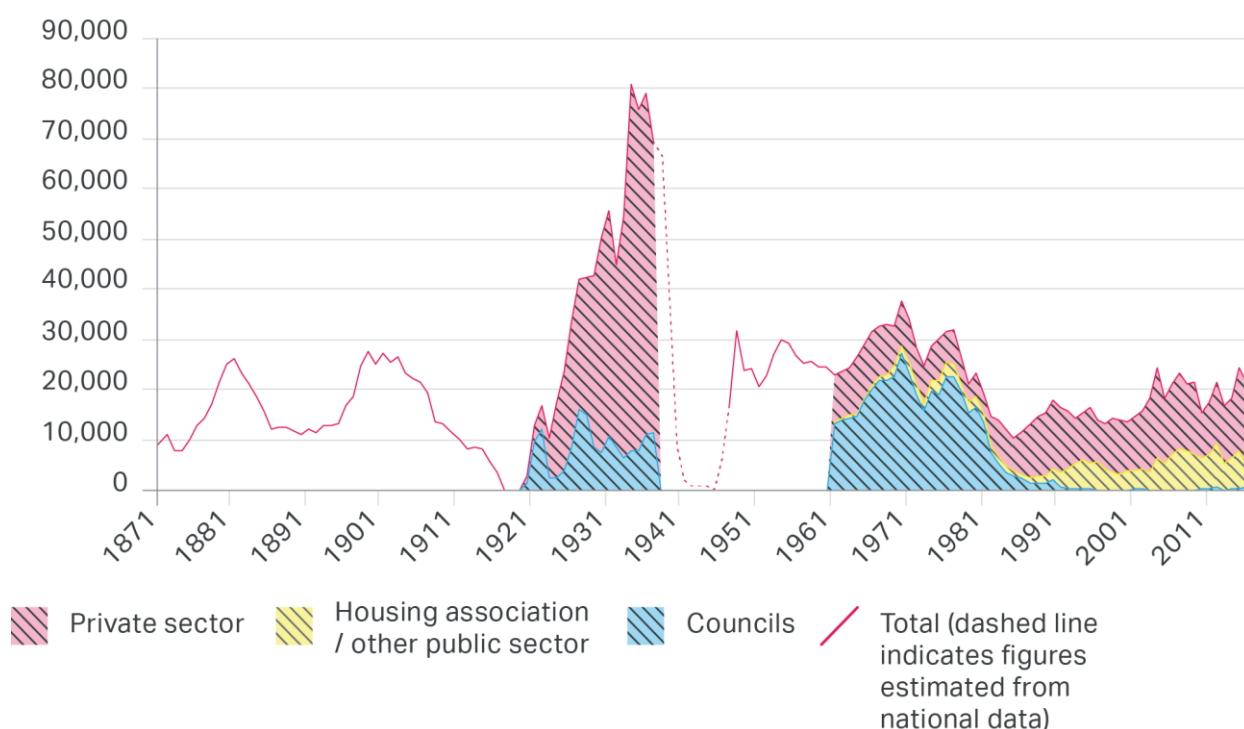
Context

1. In his draft London Plan the Mayor has set London's highest ever target for building new homes. London's chronic shortage of homes now affects almost every Londoner in some way including:
 - Those on low incomes who are increasingly locked out of London's housing market altogether;
 - Private tenants struggling to save for a deposit or simply to pay the rent;
 - Parents worrying that their children will have nowhere to put down roots and start families of their own; and
 - Small business owners or public service workers contemplating leaving London altogether because of high housing costs.
2. The Mayor has set a target to build 65,000 new homes each year, 50 per cent of which should be affordable, to accommodate our growing population and meet the backlog of existing housing need within the city. Moving towards these targets will require a fundamentally different approach to homebuilding to that which has become dominant in recent years. When he took office, the Mayor inherited a situation where the proportion of affordable homes in new developments had hit a low under the previous Mayor of just 13 per cent.
3. Increasing the supply of new homes to 65,000 per year of any tenure, and particularly with 50 per cent being affordable, cannot be achieved by the private sector alone. Yet homebuilding in London has become increasingly reliant on the private sector in recent years: in 2011-12, three in five new homes were built by the private sector, and by 2016-17, this proportion had risen to four in every five. In his draft London Housing Strategy, the Mayor sets out his plans to diversify the homebuilding industry and build more social rented and other genuinely affordable homes for Londoners. Supporting a new generation of council homebuilding is a key part of the Mayor's vision to achieve this.

Council homebuilding

4. Throughout most of the twentieth century, London's councils were major builders of new homes. During the 1970s London's councils built an average of over 20,000 homes a year. Since the early 1990s councils have built less than two per cent of London's new homes (see chart on next page).

New build homes in Greater London, 1871 to 2017



Source: Compiled by the GLA using GLA data, MHCLG data and various other sources

5. While council homebuilding currently falls far short of historic peaks, there has been a marked increase in recent years. Councils built 2,100 homes in London in the seven years to March 2017, compared with just 70 in the preceding seven years. Much of this increase has been driven by councils' ambition to replace homes sold through the Right to Buy. In order to increase the number of new council homes delivered significantly above current levels a range of issues need addressing that constrain councils' capacity to build new homes.
6. Councils across London have ambitions to build far more council housing, yet key constraints on their ability to do more include:
 - **Caps on council borrowing:** the Government-imposed Housing Revenue Account (HRA) borrowing caps artificially reduce councils' ability to finance new homes and to make grant or Right to Buy receipts go further, putting them at a disadvantage to their housing association counterparts;
 - **Arrangements for replacing homes sold through the Right to Buy:** councils seeking to replace homes sold through the Right to Buy are constrained by a range of central Government rules, including a time-limited period (currently three years) for use of receipts, restrictions on the proportion of the cost of each replacement home that can be

funded by receipts (currently 30 per cent of the full development cost of a new home), and restrictions on combining receipts with other sources of public subsidy;

- **Limited availability of subsidies to support new social housing:** in recent years the Government has focused funding for affordable homes on shared ownership and Affordable Rent tenures rather than social rent, and at grant levels geared towards the business models of housing associations rather than councils; and
- **Capacity and expertise within councils:** few councils have the resources and in-house development expertise that they did during the 1960s and 1970s. Funding reductions by central Government, compounded by years of austerity, have reduced the resources available for planning and housing services, severely limiting their development capacity.

7. Ultimately, many of these constraints can only be alleviated through reform by central Government. The Mayor, along with councils across London, supports the abolition of HRA borrowing caps and a step change in central Government investment in affordable homes and infrastructure. He also supports council calls to boost funding for key services, such as housing and planning departments, that are integral to supporting a new generation of council homes.
8. Since the Right to Buy was introduced in 1980 more than 300,000 social homes have been sold by councils in London. Over the same period, however, councils have built only 62,000 new social homes: just one for every five homes lost. When the Government reinvigorated the Right to Buy in 2012, it promised there would be one-for-one replacement of homes lost. This promise has been broken, with many council homes in London sold but not replaced. The Mayor wants to help councils replace as many homes sold through the Right to Buy as possible, and is calling on central Government to remove the arbitrary restrictions that prevent councils from building new, replacement council homes.

The ‘Building Council Homes for Londoners’ programme

9. While reform of central Government rules is necessary to support the scale of new council homebuilding that London ultimately needs, the Mayor wants to work with councils to use existing powers and resources to their fullest extent. Building homes requires vision, resources and expertise. All of this takes years to cultivate. Many of London’s major private homebuilders have developed their capacity over decades. Likewise, housing associations have built up their delivery from hundreds of new homes each year during the 1960s to many thousands of homes each year today. The aim of *Building Council Homes for Londoners* is to support councils to follow the same path, helping them to regain the confidence and ambition they demonstrated during the zenith of council homebuilding in the 1960s and 1970s.
10. Through *Building Council Homes for Londoners*, the Mayor is inviting councils to develop ambitious proposals for delivering new council homes. In return, the Mayor is making

substantial levels of new funding available and assisting councils to develop the skills and expertise required to expand their homebuilding capacity.

11. The key objectives of the programme are to:
 - **Build at least 10,000 new council and Right to Buy replacement homes.** These will be started by 2022, focused on social rent levels, and will include homes in receipt of funding through this and other GLA programmes, as well as homes the Mayor is supporting councils to build by other means;
 - **Support council homebuilding in every borough in London** by giving any council that wishes to build new council homes the opportunity to do so, thereby helping to diversify London's homebuilding industry; and
 - **Boost London's council-homebuilding capacity** with the ambition that by the mid-2020s London's councils are building thousands of new council homes each year, compared with hundreds per year at present. With additional support from central Government, this ambition should be stretched even further.
12. *Building Council Homes for Londoners* will be delivered through ambitious strategic partnerships between councils and the GLA. The Mayor recognises that each council has its own unique local and political context driving different objectives within its own set of financial constraints. The GLA is offering councils flexible and tailored support from a menu of potential options.
13. The GLA will request a single bid from each council covering all elements of *Building Council Homes for Londoners*. It will prioritise affordable housing grant allocations based on fixed grant rates which will reduce complexity, increase certainty and enhance flexibility for councils. In addition, as part of the programme, the GLA is committed to facilitating open conversations with each council about the specific capacity challenges they face. All of this will be underpinned by a *Building Council Homes for Londoners* Memorandum of Understanding that will set out a shared ambition between the GLA and each council for new council homes in each area and how the GLA will work with each council to achieve it.
14. Part 2 and Part 3 of this prospectus cover the four areas on which *Building Council Homes for Londoners* will focus. These are:
 - Developing in-house skills and expertise within councils;
 - Increasing the affordable housing grant available to councils to build new homes;
 - Ring-fencing Right to Buy receipts; and
 - Managing additional HRA borrowing headroom.
15. Part 4 provides further information for councils wishing to bid for support as part of *Building Council Homes for Londoners* and Part 5 explains how the GLA will assess bids.

Part 2: Skills and expertise

Developing in-house capacity

16. The Mayor wants to see all councils in London supporting the delivery of new homes. In recognition that capital funding is not the only constraint preventing councils from doing more, the GLA is committed to working with councils to increase capacity, skills, and expertise in council delivery teams.
17. Councils across London are at different stages in establishing their delivery teams, with many ambitious councils already devoting or planning to devote additional resources to the task. So that he can help increase the contribution that councils make to housing delivery in London above current levels, the Mayor wants to understand what skills and resources are currently in place as well as the gaps and barriers to upscaling council development programmes.
18. As many councils have shown, successfully delivering new-build programmes requires strong leadership and senior officer support. Delivery teams – whether within a council itself and/or within dedicated delivery bodies – will need adequate resources and staff with relevant experience and expertise dedicated to programme delivery. Governance and decision-making arrangements must be streamlined and risks and mitigations identified at an early stage.
19. *Building Council Homes for Londoners* is an opportunity for the GLA and councils to work in partnership to identify and respond to any capacity issues currently preventing councils from directly delivering more affordable homes.

GLA support

20. To help councils develop their in-house capacity, *Building Council Homes for Londoners* offers a range of options for GLA support. Councils are encouraged to discuss these areas further with their relevant GLA contact.
21. The GLA will seek to provide support through regular senior-level meetings with each council participating in the programme to monitor progress and respond to issues as they arise.

Secondments and placements

22. The GLA is offering to make some of its staff available to councils to address resourcing issues. This option may be available where there is an identified need and a GLA member of staff seconded or placed within a council for an agreed length of time would assist with programme delivery. Councils seeking further information should consult their relevant GLA contact.

Technical guidance

23. Navigating the various rules and regulations associated with housing delivery can be complex. Partners with similar objectives and ambitions to increase supply will often proceed in different ways. While there are sound reasons for varied approaches, the GLA may be able to help councils by providing clarification about common technical issues that arise. Consequently, guidance notes covering the following areas are included in this prospectus:
- Using Right to Buy receipts and GLA grant within a project (see Appendix 2); and
 - GLA funding of council dedicated delivery bodies (see Appendix 3).
24. The GLA intends to publish additional guidance on any recurring issues pertinent to direct delivery of housing in response to requests from councils.

Revenue funding

25. A lack of revenue funding to support programme delivery can act as a barrier to councils wishing to develop ambitious housing programmes. Where councils already have delivery pipelines in place, there may be opportunities to capitalise revenue costs attributable to projects. For councils at an earlier stage, the GLA may in exceptional cases be able to provide revenue funding to support them to establish their housing programmes. Councils should, however, be aware that any available revenue funding is likely to be limited in scale. Councils seeking further information should consult their relevant GLA contact.

Information sharing

26. As councils build capacity to deliver their housing programmes, there will be opportunities for them to learn from one another. The GLA will work with Future of London¹ to develop a dedicated forum to share best practice, review high-level technical content, undertake site visits and benefit from bespoke research all aimed specifically at assisting councils to build more homes. Topics could focus on areas that councils request and might include:
- Building the right internal team;
 - Governance options;
 - Raising finance;
 - Procurement routes; and
 - Resident engagement.
27. The GLA will also explore options for involving housing associations and other partners in helping councils to learn best practice at key stages during the development process.

¹ Future of London is an independent network connecting London's regeneration, housing, infrastructure and economic development practitioners. For more information, see [here](#).

Part 3: Capital funding

Affordable housing grant

Social rented and other genuinely affordable homes

28. The Mayor has secured £4.82 billion from the Government to fund new affordable housing for Londoners. This funding is expected to support starts of at least 116,000 new social rented and other genuinely affordable homes in London through to 2022.
29. In November 2016, the Mayor launched the *Homes for Londoners: Affordable Homes Programme 2016-21* to help increase the supply of new homes and the number of those that will be genuinely affordable. In initial allocations made under the programme announced in July 2017, councils were allocated almost £150 million in affordable housing grant.
30. *Building Council Homes for Londoners* is designed to enable councils to deliver more housing, particularly for social rent.² The GLA therefore expects to allocate the majority of grant funding in this programme to support new council homes for rents at or below 'London Affordable Rent' caps, since these caps are based on social rent levels (see Table 1).
31. The Mayor's approach with 'London Affordable Rent' has been designed to allow national funding which is only available for the 'Affordable Rent' programme to be used to deliver homes based on social rent levels. These apply London-wide, and the specific level of rent for any individual property will be at or below these caps. The GLA will not specify whether homes have London Affordable Rent or Social Rent tenancies; councils will be free to choose which to offer in accordance with legislation and their own policies and procedures.

² *Building Council Homes for Londoners* forms part of the Affordable Homes Programme 2016-21.

Table 1: Current London Affordable Rent caps (based on social rent levels)

	2018-19 cap
Bedsit and one bedroom	£150.03
Two bedrooms	£158.84
Three bedrooms	£167.67
Four bedrooms	£176.49
Five bedrooms	£185.31
Six or more bedrooms	£194.13

32. Through *Building Council Homes for Londoners*, the GLA is also making additional funding available to councils seeking to build intermediate housing products, including London Living Rent and London Shared Ownership homes, to help Londoners on average income levels.³ It will consider funding other intermediate housing products where councils can demonstrate they are genuinely affordable to Londoners.

33. Councils are invited to bid for funding to deliver affordable homes in London that start on site by 31 March 2022. A full definition of start on site is available in the GLA's [Affordable Housing Capital Funding Guide](#).

Available approaches for affordable housing funding

34. The GLA will fund the majority of affordable homes in *Building Council Homes for Londoners* using a single set grant rate under the 'Programme Approach' for Social Rent/London Affordable Rent homes and a different set grant rate for London Living Rent, London Shared Ownership and other genuinely affordable intermediate homes.

35. In a few exceptional cases, the GLA will agree discretionary grant rates with councils under the 'Project-by-Project Approach' (see paragraphs 42 and 43 below).

36. The GLA does not expect to allocate all available grant in this programme during the initial bidding round. Councils will have further opportunities to bid on an ongoing basis after the GLA has made initial allocations, subject to availability of funding.

³ For further information on these products see the *Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance* [here](#).

Affordable housing grant: Programme Approach

37. Under *Building Council Homes for Londoners*, the GLA will specify set grant rates per home, available for new supply of affordable homes. Set grant rates give councils certainty over the grant levels they can expect from the GLA for certain types of home and allow them to plan accordingly. The GLA has also streamlined its bidding process and systems for councils, reducing overheads and administrative burdens. This will allow them greater freedom to optimise the use of their own resources.
38. The Programme Approach is open to councils that are delivering the following types of homes – either directly and/or through dedicated delivery bodies:
- Social Rent/London Affordable Rent: £100,000 per home, when rent is set at or below London Affordable Rent caps; and
 - London Living Rent, London Shared Ownership or other genuinely affordable intermediate homes:
 - £38,000 per home started in 2018-19 or 2019-20;
 - £28,000 per home started in 2020-21 or 2021-22.
39. The higher grant rate for London Living Rent, London Shared Ownership or other genuinely affordable intermediate homes that start in 2018-19 or 2019-20 is intended to incentivise early delivery.
40. Under the Programme Approach, councils will commit to delivering a headline number of affordable homes broken down by tenure across a portfolio of sites in exchange for an allocation of affordable housing grant. Councils will have flexibility to manage the delivery profile of homes across this portfolio and additional discretion to substitute sites into, and out of, their portfolio.
41. In order to capture the full scale of council delivery accurately the GLA encourages councils to log all new-build homes on the GLA's Open Project System. This includes homes that might not need GLA funding and/or those funded using Right to Buy receipts. The GLA has simplified the logging of nil-grant homes on its system. Compliance audit will not apply to nil-grant homes.

Programme Approach: hypothetical example

Council A is developing a programme of 500 homes, 300 of which are affordable, across five sites that it controls. Of the affordable units, 275 will be let at social rents and 25 will be for London Shared Ownership. Of the 25 London Shared Ownership homes, 20 will start in 2019-20 and five will start in 2020-21. Council A may bid for £28,400,000 of affordable housing grant across its programme: £100,000 per unit for the 275 social rented homes; £38,000 per unit for the 20 London Shared Ownership homes that start in 2019-20; and £28,000 per unit for the five London Shared Ownership homes that start in 2020-21.

Affordable housing grant: Project-by-Project Approach

42. The GLA will fund most homes developed through *Building Council Homes for Londoners* with set grant rates via the Programme Approach. It may, at its discretion, choose to fund a small number of projects at different grant rates, where this is necessary for financial viability and clearly evidenced. To qualify for grant on this basis the GLA will require additional information from councils about these projects in order to scrutinise viability on a project-by-project basis.
43. Since the GLA will assess grant rates on a project-specific basis, it will not give councils seeking funding through the Project-by-Project Approach flexibility to reallocate housing outputs and funding between different projects.

Delivery bodies

44. The GLA is encouraging bids for grant regardless of whether a council wishes to develop affordable homes through its Housing Revenue Account or its General Fund. This includes where a council is using a dedicated delivery body.
45. While the GLA intends to use funding flexibly, funding allocations must meet legislative requirements. For example, where the GLA provides financial assistance on condition that the recipient provides low-cost rental accommodation, it must impose a further condition ensuring that a registered provider of social housing is the landlord of the accommodation when it is made available for rent.
46. Guidance for council dedicated delivery bodies wishing to apply for grant that are not registered providers is included in Appendix 3.

Right to Buy Ring-Fence Offer*Using Right to Buy receipts: current arrangements*

47. The failure to replace homes sold through the statutory Right to Buy policy is a key contributor to the loss of affordable homes in London. Since the policy was introduced in the 1980s, more than 300,000 social rented homes have been sold and the majority of these have not been replaced.
48. The rules governing council expenditure of Right to Buy receipts are enforced through legislation and agreements between councils and central Government. In the absence of these agreements – or if the receipts cannot be spent in accordance with the terms in these agreements – councils must return receipts to central Government which then redistributes them to the GLA in London. The agreements also allow councils to voluntarily return funding to central Government. The GLA has received more than £50 million of returned Right to Buy receipts since 2012. It has used this money to top up its affordable homes programmes through which it allocates the majority of funding to housing associations rather than councils.

Right to Buy Ring-Fence Offer: ring-fenced receipts for councils

49. *Building Council Homes for Londoners* will pioneer a new approach for managing Right to Buy receipts to help fund local replacements for homes lost as a result of the policy.
50. As part of the programme, the GLA is offering councils the opportunity to opt-in to its Right to Buy Ring-Fence Offer. For councils accepting the offer, the GLA will ring-fence any Right to Buy receipts that a council collects and returns to the GLA (via central Government) for use by that council in accordance with a standard agreement between the two parties.
51. The GLA will effectively act as a ‘custodian’ of Right to Buy receipts when councils voluntarily opt-in to the ring-fence offer. As such, the GLA will treat this money differently from the rest of its funding – its control will be at arm’s length, with spending decisions reserved for councils. The GLA will, however, expect councils to develop credible delivery plans and use funding in line with regulations.
52. There are a range of benefits for councils opting-in to the Right to Buy Ring-Fence Offer. Foremost, it provides councils with an opportunity to ring-fence receipts plus any interest paid on receipts; they would otherwise lose control of these resources once returned to central Government.
53. Another key advantage of the Right to Buy Ring-Fence Offer is it allows the GLA and councils to take a more strategic approach to utilising Right to Buy receipts to replace affordable housing. While the GLA would require assurance that councils identify projects within a three-year pipeline – to ensure resources are utilised quickly – it could reallocate ring-fenced receipts to councils on a project-specific basis which presents them with additional flexibility to manage their delivery programmes.
54. The Right to Buy Ring-Fence Offer will also present opportunities to help councils better manage their new-build programmes if combined with other support the GLA is offering in this prospectus. For example, by using ring-fenced Right to Buy receipts alongside an allocation of further affordable housing grant under this programme and some additional HRA borrowing headroom, councils would have greater scope to manage their delivery programmes on a flexible basis. They could reprofile funding allocations from different sources to different projects in response to changing circumstances and the different rules and requirements that govern these funding sources (many of which are fixed). Councils should note that affordable housing grant and ring-fenced Right to Buy receipts – reallocated to councils as grant – may not be used to fund the same home.
55. Councils that do not request any other affordable housing grant or additional HRA borrowing capacity under *Building Council Homes for Londoners* will still have the opportunity to opt-in to the Right to Buy Ring-Fence Offer.

56. As custodian of councils' funds, effectively holding Right to Buy receipts on behalf of councils at arm's length, the Mayor recognises it is up to councils who voluntarily opt-in to the ring-fence offer to determine how to spend receipts collected in their area. The GLA will therefore not seek to place additional conditions on the use of such receipts when allocating Right to Buy receipts back to councils. It differs in this respect from the GLA's mainstream affordable housing grant. Constraints will be limited to those required for regulatory issues or those specified elsewhere in this prospectus.
57. In line with central Government requirements, the principal restriction on councils' decisions over reallocated Right to Buy receipts will be that replacement homes must be rented affordable housing. Within this constraint, councils will have freedom to determine the tenure of homes. A further restriction, in line with national requirements, is that Right to Buy receipts the GLA reallocates to councils should not exceed 30 per cent of the full development costs for replacement homes.
58. Given the status of Right to Buy receipts, while the Mayor is currently considering introducing a new funding condition to require resident ballots on strategic estate regeneration projects involving demolition, this requirement may not be triggered on projects funded through reallocated Right to Buy receipts (providing these projects are not also in receipt of other affordable housing grant). This is to recognise that the GLA is acting as custodian of Right to Buy receipts that arise from the sale of council assets; they are not a GLA resource. While GLA funding conditions do not apply when councils use their own resources for the provision of affordable housing, the Mayor encourages all councils to consider introducing ballots as a matter of course when proposing to redevelop social housing estates.

Additional HRA borrowing

59. In the Autumn Budget 2017, the Government announced it would raise local authority Housing Revenue Account borrowing limits by up to £1 billion between 2019-20 and 2021-22. The GLA expects the Government to announce London's share of this increase soon and councils should be able to bid for additional borrowing thereafter.
60. The GLA and the Government are currently discussing how the additional HRA borrowing programme will operate in London. The GLA has proposed to Government to make the programme flexible by allowing councils to:
- Combine additional HRA borrowing in projects with retained Right to Buy receipts;
 - Link additional HRA borrowing to a delivery programme over a reasonable timescale rather than tying it to specific projects; and
 - Reduce required borrowing by expecting councils to contribute unallocated Section 106 commuted sums to their delivery programmes.
61. The GLA will make further announcements on how the HRA borrowing programme will operate in due course.

Part 4: Bidding for support

Preparing initial bids

Bidding through Open Project System

62. Under *Building Council Homes for Londoners*, councils will need to submit funding bids through the GLA's Open Project System (OPS). OPS is a streamlined system which partners should find simple to navigate. Councils should consult their GLA contact if they require further guidance on how to use it.
63. Many councils will already be registered on OPS but new users wishing to register should complete a registration form. This form is available [here](#), along with further information about OPS.
64. The GLA expects most councils to have submitted bids well in advance of the initial bidding round deadline of 30 September 2018 and will review any bids it receives earlier than this promptly to enable all initial funding allocations to be announced by October 2018. Initial bids submitted on OPS may prompt further discussions and exchanges of information between the GLA and councils about council delivery programmes, current capacity and GLA support (both financial and non-financial) before the GLA completes its assessment.
65. Continuous bidding for funding through *Building Council Homes for Londoners* will remain open after the GLA has made initial funding allocations, subject to availability of funding. Councils will need to submit further bids through OPS.

Supporting information

Affordable housing grant – Programme Approach

66. Councils bidding through the Programme Approach must deliver a minimum of 100 affordable housing starts by March 2022.
67. In their initial bids for affordable housing grant, councils must identify the number of affordable homes they expect to start in each financial year broken down by tenure. Councils are not required to submit proposals for named projects at the initial bidding stage and they will continue to have flexibility to swap projects in and out of their delivery portfolio provided they meet overall delivery obligations during the programme.
68. While councils may not yet own identified sites they should have a clear timetable for acquisition and delivery. They will need to hold a secure legal interest in the property when claiming grant from the GLA.

Affordable housing grant – Project-by-Project Approach

69. Councils wishing to bid for grant rates on a project-specific basis should consult their relevant GLA contact about further information they will need to provide to allow a full assessment to take place. As a minimum this information will include:
- The name of the project and the site location;
 - The number of new homes by tenure and an annual profile of starts and completions;
 - Proposed grant rates per home for different affordable tenures; and
 - A justification for the grant rates required to enable the project to be delivered.

Right to Buy Ring-Fence Offer

70. Councils should indicate if they wish to opt-in to the GLA's Right to Buy Ring-Fence Offer when submitting their initial bid in OPS. The GLA will write to councils opting-in to the offer setting out how arrangements will operate (see template letter in Appendix 1). The GLA may request information from councils concerning the amount and timing of payments they make to central Government in relation to Right to Buy receipts and interest.
71. Councils that do not wish to bid for affordable housing grant under the Programme Approach or Project-by-Project Approach or for additional HRA borrowing capacity may still opt-in to the GLA's Right to Buy Ring-Fence Offer.

Additional HRA borrowing

72. The GLA and the Government are discussing arrangements for councils in London intending to bid for additional HRA borrowing capacity between 2019-20 and 2021-22.
73. The GLA will collect some information on council requirements for additional HRA borrowing when councils submit their initial *Building Council Homes for Londoners* bids in OPS.
74. When councils suggest a profile of additional HRA borrowing between years, they should prioritise borrowing in year one (2019-20) and avoid backloading additional borrowing in the final year of the programme (2021-22). Ideally, they should aim to spread proposed additional borrowing across financial years. Councils should also be aware of central Government requirements that additional HRA borrowing should not displace other sources of available funding or be used for purposes other than the building of new housing.
75. The GLA expects to provide further details about the bidding process for additional HRA borrowing capacity in due course.

Council capacity

76. As mentioned in Part 2, council delivery teams will play a crucial role in making *Building Council Homes for Londoners* successful and increasing the supply of new genuinely affordable homes. While different London councils have varying levels of experience and

expertise in directly delivering new-build programmes, the GLA is encouraging bids from all councils.

77. As part of the bidding process, the GLA will require that councils commit to an open discussion with the GLA about their current capacity to deliver a new-build programme. The purpose of these discussions is to identify any barriers to delivering a new-build programme and agree a joint plan to address them. The discussion will cover the following areas related to delivering a new-build programme successfully:
- Council leadership and Mayoral support;
 - Senior officer support at the council and GLA;
 - Staff and resources dedicated to programme delivery;
 - Relevant in-house experience and expertise;
 - Current gaps in capacity and further support required;
 - Streamlining decision-making processes;
 - Dealing with practical challenges, such as land assembly; and
 - Key risks and mitigations.

Affordable housing grant payment

78. The GLA will pay 50 per cent of grant for projects at start on site stage and 50 per cent on completion. It may allow additional flexibility on the timing of payments to providers when it leads to the early development of affordable homes or the delivery of spatial or thematic priorities. This will need to be on the basis of a clear business case.
79. Where the GLA is contracting directly with dedicated delivery bodies, bespoke contractual terms may be required. For example, the GLA may pay 100 per cent of grant upon completion of projects.

Land acquisition

80. While the GLA expects that a large proportion of the land on which affordable homes funded through *Building Council Homes for Londoners* will be built will already be in council ownership, it is keen to support councils that do need to acquire land to deliver projects.
81. Councils that may be able to benefit from GLA support with land acquisition are encouraged to discuss this with their relevant GLA contact at the earliest possible opportunity. The GLA will also consider further strategic opportunities to increase the land supply for affordable housing.

Additional Mayoral priorities

Estate Regeneration

82. In February 2018, the Mayor published [Better homes for local people: the Mayor's good practice guide to estate regeneration](#). The guide sets out good practice in relation to

landlord aims and approaches, consultation and engagement, and offers to tenants and leaseholders that the Mayor expects to see in estate regeneration projects.

83. Additionally, the Mayor recently completed a consultation on a proposed new funding condition to require resident ballots in estate regeneration projects. Affordable housing grant allocated through *Building Council Homes for Londoners* may be conditional on the result of a resident ballot for certain estate regeneration projects if the ballot requirement is implemented. GLA funding conditions do not apply when councils use their own resources, such as Right to Buy receipts, for the provision of affordable housing. This includes Right to Buy receipts for which the GLA will act as custodian as a result of councils having voluntarily opted-in to the Right to Buy Ring-Fence Offer.

Branding

84. In line with previous GLA programmes, councils will be obliged to adhere to the Mayor's communications and branding requirements. These will include the need to display Mayor of London and/or Homes for Londoners hoardings as specified by the GLA and relevant Government branding on all development sites funded by this programme.

Part 5: Assessment

Assessment

85. The GLA has introduced set grant rates to make the bidding and assessment of funding bids as simple as possible, provide councils with certainty about grant availability and free up the resources of both the GLA and councils to focus on delivering the homes that Londoners need.
86. Initial bids submitted on OPS are intended to prompt discussions between the GLA and councils about council delivery programmes, current capacity and GLA support (both financial and non-financial).

Affordable housing grant – Programme Approach

87. The GLA will only consider bids for projects that start on site by 31 March 2022 under *Building Council Homes for Londoners* and it will assess the certainty of delivery within the forecast delivery timescale, taking into account the pre-development and planning stage achieved and land-ownership status.
88. Councils with existing allocations from other GLA programmes are expected to meet their agreed delivery milestones. Substitution of projects allocated in existing programmes into this funding programme will only be permitted in exceptional circumstances. In addition, the GLA will take into consideration a council's performance in adhering to these agreed milestones when assessing funding bids under this programme.
89. Given the pressing need for more affordable homes for Londoners, the GLA will prioritise bids which offer earlier delivery.

Affordable housing grant – Project-by-Project Approach

90. The GLA will assess bids councils submit for Project-by-Project Approach grant funding using the same criteria as bids councils submit through the Programme Approach. There will be additional Value for Money and affordability assessments using the information submitted by councils at bid stage.
91. Councils seeking to fund affordable housing under the Project-by-Project Approach should consult their relevant GLA contact.

Right to Buy Ring-Fence Offer

92. The GLA will discuss next steps with councils wishing to opt-in to the Right to Buy Ring-Fence Offer. For councils deciding to opt-in to the offer, the GLA will issue a letter setting out how the arrangements will operate (see template letter in Appendix 1). It will allow

councils that do not bid, or that are not successful in their bids for affordable housing grant, to opt-in to the Right to Buy Ring-Fence Offer.

Additional HRA borrowing

93. The GLA and the Government are discussing the arrangements for assessing bids for additional HRA borrowing from councils in London. It is expected that assessment criteria will include:
 - Value for Money;
 - Deliverability; and
 - Local affordability pressures.
94. Further details on how bids for additional HRA borrowing will be assessed will be published in due course.

Memorandum of Understanding

95. For successful *Building Council Homes for Londoners* bids, discussions between the GLA and councils prompted by the initial bid using OPS will be formalised in a Memorandum of Understanding setting out agreed principles. As a minimum, this document will detail:
 - The joint GLA and council ambition to deliver a number of affordable homes;
 - An indicative allocation of affordable housing grant to support this ambition;
 - Confirmation of whether a council intends to partake in the GLA's Right to Buy Ring-Fence Offer;
 - Delivery commitments linked to additional HRA borrowing;
 - A commitment to the level of resources councils and the GLA will provide to ensure housing programmes are delivered successfully; and
 - A commitment to governance arrangements to oversee programme delivery.

Contracts, agreements and programme management

Affordable housing grant

96. Councils will need to enter into a standard form contract with the GLA to secure affordable housing grant through this programme. Contracts may vary depending on the council and the products they fund, but will retain the key provisions of the standard form contract. Template contracts will be published on the GLA's website shortly.
97. Completed contracts will include the agreed delivery milestones for the projects that the GLA has committed to fund. The GLA will monitor council performance against these delivery milestones on an ongoing basis. The GLA will be flexible when issues with project delivery are flagged at an early stage, but will reserve the right to review a council's grant allocation where a provider cannot deliver a project or replace it with an equivalent project.

Right to Buy Ring-Fence Offer

98. Councils opting-in to the GLA's Right to Buy Ring-Fence Offer will need to enter into a standard agreement with the GLA to receive reallocated grant.

Additional HRA borrowing

99. The GLA will provide further details on the arrangements for additional HRA borrowing in due course.

State Aid compliance

100. While the GLA has designed this programme to be State Aid compliant, councils have a responsibility to ensure they are not over-compensated as defined by State Aid rules.
101. The GLA has undertaken a detailed exercise to establish appropriate construction costs by the size, tenure and borough location. These costs will be set out on the GLA's website this summer.
102. The GLA will require councils to make returns about the actual costs incurred for both public accountability and State Aid compliance. It has designed a process that will minimise costs to both the GLA and councils. This process will include the submission (and certification) of actual costs incurred, and a process to ensure a more detailed review of costs for each grant recipient at least once during the programme.
103. Councils delivering a high proportion of projects that have historically received low levels of funding, such as works-only projects, may be subject to additional monitoring. If any councils – or their dedicated delivery bodies – are found to have been over-compensated, they will be required to repay any over-compensation to the GLA.
104. Councils bidding for funding under the Project-by-Project Approach will be required to provide additional information to demonstrate compliance with State Aid rules.

Compliance audit

105. All grant recipients, including ring-fenced Right to Buy receipts reallocated as new affordable housing grant, will be subject to the GLA's compliance audit process as set out in the GLA's Affordable Housing Capital Funding Guide. The guide ensures that the GLA's policies, funding conditions and procedures are followed. Projects not in receipt of GLA grant will not be subject to compliance audit.

Timetable

106. Following the outcome of the assessment and negotiation process the Mayor will make an announcement of successful initial bidders by October 2018. Some announcements may be made before then. The GLA expects to have contracted with successful bidders for affordable housing grant by no later than March 2019.

Milestone	Timing
Publication of funding guidance	May 2018
Initial bidding on OPS opens	June 2018
Ongoing discussions and assessment	June – September 2018
<i>Building Council Homes for Londoners</i> Memorandum of Understanding finalised	Before September 2018
OPS closes for initial bids	30 September 2018
Announcement of initial funding allocations	October 2018

Questions

107. Any questions relating to this funding guidance should be submitted to affordablehomes@london.gov.uk. A compilation of questions and clarifications will be published on the GLA's website and updated on a regular basis.

Appendix 1: Right to Buy Ring-Fence Offer – template letter

GLA Housing and Land

2018

Dear [Council]

Ring-fencing of Right to Buy receipts (subject to contract)

This letter confirms the GLA's intention to ring-fence Right to Buy receipts and interest for your Council.

The GLA agrees in principle that any Right to Buy receipts and interest it receives from central Government arising from Right to Buy disposals in your borough will be ring-fenced and made available to your Council as affordable housing grant.

The Mayor takes the view that it is up to councils to determine how Right to Buy receipts collected in their area are spent. While ring-fenced receipts reallocated as grant must be used to deliver new rented affordable homes in line with national requirements, the Mayor recognises, within this constraint, councils are free to determine the specific tenure of homes in which the money is invested.

This GLA proposal is underpinned by your intention (which is acknowledged by countersigning this letter) to deliver a programme of projects on a three-year rolling delivery programme, aligning with the delivery requirements of the receipts. The GLA is keen for this funding to accelerate delivery of new homes and will be flexible on a site-by-site basis where external factors affect delivery.

The GLA proposes to make this grant funding available to your Council through a standard-form funding agreement. Your Council will be entitled to claim grant not

exceeding 30 per cent of the full development costs of homes, as defined in the funding agreement. Under current rules, the landlord of the rented affordable homes is required to be a Registered Provider at the point the homes are let, and the grant could not be used in conjunction with other GLA affordable housing grant on individual homes.

The GLA may request information from the Council concerning the amount and timing of payments the Council makes to central Government in relation to Right to Buy receipts and interest.

The GLA will notify the Council if its proposal set out above changes and, by countersigning this letter, you acknowledge that the Council will notify the GLA in writing if it no longer intends to apply for grant under this proposal.

We look forward to continuing to work with you to deliver genuinely affordable homes for Londoners.

Yours,

[GLA]

Appendix 2: Using Right to Buy receipts and grant within a project

Guidance note

The Housing Act 1985 (Part V), gives secure tenants the Right to Buy their council home from their council in circumstances defined by legislation. The council is then required to pay this receipt to central Government.

Councils can agree a retention agreement with central Government to retain part of the receipt from Right to Buy sales for the provision of social housing, provided this is invested within three years of the receipt and does not exceed 30 per cent of the full development cost of replacement homes. Any surplus Right to Buy receipts are returned, with interest, to the GLA (via central Government) to grant fund additional affordable rented housing in London.

The retention agreements preclude expenditure for the provision of housing funded, wholly or in part, by grant paid by the GLA. The GLA understands this to mean individual homes cannot receive both affordable housing grant and Right to Buy receipts retained by the council (and the GLA is taking the view that individual homes cannot receive both affordable housing grant and Right to Buy receipts transferred to the GLA – via central Government – and reallocated to councils as grant). It also means individual projects can utilise both affordable housing grant and funding derived from Right to Buy receipts as long as individual homes do not receive subsidy from both funding sources.

For the avoidance of doubt this note is for information only; grant recipients will still need to seek their own legal advice.

Appendix 3: GLA funding of dedicated delivery bodies

Guidance note

As part of *Building Council Homes for Londoners*, the GLA will consider proposals to fund councils and/or their dedicated delivery bodies. However, to comply with its legislative requirements, where the GLA is proposing to give financial assistance on condition the recipient provides low-cost rental accommodation, it must impose a further condition ensuring a registered provider of social housing is the landlord of the accommodation when it is made available for rent. This does not necessarily mean that the grant recipient itself must be a registered provider of social housing.

Low-cost rental accommodation includes social rent, Affordable Rent, and any intermediate rented product. This includes, but is not limited to, London Affordable Rent and London Living Rent.

This requirement does not apply for low-cost home ownership homes.

The retention agreements councils agree with MHCLG, to retain part of the receipt from the Right to Buy sale for the provision of social housing, provides that councils may not grant such receipts to a body in which they have a “controlling interest”. A council could enter into an agreement with such a body (for example, an Arm’s Length Management Organisation or a Special Purpose Vehicle) to deliver the homes but the homes must be in the ownership of the council and sit within its Housing Revenue Account.

The GLA is taking the view it can make grant funding – including Right to Buy receipts reallocated as grant as part of the Right to Buy Ring-Fence Offer – available to bodies in which a council has a controlling interest.

Other formats and languages

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MAYOR OF LONDON

Building Council Homes for Londoners

FUNDING PROSPECTUS

Addendum with updated guidance for additional Housing
Revenue Account borrowing programme, 2019-20 to 2021-22

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Introduction

1. This addendum to the [funding prospectus](#) for the Mayor's *Building Council Homes for Londoners* programme provides updated guidance on the additional Housing Revenue Account (HRA) borrowing programme, 2019-20 to 2021-22. It should be read in conjunction with the main *Building Council Homes for Londoners* programme prospectus.
2. All other aspects of the published programme prospectus remain unchanged.

Background

3. The *Building Council Homes for Londoners* programme was launched in May 2018. Through the programme, the Mayor is inviting councils to develop ambitious proposals for delivering new council homes. In return, the Mayor is making substantial levels of new funding available and is assisting councils to develop the skills and expertise required to expand their homebuilding capacity.
4. The programme comprises four main elements. These are:
 - developing in-house skills and expertise within councils;
 - increasing the affordable housing grant available to councils to build new homes;
 - ring-fencing Right to Buy receipts; and
 - managing additional HRA borrowing headroom.
5. This programme will support delivery of 10,000 new council housing starts by March 2022, with an emphasis on early delivery.
6. The Mayor wants to see the removal of Government-imposed HRA borrowing caps because these artificially reduce councils' ability to finance new homes. They also fail to respect the localist principles of council housing self-financing. The Mayor will continue to lobby Government for unconditional removal of borrowing caps.
7. At Autumn Budget 2017, the Chancellor announced that the Government would make up to £1 billion additional HRA borrowing headroom available in areas of high affordability pressure for councils that are ready to start building new homes.
8. The Mayor has secured a minimum of half of the available additional HRA headroom for councils in London.
9. In 2013, Government announced an additional borrowing programme of up to £300 million. Following a competitive bidding process, councils took up around £145 million of that borrowing. A number of councils felt that the conditions attached to the programme were unnecessarily restrictive. The Mayor has successfully lobbied Government to make this programme more flexible in three key ways.
10. First, councils will be able to combine the additional borrowing secured through this programme with other funding sources which they could not use in the previous borrowing programme. In order to finance the development of new homes, councils will be able to use either affordable housing grant funding or retained capital receipts

from the sale of council homes sold under the Right to Buy, together with the additional borrowing, to fund new housing.

11. Second, the bidding requirements have been streamlined, removing the requirements in the previous borrowing programme to report on progress of existing stock disposals, including councils' most expensive vacant housing. Further, councils will not be required to take on the additional burdens of having to specifically demonstrate growth impacts and innovative partnership work through this programme.
12. Third, while Government requirements mean that councils will need to submit project-level information alongside their bids for additional borrowing, the GLA will work with councils to manage programmes flexibly, with the option to substitute projects.
13. Despite these flexibilities, the additional HRA headroom is limited in resources and only available over a fixed three-year period. A larger, long-term expansion of HRA borrowing headroom is needed to unlock London's councils' capacity to build many more council homes for Londoners.
14. The Mayor encourages councils in London to submit ambitious bids, at least equal to the capital's £500 million share of the programme. Government has committed to keeping London's share under review in light of the strength of bids from London councils and councils in the rest of England. Showing the strength of demand and capabilities of London's councils will help to make the case for a larger, longer-term settlement.

Operation

Annual profiles

15. The Mayor has successfully negotiated a minimum £500 million additional HRA borrowing for councils in London. This is half of the total additional borrowing made available nationally by Government.
16. Table 1 sets out the indicative annual London profile of this additional HRA borrowing. These allocations cannot be exceeded or moved between years.
17. The Mayor strongly encourages councils to be ambitious in their bidding. This will help to build a strong case for future borrowing programmes.
18. Given that the profile of this additional borrowing is front-loaded, bids that draw down additional borrowing in 2019/20 are particularly encouraged.

Table 1: Additional HRA borrowing available to councils in London, by year

	2019/20	2020/21	2021/22	Total
Additional HRA borrowing available to councils in London	£200m	£150m	£150m	£500m

Features of the programme

19. The additional HRA borrowing made available through this programme will be subject to the rules set out in the *Building Council Homes for Londoners* prospectus. This includes not combining Right to Buy receipts and affordable housing grant to fund the same home.
20. Councils are encouraged to consider the funding and support available through *Building Council Homes for Londoners* in their entirety in order to submit ambitious bids. Councils can also bid for additional borrowing headroom alone.
21. Councils are required by Government to submit an indicative list of projects to be delivered by this programme. This should be submitted at bidding stage.
22. Councils that make successful bids will receive a new indebtedness determination to reflect the additional HRA borrowing up to the agreed amount, to finance capital

expenditure on projects brought forward during 2019/20, and/or 2020/21, and/or 2021/22.

Reporting requirements and amending determinations

23. Quarterly monitoring arrangements will be arranged with councils, to include progress on starts and completions.
24. It is important that councils demonstrate they can undertake the necessary capital expenditure in the specified years.
25. There will be flexibility for the GLA to agree substitutions to councils' indicative project list to ensure their annual allocations are met. Councils are strongly encouraged to have contingent projects to cover potential slippage in expenditure.
26. Where councils are unable to identify substitute projects to meet their annual borrowing allocation, it is likely that they will lose access to the additional borrowing. Any slippage of borrowing allocation is subject to agreement by Government, which will only be granted in exceptional circumstances.

Bidding for additional HRA borrowing

Eligibility

27. This additional HRA borrowing is targeted at councils with an HRA, or those wishing to set one up. New homes built by councils as a result of the additional borrowing provided through this programme must be accounted for in their HRA.
28. This does not preclude mixed-tenure development, but homes which will not be accounted for within a council's HRA cannot be funded by additional borrowing. Homes for market sale, private rent and intermediate rent cannot be held within an HRA, nor can homes owned by subsidiary companies.
29. Councils can bid to draw down additional borrowing in 2019/20, and/or 2020/21, and/or 2021/22.
30. Government rules do not permit the conversion or acquisition of second-hand properties through this programme.

Bidding requirements

31. Bidding authorities must set out their borrowing headroom (using the most recent data that is available), and indicate the extent to which any such headroom is earmarked for other projects in their 30-year Business Plan.
32. Bids should also include project-level information. Bidders with contingent schemes which could take up slippage of capital expenditure will be advantaged and are therefore strongly encouraged to present a full list of potential projects which could utilise expenditure.
33. Where approval is given to increase additional borrowing, the GLA expects that:
 - councils will draw down the borrowing for the specified year;
 - development will start as soon as possible; and
 - delivery profiles agreed as part of *Building Council Homes for Londoners* will remain unchanged.

Bidding process

34. Councils should submit bids for additional HRA borrowing through the GLA's Open Project System (OPS). Further information on using the OPS system, including registering as a new user, is available in the *Building Councils Homes for Londoners prospectus*.

35. OPS is currently open for bids. Functionality to upload further information on named projects will be available from the end of July 2018. In line with the *Building Council Homes for Londoners* programme, the deadline for bids for additional borrowing will be 30 September 2018, but earlier bids will be welcomed. There are currently no plans for continuous bidding for additional borrowing after this deadline.
36. Bidders for additional borrowing will need to provide the following information through OPS:
- profile of additional borrowing;
 - number of additional homes funded through additional borrowing;
 - confirmation that, aside from affordable housing grant, where applicable, projects are not expected to receive other Government subsidy;
 - confirmation that the council's Chief Finance Officer (section 151 officer) has signed off and certified the bid, and the additional borrowing is affordable and will not displace other sources of available funding; and
 - project-level information required by Government.
37. Initial bids submitted on OPS may prompt further discussions and exchanges of information between the GLA and councils about delivery programmes, current capacity and GLA support (both financial and non-financial) before the GLA completes its assessment.

Other criteria

38. Under this programme, councils can use commuted sums arising from a developer contribution secured through a section 106 agreement generated on other sites. Commuted sums can be used alongside additional borrowing and, for specific units, either affordable housing grant or Right to Buy receipts.
39. There is no limit on the amount of additional HRA borrowing that a council may seek through this programme. However, as set out above, bidding councils will need to confirm that their Chief Finance Officer has certified the bid.
40. Councils will be responsible for ensuring that they use additional borrowing in accordance with all applicable legal requirements. Councils must not use the additional borrowing for purposes other than delivering affordable homes.

Bid assessment

Overview

41. The following criteria will be used to assess bids for additional HRA borrowing:
- **value for money:** bids will need to demonstrate reasonable per unit development costs and should seek to maximise the numbers of units delivered, for example by bringing forward their own land for development to reduce costs, or offering cross-subsidy where possible; and
 - **deliverability:** in light of the annual profiles attached to this additional borrowing programme, it is important that councils are ready to start building in relevant years, have contingent schemes which could utilise any slippage in capital expenditure and have the necessary capability to deliver to time and budget.

Value for money

42. The primary metrics that will be used for assessing the value for money of each bid will be:
- the overall per unit development costs; and
 - the level of additional HRA borrowing that councils are requesting to deliver the project as a whole, per affordable home, and as a percentage of total project costs.
43. Councils will be able to enhance the value for money of their proposals where they bring forward land, and can demonstrate procurement efficiencies in the delivery of new supply.
44. The GLA recognises that, in some cases, there may be reasons why development costs or the resources available to bidders may vary, and will seek to take this into account where councils make this information clearly available.

Deliverability

45. The GLA will prioritise proposals which demonstrate early delivery and draw down additional borrowing in the first year of the programme. Factors which the GLA will take into account in assessing deliverability include:
- the stage of planning achieved;
 - the status of land ownership;
 - forecast delivery in terms of numbers of units and draw down;
 - the council's track record of housing delivery; and
 - the council's wider housing delivery plans through *Building Council Homes for Londoners*.

Bids involving affordable housing grant

46. Many councils will be bidding for additional HRA borrowing and *Building Council Homes for Londoners* grant simultaneously. The GLA appreciates that bids for additional HRA borrowing may be contingent on the success of bids for affordable housing grant, and vice versa. Given that the GLA will likely be in a position to confirm affordable housing grant allocations before the additional HRA borrowing, the GLA may conditionally approve a bid of affordable housing grant, subject to the additional borrowing bid being approved.

Assessment process

47. The GLA will assess bids and recommend council allocations of additional HRA borrowing for approval by the Ministry for Housing, Communities and Local Government.
48. The GLA also expects to submit to Government a reserve programme underpinned by an indicative pipeline of projects that could come forward if further HRA borrowing headroom were made available to councils in London.

Next steps

Timetable

49. Following the outcome of the assessment process, additional HRA borrowing allocations are expected to be announced in November 2018. Table 2 sets out the indicative timetable for the bidding process.

Table 2: Indicative bidding timetable:

Milestone	Timing
Addendum to <i>Building Council Homes for Londoners</i> prospectus published	11 July 2018
Bidding for additional borrowing opens on OPS	End of July 2018
Bid deadline for additional borrowing	30 September 2018
Ongoing discussions with councils and assessment	July – November 2018
Results of bidding announced. Following consultation, councils issued with revised indebtedness determinations	November 2018
Councils with revised indebtedness determinations will be able to draw down additional borrowing	April 2019 onwards
Quarterly monitoring commences	July 2019

Questions

50. Any questions relating to this funding guidance should be submitted to affordablehomes@london.gov.uk. A compilation of questions and clarifications will be published on the GLA's website and updated on a regular basis.

Other formats and languages

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

Greater London Authority
City Hall
The Queen's Walk
More London
London SE1 2AA

Telephone **020 7983 4000**
www.london.gov.uk

You will need to supply your name, your postal address and state the format and title of the publication you require.

If you would like a summary of this document in your language, please phone the number or contact us at the address above.

Key Risks	Description	Mitigation
Viability	Further Viability assessments to be undertaken may show that some schemes are not viable at proposed tenure split.	<ul style="list-style-type: none"> – Additional rental levels up to London Affordable Rent to be assessed. – Additional tenure mixes could be included in viability assessments. – Take programme-wide approaches to achieve economies of scale.
Capacity and Resources	A major programme of capital delivery will require reallocation of current resources and additional specialist skills.	<ul style="list-style-type: none"> – Continue enhanced council-wide coordination of programme – Make best use of existing resources – Explore working with trusted delivery partners that share our objectives
Financing the Programme	The ability of the Council to finance the overall programme	<ul style="list-style-type: none"> – Assessments to ensure that the cost of borrowing to fund the affordable units can be met from the anticipated rental stream, grant or other subsidies. – Additional funding could be provided via capital receipts, Section 106 contributions, suitable partnerships working with other third parties or additional grant funding, if available. – Careful phasing of the programme to manage debt levels. – Repurposing and extending existing medium term capital commitments.
Delivery Timescales and Start on site	Grant is only available if start on site is achieved by March 2022. Adequate time for Planning, Site Assembly and Procurement activity will be required in the overall programme. Failure to achieve start on site by March 2022 will mean the grant cannot be drawn down.	<ul style="list-style-type: none"> – Maintenance of an accurate Programme, with risks being escalated to senior officers to support decision making. – A pipeline of alternative sites to be prepared in addition to the main programme.

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CABINET

10th October 2018

Subject Heading:

**Rainham and Beam Park Housing Zone
– Making of the CPO(s).**

Cabinet Member:

Cllr Damian White, Leader of the Council.
Cabinet Member

SLT Lead:

Neil Stubbings, Director Regeneration
Programmes

Report Author and contact details:

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Policy context:

Havering Housing Strategy,
Havering Economic Development
Strategy.
Rainham and Beam Park Housing Zone
submission.
Rainham and Beam Park Housing Zone
Overarching Borough Agreement.
Rainham and Beam Park Planning
Framework.

Financial summary:

The Housing Zone Land Acquisition Strategy was approved by Cabinet on 10th February 2016; this included the principle of using the Council's Compulsory Purchase Order powers to acquire land interests. On 21st February 2018 Cabinet agreed to use the Council's Medium Term Financial Strategy and in particular the capital programme to fund land acquisitions and CPO costs. There is an allocation from the GLA of Housing Zone funding of £12,010,000 to support the proposed scheme.

Is this a Key Decision?

Yes

When should this matter be reviewed? **Autumn 2019**

Reviewing OSC: **Towns and Communities OSC**

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

The purpose of this report is to update and confirm a prior resolution agreed by Cabinet on 10th February 2016 that enabled implementation of the Rainham and Beam Park Housing Zone Land Acquisition Strategy. A further resolution on the same date delegated to the Leader of the Council, Cabinet Member for Housing Company Development & One Source Management and the Group Director Community and Resources the authority to approve the making of a Compulsory Purchase Order (“CPO”) and for confirmation (if subject to objections) by the Secretary of State.

At the Cabinet of the 13th December 2017 the Council agreed to appoint Notting Hill Housing Trust (now known as Notting Hill Genesis – “NHG”) as the development partner to implement the first phases of housing delivery in the Rainham and Beam Park Housing Zone. Consequently, Cabinet gave approval to the Council entering into a joint venture Limited Liability Partnership (to be known as Rainham and Beam Park Regeneration LLP – “RBPR”) with Notting Hill Commercial Properties (a subsidiary of NHG) in which the Council became a Member on 29th March 2018.

Cabinet also noted that the Council and NHG would be responsible for the land acquisition process on behalf of RBPR where necessary, supported by CPO powers, to enable the acquisition of the land interests required for the housing development schemes and infrastructure which cannot be acquired by private treaty. Members noted that authority to make the CPO was delegated by Cabinet on 10th February 2016. This paper is brought to cabinet with further detail consequent to the original decision and provides additional details on;

- the proposed CPO(s) within the Red Line Plan; and
- requests that Cabinet approves the making of a CPO(s) and related powers in respect of the land, interests and rights to obtain vacant possession, where necessary to enable the delivery of the regeneration of the A1306 (New Road) in Rainham where it has not been possible to acquire the land. Interest and rights by agreement. The scheme, which is shown on the CPO Red Line Plan at Appendix 1, being the provision of new build housing to the north and south of the A1306 (New Road).

RECOMMENDATIONS

That Cabinet:

1. **Agree** to the Council making Compulsory Purchase Order(s) (CPO(s)) pursuant to the statutory powers contained in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended), and section 13 of the Local Government (Misc. Provisions) Act 1976 and all other necessary action to

acquire all property and other proprietary interests on the land, including where appropriate new rights, located within the outline on the CPO Red Line Plan at Appendix 1, for the purpose of securing the regeneration of the Rainham and Beam Park Housing Zone in accordance with the decision to adopt the Masterplan and Planning Framework taken on 10th February 2016.

2. **Agree** that the Director of Regeneration Programmes after consultation with the Leader of the Council and Deputy Director Legal and Governance be authorised to;
 - a. Make the CPO or multiple CPOs to enable the acquisition of land, interest and rights within the CPO Red Line Plan as attached to this report at Appendix 1;
 - b. Appoint surveyors, barristers and any other professionals required to promote the CPO(s) and to facilitate the vacant possession of interests located within the CPO Red Line Plan;
 - c. Settle the final form and content of the CPO(s) and associated documentation to include the draft;
 - CPO Red Line Plan; Appendix 1;
 - Draft Compulsory Purchase Order; Appendix 2;
 - Draft Schedule Freehold and Leasehold Interests Appendix 3;
 - Draft Statement of Reasons Appendix 4;
 - Draft Equalities Impact Assessment Appendix 5
 - Consultation Report Appendix 6
 - d. Take all necessary steps to secure the making, confirmation and implementation of the CPO(s) including publication and service of notices and presentation of the Councils case at Public Inquiry, or Court should such representation be necessary;
 - e. Take such actions so as to facilitate Notting Hill Genesis (on behalf of Rainham and Beam Park LLP) acquiring properties and proprietary interests within the CPO Red Line Plan by agreement, such actions to include; the relocation of businesses, residents and statutory undertakers apparatus or Communication Code Operators; and any other interests and setting out the terms for the withdrawal of objections to the CPO(s); and
 - f. Amend the number of properties and leasehold acquisitions with the CPO Red Line Plan at Appendix 3, should such amendment be required to deliver the overall Rainham and Beam Park Housing Zone strategy.

3. **Agree** that the Director of Regeneration Programmes after consultation with the Leader of the Council and Deputy Director Legal and Governance be authorised following the confirmation of the CPO(s) by the Secretary of State to secure vacant possession of all properties and proprietary interests located within the confirmed CPO Red Line land to include:
 - a. to take all necessary actions to secure the making and confirmation of a General Vesting Declaration (GVD) or multiple GVD's under the Compulsory Purchase and (Vesting Declarations) Act 1981 and /or to serve Notices to Treat and Entry (if required); and
 - b. to appropriate to planning / or housing purposes any parcel of land within the CPO Red Line Plan; and
 - c. to transfer all properties and proprietary interests acquired pursuant to the CPO(s) to the relevant development partner in accordance with the Members Agreement and the Strategic Land Agreement dated 29 March 2018; and
 - d. if necessary make representation of the Councils case such as at the Upper Tribunal (Lands Chamber) or court should such representation be necessary.
4. **Agree** that in the event that the Cabinet approves resolutions 2 and 3 above, and upon the Deputy Director Legal and Governance being satisfied that further information and all the Equalities Impact Assessment outcomes are satisfactory and to not require reference back to Cabinet, that the Deputy Director Legal and Governance be authorised to affix the common Seal of the Council to the CPO(s), GVD(s), maps and elsewhere and to take all necessary steps as necessary, such as to issue notices and sign certificates to attain the resolutions above.

REPORT DETAIL

1.0 BACKGROUND

- 1.1 The vision for the Rainham and Beam Park Housing Zone ("The Housing Zone") is the transformation of a declining industrial area into a vibrant new urban extension providing much needed new housing, including affordable and family homes, social, physical and green infrastructure with good access to public transport and employment opportunities. The regeneration proposals include the construction of a new railway station, with direct transit to central London, significant works to remodel the A1306 to a residential scale street, and the creation of a new linear park within the Housing Zone.

- 1.2 Cabinet approved the Housing Zone bid in September 2014 and the Overarching Borough Agreement authorising the Council to enter into contract with the Greater London Authority ("GLA") on the 4th November 2015. In establishing the Housing Zone the GLA confirmed its intention to catalyse development by providing funding to unlock site assembly.
- 1.3 The Rainham and Beam Park Masterplan and Planning Framework ("The Masterplan and Planning Framework") was produced following extensive stakeholder consultation and was adopted as non-statutory planning policy by Cabinet in February 2016. It forms part of the evidence base of the forthcoming Havering Local Plan.
- 1.4 The Masterplan and Planning Framework document sets out the Council's investment priorities in the area and guides and shapes the quality of the development that will be coming forward. It sets out a clear vision supported by key design and development principles that will ensure a coherent approach to any development activity. The Masterplan and Development Framework seeks to avoid piecemeal development with its lack of integration, poor design, build quality and lack of infrastructure provision.
- 1.5 The Housing Zone Land Acquisition Strategy was approved by Cabinet on 10th February 2016 including the principle of using the Council's CPO powers to acquire land interests and ensure comprehensive development is delivered and thereby embarking on the formalities necessary for the making of the CPO. Cabinet also agreed to approve land negotiations and the acquisition of sites by private treaty by various means and noted the commensurate need for the relocation of businesses within the A1306 corridor where appropriate.
- 1.6 At the Cabinet of the 13th December 2017 the Council agreed to appoint Notting Hill Housing Trust (now known as Notting Hill Genesis – "NHG") as the development partner to implement the Housing Zone Strategy, the A1306 Land Acquisition and Development Strategy to assemble key sites along the A1306 corridor, and to undertake the first phases of housing development in the Housing Zone.
- 1.7 The Cabinet also gave approval to the Council entering into a joint venture Limited Liability Partnership with Notting Hill Commercial Properties Ltd (a subsidiary of NHG), noting that the land acquisition process will be implemented by NHG and is to be supported by the making of a CPO by the Council to enable the acquisition of the land interests that cannot be acquired by private treaty. The full funding for the CPO was approved by Cabinet on the 13th December 2017.
- 1.8 The joint venture between the Council and Notting Hill Commercial Properties Ltd ("NHCP") known as The Rainham and Beam Park Regeneration LLP ("RBPR") was incorporated on 9th February 2018. On 29th March 2018 various project arrangements were entered into to facilitate the regeneration delivery activities of RBPR including a Members

Agreement, Strategic Land Agreement, CPO Indemnity Agreement (“CPOIA”) and Development Management Agreement.

- 1.9 As a party to the CPOIA the Council will use its CPO powers to support the land assembly by making one or more CPO’s in relation to Sites (as are identified) in order to secure the acquisition of Third Party Interests in the Sites and address the relocation or removal of the apparatus of any Statutory Undertakers or Communication Code Operators on the basis that the Council is fully indemnified by NHG against any CPO Costs.
- 1.10 In order to authorise the making and implementation of the CPO(s), section 226(1)(a) of the Town and Country Planning Act 1990 requires that members must be satisfied that the use of the compulsory powers will facilitate the development, redevelopment or improvement of land, and that it is likely to contribute towards the promotion or improvement of the economic, social and environmental well-being of the area. Further, members must be satisfied that there is a compelling case in the public interest for making and promoting the CPO(s), that the use of the powers is proportionate, and that the public benefits associated with the proposed regeneration will clearly outweigh the interference with the rights of those affected. These matters are explained and considered in more detail below and in the draft Statement of Reasons at Appendix 4.
- 1.11 The draft Statement of Reasons is the document that sets out the basis of the Council’s case and justification for making and pursuing the CPO(s). This will be served on all those affected by the CPO(s).

2.0 Progress

- 2.1 On 10th February 2016, Cabinet gave authorisation for certain preparatory steps to be undertaken in connection with (if necessary) the making of a CPO, relating to private treaty negotiations and the land referencing exercise required to identify all parties with an interest in the land to be acquired. Persona Associates Limited (“Persona”) have been appointed to provide specialist advice and support to the Council in respect of the application of CPO legislation including exhaustive land referencing.
- 2.2 Glenny LLP (“Glenny”) were appointed as the Council’s property advisors and they have compiled property cost estimates for all the acquisition sites including valuations, compensation and disturbance costs where appropriate. As from 31st August 2018 the Glenny CPO Team will be transferring to Ardent Management Limited (“Ardent”) and moving forward Ardent will be appointed as the Council’s property advisors.
- 2.3 Ardent have been appointed by NHG to actively negotiate with all parties with an interest located within the CPO Red Line Plan with a view to acquiring their interests by agreement wherever possible including possible options for the relocation of business interests.

- 2.4 The Council have attempted to engage with landowners via the undertaking of site visits, holding meetings to explain the acquisition and public consultation process ahead of outline planning applications being submitted. Letters have been circulated to business and residential property owners respectively, to keep them informed of the regeneration proposals and acquisition process as it has progressed.
- 2.5 Glenny have also met with as many of the landowners as possible in order to inspect the properties and provide the Council with accurate valuations for each property to establish potential acquisition costs.
- 2.6 There are 97 freehold interests identified along New Road, which will be affected by the implementation of the Housing Zone strategy, which include premises for both business (office and light industrial) and residential usage. Following inspections and valuations Ardent are negotiating on NHG's behalf for the private treaty acquisition of properties within the CPO Red Line boundary. At present, of the 97 freehold interests identified, Glenny/Ardent have successfully negotiated the purchase price of 4 properties (subject to contract and RBPR Board approval) and the purchase of 1 property has been successfully concluded by NHG.
- 2.7 In June 2017 Persona sent S16 Notices to 178 different people identified as having a land interest inside the proposed red line boundary for the CPO(s); requesting that they furnish the Council with details of all known interests in the affected land. Persona are currently in the process of sending out further S16 Notices in order to ensure that land interest information is up to date.
- 2.8 The Council have also written to all 178 parties identified, providing updates on progress, inviting positive engagement and requesting their co-operation in filling out the S16 Notices for Persona, in order to enable them to complete their land referencing activities. A notice served under section 16 of the Compulsory Purchase Act 1965 has statutory authority and it can be considered an offence not to respond to the notice once served.
- 2.9 To support the acquisition process and if necessary the making of the CPO(s) the Council has engaged SW Planning and Bell Phillips Architects to formulate and submit outline residential planning applications for the nine residential sites and one site that enables access to new Beam Park Station. Ten outline planning applications have been submitted to the Local Planning Authority, seven applications have been approved and one application is to go before the Strategic Planning Committee in October 2018. The remaining two outline planning applications are currently being revised and they are expected to be re submitted in October/November 2018 and go before the Strategic Planning Committee in January/February 2019. Planning Applications which were undecided following the setting up of the joint venture have been transferred into the name of RBPR.

- 2.10 A Strategic Land Agreement in place between RBPR, NHG and the Council, details how the relevant landowner and proprietary interests of each site are to be purchased by NHG, held and then passed to the RBPR once a full development site is assembled. NHG will consolidate the various titles into a single freehold title and transfer a long leasehold interest for the private sale land to RBPR, who will be obliged to take and fund the transfer. The freehold title will remain in NHG along with the affordable housing land.
- 2.11 A CPO Indemnity Agreement is in place, under which NHG provide an indemnity for the Council's CPO costs including the costs of promoting the CPO and the compensation payable to third parties whose land and interests are acquired pursuant to the CPO. These costs whilst initially born by NHG through the CPO Indemnity Agreement will be covered in full by the RBPR at the point at which land is drawn down for development or at a longstop date.
- 2.12 There is an approved allocation of £12,010,000 from the GLA of Housing Zone funding. This is provided to NHG to support the delivery of the scheme and is being administered by NHG.

3.0 Benefits of the Scheme

- 3.1 The scheme comprises the first phases of housing delivery of the Housing Zone and will contribute significantly to achieving the Housing Zone target.
- 3.2 The sites located within the CPO Red Line Plan are located to the north and south of the A1306 (New Road) and characterised by low value, low density commercial and light industrial uses which do not enable the change in land use and transformation as envisaged in regional or local planning policy; or facilitate the vision of the Council to create a vibrant new residential community in the area. Many of the businesses also detract from the visual amenity and environmental quality of the area with operations often over spilling directly onto road frontages, in some cases creating a negative visual impact, as well as increasing levels of contamination.
- 3.3 The purpose of the scheme is to enable the acquisition of land and proprietary interests within the area shown on the CPO Red Line Plan (Appendix 1) considered as necessary to facilitate change of land uses in the area in order to promote and enable comprehensive high quality housing development where existing landowners fail to bring forward high quality schemes that meet the Housing Zone design and investment criteria and deliver substantial amounts of housing and affordable housing. The Scheme will in turn act as the catalyst for further investment and development activity along the A1306 corridor, improving the long term economic growth and visual amenity of the area and facilitating the creation of a sustainable new residential neighbourhood which will transform the profile and perception of the area.

- 3.4 Due to historically low residential values and other technical and economic constraints (including a pattern of fragmented and disparate land ownership) only a limited number of residential schemes have come forward this far. These have been on a small scale, piecemeal basis, generally offering poor design and build quality with limited contribution to the environment, affordable housing and infrastructure provision.
- 3.5 The Scheme comprises the first phases of delivery within the Rainham and Beam Park Housing Zone at New Road in Rainham. Nine sites totalling 6.32ha have been identified which are able to deliver at least 774 new homes of which subject to viability a minimum 35% will be available to the community as affordable housing. The disposition of some sites suggests these are more effectively combined for the purposes of development, giving an overall number of eight strategic sites.
- 3.6 The Scheme also includes a non-residential site which requires acquisition to provide access to the new Beam Park Station to enable public transport, pedestrian and cycle access.
- 3.7 The area represents a significant large-scale strategic residential development opportunity in London. The Council's intervention through the Land Acquisition Strategy aims to act as a kick-start and encourage the bringing forward comprehensive development within the area in order to bring about the transformational change and to achieve the identified development outputs and objectives of the Housing Zone.
- 3.8 The draft Statement of Reasons at Appendix 4 sets out in detail the rationale and justification for the Scheme, including how the Scheme's development will contribute to the achievement of the Council's regeneration and planning objectives, and result in substantial public benefits being realised, both within the land included in the Scheme and in the wider area. Those details will not be repeated in this report, but it is essential that members review the draft Statement of Reasons before reaching a decision.
- 3.9 The draft Statement of Reasons clearly demonstrates that there is a compelling case in the public interest to make the proposed CPO(s). Development of the land which may be the subject of CPO will itself contribute very significantly to the economic, social and environmental well-being of the area and will also be an important catalyst for the regeneration of the whole of the Housing Zone. The CPO is to be made under the provisions of s.226(1)(a) of the Town and Country Planning Act 1990 since this represents the most appropriate mechanism to acquire the land given that the scheme is intended to secure regeneration of the Beam Park area to secure the delivery of new market and affordable homes but also wider infrastructure including open space, highway improvements and public realm enhancements.

- 3.10 Compulsory Purchase and the Crichel Down Rules, published 29 October 2015 and last updated 28 February 2018 advise that in deciding whether or not to confirm a CPO, the Secretary of State can be expected to consider factors including the following:
- whether the purpose for which the land is being acquired fits in with the adopted planning framework for the area, including, any non-statutory planning guidance where this has been consulted upon and is intended in due course to be incorporated into the development plan;
 - the extent to which the proposed purpose of acquisition will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area;
 - the potential financial viability of the scheme for which the land is being acquired; and
 - whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means.
- 3.11 As to the first criterion (the planning framework for the area) the opportunity and need to regenerate this area have been consistently recognised by the Council and it's Strategic Partners over the past decade or more dating back to the strategic regeneration objectives of the Thames Gateway and The London Thames Gateway Development Corporation. The London Development Agency acquired significant land holdings in the area from the Ford Motor Co, to facilitate residential led regeneration. More recently the Mayor of London confirmed the area as an Opportunity Area and adopted the London Riverside Opportunity Area Planning Framework. As such it is one of the Mayors key regeneration areas and is designated as a Housing Zone.
- 3.12 The Council's Local Development Framework, Site Specific Allocations identify the sites to be acquired for residential led redevelopment. The Rainham and Beam Park Planning Framework (adopted Feb 2016), which was subject to public consultation further develops planning policy for the area. The Planning Framework now forms part of the evidence base for the Havering Local Plan, agreed by Cabinet and Council for statutory consultation under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The Havering Local Plan was submitted to the Secretary of State for examination on 27th March 2018 and examination is expected to commence in early October 2018.
- 3.13 Ten outline planning applications have been submitted to the Local Planning Authority, seven applications have been approved and one application is to go before the Strategic Planning Committee in October 2018. The remaining two outline planning applications are currently being revised and they are expected to go before the Strategic Planning Committee in January/February 2019.

- 3.14 As to the second factor (contributing to well-being), as explained above, the use of CPO powers to facilitate the regeneration and delivery of new homes (including affordable homes) on the land shown on the CPO Red Line Plan at Appendix 1 will contribute towards the Council's promotion of the following:

Economic well being of the area

- New jobs will be created during the construction phase of the housing developments and there will also be opportunities for the local supply chain to benefit.
- The new housing will bring new residents to the Borough which will result in additional consumer spend in the local economy enabling local businesses to grow and create new job opportunities.
- Enabling the implementation of the infrastructure improvements, inclusive of public amenity.

Social well being of the area

- New affordable homes will be provided for the local workforce, especially lower wage earners.
- The provision on new quality well designed homes with good daylight levels, good ventilation and the provision of open space will have positive health and well-being impacts for residents.
- Additional Council Tax revenue will be realised by the Council enabling increased spend on local services.
- There will be construction training and apprenticeship opportunities for local people.
- Achievement of the wider regeneration Housing Zone objectives including amenity and infrastructure improvements.
- New highway, public realm and landscape works to facilitate access to proposed new Beam Park railway station.

Environmental well being of the area

- The redevelopment of the land will improve the visual amenity of the area replacing low quality commercial and light industrial uses with high quality new housing developments.
- The new housing will be constructed to high-energy efficiency standards resulting in reductions in energy consumption and carbon emissions.
- There will be high quality open space and amenity space within the housing developments.
- Enabling the implementation of the Linear Park.

- 3.15 As to the third factor (viability), the development of land within the CPO Red Line Plan is to be taken forward by RBPR whose partners have the experience and expertise to carry out the scheme. RBPR have

undertaken financial modelling of the proposed developments based on a series of assumptions including the cost of land assembly, development costs and sales revenues. Each of these inputs has been subject to close review and it has been determined, following professional advice, that the development of land within the CPO Red Line Plan is capable of achieving a positive return in accordance with RBPR's financial strategy. On this basis it is considered that there is a reasonable prospect of the going ahead and being delivered in its entirety.

- 3.16 As to the fourth factor (other means of achieving the Council's purpose in acquiring the land), the purposes for which the land is to be acquired could not be achieved by any alternative means or by development in other locations. This is given further consideration in section 4 below.
- 3.17 There have been extensive contacts and discussions with owners and occupiers regarding the acquisition of their interests and regarding parties' relocation requirements. Negotiations will continue to take place and relocation opportunities will be considered. Owners and occupiers of commercial premises will be kept informed.
- 3.18 Negotiations with owners thus far have delivered one acquisition and offers are in place for a number of other sites.
- 3.19 If the CPO is not made, then the only way of acquiring the land and interests needed to deliver the development scheme would be by agreement. Whilst it is recognised that implementation of a CPO is a matter of last resort discussions to date have made it apparent that, unless the CPO is made and confirmed, it is unlikely that NHG (on behalf of RBPR) would be able to assemble the land and interests needed to bring forward a comprehensive housing development on the identified sites.

4.0 Alternative Options

- 4.1 If the CPO is not made, then the only way of acquiring the land and interests needed to deliver the development scheme would be by agreement. Following initial discussions, officers consider that securing all of the required interests by negotiation is unlikely to be achieved.
- 4.2 Careful consideration has been given to the extent of the land and rights included in the CPO and whether it is necessary to include all of these interests. All of the land shown on the plan at CPO Red Line Plan are considered by officers as necessary to ensure that the Scheme can be delivered.

5.0 Implementation

- 5.1 It Cabinet approve the recommendations within this report then CPO(s) will be made if it continues to be apparent that the required land and proprietary interests cannot be secured by agreement.
- 5.2 After the CPO(s) is made, a statutory notice regarding the making of the CPO will be served on all affected parties (landowners, occupiers and other third party interests, advertised in the local press, and posted up on the sites. The notices served on those affected will be accompanied by the Statement of Reasons, which sets out the background to and justification for the Council using its CPO powers (Appendix 4) Service and advertisement of the statutory notices will take place shortly after the CPO(s) is made. Service of the appropriate notices highlights the intention to bring forward the Scheme and enables an opportunity for involvement in the process that requires active discussions.
- 5.3 Following service of the notices described above, those affected and members of the public have a period of 28 days within which to make representations including by objecting to the CPO(s). The period required by law is a minimum of 21 days, but officers wish to provide the community and those affected with ample opportunity to make representations. Officer's prime objective is to attain sensible dialogue and community engagement. A communications plan including a website is in place.
- 5.4 If no objections are received, or withdrawn prior to an Inquiry date, then the Council may confirm the CPO. If objections are received and officers and RBPR are not able to negotiate withdrawal then the Secretary of State will be required to confirm the COP and, to that end, he is likely to arrange for a public inquiry or hearing to be held before an inspector, anticipated for Spring 2019. Any member of the public may attend and present their support, objection and cross- examine the Council's witnesses regarding the case for confirmation of the CPO.
- 5.5 Following the Inquiry, the Inspector is likely to be directed to prepare a report inclusive of a recommendation to the Secretary of State as to whether the CPO should be confirmed. The Secretary of State will then make his decision, anticipated by December 2019. Following confirmation of the CPO, the Council has a statutory period of 3 years within which to exercise the powers and acquire the land and interests needed for the development.
- 5.6 This report seeks authorisation, if required, to exercise the necessary powers to obtain vacant possession in the event that the CPO is confirmed. The General Vesting Declaration establishes a process whereby an advance payment of 90% may at the Councils discretion be paid to the landowner with the ultimate purchase price resolved in the Upper Tribunal (Lands Chamber).

6.0 Consultation

- 6.1 The consultation and community involvement activity for the land acquisition delivery strategy has been delivered so far as part of the wider Housing Zone community involvement and consultation. Details of the community engagement and consultation activity are set out in the Master Plan and Planning Framework Cabinet paper. Further public consultation was undertaken during March 2017, ahead of the planning application submissions being made for the proposed housing sites along the A1306 (New Road).
- 6.2 The results of the March 2017 public consultation on the Master Plan and Planning Framework indicated that 80% of the local stakeholders were in favour of the changes proposed in the area.
- 6.3 As part of the engagement with the A1306 businesses, Council Officers made contact with over 30 businesses. While many of the businesses expressed concern about business continuity they generally acknowledged and accepted the proposals for change in the area and were receptive to the reassurances Officers gave them about business and relocation support.
- 6.4 Following the March 2017 formal public consultation the Council have attempted to further engage with landowners. Letters have been circulated to affected business and residential property owners respectively, to keep them informed of the regeneration proposals and acquisition process. Landowners and local residents have also been consulted as part of the statutory planning process for the outline planning applications, which have been submitted. Glenny have met with a number of affected landowners as part of the land acquisition process.

7.0 Business Relocations

- 7.1 While the Council has no statutory obligation to relocate businesses, officers have worked with business occupiers and owners to provide advice and support as recommended by the DCLG guidance. As part of its commitment to support local enterprise the Economic Development team will continue to assist businesses to seek suitable alternative accommodation, and where appropriate, will try to keep quality businesses within the borough.
- 7.2 A Business Relocation Strategy ("BRS") has been developed to support the relocation of businesses to enable sites to come forward for comprehensive residential development. The action plan has involved the following since the February 2016 Cabinet:
 - a) Communication and Engagement. Officers have written to business owners about the regeneration plans for the area, have encouraged

feedback and invited them to consultation meetings and a community public event.

- b) Business needs analysis. Officers have arranged and undertaken face-to-face meetings with businesses in order to understand the nature of the business and to record their aspirations and business needs based on location, space requirements, facilities and rent paid.
 - c) Matching and relocation packages. Officers have looked for potentially suitable alternative premises for business in Havering and the neighbouring boroughs of Barking and Dagenham and Thurrock using existing business information databases and the extensive network of property agents within the region. Estimated costs covering disturbance and relocation expenses are included in the land acquisitions budget (Property Cost Estimate).
 - d) Ongoing engagement and support. As part of the relocation action plan officers have provided advice and support for businesses, which will not only assist them to relocate but also to grow. Those commercial owners and occupiers, including tenants along the A1306, who are affected, have been contacted by the Council, and discussions have taken place regarding the acquisition of the relevant land and rights with those who have engaged with the Council.
- 7.3 Glenny's have been utilised by the Council and also by NHG in order to identify potentially suitable alternate premises that viable businesses could relocate to. Ardent have been appointed by NHG to act on their behalf in assisting affected businesses.
- 7.4 Opportunities exist for relocation of some businesses within the London Riverside area, working with the GLA, partnering with landowners such as SEGRO and Rainham Steel both of whom are coming forward with major commercial development proposals in the area. In addition relocation opportunities exist in other borough wide and sub-regional destinations.
- 7.5 There have been discussions with owners and occupiers regarding the acquisition of their interests and regarding parties' relocation requirements. Negotiations are taking place and relocation opportunities will be considered until the Council should be successful in being granted CPO powers. Owners and occupiers of commercial premises will be kept informed.

8.0 Residential Relocations

- 8.1 There are 31 residential properties that have been identified within the CPO Red Line Plan. The Council has sought to engage with the freehold owners of all of these properties and with leaseholders/tenants where people occupy properties under a lease agreement.

- 8.2 The Council has sought to engage with residents along the A1306 who may be affected by the CPO(s) and has written to them to provide information about the proposals and where responses have been received, discussions have been held with residents to explain the process and outline their options moving forward. This process is continuing.
- 8.3 The existing residential dwellings are largely a mix of freehold bungalows and two storey houses, as well as flats above commercial premises. Ardent and NHG are engaging with freehold owners regarding the purchase of residential dwellings.
- 8.4 Many of the residential occupiers along the A1306 are private rental tenants, with short-term lease agreements in place.
- 8.5 The Council is engaging with RBPR to mitigate the impact of demolishing the dwellings and to relocate people appropriately where required. Phasing of the works will be key to ensuring the Council does not leave people homeless and plans are in development as part of the scheme.
- 8.6 Negotiations with freehold residential property owners are being actively pursued. A residential strategy has been adopted by the RBPR. Should the freeholders and/or their tenants request assistance in finding alternative accommodation for occupying residents, it is proposed that the Council and NHG provide such assistance through their agents, Ardent. Assistance being offered will be for private rented accommodation.
- 8.7 In consultation with social services those residents who are known to them and may have particular needs have been identified. Support will be provided by the Council Regeneration team and NHG to source suitable and affordable rented accommodation. This may include accommodation within the Private rented market and depending on the timing and need, allowing nominations to affordable rented properties being developed for NHG by the RBPR.

9.0 Compulsory Purchase Order Indemnity Agreement

- 9.1 A continuing risk is the costs incurred by the Council relating to the compulsory purchase process (including compensation payments and claims arising from purchase or blight notices and relevant expenses). These costs will be met by the NHG in accordance with the CPO Indemnity Agreement dated 29th March 2018 ("CPOIA").
- 9.2 Costs met by NHG under the CPOIA are eventually met by RBPR under the Strategic Land Agreement dated 29th March 2018 at a point at which it is considered by RBPR that sufficient equity is available to meet these costs.
- 9.3 The Council and NHG have governance procedures in place to monitor costs against the agreed estimate that is continually under review in order mitigate this risk.

10.0 Financial Implications and Budget

- 10.1 There are a significant number of private land interests to acquire within the scope of the proposed development.
- 10.2 Before development of the various sites can proceed, it will be necessary to obtain vacant possession. NHG are continuing to work to acquire the various land interests by private treaty. However, in order to minimise the risk of delays to the redevelopment programme it will be necessary to enact a CPO over the remaining land interests.
- 10.3 The Council has made financial provisions in the 2018/19 budget approved on 21st February 2018.
- 10.4 The budget allocation was a prudent estimate based on the assumption that none of the private land interests could be acquired in advance of enacting a CPO.
- 10.5 Under the terms of the Strategic Land Agreement with NHG, the Council will benefit from an indemnity from NHG, which will ensure the CPO costs are in effect funded by NHG.
- 10.6 The agreement also makes provision for a transfer of the land interests acquired by NHG to RBPR. The interests would be transferred at or before the agreed longstop dates.
- 10.7 The Council as a 50% partner in RBPR will be required to provide 50% of the necessary equity funding in order to facilitate the land transfers. On 21st February 2018 Council gave approval to provide the required equity funding contribution to RBPR. It should be noted the RBPR will also utilise GLA funding (£12.01 million) and at a later date net sale proceeds to fund the earmarked land transfers.

REASONS AND OPTIONS

11.0 Reasons for the decision

- 11.1 Utilisation of the Council's CPO powers supports the delivery of the Housing Zone objectives, enabling the assembly of sites to catalyse and kick start comprehensive residential development.

11.2 Other options considered:

1. Not implementing CPO powers – Not Recommended. Without making use of its CPO powers, the Council will be unlikely to be unable to acquire all of the land necessary to promote comprehensive residential development along the A1306 and thereby achieve the regeneration benefits, which are sought. Without the intervention of CPO(s), the existing commercial land uses would remain in place and infrastructure would not be improved. It will also not be possible to facilitate comprehensive residential development. Any residential development that is brought forward is likely to be poor quality and piecemeal as is characterised by proposals from others that have made to date. It will fail to deliver the required mix, tenures or typology necessary to meet the objectives of the Housing Zone.
2. If the CPO(s) is not made, then the only way of acquiring all of the land and interests needed to deliver the initial phases of housing development would be by agreement. It is clear however that unless a CPO is made and confirmed, it is unlikely that NHG (on behalf of RBPR) would be able to assemble the land and interests needed for the key first phases of housing development within a reasonable timescale and for a reasonable purchase price. The consequences of this would be that housing delivery would be delayed including the provision of much needed affordable housing.
3. Careful consideration has been given to the extent of the land and rights included in the CPO(s) and whether it is necessary to include all of these. All of the land shown on the plan at Appendix 1 is necessary to ensure that the Scheme is able to be delivered.

IMPLICATIONS AND RISKS

12.0 The key risks can be summarised as follows:

- 12.1 Affected parties failing to be identified in the CPO(s) – a specialist land referencing firm, Persona, have been appointed to undertake the land referencing exercise to mitigate against this risk. In order to minimise this risk discussions continue to be held and properties visited by Council Officers and external consultants, with those affected to assist to identify all the parties with interests in the area.

- 12.2 The preparation of CPO(s) and related documents is a technical and complex area, carrying a risk of challenge. However, the Council has retained experienced professional advisors and the documents have been reviewed by leading counsel.
- 12.3 The cost of preparing the CPO(s) for the land along the A1306. Through the CPO Indemnity Agreement, these costs fall to NHG, reimbursed as appropriate by RBPR. As such, the Council is protected.
- 12.4 There is a risk that owners and occupiers will seek sums in excess of the estimates for the costs of land acquisition. This risk has been mitigated through the receipt of professional valuation advice from Glenny and the setting of appropriate budgets. Subject to continual approval of the estimate of costs by NHG, a financial indemnity is provided to the Council by NHG through the CPO Indemnity Agreement. Additionally the rights to compensation and methods and procedures for assessing correct amounts are derived from the Compensation Code setting parameters, which in turn enable consistency and transparency the ability forecast
- 12.5 Further to all statutory procedures and reasonable endeavours being undertaken to undertake meaningful engagement with occupiers and landowners then there remains a limited risk that the Secretary of State confirmation may be refused. In the event that the CPO(s) were refused the full affordable housing will not be able to be delivered and the benefits of regeneration sought for the Beam Park area will be unlikely to be realised.

13.0 Financial Implications and Budget

- 13.1 Financial matters are dealt with in the exempt Appendix 7.

14.0 Legal implications and risks

- 14.1 Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by the Planning and Compulsory Purchase Act 2004), provides that a local authority shall, on being authorised to do so by the Secretary of State, have the power to acquire compulsorily any land in their area if they are satisfied that the acquisition will facilitate the carrying out of development, re-development or improvement and is necessary to the achieve proper planning on or in relation to the land ...”.
- 14.2 The power set out in s.226(1)(a) is subject to the limitation set out in s.226(1A) which provides that the exercise of the power under that subsection must not be exercised unless the authority thinks that the development, redevelopment, etc. “is likely to contribute to the achievement of one or more of the following objects:
- (a) the promotion or improvement of the economic well-being of their area;
 - (b) the promotion or improvement of the social well-being of their area;

- (c) the promotion or improvement of the environmental well-being of their area.”
- 14.3 With regard to the objects set out subsection (1A), officers set out in the report that an intended purpose of the Scheme is to secure development to enable the delivery of homes, particularly the delivery of affordable homes. As such the subject scheme, would, as a matter of principle, be capable of fulfilling all three of the specified objects, and in particular the “promotion or improvement of social well-being”.
- 14.4 The Government’s advice on the use of compulsory purchase powers generally, and the use specifically of the power set out in s.226(1)(a) of the Town and Country Planning Act 1990 is set out in its “Guidance on the Compulsory Purchase Process and the Critchel Down Rules” (“the Guidance”). The Guidance represents the principal matters, which the Council, should it seek to acquire the site by use of CPO powers, will need to be in a position to demonstrate in evidence both when making and when seeking confirmation of that order.
- 14.5 In summary, the Council must be able to demonstrate, in addition to the legal requirements referred to above arising from the statutory enabling power:
- (a) that the development sought to be achieved on that land is in accordance with an up to date development plan or, a non-statutory planning framework adopted following public consultation;
 - (b) that the scheme will further social, economic and/or environmental well-being;
 - (c) that there are no reliable alternative means to deliver the scheme in the time period required; this requirement in practice will include demonstrating engagement with the landowners and occupiers to bring forward the required form of development;
 - (d) that the acquisition of the land can be funded and the scheme can viably and physically be delivered with no impediments.

These matters have been addressed above.

- 14.6 The overarching principle is that the local authority in seeking to exercise powers of compulsory acquisition are able to demonstrate a compelling case in the public interest for the exercise of those powers. Evidence is also required to demonstrate that there is no impediment to enable the delivery of the development the proposed acquisition is intended to facilitate. These matters have been addressed above but, in summary,
- (a) 10 planning applications have been made and 7 permissions have been granted for the development. There are no obvious reasons which are likely to impede the grant of the outstanding consents (paragraph 2.9 above and paragraphs 3.19 to 3.21 in the Statement of Reasons);
 - (b) Financial and physical resources are available to acquire the land and to deliver that scheme. The Joint Venture is operating with governance,

- funding and development phasing already in place (paragraphs 10.3 to 10.7 above and Section 3 in the Statement of Reasons);
- (c) The context of acquisition sought to be made being that the development proposed, is grounded in a “clear strategic framework” and “planning framework”, being the Rainham and Beam Park Planning and Regeneration Framework, to which the development of the land proposed and for which acquisition is required will facilitate (paragraphs 1.3 and 1.4 above and paragraphs 4.18 to 4.46 in the Statement of Reasons);
 - (d) Negotiations have been undertaken with landowners and occupiers, with business and residential relocation strategies in place (sections 7 and 8 above and Section 7 in the Statement of Reasons);
 - (e) The regeneration of the Rainham and Beam Park Housing Zone is a key deliverable for the Council as set out in the Local Plan, and the Submitted Local Plan, (paragraph 3.12 above and paragraphs 4.32 to 4.39 in the Statement of Reasons). The scheme seeks to avoid development in a piecemeal fashion and of a scale that can make meaningful contributions towards social infrastructure;
 - (f) Through delivery of the Housing Zone Scheme the housing stock will be significantly improved with an increased supply of Affordable Housing located in the administrative area of the borough (paragraph 3.5 above and Section 3 in the Statement of Reasons); and
 - (g) Construction phases of the development will include training and employment opportunities for residents within the borough and contribute to social infrastructure.
- 14.7 Consideration has been given to the provisions of the Human Rights Act 1998 including Article 8 (respect for private life and family life and home) and Article 1 of the First Protocol (right to peaceful enjoyment of possessions) as set out in paragraphs 6.4 to 6.9 in the Statement of Reasons (and addressed further below). A decision to make Compulsory Purchase Orders must strike a fair balance between public interest in the regeneration of the land and interference with private rights. Bearing in mind the provisions for compensation to be payable and the compelling case in the public interest for the acquisition of the interest, it is considered that the interference with private property rights is proportionate and strikes a fair balance between the public interest and the interests of landowners and occupiers in compliance with Article 1 of the First Protocol.
- 14.8 By way of conclusion s.226(1)(a) of the Town and Country Planning Act 1990 represents a basis which would, in principle, be available to the Council to acquire the site. The Council will need to be satisfied that the statutory tests and policy tests set out in the Guidance for the making and confirmation of CPO(s) pursuant to that statutory power are met, including in that all occupier negotiations have been undertaken or there is a clear plan to undertake such discussions in a meaningful way prior to a request for confirmation. If the statutory grounds are made out then the above contained within the report is considered to form a rational basis upon which the requested decisions can be made.

15.0 Equalities Implications and risks

- 15.1 In deciding whether to make CPO(s), the Council should be satisfied that there is sufficient justification for interfering with human rights of those with an interest in the land affected. In this respect the Human Rights Act 1998 incorporates certain provisions of the European Convention on Human Rights, namely:
- (a) Article 1 of the First Protocol – the right of everyone to peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international laws.
 - (b) Article 8 – private and family life, home and correspondence. No public authority can interfere with these rights except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well being of a country.
 - (c) Article 14 – the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or social origin.
- 15.2 In the case of each of these articles, the Council should be conscious of the need to strike a balance between the rights of the individual and the interests of the public.
- 15.3 The Council may decide that, in the light of the significant public benefit, which would arise from the proposed development, the use of compulsory purchase powers is necessary and proportionate taking into account the availability of compensation. In particular, the Council may consider that the CPO(s) would not constitute any unlawful interference with individual property rights. The CPO(s) process provides the opportunity for representations to be made and the holding of a public inquiry in the case of objections by affected parties.
- 15.4 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough. The Scheme will provide a much-needed mix of affordable and private sale properties. The new mixed tenure housing will improve the community cohesion in the area, as will be public realm enhancements proposed. It will provide increased choice and opportunity for Havering residents in a highly accessible and sustainable location. This supports the overall aim of the Council's Equalities Policy and the Council's duties under the Equality Act 2010.

- 15.5 At present the properties within the CPO Red Line area do not reflect a mixed and balanced community, with a heavy bias towards commercial and inappropriate mainly private tenanted housing stock. The Scheme proposals seek to address this imbalance through the delivery of a range of residential tenures across the site e.g. private housing, a new range of intermediate housing, wider range of unit sizes across all tenures and 10% of all residential units meeting Wheelchair Standards.
- 15.6 The public sector equality duty under section 149 of the Equality Act 2010 (“PSED”) requires the Council to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. ‘Protected characteristics’ are: gender, race and disability, sexual orientation, age, religion or belief, pregnancy and maternity and gender reassignment.
- 15.7 All landowners, commercial and residential occupiers who are located within the CPO red line area will be affected by implementation of the Compulsory Purchase Orders. The Council and NHG are and will continue to endeavour to reduce this effect by extensive consultation and through the relocation strategies. Consultation has and will continue to be undertaken with the commercial and residential owners and occupiers and wider community to ensure that the Scheme reflects local and borough needs.
- 15.8 An Initial Equalities Impact Assessment (EqIA) in support of the CPO / Land acquisition Strategy has been prepared for the Council by external Consultants Mott Macdonald (Appendix 5). This will now be finalised and any recommendations implemented prior to the CPO Order being made.

16.0 Human Resources implications and risks

- 16.1 The Regeneration Programmes Service will be required to dedicate resources to the programme management and delivery of the land assembly and compulsory purchase work stream. Additional time limited support may be required as the land assembly, CPO(s) and business relocation strategy work streams advance. Where this has been anticipated external funding for resources has been built into the overall project cost plan.
- 16.2 Delivering the Housing Zone Land Acquisition Strategy will at times require the input and resources of a number of Council services particularly, Housing, Planning, Highways, Legal and Property Services.

BACKGROUND PAPERS

None

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Rainham and Beam Park Housing Zone – Making of the CPO

Cabinet Report 10th October 2018

List of Appendices

Appendices 2, 3, 4, 5, 6 and 7 are not available for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. They are exempt because it refers to sensitive commercial information and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Appendix 1 – CPO Red Line Plan

Appendix 2 – Draft Compulsory Purchase Order

Appendix 3 – Draft Schedule Freehold and Leasehold Interests

Appendix 4 – Draft Statement of Reasons

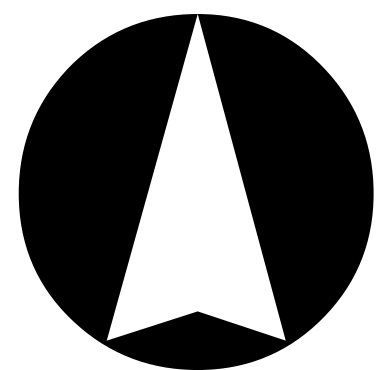
Appendix 5 – Draft Equalities Impact Assessment

Appendix 6 – Consultation Report

Appendix 7 – Financial Implications and Budget

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MAP REFERRED TO IN THE LONDON BOROUGH OF HAVERING COUNCIL (LAND AT NEW ROAD, RAINHAM)
COMPULSORY PURCHASE ORDER 2018



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20/09/2018

The COMMON SEAL of THE LONDON BOROUGH OF
HAVERING COUNCIL
was hereunto affixed this day of 2018
in the presence of:
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a duly authorised officer



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of the Local Government Act 1972.

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