

# **CABINET**

7.30 pm

Wednesday 11 July 2012 Council Chamber - Town Hall

Members 10: Quorum 5

Councillor Michael White (Leader of the Council), Chairman

#### **Cabinet Member responsibility:**

Councillor Steven Kelly (Vice-Chair) (Deputy Leader) Individuals

Councillor Michael Armstrong Transformation

Councillor Robert Benham Community Empowerment

Councillor Andrew Curtin Culture, Towns & Communities

Councillor Roger Ramsey Value

Councillor Paul Rochford Children & Learning

Councillor Geoffrey Starns Community Safety

Councillor Barry Tebbutt Environment

Councillor Lesley Kelly Housing & Public Protection

Ian Buckmaster
Committee Administration & Member Support Manager

For information about the meeting please contact:
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Please note that this meeting will be webcast.

Members of the public who do not wish to appear in the webcast will be able to sit in the balcony, which is not in camera range.

#### **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 DISCLOSURE OF PECUNIARY INTEREST

Members are invited to disclose any pecuniary interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any pecuniary interest in an item at any time prior to the consideration of the matter.

#### **4 MINUTES** (Pages 1 - 6)

To approve as a correct record the minutes of the meeting held on 16 May 2012, and to authorise the Chairman to sign them.

- 5 NEW PLYMOUTH HOUSE AND NAPIER HOUSE, REFURBISHMENT SCHEMES (Pages 7 18)
- 6 LOCAL IMPLEMENTATION PLAN ANNUAL SPENDING SUBMISSION FOR 2013/2014 (Pages 19 30)
- 7 AMENDMENT TO THE 2012/13 ANNUAL INVESTMENT STRATEGY (Pages 31 34)
- 8 COMMISSIONING SCHOOL PLACES STRATEGY 2012-2016 (Pages 35 66)
- 9 FUTURE SHAPE OF EDUCATION SERVICES (Pages 67 86)
- 10 "CREATING BRIGHTER FUTURES" A VISION FOR THE FUTURE DELIVERY OF SERVICES FOR YOUNG PEOPLE IN HAVERING (Pages 87 104)
- 11 RAINHAM LIBRARY & LIFELONG LEARNING CENTRE (Pages 105 114)
- **12 LOCALISATION OF COUNCIL TAX SUPPORT** (Pages 115 228)

## 13 APPROVAL FOR AWARD OF CONTRACT FOR REABLEMENT SERVICE (Pages 229 - 262)

#### 14 EXCLUSION OF THE PUBLIC

To consider whether the public should now be excluded from 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 public were present during the following item there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972 which it is not in the public interest to publish; and, if it is decided to exclude the public on those grounds, Cabinet to resolve accordingly on the motion of the Chairman.



### Public Document Pack Agenda Item 4

Housing & Public Protection



#### MINUTES OF A CABINET MEETING Council Chamber - Town Hall Wednesday, 16 May 2012 (7.30 - 8.15 pm)

#### **Present:**

Councillor Michael White (Leader of the Council), Chairman

**Cabinet Member responsibility:** Councillor Steven Kelly (Vice-Chair) (Deputy Leader) Individuals Councillor Michael Armstrong Transformation Councillor Robert Benham **Community Empowerment** Councillor Andrew Curtin Culture, Towns & Communities Councillor Roger Ramsey Value Councillor Paul Rochford Children & Learning Councillor Geoffrey Starns Community Safety Councillor Barry Tebbutt Environment

Councillors Clarence Barratt, Keith Darvill, Michael Deon-Burton, Linda Hawthorn, Pat Murray, John Wood were present for the meeting.

Three members of the public and a representative of the Press were present.

The decisions were agreed with no vote against.

There were no declarations of interest.

The Chairman reminded those present of the action to be taken in the event of an emergency,

#### 63 MINUTES

Councillor Lesley Kelly

The minutes of the meeting of Cabinet held on 21 March 2012 were agreed as a correct record and signed by the Chairman.

## 64 USE OF S106 COMMUTED SUMS FOR PROVISION OF AFFORDABLE HOUSING

Councillor Lesley Kelly, Cabinet Member for Housing & Public Protection, introduced the report

The report before Cabinet concerned the use up to £932,600 of unallocated commuted sums taken by the Council from Barratts housing developer in lieu of on-site affordable housing provision on the former Dolphin site in Romford town centre.

It was reported that a number of potential uses which could potentially meet the Council's corporate goals had been explored. The proposed approach was to use the resources to buy a number of properties on the open market and, if necessary, bring them up to the Decent Homes Standard. It was noted that the properties would be held in within the Housing Revenue Account and so could then be sold to Havering families on a shared ownership basis, yielding a receipt which could be recycled by the Council for housing or regeneration purposes and/or let to households on the Council's Housing Register.

#### Reasons for the decision:

The Council's Housing Service had been keen to maximise the corporate benefits of the commuted sums available to it.

#### **Options considered:**

The Council's Housing Service had explored a wide range of possible options in turn:

- a) Development of supported housing schemes for Adult Social Care clients to minimise residential placement. The option had not been followed because through discussion between Adult Social Care and housing associations, brokered by the Housing Service, it had been found that it would be quicker and more cost-effective to provide for this client group through other means, notably renting homes in the private sector and nominating Adult Social Care client to existing housing association properties.
- b) Purchase of larger properties in the housing market for conversion for use by disabled people / families identified by Adult Social Care's Occupational Therapy team. This option had not been followed because although the Occupational Therapy team was currently working with a number of disabled people needing specific accommodation, joint working with the Housing Service was able to provide suitable within the Council's own stock for these households at a lower cost than having to purchase additional units.
- c) Amendment to the Squirrels Heath Gardens (former Snowdon Court) tenure specification. While consideration had been given to

amending the tenure specification for the Squirrels Heath Gardens extra care to provide more affordable units rather than outright sale, thus potentially benefiting Adult Social Care, prior to start on site, the Homes and Communities Agency provided additional grant to 'convert' the proposed 17 outright sale units to social rent. This gave a scheme 78 affordable rented units and 20 shared ownership homes which was considered to be appropriate to the borough's needs. Thus, the option of further amending the tenure was not pursued.

- d) Provide grant to a housing association to develop affordable rented properties in return for nomination rights. In considering this option, the Council needed to have regard to value for money as this would be an investment taking place outside of existing funding agreements between Registered Social Landlords, RSLs, and the HCA which control the financial aspects of mainstream RSL development programmes. The Council would also need to pay grant at the commencement of the scheme rather than with 50% on completion secured by a nomination agreement. This approach would also see the value of the S106 resources passed to the RSL. These factors taken together meant this option was not pursued.
- e) Acquire properties for retention within the Housing Revenue Account for sale as shared ownership or rent. With the implementation of HRA self-financing from April 2012, the option of using the commuted sums to acquire properties had just become far move attractive to the Council. There was now no longer any pooling of debt and so all rental income is retained locally. Thus, the acquisition of units held in the HRA can yield additional rent to pay off debt, fund further borrowing or pay for HRA service improvements. Alternatively, should the Council raise a capital receipt from these properties, perhaps by selling some on a shared ownership basis, the capital could be recycled by the Council for housing and regeneration purposes. For these reason, this approach was proposed.

#### Cabinet AGREED:

- 1. To use up to £932,600 of unallocated commuted sums held by the Council to increase the stock of housing held by the Council for sale to Havering families on a shared ownership basis and/or for the provision of affordable housing to be let to households on the Housing Register.
- 2. To the addition of this scheme to the HRA Capital Budget, and to refer this addition to Council.
- 3. To delegate to the Cabinet Member for Housing & Public Protection and Cabinet Member for Value, acting with advice from the Head of Housing and Public Protection and Director Finance and Commerce, the authority to decide on the number, location and type of properties

## acquired and the tenure with which to make them subsequently available to local people.

#### 65 **CULTURE STRATEGY**

Councillor Andrew Curtin, Cabinet Member for Culture, Towns and Communities, introduced the report

In January 2007 Cabinet approved an over-arching 5 year Culture Strategy for the borough. The life of this strategy has now come to an end, and a new 3 year Culture Strategy has been produced to cover the period 2012-2014.

The core ambition of the Culture Strategy is 'to transform lives through participation in, and enjoyment of, culture'. The strategy set out 3 objectives and 4 underpinning principles which outline our priorities for achieving this (see section 3.0 below).

Primarily, the Culture Strategy provides a strategic direction for the Council, but it also provides a framework for the wider development of culture in the borough through partnership with agencies in the public, private and voluntary sectors. The strategy also clearly demonstrates to external partners and funding agencies the key priorities for the Council and the community.

The strategy includes an analysis of the current service and identifies emerging opportunities and areas for development over the coming years. It also includes a high level action plan for Culture & Leisure. Both the analysis and action plan will be used to inform service planning on an annual basis and in turn be reflected in individual work programmes.

#### Reasons for the decision:

The approval and formal adoption of the Culture Strategy would provide a context and focus for the work of culture services in Havering over the next three years. The approval of the document would support the service and wider culture sector to i) access external funding, ii) influence other strategies and agendas, iii) communicate our priorities to the wider public, and iv) provide strategic direction for annual service planning.

#### Other options considered:

No alternatives had been considered. Without these strategies the Council would be disadvantaged by not having a defined focus and strategy for improving the provision of culture in Havering.

Cabinet AGREED the 2012-14 Culture Strategy.

Chairman

**Cabinet, 16 May 2012** 

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REPORT

CADINE			
11 July 2012			
Subject Heading:	NEW PLYMOUTH & NAPIER HOUSES REFUBISHMENT SCHEME		
Cabinet Member:	Councillor Lesley Kelly		
CMT Lead:	Cynthia Griffin		
Report Author and contact details:	Mark Adams 01708 43 4100 mark.adams@havering.gov.uk		
Policy context:	Housing Strategy, Decent Homes Programme and Rainham Compass.		
Financial summary:	The report concludes it is financially advantageous to refurbish the two blocks, rather than demolish, dispose and redevelop.		
Is this a Key Decision?	No		
Is this a Strategic Decision?	No		
When should this matter be reviewed?	In 6 months		
Reviewing OSC:	Towns and Communities		
The subject matter of this report deals with the following Council Objectives			

Clean, safe and green borough	[√]
Excellence in education and learning	[]
Opportunities for all through economic, social and cultural activity	in thriving
towns and villages	[√]
Value and enhance the life of every individual	[]
High customer satisfaction and a stable council tax	ĪĪ

#### SUMMARY

- 1.1 This reports sets out the case for an innovative and exciting refurbishment of New Plymouth and Napier Houses in Dunedin Road, Rainham, incorporating larger enclosed balconies, often called 'winter gardens'.
- 1.2 Following detailed option appraisal work the preferred approach is to:
  - a) retain the two blocks, rather than demolish and redevelop;
  - b) carry out a full refurbishment to Decent Homes standards, and
  - c) build larger, enclosed balconies.
- 1.3 The report restates the key features of the options appraisal and provides further information on the benefits of the winter gardens.

#### **RECOMMENDATIONS**

It is recommended that:

- 2.1 both New Plymouth and Napier Houses are retained
- 2.2 the Housing Service develops proposals to:
  - i) remodel the ground floor of each block to provide new homes and community space
  - ii) carry out environmental improvements within the grounds of the blocks.
- 2.3 residents of both blocks are consulted on a proposal to add winter gardens to all flats as part of the Decent Homes upgrade programme
- 2.4 leaseholders would not be charged for the cost of the works above the Decent Homes Standard
- 2.5 Cabinet receives a further report on the outcome of the consultation.

#### REPORT DETAIL

#### 3.0 BACKGROUND

3.1 New Plymouth and Napier Houses are two 12 storey tower blocks, each of 44 flats with a combination of 1 and 2 bedroom units, located on Dunedin Road immediately north of the A1306 in Rainham, opposite Dovers Corner. The accommodation in the blocks and tenure breakdown is as follows:

Table 1: Accommodation schedule and tenure

Unit type	Number
1 bedroom flats	46
2 bedroom flats	42
Tenants	80
of whom, registered for a transfer	20
Leaseholders	8

- 3.2 Homes in Havering have recently invested £173,000 from the Government's Social Housing Energy Saving Programme, SHESP, in each block to improve cavity insulation, energy efficiency ratings and reduce carbon emissions. These works can be considered essential to providing immediate energy efficiency and reduced heating costs for tenants and leaseholders. The works have been funded by external grant specifically for this purpose and so have neither diverted LB Havering resources nor obviated similar investment elsewhere.
- 3.3 The blocks are of the same construction as the Mardyke tower blocks and, while structurally sound, are of particularly poor external appearance and are in need of greater investment internally and externally in comparison to other blocks in Council ownership. They have very small and poorly used external balconies.
- 3.4 The two blocks have been recognised as a priority for the Council's Decent Homes programme and a specification for work has been drawn up. This includes the following:

Table 2: Estimated Liability to reach Full Decent Homes Standard

Item	Estimated cost £s (for both blocks)
Roof replacement and Insulation	180,000
Pigeon proofing works	30,000
Cleaning, concrete repairs and painting of external elements	130,000
Window replacements and new front doors	484,000
Resurfacing of balconies	88,000
External boundary repairs and painting	20,000

Alterations to gas pipes	10,000
Kitchens renewal (where non decent)	150,000
Bathroom replacements (where non decent)	96,846
Heating replacement (where non decent)	96,846
Preliminaries Costs (scaffold and so on)	220,000
TOTAL	1,505,692

NB. This is a pre-tender estimate and does not include fees

#### 4.0 OPTIONS

- 4.1 Given the Decent Homes liability and the fact that the similar Mardyke blocks have been demolished and replaced, two principal regeneration options have been identified:
  - demolition, disposal and redevelopment
  - retention and refurbishment.
- 4.2 This report summarises the main costs and benefits of each option.

  However, before these are considered it is important to highlight some of the main constraints and determinants bearing on the blocks and the site.

#### **CONSTRAINTS AND OPPORTUNITIES**

#### **Self Financing of the Housing Revenue Account**

4.3 HRA reform was introduced in April 2012 and now sees the Council managing and financing its stock directly with rental income, augmented by Decent Homes grant, within a 30 year HRA business plan. All stock options therefore have to be appraised in terms of how much they will cost or benefit the business plan over this 30 year period.

#### Availability of development funding

- 4.4 The Mardyke Estate regeneration scheme is benefiting from £39 million worth of Government grants out of a total scheme cost of £82 million. This £39 million is being applied to phases 1 and 2, which will see the development of 314 units of affordable housing. This represents an average grant per unit of £124,000.
- 4.5 Under the latest Comprehensive Spending Round, the grant regime for new affordable housing has changed considerably. The maximum grant available is now £35,000 per unit. Thus, the level of investment supporting the Mardyke regeneration is no longer available for new schemes.

#### The Site

4.6 The site is a linear strip of just 0.789 hectares, consisting of the two blocks, car parking areas and a small children's playground and has a gas main running underneath it; these limit the development opportunities.

#### **The Winter Gardens Option**

- 4.7 Under all refurbishment options the properties in both blocks would be brought up to Decent Homes standard. However, given the blocks' design and 'gateway' location within Rainham, an innovative and exciting refurbishment option which includes the development of winter gardens for all flats has also been developed and costed at £1.2 million per block.
- 4.8 A 'Winter Garden' is defined as:

an external balcony area that has been externally enclosed by a nonthermally broken single glazed window system providing a number of significant and important benefits for residents and landlord.

#### These benefits include:

- 1) **protecting the façade** and reducing maintenance costs
- 2) **extra usable space**, in this case an <u>addition</u>al 19.2m2 for 2 bedroom flats and 14.05 m2 for 1 bedroom flats
- 3) ability to open a balcony in good weather or close it in bad
- 4) **energy saving**, reducing heating costs by as much as 10-20%
- 5) significantly **improved acoustics**, reducing sound in flats by up to 21 decibels
- 6) **increased light** within the flat
- 7) **added security** with an 'extra line of defence' and the greater benefits of 'passive surveillance' accruing from a greater number of people using their balconies
- 8) **positively transforming the external façade** and overall appearance
- 9) an increase in property values.
- 4.9 Winter gardens have been used extensively and successfully to revitalise housing in Scandanavia and northern Europe. It has to date only had limited application in the UK: for example, in a private scheme at Dalston Square, Hackney and in social housing by Glasgow Housing Association. A Norwegian example can be seen in this video link <a href="http://www.atspeed.co.uk/winter-garden-balcony.html">http://www.atspeed.co.uk/winter-garden-balcony.html</a>
- 4.10 The next section sets out the respective options appraised.

#### OPTION A - DEMOLITION, DISPOSAL AND REDEVELOPMENT

- 4.11 On behalf of the Council, PRP Architects developed several options for redevelopment should the blocks be demolished. Their proposals saw the provision of 91-92 units of accommodation in various combinations of general needs housing, extra care housing and housing for sale.
- 4.12 The most positive redevelopment option, in terms of meeting affordable housing need, could include 41 extra care units. This could be combined with 50 units for sale. That said, the work carried out for the Extra Care Strategy did not find Rainham to be a priority area for such accommodation.

- 4.13 Alternatively, without the extra care units, the scheme could provide:
  - 53 units for sale and 39 for Affordable Rent, or
  - 80 units for sale and 12 for Affordable Rent.
- 4.14 Table 3 below shows the cost to the HRA Business plan of different levels of receipt.

Table3: Disposal	30 year totals at current values	
	Income	Expenditure
Residual management costs		£294,406
Residual revenue repairs (essentially overhead costs attached to the repairs function)		£163,822
Residual fixed costs (falling to Retained Housing and HiH)		£849,572
Homeloss (£4,700) and disturbance (£1,200) for 89 tenants		£525,100
Buy back payments for eight leaseholders @ £120,000 + 10%		£1,056,000
Demolition costs – based on Orchard Village phase 1 costs		£750,000
Debt attached to properties to be repaid		£1,600,200
Sub-total		£5,239,100
Receipt – highest estimated receipt based on PRP estimate (87% sale, 13% affordable rented)	£1,929,618	
Receipt – lowest estimated receipts based on RSL estimate (55% sale, 45% extra care affordable rented) – <i>negative land value</i>		£534,157
NET total (income – expenditure)		
Highest estimated receipt / lowest shortfall scenario		£3,309,482 shortfall
Lowest estimated receipt / highest shortfall scenario		£5,773,257 shortfall

- 4.15 Table 3 above shows that even with the highest level of anticipated receipt, the net costs to the HRA Business plan over 30 years is £3.3 million. With the lowest land receipt assumption, the net cost to the HRA Business Plan is £5.7 million. Put simply, demolishing the blocks and selling the land for development of replacement affordable housing would cost the Council's HRA between £3.3 million and £5.7 million; grant to make up this shortfall is not available unlike at the time of the Mardyke regeneration.
- 4.16 Even if the available Decent Homes funding of £0.77 million is included as 'gap funding' this would still leave a net cost to the Business Plan of between £2.53 and £4.93 million. However, it should also be borne in mind

- that Decent Homes funding would not necessarily be available for the demolition and disposal options; if available it may have to be applied to Decent Homes works
- 4.17 There is also a high degree of uncertainty that a housing association could secure sufficient funds, given the blocks' negative values, to make the scheme viable; as noted above grant rates have been reduced from £124k per unit on the Mardyke to a maximum of £35k under the current framework.

#### OPTION B - RETENTION AND REFURBISHMENT

- 4.18 In all retention scenarios it is assumed that the properties in both blocks would be brought up to the Decent Homes standard. However, refurbishment also includes an additional 'balcony room' of 23m2 for 2 bedroom flats and 15m2 for 1 bedroom flats and external cladding for the reaming faced not covered by the winter garden. The winter gardens would cost an estimated £1.2 million per block and the cladding an estimated £226,000 per block.
- 4.19 The refurbishment option, including upgrading with winter gardens, would provide the following benefits:
  - accommodation for all residents up to Decent Homes standards
  - reduced fuel bills for residents and maintenance costs for the Council
  - a dramatically enhanced external appearance, changing the image and look of the tower blocks into a landmark scheme for Rainham and Havering Riverside
  - in effect, an 'additional room' for each flat. It should be noted that this would necessitate a rent increase of an estimated 16-17%, in return for a 33% increase in floorspace
  - environmental improvements to the site
  - remodelling of the ground floor to provide communal space and additional residential accommodation.
- 4.20 Refurbishment without the winter gardens option would mean that the homes would be brought up to the Decent Homes standard but the other benefits would not be realised for residents or the Council.
- 4.21 Table 4 below shows the cost to the HRA Business plan of this enhanced refurbishment with additional winter garden enclosed balconies and cladding.

Table 4: Retention: including Decent	30 year totals at current values		
Homes funding, winter gardens and cladding of blocks	Income	Expenditure	
Rental income net of voids and bad debt	£5,787,980		
Rents increased to reflect the improvements*			

Management costs		£588,813
Revenue repairs		£1,092,107
HRA overheads (falling to Retained Housing and HiH)		£849,572
Capital investment (including winter gardens)		£4,361,426
Capital financing (share of self financing debt settlement)		£1,600,332
Decent Homes monies	£771,185	
Sub-total	£6,559,165	£8,492,250
NET TOTAL		£1,933,085

<sup>\*</sup> It has been estimated that the revised rents would see:

- current 1 bed rent of £67.17 increasing to £79.00
- current 2 bed rent of £73.32 increasing to £85.15.

Current rent increases for the blocks are limited to RPI + 0.5 + £2 until 2018/19, with revaluation of rents, the increases above inflation would continue until 2024/25.

The table shows that the net cost to the HRA Business Plan over 30 years is £1.93 million.

#### Notes:

- a) all the figures quoted are presented on discounted cash flow basis (i.e. net present value) which essentially converts the figures arising over the 30 years of the HRA business plan to their current values
- b) for modelling purposes, disposal is assumed to have taken place in year 1 of the 30 year HRA Business Plan
- d) net figures in the expenditure column represent costs to the HRA Business Plan.
- 4.22 The timetable below sets out the next steps and possible dates:

Milestone	Date
Rainham Compass Board approved the refurbishment and winter garden option be proposed to Cabinet	May 2012
Approval sought from Cabinet for the refurbishment and winter gardens proposal	July 2012
Subject to Cabinet approval	
Develop proposals for remodelling the ground floor of the blocks	August 2012
Appoint technical consultant to assist in the procurement	August 2012
Resident consultation commences and concludes	August 2012

Scheme Brief and Design specification completed	September 2012
Specialist sub contractor appointed	Early 2013
Planning Application submitted	Spring 2013
Planning Approval secured	Late spring 2013
Start on Site	Summer 2013
Completion of works	Late summer 2014

#### **OPTIONS CONSIDERED**

- 4.23 The above discussion has given full detail of the two principal options considered and the case for the additional investment in the winter gardens. Demolition and replacement has been rejected on cost and viability grounds. The report concludes it is financially advantageous to refurbish the two blocks, rather than demolish, dispose and redevelop.
- 4.24 Refurbishment with winter gardens and cladding is the preferred option, as it will provide the most significant and sustainable benefits for residents and the Council including:
  - reduced maintenance costs for the Council
  - additional living space for residents
  - reduced fuel costs for residents
  - a dramatically enhanced external appearance, changing the image and look of the tower blocks into a landmark scheme for Rainham and Havering Riverside.
  - additional homes and community space.

#### **IMPLICATIONS AND RISKS**

5.0 There are several risks and issues to be considered as set out below.

#### Leaseholders' contributions

5.1 Given the special nature of this scheme, the Decent Homes works together with new winter gardens and cladding would represent a very significant cost to leaseholders. Decent Homes works only are estimated to cost £17,000 per property and it is reasonable to recharge leaseholders for this work. Should the consultation support the winter gardens proposal, and in the light of the winter gardens costing £27-28,000 per property it is felt that it would not be in the best interests of the scheme to charge leaseholders for

the winter gardens work. This could counteract any leaseholders' reluctance to take part in the scheme. Any such costs would then fall on the HRA.

#### **Management issues**

5.2 Winter gardens are unusual in this country and residents are not familiar with how to make the best use of this kind of space. Special displays, videos and maybe a show flat in due course could assist the consultation.

#### Ground floor potential - hidden homes and community space

5.3 Currently the ground floor of each block has considerable space allocated to storage, including pram sheds, which is not being effectively used. Initial survey work suggests this space could be used to provide 3-4 hidden homes and a community space. This work is not included within any of the option appraisals and a scheme now needs to be designed and costed to make the most of this asset. The community space will also enable more work to be done to promote positive community relations and tackle some of the anti-social behaviour.

#### Consultation with residents

- 5.4 The next step will be to consult residents, both tenants and leaseholders, on the scheme and, in particular, the benefits of the winter gardens. This will be breaking new ground as it will be the first scheme of its kind in Havering, and indeed in London. There will need to be an imaginative exhibition of the scheme clearly setting out the benefits, and costs, for residents.
- 5.5 It will be a very positive and exciting package but there is a risk that some residents may oppose it. In that event the Council would have to consider the weight and nature of residents concerns and, if appropriate, reconsider the scheme; the standard Decent Homes scheme could be delivered as a fallback.

#### 6.0 FINANCIAL IMPLICATIONS AND RISKS

- 6.1 The options appraisal presented above has been carried out using the assumptions contained within the HRA Business Plan approved by Cabinet earlier this year. The appraisal clearly demonstrates that retention and refurbishment has a far lower call on resources than the demolition and replacement option.
- 6.2 There are sufficient resources within the HRA Business Plan to meet the costs of the winter gardens refurbishment option and Decent Homes improvements.
- 6.3 The total works proposed represent a cost to the HRA Business plan of £1.9 million over 30 years (see Table 4). (This is a Net Present Value total, where later years flows have a lower value than earlier years). Within this £1.9m, no income from leaseholders, in respect of the winter gardens, has currently been assumed. The total cost for works above the Decent Homes Standard to the leaseholder units, should all units receive wintergardens, is estimated

at around £220k; if this cost is not passed onto leaseholders, it would have to be met by the HRA.

#### 7.0 LEGAL IMPLICATIONS AND RISKS:

- 7.1 The development of winter gardens in the blocks of flats would be a matter of housing management (that is, management, maintenance, improvement) and accordingly under s 105 Housing Act 1985 tenants would need to be consulted. At the same time leaseholders would need to be consulted pursuant to s20 Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003. Such consultation must be meaningful, in other words it must be undertaken at a time when consultees can still influence the final decision and have sufficient time and information to make appropriate representations. Those representations must then be conscientiously taken into account before the final decision is taken.
- 7.2 Otherwise there are no other apparent legal implications or risks.

#### 8.0 HUMAN RESOURCES IMPLICATIONS AND RISKS:

8.1 There are no human resource implications arising from this report.

#### 9.0 EQUALITIES IMPLICATIONS AND RISKS:

9.1 Members of Havering's more socially excluded communities, notably residents with low incomes and those from black and minority ethnic communities, are over-represented in the Rainham area. Thus, the implementation of the refurbishment will have a positive impact on these communities' quality of life. It will in addition provide a venue for residents and community meetings which will strengthen cohesion and assist in tackling anti social behaviour.

**BACKGROUND PAPERS** 

None

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### Agenda Item 6

### **CABINET**

11 JULY 2012 Subject Heading:

LOCAL IMPLEMENTATION PLAN ANNUAL SPENDING SUBMISSION

2013/14

Cabinet Member: COUNCILLOR BARRY TEBBUTT COUNCILLOR ROBERT BENHAM

CMT Lead: CYNTHIA GRIFFIN

Report Author and contact details: DANIEL DOUGLAS

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daniel.douglas@havering.gov.uk

Policy context: London Plan (2011)

London Mayor's Transport Strategy (2010) Havering Corporate Plan 2011-2014 (includes 'Living Ambitions' agenda) Havering Local Development Framework

(2008)

Havering Local Implementation Plan

(2011/12 - 2014 / 15),

Council Regeneration Strategies (including Romford, Hornchurch, Harold Hill and

Rainham)

**Financial summary:** This report seeks Members' approval to

the principles of Havering's LIP

Submission to Transport for London for 2013/14 Financial Year, which has an indicative allocation of £2,920,000.

Is this a Key Decision? THIS IS A KEY DECISION

Is this a Strategic Decision? THIS IS A STRATEGIC DECISION

When should this matter be reviewed? January 2013

Reviewing OSC: Environment

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

Ensuring a clean, safe and green borough	$\checkmark$
Championing education and learning for all	[]
Providing economic, social and cultural activity	
in thriving towns and villages	$\checkmark$
Valuing and enhancing the lives of our residents	$\checkmark$
Delivering high customer satisfaction and a stable council tax	Π

#### SUMMARY

The Council makes an annual Local Implementation Plan (LIP) Spending Submission to Transport for London (TfL) for funding transportation initiatives across the Borough. It must be consistent with the Mayor of London's Transport Strategy and the Council's own adopted Local Implementation Plan.

As in previous years, this report outlines the process for the Council preparing its LIP Annual Spending Submission for the next financial year (2013/14).

TfL has told the Council that it has been awarded an indicative amount of £2,920,000 LIP funding for the 2013/14 financial year which is broadly typical of most outer London boroughs. Later this year, Havering must tell TfL how it plans to spend this, taking into account TfL's LIP guidance.

Following Cabinet, Officers will prepare a suggested detailed 2013/14 LIP Submission for Member approval prior to forwarding it to TfL in October 2012. As in 2011, there will be consultation with the Highways Advisory Committee before the submission is finalised.

As previously, the report recommends that approval of the final LIP Submission is delegated to the Cabinet Members for Environment and Community Empowerment who have responsibility for strategic transport and local transport schemes, respectively.

TfL are expected to confirm the allocation to the Council in late 2012.

The report confirms that the Council will continue to explore additional opportunities for funding transport programmes/policies to supplement those from the LIP allocation such as other TfL funding streams e.g Biking Boroughs, other external funding sources and Section 106 contributions from development proposals.

#### **RECOMMENDATIONS**

- 1. That the guidance provided by TfL outlined in paragraphs 8, 9 and 10 and other aspects to consider detailed in paragraph 11 be noted in respect of Havering's Submission to TfL for LIP funding for 2013/14.
- 2. That development of the LIP Submission for 2013/14 having particular regard to the range of considerations set out in paragraph 14 be approved in principle.
- 3. That the advice of the Highways Advisory Committee be sought on the proposed LIP submission before it is finalised.
- 4. That approval of Havering's final LIP Funding Submission for 2013/14 to TfL be delegated to the Cabinet Members with responsibilities for Environment and for Community Empowerment.
- That it be noted that other opportunities for investment in transportation initiatives will continue to be sought from TfL outside the LIP Annual Spending Submission process and from other stakeholders and funding sources.

REPORT DETAIL

#### **Background**

- 1. The Council submits an annual bid to Transport for London (TfL) for funding for transportation-related initiatives across the Borough. The funding awarded from this Local Implementation Plan (LIP) bid remains the major source of capital monies for transport schemes and projects in the Borough. In recent years, the Council has allocated significant funds from its own resources towards highway improvement works which have encompassed footways, road resurfacing, street lighting and environmental improvements.
- 2. TfL confirmed the Submission requirements for 2013/14 in June and they broadly reflect those of last year. Most importantly, projects must conform to the Mayor of London's Transport Strategy (MTS) and must also take account of the specific commitments set out in the Mayor's Election Manifesto that relate to borough responsibilities. The former can be accessed at

http://www.london.gov.uk/publication/mayors-transport-strategy. The Submission must also reflect the Council's own priorities and strategies including those of its Corporate Plan and Local Implementation Plan (LIP). The latter demonstrates how the Council intends to address the MTS at a local level and sets out longer term transportation strategies, objectives and policies. The Submission must reflect the approved Programme of Investment detailed within that document.

3. There are three main LIP programmes: Corridors, Neighbourhoods and Supporting Measures, Maintenance (dealing with Principal Roads and Bridges) and Major Schemes. As previously, officers expect that the Council will, subject to TfL's agreement, still have a reasonable degree of flexibility in transferring funding between projects within the Corridors, Neighbourhoods and Supporting Measures programme area. This is helpful in the event that there are difficulties in progressing individual schemes or in the event that priorities are reviewed.

#### Havering's Allocation for 2013/14

- 4. TfL notified the Council of its indicative LIP funding award for 2013/14 in June 2012. Havering's indicative LIP funding allocation for 2013/14 is £2,920,000. The indicative allocation for 2013/14 is broken down as follows:
  - £2,432,000 for "Corridors, Neighbourhoods and Supporting Measures" projects which focuses on the development of comprehensive ('holistic') schemes and local area improvements. This covers schemes that tackle congestion by smoothing traffic flows, schemes to assist freight, regeneration and accessibility and environmental improvements, local safety schemes, , projects involving spaces used by several users, Controlled Parking Zones, 20 mph zones, cycling, walking, bus priority and bus stop accessibility. It also covers 'Smarter Travel' schemes such as school and workplace travel plans, travel awareness initiatives, road safety education, training and publicity schemes.
  - £388,000 for "Principal Road Maintenance". This focuses on highway surface improvements to Havering's Principal Road Network (PRN). The allocation is less than previous years but it is based on the results of condition surveys carried out to determine the proportion of the Principal Road Network across London that requires structural maintenance. The reduction in allocation for this programme area reflects the good condition of Havering's PRN following regular maintenance
  - £100,000 for "Local Transport Funding" (for spending on projects of the Council's choice that support the delivery of the Mayor's Transport Strategy). Officers consider this should again be welcomed and suggest that the Mayor is again invited to increase the future discretion given to

boroughs in deciding how to spend the LIP allocation in accordance with local priorities.

- 5. The LIP Allocation for Corridors Neighbourhoods and Supporting Measures is more than the indicative allocations advised in May 2010 because the Mayor has retained the level of LIP Funding across London at £147m across each financial year. This has resulted in a number of boroughs having their LIP Allocation for this programme area increased for the 2013/14 financial year.
- 6. The LIP funding allocations for "Major Schemes" (covering town centre areas, and Station Access schemes and Streets for People) and Bridge Strengthening and Assessment are excluded from the above because these are funded outside the normal LIP Process. Whilst boroughs are required to reference existing Major Schemes as part of its Annual Spending Submission and provide details of Bridge Strengthening proposals via the Borough Portal, no indicative allocations have been announced to boroughs.
- 7. Havering's indicative allocation for 2013/14 is broadly similar to the allocations for other outer London boroughs.

#### TfL's requirements for the Funding Submission for 2013/14

- 8. TfL requires the Council to submit a set of proposals for the Corridors, Neighbourhoods and Supporting Measures programme, and Local Transport Funding consistent with the amounts outlined above (see also paragraph 4). TfL has recommended that boroughs over-bid for Principal Road Maintenance by approximately 25% so that possible reserve schemes may be brought forward. TfL will then assess all these proposals to ensure that they generally conform to the Mayor of London's Transport Strategy. It will confirm the Council's final allocations for all these programme areas before the end of 2012.
- 9. TfL's Guidance on Developing Local Implementation Plans (May 2010) provides the framework for preparing the Annual Submission and has been supplemented by further LIP Guidance published in June 2012. In particular, the latest TfL Guidance draws attention to the Mayor's Manifesto commitments relating to congestion busting, pedestrians and the public realm, parking, making it easier for everyone to use buses and cycle safety. Copies of the guidance documents are in the Members' Resource Room. Most importantly, when the Council develops its proposals for the Corridors Neighbourhoods and Supporting Measures programme, it must consider the goals, challenges and outcomes from the Mayor's Transport Strategy as set out in Appendix A to this report. As LIP Funding is provided to support delivery of local transport improvements that reflect the Mayor's priorities, boroughs must also take account of the specific commitments set out in the Mayor's Manifesto that relate to borough responsibilities.
- 10 Boroughs should also have regard to their Network Management Duty under the Traffic Management Act 2004 to manage their road network to secure

expeditious movement of traffic, including pedestrians, on their network and to facilitate the same on the networks of other authorities. As in previous years, TfL also require boroughs to identify how the scheme packages included will help deliver the high profile outputs in the MTS. These include Better Streets Cycle Superhighway schemes, Cycle Parking, Electric Vehicle Charging Points, Cleaner Local Authority Fleets and Street Trees. TfL also require the Council to consider the potential impact of the proposals on Crossrail. Boroughs are encouraged to consider Crossrail related initiatives as part of their LIP Funding Submissions.

- 11. Other important aspects that the Council can take into account include:
  - Boroughs can continue to make funding submissions to TfL outside the annual LIP Submission for new Major Schemes. These are schemes that are expected to deliver transformational changes and assist in delivering the Mayor's 'Better Streets' agenda. They will normally comprise schemes of over £1million in total value. Members will be aware that the Council has successfully progressed several Major Schemes in recent years including in Romford and Hornchurch and has included further proposals for Major Schemes in its Local Implementation Plan. These will remain an important element in the Council's strategy for ensuring that its town centres are attractive, safe and convenient for everyone and will assist in ensuring that the Borough has a healthy and vibrant economy.
  - Funding for LIP schemes started in 2012/13 that are being phased over more than one year must be funded from the 2013/14 allocation. Several of the Council's schemes fall into this category reflecting the fact that TfL has encouraged such proposals.

## Consultation with the Highways Advisory Committee and final approval by Members

12. As previously, it is proposed to seek the Highways Advisory Committee's advice on the detailed LIP Submission before it is finalised. It is recommended that approval for the formal submission of the final LIP Submission to TfL be subsequently, delegated to the Lead Members for the Environment and Community Empowerment who have responsibility for strategic transport and local transport, respectively..

#### Havering's LIP Funding Submission for 2013/14

13. The proposed detailed Council LIP Submission for 2013/14 will be prepared following this Cabinet. Officers have begun to work up its potential components and further discussion involving officers and Members will continue to take place as the Submission is prepared. As referred to in paragraphs 8 -10 the Council's Submission must be 'balanced' in terms of meeting TfL and Mayoral requirements and meeting commitments from the 2012 / 13 allocation and 2012/13 "reserve" schemes.

- 14. Notwithstanding the above, officers consider that Havering's Submission for 2013/14 has considerable potential to address existing Council priorities, help deliver established regeneration priorities and respond to the views of the community. It is considered that it should be shaped as far as practicable with regard to:
  - The aspirations of the Council's Corporate Plan including the 'Living Ambitions' agenda which are underpinned by established land-use, transportation and planning objectives as set out in the Local Development Framework and Local Implementation Plan and other Council strategies.
  - Helping to ensure that Havering is 'open for business' and has a strong and vibrant economy by addressing such issues as congestion, on and off street parking, and the ease and convenience with which people, goods and services can get around the borough.
  - Ensuring that Havering's principal roads and pavements are in as good a condition as possible subject to resources and the relative priority for their maintenance
  - Delivery and development of existing and future regeneration initiatives covering Hornchurch, Romford, Harold Hill, London Riverside and Rainham. The 2012/13 allocation includes projects for, Hornchurch and Romford Town Centre Major Schemes, Romford Public Realm Improvements, Harold Hill (including access improvements to the Learning Village and environmental improvements to the Briar Road Estate), and feasibility work into street lighting improvements in Marsh Way in Rainham.
  - Maximising value for money and ensuring the best outcomes for the borough by linking schemes where feasible to projects involving investment of Havering's own capital budgets such as those for major street works enhancements and improvements. As far as possible within the constraints of the TfL LIP Guidance and funding allocations, every opportunity will be taken to make use of the LIP Funding in a way which safeguards the Councils' own scarce capital resources.
  - Complementary to other initiatives and funding secured through the 'Biking Boroughs' work.
  - Schemes that were included as "reserve" schemes as part of the 2012/13 submission process may be included as part of the main 2013/14 LIP Submission. These schemes received Lead Member approval in September 2011 as part of the 2012/13 LIP Submission process with the intention of being implemented in the event that other LIP schemes had to be dropped.

#### Additional funding opportunities

15. TfL's Major Schemes funding category is applicable to projects such as Town Centres, Streetscape and station accessibility improvements including "shared space" projects and public realm enhancements. It is intended to encompass schemes where the overall costs are more than £1 million. Officers will examine TfL's Guidance to ensure that future transportation projects covering these and other regeneration areas in the Borough are

#### Cabinet, 11 JULY 2012

- channelled through the mechanism most likely to maximise the total overall TfL funding to Havering to deliver them.
- 16. Other possible funding streams such as Section 106 developer contributions, European initiatives and DfT/CLG funding opportunities will also be pursued as appropriate by officers. This is in line with TfL's requirement that Boroughs should not rely exclusively for their funding on TfL and should develop alternative complementary funding sources accordingly.

**REASONS AND OPTIONS** 

#### Reasons for the decision:

17. The LIP Funding Submission is required annually to TfL in order to secure funding for a range of transportation-related initiatives in the Borough.

#### Other options considered:

18. There are no alternatives if the Council wishes TfL to confirm its LIP funding award to Havering for 2013/14.

**IMPLICATIONS AND RISKS** 

#### Financial implications and risks:

- 19. The funding that the Council will obtain from TfL through the LIP Submission for 2013/14 will be the main source of capital funding for transportation projects and initiatives in the Borough. There is no indication at the time of preparing this report that there will be any significant change in the level of funding for 2013/14 however the indicative funding levels for subsequent years is less certain in the light of the wider economic circumstances and the cuts to public sector finance.
- 20. The schemes that will be recommended to be included in the Submission for 2013/14 will reflect Council priorities and, as far as is possible, their delivery will be programmed in line with these priorities should there be any

reduction in the funding available. Additionally, every opportunity will continue to be taken to secure funding from other sources and programme areas, including Section 106 contributions, to supplement this in line with TfL's requirement that boroughs should reduce their dependency on TfL funding. The need to minimise as far as practicable ongoing maintenance costs will be taken into account in all schemes that are awarded funding. New schemes have the potential to reduce or increase maintenance requirements, but this net effect will need to be contained within existing budgets.

21. The Council Capital Programme has in recent years included £2m to support capital investment in highway maintenance and improvement schemes. It is assumed in financial plans that £2m will again be invested in 2013/14, but this will be subject to Cabinet approval via the budgeting process. As far as possible within the constraints of the TfL LIP Guidance and funding allocations, every opportunity will be taken to make use of the LIP Funding in a way which safeguards the Council's own scarce capital resources.

#### Legal implications and risks:

22. Consideration of the Network Management Duty mentioned in Paragraph 10 is a statutory requirement. There are no other specific legal implications or risks arising from this report although further legal resources will need to be committed to bring into effect the measures for which funding is eventually sought.

#### **Human Resources implications and risks:**

23. Once schemes are selected a subsequent review will take place to consider the impact on existing resources and/or any subsequent or associated cost.

#### **Equalities implications and risks:**

24. An important factor in drawing up the funding Submission will be to improve the ease, convenience and safety of everyone in the Borough who needs to move around in the course of their day to day living and business. The Council will comply with its Public Sector Equality Duty when deciding which schemes to include within the LIP submission for 2013/14. An Equalities Analysis of the proposed schemes and their different equalities implications for all protected characteristics will be completed and this information will be included in the report to Highways Advisory Committee which will precede the Lead Members' decisions.

**BACKGROUND PAPERS** 

None

### Appendix A

### **High Level Mayoral Outcomes**

Goals	Challenges	Οι	utcomes
Support	Supporting population and	•	Balancing capacity and demand for travel through
Economic	employment growth		increasing public transport capacity and/or
development and population	Improving transport	_	reducing the need to travel Improving employers' access to labour markets
growth	connectivity	•	Improving employers access to labour markets Improving access to commercial markets for freight
giria	•		movements and business travel
	Delivering an efficient and	•	Smoothing traffic flow (managing road congestion
	effective transport system for goods and people		and reducing traffic journey time variability)
	loi goods and people	•	Improving public transport reliability Reducing operating costs
			Bringing and maintaining all assets to a state of
			good repair
Enhance the	Improving journey	•	Improving public transport customer satisfaction
quality of life for	experience	•	Improving road user satisfaction
all Londoners		•	Reducing public transport crowding
quality of life	Enhancing the built and	•	Enhancing streetscapes, improving the perception
	natural environment		of urban realm and developing shared space initiatives
	Improving air quality	•	Reducing air pollutant emissions from ground-
	improving all quality		based transport, contributing to EU air quality
			targets
	Improving noise impacts	•	Improving perceptions and reducing impacts of noise
	Improving health impacts	•	Facilitating an increase in active travel
Improve the	Reducing crime, fear of	•	Reducing crime rates (and improved perceptions of
safety and	crime and anti-social		personal safety and security)
security of all	behaviour		Della in the control of the first of the first
Londoners	Improving road safety	•	Reducing the numbers of road traffic casualties
	Improving public transport safety	•	Reducing casualties on public transport networks
Improve	Improving accessibility	•	Improving the physical accessibility of the transport
transport			system
opportunities for all Londoners		•	Improving access to jobs and services
Transport	Cupporting regeneration	•	Ensuring the affordability of public transport fares
opportunities	Supporting regeneration and tackling deprivation	•	Supporting wider regeneration outcomes
Reduce	Reducing CO2 emissions	•	Reducing CO <sub>2</sub> emissions from ground based
transport's			transport, contributing to a London-wide 60%
contribution to			reduction by 2025
climate change,	Adapting for climate	•	Maintaining the reliability of transport networks
and improve its	change	•	
resilience	Dovoloning and	_	Cupporting regeneration and convergence of social
Support	Developing and	•	Supporting regeneration and convergence of social

#### **Cabinet, 11 JULY 2012**

delivery of the London 2012	implementing a viable and sustainable legacy for the		and economic outcomes between the five Olympic boroughs and the rest of London
Olympic and	2012 Games	•	Physical transport legacy
Paralympic		•	Behavioural transport legacy
Games and its			
legacy			

Source : Table 2.1 Mayor's Transport Strategy (May 2010)

## Agenda Item 7



CABINET					
11 July 2012 Subject Heading:	Amendment to the 2012/13 Annual Investment Strategy				
Cabinet Member:	Cllr Roger Ramsey				
CMT Lead:	Andrew Blake-Herbert				
Report Author and contact details:	Mark White Capital & Treasury Manager 01708 432164				
Policy context:	The Council is required to approve any changes to the Annual Investment Strategy				
Financial summary:	There are no direct financial implications from the strategy. Treasury managemen activities are considered as part of the overall budget strategy.				
Is this a Key Decision?	No				
Is this a Strategic Decision?	No				
When should this matter be reviewed?	Bi-Annually				
Reviewing OSC:	Audit Committee				
The subject matter of this report deals with the following Council Objectives					

Ensuring a clean, safe and green borough	[]			
Championing education and learning for all				
Providing economic, social and cultural activity				
in thriving towns and villages	[]			
Valuing and enhancing the lives of our residents	Ϊ			
Delivering high customer satisfaction and a stable council tax	ĪΧΊ			

#### **SUMMARY**

The Council's investment policy is set out in the Treasury Management Strategy Statement which was agreed by full Council as part of the budget setting process in February.

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

This report sets out 2 amendments to the approved investment policy

#### **RECOMMENDATIONS**

Cabinet to agree the two changes set out below to the Annual Investment Strategy

#### REPORT DETAIL

With the economic situation in Europe worsening over the last couple of months there have been credit rating downgrades and negative rating watches to the majority of leading financial institutions. This has meant that the Authorities eligible counterparties have reduced even further, most recently with Santander UK now temporarily being removed from the list following a negative ratings watch.

The reduction in available counterparties, coupled with an increase in cash from the HRA self financing changes has meant that the Council has often had no room with any of its approved counterparties. As a result deposits have been placed with either central government via the debt management office or with other local Authorities earning very low interest rates (often the bank charge associated with the money transfer has been greater than the actual interest earned).

## Cabinet, 11 July 2012

To react to the chaging financial environment the following two changes to the Annual Investment Strategy are being requested

1) Amend the group limit for UK institutions to the higher of £25m or 25% of the investments opening balance at the start of the month

Previously this had been the lower of £25m or 25% of the investments opening balance at the start of the quarter as prior to the introduction of the HRA refinancing reform traditionally the start of the quarter was always the highest cash position. With rental incomes being generated throughout the month this is now no longer the position so by changing the lending limit, this will allow enough flexibility should cash levels increase.

2) to create an additional £5m overnight limit (in excess of any previously set limit) with the Council's banker to allow for late receipt of cash. Should this additional limit be used the Director of Finance and Commerce and the Head of Finance will be notified and the cash would be placed with a more suitable counterparty the following working day.

This has never been an issue before as there has always been available headroom however following the conditions set out above there is not always the necessary headroom available now.

## **REASONS AND OPTIONS**

## Reasons for the decision:

The statutory Codes set out that the Members approve any amendments to the Annual Investment Strategy for 2012/13.

#### Other options considered:

- 1) To not implement the changes to the strategy. This would mean that the Council would continue to utilise the Debt Management Office and other Local Authorities often at a cost to the Council.
- 2) To increase the number of available counterparties used by the Authority. This would mean using lesser rated institutions or those that for various reasons do not appear on the Council's approved lending list. Officers were not happy to recommend this approach to Members.

## **IMPLICATIONS AND RISKS**

## Financial implications and risks:

There are no direct financial implications associated with the proposed changes to the strategy as it would continue to deliver the planned level interest earnings from its Investments.

The downgrading of Santander reduces the number of available counterparties with whom the Council may deposit funds. As a consequence the Council runs the risk of being left with surplus cash which can only be deposited as a last resort with the Debt Management Office. There is also a risk that the DMO would refuse to accept deposits at short notice leaving the Council with no valid counter party or that funds are received too late in the day to be deposited with the DMO.

The proposed changes to the strategy allow for a small increase in the level of funds deposited with remaining counter parties including an increase in overnight exposure with our bankers, RBS. As such the Council would have a higher exposure to losses in the event of any of the remaining counterparties defaulting on repayment. However, the proposed counterparty limits are not considered to be large by comparison with other London Authorities.

#### Legal implications and risks:

There are no apparent legal implications arising as a result of this Report.

## **Human Resources implications and risks:**

There are no direct Human Resources implications arising as a result of this report

## **Equalities implications and risks:**

There are no equalities implications within this report

#### **BACKGROUND PAPERS**

- 1 CIPFA Prudential Code
- 2 CIPFA Treasury Management Code of Practice



## **CABINET**

## **REPORT**

Commissioning School Places Strategy

Group Director of Children's Services

Commissioner Capital & School Places 01708 431706 john.farry@havering.gov.uk
The Strategy has implications for all wards

No financials implications from approving the strategy however significant costs and issues may arise as additional places are implemented. £9.9m is currently approved

within 2012/13 Education Capital programme for this purpose – detailed review of financial implications to be undertaken once schemes for delivery

2012/13 - 2016/17

Cllr Rochford

John Farry

Sue Butterworth

in the borough.

become clearer.

11 July 2012 Subject Heading:

Cabinet Member:

CMT Lead:

Report Author and contact details:

Policy context:

Financial summary:

Is this a Key Decision? Yes

Is this a Strategic Decision? Yes

When should this matter be reviewed? July 2013.

Reviewing OSC: Children's Services

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

Ensuring a clean, safe and green borough

Championing education and learning for all

Providing economic, social and cultural activity

in thriving towns and villages

Valuing and enhancing the lives of our residents

[x]

Delivering high customer satisfaction and a stable council tax

[x]

#### SUMMARY

By 2020 there will be around 21% more primary age children than in 2010 across the country. By 2015 all regions in England are projected to increase their primary aged population compared with 2010. Projected growth ranges from 10% to 15%, the rate for London.

In Havering the birth rate has grown substantially. This has begun to have implications for the sufficiency of places in primary schools, especially in the first year of entry (Year R). This report sets out our strategy to address this. In addition, while the Council retains statutory responsibility for ensuring there are sufficient school places to meet the needs of the population in the area, there is now an expectation that local authorities will introduce Free Schools and Academies as new providers in areas of demographic growth, and that the Council will therefore become a commissioner of additional places.

This strategy is intended to update the Cabinet on the latest school places data and set out the proposed approach to meet that growing demand for the next five years, in the context of new national expectations about this changing roll. The strategy is also intended to:

- help the school community understand the longer term population trends and the implications for their schools
- let parents and the wider community of Havering know what changes are planned and how their views and preferences have contributed to key planning decisions
- outline to potential sponsors of new schools, such as Academies and Free schools, contextual information about Havering's changing school population.

#### **RECOMMENDATIONS**

## That Cabinet:

- Approve the draft Commissioning School Places Strategy 2012/13-2016/17 (CSPS)
- 2. Approve the circulation of the draft CSPS for consultation to all stake holders in school place planning
- 3. Delegate the determination of the final CSPS, to the Cabinet Member for Children Service's and the Group Director for Children's Services.

4. To note that a further report will be going to Cabinet in September 2012, which will set out the details of each expansion scheme, the consultation process and indicative costs and funding for each scheme.

#### REPORT DETAIL

#### 1. Introduction

- 1.1 By 2020 there will be around 21% more primary age children across the country compared to 2010. Between 2010 and 2015 all regions in England are projected to increase their primary aged population between 10% to 15%.
- 1.2 In Havering the total number of primary pupils needing a school place is expected to increase by 2,833 (15%) between 2011/12 and 2016/17
- 1.3 At secondary level the pattern is different with a downward trend until 2015/16 and a rising roll from 2016/17. Due to this dip in secondary numbers there are currently no plans to expand secondary schools. Further discussions may be needed at a later date once the primary growth has moved through the system.
- 1.4 This substantial change in primary population requires an agreed plan to enable the Council to continue to meet its responsibility for ensuring there are sufficient school places in the area.

## 2. **Primary Places**

- 2.1 The factors that have contributed to the rise in primary pupil numbers have been identified as the:
  - substantial increase in the number of births within the borough
  - increase in the cohort growth between those born in Havering and those entering Reception as a result of pupils moving into the borough
  - increase in the cohort growth across all primary year groups as a result of pupils moving into the borough
- 2.2 By 2016/17, it is projected that the number of Reception pupils will exceed available places by 521. However, as these pupils are spread out across the Authority, further analysis shows that there is a projected need for 21 additional Year Reception (Year R) classes across Havering in order that Reception age children do not have to travel exceptionally long distances to school.

- 2.3 This does mean that not all classes will be full, i.e. with 30 pupils at the beginning. However, based on the 30 pupils-per-class rule, if projected future demand for any given year group exceeds 30 pupils, it is necessary to create an additional class. This will then leave capacity to accommodate any additional pupils in year.
- 2.4 On the basis of seven year groups across Primary education, 21 Reception classes will eventually mean that 147 additional classrooms will be needed by 2023. Although most of this shortfall will require new classrooms some demand will be met by bringing spare accommodation back into a suitable teaching space.
- 2.5 The result is that although 147 classrooms will have maximum capacity of 4,410 pupils, it is projected that 2,836 of this capacity (64%) will be used. As stated previously this is due to the fact that demand is not spread even across the borough, although we are very likely to reach the Audit Commission's overall occupancy level of 90% in the near future. It is important to note that this is a borough-wide figure and the levels to which individual classroom capacity is filled will vary between individual schools.
- 2.6 All indications are that the drivers for demand for primary pupil places will continue and it is prudent therefore to have significant additional capacity across the entire Havering Primary school system, to absorb potential further increased demand and also to more reliably satisfy parents' choice of school for their child(ren). It should be noted however that the schools may face financial difficulties if they have significant spare capacity as the level of funding attracted on a per pupil basis may not be sufficient to employ the required staffing levels. Contingencies have been provided by Schools' Funding Forum for this situation should it arise.
- 2.7 There is a need to provide some additional primary places by September 2012 and this is being done by providing sufficient 'bulge classes', temporary expansions of one class of 15 or 30 for one year, for each planning area of the borough. These schools have already been approached if they were located within the area of growth and had sufficient existing space to accommodate a single class and have all accepted a bulge class.
- 2.8 For September 2013 there is a projected need for 12 permanent Reception classes and 1 more for 2014. To meet this we propose to expand the capacity of a sufficient number of schools by 15 or 30 pupils, ie 0.5-1 form of entry to meet the need within growth areas.
- 2.9 Suitable schools are being selected for expansion according to the following criteria:
  - that they are both popular and successful;
  - they have sufficient site area for expansion;
  - expansion will not lead to the school becoming too large;
  - and the school is located within an area of growth.

- Work is currently underway to finalise this list of schools, together with a programme of works and detailed financial implications .A further report will be brought to the September Cabinet which outlines these proposals in more detail.
- 2.10 By 2016/17 there is likely to be a need to commission up to a further eight Reception classes. By this time there may be a more limited number of schools that will meet the criteria for formal expansion. Therefore alternative options such as new schools (possibly Academies/Free schools) may need to be considered.
- 2.11 The DfE will shortly be inviting expressions of interest from sponsors seeking to open new Free Schools or Academies from 2014/15 onwards. Havering's Officers are meeting with any potential sponsors and providing them, where appropriate, with the evidence they need of where there is a shortage of new places and any possible potential sites in the borough.

## 3. Secondary

3.1 The projected increase in primary pupils will transfer to secondary schools. As a result we are forecasting at secondary level (11-16) that the overall number of pupils will increase by 1,229 (8%) by 2020/21 and to continue to grow further into the future.

## 4. Next steps

4.1 Were Cabinet to approve the draft CSPS the Strategy would then be circulated for consultation with schools, the Dioceses and all other school place planning stakeholders. Following the end of the consultation period the Strategy would be revised appropriately and then subject to approval by Lead Member be circulated as the approved CSPS for the next five years.

Key milestones	Date
Cabinet decision on Draft CSPS	11 July 2012
Consultation period	July - September
	2012
Decision by Lead Member and Group	September 2012
Director on Final CSPS	
Circulation of approved strategy	September 2012

**REASONS AND OPTIONS** 

#### Reasons for the decision:

This decision is necessary to progress the strategy for ensuring there are sufficient school places in Havering to meet the rising pupil population.

## Other options considered:

It was considered that the Council could proceed with the expansion programme without an agreed CSPS in place. However as the Council is in the leadership role for this major and long term expansion programme it should be consulting with stake holders on its proposed strategy for meeting the challenge of the rising school population and in so doing reduce the risk of these plans being unsuccessful.

**IMPLICATIONS AND RISKS** 

## Financial implications and risks:

Approval of the draft strategy does not give rise to any financial implications; however, clearly its implementation will have significant financial implications.

## **CAPITAL**

Within the Council's Education Capital Programme for 2012/13 £5.5m has been approved to fund both the replacement of the Key Stage 1 (KS1) accommodation and provision of additional places at Branfil Primary School. The implementation of additional places at this school is dependent on final forecasts of expected need and a Council decision to expand the school, following statutory consultation.

A further £9,876,472 has been approved within the 12/13 Capital Programme for the provision of additional primary school places.. This was funded from a combination of basic need grant (£3.7m) and expected S106 monies (£6.2m). Since approval of this funding additional basic need grant of £4m was received for 12/13 and this has been used to replace the expected S106 monies in the funding programme in order to reduce the risk associated around forecasting the receipts of S106 monies.

The bulk of this funding will be required to fund a permanent increase in school places from September 2013 onwards but £180k has been allocated to fund works to facilitate the admission of bulge classes in September 2012. This leaves a balance of £9,696,472 to fund places required from September 2013 onwards.

#### Cabinet, 11 July 2012

High level indications were that this £9.7m would fund the provision of additional 40 classrooms. This is obviously substantially less than the 147 classrooms required but some spare accommodation already exists within our schools and the costs of bringing these back into teaching space is much less than providing a new classroom. It is expected that the remaining classrooms may be provided as follows:

- S106 contributions / Tariffs ( actual and expected receipts are being reviewed)
- Contribution from the DSG as agreed by the Schools Forum (approx £1m)
- Further basic needs grant allocations from 2013/14 onwards (expectations are that further grant will be awarded from DfE based on pupil projections)
- Provision of places by Academies and Free Schools (not funded by the LEA)

The financial implications of the whole primary expansion programme will be kept under review as detailed plans for the delivery of additional classrooms becomes clearer. This will consider the estimated capital cost and funding sources plus the revenue implications of schools and the local authority. Any significant issues will be reported through the appropriate channels as necessary. An update will be provided to Cabinet in September.

#### **REVENUE**

## Implications for Schools

The revenue implications for schools are that, in creating an additional class from September (eg Sept 12), additional resources will be incurred particularly for teaching and support staff. From the following financial year (eg 2013/14) the schools will receive additional funding through their budget shares as the pupils will be on roll at the date of the pupil census that is used to calculate funding. For the period September to March, however, additional resources will need to be provided. These will be met from a contingency held within the Schools Budget (funded by the Dedicated Schools Grant) as agreed by the Schools Funding Forum. As referred to above, the DSG will be increased from the following financial year as the Year R pupils are on roll; the bulk will be allocated to schools however there may be some available to fund LA services.

The contingency "pot" may reduce as a result of schools becoming academies and as such be insufficient to fund remaining schools for additional pupils.

It is proposed that from 2013/2014, the funding regime will be changing and contingency funds will be delegated to schools unless the schools forum approve otherwise. If a central contingency is not approved schools will be funded on the

#### Cabinet, 11 July 2012

basis of pupils on role in the previous January and will need to manage the in year financial consequences of any increase in admissions.

However, it should be noted that schools may face financial difficulties if they have significant spare capacity as the level of funding attracted on a per pupil basis may not be sufficient to employ the required staffing levels. At present there is a factor within the schools funding formula to allow additional funds to be allocated in these circumstances. However this will no longer be permitted in future .

## Legal implications and risks:

The draft CSPS will be subject to consultation. It is critical to a sound consultation that it is meaningful, in other words the consultees must be given sufficient information and time to comment and their responses must be conscientiously taken into account by the decision maker before the decision is taken to finalise the CSPS.

The Council has a statutory duty to secure that efficient primary and secondary education are available to meet the needs of the population of their area. (section 13 Education Act 1996). It is clear that without a strategy to increase the provision within the Borough over the next few years the Council may fall into breach of its statutory duty.

Under Schedule 11 of the Education Act 2011 (1) If a local authority in England consider that a new school needs to be established in their area, they must seek proposals for the establishment of an Academy. The CSPS indicates that new schools are likely and as and when this arises officers will be provided with detailed legal advice.

Individual proposals will need to be submitted to Cabinet for all those schools requiring statutory approval to expand their accommodation to admit additional pupil numbers ie above 30 pupils or 25% of all school places. Detailed legal advice will be provided on individual cases as they arise.

## **Human Resources implications and risks:**

As a result of a decision supporting the expansion programme, there is likely to be a need to recruit additional teaching and support staff within the relevant schools. These schools will directly manage the recruitment and selection process in accordance with the existing and relevant HR policies and procedures. Schools' HR support in relation to these processes will be provided as appropriate.

## **Equalities implications and risks:**

An Equalities Impact Assessment has been conducted and the conclusion is that there would be no identified adverse impacts.

## **BACKGROUND PAPERS**

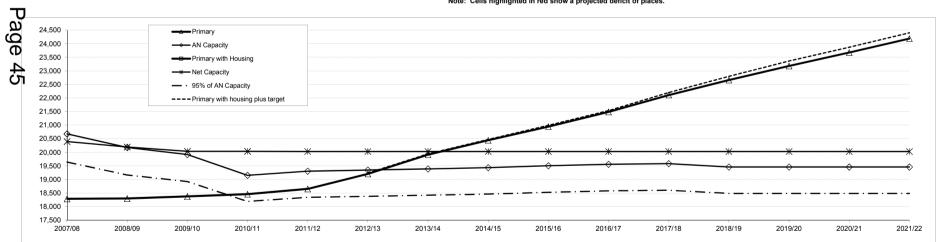
- DfE Advice: Establishing a new school, Departmental advice for local authorities and new school proposers, May 2012
- Havering School Planning Data Pack Spring 2012

#### APPENDIX A

#### PROJECTED PRIMARY PUPIL POPULATION 2012-13 TO 2021-22

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	10.001	40.000	40.000	40.400	40.0=4	40.404	40.500	00.000	20.550	24.024	24.074	22.524	22.452	22.222	~~~
Total Primary	18,284	18,299	18,378	18,460	18,651	19,134	19,786	20,269	20,750	21,291	21,974	22,581	23,150	23,660	24,191
Total Primary with housing						19,207	19,916	20,446	20,946	21,487	22,111	22,662	23,184	23,675	24,191
Total Primary with housing plus target (not yet	planned)					19,234	19,943	20,473	20,996	21,538	22,204	22,797	23,362	23,872	24,404
BY ADMISSION NUMBER (AN)															
Primary Capacity (AN)	20,679	20,177	19,922	19,152	19,309	19,348	19,392	19,436	19,505	19,559	19,583	19,460	19,460	19,460	19,460
Primary Surplus/Deficit (including housing)	2,395	1,878	1,544	692	658	141	-524	-1,010	-1,441	-1,928	-2,528	-3,202	-3,724	-4,215	-4,731
Primary % Surplus/Deficit (including housing)	11.6%	9.3%	7.8%	3.6%	3.4%	0.7%	-2.7%	-5.2%	-7.4%	-9.9%	-12.9%	-16.5%	-19.1%	-21.7%	-24.3%
Primary % Surplus/Deficit inc.housing plus housing	target					0.6%	-2.8%	-5.3%	-7.6%	-10.1%	-13.4%	-17.1%	-20.1%	-22.7%	-25.4%
95% of AN Capacity	19,645	19,168	18,926	18,194	18,344	18,381	18,422	18,464	18,530	18,581	18,604	18,487	18,487	18,487	18,487
BY NET CAPACITY (NC)															
Primary Capacity (NC)	20,396	20,198	20,038	20,038	20,032	20,032	20,032	20,032	20,032	20,032	20,032	20,032	20,032	20,032	20,032
Primary Surplus/Deficit (including housing)	2,112	1,899	1,660	1,578	1,381	825	116	-414	-914	-1,455	-2,079	-2,630	-3,152	-3,643	-4,159
Primary % Surplus/Deficit (including housing)	10.4%	9.4%	8.3%	7.9%	6.9%	4.1%	0.6%	-2.1%	-4.6%	-7.3%	-10.4%	-13.1%	-15.7%	-18.2%	-20.8%
Primary % Surplus/Deficit inc.housing plus housing	_ ı target					4.0%	0.4%	-2.2%	-4.8%	-7.5%	-10.8%	-13.8%	-16.6%	-19.2%	-21.8%



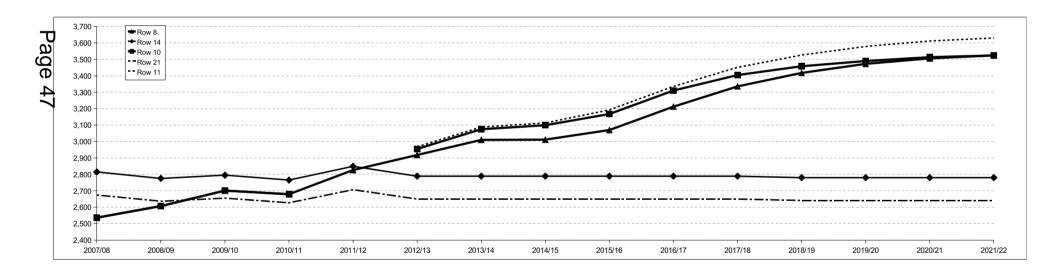


APPENDIX B

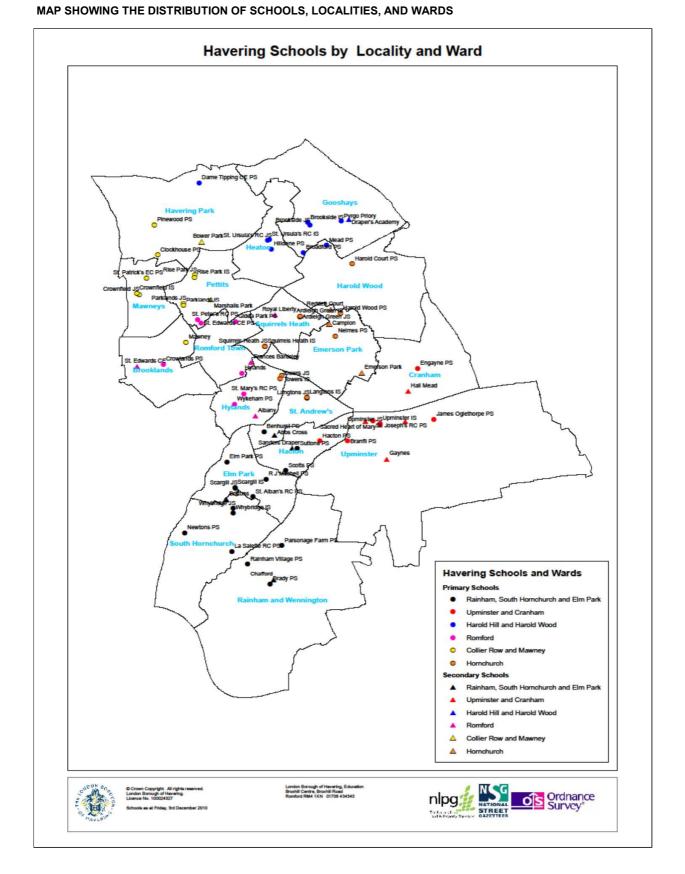
#### PROJECTED RECEPTION PUPIL POPULATION 2012-13 TO 2021-22

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total Reception	2,536	2,607	2,701	2,679	2,826	2,918	3,010	3,011	3,069	3,212	3,336	3,418	3,473	3,506	3,524
Projected Reception Total inc. housing			ı			2,955	3,075	3,099	3,168	3,310	3,405	3,458	3,490	3,513	3,524
Total Reception with housing plus target (not	yet planned)					2,968	3,088	3,113	3,192	3,335	3,451	3,526	3,579	3,612	3,630
BY ADMISSION NUMBER (AN)															
Reception Capacity (AN)	2,815	2,775	2,795	2,765	2,849	2,789	2,789	2,789	2,789	2,789	2,789	2,780	2,780	2,780	2,780
Reception Surplus/Deficit (including housing)	279	168	94	86	23	-166	-286	-310	-379	-521	-616	-678	-710	-733	-744
Reception % Surplus/Deficit (including housing)	9.9%	6.1%	3.4%	3.1%	0.8%	-5.9%	-10.2%	-11.1%	-13.6%	-18.7%	-22.1%	-24.4%	-25.5%	-26.4%	-26.8%
			•			0.404	40.70	44.007	4.4.50/	40.00/	00.70/	22.22/	00.70	00.00/	00.00/
Primary % Surplus/Deficit inc.housing plus housi	ng target					-6.4%	-10.7%	-11.6%	-14.5%	-19.6%	-23.7%	-26.8%	-28.7%	-29.9%	-30.6%
95% of AN Capacity	2,674	2,636	2,655	2,627	2,707	2,650	2,650	2,650	2,650	2,650	2,650	2,641	2,641	2,641	2,641

Note: Cells highlighted in red show a projected deficit of places.



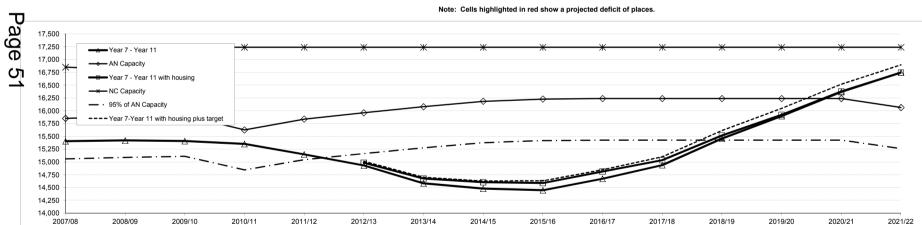
APPENDIX C



#### APPENDIX D

#### PROJECTED YEAR 7 TO 11 PUPIL POPULATION 2012-13 TO 2021-22

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Y7 - Y11 Total	15.405	15,422	15.409	15,353	15,150	14,934	14,584	14,478	14,449	14,674	14,938	15,459	15,896	16,369	16,747
Projected Secondary Y7-Y11 Total with addition	onal housing		, , , , , ,			14,987	14,676	14,605	14,589	14,813	15,037	15,517	15,920	16,379	16,747
Projected Secondary Y7-Y11 Total with housi			l			15,013	14,703	14,631	14,633	14,850	15,103	15,614	16,048	16,520	16,899
BY ADMISSION NUMBER (AN)															
Secondary Capacity (AN)	15,854	15,884	15,906	15,628	15,839	15,963	16,082	16,186	16,230	16,240	16,240	16,240	16,240	16,240	16,065
Secondary Surplus/Deficit (including housing)	449	462	497	275	689	976	1,406	1,581	1,641	1,427	1,203	723	320	-139	-682
Secondary % Surplus/Deficit inc.housing	2.8%	2.9%	3.1%	1.8%	4.4%	6.1%	8.7%	9.8%	10.1%	8.8%	7.4%	4.5%	2.0%	-0.9%	-4.2%
Secondary % Surplus/Deficit inc.housing plus ho	using target					5.9%	8.6%	9.6%	9.8%	8.6%	7.0%	3.9%	1.2%	-1.7%	-5.2%
95% of AN Capacity	15,061	15,090	15,111	14,847	15,047	15,165	15,278	15,377	15,419	15,428	15,428	15,428	15,428	15,428	15,262
BY NET CAPACITY (NC)															
Secondary Capacity (NC)	16,853	16,803	17,242	17,242	17,242	17,242	17,242	17,242	17,242	17,242	17,242	17,242	17,242	17,242	17,242
Secondary Surplus/Deficit (including housing)	1,448	1,381	1,833	1,889	2,092	2,255	2,566	2,637	2,653	2,429	2,205	1,725	1,322	863	495
Secondary % Surplus/Deficit (including housing)	8.6%	8.2%	10.6%	11.0%	12.1%	13.1%	14.9%	15.3%	15.4%	14.1%	12.8%	10.0%	7.7%	5.0%	2.9%
Primary % Surplus/Deficit inc.housing plus housing	ng target					12.9%	14.7%	15.1%	15.1%	13.9%	12.4%	9.4%	6.9%	4.2%	2.0%

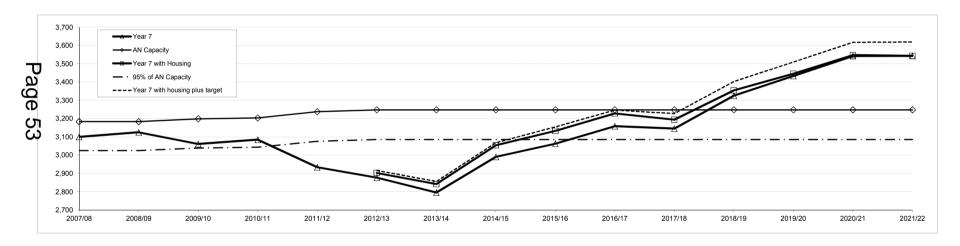


APPENDIX E

#### PROJECTED YEAR 7 PUPIL POPULATION 2012-13 TO 2021-22

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total Year 7	3,100	3,125	3,061	3,085	2,934	2,877	2,796	2,991	3,063	3,159	3,145	3,325	3,434	3,542	3,543
Projected Year 7 Total with additional housi	ng					2,903	2,842	3,054	3,133	3,228	3,194	3,354	3,446	3,547	3,543
Projected Year 7 with additional housing plu	us target (not	yet planned)				2,916	2,856	3,068	3,155	3,246	3,228	3,403	3,509	3,617	3,619
BY ADMISSION NUMBER (AN)															
Year 7 Capacity (AN)	3,184	3,184	3,199	3,204	3,238	3,248	3,248	3,248	3,248	3,248	3,248	3,248	3,248	3,248	3,248
Year 7 Surplus/Deficit (including housing)	84	59	138	119	304	345	406	194	115	20	54	-106	-198	-299	-295
Year 7 % Surplus/Deficit (including housing)	2.6%	1.9%	4.3%	3.7%	9.4%	10.6%	12.5%	6.0%	3.5%	0.6%	1.7%	-3.3%	-6.1%	-9.2%	-9.1%
Year 7 % Surplus/Deficit inc.housing plus hous	ing target					10.2%	12.1%	5.5%	2.9%	0.0%	0.6%	-4.8%	-8.0%	-11.4%	-11.4%
95% of AN Capacity	3,025	3,025	3,039	3,044	3,076	3,086	3,086	3,086	3,086	3,086	3,086	3,086	3,086	3,086	3,086

Note: Cells highlighted in red show a projected deficit of places.



## Appendix 1

#### **Draft**

## Commissioning School Places in Havering 2012-2016

## Meeting the Challenge of Changing Demand

Introduction

- 1. National context
- 2. Needs assessment
- 3. Supply analysis
- 4. Proposed strategy
- 5. Action plan

#### Introduction

Significant changes to the pupil population of Havering and to the school planning role of the Council have prompted this revised plan for commissioning school places in the borough.

Since the last plan in 2003 the birth rate has grown substantially and this has begun to have implications for the sufficiency of places in primary schools, especially in the first year of entry. Most importantly, whereas in the past the Council was expected to provide sufficient places to make up any shortfall they now have responsibility for commissioning those places.

This plan is intended to help the school community to understand the longer term population trends and the implications for their schools. It aims to let parents and the wider community of Havering know what changes are planned and how their views and preferences have contributed to key planning decisions. It is also of use to potential sponsors of new schools, such as Academies and Free schools, who want to understand more about Havering, where places are needed in the borough and by when, and what parents' preferences are.

#### 1. National context

The government outlined its intention for local authorities to have a more strategic role as champions for parents and families, for vulnerable pupils and for educational excellence, including responsibility for:

- Supporting parents and families through promoting a good supply of strong schools – encouraging the development of Academies and Free schools which reflect the local community
- Ensuring fair access to all schools for every child

"For the immediate future, the majority of schools will remain as local authority maintained schools...But we anticipate that, as Academy status becomes the norm, local authorities will increasingly move to a strategic commissioning and oversight role"

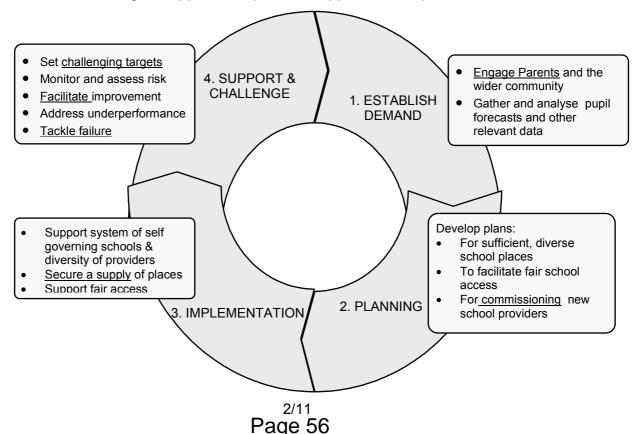
Source: The Importance of Teaching: The Schools White Paper 2010).

Local authorities are expected to encourage good schools to expand and to introduce Free schools and Academies as new providers in areas of demographic growth:

- LAs will be required to focus on supplying enough good places rather than removing surplus places
- Where there is a need for a new school, the first choice will be a new Academy or Free School
- LAs will be required to identify and work with sponsors who take over weaker schools and transform them into Academies. Authorities will be able to use their wider position in local regeneration, employment and community development, and their knowledge of existing schools when seeking sponsors who will fit the character of the local community.

Source: The Importance of Teaching: The Schools White Paper 2010.

This Commissioning, as opposed to provider, approach is represented as follows:



At a local level in 2006 the Council launched a consultation on *The Future Vision of Primary Schooling in Havering*, with a vision to provide better buildings for primary children and ensure the school infrastructure was appropriate for meeting future demand. Amongst the results of the consultation, at a time of long term falling rolls, were a set of agreed principles for planning places which form part of the current planning context:

- School closure or amalgamation may need to be considered where the number of children attending makes it educationally and financially unviable
- In the interests of making the best use of resources the Council sets a target for the removal of surplus places, where applicable, as recommended by the Audit Commission
- At the end of the review of primary school provision there should be no schools with more than 25% surplus places as recommended by the Audit Commission.
- Where there is a continuing need for a school with surplus places any space not required by the school will be considered for alternative complementary uses.
- In any re-organisation of our schools we should continue to provide a range of school size, but that the proportion of two form entry schools should increase.
- When establishing new provision, primary schools (age 4-11) should be preferred rather than separate infant and junior schools
- In principle, primary school admissions should be based on multiples of 30
- Schools are a local community resource and their potential for meeting a wide range of local needs should be developed. This will be progressed where possible through joint projects in support of the borough's strategies for regeneration, social inclusion and neighbourhood renewal.
- The supply of places should match as closely as possible pupils' and parents' needs and wishes
- Children, where possible, are able to attend a local primary school within a reasonable walking distance of their home

#### 2. Needs assessment

National guidelines have identified a number of key issues local authorities need to understand at a local level to plan school places effectively:

- When and where growth in the birth rate requires changes to primary and secondary provision
- How population movement, both migration (new arrivals) and local (within and between areas of the borough) is changing the pattern of demand for places
- How major changes in the housing market and uncertainty over new developments are creating difficulties in planning

Source: NFER, School Place Mapping, 2012

The number of primary pupils in Havering is set to increase by 2,833 (15%) between 2011/12 and 2016/17.

At secondary level the pattern is different with a downward trend until 2015/16, and a rising roll from 2016/17. Due to the current dip in secondary numbers there are currently no places to expand secondary schools. Further discussions may be needed at a later date.

The factors that have contributed to the rise in primary pupil numbers have been identified as the:

- substantial increase in the number of births within the borough
- increase in the cohort growth between those born in Havering and those entering Year Reception
- increase in the cohort growth across all primary year groups

## Birth rate - Driving the growing demand

Nationally the birth rate has been rising since 2002 and is projected to continue to rise until 2014. Source: 2010-based National Population Projections Mar 2012 ONS.

Since 1991 in Havering, when the annual birth rate was 2,822, there was a steady fall until 2001 when it reached the lowest point of 2,226. This trend reversed between 2006/07 and 2010/11 when the birth rate rose by 16.2%.

Havering's birth rate is forecast to continue to rise until 2015/16 when it will peak at 3,200 births and this peak is projected to be sustained up to 2025. By this time, projections indicate that there will be 32% more children born to Havering residents than in 2005. (Source: GLA 2011 Round Demographic Projections).

The increased birth rate 2006/07 to 2010/11 is estimated to vary cross planning areas (Appendix C) as follows:

Romford: 25.2%

Rainham, South Hornchurch and Elm Park 17.1%

Collier Row and Mawney 16.4% Upminster & Cranham 15.6% Harold Hill & Harold Wood 11.2% Hornchurch 10.5%

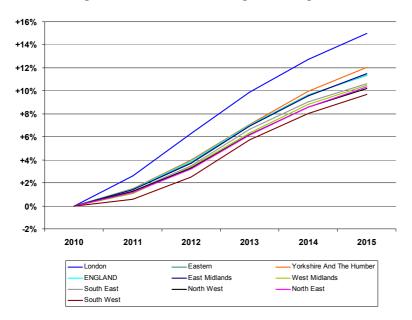
#### **Primary Pupil Numbers**

Total pupil numbers in Havering Primary schools began to increase in 2007/08 and by 2020 are projected to rise by 27% compared with 2011 (Appendix A). Nationally the increase in primary numbers began in 2010 and by 2020 is projected to increase by 20% compared with 2011, reaching levels last seen in the 1970s. (Source: DfE Statistical Release: National Pupil Projections. Future Trends in Pupil Numbers, Jan 2012).

By 2015 primary in Havering numbers are projected to increase by 12.3%, below the London average of 15% but above the 10% national average. (Source: as above).

Fig 1. Population aged 5 to 10 (age at mid-year): Projected change in population size by government office region Years: Mid-2010 to mid-2015

Coverage: Government office region in England



Total primary numbers peaked in Havering in 2000 at 19,770 and began to fall the following year, reaching a low of 18,284 in 2007/08, due to the downward trend in birth rate during the 1990s. (Source: School Census 2000 – 2006).

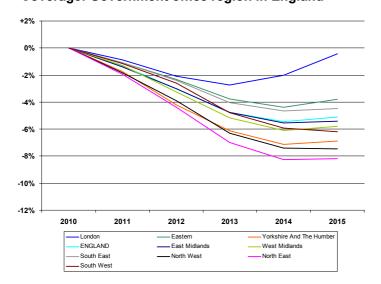
Nationally primary pupil numbers in state funded schools peaked in 1999 at 4.3 million and began to fall in 2000, reaching a low of 3.95 million in 2009 (Ref A). In Year R, the first year of entry to compulsory schooling, numbers in Havering are forecast to rise by 17% by 2016/17, compared with 2011/12 and by 24% by 2020/21. (Appendix B)

## Secondary – Year 7-11 Pupil numbers (Appendix D)

Secondary pupil numbers began to fall in 2008/09 and are projected to continue to decline until 2016/17, at which time the increase in primary numbers will start to flow through. By 2015 secondary numbers are expected to have fallen by 3.7% compared with 2011.

In London the year 7-11 secondary age group is projected to rise from 2014 while in all other national regions secondary numbers are expected to decline in each year up to and including 2015. (Source: DfE Statistical Release: National Pupil Projections. Future Trends in Pupil Numbers. Jan 2012).

Fig 3: Population aged 11 to 15 (age at mid-year):
Projected change in population size by government office region
Years: Mid-2010 to mid-2015
Coverage: Government office region in England



## **School Diversity**

The governance arrangements of schools in Havering are becoming more diverse, Of the 80 maintained schools in the borough the majority (68%) are community schools but the proportion of Academies is expected to rise over the next five years inline with government policy.

School category	Primary	Secondary	Special	Total
Community	48	4	2	54 – 68%
Academy – Convertors		10		10 – 13%
Voluntary Aided – Catholic	8			8 – 10%
Foundation	1	3		4 – 5%
Academy – Sponsor led		1		1 – 1%
Foundation (Trust)			1	1 – 1%
Voluntary Aided – Church of England	1			1 – 1%
Voluntary Controlled	1			1 – 1%
Academy – Free school				
Total	59	18	3	80

Primary schools, which include 12 pairs of separate Infant and Junior schools, range in size from 104 pupils on roll to 717.

Secondary schools range from 475 pupils on roll to 1,362, including Post-16 numbers. Six secondaries currently offer Post-16 education. 61% of secondaries are Academies and others have begun the process for conversion. Three secondary schools are single sex, one boy's and two girls', a relatively small proportion of secondaries.

## Parents Survey 2012

Assuring the active involvement of parents is a fundamental tenet of our approach to school planning. Understanding their satisfaction with the existing school organisation system, and their preferences and concerns for the future is essential to the commissioning process.

National data indicates a relatively high proportion of parents residing in the borough received an offer of a place at one of their preferred secondary schools, when compared to the average for Outer London boroughs eg 96.4% of Havering residents receive an offer of one of their top three preferences compared to the 89.3% Outer London average.

	In borough Applications	Sum of all admission		Pref	erence	Offer		Alternative offer	Offer to res	made ident
		nos.	1st	2nd	3rd	1-3	Other		In	Other
									LA	LA
Havering	2,490	3,248	81.3	11.3	3.7	96.4	98.2	1.8	91.4	8.6
Outer London	50,931	54,907	68.4	14.6	6.4	89.3	95.5	4.5	81.3	18.7
Boroughs Average										

Source: DfE Statistical Release: Applications and offers for entry to secondary schools in England in for the academic year 2012/13.

High numbers of parents being offered their preferred school however is not necessarily a reliable indicator of parental satisfaction with the schooling provided in their area. A recent national parental satisfaction survey found that the schools parents indicated were their preferred were in fact often those they felt they had the most realistic chance of being offered, rather than their ideal.

This national survey identified the factors that affected parental choice of school, their satisfaction with local provision and their attitude to proposals for new providers. The key findings were:

- proximity of a school, exam results and reputation were the most important factors influencing choice. While local authorities cannot change the location of a school they could influence levels of satisfaction by providing up to date information on improvements that can have a bearing on reputation.
- parents generally said they were making informed decisions about preferences for schools but in areas where they believed their choice was limited they did not necessarily select the ideal school for their child. It was clear that in making choices, 'first choice' schools were not necessarily the preferred choice, they can be the realistic choice in the circumstances

 parents supported in principle a diversity of school types and a demand for more school types in their area, a need for more grammar and single sex schools was cited mostly. While there was support for the involvement of partners in schools, the level of support for different types of provider varied. Further and Higher Education institutions were viewed very positively, while faith groups and independent groups received less support. When promoting the involvement of partners in schools it would be easier to win parental support if those partners were universities or colleges.

In May 2012 Havering conducted its own Survey of Havering Parents to find out what they felt about the existing school provision and what they would like to see in the future. A detailed analysis will be produced and made available in due course later in the year.

## 3. Supply analysis

## **Primary Places**

In 2011 there were a total of 19,464 primary places in the borough for 18,429 pupils, an occupation rate of 95%, above the 90% rate recommended by Audit Commission to allow flexibility for parental preferences to be met and population movement. Of the 59 primary schools in Havering in 2011, 18 were full or had pupils in excess of their capacity and 41 had one or more unfilled places.

Total primary pupil numbers are forecast to rise from 2010/11 by 12.3% by 2015, and by 27% by 2020. We expect that this rise will be sustained longer term, driven mainly by the underlying increase in annual birth rate which is projected to rise to 3,200 in 2015/16 and to continue at this increased level for the foreseeable future.

Changes to the housing benefits system is anticipated to lead to a movement of families with school age children from housing in expensive central areas of London to the more affordable housing available in outer London boroughs such as Havering.

The most significant growth is projected for Year R (the Reception year) the first year of entry to compulsory primary education. Numbers are forecast to rise from 2,826 in 2011/12 to some 3,310 in 2016/17 (17%), and to 3,513 (24%) by 2020/21.

When pupil projections for Year R are broken down into school place planning areas (Appendix C) and compared with the availability of places in the area, the forecast need for places is assessed in forms of entry as follows:

	Projected Shortfall of School Places by Planning Area											
School Place Planning Area	2012/13 Bulge Classes	2013/14 FE	2014/15 FE	2015/16 FE	2016/17 FE	Total FE						
Romford	2	3	1		1	5						
Harold Hill/ Harold Wood	1	2		1	1	4						
Rainham, S Hornch, Elm Pk	1	2		1	1	4						
Collier Row/ Mawney	1	2			1	3						
Hornchurch	1	2			1	3						
Upminster	0.5	1			1	2						
<u>Total</u>	6.5	<u>12</u>	1	2	6	<u>21</u>						

- Bulge classes are a temporary expansion of one class of 15 or 30 for one year, with no necessary commitment for future years
- FE is a 'form of entry', the need for 30 places for each of the seven primary year groups (YrR-6) ie 210 places per form of entry.

There is limited diversity among primary schools, with community and voluntary aided Catholic making up 95% of schools. The growth in pupil numbers will present an opportunity longer term to introduce new schools to the borough which will be required to be Academies or Free schools.

## **Secondary Places**

There were a total of 17,924 secondary places (11-19) in 2011 for 16,672 pupils, giving a 93% occupancy rate which is slightly above the 90% recommended by Audit Commission.

Of the 18 schools in the borough in 2011 two were full or had pupils in excess of their capacity and the remaining 16 had one or more unfilled places, a total of 1,297 unfilled places across all secondaries.

Secondary numbers are projected to decline until 2016/17, at which time the increase in primary numbers will start to flow through. Currently there are 1,297 surplus places, 7% of total places, which is close to the 10% level recommended by Audit Commission. Rising primary numbers in neighbouring authorities; the raising of the participation age in education, employment or training from 2013/14; the possibilities that some secondaries may apply to become All-through, in response to the need to expand primary places; and the opportunity for some schools to propose to increase their age range by the provision of Post-16 education, could significantly encroach on spare capacity by 2016/17 when numbers are forecast to rise longer term.

An analysis of Year 7 forecasts, the first year of entry to secondary school, projects a shortage of places by 2018/19, and a requirement for up to four class bases to meet the demand. (Appendix E).

There is currently diversity amongst secondaries though evidence from the parents' survey of the need for more single sex provision, especially for girls. Government

policy may lead to further diversification with the introduction of new Free Schools and Academies to meet longer term future demand for additional places.

## 4. Proposed strategy

## **Primary**

There is a projected need for 21 forms of entry at primary level over the five year life time of this strategy, and a further need into the future.

There is an urgent need to provide primary places by September 2012 and this is being done by providing sufficient 'bulge classes', temporary expansions of one class of 30 for one year, for each planning area of the borough. Suitable schools have been invited to accept a bulge class if they were located within the area of growth and had sufficient existing space to accommodate a single class.

For September 2013 (12) and 2014 (1) there is a projected need for a total of 13 Reception classes and to meet this we propose to expand the capacity of a sufficient number of schools to meet demand.

Suitable schools for expansion are being selected on the basis that they are both popular and successful; they have sufficient site area for expansion; expansion will not lead to the school becoming too large; and the school is located within an area of growth.

In light of the limited number of schools that may be suitable for expansion there may be a need to introduce new schools into the borough by September 2014 and/ or September 2015. However, by 2016/17 there is a projected need to commission up to a further eight Year R classes. This demand may be met by the introduction of new schools. However, if this has not happened there may be fewer schools who are likely to be able meet the criteria for expansion, eg it would normally be against Council policy to expand a Primary beyond three forms of entry, or an Infant or Junior school beyond four forms, because over expansion could affect the ethos and organisation of a school, and be against parental preferences.

For these reasons we are planning to meet the need for places from 2015/16 onwards by commissioning new schools, where possible, and suitable secondaries that have suitable sites for extending their age range to include a primary phase.

Technical feasibility works will be carried out at a number of secondaries to assess their potential for expansion to accommodate a primary phase.

Representations will continue to be made to DfE to explore the opportunities for major capital investment in primary expansion projects.

## Secondary

While numbers are projected to continue to fall to 2015/16 and there is already 7% surplus capacity across all secondaries, it is important to continue to monitor numbers as applications from neighbouring boroughs may rise significantly flowing from their primary rising rolls.

The DfE will shortly be inviting expressions of interest from sponsors seeking to open new Free Schools or Academies from 2014/15. Havering's Officers are meeting with potential sponsors and providing them, where appropriate, with the evidence they need of a shortage of new places and possible potential sites or accommodation in the borough.

There will be a need to continue to monitor the capacity of secondaries, including Academies, in view of developments such as primary expansions on site and which could affect capacity and constrains the flexibility to provide additional places when they are needed once rising primary numbers reach transfer stage.

#### References

A. DfE Statistical Release, National Pupil Projections: Future Trends in Pupil Numbers – Jan 2012

http://www.education.gov.uk/researchandstatistics/datasets/a00201305/dfenational-pupil-projections-future-trends-in-pupil-numbers-december-2011

B. DfE Statistical Release, School Capacity 2011 http://www.education.gov.uk/rsgateway/DB/STR/d001050/index.shtml

## **Appendices**

- A. Primary Pupil Population Projections 2012/13 to 2021/22 (D4)
- B. Reception Pupil Population Projections 2012/13 to 2021/22 (D5)
- C. Map showing All Schools by ward boundary
- D. Secondary Pupil Years 7-11 Population Projections 2012/13 to 2021/22 (D7)
- E. Secondary Year 7 Pupil Population Projections 2012/13 to 2021/22 (D8)



## **CABINET**

## REPORT

11 July 2012

Subject Heading: Future Shape of Education Services

Cabinet Member: Councillor Paul Rochford

CMT Lead: Sue Butterworth

Director of Children's Services

**Report Author and contact details:**Mary Pattinson, Head of Learning and Achievement. Tel, 01708 433808; email

mary.pattinson@havering.gov.uk

Policy context: This decision has implications for all

schools, located across all wards in the

Borough.

**Financial summary:** The growth of academies in Havering has

led to changes in the role of local

authorities and an associated reduction in the total amount of funding directly available to the Authority (estimated at £1.3-£1.8m in 13/14). These changes have led to a review of education services provided by the Authority to deliver the

required efficiency savings.

Is this a Key Decision? Yes

Is this a Strategic Decision? Yes

When should this matter be reviewed? April 2014

**Reviewing OSC:** Children's Services

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

Ensuring a clean, safe and green borough	[]
Championing education and learning for all	[x]
Providing economic, social and cultural activity	
in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[x]
Delivering high customer satisfaction and a stable council tax	[x]

## SUMMARY

This report outlines a number of proposals for the future delivery of education services from April 2013. It reflects the Council's strategic aim to become a smaller, more streamlined organization, which, as a consequence, changes the principles upon which services are delivered. It sets out the national and local contextual factors which have been used to determine the future shape of the service.

It also acknowledges the importance of retaining services within the council which ensure that there is;

- A sufficiency of high quality early years and school places, and provision for vulnerable children and adults (up to the age of 25).
- Appropriate assessment and support for the Borough's most vulnerable children and young people.
- A team to prevent school failure, by prompt and appropriate intervention.
- Improving pupil outcomes by schools, so the council can strengthen the reputation it has within the business community as an attractive area to locate.

It highlights the impact of a rapidly changing landscape of relationships between schools and the Local Authority, in which:

- A Schools have an option to exercise greater freedoms and flexibilities through increased autonomy by conversion to Academy status.
- There is subsequent reduction in the levels of funding received historically by the Council in addition to the national 'deficit reduction' programme.
- The role of the council, through its Children's Services Department, is defined fundamentally by the delivery of its statutory functions.
- Nationally a network of Teaching Schools, National Leaders in Education and National Support Schools is in place. Schools are being encouraged to further develop the use of this school to school support function particularly to take forward aspects of continuing professional development for staff. This will include support that is available locally through art, music and sports partnerships.

The report considers how statutory and essential in-house services can be reconfigured to reflect the new role of Local Authorities but at a reduced cost and increased efficiency. It goes on to suggest a number of options for some parts of the service that will no longer be delivered directly by the Authority.

The non statutory education services, of the Europa Centre, Catering Service, Adult College and the Music School, which provide support to children,

families and schools, are not discussed in this report. A further report will be presented at a later date once final options and recommendations have been identified for these teams.

# RECOMMENDATIONS

- 1. To retain in house a smaller number of teams with responsibility for delivering the authority's **statutory duties** to vulnerable children and families, and those relating to preventing school failure. (Implementation April 2013).
- 2. (a) To explore two options for the **non statutory functions of Hsis** during July:
  - the establishment of a non statutory Havering School Improvement Service (Hsis) Trust with local schools
  - a "soft market testing" exercise to establish the level of external interest in running the service.
- 2. (b) That a final decision about the "destination" of this service is made following this work. (Implementation April 2013).
- 3. To note that work continues to ensure that the non statutory traded services of the Europa Centre, Catering Service, Adult College and the Music School meet their MTFS savings targets, whilst options continue to be explored for the future delivery of these services.

REPORT DETAIL

1. **Introduction** 

- 1.1 The national context for education is changing as schools are now actively encouraged by central government to consider greater degrees of autonomy principally by conversion to Academy status.
- 1.2 This requires a fundamental appraisal of the established relationships between schools and the local authority, with the requirement to undertake a thorough evaluation and redesign of services previously provided at no cost to schools, or with a significant subsidy from the Council.
- 1.3 This process is set against a general and significant reduction overall in the levels of historic funding received by councils in addition to the impact of the national 'deficit reduction' programme.
- 1.4 This report is predicated on the principle that the London Borough of Havering's key strategic aim is to become a smaller, more streamlined organization, which therefore changes the principles upon which services are delivered. At the same time, the report recognises the need to maintain and improve upon the rates of progress achieved by the borough's schools, and to ensure that all children and young people have appropriate provision in place for them in terms of their educational need.

#### 2. National and Local Context

2.1 There have been a significant number of changes to the national and local context within which local authority education provision is determined. Three of the main changes have been set out below.

#### Provision

Over the last two to three years there has been a significant change in the diversity of provision for schools. This new provision includes the growth of Academies, Free Schools, Studio Schools and University Technical Colleges (UTCs) ie state funded, independent schools where the Local Authority has a smaller statutory role. In Havering there are currently 12 Academies, out of the 18 secondary schools, and one planned UTC (at CEME). The number of secondary or primary academies in Havering may increase over time. In addition, as part of Havering's Primary School Expansion Programme for 2014 onwards, new primary academies and/or Free Schools will develop to fill the need for new schools.

#### Roles and Responsibilities of Local Authorities

2.3 Associated with this increasing range of education providers has been a review and redefinition at national level of the role of local authorities. As a result the LA's role has been clarified by the Department for

Education as that of "education champions" with responsibilities to ensure:

- a) high quality provision is available for all children and young people, by the commissioning of places for children between the ages of 2-5, i.e. Early Years provision, Schools (5-19), and for those children and young people with special (up to 25) or additional needs or who have been excluded from school;
- equity of provision by ensuring strong and robust challenge and early intervention where an individual child, groups of pupils or a school's performance is identified as causing concern e.g. where a group of pupils' are performing below national expectations, there is unfair practice leading to inequality, schools are in financial difficulty or there is unfair or unsafe practice taking place or early signs of school failure;
- c) strong partnership working with all agencies to ensure the wellbeing of all children and young people, irrespective of their needs or the governance arrangements of the school.
- 2.4 Further details of the Authority's statutory responsibilities are set out in Appendix One.

#### **Funding**

- 2.5 Associated with the changes set out above, there have been changes in the way local authorities are funded for their support to children and young people, and schools. In particular the way that funding for Academies, Free Schools and University Technical Colleges (UTC)s takes place, i.e. that money previously given to the LA to distribute now by-passes it, and goes directly to these schools. This consequent reduction in funding available to support the most vulnerable children and schools is taking place at a time when the council's overall central funding is being reduced.
- 2.6 In addition to specific 'education' grant reductions the council, like all other councils nationally, is looking to reduce its size and cost and has therefore identified MTFS council wide savings targets for all service areas.
- 2.7 The table below is a summary of the MTFS savings relating to services provided from Learning & Achievement. The proposals within this report will achieve savings above those already identified through the MTFS process.

# Summary of Learning and Achievement and Traded Services MTFS Savings

Service	2012/13	2013/14	2014/15 and beyond
	£000s	£000s	£000s
Restructure of Additional Educational Needs Service	0	95	95
School Improvement Transformation	177	322	322
Traded services	100	450	900
Implementations of SEN Green Paper	0	50	100
School Transport	200	600	600
Total	477	1,517	2,017

2.8 In addition to the council wide savings identified above local academy growth in Havering has led to a reduction in funding both to the council through its central Department of Communities and Local Government (DCLG) grant (see below) and through losses through the Dedicated Schools Grant (DSG) of £746,941 to some services that support children, young people and schools.

#### Summary Table of DCLG Reductions

Grant	2011-12	2012-13	2013-14
Council Grant (DCLG)	£630,000 *1	£1.13 m *1	£1.3-£1.8m *2

- \*1 Decision was made in Havering for these DCLG grant reductions to be absorbed corporately.
- \*2 This an estimate. The DFE has not yet announced the methodology for calculating DCLG grant reductions in 2013/14.
- 2.9 These three factors have led to a major review of education services in Havering. However alongside the significant funding reductions set out above consideration has also been made of the current standards being attained by schools within Havering. This is particularly important as the changes set out above are taking place at a time when the rate of improvement in the performance of schools, is slowing down; when the gap between the performance of most children and our most

vulnerable remains significant and when many schools in Havering are judged by Ofsted as only satisfactory or below.

#### Outcomes for Children and Young People in Havering

2.10 The tables in Appendix 2 set out this broader context and are important when considering the size and scope of the education services that are needed to maintain and strengthen outcomes for Havering children, when the rate of improvement in early year's settings and at all key stages in schools within Havering is slowing down. The rate of improvement is also slowing compared to national rates of improvements in most key stages. Work to address the gap in performance between the average child in Havering and those who vulnerable, those in receipt of FSM, LAC and SEN, is taking place and it is reducing; however the gap is still too large.

#### Ofsted

- 2.11 Performance in schools in Havering as measured by Ofsted inspections is generally good however there is a large number of schools that remain satisfactory. Currently 22% of primary schools and 35% of secondary schools are judged as satisfactory, as well as there being a number of schools who have remained satisfactory for more than two Ofsted inspections.
- 2.12 These schools represent a particular area of focus for the Council as a result of the re-framing of the OfSTED framework from January 2012, to be revised further from September 2012. These schools in principle, together with those who are assessed by inspection teams as performing well but 'coasting', are vulnerable to a judgement of failure to provide adequate education, and potential direct intervention by the Department for Education.
- 2.13 Each of these factors has been important in determining the shape and size of services that need to be retained by the council to provide support both the most vulnerable and prevent school failure. Therefore the recommendations are:

#### 3. **Recommendation One**

- 3.1 To retain in house a small number of teams that are responsible for delivering the authority's statutory duties to vulnerable children and families, and those relating to preventing school failure. (Implementation date -April 2013).
- 3.2 The duties relating to vulnerable children, families and school improvement have recently been revised by the government and this has lead to a review of the resources necessary to deliver these reduced responsibilities. This particularly relates to the area of school improvement where the responsibility of local authorities has changed

very significantly. The proposal set out below is to reconfigure the teams who are responsible for delivering these duties, at the same time as reducing the cost to the council. The current structure consists of nine teams, all of whom have responsibility for aspects of this delivery. The proposal is to consolidate the skills and experience into four teams. The composition of three of those teams is set out below. The Foundation Years and Information and Advice team has not been included as it will be reviewed in 2013/14.

#### 'Inclusion Service'

- 3.3 This new service brings together the current Special Education Needs Services (Education Psychology, SEN, Under 5's Inclusion Service, Learning Support Service) which support children with identified learning needs, with the Inclusion and Behaviour Support Service which support children with identified behaviour needs. This will bring together the teams who provide support for our most vulnerable children including those with identified special and significant behaviour needs including those at risk of exclusion, into one integrated team. The final configuration of this team will need to confirmed at a later date as the newly released White Paper on SEN, and the evolving arrangements for attendance and alternative provision, will impact on the delivery of these services but will also create opportunities to identify further savings.
- 3.4 The Behaviour Support Service is a traded service with schools. The intention is that the team should continue to generate significant income through selling its services to schools but also provide a Council and Early Intervention Grant (EIG) funded targeted service to those children and families with the greatest need. This will be a reconfigured service with some proposed changes to management structures and administrative support to meet the needs of the new integrated service.

### 'Pupil Place Planning Service'

- 3.5 This new service includes parts of two existing teams, Admissions (currently in Additional Educational Needs (AEN)) and 14-19 team (currently in Young People and Adult Learning (YP&AL), and includes the School Organisation Team (currently managed within Social Care and Learning Commissioning Team).
- 3.6 It creates an integrated team which will have the statutory responsibilities for ensuring high quality provision for children from reception through all their schooling to aged19, and up to 25 years for those young people with learning difficulties and disabilities (LDD).
- 3.7 It replaces these disparate parts of individual teams all of which have part of this statutory function, and therefore brings together the statutory responsibility for all pupil place planning and processes and

will ensure this is a streamlined and effective service. Again this will be a reconfigured service with some proposed changes to management structures and administrative support to meet the needs of the new integrated service.

### 'Quality Assurance and Prevention Service'

- 3.8 This new service will be responsible for delivering the statutory services to prevent school failure. In addition the Governing Body Support Unit (GBSU), School Finance and School Human Resources teams will continue to generate income. Retaining the income generating elements of these teams in-house reduces costs to the council as significant efficiencies can be created through this approach. This team is also likely to include some other statutory functions currently residing in the Children and Young People's team.
- 3.9 The benefits of this proposal are that the cost to the Council for these services in a new streamlined team, with associated changes to management structures and administrative support, would be reduced, at the same time as creating an integrated team whose major responsibility is to prevent school failure. This integrated service will provide rigorous locally based and frequent, quality assurance activities for all school provision, identifying where intervention is needed, holding schools to account and commissioning some additional provision where necessary to support maintained schools to improve; whilst monitoring progress to ensure rapid improvement. This team will work very closely with the Pupil Place Planning Team to ensure high quality schools are expanded and built. Quality services would be provided to schools to ensure:
  - a strengthening of school provision in Havering, improving outcomes for children, especially the most vulnerable;
  - that the Council can more effectively manage its employment and financial responsibilities and liabilities, and reduce the significant litigation risks it has as an employer for the community and voluntary controlled schools;
  - both the traded and statutory areas play a key quality assurance role and reduce the risk of financial irregularities, employee relations issues and school failure;
  - there is the potential to respond promptly and intervene effectively to schools who are placed in a category of concern either by the Authority or Ofsted.

# <u>Indicative Staffing Changes achieved by this recommendation</u>

3.10 As set out above the proposal sets out to increase efficiency and streamline services wherever possible, therefore reducing cost to the Council. The proposals will reduce the number of teams from nine to four, with an associated reconfiguration of service delivery which is expected to bring greater efficiencies. This will provide an opportunity

to review job descriptions for these reconfigured teams, including a review of Learning & Achievement back office functions. Early analysis would indicate some staffing reductions, as activities previously undertaken by the council are undertaken directly by schools and academies, and a reduction in management posts at all levels across the service.

#### **Summary**

3.11 The recommendation is for the statutory functions carried out by the services that support the most vulnerable children and families are retained within the council, but at reduced cost. In addition the statutory functions of the remaining "school improvement" teams form a new 'Quality Assurance Service', and together with the statutory and essential, services delivered by the Governing Body Support Unit, Schools' Human Resources and Finance teams.

#### 4. Recommendation two

- 4.1 a) To explore two options for the **non statutory functions of Havering School Improvement Services (Hsis)** during July:
  - i) the establishment of a Trust with local schools;
  - ii) a "soft market testing" exercise to establish the level of external interest in running the service.
  - b) That a final decision about the "destination" of this service is made following this work. (Implementation April 2013).
- 4.2 The non statutory services provided by Hsis are well regarded by schools in Havering. The service is also expanding into other neighbouring authorities. This service provides school improvement support to school leadership teams, subject and aspect support for example in ICT and assessment practice. It also provides significant amounts of continuing professional development through both the provision of courses and in school events. The number of schools choosing to buy back from Hsis is high. In 2011-12 100 % of primary schools and 82% of secondary schools bought some form of support from this team.
- 4.3 Recommendation one, set out earlier in the report, is that these non statutory school improvement services are not retained in house. Therefore there are three options related to this non statutory part of the team:
  - 1. To do no further work to support the continuation of this service.
  - 2. To deliver these services in a non statutory Hsis trust with schools
  - 3. Externalise the delivery of these services

- 4.4 **Option One** -To do no further work to support the continuation of this service.
- 4.5 This option puts at risk a service that is well regarded and valued by schools in Havering and which provides a significant level of support to Havering schools to improve. It would also increase the level of redundancies across the council.
- 4.6 **Option Two** To explore the delivery of these services in a trust with schools in July.
- 4.7 This option would be explored via discussion with schools in planned meetings in July. In order for the service to have a sustainable future, schools would be expected to undertake a long term commitment to take over full responsibility for the staff and service delivery thereby ensuring that the high quality support to schools in Havering continues in the long term. The advantages of this include the release from the council of the management obligations and costs of the service at the same time as creating an opportunity for a joint ownership and commitment to service delivery by schools.
- 4.8 In order for this to be successful there would need to be a long-term commitment by a significant number of schools in order to take on the legal, financial and HR liabilities, as well as an investment in the governance and management structures to run the trust. At present no serious interest has been expressed by local schools. New headteachers or changes in governance would also puts this Trust model at risk.
- 4.9 **Option Three** Externalise the delivery of these services
- 4.10 This option would be undertaken through a soft marketing exercise to "test the market" during July. This would identify as to whether there are any organisations who would be interested in taking over the running of this highly valued service. The advantages of this option is that it releases the full overhead of costs, potentially protects future employment of staff, preserves Havering heritage created through the investment of Havering taxpayers whilst ensuring a minimum level of provision in areas no longer in Council remit.

4.11 The major disadvantages are that there is a potential loss of control of range, type, cost, configuration and potentially losing the quality of service available to Havering Schools and the LA alongside a possible lack of distinction between the Havering service and any other local or national education services company.

#### Summary

4.12 To explore both options two and three at the same time. Thereby establishing the level of interest both within schools and other external

organisations during July, with a decision about the final option made in early September 2012.

#### **REASONS AND OPTIONS**

**Reasons for the decision:** To ensure that the Council is able to meet its statutory obligations to support children, families and schools, but within a reduced funding envelope, thereby ensuring the provision of high quality schooling to local residents and protecting the most vulnerable children and families.

**Other options considered:** To no longer provide statutory services to schools and operate a "free market", with the associated risks for the future lives of children and families in Havering and the long term reputation of Havering as a place in which businesses wish to locate and families wish to live.

#### **IMPLICATIONS AND RISKS**

#### Financial implications and risks:

A funding reduction of between £1.3-£1.8m is expected (pending final announcement) from 2013/14 as a result of reductions to the Department of Communities and Local Government (DCLG) grant. The proposals as outlined within this report are intended to make savings as a result of this fall in the Council's grant. Savings realised as a result of a restructure process will only be quantifiable once the Organisational Change and Redundancy Policy and Procedure has been applied. A restructure will feed into the Sept 2012 HR1.

Services included within this process are already contributing towards future MTFS targets of £595k for the financial year 2013/14, and £1,095k from 2014/15. It is important the rationale to achieve these savings is preserved, or alternative delivery methods will need to be identified from within Learning and Achievement. The savings proposals to respond to the DCLG reductions are outside the existing MTFS as the impact of this was not known at the time of setting the current budget strategy. Therefore this report outlines the initial proposals to deliver a streamlined Education service. The services budgets currently sit within the Learning and Achievement activity and savings are to be sought from Council funded activity. The impact of the reduction in DCLG grant on corporate support services is yet to be assessed

After market exploration of the two options for delivery of the non-statutory functions, should the establishment of a trust prove a viable option there would be related TUPE and pension cost implications, and possible set up costs. A full scoping of the financial implications and risks arising will need to be done to feed into the option appraisal. Likewise, any externalisation would be carried out via a full procurement exercise should the market testing indicate this option is feasible. This process would be subject to the appropriate authorisations and financial appraisal.

Should a new entity be established there would be a resultant impact on central support services, which would need to be considered in terms of the financial impact on Council overheads.

The exploration of options concerning delivery of non-statutory traded services will include an appraisal of the financial implications and risks. Decisions on the future of these services will be subject to the necessary authorisation process.

#### Legal implications and risks:

The Council has a number of statutory duties. These are set out in Appendix 1. The proposals here will reduce the size of the teams supporting children, families and schools and could put at risk the effective delivery of those duties.

The legal implications of any staff transfer are addressed in the HR implications section below. Depending on the future decisions on the Hsis operation there may be legal issues around the procurement of such services in future.

#### **Human Resources implications and risks:**

The management structure for the new services will need to be reviewed, including introducing new Service Manager Posts. As a consequence, there may be a risk of redundancy affecting some staff, in which case the changes would need to be managed and implemented in accordance with the Council's Organisational Change and Redundancy Policy and Procedure. It is likely that a consultation period of 90 days would be required, giving a lead time between commencing consultation and the effective date of any changes of six to seven months. Should any further changes to the teams be proposed once the new Service is established, the HR implications would need to be considered at that time.

The key consideration where services are to be provided by a separate legal entity is whether the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to the transfer. TUPE will apply if the transfer of services falls within the definition of either a "business transfer" or a "service provision change" as set out in the Regulations. Detailed analysis will be required once a recommended model and configuration has been identified.

Where TUPE applies, staff would transfer to the new legal entity with their current terms, conditions and continuous service intact. There is also an obligation to provide specified information to staff and trade union representatives relating to the transfer and its effects. In addition, there would be an obligation to consult with trade union representatives where any "measures" or changes to working conditions are practices are proposed.

Significantly, should there be a TUPE transfer, The Best Value Authorities Staff Transfers (Pensions) Direction 2007 requires that broadly comparable pension protection is secured for transferring employees. The new legal entity may be eligible to apply for Admitted Body status under the LGPS so that transferring staff could continue to have access to the LGPS. Admission would require the approval of the Pensions Committee and may require further approval of the Secretary of State.

There would be various costs associated with pension provision should a new legal entity be admitted to the LGPS. Actuary costs would be incurred to determine the value of fund allocated to the new legal entity, the applicable employer contribution rate and bond required. The new legal entity would have ongoing employer contribution rates and potentially the costs of providing a bond to cover its liabilities to the LGPS. If the legal entity is admitted on a fully-funded basis, the Council would bear the additional pensions back-funding cost for those staff that had transferred.

Should significant numbers of staff transfer to a new legal entity, any consequential impact on support services within the Council would need to be considered, for example Internal Shared Services, Finance and Human Resources.

#### **Equalities implications and risks:**

A full Equality Impact Analysis (EIA) of these proposals has been undertaken, alongside consideration of relevant data and evidence where available.

For pupils from groups with protected characteristics, attainment data reveals some particular issues for services to continue to address, including: relative lower school attainment gaps by boys; white British pupils; children living in poverty and looked after children.

However, the proposed changes themselves are unlikely to directly affect pupils from groups with protected characteristics, as long as the redesign of how services are delivered continues to include investment in equalities training and monitoring, targets and bespoke services where specific need is identified.

It is therefore essential that issues relating to the proactive support of the letter and sprit Equality Act are always included within service plans, monitoring and external contracts. Should these safeguards remain in place, the proposed redesign of services will provide greater flexibility and more

resource to front-line services, allowing better support for pupils (whether or not from groups with protected characteristics) with identified needs, alongside more efficient use of reduced resources.

For staff, the proposed changes are likely to affect individuals from all walks of life and backgrounds. It is likely that more female rather than male staff will be affected by the proposed changes. It will mean that for some they experience in-house reorganisation. For others it may mean that they experience a change of employer. Relating to office changes, should a staff member change office location, access ensuring equality of access will be essential.

Detailed workforce data is not currently available. Therefore the EIA recommends further development a workforce profile to more fully identify any address any equalities implications of the proposed changes.

In conclusion, whilst no major impacts specific to groups with protected characteristics are noted, ensuring ongoing awareness of equalities, training and promotion of a proactive approach to equalities will be essential. This will include ensuring full consideration of the specific needs of all protected groups.

**BACKGROUND PAPERS** 

None

# Appendix 1 -Statutory Functions by teams in the new service 'Inclusion Service'

- Act as effective and caring corporate parents for looked after children, with key roles in improving their educational attainment, providing stable and high quality placements and proper planning for when they leave care.
- Ensure that disabled children and those with special educational needs (SEN) can access high quality provision that meets their needs and fund provision for children with statements of SEN.
- Must ensure arrangements are in place for alternative provision for children outside mainstream education or missing education (eg due to permanent exclusion or illness) to receive suitable full-time education.

# 'Pupil Place Planning Service'

- Ensure that disabled children and those with special educational needs (SEN) can access high quality provision that meets their needs and fund provision for children with statements of SEN.
- Ensure fair access to all schools for every child in accordance with the statutory School Admissions and School Admissions Appeal Codes and ensure appropriate information is provided to parents.
- Must ensure provision for suitable home to school transport arrangements.
- Actively promote a diverse supply of strong schools, including by encouraging good schools to expand and, where there is a need for a new school, seeking proposals for an Academy or Free School.
- Promote participation in education or training of young people, including by securing provision for young people aged 16-19 (or 25 for those with learning difficulties/disabilities).

#### "Quality Assurance and Prevention Service"

- Act as effective and caring corporate parents for looked after children, with key roles in improving their educational attainment, providing stable and high quality placements and proper planning for when they leave care.
- Must ensure arrangements are in place for alternative provision for children outside mainstream education or missing education (eg due to permanent exclusion or illness) to receive suitable full-time education.
- Actively promote a diverse supply of strong schools, including by encouraging good schools to expand and, where there is a need for a new school, seeking proposals for an Academy or Free School.
- Take rapid and decisive action in relation to poorly performing schools, including using their intervention powers with regard to maintained schools and considering alternative structural and operational solutions.

- Develop robust school improvement strategies, including choosing whether to offer such services in a competitive and open school improvement market, working beyond local authority boundaries.
- Promote high standards in education by supporting effective school to school collaboration and providing local leadership for tackling issues needing attention which cut across more than one school, such as poor performance in a particular subject area across a cluster of schools.
- Support maintained schools in delivering an appropriate National Curriculum and early years providers in meeting the requirements of the Early Years Foundation Stage (as outlined in the EYFS Statutory Framework).
- Establish a schools forum for their area, maintain a scheme for financing maintained schools and provide financial information.
- Undertake specified responsibilities in relation to staffing and governance of maintained schools.

# Foundation Years and Independent Advice Service

- Act as effective and caring corporate parents for looked after children, with key roles in improving their educational attainment, providing stable and high quality placements and proper planning for when they leave care.
- Ensure that disabled children and those with special educational needs (SEN) can access high quality provision that meets their needs and fund provision for children with statements of SEN.
- Promote high quality early years provision, including helping to develop
  the market, securing free early education for all three and four year olds
  and for all disadvantaged two year old, providing information, advice and
  assistance to parents and prospective parents, and ensuring there are
  sufficient Sure Start children's centre services to meet local need and
  sufficient childcare for working parents.
- Support maintained schools in delivering an appropriate National Curriculum and early years providers in meeting the requirements of the Early Years Foundation Stage (as outlined in the EYFS Statutory Framework).

# **Appendix Two**

# Outcomes for Children and Young People

The tables below set out the local context in terms of outcomes for children in Havering and therefore the scope of the education services that are needed to maintain and strengthen outcomes for Havering children.

# Performance of Children and Young People in Havering Overall

		2009	2010	2011
		%	%	%
Early Years (% 78+ and CLLD & PSED)	Havering	55.2	59.5	58.6
	National	52	56	59

			2009	2010	2011
			%	%	%
	Reading	Havering	75	78	79
	(L2B+)	National	72	73	74
KS1	Writing	Havering	63	67	68
K51	(L2B+)	National	60	60	61
	Maths	Havering	76	78	78
	(L2B+)	National	74	73	74
KS2	Havering (L4+ Eng	& Ma)	77	75	77
	National		72	74	74
KS4	Havering (5+ A-C &	Eng & Ma)	58	62	64
	National		50	54	57

The table above shows how the rate of improvement in early year's settings and at all key stages in schools within Havering is slowing down. The rate of improvement is also slowing compared to national rates of improvements in most key stages.

#### Performance of Vulnerable Pupils

The gap in performance between the average child in Havering and those most vulnerable is reducing; however the gap is still too large.

Average Total EYFSP Score, ie Early Years	2009	2010	2011
LA % gap between median & bottom 20%	29.0	28.7	27.5

	KS1 Reading, Writing, Maths (2b+)		KS2 English & Maths (L4+)		KS4 (5+ A-C inc. Eng & Ma)				
	2009	2010	2011	2009	2010	2011	2009	2010	2011
FSM	53	58	63						
	42	47	50	58	63	62	30	36	38
	58	64	64						
Non	78	81	82						
FSM	65	70	71	79	77	80	60	64	66
	78	81	81						

The tables above shows the significant gap in the performance of children in receipt of free school meals and those who are not in receipt of free school meals. It is clear that the gap in most key stages remains between 18 and 28 percentage points.

	KS1 (2b)			KS2 (L4)			KS4			
					, ,			(5+A-C inc. Eng &		
								Ma)		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	
LAC	38	-	67							
	25	_	33	_	14	42	35	21	22	
	38	-	33							
Non	75	78	79							
LAC	63	68	68	77	78	77	58	62	64	
	76	78	78							

The table above shows a more significant gap for our children who are looked after and those who are not. The percentage gap ranges from 12 to 42 percentage points.

	KS1 (2b)			I	KS2 (L4)	)	(5+A	KS4 -C inc. E Ma)	ing &
	2009	2010	2011	2009	2010	2011	2009	2010	2011
SEN	34	34	32						
	17	19	20	34	37	34	15	26	22
	37	40	36						
Non	86	89	90						
SEN	75	78	79	89	90	89	66	69	70
	86	88	89						

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# **CABINET**

CADINE	
11 July 2012	
Subject Heading:	"Creating Brighter Futures" – A Vision for the future delivery of services for young people in Havering
Cabinet Member:	Andrew Curtin and Paul Rochford
CMT Lead:	Sue Butterworth and Cynthia Griffin
Report Author and contact details:	Kevin Feaviour  Kevin.feaviour@havering.gov.uk  x. 3863 Simon Parkinson  Simon.parkinson@havering.gov.uk  x. 2199
Policy context:	Living Ambition
Financial summary:  Is this a Key Decision?	The Youth Vision will be implemented from within existing service budgets Yes
is this a key becision?	• 165
Is this a Strategic Decision?	Yes
When should this matter be reviewed?	
Reviewing OSC:	

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

Ensuring a clean, safe and green borough	[x]
Championing education and learning for all	[x]
Providing economic, social and cultural activity	
in thriving towns and villages	[x]
Valuing and enhancing the lives of our residents	[x]
Delivering high customer satisfaction and a stable council tax	[x]

#### **SUMMARY**

This paper presents a vision for the future delivery of youth services in Havering entitled "Creating Brighter Futures". "Creating Brighter Futures" proposes a new approach to engaging with young people and supporting the Council, community, voluntary and business sectors to work more effectively with young people. It defines a new Havering Assets Framework and describes a new role for youth workers. This includes direct contact with young people, street projects and supporting the voice of young people in design delivery and governance of services. It also focuses youth work on building the capacity and capability of local people, volunteers and community groups to offer better outcomes for young people. The aim is to make the most of these natural networks that young people experience in their daily lives. It directly supports the government policy Positive for Youth in developing more positive and enterprising image and view of young people and their communities.

#### **RECOMMENDATIONS**

- 1. To agree the new Vision for the delivery of youth services in Havering, attached as appendix 1 to this report entitled "Creating Brighter Futures.";
- 2. To note that a further report including a strategy and action plan to achieve the Vision in the next three years will be presented to Cabinet in December 2012

#### REPORT DETAIL

- 1.1 In September 2011, a review of the Integrated Youth Service identified the need for a Youth strategy to provide direction to engage and enhance the wide range of activity with young people across Havering. This range of activity includes council services, voluntary sector and other community groups. "Creating Brighter Future" provides a vision for the future delivery of youth services, which is considered an essential pre requisite before the Strategy is produced.
- 1.2 The core ambition of Creating Brighter Futures is :

To ensure that all young people in Havering have access to relevant activities and opportunities, to assist in the development of their abilities and to help them make a successful transition

from childhood to adulthood, and develop the assets that will enable them to become successful, social and safe.

- 1.3 "Creating Brighter Futures" provides a Vision for the Council and its partners; but also provides a framework for the wider development of young people's services and activities in the borough through partnership with agencies in the public, private and voluntary sectors. The vision also clearly demonstrates to external partners and funding agencies the key priorities for the Council and the community.
- 1.4 "Creating Brighter Futures" also identifies how effective work with young people makes a vital contribution to the vision and priorities of the Council's 'Living Ambition' / Community Engagement policy and to the priorities of the Shadow Health & Wellbeing Board.
- 1.5 "Creating Brighter Futures" supports the wider policy agendas, including the Culture Strategy, regeneration plans, economic development, the environment, children's, young people's and older people's services, lifelong learning, healthy living, community safety, community cohesion which all work together to improve the quality of life for residents of the borough.
- 1.6 The full detail of the vision is contained in appendix 1.

**REASONS AND OPTIONS** 

#### Reasons for the decision:

To offer a new vision and new direction for youth services and those organisations providing opportunities for young people.

To underpin the subsequent production of a strategy and action plan which will set out in detail how young people will secure better outcomes, in terms of employment, education, health and personal outcomes.

#### Other options considered:

The option of not producing a Vision was ruled out because it is essential that it is produced before a strategy and action plan is drawn up.

#### **IMPLICATIONS AND RISKS**

#### Financial implications and risks:

The delivery of the outcomes included within the Vision will be achieved from within existing Children and Young Peoples and Culture and Leisure resources, taking account of MTFS savings to be delivered from April 2013, which total £600k directly related to the Youth service.

There will be the need to realign budgets to reflect changes to management hierarchies. The financial implications of any resultant restructures will be reflected within the relevant restructure report, in accordance with the Councils Managing Organisational Change Policy.

# Legal implications and risks:

There are no apparent legal implications directly associated with approving the Vision.

#### **Human Resources implications and risks:**

The vision recommends a new way of working in both Children's Services and Culture and Leisure services. The human resource implications will be fully considered in a separate restructure report which will require full consultation with affected staff and trades unions prior to implementation and in accordance with the Council's Managing Organisational Change Procedures.

#### Equalities implications and risks:

There is no foreseen adverse effect or disproportionate group impact, from the changes proposed to the service provision to young people.

**BACKGROUND PAPERS** 

Government White paper – "Positive about Youth"

# "Creating Brighter Futures"

A Vision for the future delivery of services for young people in Havering

#### 1. INTRODUCTION

"We need all young people to have a stake in their communities and communities to have a stake in the lives of their young people" (Positive for Youth)

Young people are the future - our future assets and creators of social and economic wealth. The London Borough of Havering wants the very best for our young people and a community that enables them to thrive and flourish to be safe, social and successful. We want young people to have bright futures. We want young people to enjoy fulfilling lives and realise their potential through positive relationships and exciting opportunities. Investing in young people is crucial to the growth and success of our Borough and communities.

It is widely acknowledged that life for many young people is increasingly complex with complicated domestic and social issues. Being a young person involves social and psychological changes. At the centre of a number of factors which influence the development of young people during teenage years is the understanding that this is a period in life during which people begin to develop independent forms of behaviour and to assimilate new and alternative ideas and ways of living, and that these factors in turn require the development of particular emotional, sensory, intellectual, physical and socialisation capabilities in young people if they are to successfully negotiate a rapidly changing landscape within their own lives.

Adult behaviours are often set in place during teenage years, which can have a huge influence on the quality of experience later in life. For example, research has shown that adults with higher levels of literacy are more likely to play an active part in society with resultant higher levels of wellbeing and enjoyment of life than those with lower levels of literacy. Analysis of data from the National Childhood Development Study suggests that 79% of people with good literacy trust people in their local area, while only 54% of those with poor literacy do. 45% of those with good literacy are likely to be members of clubs or societies, while among those with poor literacy the figure is only 17%. Equally, recent research has suggested that across all socio-economic groups those who are more likely to read are also likely to have a lower incidence of dementia.

In addition to the personal development issues, the world around young people is changing, with an unprecedented level of change in family life, job security and the ability to gain financial independence. Many young people have the support and skills to manage this. Havering already has a wide range of people delivering a wealth of opportunities for young people in sport, culture, education and community activities. These people bring a great deal of dedication, enthusiasm and genuine commitment. They are a valuable resource which is integral to supporting young people manage a successful transition into adulthood. We must make the most of this energy and resourcefulness.

These considerations clearly demand a broad-based response for the vast majority of young people - drawing particularly on libraries, the arts and sport, the natural environment and their huge power to develop both the senses and the emotions, as well as developing social skills, team work and physical qualities. They also require the involvement of organisations from a wide range of different backgrounds as well as the public sector, and their effective co-ordination to ensure the best possible opportunities for people at a time of particular change in their lives.

Research has shown that providing young people with a range of cultural opportunities will have significant benefits to the local community and society (instrumental benefits), in addition to the benefits to the young people themselves. The availability of a range of constructive, engaging and voluntary cultural activities (art, sport, dance, music, reading opportunities, access to heritage etc.) is critical to the development of the full range of young people's assets, for example; confidence. creativity, tolerance. health wellbeing. readiness/functionality. These are all essential qualities that society will require from young people when they become workers, citizens, and community and family members, and they are essential for building healthy and fulfilling lives.

Young peoples' participation in culture activities, in and out of school, have a significant bearing on their positive outcomes in later life, with evidence showing those who participate in positive culture activities when they are young are 50% more likely to achieve good qualifications later on in life. This is because engaging in culture provides significant learning opportunities, above and beyond that traditionally offered in the classroom. Young people can learn and practice social, physical, emotional and intellectual skills; contribute to the community; belong to a socially recognised group; establish supportive social networks of peers and adults; experience and deal with challenges; and all whilst enjoying themselves. Furthermore, participation in positive culture activities has been linked to improvements in academic, preventative and development outcomes, such as school performance, avoidance of drug and alcohol use and anti-social behaviour. and increased self confidence and self esteem.

Neighbourhoods are becoming ever more diverse, with people from an increasingly wide range of backgrounds living side by side. These differences can result in places becoming socially fragmented: however, DCMS research (Taking Part Survey) has shown that people taking part in cultural activities are up to 20% per cent more likely to know 'many people' in their neighbourhood, and 60% more likely to believe 'many of their neighbours can be trusted'. Given that views are often defined in the process of our upbringing, this puts a particularly important focus on young people as the new generation which has the ability to shape a future community that is strong and cohesive.

However, not all young people will be able to easily benefit from cultural opportunities and some young people do not receive the support they need and experience real difficulties in their family lives and friendships. This reduces their ability to learn and even attend school leading to physical and mental health issues and disengagement from society. The more difficult the circumstances of the young person, the greater the impact on their well-being and life chances. Research has shown that such young people require more focused and intensive intervention. The London Borough of Havering is committed to identifying and developing

appropriate mechanisms to encourage them in fully developing their potential in a safe and supported manner.

The current economic climate, which has challenged local authorities to reduce and re-designate public spending, has presented an opportunity to review service provision and re-define how best to offer progressive and appropriate support to families, children and young people. This Vision, "Creating Brighter Futures", represents a radical and ambitious approach to support the development of all young people and bring genuine culture change in the way services are delivered to young people. At the core is an Assets development approach, supported by a framework to bring people and organisations together in order to raise awareness and create a shared understanding of the part we can all play in supporting the development of young people.

"Creating Brighter Futures" is for all young people and all agencies and people working with, representing the interests of, supporting or living with young people. The Vision is based on a belief that we can all influence the future of our young people.

#### 2. THE VISION - "CREATING BRIGHTER FUTURES"

To ensure that all young people in Havering have access to relevant activities and opportunities, to assist in the development of their abilities and to help them make a successful transition from childhood to adulthood, and develop the assets that will enable them to become successful, social and safe.

# The **Vision** is linked to the achievement of the following **Outcomes** for young people:

- Improved life chances;
- Increased participation in and benefit from cultural opportunities;
- Increased volunteering, training and employment opportunities:
- Fewer looked after children
- Improved well being and reduced health problems
- · Reduced anti social behaviour
- Achieving at school

# The following Indicators will be used to assess whether the Vision is being successfully achieved:

- All young people in Havering feel that they have support, opportunity and confidence to fulfill their potential;
- Young people are positive about their life chances and speak positively about people, activities and places that influence them and are actively engaged in designing and developing their context and life chances;
- It can be demonstrated that Young people who are vulnerable and have significant needs have increased their personal and social development as a result of their involvement in, positive activities;
- Young people are actively engaged in and with communities, experience improved cross-generational relationships and feel valued through reduced negative attitudes;
- Young people, parents and communities describe attractive and safe places to go where they are involved in a wide range of exciting activities;
- Young people are making informed choices through access to information, advice and guidance from trusted sources and specialist services;
- Evidence of an improvement in the health and well being of young people;
- Increased positive images of young people and their achievements

#### The following 5 **Themes** will underpin the **Vision**:

#### Education – formal and informal

Confidence in life requires a confidence in learning. Schools are a major influence in the lives of many young people. Success in school and further education can really enhance self-esteem and success in the job market. The education system provides important mechanisms to discipline thinking, develop ideas and gain knowledge. The education landscape is changing; the development of academies bringing new and different partnerships with the local authority. Schools and libraries remain important partners in supporting the development of young people's assets and the effective delivery of the youth strategy. Our aim is to ensure those partnerships relevant to education are there and are strengthened in new circumstances, rather than schools acting in splendid isolation.

Much of our learning takes place informally, through a vast range of interactions in family life, cultural and sports activities, socially with friends (locally and through social networking). 85% of young peoples' lives take place outside the formal lessons in the classroom. Informal education is a crucial element, supporting young people to develop ideas and ways of being through a wide range of activities and learning opportunities.

# Personal development

Personal development is the foundation in our sense of well-being and success. Personal development is the capability to enjoy life, take pleasure from the spaces around us, including the natural environment and provide a balance to the pressures of life. There is a growing understanding of the links between personal development and the achievement of longer term outcomes around employment, attainment and health. The cultural and social enrichment of young people's lives through informal education can really support formal learning opportunities. These activities provide a rich experience for the development of attitudes and relationships with others.

#### **Employment and Enterprise**

Employment provides a firm base for young people to move toward social and financial independence. At the heart of the Vision is a desire to enable young people to be competitive in the job market and successfully secure employment. The Vision has been influenced by the ideas of the Confederation for British Industry, Creative Industries and OfSTED amongst others who have highlighted the importance of key qualities of a good employee, beyond qualifications. The Havering Assets include such qualities.

Real change is led through enterprise, both social and economic. We must develop social enterprise and corporate responsibility to create social capital. Local and national business, whose customers are our families and young people, are a crucial ingredient in developing an enterprise culture and an entrepreneurial mindset. The benefits are twofold; young people will benefit from real and relevant experience with the business community; businesses will gain from community and public support.

#### Health

Health and emotional well-being is fundamental to being safe, social and successful. Creating Brighter Futures is aimed at equipping young people with the resources and qualities to develop a healthy approach to life and consequently stay healthy and avoid getting ill. The Vision will focus on young people's emotional health, drug and alcohol use, sexual health and nutrition. The approach adopted by the Vision draws from many of the ideas outlined in the national health policy Healthy Lives, Healthy People including local leadership, encouraging responsibility across society to improve everyone's health and wellbeing, strengthening self-esteem and confidence, positively promoting healthy behaviours and lifestyles.

The following 6 **Principles** will underpin the **Vision**:

#### Positive Focus on Young People - Voice of Youth

The starting point of this Vision is young people and what young people need to be successful, social and safe. Services need to be sensitive to the unique needs of young people and focused on developing their potential. We will value the different aspects of young people's lives including academic achievement, social integration, emotional well-being, physical and sexual health, keeping safe and a sense of belonging and feeling valued.

We recognise that the vast majority of young people are already responsible, hard working and want to make the most of their lives and contribute to making the world a better place. We want to enable young people to succeed - not just prevent them from failing. This Vision supports the principles highlighted in 'Positive for Youth', the Government strategy developing a cross-governmental approach for young people.

Young people have a right to be heard. Our aim is to give all young people across Havering the chance to engage regardless of circumstance; to ensure that young people have a voice, access to services and engagement in service design, delivery and governance.

#### Inclusion and Cohesion: Valuing young people, parents and communities

We seek to support parents and carers and not ignore and supplant them. We want to foster local leadership. Young people do not grow up in isolation; they grow up as part of families, including their extended family, geographical neighbourhoods and wider social networks (often global). Young people's needs are interdependent with the needs of families and community. Young people are influenced by, and learn from, people and organisations with whom they interact including schools, sports clubs, community groups and their own friends. The nature of these people and places is very important in the social and moral development of young people. A Vision focused on young people must encompass and engage with those influences. Community is important to young people; the need for connection is a fundamental motivation.

We aim to promote more active community engagement in service delivery, from consultation and volunteering to targeting '...new audiences and broaden access to our services, breaking down barriers to engagement where these exist, facilitating social progress and improved quality of life' (Culture Strategy). Community empowerment places power in communities to help shape local decisions, choose how public money should be spent locally and help people come up with their own solutions to local problems rather than relying on the state to tackle social problems (Community Empowerment Strategy).

#### **Being Safe and Prevention**

Prevention and safeguarding are the golden threads for all work with young people, children and families. Young people have the right to grow up in safe communities and feel protected from danger. This includes safety from bullying, from violence, from abuse, from dangerous environments and road safety. Safe communities give confidence and foster growth.

Havering is committed to shift investment from reactive to preventative services, with a focus on early intervention, partnership and using joint resources. The Vision focuses on the early identification of young people's issues in the environments that they inhabit and the swift transition to Council and specialist services and/or activities delivered within community.

#### Partnership working

Effective change comes from creating genuine partnerships with community and other services across Havering. There is no doubt that integrated working can prevent duplication, improve outcomes and bring better use of resources. We will encourage collaboration and co-creation with a wide range of partners to ensure that all services 'make the most of' the available resources and deliver the best outcomes to young people. We will present opportunities for all stakeholders to develop a shared understanding, create ideas and identify ways of working together and look for join up between activities.

"Creating Brighter Futures" will inform the Strategy which will be delivered and coordinated across Council directorates (Culture and Leisure and Childrens Services) to ensure cohesion and strong communication.

#### Efficiency: Value for money, and making the most of external funding

Our aim is to 'make the most of' those excellent community resources that already exist and develop others to be as efficient and effective. We will look to identify external funding to support the resource in the Borough and use better technology and communication to cut running costs and bureaucracy. Better partnership working with public, private, voluntary and community organisations across Havering, and beyond its borders, will ensure that these services remain affordable - even with far less Government funding.

Making best use of limited resources by using the basis of a good society in the arts, sport, libraries, parks, play and heritage as the most effective ways to gain universal goals for young people while also allowing greater focus among the specialists who deal with the vulnerable.

# **Building Capacity and Capability**

We value and welcome that Young people naturally and importantly turn to family, friends and local people as their natural and informal support networks. They are often the first point of contact and most significant influence. Building the capacity and capability of such networks can ensure more effective and immediate support and prevent dependency on other services.

#### 3. HOW THE VISION IS TO BE SUCCESSFULLY ACHIEVED

To successfully deliver the Vision, the following actions will be progressed:

- 1. The production of a three year Strategy and Action Plan;
- 2. The creation of the Havering Young Person Assets Framework;
- 3. A new way of delivering youth services within the Council;

#### **Strategy and Action Plan**

The Council will produce a three year Strategy and Action plan, which will be widely consulted upon, prior to being considered by Cabinet. This strategy and action plan will set out in detail how the Vision is to be achieved, by the Council, partners and stakeholders, over a three year period.

#### **Havering Young Person Assets Framework**

What do young people need to be successful, safe and social? What are the strengths they need to manage an increasingly complex life?

Young people are often described as our future (an asset) - we invest in their development through education and health. The term asset is normally associated with business wealth i.e. things that a company owns that makes up its value and worth. However, Assets are also personal qualities. Creating Brighter Futures considers an asset to be a personal strength that enables us to achieve what we want to be and can be.

#### Personal assets.

Personal assets are desirable and valuable qualities that are acquired through learning and experience, gained and maintained over a lifetime. They are resources that enable people to thrive. Assets are often noticed as behaviours and are built up of skills, attitudes and knowledge. We often describe people by their assets e.g.,

'She is a confident and creative person'

'He is able to problem solve and work independently'

'They are very motivated and enterprising'

Assets are the very qualities that employers, communities and others in society regard as being essential. National employer surveys identify assets such as confidence, teamwork and integrity as being as important as formal qualifications to secure a job. Within health, assets such as resilience, communication and seeking support are central to emotional and physical well-being. In terms of keeping safe, assets such as problem solving and assertiveness are clearly very

important. Personal assets are qualities that influence choices young people make and help them become caring, responsible, successful adults. Having a number of assets can help young people thrive and be social, safe and successful.

Within Havering, the following assets have been identified:

Confidence Integrity Creativity Teamwork Resilience Autonomy

Curiosity and Learning Enterprise Communication Motivation Self Value Emotional intelligence

Tolerant Reliable Determination

Seek Support Problem Solving

The Havering Young Person Asset Framework will be at the heart of all activities and support to young people delivered in Havering through youth and community work, through the delivery of culture services, through key stakeholders and through our partners. Research has shown that many assets can be supported and developed by the whole community, not just professionals.

The Havering Young Person Asset Framework supports an holistic approach to young peoples' development and recognises the impact on their lives from a number of places including different policy areas and communities of practice such as employment and training, housing, transport, safeguarding and civil responsibility.

The Havering Young Person Asset Framework provides many opportunities for the whole community to better understand what young people need and how to support them. It will identify outcomes and indicators to support the voluntary and community sector in providing services and create enterprise opportunities to develop materials and resources for developing assets to sell to other agencies business and authorities.

Personal assets develop informally through family support, social friendships and significant relationships with other people e.g. sports activity, cultural events and faith communities. They are developed through everyday living, supported by community life, through interaction with a range of people - from families and friends to neighbours and shopkeepers to the global community e.g. Facebook. The quality of interaction between the young person and their environment and community is crucial influencing behaviour and developing assets.

They develop through our learning in schools and colleges. Formal education, through schools and colleges, is clearly one important way – young people develop the discipline of learning and working with others. Many young people really benefit from the learning opportunities offered in school/colleges.

### **Outcome Based Activity**

Assets can be measured and have indicators to identify that young people are developing and indeed thriving in them. An outcome-based approach will be developed to support young people and organisations in working with the Assets Framework. This will be used to support young people in their development, and organizations in focusing their activity on making a difference for young people. The outcome-based approach will include indicators to help young people and others assess their own progress and organizations in focusing their resource. The outcome-based approach lends itself well to enabling an effective commissioning approach.

# Community Resources (Assets)

It was noted earlier that our communities and environments play an important role in personal development and consequently personal assets. The community is a great resource. Our communities (local and global) and our environments provide a vast array of opportunity for young people to develop their personal assets. There are many organizations, community groups, religious groups, businesses and people who can support the development of assets and improve the quality of community life.



"Creating Brighter Futures" promotes the development of the capacity and capability of these 'community resources' including parent and carer support, local leaders, volunteers, 'paraprofessionals' and community and voluntary sector organisations. This also involves the development of community contexts and social supports in which young people (and others) can develop assets. Capability will be developed through a wide variety of locally occurring learning opportunities, skill training, coaching and mentoring.

Central to this will be the development of volunteering. Volunteers are integral to the effective delivery of services. They bring a commitment and experience that is so often unique. Volunteers will be trained and supported, through the development of a volunteer institute for example.

# A new way of delivering youth services within the Council

To help achieve the Vision, it is proposed (subject to the outcome of consultation with affected staff) that services to young people will be primarily delivered by Culture and Leisure Services and Children's services; but with so many other Council services also playing a role, the focus on coordinating the delivery of services to young people will be increased at corporate level, through the creation of a Youth Board. It is proposed that a focused intervention team is based in Social Care and Learning and a Youth Facilitation Team is based in Culture and Leisure Services. Each team will have a different focus but they will operate together to ensure the coherent delivery of effective outcomes for young people across Havering.

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# Agenda Item 11



# CABINET

11 July 2012

Subject Heading: Rainham Library & Lifelong Learning

Centre

Cabinet Member: Cllr Roger Ramsey

Cllr Andrew Curtin

CMT Lead: Cynthia Griffin

Report Author and contact details: Mark Butler – Head of Asset Management

Policy context: Rainham Compass regeneration strategy

**Financial summary:** The proposal is to allocate supplementary

capital funding of up to £1.8m from the Council's own capital resources (in addition to the £1.2m already agreed within the Capital Programme) which, when combined with the Greater London Assembly (GLA) funding, will enable the

development of Rainham library proposals. The £1.8m will secure

development of the residential element. The opportunity exists to complete the onward sale of the 16 residential units should the Council wish to recoup this supplementary capital commitment.

**Is this a Key Decision?** Yes (Please see below)

Is this a Strategic Decision?

When should this matter be reviewed? April 2014

**Reviewing OSC:** 

**Towns and Communities** 

The Chairman of the Towns & Communities Overview & Scrutiny Committee has agreed pursuant to paragraph 18 of the Executive Procedure Rules that this report shall be exempt from both the Forward Plan procedure and from call-in.

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

Ensuring a clean, safe and green borough	[N]
Championing education and learning for all	[Y]
Providing economic, social and cultural activity	
in thriving towns and villages	[Y]
Valuing and enhancing the lives of our residents	[Y]
Delivering high customer satisfaction and a stable council tax	[Y]

#### SUMMARY

The Rainham Library and Lifelong Centre is a catalyst project within the Rainham Compass regeneration scheme, providing a valuable community resource, additional residential units and supporting educational achievement within the Rainham area. The project is integrally linked with bringing the adjacent new Rainham Station bus interchange into use, and with regeneration plans for the Broadway where the existing library is located.

Site works and construction to ground floor slab have already been completed but progression to the main construction stage has been interrupted by the dissolution of the London Thames Gateway Development Corporation.

This report sets out the outcome of recent discussions with the GLA, having inherited LTGDC's role and assets, and sets out proposed funding arrangements to enable the main construction contract to be awarded and the scheme to be delivered by the Council, enabling completion of the project in early 2014.

#### RECOMMENDATIONS

#### Cabinet are asked to:

- 1. Subject to recommendation 2, to note and accept the grant funding offer of £2.2 million from the GLA to support completion of the project.
- 2. Authorise the Head of Legal Services to execute all legal formalities once decisions have been made by those with delegated authority, in agreement with the Lead Member for Value, to enable the Council to proceed with the scheme including:
  - The main grant agreement between GLA and the Council
  - Award of the main construction contract to Rooff Ltd

3. To recommend to full Council that the Capital budget be increased by £1.8m, funded through capital receipts, to secure development of the residential element of the Rainham Library scheme.

#### REPORT DETAIL

# 1. Background

- 1.1 At it's meeting on 24<sup>th</sup> June 2009, Cabinet agreed a series of proposals for Rainham Regeneration including:
  - a) That the principle of building a new library, community learning facility and community space be provided, to be funded by the London Thames Gateway Development Corporation, Havering College and the Council with details to be approved by Cabinet Members for Culture and Community and Finance & Commerce
  - b) That the fit out of the library space be funded from the capital programme for Cultural Services and the sale of the existing library site, subject to a further report to be agreed by the Cabinet Member for Culture & Community.
  - c) That authority be delegated to the relevant Lead member in consultation with the lead member for Finance and Commerce to authorise the commencement of tenders and award contracts to implement the recommendations in this report up to a value of £5million
- 1.2 At that time it was anticipated that the project would be procured, managed and funded by London Thames Gateway Development Corporation (LTGDC) with the Council's role being limited to the funding of the Library fit-out (since quantified at a cost of £1.2 million and funding approved accordingly within the Capital Programme).
- 1.3 In addition to providing a new Library and Lifelong Learning Centre, the project also comprises 2 retail units, 16 residential units (2 bedroom flats) and public open space and is a key feature within the Rainham Compass regeneration proposals.
- 1.4 Since 2009, the design of the scheme has been completed, planning permission has been granted and enabling works undertaken comprising site levelling, piling, foundations and construction of the concrete floor slab. All enabling and "Shell & Core" works to date have been funded by the LTGDC.
- 1.5 The Council has also concluded a conditional land-swap with LTGDC whereby the Council acquires the freehold site for the new library, in return transferring to LTGDC the existing library for subsequent sale/redevelopment once the new library has been completed. Part of LTGDC's receipt from the subsequent sale will be re-invested into the Rainham area. Under this arrangement the Council will lease back the

existing library (at a peppercorn rent) in order to preserve continuity of library facilities until the new library becomes operational. As a 'safety' clause, the land swap agreement allows for both parties to repurchase their original assets for £1,up to the point where the Council awards the construction contract.

#### 2. Contract award

- 2.1 Having concluded the design specification for the new Library and associated development, the main construction contract was the subject of a competitive tender in late 2011, managed by Jones Lang Lasalle (external project managers). Four parties made it through to the final tender stage, but only two made submissions, Rooff and ISG.
- 2.2 The tender includes both the shell & core works and the Library fit out works (the latter being funded directly by the Council from the existing £1.2m allocation within the agreed capital programme)
- 2.3 In addition to the compliant bid, Rooff submitted a variant bid (as provided for within the tender documentation) indicating scope for further savings. Following tender analysis, JLL confirmed their recommendation to proceed with Rooff Ltd based primarily on their compliant bid.
- 2.4 In February 2012, the Council entered into a Pre-Construction Services Agreement (jointly funded with LTGDC) with Rooff Ltd to finalise the detailed design and specification, providing the opportunity to 'value engineer' the original specification and achieve cost reductions. Separate grant funding has been provided by LTGDC to cover their proportion of the fees related to this work. This exercise resulted in a confirmed reduction in the contract sum to a revised figure of £4,311,778 with the possibility of achieving further savings subject to planning and BREEAM requirements being satisfied.
- 2.5 Award of the main construction contract for the scheme, was deferred as further grant funding from LTGDC has been reliant on the sale of other LTGDC assets. As a result, the period for the tender to remain valid has now expired, although discussions with the preferred contractor have indicated that they are prepared to extend their tender price in the short term. Whilst labour prices have not increased in the interim, material costs, particularly steel continue to rise so there are likely to be cost risks if the award of the contract were delayed for much longer resulting in a need to re-tender the contract. However, there is obviously a risk the developer will not hold this price for any prolonged period of time.

#### 3. Dissolution of LTGDC

3.1 In April of this year, Government proposals to reduce the number of quangos resulted in the winding-up of the London Thames Gateway

- Development Corporation, prior to the grant funding to complete the scheme being made available.
- 3.2 LTGDC's functions and assets have subsequently transferred to the Greater London Authority (GLA). Officers have accordingly focussed efforts on agreeing with the GLA the most appropriate funding and delivery arrangements to complete the project.
- 3.3 It is proposed that the Council now take responsibility for managing and delivering the scheme, supported by grant funding from the GLA. A fortunate aspect of the transfer from LTGDC to GLA is that the latter body has more immediate access to capital funding as a result of which the GLA has recently agreed to provide grant funding of £2.2m subject to the Council accepting a novation of responsibility to manage and deliver the outstanding elements of the project and completion of an appropriate Agreement. LTGDC had already appointed a multi-disciplinary design team with whom Council officers have been working. Novation of the existing design team contracts from LTGDC to the Council has been carried out, preserving continuity their remaining fees are provided for within the £2.2m grant funding available from the GLA.
- 3.4 The Grant Agreement itself is linked to the cost plan for the project in relation to the core shell of the building and is based on Rooff's tender sum. The grant amount at the time of writing is £2.2m.

#### 4. The residential element of the scheme

- 4.1 The original proposal was that 16 flats comprising the residential element be pre-sold to a Registered Social Landlord, relying on high levels of Social Housing Grant. The position has changed in that grant at the levels assumed is no longer available and it has not been possible to find an RSL to proceed and provide the necessary level of funding contribution.
- 4.2 LGTDC obtained a variation to the condition on planning permission to enable the properties to be sold to the private sector to preserve the economic viability of the scheme. LGTDC carried out marketing for the development, including an advert in the Estates Gazette. Only one offer was received at £1.6m but the potential purchaser subsequently withdrew.
- 4.3 The Council has received advice from Glennys LLP Chartered Surveyors on the subsequent disposal of the 16 apartments which confirms that total sales value exceeds the £1.8m cost, although any risks associated with the sales process will need to be managed by the Council.
- 4.4 To cover the funding shortfall, it is proposed that the Council allocate a further £1.8m to the scheme, as an addition to the capital programme,

funded from receipts. In addition to procuring the Library, the Council would own the freehold interest of the 16 residential units which could either be retained as public sector residential stock, or sold in the open market in order to recoup part of the Council's overall investment. As freehold owner of the entire development the Council will also enjoy the rental income streams from the two retail units, estimated in an aggregate sum of £20,000 pa.

# 5. Havering College

5.1 At the time of the original report to Cabinet in June 2009, preliminary discussions had taken place with Havering College as a potential partner for the Lifelong learning element of the project. These discussions have not yet progressed to a detailed conclusion and in the event of there being no substantive progress in this respect, the Libraries Service propose to engage in discussion with other potential education providers to fulfil a similar role. As a result, no financial contribution has been assumed by the education provider as part of the overall funding arrangement, though the opportunity to achieve a capital and/or revenue contribution will be sought as part of subsequent negotiations

**REASONS AND OPTIONS** 

#### Reasons for the decision:

The project is key to the Rainham Compass Regeneration scheme. Following an earlier start on site by LTGDC, the scheme is currently at risk of being 'mothballed' with foundations and floor slab already completed. The GLA have offered £2.2.m grant funding specifically for the purpose of progressing the construction and the additional £1.8m investment from the Council will cover the remaining funding cap. There is an option for the Council to recoup this additional funding, if it chooses to do so, from selling the residential units on the open market.

Having tendered the scheme at the end of 2011, the tenders submitted have already expired, but the preferred contractor has agreed to hold their current tender price in the short term, thereby avoiding the need to repeat the tendering exercise if the contract can be awarded shortly

#### Other options considered:

Pre -sale of the residential units on the open market - was the original proposal but no longer viable due to changes in Social Housing Grant.

Pre-sale of the residential units to a private investor – the option has already been pursued but stimulated little interest

# **IMPLICATIONS AND RISKS**

#### Financial implications and risks:

The following is a summary of the proposed costs and funding. (The figures exclude expenditure on works/fees already incurred by LTGDC):-

Main construction/fit out contract, including agreed PCSA savings Contingency @10% Works total

Fees 204,000

Total projected expenditure £ 4,946,955

4,311,778

431,177

4,742,955

#### Funding:

Library fit-out budget (LBH – existing commitment) - 1,200,000 GLA Grant funding - 2,200,000 Additional LBH contribution to residential element - 1,800,000

Total funding £5,200,000

The works contract award will not be made until there is a satisfactory, and confirmed, Grant Agreement in place (see also Legal Implications).

The Council's financial exposure for the 'fit out' works remains unchanged for the original proposal - these are funded in the existing capital programme at £1.2m as above.

Cost risks have been reduced as follows:

- 1. Ground works including piling and ground beams have already been completed hence costs are known and covered by LTGDC.
- 2. Majority of design work has been completed hence associated fees are known and covered by GLA grant

In the event that the Council agrees the additional £1.8m funding allocation, the total funding exceeds the anticipated costs by around £250,000. Upon completion of the project, any cost savings against the project budget will be shared between the GLA and the Council by negotiated agreement. It is likely the council may bear risk if the project spend exceeds total funding.

The Council retains the opportunity to sell the residential units in the open market, should it wish to recoup a significant proportion of its investment

Conway Mulcahy - Finance Business Partner

# Legal implications and risks:

Conclusion of the project is subject to the completion of various legal formalities namely:

- The negotiation and execution of the main grant agreement between GLA and London Borough of Havering
- Award of the main construction contract to Rooff Ltd

There are a number of risks to the Council which revolve around the execution of the Grant agreement and award of the construction contract.

The Grant Agreement is currently under negotiation, but on its present terms would expose the Council to a number of risks set out below. Officers will use their best endeavours to negotiate out the clauses which expose the Council to unacceptable risk.

The agreement as it is currently written splits the payments into a "Development Phase" and a "Delivery Phase". The extension of the Agreement and payment of funds under the Delivery Phase once the Development Phase is complete is at the sole discretion of the GLA.

The funding amount under the Grant Agreement will be a fixed amount. As the document is yet to be completed and funding figures inserted there is uncertainty as to whether or not there is the ability to receive additional funding should there be unforeseen expenditure with the development. Should there be an ability to receive additional funding this would be at the sole discretion of the GLA.

Once executed funding under the Agreement is paid when the GLA is satisfied that all conditions, milestones of the Agreement have been met by the Council. Changes to the project not consented to, failure to deliver the Project or meet project objectives, or to comply with any terms and conditions gives the GLA absolute discretion to reduce, suspend or withhold the funding or terminate the grant agreement. The payments will be made in accordance with a funding schedule (still to be determined) and not as a lump sum payment There is a risk therefore of Council having to meet any shortfall in funding in these circumstances.

The Grant Agreement currently allows for the GLA (in addition to the termination/suspension rights noted above) to terminate the agreement at its sole discretion and at any time by giving two calendar months notice in writing, (the exact notice timeframe is yet to be determined) meaning that Council would be contractually bound to meet the obligations (contractual and financial) under the

#### Cabinet, 11 July 2012

novated agreements, the Construction contract and any others it enters into while being faced with a shortfall in funding.

At this stage any sale, charge, loan or disposal in relation to a Capital Asset of the project or any change in the purpose for which a Capital Asset is used can only be completed with written consent of the GLA and such consent may be conditional upon repayment or partial repayment of the grant to the GLA out of any funds received. Under the contractual definition within the agreement the residential units and the retail units are capital assets.

Whilst steps have been taken to minimise the risks to the Council, in particular ensuring that there is sufficient confirmed funding in place before entering into contractual commitments, there is always the risk of unforeseen expenditure on building projects which might not be covered by funding obligations of others

Ian Burns – Acting Assistant Chief Executive/Head of Legal Services

#### **Human Resources implications and risks:**

The are no Human Resource implications arising from this report

Geraldine Oakley – HR Business Partner

#### Equalities implications and risks:

This decision will support the delivery of a much needed learning and community facility to Rainham residents, thereby promoting equality of opportunity within the borough.

Martha Goodhill – Diversity Programme Manager

**BACKGROUND PAPERS** 

Report to Cabinet -24<sup>th</sup> June 2009 – Rainham Regeneration

Executive Decision 11/8/11 - The disposal of the current Rainham Library and the acquisition of land for a new library at the junction of Ferry Lane and the Broadway, Rainham

# **Cabinet, 11 July 2012**

Executive Decision 19/4/12 Revision to the agreed executive decision dated 9 August 2011 for the disposal of the current Rainham Library and the acquisition of land for a new library at the junction of Ferry Lane and the Broadway, Rainham

# Agenda Item 12



# **CABINET**

11 July 2012 Subject Heading:	Localisation of Council Tax Support
Cabinet Member:	Cllr Ramsey
CMT Lead: Report Author and contact details:	Andrew Blake-Herbert Group Director, Finance & Commerce Jeff Potter Head of Customer Services Tel: 01708 434139 Jeff.potter@havering.gov.uk
Policy context:	och.potter@navering.gov.uk
Financial summary:	The proposed options in this paper seek to address the £1.9 million reduction in government grant as a result of the change to a local scheme
Is this a Key Decision?	No No
Is this a Strategic Decision?	Yes
When should this matter be reviewed?	September 2012
Reviewing OSC:	Value

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

Ensuring a clean, safe and green borough	[]
Championing education and learning for all	Ö
Providing economic, social and cultural activity	
in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	ĪΧÌ

# **SUMMARY**

The Welfare Reform Act 2012 will abolish the national Council tax Benefit scheme from April 2013 and the Local Government Finance Bill currently making its way through Parliament will enable Local Authorities to design their own local council tax support schemes.

This report brings to Cabinet's attention, eight options from which a local Council Tax Support Scheme can be developed.

A key issue for the Council will be developing and delivering a local scheme where the Government grant allocation has been reduced by 10% (£1.9 million). Page 115

Cabinet are asked to consider and be aware of the implications and risks associated with all eight options and also the risks generally associated with a local scheme as defined in the Risk Appendix D attached.

#### **RECOMMENDATIONS**

- 1. That Cabinet note the financial pressure of a £1.9m reduction in government grant for council tax support in 2013/4.
- 2. That Cabinet authorise consultation with the Greater London Authority on the Options with our preferred option being Option 8.

#### REPORT DETAIL

# 1. Background

- 1.1 At the 2010 Spending Review, the Government announced that it would localise support for council tax (CTS) from 2013 and that expenditure allocated to CTS would be reduced by 10% compared to council tax benefit expenditure.
- 1.2 As part of the Welfare Reform Act 2012, the national council tax benefit scheme (CTB) will be abolished from April 2013. The Department for Communities and Local Government (DCLG) under the Local Government Finance Bill have proposed local schemes to support residents with their council tax to be administered by local authorities.
- 1.3 Funding and financial implications have also been considered in light of papers provided by the DCLG and documented in the Financial Implications and Risks areas of this report.
- 1.4 The DCLG have published papers which set out the principles of the scheme and policy intentions and these are summarised in this report.

#### 2. Principles of the Local Council Tax Support Scheme

- 2.1 The principles and policy intent of the scheme can be summarised as follows:
  - Local authorities will be expected to manage the 10% reduction in subsidised expenditure.
  - Regulations will be set to protect claimants of state pension credit age.
  - Local authorities must consult on their schemes with precepting authorities and the public.
  - Local authorities may collaborate to develop joint schemes.
  - The Council must adopt the final scheme before 31 January 2013 or the default scheme will apply.
  - Local authorities should aim to protect vulnerable groups.
  - In developing schemes, local authorities should consider incentivising claimants into work.

#### 3. Breakdown of Current Council Tax Benefit Customer Profile

3.1 The table below provides a profile of the residents who currently claim council tax benefit at May 2012.

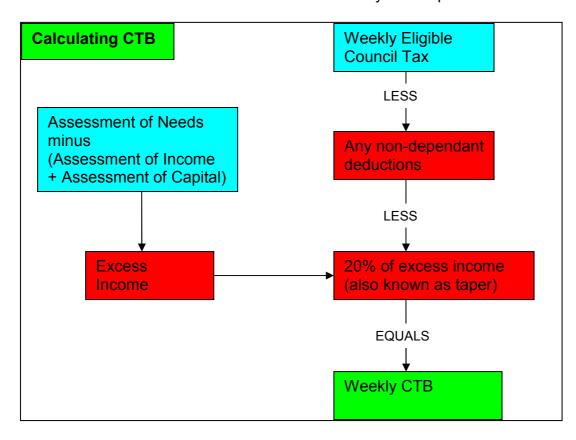
Type of customer	Number	Yearly (£) Expenditure	% of Total Expenditure
Pensioners	8,860	£9,033,500.76	47%
Working Age	10,313	£10,144,382.32	53%
Total CTB caseload	19,173	£19,177,883.08	100%
Working Age Breakdown Not in work claimants			
(IS /JSA/ESA)	6,954	£7,284,396	38%
In work Claimants	3,359	£2,859,986	15%
Working Age Totals	10,313	£10,144,382	53%
Working Age Claimant Groups Lone Parents with children under			
5	1,685	£1,589,920	8%
Single claimants	8,275	£7,722,355	40%
Disabled claimants	1,790	£1,736,581	9%
Working Age Benefit Claim Type			
Council Tax Benefit only claims	1,577	£1,780,344	9%
Council Tenants (HB&CTB)	4,097	£3,760,794	20%
Private Tenant (HB &CTB)	4,639	£4,603,244	24%
Working Age Claim Type			
Total	10,313	£10,144,382	53%

- 3.2 Please note that the 'Groups' data is not mutually exclusive. For example, 'single claimants' are also included in the totals for 'Disabled' & 'Lone Parents' categories.
- 3.3 This particular analysis was devised in order to identify particular groups that the Council may wish to protect as 'vulnerable' e.g. lone parents with children under five or claims that have disabled markers on the benefit system. Thus a claimant could well be single but also be in the disabled group. Consequently, because of this overlap, the 'Group' totals are not meant to balance back to the overall working age total of 10,313.

#### 4. The Current Council Tax Benefit Scheme

- 4.1 A brief high level account of how council tax benefit is calculated is set out below. This will assist in providing an understanding of the options which will inform the Local Council Tax Support Scheme that are set out later in this report. In addition, a Glossary is attached at Appendix C to explain benefit technical terms.
- 4.2 The council tax benefit scheme is a national scheme which has been in place since the introduction of Council Tax in 1993. The scheme is governed by legislation, case law and statute.
- 4.3 To work out a claimant's entitlement to benefit, the following calculation is used.
- 4.4 The Council Tax Benefit Calculation age 117

- 4.5 The starting point for all calculations of Council Tax Benefit is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependent deductions that apply.
- 4.6 Income and capital are compared to the claimant's applicable amount. Any income over the applicable amount is known as the Excess Income.
- 4.7 The claimant qualifies for maximum benefit less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.
- 4.8 Claimants in receipt of Job Seeker's Allowance and Income Support have already been assessed by the DWP as having income lower than their applicable amount and so will receive maximum benefit less any non-dependant deductions.



# 5. Options for the New Local Council Tax Support Scheme

- 5.1 The proposed framework of any scheme adopted should have due regard to the DCLG's policy intentions and must unequivocally protect pensioners. Accordingly, a 10% reduction in expenditure shared amongst working age claimants only, increases the reduction to 18%.
- 5.2 A number of options have been worked up that create the base scheme designs and it is felt the following eight options provide a good range from which short listing and consultation could take place.
- 5.3 The eight options listed below do not all meet the target 10% reduction in expenditure. However, some can be separated into component parts and combined with other options to develop the optimal scheme for Havering.
- A surplus or contingency has been built into some of the options below to allow for a hardship fund to assist vulnerable households or to mitigate unexpected increases in demand for council tax supporting the options.

- 5.5 The figures we have used for initial modelling are based on expenditure for active benefit claims in 2011/12. The financial figures included in the initial modelling should be treated as indicative only as they are formulated on assumptions based on current and historical activity levels.
- 5.6 It is important to note that in any final scheme, expenditure may be higher than the figures provided here. Therefore more detailed analysis and verification of the data used will be required to accurately determine the reduction.
- 5.7 Two different tools for profiling the Havering caseload have been used in this paper to provide the range of choices available from which Cabinet Members can make informed decisions. However, a consequence of using two different tools is that there will be minor differences in the data that has been presented depending on which tool has been used.
- 5.8 The CLG calculator that has been provided to local authorities uses caseload extract data which is reported to the Department of Work & Pensions. This calculator currently holds data for 2011/12 and the lower expenditure gives a projected saving required of £1.8 million.
- 5.9 A more recent tool bases the calculations on 2012/13 expenditure and consequently the projected saving required is £1.9 million.
- 5.10 Both tools are complimentary in that they provide the scope to test a variety of schemes at this stage in the process. Once a scheme has been selected in principle, further analysis can be conducted to consider the full implication on the current benefit caseload with more accuracy.
- 5.11 A further modelling toolkit which extracts data directly from the core council tax and benefit databases to allow full and more accurate modelling will become available shortly.
- 5.12 Please see Appendix A for details of the eight options from which a shortlist is requested for consultation. A number of case studies are provided and attached at Appendix B to draw Member's attention to how individual claimants will be affected by the Options,

#### 6. Options Summary

- Option 1. This option does not change the current Council Tax Benefit scheme and requires the savings of £1.9 million to be funded through reserves. Claimants and council tax payers would not be affected by the 10% reduction.
- Option 2. By restricting liability across each band to 80% of the council tax liability, a projected saving of £1.9 million could be made. This would impact all working age claimants below the age of 60 years of age.
- Option 3. This option reduces each working age claimant's benefit award by 18% and makes projected savings of £1.8 million. Working age claimants only would be impacted by this option.

Officers recommend Option 3. is shortlisted for consultation with the GLA because it evenly distributes the reduction in benefit between all 10,313 working age claimants and does not disproportionately impact any single vulnerable group.

- Option 4. In this option, working age claimants who are in work would be affected by the proposed calculation along with any claimant who has an adult living in their household, Additionally, claimants' benefit would be restricted to a maximum of £20.57 per week. This would make a projected saving of £1.8 million.
- Option 5. Savings projected at £1.8 million could also be gained from this option that affects working age claimants only. This option is similar to option 4 as it changes the way in which benefit is calculated but has a less harsh effect on those in work.
- Option 6. The Council Tax Technical Reforms are currently making their way through the Houses of Parliament via the Local Government Finance Bill. This option forecasts savings of £1.8 million based on those reforms becoming statute and will affect people who have second homes.
- Option 7. £1.85 million projected savings can also be made by increasing the council tax charge. This would affect all taxpayers who are not in receipt of maximum council tax benefit.

Officers also recommend Option 7 is shortlisted for consultation with the GLA as it evenly distributes a £22 per year rise in Council Tax to all chargeable properties in the borough.

- Option 8. This option combines a restriction in benefit to a weekly Band D charge, increases non dependant deductions and reduces certain exemptions to zero per cent. A projected saving of £1.8 million is proposed under this option.
- 6.1 Officers recommend Option 8 is also shortlisted for consultation with the GLA as it combines elements which propose minimal impacts on working age claimants and taxpayers with only one home. It is also reasonable to expect working adults residing with the claimant to make a contribution to the council tax through an increased non dependant deduction.
- 6.2 In order to present the GLA with the principles behind a true range of variable options, it is recommended that Options 3, 7 and 8 are taken forward to the formal consultation process.

6.3 The table below summarises the eight options above. Appendix A provides a more detailed breakdown of the options and associated risks.

	Projected	
Option	Saving £	Impacts
1. Absorb 10% reduction into	1.9 mil	No impact on Council Tax Benefit claimants or
council financial reserves.		wider Council Tax
2. Restrict Council Tax liability	1.9 mil	All working age Council Tax Benefit claimants
to 80% for benefit purposes.		
3. Reduce Council Tax Benefit	1.8 mil	All working age Council Tax Benefit claimants
by 18%		
4. Restrict benefit to average	1.8 mil	All working age Council Tax Benefit claimants,
band D award, increase taper		particularly those with non dependants in
& non dependant deductions		household.
5. Restrict benefit to average	1.8 mil	All working age Council Tax Benefit claimants
band D award, increase taper		
& non dependant deductions,		
reduce premiums		
6. Increase Council Tax in line	1.8 mil	Direct impact on the wider Council Tax
with technical reforms.		collection for residents with certain discounts
7 1	4.05	and exemptions
7. Increase Council Tax for all	1.85 mil	All residents in borough not claiming maximum
tax payers by £22 per year.		CTS (approx 87,000)
8. Restrict benefit to band D,	1.8mil	Working age claimants who have non
increase non dependant		dependants or who reside in properties
deductions, increase council		banded E to H. Also affects people who have
tax for second homes in line		second homes or homes that are not inhabited
with technical reforms.		

# 7. Working in Partnership to Deliver local Council Tax Support Schemes

- 7.1 The Council is working in partnership with the London Boroughs of Barking, Redbridge, Waltham Forest and Newham Council Tax & Benefit Services to deliver their local council tax support schemes on time.
- 7.2 The partnership is working together to share and maximise resources and knowledge and have jointly recruited a Benefits Expert Co-ordinator who will manage the project implementation. The Coordinator will assist in a number of activities such as drafting plans, communications strategy including consultation and publicity.
- 7.3 Consultation and publicity as much as possible will be consistent and aligned with our colleagues in the North East London Partnership.

#### 8. Consultation

- 8.1 With regard to consultation, the Government, in Schedule 4 of the Local Government Finance Bill require consultation with major precepting authorities, which in Havering's case is the GLA. Billing Authorities are also required to consult the public once a draft scheme has been determined.
- 8.2 The Council will formally consult with the Greater London Authority ahead of the consultation with residents and others who will be affected as detailed in the Consultation Plan attached at Appendix F.

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- 8.3 The period of consultation in the *Government's code of practice on consultation* is twelve weeks. However, billing authorities may reduce this period where timescales are restricted and this is the case with regard to developing a Local Council Tax Support Scheme. The project plan has allowed only six weeks for consultation because of limited time overall to introduce the scheme which will be subject to Cabinet approval.
- 8.4 Consultation on the design of the local scheme design will commence in October 2012.

#### 9. Set Up, Development and Administration Costs

- 9.1 To efficiently administer the proposed Council Tax Support Scheme in addition to the Council Tax Benefit Scheme for people of pensionable age and the Housing Benefit Scheme will have major implications on Council resources.
- 9.2 Customer Services will consider the implications on the administration of the new scheme and incorporate the outcomes for reporting to September Cabinet.
- 9.3 Government have indicated in their paper *New* burdens *doctrine Guidance for government departments*, that "all new burdens on local authorities must be properly assessed and fully funded by the relevant department".
- 9.4 The DCLG have already made available costs in the sum £84,000 to set up the local council tax support scheme.
- 9.5 The Government is committed to keeping council tax down and to ensuring that reasonable net additional costs of all new burdens is assessed and fully funded. These will include any one-off implementation costs, set up and transition costs as well as recurring costs for the first three years.

# 10. Local Authorities to Grow Their Local Economy

10.1 The Government has proposed that:

Including funding for council tax support within the business rates retention scheme provides a strong incentive for local authorities to grow their local economy and opportunity to increase their income from increases in business rates. This will increase the funding available for local services or help reduce council tax for some or all tax payers. By strengthening the incentive to grow the local economy it will help create jobs which will reduce poverty and demand for support with council tax.

- 10.2 Opportunities to increase the business base in the borough are being considered through the development of a Business Growth Strategy. The delivery of this strategy will be important in retaining and potentially growing income from Business Rates.
- 10.3 In addition, the Cabinet may wish to consider whether the development of employment support initiatives should be considered to support people back into work to potentially reduce the overall call on Council Tax relief. In particular programmes which support people recently made redundant back into work before they become long term unemployed would compliment the range of schemes offered through Jobcentre Plus and the work programme, which are targeted at long term unemployed people.

- 11.1 The timetable for implementation of the scheme is very challenging. A scheme must be approved by Members before 31 January 2013.
- 11.2 A detailed project plan has been developed to identify the activities necessary to expedite the development and implementation of a new local Council Tax Support Scheme.
- 11.3 The table below identifies key milestones by which Activities must be completed.

	T
Identify initial options	Completed
Review financial implications of scheme using council tax support module.	1 July 2012– 1 August 2012
Cabinet Agree principal options.	11 July 2012
Brief Senior Management and Officers regarding agreed options.	12 July 2012
Arrange briefings for staff including back office, frontline customer services and other depts.	12 July 2012 - 31 March 2013
Consult with GLA on options and scheme design.	16 July 2012 - 6 August 2012
Set framework and document policy for New Scheme administration.	16 July 2012 – 1 October 2012
Prepare Guidance Manual	16 July 2012 – 17 December 2012
Prepare consultation which will enable residents to comment on the proposed final scheme	16 July 2012 - 24 September 2012
Draw up staff training plan, liaising with in house customer service trainers	3 September 2012 - 30 September 2012
Prepare initial Publicity, initially focusing on advising Havering residents & Council Tax payers of the new localised scheme	3 September 2012 - 16 September 2012
Cabinet approve draft final scheme.	26 September 2012
Publish Draft Final scheme	1 October 2012
Prepare final scheme publicity including detailed article and	1 Octobar 201223 31 January 2013

press statements.	
Consultation period on Draft Final scheme with residents, including meeting with external providers/partners	4 October 2012 - 14 November 2012
Convert software and data, engaging with software supplier, Capita and in house ICT department.	29 October 2012 – 6 January 2013
Prepare Appeals procedure	5 November 2012 - 6 January 2013
Prepare Overpayment procedure	5 November 2012 - 6 January 2013
Prepare Fraud procedure	5 November 2012 - 6 January 2013
Consultation analysis of responses received. Outcomes to be published separately to wider public.	14 November 2012 - 1 December 2012
Identify and contact Customers affected, draft and issue information letter to affected households	9 December 2012 – 6 January 2013
Undertake Staff Training	17 December 2012 – 3 March 2013
Cabinet Approve the Final Scheme	23 January 2013
Publish Final Scheme	1 February 2013
New Localised Council Tax Support Scheme comes into force.	1 April 2013

#### **REASONS AND OPTIONS**

#### Reasons for the decision:

This report arises as a result of the Local Government Finance Bill 2012 which requires the Council to design a Local Council Tax Support Scheme to support people who are liable to pay Council Tax and are in financial need.

#### Other options considered:

The options available are summarised in the detail of the report above and a more detailed explanation is provided in Appendix A.

#### **IMPLICATIONS AND RISKS**

#### Financial implications and risks:

The DCLG in their paper, Localising Support for Council – Funding arrangements consultation was issued in May 2012. This document sets out how the Government intends to distribute funding to support local schemes and that expenditure is reduced by 10% from 2013-14.

The funding for council tax support will be set at 90 per cent of the forecast subsidised council tax benefit expenditure for 2013-14. The Greater London Authority (GLA) element of the grant will be allocated directly to them by DCLG. An illustrative figure of £13,564k has been used which does not include the funding attributable to local precepting authorities, the GLA. DCLG advise final allocations will likely differ both in amount and also in the relative distribution between authorities.

The GLA have assumed that their allocation will be £3.48mil and have based this figure on the actual benefit subsidy expenditure for 2010-11. These figures are also illustrative to assist the Council forecast demand for the council tax support in 2013-14. The assumed funding for council tax support inclusive of the 10% Government reduction is therefore £13,564k plus £3.48 mil which equals £17.04 million.

The DCLG will make funding available to billing and precepting authorities based on 90% of the forecast council tax benefit expenditure for 2013-14. Currently, subsidised benefit expenditure is forecast at £19.1m therefore the 10% would equal £1.9m.

The Government is providing funding via the retained business rates system to strengthen the incentives for authorities to grow their local economy and help residents back into employment.

The GLA council tax portion is 20.42% and they share the 10% reduction with local authorities and will be funded directly from the DCLG.

The GLA also now share the risk in uncollected council tax and unexpected increases in caseload. An increase in the GLA precept is not anticipated in the first year of CTS.

There are a significant number of risks to the successful implementation and operation of a localised Council Tax Support Scheme. These can be separated into scheme options which are individually reflected in the eight options at Appendix A and those relating to policy and project management which are attached to Appendix D.

Whichever options are selected for further scrutiny, there is a core risk that these changes could result in an increase in council tax arrears thus affecting the council's collection fund. Any adverse impact of these changes would result in a deficit position on the fund which would be required by statute to be funded between the London Borough of Havering and the Greater London Authority during the budget setting process 2014/15 onwards. This is a risk that will be added to the Risk Analysis for mitigation.

There is a significant financial risk that the options under consideration do not deliver the level of savings required. The actual savings achieved will depend upon the extent to which outcomes match our assumptions (which are based upon historic data). Financial outcomes may depend upon a complex range of inter-related factors including customer resistance and benefit eligibility.

In view of the financial risks involved it would be sensible to build in a level of contingency. This may require some changes to the preferred options to deliver increased savings or an increase in the central contingency (or a combination of both). Changes to the central contingency will of course have wider implications for the development of the MTFS and Council Tax setting.

It is also recognised that a new local scheme may be manipulated to avoid or reduce council tax thereby increasing the risk of potential for Fraud. This is highlighted in the Risk Analysis and a review of the robustness of monitoring arrangements and controls will be required.

Due to the nature of the local council tax support scheme and funding allocation passing to local authorities, there is a risk of increases in either numbers of claims or value of claims (or both). That being the

case, the financial risk associated with the local scheme now falls on the local authority.

Due account will need to be taken of this as part of the Council's budget strategy and reflected in the budget setting cycle for 2013/14.

The number of people reaching pensionable age and the pensionable population in Havering is high. The protected pensioner caseload is very likely to increase as a result of this and add further financial risk to the Council. This risk will be recorded in the Risk Register.

A Risk Appendix D is attached which outlines the policy, project and scheme implementation risks along with comments on mitigation.

#### Legal implications and risks:

The Local Government Finance Bill introduces a requirement for Billing Authorities to create a new local scheme for Council Tax Support by 31 January 2013 and be effective from 1 April 2013. Whilst this has not been through all relevant stages in Parliament, given the short timescales involved it is advisable that the Council act as if it is to be passed in its current form. However, there is a risk that the final version differs in a material respect and if that does occur then a further report may be necessary. Officers will keep the passage of the Bill under close review.

The local Council Tax Support Scheme will replace the national Council Tax Benefit Scheme which will be abolished by the Welfare Reform Act 2012 from April 2013.

The Bill will require Billing Authorities to consult on any proposed scheme as part of the scheme's development as follows:

Schedule 4 paragraph 3 (1) "Before making a scheme, the authority must (in the following order)—

- (a) consult any major precepting authority which has power to issue a precept to it,
- (b) publish a draft scheme in such manner as it thinks fit, and
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

There are therefore two stages to the consultation requirements. Firstly with the major precepting authority, then once the final draft scheme has been determined with the public. A consultation must be meaningful in that it must be undertaken at a stage when consultees can influence the final decision and enough time and information must be given to enable them to respond properly.

The Bill further determines for Council Tax Support expenditure to be reduced by 10% although Pensioners are fully protected. The Council

also has an obligation to consider other vulnerable groups in any scheme it puts forward.

Policy statements and detailed guidance must also be developed along with an amendment to the Constitution that reflects this new local scheme policy.

#### **Human Resources implications and risks:**

The introduction of a new local scheme will require a detailed training plan and strategy to develop staff awareness and support them through the transition from Council Tax Benefit to Council Tax Support. Staff will also require briefings throughout implementation as the options develop into a local scheme. This is contained within the Project Plan.

Customer Services will consider the implications on the administration and commit in their Business Plan to develop a strategy in partnership with staff and Human Resources.

There is a short to medium term risk of significant queries arising from council tax support claimants at the start of April 2013. This is highlighted in the Risks Analysis and mitigation should be considered.

There are no human resource implications arising directly from this report.

#### **Equalities implications and risks:**

The chosen Local Council Tax Support Scheme will be a new policy that requires an equalities assessment.

The local scheme should also take note of the DCLG guidance note: Localising Support for Council Tax - Vulnerable people - key local authority duties which was published on 21 May 2012. This is intended to address the requirement to take into account the following duties.

The Public Sector Equality Duty (and *The Equality Act 2010*) requires local authorities to have clearly defined responsibilities in relation to, and awareness of, those in the most vulnerable situations. This means that a local authority must pay due regard and consider how a scheme might affect people who share a relevant protected characteristic and people who do not share it. Each of the eight options to be considered are the subject of detailed Equality Analysis.

The duty to mitigate effects of child poverty (*The Child Poverty Act 2010*): understanding the characteristics of low income and disadvantaged families. The omission of child benefit income in the calculation of local Council Tax support goes some way to protecting children and again additional money from a discretionary fund could also help with this.

The duty to prevent homelessness (The Housing Act 1996) Those households who find themselves homeless through no fault of their own and who are eligible and in priority need are owed the main homelessness duty.

Armed Forces covenant: The DCLG also highlights the need to comply with the Armed Forces covenant. The current provision to fully disregard income received from the War Pension Scheme (£35,165 based on 2011/12 Subsidy expenditure) and Armed Forces Compensation scheme will remain in place in all of our proposed schemes.

The guidance note does not tell local authorities what they must do in their schemes to be compliant with their duties. It is important to note the need to demonstrate that the local Council Tax support scheme is compliant with the above acts and to document all work undertaken in this area.

In developing a local Council Tax Support Scheme Equality analysis is considered an integral part of the process. Each of the eight options have been the subject of an Equality analysis report which is attached in Appendix E.

The Equality analysis will be reviewed on a regular basis as the policy for the local scheme develops to ensure negative impacts are identified and minimised if not eliminated.

#### **BACKGROUND PAPERS**

#### **Reference Documents**

Localising Support for Council Tax – Funding arrangements consultation Localising Support for Council Tax – A statement of intent Localising Support for Council Tax in England - Government's response to consultation

Localising Support for Council Tax in England – Consultation New Burdens Doctrine – Guidance for government departments

#### **Appendices**

Options Appendix A
Case Studies Appendix B
Glossary Appendix C
Risks Appendix D
Equalities Analysis Appendix E
Consultation Plan Appendix F

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# Local Council Tax Support Options & Impacts

# No Impact on Council Tax Benefit Claimants or Wider Council Tax

#### Option1

# Option 1

Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme.

The default scheme

Reduction: £1.9 mil Contingency: £0.1 mil

#### Risks:

- No contingency for increase in CTS claims.
- Implications for the Tax Base in year 2 could affect the GLA's share of revenue as well as the Council's revenue.
- Figures for reserves are based on all benefit matters remaining equal in 2013 compared to 2012. Government tend to increase premiums every year which means the value of the 10% expenditure is higher. If we choose to increase working age CTS by including 2013 premiums, then the savings to be found from reserves must also increase.
- A reduction in financial reserves is likely to impact upon the Council's Medium Term Financial Strategy depending upon the minimum level of reserves deemed to be appropriate to the setting of a robust budget. A contribution to reserves can only be achieved through cost reductions or increased income over the life of the MTFS.

Note, the 10% reduction in Option 1. above of £1.9 million, is based on 2012/13 forecast subsidy expenditure at May 2012.

DCLG in their paper, Localising Council Tax Support – Funding arrangements consultation, have indicated local authorities could choose to manage the reduction through use of reserves.

This Option would also require a more general consultation linking CTS to the Government 10% reduction in funding for CTS.

## Options 2, 3, 4 and 5 directly Impact on Council Tax Benefit Claimants

Option 2. impacts on all working age claimants.

# Option 2

Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction.

**Reduction:** £1.9 m **Contingency:** 0%

#### Risks:

- No contingency for increase in CTS claims.
- Some council tax will have to be collected from all working age households.
- Has a disproportionate effect on larger households as they have a higher base charge.
- Does not protect vulnerable groups such as disabled households or those with children.

Note, the 10% reduction in Option 2. above of £1.9 million, is based on 2012/13 forecast subsidy expenditure at May 2012.

In Option 2. council tax properties in bands A to H are all subject to 20% liability reduction for working age claimants. Pensioners are protected and CTB based on 100% liability. Council Tax Benefit is calculated in the same way as the current scheme except for the liability reduction.

It should be noted that Option 2. above fairly distributes the impact of the reduced budget across all of the CTS caseload but takes no account of disability or children in the household.

This option affects the full working age caseload which totals 10,313 claimants of which 6,954 are non working & 3,359 are working claimants.

A breakdown of the reduction against Approx Council Tax benefit reductions across the following working age groups:

£380k from 1884 in work claimants households

£430k from 2253 disabled claimant households

£260k from 1685 lone parents households

£830k from other non working households

# Option 2 Statistical Data

Claim Category	Total Working Age Claims	Numbers Affected by Band	LA Saving/ Customer Loss £	Overall % Saving
Disabled (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A 412 B 644 C 700 D387 E 85 F 18 G 7	£430K	2.3%
Lone Parents Child Under 5 (includes single claimants who have one or more children under 5 years)	1685	A110 B 432 C 721 D 366 E 52 F 3 G 1	£260K	1.3%
Working 16hrs+ (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A 155 B 364 C 679 D 545 E 115 F 24 G 2	£380K	2%
Everyone Else (includes the remainder who do not fit into any of the above 3 categories).	4491	A 806 B 1170 C 1451 D 837 E 176 F 32 G 7	£830K	4.4%
Totals	10313	A 1485 B 2612 C 3553 D 2137 E 430 F 79 G 17	£1.9million	10%

# Option 3. impacts all working age claimants.

# Option 3

Calculate CTB entitlement and then reduce every working age claimant's award by 18%.

Reduction: £1.8 mil Contingency: NIL

#### Risks:

- No contingency for increase in CTS claims.
- Could reduce incentive to move into work.

Based on annual working age expenditure of £10,167,404 less 18%. Option 3. affects the whole of working age caseload, 10,313 claimants of which 6954 are non working & 3359 standard/working claims.

Option 3. makes it easy to change the scheme year on year as the percentage is amended in line with any changes to the grant allocation.

#### Option 3 Statistical Data

Claim Category	Total Working Age Claims	Numbers Affected by Band	LA Saving/ Customer Loss £	Overall % Saving
Disabled (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A 412 B 644 C 700 D387 E 85 F 18 G 7	£430,443	2.3%
Lone Parents Child Under 5 (includes single claimants who have one or more children under 5 years)	1685	A110 B 432 C 721 D 366 E 52 F 3 G 1	£296,248	1.6%
Working 16hrs+ (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A 155 B 364 C 679 D 545 E 115 F 24 G 2	£276,012	1.5%
Everyone Else (includes the remainder who do not fit into any of the above 3 categories).	4491	A 806 B 1170 C 1451 D 837 E 176 F 32 G 7	£827,428	4.4%
Totals Based on £10,167,404 Working Age expenditure £19,177,833 total expenditure	10313	A 1485 B 2612 C 3553 D 2137 E 430 F 79 G 17	£1.8 million	9.8%

£1.8m Reduction- Approx. saving 9.8% Pensioners Protected Use current CTB scheme based on 100% of Council Tax liability. All claimants will have to pay at least 18% of their Council Tax liability even if receiving Income Support or Job Seekers Allowance.

NB Option 3 gives very similar outcomes to Option 2. The difference being Option 2 reduces amount of Council Tax Liability eligible for benefit and CTB scheme remains unchanged. Alternatively, Liability remains at 100% and CTB is reduced by an agreed percentage after the benefit calculation to achieve any saving.

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# Option 4

Maximum award would be restricted to an average band D award.

Increase benefits taper to 65%. Premiums set at 2011 rates

Increase non-dependant deductions as follows:

£0.00 to £00.00 \*

£2.85 to £15.00

£5.70 to £20.00

£7.20 to £28.00

£8.60 to £35.00

Makes for 19% reduction for working age

Remove second adult rebate

Reduction: £1.8 mil Contingency: £0.18 mil

#### Risks:

- This will be a complex scheme to operate.
- Resources to administer the scheme would remain high without the support of the current administration grant.

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#### Comments:

- Affords greater protection to claimants who are on welfare benefits
- Clg calc
- Complex scheme

Option 4 requires a range of system parameter changes to enable the 10% reduction to be taken from working age claimants.

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

Very approximately, the reduction of £1.8million is taken from 6,954 non working claimants (£800k) and 3,359 standard/working claimants (£1m).

A more complex Council Tax benefit calculation is required for Option 6. as changes have been made to the actual benefit calculation. The taper is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%. Please see the Glossary Appendix attached for a detailed explanation of terms.

It should also be noted that the large increases in the non dependant charge particularly impacts on those claimants with other adults living in the property. In two of the examples above, both claimants would be subject to the highest deduction and as a result would lose all of their benefit entitlement.

# Option 4 Statistical Data

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
1.Restriction to average Band D Benefit Award (£20.57) NB. Actual Band D Liability 2012/13 £28.94.	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,352  A £0.00  B £28,353  C £181,116  D £284,076  E £166,192  F £65,652  G £15,080	4%
2.Increase Non Dependant Deductions: £0.00 to £0.00 £2.85 to £15.00 £5.70 to £20.00 £7.20 to £28.00 £8.60 to £35.00	1113	623	£479,636	3%
3.Increase Tapers (currently 20%) (a) 65% (as HB)	All Working Age caseload 10313	1362	£838,760	4%
Total for option 6 combinations when entered into CLG tool			£1.8 million	10%

Option 4 Combination of 1, 2 & 3a with premiums & allowances at 2011 rates.

Please note very high non dependant increases will penalise a very small group of claimants who would disproportionately lose benefit entitlement, including those receiving Income Support or Job Seekers Allowance. The increase was used for illustrative purposes to show the amount of saving that would have to be made if using this particular combination to achieve £1.8 million saving.

The table below illustrates the impact of smaller non dependant charge increases and smaller Taper increases, some of which have been used in Option 5.

Increase non dependant deductions	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss	Overall % Saving
(b) £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00	1113	108	£210,704	1%

£8.60 to £20.00				
(c) £2.85 to £5.00	1113	56	£135,356	>1%
£5.70 to £8.00				
£7.20 to £11.00				
£8.60 to £15.00				
Increase Tapers	All Working			
(currently 20%)	Age			
	caseload			
(b) 55%	10313	1205	£764,920	4%
(c) 45%		1021	£659,776	3.5%
(d) 35%		747	£494,780	3%
(e) 30%		550	£377,000	2%

CLG Data Analysis Tool- Data March 2012. Please not that the above figures cannot be exact and are for guidance only. Due to the complexity of the data, individual claimant group totals will not match the overall saving of 1.8 million.

## Option 5. impacts all working age claimants.

#### Option 5

Maximum award would be restricted to the average benefit in Band D.

Remove second adult rebate.

Increase benefits taper to 30%.

Increase non-dependant deductions:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Reduce premiums by 18%

Reduction: £1.8 mil Contingency: £0.18 mil

# Risks:

Non-dependants disappear overtime

#### Comments:

- Working claimants affected more than JSA/IS claimants because the taper on applies to them.
- Easier to collect council tax from working claimants

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

In work claimants will receive less support because the taper applies to the earned income. It will also be easier to collect the Council Tax from claimants in work.

The saving of £1.8 million for Option 5 is taken from 6,954 non working claimants (£700k) and 3,359 working claimants (£1,1m).

# Option 5 Statistical Data

1.Restriction to average Band D Benefit Award (£20.57) NB. Actual Band D Liability 2012/13 £28.94	All Working Age: Band A 1512 Band B 2652 Band C 3648 Band D 2265 Band E 467 Band F 85 Band G 15	15 lose all CTB across all Bands	Total £729,482  A £0.00  B £28,366  C £181,116  D £284,076  E £166,192  F £65,652  G £15,080	4%
2. Increase Non dependant deductions: £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00	1113	108	£210,704	1%
3.Increase Tapers (currently 20%) 30%	All Working Age caseload 10313	550	£377,000	2%
4. Reduce 2011 Premiums by: (a) 18%	10313	1362	£664,508	3.5%
Total for option 7 combinations when entered into CLG tool			£1.8 million	10%

For comparison, the table below illustrates the saving made when the 2011 premiums are reduced by 10% as opposed to 18% above:

	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss	Overall % Saving
Reduce 2011 Premiums by 10%	10313	268	£368,888	2%

CLG Calculator Tool – Data March 2012. Please not that the above figures cannot be exact and are for guidance only.

### Options 6 and 7 directly impact on the wider Council Tax Collection

The Government issued a consultation paper entitled Technical Reforms of Council Tax in October 2011. Some of the proposals in the paper are contained within the Local Government Finance Bill. These could be used to deliver alternative savings.

Option 6. impacts people with second homes.

# Option 6

Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013.

Reduction: £1.8 mil Contingency: NIL

#### Risks:

- No incentive for taxpayers to tell us about these properties which would be second homes so savings reduced. On Class C exemptions alone, this could be as much as £951k lost if taxpayers advise empty properties are occupied by a single person.
- Fraud implications would require consideration.
- Certain exemptions could be abolished and additional income lost.
- Customers may feedback strong concerns
- · No contingency for increase in CTS claims.
- The proposed council tax reforms are contained in the Local Government Finance Bill and are potentially subject to amendment.
   The bill is due to have it's second reading in the House of Lords on 12 June 2012.
- No contingency for increase in CTS claims

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Council Tax Technical Reform supports Option 6. and describes in detail how a reduction of £1.8 million can be achieved by making maximum use of the discretions to decrease discounts and exemptions from the Council Tax Technical Reforms.

This option has no impact on claimants. It also has no impact on the majority of taxpayers with one home. It could assist bring properties into use and occupation in line with new homes agenda.

To calculate the reduction, 2011/12 figures have been used as the basis for this option. It can be noted from Council Tax Reform Appendix that 7,287 properties would be affected which include properties which are second homes, undergoing major repair, unoccupied and unfurnished, long term empty properties and repossessed properties.

This option also has many variables would could be dissected and coupled with another option.

# Option 6 Statistical Data

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection)
Second Homes	Discretionary discount between 10% and 50%  Havering currently give 10%	Range of discretion to be between 0% and 50%.	716	£46,798 (10% discount)	£46k if set at 0%
Exemption Class A – mpty and undergoing ajor repairs/structural terations	100% up to a maximum of 12 months	Discretionary discount between 0% -100%.	317	£177,794	12-month period: £0k if set at 100% £44k if set at 75% £87k if set at 50% £131k if set at 25% £174k if set at 0%
Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100%.	5712	£1,293,903	6-month period: £0k if set at 100% £317k if set at 75% £634k if set at 50% £951k if set at 25% £1,268k if set at 0% £555k if set at 75% £793k if set at 50% £1,030k if set at 25%

Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection)
					£1,268k if set at 0% (assumed 75% occupied within 3 months so additional savings only generated by remaining 25%)
Long term unoccupied and unfurnished (after expiry of 6 months class exemption)	Discretionary discount between 0% and 50%  Havering currently give 0%	Discretion to charge an Empty Homes Premium of up to 50% (i.e. charge 150%) on properties unoccupied and unfurnished for more than 2 years.	464	None – no discount awarded	£295k if set at 150%*
Mortgagees in Possession - Class L	100% with no time limit	Class L to be abolished	78	£42,207	£41k
	£1.824k				

# Option 7. impacts all residents in the borough not claiming maximum CTS (approx 87,000 households)

# Option 7

Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year.

**Reduction:** £1.85 mil **Contingency:** 0%

#### Risks:

No contingency for increase in CTS claims

DCLG in their paper, Localising Council Tax Support – Funding arrangements consultation, have indicated local authorities could choose to manage the reduction using flexibility over council tax. However, significant increases in Council Tax could trigger a referendum, which would have its own considerations.

Assumes 20% of taxpayers are claimants and their increase will be covered by CTS and so a total additional CTS of £440k is assumed and rounded to £500k. Total CTS expenditure re-forecasted from £18. million to £18.5 million, therefore, 10 % reduction is £1.85 million.

Option 7 would affect the majority of households in the borough and the calculation uses 100,000 for ease of calculation.

An impact analysis is provided below.

Please note the second table, Option 7a, reflects the current scheme for comparison.

Option 7b below is a variation of Option 7 making a saving of only £1 million but can be used in combination with elements from other options.

LBBD Data Analysis Tool – Data May 2012

	Option 5 - Proposed Council Tax Amounts to raise additional £1.9m (gross & rounded up)									
Band	@	Α	В	С	D	Е	F	G	Н	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual incr for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

Option 7a- no increase. The 10% reduction in Council Tax Support (£1.8m) would have to be met from elsewhere eg reserves.

	Option 5a - Current Council Tax Amounts									
Band	@	Α	В	С	D	E	F	G	Н	Total
Amount of Council Tax	£834.39	£1,001.27	£1,168.14	£1,335.02	£1,501.90	£1,835.66	£2,169.41	£2,503.17	£3,003.80	
No. of AProps per of B1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
O,	£3,003.80	£2,875,337.49	£7,765,473.82	£26,704,583.01	£47,372,929.80	£30,936,119.51	£18,269,695.67	£11,858,752.08	£1,540,949.40	£147,323,840.79
Debit Raised	£3,003.80	£2,875,337.49	£7,765,473.82	£26,704,583.01	£47,372,929.80	£30,936,119.51	£18,269,695.67	£11,858,752.08	£1,540,949.40	£147

Option 7b - 0.74% increase. Covers £1.0m of the £1.8m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability.

	Option 5b - Proposed Council Tax Amounts to raise additional £1.0m (gross & rounded down)									
Band	(9)	Α	В	С	D	E	F	G	Н	Total
Amount of Council Tax	£840.56	£1,008.67	£1,176.78	£1,344.89	£1,513.00	£1,849.22	£2,185.44	£2,521.67	£3,026.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,026.00	£2,896,588.07	£7,822,865.63	£26,901,946.93	£47,723,046.00	£31,164,757.19	£18,404,720.39	£11,946,395.83	£1,552,338.00	£148,412,658.04
Annual incr for Tax Payer	£6.17	£7.40	£8.63	£9.87	£11.10	£13.57	£16.03	£18.50	£22.20	£1,088,817.25

<sup>@</sup> reflects the number of band A properties who receive a disability band reduction.

Option 5b could be combined with elements of another option to make the full savings.

<sup>\*</sup>CTB1 figures as at October 2011

Please note that none of the above increases allow for additional income to be generated other than to cover the cost of the CTS scheme.

## Option 8. impacts working age claimants and people with second homes

## **Option 8**

Restrict the maximum council tax support award to the top of band D, £28.94. Increase non-dependant deductions from:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows:

Remove the second homes discount completely (currently 10%).

Amending the Class A exemption (Empty and undergoing major structural repairs) to a 25% discount for a maximum of 12 months.

Removing the Class C exemption (unoccupied and unfurnished) completely. Taking the savings from the abolition of Class L (mortgagees in possession).

Reduction: £1.8 mil Contingency: NIL

#### Risks:

- Non-dependants may disappear over time to avoid a reduction in support.
- No incentive for taxpayers to tell us about these properties which would be second homes so savings reduced. On Class C exemptions alone, this could be as much as £951k lost if taxpayers advise empty properties are occupied by a single person.
- Fraud implications would require consideration.
- Certain exemptions could be abolished and additional income lost.
- Current debate around Housing Associations receiving a Class C exemption that may be able to transfer their exemption from Class C class B.
- No contingency for increase in CTS claims.
- The proposed council tax reforms are contained in the Local Government Finance Bill and are potentially subject to amendment.
   The bill is due to have it's second reading in the House of Lords on 12 June 2012.
- No contingency for increase in CTS claims.

•

\*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of an out-of-work benefit, the deduction remains at zero in line with the current scheme.

Option 8 uses a combination of restricting the maximum council tax support to a weekly band D charge of £28.94, non dependant deductions and reductions in property exemptions.

All claimants (approximately 500 households) residing in properties banded E, F and G are likely to be affected by restricting benefit to Band D Claimants.

In total, a very small number, 123 claimants will be affected by this option when compared to the working age benefit caseload of 10,313.

Proposals in the Local Government Finance Bill are optimized above to make the majority of savings to offset the Government's 10% reduction in expenditure. The Local Government Finance Bill continues to make its way through the Houses of Parliament.

# Option 8 Statistical Data

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Custom er Loss £	Overall % Saving
a. Restriction to Actual Band D Liability 2012/13 £28.94	All Working Age: Band A 0 Band B 0 Band C 0 Band D 0 Band E 467 Band F 85 Band G 15	15	Total £75k  A £0.00 B £0.00 C £0.00 D £0.00 E £40k F £26k G £9k	>1%
b. Increase Non dependant deductions: £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00	1113	108	£211k	1%
Exemption Category	Current scheme	LGF Bill Proposal	Potential Additional Income £	No. of properties affected
c. Second homes	Discretionary discount of 10%.	Range of discretion between 0% and 50%. Havering propose 0%.	46K	716
d. Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% and 100%. Havering propose 0% over 12 months.	174k	317
e. Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100%. Havering propose 0%.	1.268k	5712
f. Mortgagees in possession Class L	100% no time limit	Abolition. Havering propose 0%	41k	78
Total			1.815k	

Elements a. and b. of Option 8 above have been calculated using the CLG Calculator which means the applicable amounts and non dependants deductions used in the base are 2011/12 figures.

In addition, to estimate the savings from the Council Tax Technical Reform which is currently passing through the House of Parliament as part of the Local Government Finance Bill, 2011/12 full year data set has been used.

Appendix B

Case studies have been provided to show the effect of the reduction in council tax support for each option. The same three claimant households have been used to enable comparison between options.

## Option 1.

Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme. This would mean adopting the current council tax benefit scheme which will be known as the default scheme.

Benefit will remain the same for claimants.

## Option 2.

Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction.

# **Option 2 Case Studies**

# a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
100% Liability	£12.00	£624.00
80% Liability	£9.12	£474.00
CTB Reduction	£2.88	£149.76

#### b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D

	Weekly CTB	Annual CTB
100% Liability	£20.18	£1049.36
80% Liability	£14.44	£750.88
CTB Reduction	£5.74	£298.48

### c) Working Couple, 1 non dependant. Income £151.85 Band D

	Weekly CTB	Annual CTB
100% Liability	£16.42	£853.84
80% Liability	£10.66	£554.32
CTB Reduction	£5.76	£299.52

The lone parent and working couple in band D properties, share a larger percentage of the reduction than the single disabled person in a band A property in the case studies above.

## Option 3.

Calculate CTB entitlement and then reduce every working age claimant's award by 18%.

## **Option 3 Case Studies**

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB	
Current Assessment	£12.00	£624.00	
CTB Minus 18%	£9.84	£511.68	
CTB Reduction	£2.16	£112.32	

b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
CTB Minus 18%	£16.55	£860.60
CTB Reduction	£3.63	£188.76

c) Working Couple, 1 non dependant. Income £151.85 Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
CTB Minus 18%	£13.46	£699.92
CTB Reduction	£2.96	£153.92

Option 3. is similar to Option 2 whereby current the Council Tax Benefit scheme is retained for both Pensioners and Working age claimants. However, the latter group would be subject to an 18% reduction in the final amount of CTB calculated. Council Tax liability would remain at 100% for all groups.

Option 3. also spreads the reduction more evenly across claim types unlike Option2.

# Option 4.

Maximum award would be restricted to an average band D award. Increase benefits taper to 65%. Premiums set at 2011 rates

Increase non-dependant deductions as follows:

£0.00 to £00.00 \*

£2.85 to £15.00

£5.70 to £20.00

£7.20 to £28.00

£8.60 to £35.00

Makes for 19% reduction for working age claimants.

Remove second adult rebate

# **Option 4 Case Studies**

# a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
<ul><li>65% Taper</li><li>No non dependant deduction</li></ul>	£5.04	£262.08
CTB Reduction	£6.96	£361.92

# b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul> <li>65% Taper</li> </ul>	£0.00	£0.00
<ul> <li>Increased non</li> </ul>		
dependant		
deduction £8.60		
to £35.00		
CTB Reduction	£20.18	£1049.36

# c) Working Couple, 1 non dependant. Income £151.85 Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
• 65% Taper	£0.00	£0.00
<ul> <li>Increased non</li> </ul>		
dependant		
deduction £8.60		

to £35.00		
CTB Reduction	£16.42	£853.84

A more complex Council Tax benefit calculation is required for Option 4. as changes have been made to the actual benefit calculation. The taper is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%. Please see the Glossary Appendix attached for a detailed explanation of terms.

It should also be noted that the large increases in the non dependant charge particularly impacts on those claimants with other adults living in the property. In two of the examples above, both claimants would be subject to the highest deduction and as a result would lose all of their benefit entitlement.

# Option 5.

Maximum award would be restricted to an average benefit award in Band D. Remove second adult rebate.

Increase benefits taper to 30%.

Increase non-dependant deductions:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Reduce premiums by 18%

# **Option 5 Case Studies**

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
• 30% Taper	£5.60	£291.20
Reduce		
premiums 18%		
No non		
dependant		
deduction		
CTB Reduction	£6.40	£332.80

b) Lone Parent, 1 child, 1 non dependant. Income £236.87 Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul> <li>30% Taper</li> </ul>	£8.78	£456.56
Reduce		
premiums 18%		
<ul> <li>Increased non</li> </ul>		
dependant		
deduction £8.60		
to £20.00		
CTB Reduction	£11.40	£592.80

c) Working Couple, 1 non dependant. Income £151.85 Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul> <li>30% Taper</li> </ul>	£6.15	£319.80
<ul> <li>Reduce</li> </ul>		
premiums 18%		
<ul> <li>Increased non</li> </ul>		
dependant		
deduction £8.60		
to £20.00		
CTB Reduction	£10.27	£534.04

Option 5 is similar to Option 4. with more complex benefit calculation changes, increasing the taper and reducing the premiums but with lower non dependant charges than option 4. However, those customers with non dependants would still suffer the greatest losses in Council Tax Support entitlement.

## Option 6.

Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013. This would mean adopting the current council tax benefit scheme which will be known as the default scheme.

Benefit will remain the same for claimants.

# Option 7.

Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year. This would mean adopting the current council tax benefit scheme which will be known as the default scheme.

Benefit will remain the same for claimants.

### Option 8.

Restrict the maximum council tax support award to the top of band D, £28.94. Increase non-dependant deductions from:

£00.0 to £00.0\*

£2.85 to £6.00

£5.70 to £9.00

£7.20 to £15.00

£8.60 to £20.00

Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows:

Remove the second homes discount completely (currently 10%).

Amending the Class A exemption (Empty and undergoing major structural repairs) to a 25% discount for a maximum of 12 months.

Removing the Class C exemption (unoccupied and unfurnished) completely. Taking the savings from the abolition of Class L (mortgagees in possession).

# **Option 8 Case Studies**

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
<ul> <li>Band A</li> </ul>	£12.00	£624.00
<ul> <li>No non</li> </ul>		
dependant		
deduction		
CTB Reduction	£0.00 No Change	£0.00 No Change

b) Lone Parent, Income £236.87, 1 child, 1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
Band D	£8.78	£456.56
<ul> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>		
CTB Reduction	£11.40	£592.80

# c) Working Couple, Income £151.85 ,1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
Band D	£8.78	£456.56
<ul> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>		
CTB Reduction	£7.64	£397.28

# d) Lone Parent, Income Support, no non dependants, Band F.

	Weekly CTB	Annual CTB
Current Assessment	£41.58	£2162.16
<ul> <li>Band F(Restricted to Band D)</li> <li>No non dependants</li> </ul>	£28.94	£1504.88
CTB Reduction	£12.64	£657.28

# e) Lone Parent, Income Support, 1 non dependant (gross income £316.00 to £394.00 per week, Band F

	Weekly CTB	Annual CTB
Current assessment	£34.38	£1787.76
<ul> <li>Band F (Restricted to Band D)</li> <li>Increased non dependant deduction £7.20 to £15.00</li> </ul>	£13.94	£724.88
CTB Reduction	£20.44	£1062.88

Examples a) to c) show only the impact of the non dependant changes. Such cases are unaffected by the restriction to Band D.

Example d) shows the impact of a restriction to Band D upon a Band F property banding, while example e) shows the impact of such a restriction when there is also a non dependant living in the household.

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## **Glossary**

**Applicable Amounts:** Each claimant receives an allowance based on the needs of their household. This monetary figure represents the minimum income a person or family with their requirements needs to live on. The allowance can be topped up by premiums where someone in the household is disabled. The applicable amount is compared to the household income.

**Assessment of capital**: The capital limit for claimant (and/or partner) is £16,000. If more than £16,000 is held, the claimant is not eligible for CTB. If capital of between £16,000 and £6,000 is held, the first £6,000 is ignored and then for every £250 held above £6,000, £1 is counted as income.

Eligible Council Tax: A claimant's Council Tax liability less any discount.

**Excess Income:** Any income that exceeds the Applicable Amount is known as excess income. Excess income will reduce benefit entitlement.

**Maximum Benefit**. On a weekly basis, this is the claimant's weekly eligible Council Tax less any non dependant deductions that apply.

**Non-dependant:** A non-dependant is an adult member of the household who resides with the claimant and/or partner.

**Non-dependant deduction:** Depending on the non-dependant's income, a deduction is made for them from the claimant's CTB. The weekly deduction ranges from £0 to £8.60 based on the individual's gross weekly income:

£0.00 to £0.00 (Income Support/JSA under 25 years)

£2.85 to £6.00 (Gross income less than £183.00)

£5.70 to £9.00 (Gross income £183.00 to £316.00)

£7.20 to £15.00 (Gross income £316.00 to £394.00)

£8.60 to £20.00 (Gross income greater than £394.00)

**Pensioners:** Claimants born before 7 October 1951 will be of pensionable age at 1 April 2013.

**Second Adult Rebate:** Awarded to claimants who are not entitled to council tax benefit based on their own income, but who would receive a single person's discount on their council tax if it were not for other low income adults living in their property. This is awarded up to a maximum rate of 25% of their liability for Council Tax.

**Taper**: The taper is the percentage of the claimants excess income used in assessing their CTB entitlement. Under the current scheme, this taper is set at 20%. Increasing the taper will reduce benefit entitlement.

**Vulnerable groups:** CLG published a guidance note, Vulnerable People – Key Local Authority Duties on 21 May 2012. This is intended to address the local authority's requirement to take into account the Public Sector Equality Duty (Equalities Act 2010), the duties to mitigate the effects of Child Poverty (Child Poverty Act 2010) and the duty to prevent homelessness (The Housing Act 1996). CLG also highlight the need to comply with the Armed Forces Covenant with regard to War Pension and Armed Forces Compensation schemes.

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Risk Register Appendix D

	Risk				sment	
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	<b>Traffic</b> Light
1	RISK  Lead Officer – Chris Henry  Central Government decides not to proceed with the localisation of Council Tax Support	Central Government decides not to proceed with the localisation of Council Tax Support and retains the current Council Tax Benefit scheme Lobbying from local government and welfare organisations has stressed the difficulties with introducing a new scheme within the timescale	2	1	2.	Green
∾ Page 163₀	RISK  Lead Officer –Chris Henry  CLG guidance and legislation delayed	Local Government have not been given an absolute free hand in designing a new scheme. If CLG guidance and legislation is delayed it could make it impossible to roll out a scheme within the timeframe	3	3	9	Amber
ఈ	RISK  Lead Officer –Chris Henry  Slippage in timetable	Slippage in LCTS project timetable; the timetable for the introduction of the new Local Council Tax Support scheme is very challenging, requiring a new scheme to be finalised by Jan 2013	3	2	6	Amber
4	RISK  Lead Officer –Chris Henry  Options not agreed by management/members	Options not agreed by management/ members; following the public consultation, the council will need to confirm that they are happy to proceed with implementing a scheme as selected through the consultation process	1	2	2	Green

	Risk			Assessment			
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	Traffic Light	
5	RISK  Lead Officer –Chris Henry  Poor response to consultation	A low response will undermine the legitimacy of the final decision and may encourage challenge	1	2	2	Green	
6 Pag	RISK  Lead Officer –Chris Henry  Controlling implementation costs	Some funding has/will be made available by central government to cover implementation costs but may not be sufficient to cover all implementation costs	2	2	4	Amber	
Page-164	RISK  Lead Officer –Chris Henry  Scheme guidance/policy not ready for roll-out	The Council Tax Support scheme will require a new policy document and an extensive guidance manual be drafted. Extensive rewriting of the Support scheme policy and guidance will certainly need to be checked and signed off by legal services to prevent challenge from claimants and user groups. This considerably increases costs	2	2	4	Amber	
8	RISK  Lead Officer –Chris Henry  Software changes not ready	Academy, the software providers for the council, have been reticent about what changes they are able to support without increasing costs. If the new Council Tax Support scheme differs significantly from the current scheme it will require a considerable rewriting of current software	3	3	9	Amber	

	Risk			Assessment			
No.	Risk Area & Lead Officer(s)	Risk Description	Likelihood	Impact	Risk Rating	Traffic Light	
9	RISK  Lead Officer –Chris Henry  Managing the new administrative burdens	Managing the new administrative burdens arising from the introduction of a new local Council Tax Support scheme; As well as developing new performance management measures, new appeal/review procedures need to be developed. Additionally, new signage, forms and letter packs will need to be put in place	3	3	9	Amber	
<sup>10</sup> Page 165	RISK  Lead Officer –Chris Henry  Introduction of a Local Council Tax Support scheme will have a potential impact on collection rates	Charging customers previously fully rebated and increased burdens on other groups will affect collection rates. Additionally, Customers claiming CTS who move between boroughs may become confused by the differing rules and council tax collection	3	4	12	Red	
11	RISK  Lead Officer –Chris Henry  Savings anticipated undermined by an increased CTS caseload	Savings designed to come from the new Local Council Tax Support scheme could be undermined by an increased CTS caseload.	2	3	6	Amber	
12	RISK  Lead Officer –Chris Henry  Increased opportunities for fraud	Development of a Local Council tax support scheme leads to an increased potential for fraud. New procedures may allow for new loopholes. Guidance and legislation confirming arrangements to allow local authorities and the DWP to share data are yet to be published.	2	2	4	Amber	

	Risk			Assessment			
No.	Risk Area & Lead Officer(s)	& Risk Description		Impact	Risk Rating	Traffic Light	
13	RISK  Lead Officer –Chris Henry  Significant changes to caseload profile	Significant changes to caseload profile could affect the Local Council Tax Support scheme increasing costs and reducing effectiveness. Economic factors (including changes to LHA) and the design of local schemes may have an impact on the caseload profile, with mobile sectors of the community moving to areas where more support is available	1	4	4	Amber	
<del>Pa</del> ge 166	RISK  Lead Officer –Chris Henry  The impact of wider reform agenda	The impact of wider reform agenda undermines the policy intentions and costs profiling of the Local Council Tax Support scheme. The added impact of other reforms may introduce pressures on other sections of the community not anticipated when the policy was drawn up	3	3	9	Amber	



#### LONDON BOROUGH OF HAVERING RISK ANALYSIS

Risk Register:		Introduction Scheme	n of a loca	al Council Tax Support
Reference: Risk 1		Risk 1		
Date		20 <sup>th</sup> June 2012		
Completed/Updated				
Lead 1:	Chris Henry		Lead 2:	

#### 1. What is the risk?

Central Government decides not to proceed with the localisation of Council Tax Support and retains the current Council Tax Benefit scheme

# 2. What might make the risk materialise?

Lobbying from local government and welfare organisations has stressed the difficulties with introducing a new scheme within the timescale.

## 3. What is the anticipated impact and who will be affected?

There is no direct impact on local residents, but retaining the current scheme will require updating current software agreements. There is also a likelihood that savings to be made will be recovered directly from central government funding to the council, which may require an increase in Council Tax.

# 4. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 2

b) Impact = 1

Risk score (a x b) = 2/16

This is your inherent risk score.

## 5. What mitigation is currently in place and how effective is it?

<ul> <li>Mitigatin</li> </ul>	g Factor 1:
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Even if the scheme was postponed, work to date by local authorities would remain relevant

How do you know this is effective?

Administration of CTB within the borough has been requirement of the service for some time and is bedded in as a council service

- 6. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 2
  - b) Impact = 1

Risk score (a x b) = 2/16

This is your residual risk score.

7. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.

Not at this stage

8. If your risk remains in the red zone (scores 12+) after mitigation you may need to draft an action plan (appendix 1).



#### LONDON BOROUGH OF HAVERING RISK ANALYSIS

Risk Register:	Introduction	on of a loca	l Council Tax Support
	Scheme		
Reference:	Risk 2		
Date	20 <sup>th</sup> June 2	2012	
Completed/Upo	lated		
Lead 1: Chri	s Henry	Lead 2:	

#### 9. What is the risk?

Local Government have not been given an absolute free hand in designing a new scheme. If CLG guidance and legislation is delayed it could make it impossible to roll out a scheme within the timeframe.

## 10. What might make the risk materialise?

The parliamentary timetable means that the LG Finance bill may not receive royal assent until November, with a consequential delay in legislation

## 11. What is the anticipated impact and who will be affected?

Any delay will require the authority to make a number of assumptions that if incorrect could lead to a need to make urgent changes in policy and software. This in turn may mean identified savings do not materialise and confusion to the public around how the scheme operates.

# 12. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 4

b) Impact = 3

Risk score (a x b) = 12/16

### 13. What mitigation is currently in place and how effective is it?

Mitigating Factor 1:

Based on guidance to date and how other local policy works the council could potentially work on an interim basis, depending on the design adopted. If software is not in place a manual adjustment could be applied to the current scheme.

How do you know this is effective?

The potential options proposed would allow for a manual adjustment made to an assessment made using current software. CTB data should allow for those affected by late changes to be identified and contacted directly.

14. Taking into account the mitigation currently in place re-evaluate your risk score

a) Likelihood = 3

b) Impact = 3

Risk score (a x b) = 9/16

This is your residual risk score.

15. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.

Not at this stage

16. If your risk remains in the red zone (scores 12+) after mitigation you may need to draft an action plan (appendix 1).



#### LONDON BOROUGH OF HAVERING RISK ANALYSIS

Risk Register:	Introduction of a local Council Tax Support
	Scheme
Reference:	Risk 3
Date	20 <sup>th</sup> June 2012
Completed/Updated	
Lead 1: Chris Hei	nry Lead 2:

#### 17. What is the risk?

Slippage in LCTS project timetable; the timetable for the introduction of the new Local Council Tax Support scheme is very challenging, requiring a new scheme to be finalised by Jan 2013

## 18. What might make the risk materialise?

The introduction of a new scheme is required to undergo public consultation, which will then need to be ratified by members. Options on which the consultation will be based need to be modelled and identified before being signed off by cabinet. If options need to be remodelled, the move to the consultation stage could be delayed.

# 19. What is the anticipated impact and who will be affected?

A delay modelling and/or selecting consultation options, or in the consultation process, could prevent a decision being made in time to fit in with the normal council meeting cycle. For budget setting purposes we would seek to have a decision in October

.

# 20. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 3

b) Impact = 2

Risk score (a x b) = 6/16

#### 21. What mitigation is currently in place and how effective is it?

# Mitigating Factor 1:

The risk is front loaded around the modelling and consultation process. This allows for slippage but would require an extraordinary cabinet/council meeting. The majority of the framework for a new scheme can be put in place prior to a final decision, and time saved by moving this part of the process forward will release resources to manage slippages arising from a delayed consultation

How do you know this is effective?

Freeing up resources will allow for additional help in preparing reports etc.

- 22. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 3
  - b) Impact = 2

Risk score (a x b) = 6/16

This is your residual risk score.

23. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.

Not at this stage

24. If your risk remains in the red zone (scores 12+) after mitigation you may need to draft an action plan (appendix 1).



#### LONDON BOROUGH OF HAVERING RISK ANALYSIS

Risk Regis	ster:	Introduction of a local Council Tax Support		al Council Tax Support
		Scheme		
Reference	<b>):</b>	Risk 4		
Date 20 <sup>th</sup>		20 <sup>th</sup> June 20	)12	
Complete	d/Updated			
Lead 1:	Chris Henry		Lead 2:	

#### 25. What is the risk?

Options not agreed by management/members; following the public consultation, the council will need to confirm that they are happy to proceed with implementing a scheme as selected through the consultation process.

### 26. What might make the risk materialise?

Should members decide that they are not able to accept the scheme selected by the public, or they are opposed to the wider policy of localising support, then they may choose to reject the outcomes from the consultation.

## 27. What is the anticipated impact and who will be affected?

Rejecting the outcomes of the consultation or deciding that the policy is not acceptable will lead to the default scheme being imposed and the required cut in funding passed onto the council

# 28. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 1

b) Impact = 3

Risk score (a x b) = 3/16

### 29. What mitigation is currently in place and how effective is it?

• Mitigating Factor 1:

By ensuring that a range of options are available for adoption Members could agree options in the short term pending further consideration

How do you know this is effective?

.

- 30. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 1
  - b) Impact = 2

Risk score (a x b) = 2/16

This is your residual risk score.

31. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.

Not at this stage



#### LONDON BOROUGH OF HAVERING RISK ANALYSIS

Risk Register:	Introduction of a local Council Tax Support
	Scheme
Reference:	Risk 5
Date	20 <sup>th</sup> June 2012
Completed/Updated	
Lead 1: Chris He	nry Lead 2:

#### 32. What is the risk?

Poor response to consultation; a low response will undermine the legitimacy of the final decision and may encourage challenge

# 33. What might make the risk materialise?

If local residents are not made aware of the consultation, or the options put forward are incomprehensible, or participation in the process is difficult, or the consultation period is too short, then the number of responses will be down

## 34. What is the anticipated impact and who will be affected?

If the scheme is perceived to lack legitimacy it will be more open to challenge. There may also be an impact on collection rates. Members may wish to re-run the consultation delaying the imposition of the new scheme.

# 35. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 1

b) Impact = 3

Risk score (a x b) = 3/16

#### 36. What mitigation is currently in place and how effective is it?

Mitigating Factor 1:

Extensive pre-consultation publicity is planned and consideration is being given to employing a market research team to undertake and manage the process.

How do you know this is effective?

Raising awareness should encourage participation. Employing an external company allows for more resources to be diverted to the data gathering exercise..

- 37. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 1
  - b) Impact = 2

Risk score (a x b) = 2/16

This is your residual risk score.

38. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.

Not at this stage



Risk Regis	ster:	Introduction of a local Council Tax Support Scheme			
Reference: Risk		Risk 6	Risk 6		
Date 20 <sup>th</sup> June 2		20 <sup>th</sup> June 20	)12		
Completed/Updated					
Lead 1:	Chris Henry		Lead 2:		

#### 39. What is the risk?

Controlling implementation costs; some funding has/will be made available by central government to cover implementation costs but may not be sufficient to cover all implementation costs

### 40. What might make the risk materialise?

Introducing a new Council Tax Support scheme potentially requires significant resources and the short timetable does not allow for extensive tendering to take place.

#### 41. What is the anticipated impact and who will be affected?

If costs are not controlled funding will need to be drawn down from council resources

# 42. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 3

b) Impact = 3

Risk score (a x b) = 9/16

### 43. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Working in partnership with local partners and other authorities will share many of the costs.

How do you know this is effective?

Previous partnership working has delivered significant savings to the council.

- 44. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 2
  - b) Impact = 2

3

Risk score (a x b) = 4/16

This is your residual risk score.

45. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ster:	Introduction of a local Council Tax Support Scheme			
Reference: Risk 7		Risk 7			
Date 20 <sup>th</sup> June		20 <sup>th</sup> June 201	12		
Completed	d/Updated				
Lead 1:	Chris Henry		Lead 2:		

#### 46. What is the risk?

Scheme guidance/policy not ready for roll-out as detailed in project plan.

### 47. What might make the risk materialise?

If the new Council Tax Support scheme differs significantly from the current scheme a new set of guidance for staff/administrators will be necessary.

#### 48. What is the anticipated impact and who will be affected?

Extensive rewriting of the Support scheme policy and guidance will certainly need to be checked and signed off by legal services to prevent challenge from claimants and user groups. This considerably increase costs

# 49. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 2

b) Impact = 4

Risk score (a x b) = 8/16

# 50. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Adopting a significant section of the current procedures will allow for implementation to proceed pending a final draft being signed off.

The outcome of the consultation will drive policy pending sign off of the published policy document.

How do you know this is effective?

The current regulations have the strength of a legal framework that has been regular tested within the courts.

- 51. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 2
  - b) Impact = 2

3

Risk score (a x b) = 4/16

This is your residual risk score.

52. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ster:	Introduction of a local Council Tax Support Scheme		
Reference: Risk 8		Risk 8		
Date		20 <sup>th</sup> June 2012		
Completed/Updated				
Lead 1:	Chris Henry		Lead 2:	

#### 53. What is the risk?

Software changes not ready; Academy, the council software providers for the current system, have been reticent about what changes they are able to support without increase costs.

### 54. What might make the risk materialise?

If the new Council Tax Support scheme differs significantly from the current scheme it will require a considerable rewriting of current software.

#### 55. What is the anticipated impact and who will be affected?

New software will need testing and will attract increased charges from the software houses. There is an increased potential for glitches and errors to occur.

# 56. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 3

b) Impact = 4

Risk score (a x b) = 12/16

### 57. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Changes in processes should be kept to a minimum. Provision should be made to apply a manual calculation to awards initially based on the current scheme.

• How do you know this is effective?

The current software is proven and allows for some tweaking of the parameters to accommodate some policy changes.

- 58. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 3
  - b) Impact = 3

Risk score (a x b) = 9/16

This is your residual risk score.

59. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ster:	Introduction of a local Council Tax Support Scheme			
Reference: Risk		Risk 9	Risk 9		
Date 20 <sup>th</sup> June 2		20 <sup>th</sup> June 20	)12		
Completed/Updated					
Lead 1:	Chris Henry		Lead 2:		

#### 60. What is the risk?

Managing the new administrative burdens arising from the introduction of a new local Council Tax Support scheme; As well as developing new performance management measures, new appeal/review procedures need to be developed. Additionally, new signage, forms and letter packs will need to be put in place.

#### 61. What might make the risk materialise?

If the new Council Tax Support scheme differs significantly from the current scheme then new performance and quality controls will need to be introduced. Guidance on review and appeal procedures is expected from CLG.

#### 62. What is the anticipated impact and who will be affected?

Drawing up new performance and qualitative procedures will require additional resources to test and quantify the procedures. New appeal procedures will place an additional burden on resources. There is an increased potential for challenges to occur.

# 63. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 3

b) Impact = 4

Risk score (a x b) = 12/16

#### 64. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Changes in processes should be kept to a minimum. Current procedures should be adapted. For forms and letters, current stocks can be used as an interim measure. Working in partnership with other authorities presents an opportunity to both save costs and provide consistency with new procedures.

#### How do you know this is effective?

Current management measures have been in place for some time and are considered robust.

# 65. Taking into account the mitigation currently in place re-evaluate your risk score

a) Likelihood = 3

b) Impact = 3

Risk score (a x b) = 9/16

This is your residual risk score.

66. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ster:	Introduction	of a loca	al Council Tax Support
		Scheme		
Reference: Risk 10		Risk 10		
Date	Date 20 <sup>th</sup> June 2		)12	
Completed/Updated				
Lead 1:	Chris Henry		Lead 2:	

#### 67. What is the risk?

Introduction of a Local Council Tax Support scheme will have a potential impact on collection rates.

### 68. What might make the risk materialise?

Charging customers previously fully rebated and increased burdens on other groups will affect collection rates. Additionally, Customers claiming CTS who move between boroughs may become confused by the differing rules and council tax collection

#### 69. What is the anticipated impact and who will be affected?

Collection rates could drop significantly.

# 70. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 4

b) Impact = 4

Risk score (a x b) = 16/16

#### 71. What mitigation is currently in place and how effective is it?

#### • Mitigating Factor 1:

Raising awareness of residents to the forthcoming changes is essential, particularly currently fully passported. Ensure payment options including instalments, direct debits etc. are also widely

publicised. The scheme should also link in with debt counselling and financial inclusion provision. Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs.

How do you know this is effective?

Current management measures have been in place for some time and are considered robust.

- 72. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 3
  - b) Impact = 4

3

Risk score (a x b) = 12/16

This is your residual risk score.

73. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Register: Introduction of a local Council Tax Suppo			al Council Tax Support		
Reference:		Risk 11			
Date	Date 20 <sup>th</sup> June 2		)12		
Completed/Updated					
Lead 1:	Chris Henry		Lead 2:		

#### 74. What is the risk?

Savings anticipated with the introduction of a Local Council Tax Support scheme could be undermined by an increased CTS caseload.

#### 75. What might make the risk materialise?

The caseload is currently high due to the recession and may not reduce over time. Any further downturn could significantly increase the number of applicants

#### 76. What is the anticipated impact and who will be affected?

If the numbers applying for help increases, the budget for the scheme will need to be increased to reflect this.

# 77. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 2

b) Impact = 4

Risk score (a x b) = 8/16

#### 78. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs. The scheme should also link in with debt counselling and financial inclusion provision. • How do you know this is effective?

Historic modelling has indicated that the caseload has remained relatively static throughout the current downturn.

- 79. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 2
  - b) Impact = 3

3

Risk score (a x b) = 6/16

This is your residual risk score.

80. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ster:	Introduction of a local Council Tax Support Scheme		
Reference: Risk 12		Risk 12		
Date		20 <sup>th</sup> June 2012		
Completed/Updated				
Lead 1:	Chris Henry		Lead 2:	

#### 81. What is the risk?

Development of a Local Council tax support scheme leads to an increased potential for fraud.

#### 82. What might make the risk materialise?

New procedures may allow for new loopholes. Guidance and legislation confirming arrangements to allow local authorities and the DWP to share data are yet to be published.

#### 83. What is the anticipated impact and who will be affected?

Increased fraud will increase burdens on the public purse and undermine confidence in the Local Council Tax Support scheme, potentially affecting revenue streams.

# 84. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 2

b) Impact = 4

Risk score (a x b) = 8/16

### 85. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Adopting robust verification procedures at the point of entry, including use of ATLAS data should prevent additional fraud.

How do you know this is effective?

Fraud prevention has been a high priority for benefit services and Local authorities have led the way in fraud prevention in benefit services.

- 86. Taking into account the mitigation currently in place re-evaluate your risk score
  - a) Likelihood = 2
  - b) Impact = 2

Risk score (a x b) = 4/16

This is your residual risk score.

87. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ister: Introduction of a local Council Tax Support Scheme			al Council Tax Support
Reference: Risk 13		Risk 13		
Date		20 <sup>th</sup> June 2012		
Completed/Updated				
Lead 1:	Chris Henry		Lead 2:	

#### 88. What is the risk?

Significant changes to caseload profile could affect the Local Council tax support scheme increasing costs and reducing effectiveness.

#### 89. What might make the risk materialise?

Economic factors (including changes to LHA) and the design of local schemes may have an impact on the caseload profile, with mobile sectors of the community moving to areas where more support is available.

#### 90. What is the anticipated impact and who will be affected?

Significant migration from other areas in a response to how the scheme has been designed would potentially unbalance the policy intention and increase costs to the borough.

# 91. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 2

b) Impact = 4

Risk score (a x b) = 8/16

### 92. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Working in partnership with authorities should prevent wide fluctuations in design that could lead to migration between the boroughs.

### • How do you know this is effective?

There would need to be a considerable incentive to move in order to improve the level of support received given the other costs involved in relocating.

# 93. Taking into account the mitigation currently in place re-evaluate your risk score

- a) Likelihood = 1
- b) Impact = 4

3

Risk score (a x b) = 4/16

This is your residual risk score.

94. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



Risk Regis	ster:	Introduction of a local Council Tax Support Scheme			
Reference: Risk 14		Risk 14			
Date	Date 20 <sup>th</sup> June 20				
Completed/Updated					
Lead 1:	Chris Henry	Lead 2:			

#### 95. What is the risk?

The impact of wider reform agenda undermines the policy intentions and costs profiling of the Local Council Tax Support scheme.

#### 96. What might make the risk materialise?

The profiling and costing of the new scheme will be based on analysis of Council Tax records and CTB SHBE data. However, the added impact of other reforms may introduce pressures on other sections of the community not anticipated when the policy was drawn up.

#### 97. What is the anticipated impact and who will be affected?

Efforts to protect sections of the community would be undermined a cause them to be more adversely affected than intended.

# 98. Rate your risk using the 4x4 scoring method (this should be without taking into account any mitigation)

a) Likelihood = 4

b) Impact = 4

Risk score (a x b) = 16/16

### 99. What mitigation is currently in place and how effective is it?

#### Mitigating Factor 1:

Working closely with the local community and consulting widely on the design of the new scheme will help to minimise any unforeseen outcomes. The policy will need to be revisited within 2 years. Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs

How do you know this is effective?

# 100. Taking into account the mitigation currently in place re-evaluate your risk score

- a) Likelihood = 3
- b) Impact = 3

3

Risk score (a x b) = 9/16

This is your residual risk score.

101. Do you feel that more or less mitigation is needed? Before increasing or reducing mitigation you should consider cost-benefits.



# LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

**INTRODUCING A LOCAL COUNCIL TAX SUPPORT SCHEME FOR APRIL 2013** 

#### **SCOPE OF PROPOSAL**

1. What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?

As part of the 2010 spending review, the Government announced that it would localise support for Council Tax from April 2013 with an expectation that expenditure would be reduced by 10% from the same date. As well as the 10% savings previously outlined, any increase during the year of the number of awards made above the additional increase forecast by DCLG would have to be funded by the Council. Any new scheme must be in place by 31st January 2013.

The Department for Communities and Local Government (DCLG) have published 'Localising Support for Council Tax' Guidance setting out the principles that have to be adhered to in designing a new local scheme.

### 1 (a) Organisation and Staffing

The council currently administers the Council Tax Benefit scheme on behalf of central government. From April 2013 the department responsible for administering the scheme will take on the role of delivering the new local support scheme. Staff at present engaged in administering and delivering the current Council Tax Benefit scheme will assume responsibility for delivering the replacement scheme.

#### 1 (b) Services to the Community

DCLG has made it clear that the new scheme must protect pensioners fully at the current rates of benefit and that full consideration needs to be give to disabled people and other vulnerable groups.

As outlined in the DCLG's Guidance <u>'Localising Support for Council Tax - Vulnerable people – key local authority duties'</u>, which was published on 21 May 2012, the local scheme needs to pay due regard to the following duties:

The Public Sector Equality Duty (and The Equality Act 2010): requiring local authorities to have clearly defined responsibilities in relation to, and awareness of, those in the most vulnerable situations. This means that a local authority must pay due regard and consider how the scheme might affect people who share a relevant protected characteristic and people who do not share it. Each of the eight options is considered in this Equality Analysis (EA).

- The duty to mitigate effects of child poverty (*The Child Poverty Act 2010*):
   understanding the characteristics of low income and disadvantaged families.
   The omission of child benefit income in the calculation of local Council Tax support goes some way to protecting children and again additional money from a discretionary fund could also help with this.
- The duty to prevent homelessness (The Housing Act 1996): Those households
  who find themselves homeless through no fault of their own and who are eligible
  and in priority need are owed the main homelessness duty.
- Armed Forces covenant: The current provision to fully disregard income received from the War Pension Scheme (£35,165 based on 2011/12 Subsidy expenditure) and Armed Forces Compensation scheme will remain in place in all of our proposed schemes.

While DCLG does not instruct local authorities what they must do in their schemes to be compliant with their duties, it requires authorities to consider the impact of their schemes on all protected characteristics, particularly on the most vulnerable and disadvantaged groups.

#### **PEOPLE AFFECTED**

#### 2. Which individuals and groups are likely to be affected by the activity?

### 2 (a) Staff Individuals and Groups

Internally, the impact on staff administering the new scheme will be restricted to requirements for retraining and transitioning into the new role. For the Council as a whole, there will be a requirement for information on the new scheme to be shared widely to ensure they are able to provide residents with details of the new scheme and how it will work.

As over 70% of Havering Council staff live locally, those who are local residents will be impacted both as taxpayers and as potential recipients of support under the current scheme. The potential impact on staff members living locally is further explored under the Community sections of the Equality Analysis.

### **2 (b)** Community Individuals and Groups (including voluntary organisations)

The new scheme requires us to identify cost savings to account for the reduced funding from central government. There are a number of options to be considered by Cabinet, and these will have a differential impact on the community dependant on the options adopted.

The profile of Council Tax payers will reflect the <a href="Havering community profile">Havering community profile</a>. However, the profile of households in receipt of Council Tax support differs from the wider <a href="Havering community profile">Havering community profile</a>. This is a consequence of the nature of the support scheme, which provides help for Council Tax payers whose financial circumstances are not adequate to cover the charge. Therefore those households with larger outgoings, such as disabled households or families with children, and those households who are not working or are in low paid employment will be overrepresented within the benefits

caseload. The profile of the current Council Tax Benefit caseload is detailed with section 3 (b).

We have identified 8 potential options for the design of the new scheme. A glossary of the terms used with the options can be found within Appendix C of the Localisation of Council Tax Support report to Cabinet 11 July 2012:

- 1. Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme (reverting to the default scheme)
- 2. Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction
- 3. Calculate CTB entitlement and then reduce every working age claimant's award by 18%
- 4. Maximum award would be restricted to an average band D award, increase benefits taper to 65%, premiums set at 2011 rates and increase non-dependant deductions
- 5. Maximum award would be restricted to an average band D award, Remove second adult rebate, increase benefits taper to 30% and increase non-dependant deductions
- 6. Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013
- 7. Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year
- 8. Restrict the maximum council tax support award to the top of band D, increase non-dependant deductions and increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013

A detailed analysis of the options is contained within the tables in section 5 (b), where we examine to potential impact of each option on people with protected characteristics.

#### DATA AND INFORMATION

- 3. What data/information do you have about the people with 'protected characteristics' (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?
  - 3 (a) Staff

Over 70% of Havering Council employees live locally so they are taxpayers and/or potential recipients of support under the current scheme. Staff members who are local residents are part of the Council Tax data breakdown in 3 (b).

#### 3 (b) Community

There are almost 100,000 Council tax payers in Havering. As of May 2012, the current full working age caseload totals 10,313 claimants of which 6,954 are non working & 3,359 are working claimants.

A breakdown of the ethnicity of current claimants is as follows:

White: British	81.7%
White: Irish	2.1%
White: Any Other	4.0%
Mixed: White & Black Caribbean	1.4%
Mixed: White & Black African	0.4%
Mixed: White and Asian	0.2%
Mixed: Any Other	0.5%
Asian/Asian British: Indian	1.4%
Asian/Asian British: Pakistani	0.6%
Asian/Asian British: Bangladeshi	0.5%
Asian/Asian British: Any Other	0.1%
Black/Black British: Caribbean	2.1%
Black/Black British: African	3.2%
Black/Black British: Any Other	0.4%
Any Other	0.4%
Asian/Other	0.4%
Chinese	0.1%
Other Ethnic Group	0.5%

An analysis has been undertaken of the number and claim type of those affected by each of the options 2-8 (option 1 has no impact on the community as the system will not change to that provided under the current Council Tax Benefit provisions). The Council Tax Benefit data extracted is detailed overleaf:

Claim Category	Total No. of affected Working Age claims	No. claims affected by Band		LA Saving/ Customer Loss £	Overall % Saving
Disabled (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A to C D E F G	1756 387 85 18 7	£430K	2.3%
Lone Parents Child Under 5 (includes single claimants who have one or more children under 5 years)	1685	A to C D E F G	1263 366 52 3 1	£276,012	1.5%
Working 16hrs+ (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A to C D E F G	1756 387 85 18 7	£827,428	4.4%
Everyone Else (includes the remainder who do not fit into any of the above 3 categories).	4491	A to C D E F G	3427 837 176 32 8	£1.8 million	9.8%
Totals	10313	A to C D E F G	7650 2137 430 79 17	£1.9million	10%

Claim Category	Total No. of affected Working Age claims	No. claims affected by Band		LA Saving/ Customer Loss £	Overall % Saving
Disabled (includes Blind, Disabled, Severely Disabled & Employment Support Allowance cases).	2253	A to C D E F G	1756 387 85 18 7	£430K	2.3%
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Working 16hrs+ (includes all claimants & partner who are not in any of the above categories and who are working a combined 16hrs or more).	1884	A to C D E F G	1756 387 85 18 7	£827,428	4.4%
Everyone Else (includes the remainder who do not fit into any of the above 3 categories).	4491	A to C D E F G	3427 837 176 32 8	£1.8 million	9.8%
Totals	10313	A to C D E F G	7650 2137 430 79 17	£1.9million	10%

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
1.Restriction to average	All Working	15 lose	Total £729,352	4%
Band D	All Working Age:	all CTB	10lal £129,332	4 70
Benefit Award	Band A 1512	across all	A CO OO	
		Bands	A £0.00	
(£20.57)	Band B 2652	Danus	B £28,353	
ND Astrol Band B	Band C 3648		C £181,116	
NB. Actual Band D	Band D 2265		D £284,076	
Liability 2012/13 £28.94.	Band E 467		E £166,192	
	Band F 85		F £65,652	
	Band G 15		G £15,080	
2.Increase Non	1113	623	£479,636	3%
Dependant Deductions:				
£0.00 to £0.00*				
£2.85 to £15.00				
£5.70 to £20.00				
£7.20 to £28.00				
£8.60 to £35.00				
3.Increase Tapers (currently 20%)	All Working Age caseload			
(a) 65% (as HB)	10313	1362	£838,760	4%
Total for option 6 combinations when entered into CLG tool				
			£1.8 million	10%

<sup>\*</sup>Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of and out-of-work benefit, the deduction remains at zero in line with the current scheme.

Description	Numbers Affected	No. cases All CTB lost	Annual LA Saving/Customer Loss £	Overall % Saving
1.Restriction to average	All Working	15 lose	Total £729,482	4%
Band D	Age:	all CTB		
Benefit Award	Band A 1512	across all	A £0.00	
Delicit Award	Band B 2652	Bands	B £28,366	
( £20.57)	Band C 3648		C £181,116	
NB. Actual Band D	Band D 2265		D £284,076	
Liability 2012/13 £28.94	Band E 467		E £166,192	
Liability 2012/10 220.54	Band F 85		F £65,652	
	Band G 15		G £15,080	
2. Increase Non				
dependant deductions:				
£2.85 to £6.00	1113	108	C240 704	1%
£5.70 to £9.00	1113	108	£210,704	1 %
£7.20 to £15.00				
£8.60 to £20.00				
3.Increase Tapers	All Working			
(currently 20%)	Age			
	caseload			
30%		550	£377,000	2%
	10313			
4. Reduce 2011				
Premiums by:				
(a) 18%	10313	1362	£664,508	3.5%
Total for option 7				
combinations when				
entered into CLG tool				
			£1.8 million	10%

	Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection)
	Second Homes	Discretionary discount between 10% and 50% Havering currently give 10%	Range of discretion to be between 0% and 50%.	716	£46,798 (10% discount)	£46k if set at 0%
Page 203	Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% -100% and flexibility to reduce the period for which the discount applies	317	£177,794	12-month period: £0k if set at 100% £44k if set at 75% £87k if set at 50% £131k if set at 25% £174k if set at 0%
-	Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100% and flexibility to reduce the period for which the discount applies	5712	£1,293,903	6-month period: £0k if set at 100% £317k if set at 75% £634k if set at 50% £951k if set at 25% £1,268k if set at 0% £793k if set at 50% £1,030k if set at 25% £1,268k if set at 0%

	Category	Current Reduction	Proposed Reduction	No of Properties Qualifying in 2011/12	Value in 2011/12 of Exemption or Discount (inc. GLA precept)	Potential Additional Income From Changes (based on 98.00% collection)
						(assumed 75% occupied within 3 months so additional savings only generated by remaining 25%)
Page 204	Long term unoccupied and unfurnished (after expiry of 6 months class C exemption)	Discretionary discount between 0% and 50%  Havering currently give 0%	Discretion to charge an Empty Homes Premium of up to 50% (i.e. charge 150%) on properties unoccupied and unfurnished for more than 2 years.	464	None – no discount awarded	£295k if set at 150%*
)4	Mortgagees in Possession - Class L	100% with no time limit	Class L to be abolished	78	£42,207	£41k
•				Total a	dditional revenue	£1.824k

Please note the second table, Option 7a, reflects the current scheme for comparison. Option 7b below is a variation of Option 7 making a saving of only £1 million but can be used in combination with elements from other options.

Option 7 - 1.27% increase. Covers the £1.9m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax li	ability
Proposed Council Tax Amounts to raise additional £1.9m (gross & rounded up)	

	, ,							,		
Band	@	Α	В	С	D	E	F	G	Н	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual increase for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

# Option 7a- no increase. The 10% reduction in Council Tax Support (£1.8m) would have to be met from elsewhere e.g. reserves Current Council Tax Amounts

<b>©</b> Band	@	Α	В	С	D	E	F	G	Н	Total
Amount of Council Tax	£834.39	£1,001.27	£1,168.14	£1,335.02	£1,501.90	£1,835.66	£2,169.41	£2,503.17	£3,003.80	
Not of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,003.80	£2,875,337.49	£7,765,473.82	£26,704,583.01	£47,372,929.80	£30,936,119.51	£18,269,695.67	£11,858,752.08	£1,540,949.40	£147,323,840.79

# Option 7b - 0.74% increase. Covers £1.0m of the £1.8m shortfall in CTS but no allowance for increased CTS payable due to the increase in Council Tax liability Proposed Council Tax Amounts to raise additional £1.0m (gross & rounded down)

Band	@	Α	В	С	D	E	F	G	Н	Total
Amount of Council Tax	£845.00	£1,014.00	£1,183.00	£1,352.00	£1,521.00	£1,859.00	£2,197.00	£2,535.00	£3,042.00	
No. of Props per CTB1*	3.60	2,871.70	6,647.70	20,003.10	31,542.00	16,852.90	8,421.50	4,737.50	513.00	91,593.00
Debit raised	£3,042.00	£2,911,903.80	£7,864,229.10	£27,044,191.20	£47,975,382.00	£31,329,541.10	£18,502,035.50	£12,009,562.50	£1,560,546.00	£149,197,391.20
Annual increase for Tax Payer	£10.61	£12.73	£14.86	£16.98	£19.10	£23.34	£27.59	£31.83	£38.20	£1,873,550.41

### **Option 8 Case Studies**

a) Single Disabled person. Income £147.41 Band A

	Weekly CTB	Annual CTB
Current Assessment	£12.00	£624.00
Band A  No non dependant deduction	£12.00	£624.00
CTB Reduction	£0.00 No Change	£0.00 No Change

b) Lone Parent, Income £236.87, 1 child, 1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£20.18	£1049.36
<ul> <li>Band D</li> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£11.40	£592.80

c) Working Couple, Income £151.85, 1 non dependant (gross income greater than £394.00 per week). Band D

	Weekly CTB	Annual CTB
Current Assessment	£16.42	£853.84
<ul> <li>Band D</li> <li>Increased non dependant deduction £8.60 to £20.00</li> </ul>	£8.78	£456.56
CTB Reduction	£7.64	£397.28

d) Lone Parent, Income Support, no non dependants, Band F.

	Weekly CTB	Annual CTB
Current Assessment	£41.58	£2162.16
Band F(Restricted to Band D)	£28.94	£1504.88
<ul> <li>No non dependants</li> </ul>		
CTB Reduction	£12.64	£657.28

e) Lone Parent, Income Support, 1 non dependant (gross income £316.00 to £394.00 per week, Band F

	Weekly CTB	Annual CTB
Current assessment	£34.38	£1787.76

<ul> <li>Band F (Restricted to Band D)</li> <li>Increased non dependant deduction £7.20 to £15.00</li> </ul>	£13.94	£724.88	
CTB Reduction	£20.44	£1062.88	

Examples a) to c) show only the impact of the non dependant changes. Such cases are unaffected by the restriction to Band D.

Example d) shows the impact of a restriction to Band D upon a Band F property banding, while example e) shows the impact of such a restriction when there is also a non dependant living in the household.

Currently, there is no Council Tax data breakdown on the following protected characteristics: gender reassignment/identity, marriage and civil partnership, pregnancy and maternity, religion/belief or sexual orientation.

We will be undertaking an extensive consultation of Havering residents to canvas their views on the final design of the Local Council Tax Support Scheme. As part of this process we will ask responders to complete a Corporate Equal Opportunities Monitoring form that will assist in informing Cabinet of the wider impact when they come to ratify the scheme.

#### CONSULTATION

4. If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?

The Council will be required to consult on its proposed scheme with the public and preceptors. Staff who live within the borough will be targeted through an internal consultation. Any new scheme must be in place by 31<sup>st</sup> January 2013.

Once Cabinet have approved the draft final scheme, a consultation document will be prepared that will allow residents to comment on the draft final scheme. This will include case studies to help residents make informed decisions. Part of this consultation document will be monitoring through the completion of the Corporate Equal Opportunities Monitoring Form to identify the characteristics of the respondents.

We are also looking at whether it would be more cost effective to engage an external organisation to undertake the consultation on behalf of the Council and to collate and analyse responses.

#### 4 (a) Staff

We will be attending staff meetings across the Council during the consultation process to advise staff members of the introduction of the Local Council Tax Support scheme and other potential changes to Council Tax, and how they will impact on their work

areas. These meetings will include an opportunity to comment on the design of the scheme.

Those staff members who are local residents will also be invited to participate in the wider community consultation process.

#### 4 (b) Community

The questionnaire will be drafted in partnership with the Communications team to ensure that it is understandable and accessible, ensuring clarity for residents. Translation and Interpreting Services (TIS) will be available to residents upon request.

The consultation process has initially been planned as an online exercise whereby residents will be able to take part by visiting the Havering website. Consideration is also being given to alternative/additional methods of consultation such as telephone sampling, face to face interviews with a sample of residents and paper copies of the consultation document available in customer facing areas.

During the consultation process we will also meet with representatives from Havering community groups, social landlords and voluntary organisations to separately canvas their thoughts on the options put forward for consultation.

The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

#### LIKELY IMPACT

5. Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?

#### 5 (a) Staff

Internally, the impact on staff administering the new scheme will be restricted to requirements for retraining and transitioning into the new role. For the Council as a whole, there will be a requirement for information on the new scheme to be shared widely to ensure they are able to provide residents with details of the new scheme and how it will work.

As over 70% of Havering Council staff live locally, those who are local residents will be impacted both as taxpayers and as potential recipients of support under the current scheme. The potential impact on staff members living locally is further explored under 5 (b).

#### 5 (b) Community

To undertake an analysis on the impact on the protected characteristics and subgroups, we have first examined the community data we currently hold. For example for option 2 (see tables overleaf), disabled people contributed 23% of the total saving, but are only 17.5% of the overall population. Therefore his has been recorded as having a higher impact on this group than would have been expected from the community profile. For the same option, 20% of the savings come from working age claimants. Based on the lower youth employment rates, this is more likely to represent older households (30-64) who make up 46% of the population and therefore there is no impact related to age.

In the case of the Council Tax Benefit (CTB) data, we have looked at how the savings from each option are distributed between disabled households, working households, lone parent households and others and then compared the distribution within <a href="Havering's community profile">Havering's community profile</a>. Where a client group are identified as contributing a higher percentage of the savings than their proportion within the community this is recorded as an adverse impact.

Some of the protected characteristics that we know are more likely to be adversely affected are as follows:

**Age** – We have identified the number of working households affected. Youth unemployment is at a higher rate than that of the general population, therefore the more working households impacted the older the profile of applicants affected.

**Disability** – Disabled households are those where a state disability related benefit is in payment. We recognise that disabled people are historically disadvantaged and face greater barriers when accessing (information about) services and therefore consider disabled households to be more vulnerable than other households.

**Gender** - The data extracted shows the number of lone parent households affected; as lone parents are predominantly female the impact on women is considered to be disproportionately higher than the impact on men.

**Socio-economic disadvantage** – The Council Tax Benefit scheme is a means tested benefit available to households on a low income. Therefore all recipients would be considered to be at a socio-economic disadvantage, particularly lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women).

**Other protected characteristics -** Currently, there is no Council Tax data breakdown on the following protected characteristics: gender reassignment/identity, marriage and civil partnership, pregnancy and maternity, religion/belief or sexual orientation.

Where we currently do not hold quantitative data, we have used wider empirical evidence available from sources such as the Department for Communities and Local Government<sup>1</sup>. For example, for option 5, 30% of the savings are derived from increased non-dependant deductions. Empirical evidence suggests that culturally BME families are more likely to have larger households containing older working children. As

<sup>&</sup>lt;sup>1</sup> For example see: <a href="http://www.communities.gov.uk/documents/housing/pdf/138814.pdf">http://www.communities.gov.uk/documents/housing/pdf/138814.pdf</a>

Havering has a BME population of 11% it is likely that they will be disproportionally impacted by this measure (+19%).

In the case of Council Tax data, the savings are distributed by households and property size and second properties. Using empirical evidence as to the characteristics of larger households we have extrapolated that there is a disproportionate impact on households more likely to live in larger properties and/or have larger households.

The impact of each of the options on the protected characteristics is highlighted in the table overleaf. When considering the impact, the tables highlight effects that are a consequence of the change from the **current** Council Tax and/or Council Tax Benefit scheme. Historic differential impacts on the protected groups that are inherent in the current Council Tax and Council Tax Benefit arrangements have not been addressed.

# <sup>3</sup>age 21

# Table: Impact of proposed Council Tax Options on protected characteristics and sub-groups

Protected characteristics	Option 1	
	Option 1: Absorb the 10% reduction into the council's financial reserves over Year 1 and/or year 2 of the new scheme. In effect the new Local Council Tax Support scheme duplicates the current Council Tax Benefit scheme.	
Age	There is no adverse impact as a consequence of this change to the benefit scheme	
Disability	There is no adverse impact as a consequence of this change to the benefit scheme	
Gender	There is no adverse impact as a consequence of this change to the benefit scheme	
Gender reassignment/identity	There is no adverse impact as a consequence of this change to the benefit scheme	
Marriage and Civil Partnership	There is no adverse impact as a consequence of this change to the benefit scheme	
Pregnancy and maternity	There is no adverse impact as a consequence of this change to the benefit scheme	
Race/ethnicity	There is no adverse impact as a consequence of this change to the benefit scheme	
Religion or belief	There is no adverse impact as a consequence of this change to the benefit scheme	
Sexual orientation	There is no adverse impact as a consequence of this change to the benefit scheme	
Socio-economic Groups	There is no adverse impact as a consequence of this change to the benefit scheme	

If this is the agreed option a separate EA will be undertaken to assess the impact on potential organisational changes and staffing restructures

Protected characteristics	Option 2
	Option 2: Restrict council tax liability across each band to 80% for working age claimants in order to make 10% reduction.
	Council Tax properties in bands A to H are all subject to 20% liability reduction for working age claimants prior to the calculation of any entitlement to support. Pensioners are protected and the level of support calculated using 100% liability. Local Council Tax Support is calculated in the same way as the current CTB scheme except for the liability reduction.
Age	As per the provisions of the Welfare Reform Act 2012 and the Local Government Finance Bill, people of working age will be disproportionately affected compared to people from other age groups (people of pensioner age).
Disability	There is a slightly disproportionate impact on disabled households (providing 23% of the savings although only 17.5% of the number of households). This is partly because in order to meet their specific needs disabled households tend to require larger properties (attracting a higher banding). Hence, disabled households are more likely to be affected due to the higher base.
Gender	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Pregnancy and maternity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Race/ethnicity	Evidence suggests that some BME communities have a cultural tradition for living in multi-generational households and tend to reside in larger properties. Due to the higher tax base these properties attract, some BME families are more likely to be affected by this option.
Religion or belief	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Sexual orientation	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Socio-economic Groups	Potentially, older working age households and households with children are more likely to be affected by this proposal. Households with children are more likely to live in larger properties, while older households will tend to live in larger/more expensive properties as they will have carers and/or older children requiring their own rooms, or whose children have left the property but they have not yet moved/downsized to a smaller property.

Protected characteristics	Option 3	
	Option 3: Calculate CTB entitlement and then reduce every working age claimant's award by 18%.	
	The savings required will be achieved by reducing the amount of support the household is entitled to under the Local Council Tax Support scheme by an agreed percentage after the benefit calculation has been made.	
Age	As per the provisions of the Welfare Reform Act 2012 and the Local Government Finance Bill, people of working age will be disproportionately affected compared to people from other age groups (people of pensioner age).	
Disability	There is a slightly disproportionate impact on disabled households (providing 23% of the savings although only 17.5% of the number of households). This is partly because in order to meet their specific needs disabled households tend to require larger properties (attracting a higher banding). Hence, disabled households are more likely to be affected due to the higher base.	
Gender	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.`	
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Pregnancy and maternity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Race/ethnicity	Evidence suggests that some BME communities have a cultural tradition for living in multi-generational households and tend reside in larger properties. Due to the higher tax base these properties attract, some BME families are more likely to be affect by this option.	
Religion or belief	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Sexual orientation	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Socio-economic Groups	Potentially, older working age households and households with children are more likely to be affected by this proposal. Households with children are more likely to live in larger properties, while older households will tend to live in larger/more expensive properties as they will have carers and/or older children requiring their own rooms, or whose children have left the property but they have not yet moved/downsized to a smaller property.	

Protected characteristics	Option 4	
	Option 4: Maximum award would be restricted to an average B and D award.	
	Increase benefits taper to 65%. Premiums set at 2011 rates.	
	Increase non-dependant deductions as follows:	
	£0.00 to £00.00 *	
	£2.85 to £15.00	
	£5.70 to £20.00	
	£7.20 to £28.00	
	£8.60 to £35.00	
	Remove second adult rebate.	
	A more complex calculation is required for this option as changes have been made to the actual support calculation. The income taper (the amount of earned income taken into account) is brought in line with the proposed Universal Credit and Housing benefit calculation, increasing from 20% to 65%.	
Age	Both young and older people are potentially disproportionately impacted by this option, but for different reasons; Older families are more likely either to have grown-up children within their household or are more likely to have other adults living with them on a non-commercial basis to offset household costs (second adults, carers). Young people are more likely to be non-dependants and therefore will be expected to make a greater contribution to the Council Tax, although they have earning level below other working groups.	
Disability	Some disabled households might be negatively impacted because due to their type/level of disability they require larger properties that fall within E to H, while their level of support is restricted to B and D levels.	
Gender	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Pregnancy and maternity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Race/ethnicity	As with option 2, BME communities that have a cultural tradition for living in multi-generational households are more likely to be	

	negatively impacted by this option as they tend to reside in larger (higher banded) properties and/or with older working non- dependants within the household.	
Religion or belief	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Sexual orientation	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Socio-economic Groups	Very high non-dependant increases will penalise a very small group of older working age claimants (such as claimants with adult children in the household) who would disproportionately lose any Council Tax support, including those receiving Income Support or Job Seekers Allowance.	

Protected characteristics	Option 5
	Option 5: Maximum award would be restricted to an average B and D award.
	Remove second adult rebate.
	Increase benefits taper to 30%.
	Increase non-dependant deductions:
	£00.0 to £00.0
	£2.85 to £6.00
	£5.70 to £9.00
	£7.20 to £15.00
	£8.60 to £20.00
	Reduce premiums by 18%.
	In work claimants will receive less support because the taper applies to the earned income (although the taper is less than that proposed in option 4). It will be easier to collect the Council Tax from claimants in work
Age	As with option 4, both young and old are potentially impacted by this option. Again older families are more likely either to have grown-up children within their household or are more likely or to have other adults living with them on a non-commercial basis to offset household costs. Young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people
Disability	As with option 4, there is a small possibility that some disabled households will be impacted as a consequence of needing larger properties that fall within band E to H, having their level of support restricted to B and D levels.
Gender	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Pregnancy and maternity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.
Race/ethnicity	As with option 4, families that have a cultural tradition for living in multi-generational households will more likely be impacted, both as they tend reside in larger (higher banded) properties and with older working children within the household.
Religion or belief	There is no evidence available to indicate that sexual orientation is a factor impacted by this option

Sexual orientation	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Socio-economic Groups	As highlighted within the impact on Age, young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people	

Protected characteristics	Option 6	
	Option 6: Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013.	
	The Local Government Finance Act, expected to receive royal assent in November 2012, will allow local authorities to reduce the level of support.	
	This option has no impact on claimants. It also has no impact on the majority of taxpayers with one home. It could assist bring properties into use and occupation in line with new homes agenda.	
Age	Older households are more likely to be affected by this option. However, households that have additional property targeted under these measures are proportionally likely to be more prosperous older households.	
Disability	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Gender	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Pregnancy and maternity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Race/ethnicity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Religion or belief	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Sexual orientation	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Socio-economic Groups	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	

Protected characteristics	Option 7	
	Option 7: Pass on the 10% reduction by increasing the council tax charge for every taxpayer by £22 per year.	
	Local authorities could choose to manage the reduction using flexibility over Council Tax. However, significant increases in Council Tax could trigger a referendum, which would have its own considerations.	
Age	With reference to the Havering Population Profile, over 60% of residents (16-64 years old) are of working age. This means that working age residents are more likely to be disproportionately affected. A further 18% of the population aged 65 year and above will be affected by this option. The remaining population is made up of children.	
Disability	Disabled people including older people with long-term illnesses will be affected by this option but low income disabled and/or older people in receipt of council tax support would have their entitlement recalculated to take account of the increase in council tax.	
Gender	Whilst everyone will be affected, women are more likely to be affected by this option not only because they make up 52% of the Havering population but also because they are more likely to be part-time workers, lone parents and carers. Consequently, their income is lower than the average income and the impact from this option will be much more significant. Where council tax support is in payment, this will be recalculated to take into account the increase in council tax.	
Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the scheme.	
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the scheme.	
Pregnancy and maternity	Women are more likely to be affected by this option not only because they may be out of work due to pregnancy or maternity. Evidence also suggests that women are more likely to be lone parents. Consequently, their income is lower than the average income and the impact from this option will be much more significant. Where council tax support is in payment, this will be recalculated to take into account the increase in council tax.	
Race/ethnicity	Although everyone will be affected by this option, benefits evidence shows that white and black minority ethnic claimants are more likely to be affected. However, because they are entitled to benefit, their entitlement will be recalculated to take account of the increase in council tax.	
Religion or belief	There is no evidence available to indicate there is an adverse impact to this protected characteristic as a consequence of this change to the scheme.	
Sexual orientation	There is no evidence available to indicate there is an adverse impact to this protected characteristic as a consequence of this change to the scheme.	
Socio-economic Groups	Whilst everyone will be affected by this option, it is recognised that certain groups will be more disadvantaged than others,	

particularly disabled people, lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women). However, those groups who are more likely to be already in receipt of benefit, therefore, their entitlement will be recalculated to take account of the increase in council tax.

Protected characteristics	Option 8		
D C C C C C C C C C C C C C C C C C C C	Option 8: Restrict the maximum council tax support award to the top of band D, £28.94.  Increase non-dependant deductions from: £00.0 to £00.0* £2.85 to £6.00 £5.70 to £9.00 £7.20 to £15.00 £8.60 to £20.00  Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows: Remove the second homes discount completely (currently 10%). Amending the Class A exemption (Empty and undergoing major structural repairs) to a 25% discount for a maximum of 12 months. Removing the Class C exemption (unoccupied and unfurnished) completely. Taking the savings from the abolition of Class L (mortgagees in possession).		
	This uses a combination of restricting the maximum council tax support to a weekly band D charge of £28.94, non dependant deductions and reductions in property exemptions.		
	All claimants (no more than 15 households in total) residing in properties banded E, F and G are likely to be affected by restricting benefit to B and D Claimants. In total, a very small number, 123 claimants will be affected by this option when compared to the working age benefit caseload of 10,313.		
Age	As with option 4 and 5, both young and older people are potentially impacted by this option. Again older families are more likely either to have grown-up children within their household or are more likely to have other adults living with them (e.g. carers) on a non-commercial basis to offset household costs. Young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people		
Disability	As with option 4 and 5, there is a small possibility that some disabled households will be impacted as a consequence of needing larger properties that fall within band E to H, having their level of support restricted to B and D levels.		
Gender	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.		

Gender reassignment/identity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Marriage and Civil Partnership	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Pregnancy and maternity	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Race/ethnicity	As with option 4 and 5, families that have a cultural tradition for living in multi-generational households will more likely be impacted, both as they tend reside in larger (higher banded) properties and with older working children within the household	
Religion or belief	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Sexual orientation	There is no evidence available to indicate there is an adverse impact to this group as a consequence of this change to the benefit scheme.	
Socio-economic Groups	As highlighted within the impact on Age, young people are more likely to be non-dependants and therefore be expected to make a greater contribution to the Council Tax, although they have earning levels below other working people.	

# 6. What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?

# 6 (a) Vulnerable children

Households with vulnerable children are more likely to be in receipt of Council Tax Benefit under the current scheme and will continue to receive support under the new arrangements.

The protection offered under the current scheme is to be transferred into the new Local Council Tax Support Scheme.

## 6 (b) Vulnerable adults

As with vulnerable children, households with vulnerable adults are more likely to be in receipt of Council Tax Benefit under the current scheme and will continue to receive support under the new arrangements.

The protection offered under the current scheme is to be transferred into the new Local Council Tax Support Scheme.

#### PREVENTING DISCRIMINATION

7. If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?

#### 7 (a) Staff

Please refer to 7 (b).

#### 7 (b) Community

Raising awareness of residents to the forthcoming changes is essential and arrangements are to be put in place to ensure payment options including instalments, direct debits etc are also widely publicised. The scheme will also work closely with debt counselling and financial inclusion provision. We will also make sure that our communication methods and materials are accessible, inclusive and effective. For example, we will include translation strap line on all our consultation and information documents. Translation and Interpreting Services, including alternative formats, will also be provided upon request.

Although some households will be adversely impacted in comparison to current arrangements by some of the proposed changes, the options have been designed to minimise both the number of households affected and the financial impact on these households.

Certain options will be the subject of consultation with the Greater London Council and inform our final decision and new scheme. The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

The implementation of the new scheme will be complemented by the launch of a hardship fund for short term support for vulnerable families. Affected households will also be actively supported to move into work and other options will be explored, including support for possible relocation where appropriate.

#### PROMOTING EQUALITY

- 8. How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?
  - 8 (a) Staff

Please refer to 8 (b).

# 8 (b) Community

The new scheme will promote social inclusion and community cohesion by providing financial support to vulnerable and economically disadvantaged groups such as older residents, residents with disabilities, lone parents and families on low incomes.

#### SPECIFIC NEEDS

- 9. What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?
  - 9 (a) Staff

Please refer to 9 (b).

## 9 (b) Community

Details of the new scheme will be widely publicised to seek to maximise take up by those households entitled to support under the new Local Council Tax Support arrangements. Details of how the scheme will work, including how to access hardship support, will be published on the Havering website and shared with local community organisations.

Raising awareness of residents to the forthcoming changes is essential and arrangements are to be put in place to ensure payment options including instalments, direct debits etc are also widely publicised. The scheme will also work closely with debt counselling and financial inclusion provision. We will also make sure that our communication methods and materials are accessible, inclusive and effective. For example, we will include translation strap line on all our consultation and information

documents. Translation and Interpreting Services, including alternative formats, will also be provided upon request.

Existing networks will be used to promote the information amongst hard to reach groups.

As already outlined in 7(b), it is intended that the new scheme will incorporate a hardship fund to support vulnerable families who are adversely affected by the changes.

#### **MONITORING AND REVIEW**

- 10. Once implemented, how often do you intend to monitor the actual impact of the activity?
  - 10 (a) Staff

Please refer to 10 (b)

# 10 (b) Community

The draft scheme will be updated to reflect residents' feedback from the consultation and any gaps/actions identified from the EA.

Formal monitoring and review arrangements will be incorporated within the design of the new scheme.

Individual households will have access to formal appeal and review arrangements should they have complaints or concerns about the assessment criteria and method used to identify the Council Tax support they need.

Performance and quality checking systems will be core to the design of the scheme. The performance data collated, including satisfaction surveys and community profile monitoring will form part of regular reporting arrangements to senior management and members.

#### SIGN OFF AND PUBLICATION

11. When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.

HEAD OF SERVICE	Name:
Date:	Signature:

# **Consultation Plan**

# Appendix F

The Council will be required to consult its proposed scheme with the public and preceptors. Any new scheme must be in place by 31<sup>st</sup> January 2013, we have identified the following consultation strategy;

	•
Prepare initial Publicity     Draft article for website	The initial stage will focus on advising Havering residents and Council Tax payers that central government are ending the current Council Tax Benefit scheme to be replaced by locally designed schemes, subject to reduced funding.
<ul><li>Published on website</li><li>Advance press</li></ul>	It is also intended to advise that we will be consulting residents on aspects of the scheme in October.
release drafted	This will be achieved through a bulletin on the Havering Council website, a press release to local media and by inviting community groups to include the article within their own publications.
Circulated to local press	
Draft article for Council newsletter	It is also intended to place posters in Havering Council's public sites and libraries.
<ul> <li>Report to area committees</li> </ul>	The bulletin will be posted on the Havering website w/c 9 July, subject to clearance by the
Council newsletter circulated	Communications team.
Prepare consultation	One of the requirements placed on local
with the Greater London Authority	authorities is that we include major preceptors in the consultation process.
London Authority (GLA)  • Advise GLA of options/consultatio	· · · · · · · · · · · · · · · · · · ·
London Authority (GLA)  • Advise GLA of	the consultation process.  When Cabinet has identified the options to be put up for consultation in their July meeting we will
London Authority (GLA)  • Advise GLA of options/consultatio	the consultation process.  When Cabinet has identified the options to be put up for consultation in their July meeting we will consult with the GLA accordingly.  Advice will be sought from the Legal and Communications Team as to the detail and extent
London Authority (GLA)  • Advise GLA of options/consultatio	the consultation process.  When Cabinet has identified the options to be put up for consultation in their July meeting we will consult with the GLA accordingly.  Advice will be sought from the Legal and Communications Team as to the detail and extent of the required consultation.  The consultation outcome will be reported to the

# September Cabinet approval of draft final scheme

- Report on GLA consultation outcomes drafted
- Report signed off by project team
- Report approved by Cabinet

The outcome of the GLA consultation will be reported at the September Cabinet meeting.

This report will help inform Cabinet on the final design of the Local council Tax Support scheme and other changes to Council Tax charging scheme.

Cabinet will also be made aware of any new issues (ICT or financial) which may significantly affect the operation, delivery or integrity of the scheme based on the shortlisted options.

Cabinet will then be invited to sign off on the draft scheme to be in place from April 2013

# Prepare consultation with residents and affected Persons

- Consider & procure appropriate service providers and communications media
- Design questionnaire
- Questionnaire signed off

Once Cabinet has approved the draft final scheme to be considered, a consultation document will be prepared that will allow residents to comment on aspects of the scheme. This will include case studies to help residents make informed decisions.

The questionnaire will be drafted in consultation with the Communications team & Equalities Team to ensure that it is understandable and accessible, ensuring clarity for residents.

The consultation process has initially been planned as an online exercise whereby residents will be able to take part by visiting the Havering website.

Other communications methods will also be considered such as telephone sampling and face to face interviews with a sample of residents

We will also engage an external provider to undertake the consultation on Havering's' behalf and to collate and analyse responses to ensure timescales are met.

# Consultation Period for residents on agreed draft final scheme

- Consultation on website
- Meetings with external providers/partners

The consultation will run for 6 weeks for residents starting 4/10/12 and ending 14/11/12.

During this period we will also meet with representatives from Havering's community groups, social landlords and voluntary organisations to separately canvas their thoughts on the final option put forward for consultation.

analy	Feedback from meetings with external providers Consultation outcomes published	During the consultation process, we will collate and analyse the responses received and from the meetings with the community representatives to brief members and senior officers of the progress of the consultation process.  At the end of the consultation process, a full analysis of the responses received will be undertaken. This will be incorporated into a report to Cabinet in January. Once this report has been considered a further article for residents and Council Tax payers will be drafted advising of the results of the consultation.
Janua • •	Report drafted Report signed off Submitted for inclusion on Agenda Agreed by Council	At the completion of the consultation with residents and affected persons, a full report will be submitted for the January Cabinet meeting.  Cabinet can consider the outcomes of the consultation and formally agree the details of the final scheme.  Once the design has been ratified we will complete work on drafting the Council Tax Support policy document and the guidance manual and procedures for operational staff.
<ul> <li>Final scheme publicity</li> <li>Draft Articles and press statements</li> <li>Published on website</li> <li>Press release to local press</li> </ul>		On confirmation of the scheme design, a detailed article will be drafted and published both on the website and through the local press and other outlets.  This will report on the outcome of the consultation process, the additional consideration given by Cabinet and the high level design of the new scheme, including the likely impact on residents.
Conta affect	Identify affected customers draft information letter  Issue information letter	Once Cabinet has agreed the design of the local Council Tax Support scheme, we will identify where possible those households affected by the changes, using current Council Tax Benefit and Council Tax data.  Each household will be contacted directly and advised of the changes to the level of support they will receive and/or the increases Council Tax payable.

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# Agenda Item 13



# **CABINET**

11 July 2012 Subject Heading:

**Cabinet Member:** 

**CMT Lead:** 

Report Author and contact details:

**Policy context:** 

Financial summary:

Is this a Key Decision?

Is this a Strategic Decision?

When should this matter be reviewed?

**Reviewing OSC:** 

APPROVAL OF AWARD OF TENDER: REABLEMENT SERVICE

Councillor Steven Kelly, Lead Member for

Individuals

Lorna Payne, Group Director, Adults and

Health

Jackie Phillips, Strategic and Commissioning Lead (Prevention),

01708 434012,

E-mail: <u>Jackie.phillips@havering.gov.uk</u>

and

Rinaldo Meza, Service Manager, Preventative Care, 01708 433195

E-mail: Rinaldo.meza@havering.gov.uk
The overall context is that of prevention, personalisation and transformation. The primary objective of Reablement is to enable people to live as independently as possible for as long as possible within the community. The delivery of Reablement is essential to ensure that Adult Social Care remains sustainable in the future. It is anticipated that the service will become the normal pathway for an increasing number of service users before they are considered for long-term care.

The costs of this contract are available in the exempt section of this report. The award of this contract will contribute

towards achievement of MTFS savings of £750k from April 2013.

Yes

No

N/A

Individuals and Health

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

Ensuring a clean, safe and green borough	[]
Championing education and learning for all	[]
Providing economic, social and cultural activity	
in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[√]
Delivering high customer satisfaction and a stable council tax	Ī√Ī

#### SUMMARY

- 1.1. The purpose of this report is to seek Cabinet's approval for the award of a five-year contract, following a competitive tender process, for the provision of reablement services to adults, commencing 1<sup>st</sup> November 2012.
- 1.2. This is in accordance with The Constitution, Part 4, Rules of Procedure, Contracts Procedure Rules, Section 12 (contracts with a value of more than £10,000,000 must be reported to the Leader or Cabinet for approval and award of contract); and in accordance with Contract Procedure Rules, Schedule H, paragraph 5. (Contract above £10,000,000 which is not subject to European procurement legislation advertising requirements i.e. Part B services).
- 1.3. This report sets out the background and procurement process for the selection of the provider.
- 1.4 Tenders were received from two bidders, referred to in this Report as Bidder A and Bidder B. However, Bidder B withdrew from the tender process. The reasons for its withdrawal are outlined below. The identities of the bidders and the financial details of the successful bid are set out in Exempt Appendix 3 to this Report. This appendix is exempt from disclosure as it contains information relating to the financial and business affairs of the bidders and the Council.

#### RECOMMENDATIONS

2.1 That Cabinet approve the award of the contract to Bidder A. The contract award will be for a period of five years. It will be for the delivery of a guaranteed block of 1000 hours per week, and up to an additional 250 hours per week as required.

2.2 That all necessary action is taken by London Borough of Havering and by Bidder A, including all actions and communication in relation to the transfer of staff under TUPE, to enable the implementation of the contract from 1<sup>st</sup> November 2012.

#### REPORT DETAIL

# 3.0 Background

- 3.1 The overall objective of reablement is to assist people to remain living at home, to achieve maximum independence, to prevent hospital admissions/readmissions, and, where appropriate, to remove or reduce the level of care needed in the longer term.
- 3.2 The Havering reablement service is a short-term (up to 6 weeks), intensive service for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living so that they can achieve their potential in terms of a stable level of independence with the lowest appropriate level of on-going support.
- 3.3 Ultimately reablement services allow sustainability of care budgets by facilitating greater independence of service users. They deliver savings which can then be reinvested into a wider range of preventative support to people with social care needs.
- 3.4 The London Borough of Havering's Reablement Service, based within Adult Social Care, has been operating since 2007 and is provided by the former internal homecare team.
- 3.5 Although the service performs well, it is at a high cost per contact hour. During the summer of 2010, the service was benchmarked against other reablement service providers, both those provided as in-house services and those provided externally. This bench-marking indicated that, in comparison with other internally provided reablement services, Havering had the highest cost of all per contact hour. This cost has been reduced as a result of a review of the service and staffing restructure in 2011, but is still high.

#### Market review of London Borough of Havering's Reablement Service

3.6 Although it was recognised that the outsourcing of local authority reablement services by local authorities was still a developing market, work carried out by the Care Services Delivery Efficiency programme indicated that over the coming years there was likely to be a significant increase in outsourced delivery models. This was an option that the London Borough of Havering decided to explore.

- 3.7 In August 2011, the Director of Social Care and Learning approved the commencement of a market review of reablement services, with the aim of maintaining or improving service performance and to contribute towards the achievement of MTFS savings of £750,000 per annum from April 2013. The market review was to be done through initiating a formal two-stage procurement process:
- 3.8 The first stage was to invite providers to complete and return a prequalifying questionnaire (PQQ), in order to assess in particular, though not exclusively, their experience and capability in providing a high quality reablement service, and in managing the process of service transfer, including TUPE arrangements for a significant number of staff.
- 3.9 The second stage was to proceed to a full tender, should the responses to the pre-qualifying questionnaires indicate that there were suitable providers with sufficient expertise and capacity in the external market.

# First stage: pre-qualifying questionnaire

- 3.10 Expressions of interest were sought in October 2011, through an advertisement placed in Community Care, a reputable national social care publication. Pre-qualifying questionnaires had to be submitted by 17<sup>th</sup> November 2011.
- 3.11 The purpose of the pre-qualifying questionnaires was to assess the local market and suitability of potential suppliers in terms of their technical knowledge and experience, capability/capacity, organisational and financial standing.
- 3.12 Sixteen completed PQQs were received. Two were invalid, and therefore not evaluated, as not all required documentation was submitted. Fourteen PQQs were therefore evaluated by a panel of six people on the basis of their responses to the questionnaire.
- 3.13 Seven organisations were short-listed.
- 3.14 Based on the pre-qualifying questionnaires which were submitted it was considered that there appeared to be sufficient capacity and ability in the external market to justify progressing the market review to the next stage, and it was therefore agreed by the Head of Adult Social Care and the Assistant Director, Commissioning that the seven short-listed organisations should be invited to tender.

#### Second stage: invitation to tender

3.15 It had been anticipated that short-listed organisations would be invited in mid-February 2012 to submit tenders. However, the process was paused for a few weeks to enable discussion and input from the Clinical Commissioning Group and Community Matrons to take place. This was to explore the

- possibility of reablement support workers also undertaking some low-level health tasks.
- 3.16 As a result of the discussions, there was agreement that the existing service specification should not include the requirement for reablement workers to undertake health tasks. However, it does include the requirement that the provider will be expected to work closely with health and social care commissioners and stakeholders in order to explore the inclusion of additional tasks in the future, in the form of closer integration and working together with Community Matrons, GPs and other healthcare staff, to provide improved health outcomes alongside reablement outcomes.
- 3.17 The seven short-listed organisations were invited on 23<sup>rd</sup> March to submit their tenders by 4<sup>th</sup> May.

#### **Evaluation**

- 3.18 Two out of the seven short-listed organisations submitted tenders. Their identities are set out in Exempt Appendix 3 to this Report.
- 3.19 Feedback has only been received from one organisation that did not submit a tender. The reason given for not tendering was related to the large TUPE transfer of staff and potential risks associated with it.
- 3.20 The evaluation panel consisted of:
  - Jackie Phillips, Strategic Commissioning Lead (Prevention)
  - Rinaldo Meza, Service Manager, Preventative Care, Adult Social Care
  - Ann Lain, Acting Registered Manager, Homecare Business Unit, Adult Social Care
  - Sarah Allen, Senior Employee Relations Officer, Internal Shared Services
  - Dave Mitchell, Service Review Officer, Commissioning
  - Dr. Gurdev Saini, GP and member of Clinical Commissioning Group.
- 3.21 The method statement, which consisted of twenty-one questions, was designed to explore a range of issues, including how the provider would deliver a high-quality, innovative and flexible outcome-focussed reablement service; how it would deal with the associated costs of TUPE and/or shortfalls of staff; its intentions for the provision of pension arrangements for transferring staff and its approach to achieving a more competitively costed service.
- 3.22 Tenders were evaluated and individually scored by the six members of the evaluation panel in accordance with Havering's procurement procedures and the Quality Scoring Matrix (Appendix 2).

#### Round table discussions

- 3.23 Both organisations were invited to attend round table discussions to clarify aspects of their written submissions. In advance of these, they were also sent three scenarios, for which they had to provide, ahead of the discussions, a reablement plan and short narrative for each to demonstrate the reablement care and support they would expect to deliver based upon the information provided, detailing expected outcomes and anticipated timescales.
- 3.24 During the round table discussions, the evaluation panel put questions to the organisations about the method statement submitted, the additional three scenario responses, and clarified details about their tender submissions. The outcome of these discussions contributed to the overall quality scores.
- 3.25 As a result of the round table discussions, the evaluation panel decided that further clarification was required regarding the staffing assumptions and subsequent associated costs which had been made by the bidders. Therefore, the tenderers were given the opportunity to review and re-submit their pricing schedules, which both did.
- 3.26 The bidders were invited to attend a further meeting with selected evaluation panel members to review the revised costings and clarify any associated issues.

## **Outcome of meeting**

- 3.27 The evaluation panel was satisfied with the revised pricing schedule and responses of Bidder A.
- 3.28 During the meeting, Bidder B appeared to indicate that its preferred position would be an indemnity from the London Borough of Havering against unexpected liability arising from the TUPE transfer of staff or, alternatively, be granted the opportunity to carry out due diligence post contract award, reserving the right to withdraw prior to undertaking the contract. Given the clarity of the statements within the tender documentation and draft contract supplied by the London Borough of Havering to tenderers on these issues, it appeared that this amounted to a qualified tender.
- 3.29 Expert advice was sought from the Council's Legal and Procurement services as a result of which a letter was sent to Bidder B seeking confirmation that the tender was unqualified.
- 3.30 In response to the request for this confirmation, Bidder B made the decision to withdraw from the tender.

#### **Quality scoring**

- 3.31 In consequence of the withdrawal of Bidder B, final scores for quality were only collated in respect of Bidder A. The evaluation panel scored the tender using a quality scoring matrix, which is attached as Appendix 2.
- 3.32 Bidder A achieved 71.8% for quality. The completed scoring matrix for Bidder A is attached as Exempt Appendix 6.
- 3.33 Bidder A achieved a very good score for quality and gave well reasoned responses at the round table discussions, such that the evaluation panel had no concerns about recommending that the contract be awarded to Bidder A, and is confident that Bidder A will provide a reablement service of high quality in accordance with the specification.

# **Pricing**

3.34 The price submitted by Bidder A is given in Exempt Appendix 3 to this Report. The price is such that the award of the contract to Bidder A is expected to achieve the required MTFS savings from April 2013.

#### Consultation

#### i) Service users

- 3.35 Formal consultation with service users prior to and during the tendering process has not been necessary or appropriate. Any adverse impact on service users is likely to be minimal, since Reablement is a short-term service, and therefore people do not develop an on-going relationship with individual workers. There is a communications plan in place to ensure that any service users affected will be informed in advance of Bidder A taking over provision of the service. A frequently asked questions document will also be sent, to ensure that rumours or misunderstandings are avoided or corrected.
- 3.36 It is intended that the provision of Reablement Services by an external provider will impact positively on the quality of service, with clear outcomes and performance targets to be achieved, and will ensure that it is available to a greater number of people, thereby enabling more people to maintain and maximise their independence for longer. Bidders have had to demonstrate that they have a clear understanding of, and ability to deliver, outcome focussed support and that they take a personalised approach within which service users are supported to live independently, take control of their lives and make choices they consider best for themselves.
- 3.37 There have been stringent commissioning processes throughout this tender, including a detailed service specification and comprehensive scrutiny both at the PQQ and tender stages and there will be a robust contract. There is therefore confidence that Bidder A will be able to provide reablement

services of a high quality for the residents of the London Borough of Havering. As part of the procurement and commissioning process, Bidder A has had to demonstrate how it complies with equality legislation in provision of services.

#### ii) Staff

- 3.38 From mid-2011 onwards, through regular meetings as appropriate, staff, along with Trade Union representatives, have been kept informed of activities and progress. Some of these have been formal meetings for all reablement staff as a group, led by the Head of Adult Social Care. There have also been regular team meetings and informal updates.
- 3.39 Early in the process, staff were also provided with a detailed question and answer document that deals with many of the human resources queries.
- 3.40 In April and May 2012, there were small group presentations on the more detailed implications of TUPE for staff, e.g. impact on terms and conditions, pensions, etc and there were opportunities for questions. There were also individual HR surgery sessions for individual personal questions arising from the presentations.
- 3.41 If Cabinet approves the recommendation of this Report to award the contract for the provision of reablement services to Bidder A, a meeting will take place with reablement staff and trade union representatives to inform them of the identity of the new provider.
- 3.42 There will be on-going consultation meetings with staff regarding their transfer to Bidder A. The provider has furnished a detailed consultation and transfer plan and will be actively involved with staff, management and London Borough of Havering's Human Resources Department to ensure that the transfer of staff takes place efficiently and with as little anxiety to staff as possible.

**REASONS AND OPTIONS** 

#### 4.0 Reasons for the decision:

4.1 There are clear policy objectives that have been set both nationally and locally for prevention, re-ablement and independence. The externalisation of the reablement service is intended to contribute to the implementation of these strategies by ensuring that reablement is available to a greater number of people, thereby increasing the independence and improving the health and wellbeing of adults in Havering.

4.2 Increasing numbers of people, particularly older people, will require a service in the future, placing significant increased pressure on budgets.

### 4.3 Other options considered:

Detailed modelling of options took place in October 2010. The following options were considered:

#### 4.4 Retention of the existing service:

- The primary disadvantage of this is that achievement of the required level of savings would be highly unlikely.
- In 2011 a staffing and service restructure was implemented, which realised savings which contribute towards the achievement of MTFS savings of £750k per annum. However, there is no further scope to reduce costs internally.

### 4.5 Undertaking a phased externalisation:

- Based on the current level of staff turnover (10%), it is unlikely that sufficient staff would choose to leave the service to achieve the required amount of savings within the required timescales.
- Corporate support and infrastructure e.g. management, payroll, HR, Finance etc. would still be required.

# 4.6 Externalising partially:

The in-house service has been unable to meet all of the demand for reablement provision. Therefore, externalisation of the work to meet this demand was considered. This would have enabled the Council to monitor external costs and quality before reviewing whether the entire service should be re-provided. However, it has not been possible to identify a local provider able to take on this work. Furthermore, it would not contribute directly to the required savings, and therefore wider action has been required.

**IMPLICATIONS AND RISKS** 

#### Financial implications and risks:

These are included in Exempt Appendix 4 to this Report.

There is an MTFS target of £750k to be achieved by remodelling the Council's reablement service. There is also a related target of £500k to be achieved through

increased reablement capacity, as a preventative strategy. Both targets are from April 2013. The details on how these savings will be made are outlined in the exempt section of the report, along with information on the costs of the new contract, and related implications and risks arising.

#### Caroline May, Strategic Finance Partner

#### Legal implications and risks:

The procurement and TUPE requirements and implications are as set out in this report.

# Robin Bloom, Principal Locum Lawyer (Contracts)

#### **Human Resources implications and risks:**

If the contract is awarded to Bidder A, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) would apply to protect employees' employment, terms and conditions. Employees assigned to the Reablement workforce would transfer to Bidder A under their existing contractual terms of employment and without breaking their continuous service. Union recognition and collective agreements would also transfer. Employees would have the right to object to the transfer, which is legally treated as a resignation under TUPE. Bidder A has indicated they will accept the transfer of all staff who wish to transfer on this basis.

Bidder A has indicated that they will seek Admitted Body Status to the LGPS in order to secure transferring employing pension rights under TUPE. This would mean that staff will continue to be active members of the LGPS. Approval of the Pensions Committee is required, which should be granted where the statutory requirements for admission are met. Bidder A has experience of obtaining Admitted Body Status with other local authorities and has evidenced an ability to meet the requirements for admission.

Where TUPE applies there is an obligation to inform appropriate employee representatives about the proposed transfer and its implications for staff. There is also an obligation to provide information and consult in relation to any "measures" that the London Borough Of Havering or Bidder A proposes in connection with the transfer (for example, redundancies, restructuring, contractual changes or changes to working practices or location).

The London Borough Of Havering and Bidder A would work together to fulfil their TUPE obligations and ensure that employee information and consultation rights under TUPE are recognised. Bidder A has evidenced experience of handling TUPE transfers of staff and associated issues effectively. Bidder A has outlined its implementation plan, which addresses the TUPE transfer and consultation with staff, and upon award of contract will appoint a Project Implementation Team to develop and deliver the project plan. Formal TUPE transfer notification letters would be sent to staff and trade union representatives shortly after award of the

contract, providing the required information. An Information and Consultation Forum would be formed as the medium for providing information to and consulting with staff and trade unions. It is proposed that staff would be given the opportunity to elect a staff representative to join the forum along with management and trade union representatives, to ensure those employees who are not members of recognised trade unions are represented. The Forum would meet regularly from award of the contract until the transfer date. Meetings involving Bidder A's management team and HR will also be facilitated to help ensure a smooth transfer with minimal anxiety for affected staff.

The London Borough Of Havering is legally obliged under TUPE to provide information about the transferring workforce, their contractual terms and conditions and related rights and obligations to Bidder A no later than 14 days before the commencement date of the contract. This information will be collated and provided, with a suitable warranty as to its accuracy and completeness.

The human resources risks in relation to any transfer of staff under TUPE arise if employee rights are breached. Employees may bring legal claims for compensation for failure to properly inform and consult, or unfair dismissal or constructive unfair dismissal in relation to any dismissal or change to working conditions or terms and conditions of employment, if they consider such action to have breached their rights under TUPE. It is considered that the risk of such claims is minimised. Bidder A has evidenced its experience of handling TUPE transfers effectively and has provided plans in relation to the proposed transfer as part of the tender process. The London Borough Of Havering and Bidder A will work in partnership, with appropriate legal advice as required, to ensure compliance with their obligations under the regulations and the recognition of employee rights under TUPE.

#### Geraldine Oakley, Strategic HR Business Partner

#### Equalities implications and risks:

There is a full equalities analysis attached as Appendix 1 to this report.

#### Service users

The proposals aim to impact positively on the quality of service and to ensure that it is available to an increasing number of people, through improved efficiency, facilitating greater contact time with service users than currently. The adverse impact on service users is likely to be minimal, since reablement is a short-term service and therefore people do not become dependant on workers.

A stringent tender process has been undertaken to ensure that the provider to whom the contract is awarded is experienced in delivering high-quality and outcome-focused support. As part of the procurement and commissioning process, Bidder A has had to demonstrate how it complies with equality legislation in provision of services.

#### Staff

As most of the reablement workforce is female and many are over 55 years of age, it can be expected that the transfer of the service to an external provider will affect a disproportionately high number of staff falling within these groups. This impact is due purely to the make-up of the workforce. The impact on staff is justified because the decision was made in order to ensure that a greater number of people will be able to have access to reablement services at a sustainable cost, maximising and prolonging their independence.

Staff will be transferred to the new provider under the Transfer of Undertakings (Protection of Employment) Regulations 2006. They will therefore transfer under their existing conditions of employment and without breaking their continuous service. Union recognition and collective agreements will also apply.

There will be on-going consultation meetings with staff regarding their transfer to Bidder A. The provider will be required to furnish a detailed consultation and transfer plan and will be actively involved with staff, management and London Borough of Havering's Human Resources Department to ensure that the transfer of staff takes place efficiently and with as little anxiety to staff as possible.

# **BACKGROUND PAPERS**

The following background paper is available for reference:

**1.** Key Executive Decision signed on 25<sup>th</sup> August 2011by Andrew Ireland, Group Director for Social Care and Learning. This was exempt from publication.

The following are attached as non-exempt appendices:

- 1. Equality Analysis
- 2. Quality Scoring Matrix

The following are exempt appendices:

- 3. Details of Bidder A
- 4. Financial implications and risks
- 5. Copy of financial check carried out on Bidder A
- 6. Quality Scoring Matrix for Bidder A

# Appendix 1 - Equality Analysis



# LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

PROPOSED ACTIVITY (POLICY, STRATEGY, PROCEDURE, FUNCTION, PROJECT, PROGRAMME, SERVICE, RESTRUCTURE CHANGE/PROPOSAL, ORGANISATION/OTHER EXECUTIVE DECISION)

# **REVIEW OF REABLEMENT SERVICES**

# <u>DECISION TO AWARD A CONTRACT FOR THE PROVISION OF REABLEMENT</u> <u>SERVICES TO AN EXTERNAL ORGANISATION</u>

#### SCOPE OF PROPOSAL

1. What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?

#### **Background**

The implementation of the personalisation, transformation and preventative agenda in Havering has been a catalyst for change, particularly within Adult Social Care. Havering, like many other local authorities, developed an in-house reablement service as part of its personalisation approach. This service has been operating since 2007 and is currently provided by the former internal homecare team.

Reablement helps people achieve and maintain independence wherever possible, as well as improving health and social functioning. It is a specialised version of care and support at home and is characterised by an emphasis on a short-term (up to 6 weeks) rehabilitative approach of enabling/re-abling, through supporting individuals to learn or re-learn skills and strategies, thus contributing to a reduction in, or removing the need for, ongoing care and support services and also improving the health and wellbeing of the individual.

The aim of a reablement service is to:

Enable service users, by providing intense outcome driven care and support, to regain a maximum level of independence and remain living within their own homes for as long as possible.

- Facilitate, with timely support, discharge from hospital and/or temporary care home, and re-enable these persons to maximise their full independence potential.
- Provide users with immediate reablement care and support services to assist in avoiding unnecessary hospital/care home admission.
- Where appropriate, to reduce the level of care needed in the longer term, both domiciliary and residential.

Ultimately reablement services allow sustainability of care budgets by achieving greater independence of service users. They deliver savings which can be reinvested into a wider variety of preventative support to people with social care needs. The delivery of reablement is essential to ensure that Adult Social Care remains sustainable in the future.

#### Reasons for externalisation of the service

The existing Reablement Service within Adult Social Care is considered to perform well but at a high cost per contact hour.

The Council is committed to providing reablement services as the default option to all eligible adults who can benefit from reablement for a period of up to six weeks, and it is therefore anticipated that the service will become the normal pathway for an increasing number of service users before they are considered for long term care. However, in order for this to be achieved, the service needs to operate more efficiently and at a lower cost.

There is also a commitment to delivering efficiency savings to contribute to the targets set under the Havering 2014 programme, reducing the overall costs of the current Reablement Service by March 2014, and to achieve a further savings per annum through increased numbers of clients receiving reablement services. In 2010, a detailed modelling of options was carried out:

#### 1. Retention of the existing service:

The primary disadvantage of this is that achievement of the required level of savings would not be possible.

In 2011 a staffing and service restructure was implemented (which was subject to a separate Equality Analysis) and which realised some savings. However, there is no further scope to reduce costs internally.

#### 2. Undertaking a phased externalisation:

Based on the current level of staff turnover (10%), it is unlikely that sufficient staff would choose to leave the service to achieve the required amount of savings within the required timescales.

Corporate support and infrastructure e.g. management, payroll, HR, Finance etc. would still be required.

# 3. Externalising partially

The in-house service has been unable to meet all of the demand for reablement provision. Therefore, externalisation of the work to meet this demand was attempted. This would have enabled the Council to monitor external costs and quality before reviewing whether the entire service should be reprovided. However, it has not been possible to identify a local provider able to take on this work. Furthermore, it would not contribute directly to the required savings, and therefore wider action was required.

#### 4. Externalise the service

It was considered that there would be a high likelihood of achieving the savings target if the service were to be externalised, as an external provider is likely to seek synergies in management and administrative support, improve productivity and contact time, and develop more flexible working practices.

There is the potential for additional savings to the Council in infrastructure, support and management linked to the service.

There will be a high potential to increase the capacity of the service, and thus the potential for indirect savings associated with facilitating a larger number of older people in particular being able to access reablement services, and therefore maintain and maximise their independence for longer.

#### Selected option

The decision was made to re-provision the current service in the most costeffective manner, whilst ensuring that current good performance is maintained or improved i.e. externalise the service. This will thereby ensure that a greater number of people will be able to have access to reablement services, maximising and prolonging their independence, whilst also making the required savings.

Therefore, in October 2011 a formal tender process was commenced. This was concluded on 13<sup>th</sup> June 2012, following an evaluation process carried out in accordance with the Council's procurement procedures. An external organisation has been selected to provide the service from 1<sup>st</sup> November 2012.

A report, of which this Equality Analysis forms part, is being presented to Cabinet on 11<sup>th</sup> July for its approval of the award of the contract.

The identity of the successful provider is not given here, as the providers, both successful and unsuccessful, cannot be informed of the outcome until approved by Cabinet, and this information will not be in the public domain until then.

#### 1 (a) Organisation and Staffing

This decision has direct implications for the workforce employed by the Council who currently provide this service. Reablement services are delivered through a

workforce of 108 employees, 106 of whom are female and 76 of whom are aged 50 or over.

This is not a redundancy situation. Staff will transfer to the external organisation under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), retaining their existing terms and conditions as fully enjoyed whilst in the Council's service, and without breaking their continuous service. Union recognition and collective agreements will also apply. The provider has to ensure that there will be a broadly comparable pension scheme, and will be seeking Admitted Body Status to the local Government Pension Scheme.

As almost the entire workforce is female and many are over 55 years of age, this decision will affect a disproportionately high number of staff falling within these groups. This impact is due purely to the make-up of the workforce.

The impact on staff is justified because the proposals have been developed and decisions made in order to ensure that a greater number of people will be able to have access to reablement services at a sustainable cost, maximising and prolonging their independence.

#### 1 (b) Services to the Community

### Service users and family carers

The decision to externalise the service aims to impact positively on the quality of service and to ensure that it is available to a greater number of people. The adverse impact on service users is likely to be minimal, since reablement is a short-term service, and therefore people do not become accustomed to and dependent on individual workers.

It is anticipated that changes to the service will facilitate a larger number of older people in particular being able to access reablement services, and therefore maintain and maximise their independence for longer.

Although the majority of service users are 'older people' (over the age of 65), it is not expected that as a service user group there will be a disproportionate adverse impact.

# Services and the wider community

Discussions have taken place with health colleagues about the possible provision of low-level health tasks by reablement staff in the future. If implemented, this was generally considered that it would have a positive impact on service users.

However, such tasks are not included in the current service specification, although the provider will be expected to work with the Council and with Health with the view to introducing some such input at some point, although timescales will need to be agreed.

#### PEOPLE AFFECTED

- 2. Which individuals and groups are likely to be affected by the activity?
  - 2 (a) Staff Individuals and Groups

All reablement staff will be affected, as described above.

- **2 (b)** Community Individuals and Groups (including voluntary organisations)
- Service users: service users undergoing reablement at the time of the transfer to the
  new provider will be affected. However, this is unlikely to have an adverse impact to any
  great extent as the provider has a robust implementation plan to ensure that any
  disruption to service users is avoided or kept to a minimum, and, wherever possible,
  staff involved in reablement support will continue to work with individuals until the
  outcomes identified for that person have been achieved (for up to six weeks).

Should this not be possible, then it will be ensured that the new provider will receive all necessary information to complete any reablement programme with service users, and to ensure that identified targets and outcomes for service users are known by the new provider and appropriate support given to achieve them as far as is possible.

- Carers and family members: carers and family members of service users undergoing reablement at the time of the transfer of the service may be affected, although any negative implications should be mitigated as described above.
- Future service users, carers and family members: these may be affected. However, a stringent procurement process has been undertaken and the provider is experienced in providing successful, outcome-focussed services. There is a detailed service specification, there has been a comprehensive scrutiny of tender applications, and there will be a robust contract with the new provider. As part of the tendering process, the provider has had to demonstrate satisfactorily how it complies with equality legislation in both provision of services and employment of its staff.
- Three long-term service users: there are three service users who have continued to receive a domiciliary care service from the in-house service, despite the fact that it was transformed into a reablement service in 2007. The main reason that these people have continued to receive this service is that they had previously either had a poor experience with an external agency, or believed that they were less likely to receive continuity of care from an external agency. However, it will not be appropriate for the new provider to deliver a service to these three people; it is being commissioned to deliver reablement services and will be monitored on performance outcomes in relation to its reablement support.

The three service users and their families have been informed that a tendering process was being undertaken to identify an external provider. Alternatives to provision from the in-house service have been discussed with the three service users and their families on a number of occasions. However, due to the issues which have been raised by them, their families and other parties, action to identify an alternative provider will not begin until a final decision has been made on the award of contract.

There will be close liaison with the service users and their families to ensure that a domiciliary care provider is identified to provide a high quality service that all are happy with, and that meets the service users' needs in the way that they prefer. However, the change is likely to have initially a considerable and adverse impact on them, their families and informal carers, as they have been receiving a service from the current reablement team for a number of years. However, all possible action will be taken to mitigate any detrimental impact as much as is possible.

#### DATA AND INFORMATION

3. What data/information do you have about the people with 'protected characteristics' (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and parttime workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?

# 3 (a) Staff

There are 108 staff in total in the reablement service. The current FTE is 66.72: 5.95 admin staff, 2 Locality Managers, 8.02 Care Co-ordinators and 50.75 Reablement Carers.

- 106 staff are female.
- 94 staff are white, 10 are Black or Black British, 2 are Asian or Asian British, 1 is mixed heritage and 1 has not stated their ethnicity.
- 32 staff are under 50 years old, 46 staff are aged 50-59, 30 staff are 60 or older.
- None has reported a disability.

As 98% of staff are female, with 70.4% being over 50, older women are disproportionately affected by this decision, due to the makeup of the workforce.

# 3 (b) Community

Between 1<sup>st</sup> April 2011 and 31<sup>st</sup> March 2012, the Reablement Service provided a service to:

- 1120 people in total
- 392 were male and 728 were female
- 66 people were aged between 18 and 64, of whom 30 were male and 36 were female
- 563 people were aged between 65 and 84, of whom 211 were male and 352 were female
- 491 people were aged 85 or over, of whom 151 were male and 349 were female
- 1095 people were white.
- of the remaining 25 people 2 had not wished to give their ethnicity, 2 were not white but had not specified their ethnicity, and the remaining 21 people were from various ethnic minority backgrounds, with the largest groups being Indian (5) and Black Caribbean (4).

Although the majority of service users are 'older people' (over the age of 65), it is not expected that as a service user group there will be a disproportionate adverse impact for reasons given above.

# Three long-term service users:

These are all female, white British, one aged 78, one aged 87 and one aged 105. They all receive at least three visits per day, seven days a week.

- One previously had a poor experience with an external care agency, and her son therefore does not wish the provision of her care to be transferred. She was originally referred as she had had a stroke and has right-sided disability. Her carer does not have a disability. She has received the service since at least 2004.
- One has received the service since at least 2007. She wants continuity of care, and thinks this is less likely with an external agency, so she and her daughter do not wish her care to be transferred. Her daughter does not have a disability. She has received a service since at least 2007.
- One has received the service since 1980. She has remained with the in-house service due partly due to the length of time that she has received a service, and partly due to her advanced age. She had a poor experience with a care agency in 1995, and has said that she therefore does not wish the provision of her care to be transferred. She has two grandchildren who are her main carers.

#### CONSULTATION

4. If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?

# 4 (a) Staff

 From mid-2011 onwards meetings have taken place as appropriate with staff, along with Trade Union representatives, to ensure they were kept informed of activities and progress. Formal meetings for all reablement staff as a group, led by the Head of Adult Social Care, took place on:

- o 12<sup>th</sup> July 2011
- o 3<sup>rd</sup> October 2011
- o 29<sup>th</sup> February 2012
- There are regular Social Care and Learning Trade Union forum meetings at which Trade Union representatives have also been briefed on the following dates:
  - o 1<sup>st</sup> December 2011
  - o 1<sup>st</sup> March 2012
  - o 7<sup>th</sup> June 2012
- There have also been on-going team meetings and informal updates.
- Early in the process, staff were also provided with a detailed question and answer document that deals with many of the human resources queries.
- On 25<sup>th</sup> April and 1<sup>st</sup> May 2012, there were small group presentations on the more detailed implications of TUPE for staff, e.g. impact on terms and conditions, pensions, etc and there were opportunities for questions. There were also Individual HR surgery sessions for individual personal questions arising from the presentations.
- A meeting is planned for 25<sup>th</sup> June with all reablement staff and trades union representatives to inform them that the tender evaluation process had been completed, with a successful provider identified. It was not possible to reveal the identity of the organisation at that stage as the recommendation to award the contract has still to be approved by Cabinet.
- A meeting will take place with all reablement staff and trades union representatives after the Cabinet meeting on 11<sup>th</sup> July, to inform them of the identity of the organisation to whom the contract has been awarded.
- In late July 2012, once the decision to award the tender to the new provider is complete, TUPE transfer notification letters will be sent to all individual staff, and will Include detailed frequently asked questions concerning TUPE, what rights are protected under it etc.
- In late July, once letters have been sent, there will be initial consultation forum meetings to begin consultation with staff and trades union representatives on matters outlined in the formal TUPE notification letters.
- These will continue as frequently as required (probably fortnightly) until the transfer takes place on 1<sup>st</sup> November.

- As required, consultation/communication will also take place in other ways e.g. newsletters.
- Meetings with the new organisation's management group and HR will also be facilitated. The provider has furnished a detailed consultation and transfer plan and will be actively involved with staff, management and London Borough of Havering's Human Resources Department to ensure that the transfer of staff takes place efficiently and with as little anxiety to staff as possible.
- Proposals have also been made for employees to nominate a representative to
  join the information and consultation forum, along with trade union and
  management representatives, to represent those employees who are not
  members of the recognised trade unions. Whilst the Council is only legally
  obliged to consult with recognised trade unions, it is felt that having an additional
  employee representative would be good practice to facilitate dissemination of
  information and to ensure all staff views are represented.

## 4 (b) Community

Formal consultation with service users has not been appropriate. As noted, the adverse impact on service users is likely to be minimal, since reablement is a short-term service, and therefore people do not develop long-term relationships with individual workers. There is a communications plan in place to ensure that any service users affected will be informed in advance of Bidder A taking over provision of the service. Service users at the point of transfer will be communicated with in a sensitive manner, to let them know of the change of provider and its implications. A frequently asked questions document will also be sent, to ensure that rumours or misunderstandings are avoided or corrected.

Three long-term service users: as already noted work is ongoing with these
people and their families to ensure that an alternative provider is identified in
good time that will be able to deliver a high-quality service to them in which they
have confidence.

#### LIKELY IMPACT

5. Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?

## 5 (a) Staff

As already noted, 108 staff currently employed within the reablement service will be directly affected by this decision, as on 1<sup>st</sup> November they will be transferred under TUPE to an external provider. Women, and particularly those over 50, will be disproportionately affected due to the makeup of the workforce. However, as stated elsewhere, staff will be

transferred to the new provider retaining their existing terms and conditions, and with continuing membership of the LGPS.

It is, however, acknowledged that the proposed change of employer is likely to be a source of anxiety and concern for many of the affected employees, and indeed that it has already been so for some considerable time. Although active steps have been taken to keep staff informed at every stage of the process, and answer any questions they may have had in order to allay anxieties as far as possible, because of the nature of the undertaking it has not always been possible to keep staff fully informed due to the confidential aspects of some of the information relating to tenderers.

## 5 (b) Community

As already stated, the decision to externalise the service aims to impact positively on the quality of the service and to ensure that it is available to a greater number of people. The adverse impact on service users is likely to be minimal, for reasons already given.

It is anticipated that changes to the service will facilitate a larger number of older people in particular being able to access reablement services, and therefore maintain and maximise their independence for longer.

Although the majority of service users are 'older people' (over the age of 65), it is not expected that as a service user group there will be a disproportionate adverse impact.

There will be a high potential to increase the capacity of the service, and thus will facilitate a larger number of older people in particular being able to access reablement services, and therefore maintain and maximise their independence for longer.

# 6. What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?

#### 6 (a) Vulnerable children

There are no direct implications, as the service is for adults over 18.

#### 6 (b) Vulnerable adults

As part of the overall tendering process, organisations were expected to outline their policies and procedures to safeguard vulnerable adults, and this formed part of the initial stage of the evaluation process, given its importance. Organisations were scored against this requirement. They were also expected to give details of the procedures in place within their recruitment and training processes to ensure that staff are suitable to work with vulnerable adults.

Modern approaches to the delivery of reabling care and support services stress the requirement to manage risk pro-actively. As part of the formal tendering process, organisations were asked to describe their approach to balancing the management of risk in relation to key areas specific to and typical for successful reablement. This formed part of the scores for quality in the evaluation of the tender.

The new organisation is aware of and will be expected to comply with London Borough of Havering's and Pan London safeguarding policies and procedures.

In view of the above, it is not therefore expected that there will be an impact on the arrangements for safeguarding vulnerable adults.

#### PREVENTING DISCRIMINATION

7. If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?

# 7 (a) Staff

As acknowledged, the impact on female staff is disproportionately high due to the make up of the workforce. It is considered that the impact on staff is justified to ensure that the service is able to operate more efficiently and at a sustainable cost, thereby ensuring that an increasing number of people, particularly older people, are able to receive this service and, in consequence, maintain and maximise their independence for as long as possible.

However, as explained earlier, a full communication programme has been in place to keep staff informed and to attempt to address the anxieties around the process. In addition, following award of the contract, information and consultation meetings will take place with staff and trades union representatives, in accordance with the TUPE Regulations and best practice. As part of the process, meetings with the new organisation's management group and HR will be facilitated. The provider will be required to furnish a detailed consultation and transfer plan and will be actively involved with staff, management and London Borough of Havering's Human Resources Department to ensure that the transfer of staff takes place efficiently and with as little anxiety to staff as possible.

# 7 (b) Community

As explained elsewhere in this analysis, the adverse impact on service users is likely to be minimal, since reablement is a short-term service, and therefore people do not become accustomed to and dependent on individual workers. Overall, the impact should be positive with a greater number of people being able to have access to reablement services, maximising and prolonging their independence.

#### PROMOTING EQUALITY

8. How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?

## 8 (a) Staff

Although the activity in itself will not advance equality of opportunity directly in relation to staff, in order to ensure that staff are protected as far as is possible equality issues formed an important aspect of the tendering process, and organisations were scored on this.

As part of the initial stage, organisations had to respond to a number of questions relating to promotion of equal opportunities to ensure that:

- there is compliance with all equalities-related legislation
- there is a written equalities policy
- there are satisfactory mechanisms to ensure that policies on equality and diversity issues are communicated to employees, potential employees, service users and potential service users
- there are robust mechanisms to monitor equality and diversity issues across the organisation.

The successful organisation demonstrated that it met all of the above effectively.

## 8 (b) Community

All of above also relates to the community.

It is intended that equality of opportunity will be promoted by delivering the service in a more cost-effective manner, whilst ensuring that current good performance is maintained or improved. This will thereby ensure that a greater number of people will be able to have access to reablement services, maximising and prolonging their independence.

#### **SPECIFIC NEEDS**

9. What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?

#### 9 (a) Staff

As part of the formal tender process, organisations were asked to provide detailed information regarding:

- their approach to the transfer of staff
- the key issues that will be faced
- a detailed communication plan (pre and post transfer)
- an outline of their proposed induction and on-going staff training programme

 their intentions for the provision of pension arrangements for transferring staff, confirming that pension protection will be provided and that transferring employees will have the right to acquire pension benefits which are the same as, or broadly comparable to, or better than, those they had the right to acquire before the transfer.

The successful organisation complied with all of the above in a manner that was considered satisfactory by the evaluation panel.

It is anticipated that this will assist in minimising the negative impact on staff as far as is possible, in conjunction with the consultation and communication activities described in 4a) above.

## 9 (b) Community

As described elsewhere, the negative impact on service users is considered to be minimal, with one of the objectives of this activity being to ensure that the service is available to an increasing number of people.

As part of the initial stage of the tender process, organisations were asked to provide details which demonstrated experience of provision of a high quality reabling service.

Those organisations that were short-listed and invited to submit tenders were asked to provide detailed information regarding:

- how they will deliver person centred/outcome focused reablement support, delivered to people at times when it suits them
- how they will monitor and ensure the quality of the delivery of outcome-focused reablement support to service users
- their approach to involving customers in the ongoing development of the service, including how they will gather feedback from customers and carers, and how this would be incorporated within a service development plan.

Organisations were also asked to summarise any added social value that they will bring to the operation of the service.

The successful organisation demonstrated an effective approach to all of the above, which it is anticipated will maximise the positive impact for the community.

#### MONITORING AND REVIEW

# 10. Once implemented, how often do you intend to monitor the actual impact of the activity?

#### 10 (a) Staff

Once the transfer of staff has taken place on 1<sup>st</sup> November, the London Borough of Havering will no longer have formal responsibility for staff, as they will then be the employees of the new provider. Therefore, the London Borough of Havering will not be monitoring the impact of the change on staff directly.

The provider has indicated that, both during and post transfer, support to staff will be available via its HR team and operational managers, with weekly HR surgeries being run locally so that staff can access members of the HR team with ease.

The provider has stated that it is committed to open and honest communication with staff and any representative bodies such as unions, and that it has a strong and healthy relationship with unions. It also has a Staff Forum, and will extend this model to include Havering staff representation.

# 10 (b) Community

There are various methods whereby the impact of the proposed changes on service users will be monitored.

There is going to be a new contract monitoring post, the responsibility of which will be to monitor a range of performance requirements contained within the service specification and contract. This will be done on a quarterly basis. Obviously if there are any concerns with performance then this would be addressed with the provider outside the formal process as required, but in a spirit of partnership working.

It is acknowledged that there may inevitably be some performance issues initially that may impact on service users, while the new service becomes embedded, but all possible action will be taken by both the provider and London Borough of Havering to minimise these, though close joint working in the period leading to the transfer and beyond.

Adult Social Care has a Quality Monitoring Service, with a responsibility for monitoring both internal and external services on an annual basis or more frequently if necessary. It is recognised that this service will need to be developed and actively involved, and to this end there will be an additional post within the Quality Monitoring Service.

Care managers will be involved in regular reviews of service users' needs.

There is an annual survey amongst a cross-section of service users and carers to obtain information about the quality of services provided. This will also afford an opportunity for monitoring the impact of changes.

The new provider has its own complaints process, and, in the first instance this is where any complaint should be dealt with. However, should it not be possible to resolve an issue in this way, then complaints will be dealt with through the London Borough of Havering's statutory complaints procedure.

#### SIGN OFF AND PUBLICATION

11. When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the

Directorate Equality Analysis Web administrator to publish it on the council's website.

HEAD OF SERVICE Name: David Cooper

Date: 18 June 2012 Signature:

# **APPENDIX 2 – Quality Scoring Matrix**

# F0087832 - Invitation to Tender - Provision of Reablement Services

Scoring Matrix for Quality / Service Delivery – Evidence drawn from method statements, meetings and requested actions
Scoring will initially be based on the written submission only but will be altered in light of any clarification and responses to round table questions

Name of Organisation		
Panel Member	Date	

	Ref	Delivery	Unsatisfactory- Poor	Satisfactory	Good – Excellent	Weighting	Total	Comments
			(0, 1 or 2)	(3)	(4 or 5)			
	1.	Robustness of general	Service description poor	Service description	Service description exciting	X2		
		service model & description	and/or understanding of	satisfactory with a	with excellent			
		including understanding of	difference not clear and/or	reasonable understanding	understanding of difference			
$\mathbf{T}$		differences & evidence of	evidence of flexibility not	of difference including	and a good understanding			
Page		flexibility in service delivery	addressed and/or	some understanding of	of flexibilities required.			
Ó			insufficient detail given.	flexibility/some areas not	·			
Ð				covered.				
2	2.	Suitability of proposed	Proposed structure does	Structure partially	The structure addresses			
25		structure including roles &	not address the	addresses the specification	the specification and is	X2		
7		responsibilities & ability to be	specification in full and/or	and/or shows partial	proportionate to service			
		flexible. Suitability of job	the issue of flexibility is not	understanding of the issue	delivery and shows a good			
		descriptions and person	addressed and/or little	of flexibility or specific skills	understanding of the issue			
		specifications, skills mix and	understanding of specific	or could be more flexible.	of flexibility and specific			
		line management.	skills is demonstrated or is	Adequate job descriptions,	skills. Job			
			inflexible or insufficient	person specifications	descriptions/person			
			detail given. Inadequate job	and/or line management.	specifications and line			
			descriptions, person	Some areas not covered	management arrangements			
			specifications and/or line		show a good understanding			
			management or insufficient		of key issues.			
			detail given.					

Ref	Delivery	Unsatisfactory- Poor (0, 1 or 2)	Satisfactory (3)	Good – Excellent (4 or 5)	Weighting	Total	Comments
3.	Demonstration of ability to provide the flexibility required to deliver short notice changing hours (up to 250 in any given week)	Proposed approach is unclear/issue is not addressed/insufficient attention has been given to the challenges.	Proposed approach partially addresses the specification and/or shows partial understanding of the issue of flexibility or specific skills or could be more flexible/some issues not covered.	Proposed approach shows understanding of the issues involved and demonstrates creative thinking/ and pragmatism.	X2		
4.	Demonstration of ability to plan & provide service in desired timescale with sufficient attention to TUPE issues with back up/ contingency plans. Suitability of recruitment plans, induction of new & transferring staff and ongoing training.	Approach inadequate or unrealistic and/or insufficient attention to TUPE and/or contingency arrangements inadequate or insufficient detail given. Inadequate recruitment, induction and/or training programme or insufficient detail provided.	Approach adequate but some areas addressed are weak and/or TUPE issues show some weaknesses. Contingency plans addressed. Adequate recruitment, induction and training details provided.	Approach is realistic and proportionate and understands all the issues involved and proposed timescales and contingency arrangements appear robust. Recruitment, induction and training details provided appear comprehensive.	X2		
5.	Demonstration of understanding of full range of TUPE issues, evidence of realistic assumptions & plans with sufficient details about costs and variables around staff numbers under TUPE.	Response inadequate or unrealistic and/or insufficient details about associated costs and/or implications/ insufficient attention to variables around TUPE numbers	Response adequate and realistic but some areas show weaknesses and/or some issues not covered and/or costs unrealistic/variables around TUPE numbers addressed to some extent.	Response appears robust and demonstrates understanding of all the issues. Associated costs appear realistic variables around TUPE numbers addressed well.	X2		
6.	Clear evidence of ability to provide suitable pension arrangements for transferring staff	Response inadequate and/or insufficient details provided	Response adequate but some issues not covered	Evidence of well prepared, realistic pension proposals	X2		
7.	Clear rationale for, & robust plans to, deliver a competitively costed service linked to staffing model & transfer plans	Response inadequate or unrealistic and/or insufficient details provided	Response adequate but some issues not covered and/or savings not realised	Response appears realistic and well thought out with clear savings for the council across the life of the contract	X2		

Ref	Delivery	Unsatisfactory- Poor (0, 1 or 2)	Satisfactory (3)	Good – Excellent (4 or 5)	Weighting	Total	Comments
8.	Suitability of proposals for an office base and local facilities to accommodate staff training, team meetings et cetera	Proposals inadequate or unrealistic and/or insufficient details provided	Proposals adequate and realistic but some issues not covered	Proposals appear well thought out and robust. Details include realistic accommodation proposals for operational management and staff training, team meetings et cetera			
9.	Suitability of proposals to develop a unique local service identity	Proposals inadequate or unrealistic and/or insufficient details provided	Proposals adequate and realistic but some issues not covered	Realistic proposals and well thought out marketing plan with proportionate associated costs			
10. D	Suitability of proposals for line management of staff and methodology to ensure quality of outcome focused reablement to service users	Details of proposed line management structures unrealistic or inadequate and/or lack of detail about quality monitoring	Details of proposed line management structures submitted largely appropriate but some issues not covered	Robust line management structure with detailed, realistic methodology for monitoring the quality of services delivered to service users			
11. 25. 25.0	Understanding of proactive management of risk with appreciation of difficulties around this issue.	Approach shows elements of risk aversion and/or paternalistic or insufficient detail given.	Approach is tailored to risk management rather than risk avoidance but shows some room for improvement.	Approach fully understands proactive risk management and shows no signs of risk aversion or paternalism.			
12.	Clear rationale and approach to involving others in reablement planning and balancing competing priorities	Approach is inappropriate and/or relies too heavily on professionals/carers and/or wrong decision making process and/or insufficient detail given.	Approach is largely appropriate but still some slight disproportion or wrong emphasis on decision maker	Approach demonstrates a robust methodology for the proportionate involvement of others with clear rationale for balancing competing priorities, risks and recognising main decision maker			

	Ref	Delivery	Unsatisfactory- Poor (0, 1 or 2)	Satisfactory (3)	Good – Excellent (4 or 5)	Weighting	Total	Comments
	13. & 14.	Flexibility of approach and rotas around flexible delivery taking into account the expectation of the use of block and additional hours, staff working between RJC and community based clients; rotas submitted to evidence written responses	Approach traditional, inflexible and inadequate; meeting people's needs with this model would be difficult or insufficient detail/no rotas given. Inadequate evidence of attention given to the flexing of hours and staff.	Approach shows some flexibility but there is some room for improvement or Approach is adequate but rota inadequate to deliver approach. Some evidence of attention given to the flexing of hours and staff.	Approach fully explores issues around flexibility and rotas and staffing proposals seem likely to be able to deliver flexible care and support. Full attention given to the flexing of hours and staff.	X2		
Pa	15.	Approach to developing/ maintaining suitable relationships with stakeholders, commissioners and referral routes into the service	Approach inadequate and/or lacking detail	Approach adequate but some issues not covered	Realistic approach to developing and maintaining positive relationships. Pragmatic approach to ensuring referral routes remain effective and well publicised			
ge 260	16.	Demonstration of approach to managing key interfaces, with clear areas of responsibility	Approach inadequate and/or lacking detail	Approach adequate but some issues not covered	Approach demonstrates clear understanding of the importance of key interfaces with realistic accountability			
	17.	Approach to involving service users in service development and examples of changes as a result of service user involvement.	Unimaginative or 'tick box' approach shown or insufficient detail given. No/unsatisfactory examples of changes provided.	Approach shows some innovative ideas but has some deficiencies. Satisfactory example of change.	Approach is innovative, person centred and values service user involvement. Positive / innovative examples of change clearly resulting from involvement.			
	18.	Robustness and appropriateness of approach to Boundaries/Code of Conduct including recognising localised issues.	Either Code of Conduct or Boundaries Policy inadequate and/or fails to reflect localised issues or insufficient detail given.	Code of Conduct or Boundaries Policy covers most aspects but could be brought more up to date with localised issues.	Code of Conduct or Boundaries Policy addresses issues around conduct and boundaries in a comprehensive and robust way. Localised issues that impact on these areas have been recognised.			

	Ref	Delivery	Unsatisfactory- Poor (0, 1 or 2)	Satisfactory (3)	Good – Excellent (4 or 5)	Weighting	Total	Comments
	19.	Approach to evidencing positive both hard and soft outcomes	Approach is poor and/or lack of understanding how to evidence/value of outcomes/methodology cumbersome/does not cover hard and soft outcomes	Approach largely appropriate but room for improvement in ability to evidence or understand value of recording/both hard and soft outcomes included.	Robust approach that demonstrates clear understanding and appreciation of value of proper recording of outcomes and ability to evidence, methodology proportionate and includes hard and soft outcomes.			
	20.	General ability to demonstrate innovation, continuous improvement, knowledge of up to date developments in the field and value for money in service delivery.	Few or none of these qualities demonstrated across tender	Some of these qualities demonstrated across tender	Tender demonstrates all these qualities			
Page 26	21.	Ability to bring something unique, particularly added social value, to the tender	Little or no added social value, no unique factor	Some added social value and/or special qualities	Good demonstration of added social value and unique approach appropriate to the service demonstrated			
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*Note:* The following scoring matrix refers to responses to real life scenarios that <u>may</u> be requested prior to round table discussions.

Ref	Delivery	Unsatisfactory- Poor	Satisfactory	Good - Excellent	Weighting	Total	Comments
		(0, 1 or 2)	(3)	(4 or 5)			
	Response to scenario 1 submitted prior to Round Table Discussion	Approach inappropriate or inadequate or insufficient detail given.	Approach has some of the right elements but could be better.	Approach balanced, risk managed, utilising known information and target setting.	X2		
	Response to scenario 2 submitted prior to Round Table Discussion	Approach inappropriate or inadequate or insufficient detail given.	Approach has some of the right elements but could be better.	Approach balanced, risk managed, utilising known information and target setting.	X2		

Ref	Delivery	Unsatisfactory- Poor	Satisfactory	Good – Excellent	Weighting	Total	Comments
	-	(0, 1 or 2)	(3)	(4 or 5)			
	Response to scenario 3 submitted prior to Round Table Discussion	Approach inappropriate or inadequate or insufficient detail given.	Approach has some of the right elements but could be better.	Approach balanced, risk managed, utilising known information and target setting.	X2		