

London Borough of Barking and Dagenham

Notice of Meeting

THE EXECUTIVE

Tuesday, 18 November 2003, 7:00 pm

Civic Centre, Dagenham

Members: Councillor C J Fairbrass (Chair); Councillor C Geddes (Deputy Chair); Councillor J L Alexander, Councillor G J Bramley, Councillor S Kallar, Councillor M E McKenzie, Councillor B M Osborn, Councillor J W Porter, Councillor L A Smith and Councillor T G W Wade.

Declaration of Members Interest: In accordance with Article 1, Paragraph 12 of the Constitution, Members are asked to declare any direct/indirect financial or other interest they may have in any matter which is to be considered at this meeting

3.11.03

Graham Farrant
Chief Executive

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AGENDA

1. **Apologies for Absence**
2. **Minutes - To confirm as correct the minutes of the meeting held on 11 November 2003 (to follow)**
3. **Performance Monitoring (Pages 1 - 4)**
4. **Development Control Performance Indicators and Action Plan (Pages 5 - 8)**
5. **Capital Programme - Realignment of Funding for 2003 / 2004 onwards for Social Services and Education, Arts & Libraries Schemes (Pages 9 - 36)**
6. **Any other public items which the Chair decides are urgent**
7. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Executive, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972).

There are no such items at the time of preparing this agenda.



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

THE EXECUTIVE**18 NOVEMBER 2003****REPORT OF THE DIRECTOR OF CORPORATE STRATEGY**

PERFORMANCE MONITORING		FOR INFORMATION
<p>To update the Executive on 2nd Quarter performance of Council Scorecard Performance Indicators and a selection of other indicators for 2003/2004.</p> <p><u>Summary</u></p> <p>This report:</p> <ul style="list-style-type: none"> • Provides background information on the monitoring of the Statutory and Council Scorecard Performance Indicators detailed in Barking & Dagenham's annual Best Value Performance Plan. • Presents a series of graphs reporting performance on a number of Performance Indicators highlighted by TMT for your consideration. <p><u>Recommendation</u></p> <p>The Executive is asked to discuss performance as highlighted by performance indicators presented.</p>		
<p>Contact: Sandra Twiddy</p>	<p>Improvement & Development</p>	<p>Tel: 020 8227 2484 Fax: 020 8227 2806 Minicom: 020 8227 2685 E-mail: sandra.twiddy@lbbd.gov.uk</p>

1. Background

- 1.1 In June 2003, Barking & Dagenham Council published its fourth Best Value Performance Plan setting out how the Authority aims to improve its services over the next 12 months. The document has been published in line with the new corporate branding for the Council.
- 1.2 The Statutory Performance Indicators are National Indicators, which have been determined by ODPM (Office of the Deputy Prime Minister [*formerly DTLR*] – the Government department overseeing Best Value) and the Audit Commission.
- 1.3 The Council is required by law to collect and publish this information. In the process of developing the scorecards, services have identified key indicators for measuring improvement. This year's plan lists the Council Scorecard Performance Indicators for 2003/04 (Chapter 2 – Managing the Council). Internal Audit has carried out an audit of all the Council Scorecard Indicators to ensure they are robust and collectable.

- 1.4 A central system has been established to monitor each Performance Indicator, which is updated by departments on a quarterly basis. TMT have again selected a number for your consideration for the 2nd Quarter for 2003/2004.
- 1.5 From April 2002, Key Performance Indicators for the quarterly monitoring process have consisted of the Council Scorecard PIs together with a selection of other PIs from each of the departments (these can consist of BVPIs; service scorecard PIs or local PIs). With statutory BVPIs - the emphasis will be on those PIs that are currently in the bottom quartile or have shown deterioration since the previous quarter.
- 1.6 For presentational purposes, each Performance Indicator is being reported in a graphical format, which allows performance to be shown over time and compared with other Local Authorities. PI headings are traffic light colour-coded and "smiley faces" have been added to clearly express how we are performing.
- 1.7 For the national indicators, figures have been included for neighbouring Boroughs together with lines showing the top 25% of performing Councils both nationally and across London. *(Please note it is only possible to compare our performance with the previous year's top quartile targets as these are only released in the December of each year following the outturns for that year).* This will not be possible for the majority of Council Scorecard or local PIs, as they are unique to Barking & Dagenham.
- 1.8 For Social Services performance information, comparison is no longer made with top quartile data. Comparison is now made with Performance Assessment Framework (PAF) performance targets for England and Outer London. The "smiley faces" will not be shown on Social Services graphs. Instead we have used the "blobs" to indicate whether performance is good or bad. i.e.  = poor performing  = high performing. The Social Services graphs also show a darker grey band to highlight what is good performance.
- 1.9 The note section underneath the graph has been revised to enable Chief Officers to be consistent in the way they report the PI's performance. *(See new headings below).*

Headings

Improvement / Deterioration

Action taken / update since last quarter

Further Action

Corporate Impact

Additional Information

- 1.10 For the majority of Council Scorecard PIs this is the second year of reporting. Targets have been set for the next three years *(apart from CS 3b; 15; 27a and 29 which are new for this year)* and are presented on the graphs.

- 1.11 The annual deadline for the publication of the Best Value Performance Plan is 30 June. It is still a requirement that a summary of performance information should be published by 31 March. For 2003/04, Councils have discretion over what is published and how it is circulated and communicated to residents. This year we used the March 2003 issue of the Citizen magazine to publish our summary of performance information.
- 1.12 The Government have specified 98 best value national (statutory) PIs for 2003/04 compared to 97 in 2002/03 and 123 specified for 2001/02. The ODPM Consultation paper issued in July 2002 required comments from authorities on the proposals to change the number of performance indicators and the rationalisation of statutory plans.

2. Quarterly Monitoring

- 2.1 Each Performance Indicator contained in the Performance Plan is being monitored on a quarterly basis where possible. Some indicators can only be calculated on an annual basis and this is shown on the individual graphs. As the majority of the Council Scorecard PIs are strategic, they will only be reported annually unless otherwise stated at the front of the Council Scorecard section in the presentation. The 2002/03 Council Scorecard PIs have been reviewed for 2003/04. Please see chapter 2 of our BVPP for more information.
- 2.2 Quarterly monitoring allows the Council to identify problem areas at an early stage and take remedial action to improve performance. It also identifies areas of good practice within the Council and to share this throughout the organisation. The graphs are a useful visual aid to enable Members of the Executive to challenge Chief Officers on poor performance. The changes to the notes section should further assist Members in performing this role.
- 2.3 This quarterly monitoring process will be an essential feature in the Public Service Agreement (PSA) which Barking & Dagenham have recently agreed with Government. From April 2003 the following council scorecard indicator, **CS29: Percentage of PSA targets met on an annual basis** will be used to monitor its progress.

3. Comparing Performance

- 3.1 Guidance from the ODPM advises each Authority to compare performance with other Local Authorities. The monitoring system established allows the comparison of performance across a number of levels. National indicators provide the greatest opportunity for comparing performance as each Local Authority is collecting and reporting identical information.
- 3.2 *Neighbouring Boroughs.* Research undertaken by the Audit Commission has identified that people are particularly interested in comparing the performance of their Local Authority with neighbouring areas. In the Barking and Dagenham Performance Plan, the neighbouring boroughs of Redbridge, Havering and Newham have been selected for this purpose.

3.3 *Top 25% of performing Councils – both Nationally and London.* It is a requirement under Best Value that each Council must aim to perform within the top 25% of Councils within 5 years. For indicators relating to the quality of services, comparison should be made with the top 25% of Councils across the country.

For indicators relating to the cost of the service, comparison should be made with the top 25% in London. The ODPM have determined that in most cases, a low service cost is preferable.

3.4 *Local targets – For the majority of Council Scorecard, Service Scorecard and local Performance Indicators* comparisons can be made both over time and against the target set. These are identified on the relevant graphs.

4. Conclusion

4.1 This is the latest report on the monitoring of the Best Value Performance Plan. Subsequent reports to both TMT and the Executive will follow after each quarter and at year-end.

Background papers used in the preparation of the report

- ODPM Consultation document July 2002
- Best Value Performance Indicators 2003/2004 (burgundy book)
- Futures 2003/2004 - Barking & Dagenham Performance Plan

THE EXECUTIVE**18 NOVEMBER 2003****REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

DEVELOPMENT CONTROL PERFORMANCE INDICATORS AND ACTION PLAN	FOR DECISION
<p><i>To report to the Executive on the Performance Indicators and Targets for Development Control and Town Planning Applications and set out proposals to achieve an improvement in national targets.</i></p>	
<p><u>Summary</u></p>	
<p>The performance indicators for the Development Control Section are based on the time taken to deal with various types of Town Planning Applications. These are split into three groups namely Major, Minor and Others. Each group is set a national target for making the decision. Major applications have a target of 60% within 13 weeks, 65% of applications in 8 weeks for Minor and 80% in 8 weeks for Other. Last years figures showed a marked down turn in performance mainly within the last quarter and it is this, which needs to be addressed.</p>	
<p>To improve the situation an action plan has been devised and a number of action points from this have been implemented and have already had a significant effect. Figures to 1 September 2003 show a 35% increase in the number of Minor applications determined within time, and the overall quarter statistic has increased to 58.7%. This is only 7% below the Government's target. A 15.6% rise in Other applications has also been attained, which resulted in a 75.6% achievement rate; less than 5% off the Government's target. Assuming staff can be recruited and retained there should be continued improvement in our achievement rate. However, until the underlying problems relating to Major applications are addressed this figure will continue to be subject to major fluctuation.</p>	
<p><u>Recommendations</u></p>	
<p>The Executive is recommended to endorse the Action Plan below and note that the first seven points have already been implemented.</p>	
<ol style="list-style-type: none"> 1. Changes to the application booking system in line with advice from the Audit Commission. 2. Greater use of Technical Clerks in logging applications and dealing with enquiries to free up Planning Officer time. 3. Bi-weekly report to remind all officers of applications which are coming up to their expiry date in order that these can be fast tracked. This is also a monitoring tool for the Development Control Manager and the Department Management Board. 4. Greater stress to Officers on importance of time limits through team meetings. 5. Action will be taken on every working day on Applications for which Delegated Authority already exists. 	

6. Development Control Boards to be held every two weeks.
7. Increase in Officers powers to make a decision on Town Planning applications (now contained in the Council's Scheme of Delegation.)
8. Section 106 Agreements - Policy in Local Development Framework:
Officers will draw up a policy which contains criteria that clearly sets out what contributions will be required for certain applications by area. This will enable faster delivery of applications, as developers will be aware of their obligations prior to submission of an application
9. Seek ISO 9000 Accreditation (by April 2004) to support delivery service.
10. Increase in staff in post to process applications

Reason

To assist the Council in achieving its Community Priorities of *'Making Barking and Dagenham Cleaner, Greener and Safer, Regenerating the Local Economy'*

Ward Affected - All Wards

<p>Contact Tim Lewis</p>	<p>Group Manager Development Control</p>	<p>Tel: 020 8227 3706 Fax: 020 8227 3916 Minicom: 020 8227 3034 E-mail: tim.lewis@lbbd.gov.uk</p>
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1. Background

- 1.1 The key issues in the performance of the Development Control Section have been staffing and resources, with a number of experienced officers leaving to more highly paid employment. Difficulties in recruitment have been experienced, due mainly to the lack of qualified planners within London. This has led to a reliance on agency staff, most of whom are mostly successful. It has become self evident from the amount of Officer time involved, that the agency staff take a considerable bedding in period. This is a situation that is reflected across London and the South East, mostly due to high living costs. This is coupled with a marked increase in the number of applications submitted with rises of 20% per year experienced over several years. As a result the Council has fewer staff dealing with more applications, which leads to delays. A recent Office of the Deputy Prime Minister (ODPM) statement said that Town Planning Officers dealing with mid-range applications should have a case load of no more than 150 applications a year. Staff in this Council are dealing with nearly twice that amount.
- 1.2 This problem has been recognised by the recent reorganisation, which increased staff numbers in Development Control. Also the recent recruitment of two Town Planning Officers, who are now bedded-in and the release of an agency planner have led to an up turn in the figures for this quarter. Two Technical Clerks have also been employed within the Administration Section and these clerks are

beginning to provide valuable officer support and will continue to do so as their roles increase. This increase has been helped by the increased delegated powers to Officers in the Council's Scheme of Delegation (DLES). At the time of writing this report (this quarter has a few days to run) figures indicate it is likely that an 82% rate of decisions will be dealt with under delegated authority

- 1.3 Other factors are outside the Council's control, namely the delay in the Planning White Paper, which was to set up the mechanisms for achieving these figures and the delays to the system due to Section 106 Agreements. A meeting was held with representatives from the ODPM last week. At this meeting it was highlighted that as a majority of applications contain Section 106 Agreement it was physically impossible to deal with them within the timescale. Some applications that come under the categories of Minor and Other will also have agreements that cause delays. A suggestion was to take the date of the Council's decision as the Date of Decision rather than the Date of Issue. Some council's are adopting an approach of putting planning conditions relating to Section 106 Agreements on the Decision Notice and issuing it. This will enable faster delivery of applications, as developers will be aware of their obligations prior to submission of an application. However, the legality of these conditions is still under review as they may turn out to be difficult to enforce.
- 1.4 One point should be made in respect of Major applications. The percentage of these targets that meet the target time will tend to vary considerably due to the smaller number. In the last quarter the Council dealt with 6 out of 11 applications within 13 weeks which is 54%. This quarter only 4 out of 11 have been dealt within 13 weeks, which is 36.4%. As a result each application has a disproportionate effect of approximately 10% on the quarter figures.
- 1.5 However, as a result of the figures indicated in the above paragraph, improvements to the service have been implemented.

2. Action Points

- 2.1 To achieve an improvement in performance a number of action points were devised. These were:
 1. Changes to the application booking system in line with advice from the Audit Commission.
 2. Greater use of Technical Clerks in logging applications and dealing with enquiries to free up officer time.
 3. Bi-weekly report to remind all officers of application which are coming up to their expiry date in order that these can be fast tracked. This is also a monitoring tool for the Development Control Manager.
 4. Greater stress to Officers on importance of time limits through team meetings.
 5. Action will be taken every working day on Applications for which Delegated Authority, which now exists under the Council's Scheme of Delegation (DLES).

6. Development Control Boards to be held every two weeks.
7. Increase in Officers' powers to make a decision on Town Planning Applications (now contained in the Council's Scheme of Delegation, (DLES)).
8. Section 106 Agreements - Policy in Local Development Framework:
Officers will draw up a policy which contains criteria that clearly sets out what contributions will be required for certain applications by area. This will enable faster delivery of applications, as developers will be aware of their obligations prior to submission of an application
9. Seek ISO 9000 Accreditation (by April 2004) for the future purpose of supporting delivery service. This is already a target under the Balanced Score Card for this service.
10. Increase in staff in post to process applications

3. Project Timetable

- 3.1 The first seven points listed in paragraph 2 above have already been implemented with good results. In respect of the three action points still to be implemented, the Local Development Framework is a priority and is expected to be ready by December 2003. The ISO Accreditation is programmed has already started and is in to the Council's Balanced Scorecard for achievement by April 2004. The increase in staffing is part of the major reorganisation of the Planning Section and it is expected that adverts for the new posts will be sent out in January 2004.

4. Financial Implications

- 4.1 The Executive will recall that it received a report on the 9 September 2003 on the Restructuring of Regeneration and the funding for the above proposals and staffing implications was agreed as part of that report.

4. Consultations

- 4.1 The following people have seen this report and are happy with it as it stands.

Chris Sale Senior Information Officer, Corporate Strategy
Peter Wright Head of Planning
Bob Cooper, Interim Head of Finance, LESD

Background Papers

- Executive Minute 111; 9 September 2003 re: Restructuring Regeneration - Preparing for the Future
- The Governments Performance Indicators for Development Control. www.odpm.gov.uk
- Planning: Delivering a Fundamental Change www.odpm.gov.uk

THE EXECUTIVE

18 NOVEMBER 2003

JOINT REPORT FROM THE DIRECTORS OF LEISURE AND ENVIRONMENTAL SERVICES, EDUCATION, ARTS & LIBRARIES AND SOCIAL SERVICES

<p>CAPITAL PROGRAMME - REALIGNMENT OF FUNDING FOR 2003/04 ONWARDS SOCIAL SERVICES AND EDUCATION ARTS AND LIBRARIES SCHEMES</p>	<p>FOR DECISION</p>
<p><i>This report concerns changes to the current Capital Programme and virements, which is reserved by the Scheme of Delegation in the Constitution to the Executive.</i></p> <p><u>Summary</u></p> <p>Since the original 2003/04 Capital Programme was approved there have been a number of approvals and adjustments to the overall 2003/04 Capital Programme and a report was presented to the 19 August Executive on the position of the Programme at that point in time. This report sets out a number of further changes, additional funding needs and proposed virements for the Education Arts and Libraries and Social Services Departments.</p> <p>The Director of Social Services (DSS) and Director of Education, Arts and Libraries (DEAL) have now reassessed their projects and spend profiles and are now requesting a number of adjustments. The Executive is therefore being asked to review the Education, Arts and Libraries and Social Services Capital Programme in context with the original approved programme and to approve the adjustment to funding for 2003/04 onwards contained therein.</p> <p>A spread sheet showing the net effect on the 2003/04 Capital Programme of the changes for these two departments Capital programme is attached as Appendix A</p> <p>The reasons for the requested changes provided by the Departments are attached as:</p> <p>Appendix A/1- Education, Arts and Libraries Department</p> <p>Appendix A/2 – Social Services Department</p> <p>The main change, as a result of the adjustments for Social Services and Education, Arts and Libraries projects outlined in this report, is a net overall increase in the 2003/04 funding by £840,270. The increased funding requirement for these two departments for the five year Capital Programme is £1,148,900. These changes are summarised in the table below:</p>	

Effect of the changes requested in this report on the Capital Programme (Net Funding Requirement)				
	2003/04 £	2004/05 £	2005/06 and Beyond £	Net Change
Education, Arts and Libraries	5,270,270	(6,393,504)	1,702,134	578,900
Social Services	(4,430,000)	5,000,000	0	570,000
TOTAL	840,270	(1,393,504)	1,702,134	1,148,900

A report will be presented to the Executive on December 2003 on all final changes to the Capital Programme for 2003/04 for all departments

Recommendation

The Executive is asked to:

- (a) approve the net additional funding requirement of £1,148,900 for schemes identified in Appendix A for
 - (i) Education Arts and Libraries which amounts to £578,900 (total to be funded by the Council £386,900 and £192,000 from external funding sources), and
 - (ii) Social Services which amounts to £570,000 (total to be funded by the Council £500,000 and £70,000 from external funding sources)
- (b) agree to the re-profiling of the 2003/04 Capital Programme and virements between schemes as also shown in Appendix A for
 - (i) Education, Arts and Libraries which will increase the allocation of funding by £5,270,270 in 2003/04, and
 - (ii) Social Services which will decrease the allocation of funding by £4,430,000 in 2003/04 to give a revised baseline figure of £1,620,000.

Wards Affected - Capital Programme projects are spread throughout the Borough.

Reason

To enable continuity and ensure the delivery of the Capital Programme and to assist the Council in achieving the Community Priorities of “*Regenerating the Local Economy*”, “*Better Education & Learning for All*”, “*Improving, Health, Housing and Social Care*”, “*Making Barking & Dagenham, Cleaner, Greener & Safer*” and “*Raising General Pride in the Borough*”.

Contact:

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Background Papers

- Council’s Capital Programme

Consultation

The following people have seen this report and are happy with it as it stands.

Graham Farrant, Chief Executive

Finance

- Julie Parker, Director of Finance
- Tony Freeman, Head of Finance, Regeneration
- Joe Chesterton, Head of Financial Services
- Lee Russell, Head of Central Finance

Social Services

- Julia Ross, Director of Social Services
- Andy Bere, Asset Manager, SS
- Steve Whitelock, Head of Finance, SS

Education, Arts and Libraries

- Roger Luxton, Director of Education, Arts and Libraries
- Mike Freeman, Head of Assets and Administration
- Andy Carr, Asset Manager, DEAL
- Paul Pearson, Head of Finance DEAL

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Capital Programme Adjustments - October 2003

Establishment	Project No:	Existing Profile of Expenditure				Proposed Profile of Expenditure				Change	Proposed Funding		Comments and Approval Required	Refer to
		2002/2003 or earlier	2003/2004	2004/2005	2005/2006 and beyond	Total	2002/2003 or earlier	2003/2004	2004/2005		2005/2006 and beyond	Total		
		£	£	£	£	£	£	£	£	£	£	£	£	
Education, Arts and Libraries (DEAL)														
Nursery Wrap around care	48	-	630,000	250,000	3,000,000	3,880,000	-	50,000	750,000	3,080,000	3,880,000	3,880,000	-	APPENDIX A/1 para 2.8
Roding & St. Teresa Primary	5	4,223	495,777	56,000	-	558,000	242,000	20,000	750,000	25,777	800,000	800,000	242,000	APPENDIX A/1 paras 2.7-2.8
Church Schools	44	-	-	750,000	-	750,000	750,000	-	-	-	-	-	750,000	APPENDIX A/1 para 2.7
Valance Infants & Juniors	4	-	20,000	480,000	58,000	558,000	-	50,000	500,000	8,000	558,000	558,000	-	APPENDIX A/1 para 2.9
Parishes Primary	3	-	10,000	134,000	-	144,000	15,000	10,000	145,000	-	159,000	159,000	15,000	APPENDIX A/1 para 2.3
Ripple Infants	11	9,943	80,057	-	-	90,000	137,000	212,057	5,000	227,000	227,000	125,000	137,000	APPENDIX A/1 paras 2.3,2.6
DDA	39	-	45,000	100,000	-	145,000	35,000	35,000	75,000	-	110,000	110,000	35,000	APPENDIX A/1 para 2.6
Warren Comprehensive	29	-	180,000	850,000	770,000	1,800,000	910,560	30,000	1,000,000	1,680,560	2,710,560	2,710,560	910,560	APPENDIX A/1 paras 2.3,2.7
Sydney Russell Comprehensive	32	-	580,000	1,722,300	-	2,302,300	565,700	580,000	1,722,300	565,700	2,868,000	2,868,000	565,700	APPENDIX A/1 paras 2.3,2.7
Barking Abbey Phase 3, 4 & Not Funded Through PFI	28	2,745,327	3,633,163	500,000	-	6,878,490	82,1260	1,761,346	1,464,460	86,097	6,057,230	6,057,230	82,1260	APPENDIX A/1 para 2.7
Dagenham Priory Phase 3 & Dagenham Priory Not Funded Through PFI		86,893	2,826,451	-	-	2,913,344	400,000	2,181,115	975,336	70,000	3,313,344	3,313,344	400,000	APPENDIX A/1 para 2.7
Eastbury Comprehensive & Jo Richardson - PFI		564,170	435,830	-	-	1,000,000	500,000	735,830	200,000	-	1,500,000	1,500,000	500,000	APPENDIX A/1 para 2.7

Capital Programme Adjustments - October 2003

Establishment	Project No:	Existing Profile of Expenditure				Proposed Profile of Expenditure				Change	Proposed Funding		Comments and Approval Required	Refer to
		2002/2003 or earlier	2003/2004	2004/2005	2005/2006 and beyond	Total	2002/2003 or earlier	2003/2004	2004/2005		2005/2006 and beyond	Total		
		£	£	£	£	£	£	£	£	£	£	£	£	
	31	-	-	6,000,000	-	6,000,000	-	-	-	6,000,000	6,000,000	-	Approve £6m to be brought forward from 2004/05 into 2003/04 (no change to overall scheme allocation)	APPENDIX A/1 para 2.9
Broadway Theatre	42	355,324	644,676	3,779,000	-	4,779,000	1,482,000	-	-	4,779,000	1,500,000	3,279,000	Approve £2.3m to be brought forward from 2004/05 into 2003/04 (no change to overall scheme allocation)	APPENDIX A/1 para 2.9
Eastbury Manor	107	-	100,000	50,000	100,000	250,000	34,000	156,000	-	250,000	200,000	50,000	Approve re-profile of £40k from 2003/04 and £56k from 2004/05 into 2005/06 and beyond	APPENDIX A/1 para 2.9
Valance House Site	105	-	-	528,000	1,333,000	1,861,000	100,000	1,741,000	20,000	1,861,000	500,000	1,361,000	Approve £20k to be brought forward from 2004/05 into 2003/04 and the reprofile of £408k into 2005/06 and beyond	APPENDIX A/1 para 2.9
Beacon Youth Centre	38	-	100,000	376,600	-	476,600	376,600	-	289,000	665,600	665,600	-	Approve virement of £189k from Chadwell Heath Youth Shop into 2003/04	APPENDIX A/1 paras 2.7,2.9
Chadwell Heath Youth Shop	37	-	-	168,000	-	168,000	-	-	-	168,000	-	189,000	Approve virement of £189k to Beacon Youth Centre	APPENDIX A/1 paras 2.7,2.9
Barking and Dagenham Training		-	-	1,000,000	450,000	1,450,000	750,000	-	-	750,000	750,000	-	Approve virement £700k to other DEAL schemes as outlined in this report	APPENDIX A/1 para 2.9
Infants		-	10,000	290,000	-	300,000	-	-	-	300,000	-	300,000	Approve virement £300k to other DEAL schemes	APPENDIX A/1 para 2.7
Adult College		72,776	261,224	-	-	334,000	100,000	-	420,224	553,000	503,000	90,000	Approve additional external funding of £90k into 2004/05 from Neighbourhood Nursery Fund and virement of £169k from elsewhere in the DEAL Programme (2003/04 £159k, 2004/05 £10k)	APPENDIX A/1 paras 2.6,2.7
A13 Artscape Lottery	86	-	73,800	-	-	73,800	229,700	-	-	229,700	229,700	-	Following a re-analysis of A13 Arts Lottery spend, of the original, approved Council match funding, £229,700 remained unspent as at 31st March 2003. Only £73,800 (to be reprofiled into 2004/05) of this was included in the 2003/04 estimate as a rollover. Approve internal funding for the balance of £155,900	APPENDIX A/1 paras 2.3,2.8

Capital Programme Adjustments - October 2003

Establishment	Project No:	Existing Profile of Expenditure				Proposed Profile of Expenditure				Change	Proposed Funding		Comments and Approval Required	Refer to
		2002/2003 or earlier	2003/2004	2004/2005	2005/2006 and beyond	Total	2002/2003 or earlier	2003/2004	2004/2005		2005/2006 and beyond	Total		
Revised DEAL Schemes Sub-Total		3,838,656	10,125,978	17,056,900	5,711,000	36,732,534	3,838,656	15,396,248	10,663,396	7,413,134	37,311,434	32,429,434	4,882,000	
Net Movements between Profiles by Year for DEAL								5,270,270	6,393,504	1,702,134	578,900			
Social Services														
Kingsbridge - Nursing Home Development	77		500,000			500,000	100,000	400,000			500,000			Agree the repopfilling of £400k into 2004/05
Grays Court Intermediate Care	78		3,000,000	1,500,000		4,500,000	500,000	4,500,000			5,000,000	4,500,000		Approve additional funding of £70k from Capital receipts and £430 from vired from Youth Offending Team
Residential and Day Care Re-provision-Gascoigne Centre	79		1,400,000	600,000		2,000,000	300,000	2,200,000			2,500,000	2,500,000		Approve additional funding of £500,000 from Capital receipts
St Georges Complex - Vol Sector New Build / Land	80			500,000	500,000	1,000,000			500,000	500,000	1,000,000	1,000,000		This scheme is to be transferred from Social Services
Youth Offending Team (YOT)	81		750,000			750,000	320,000				320,000	320,000		Approve the virement of the YOT underspend of £430k to Grays Court Scheme
Other Schemes	82-84		400,000	1,150,000	2,800,000	4,350,000	400,000	1,150,000	2,800,000		4,350,000	4,350,000		No Change
Revised SS Schemes Sub-Total			6,050,000	3,750,000	3,300,000	13,100,000	1,620,000	8,750,000	3,300,000		13,670,000	13,670,000	1,000,000	
Net Movements between Profiles by Year for SS Schemes								4,430,000	5,000,000		570,000			
TOTALS		3,838,656	16,175,978	20,806,900	9,011,000	49,832,534	3,838,656	17,016,248	19,413,396	10,713,134	60,981,434	45,099,434	5,882,000	
Total Net Movements between Profiles by Year								840,270	1,393,504	1,702,134	1,148,900			

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CAPITAL PROGRAMME: EDUCATION, ARTS AND LIBRARIES DEPARTMENT	FOR DECISION
Summary	
<p>Since the original Capital Programme was approved (Minute No 325, 25 February 2003) there have been a number of developments which may, or have, impacted on delivery of individual schemes within the Capital Programme. This report sets out to highlight those schemes identified and to manage the associated risk delivery. For each of the schemes identified there is a summary paragraph in ANNEX 2 providing the Executive an overview of the project, combined with a financial proposal to support the mitigation of risk transfer and delivery of the Council's Capital Programme. The Executive is asked to consider each scheme separately. A summary financial sheet is also attached at ANNEX 1.</p>	
Recommendation	
<p>To agree the recommendations outlined which impact on the delivery of the Capital Programme. In summary these are:</p>	
<ul style="list-style-type: none"> The overall effect of this report as indicated in the attached Annex 1 and 2 is that additional costs of £578,900 have to be met. This takes account of an appropriate inflation allowance, and the net savings identified within the Capital Programme. This additional funding is made up as follows: 	
Additional Costs	<u>£578,900</u>
<u>Funded by:</u>	
Inflation Allowance (<i>from inflation provision</i>)	£ 231,000
New External Funding	192,000
New Internal Funding (Artscape)	155,900
	<u>£578,900</u>
Approval is required for:	
<p>(a) an increased allocation of funding of £5,270,270 to the current 2003/04 Capital Programme;</p> <p>(b) a reduction in the allocation of funding by £6,393,504 in 2004/05</p> <p>(c) an increased allocation of funding in 2005/06 of £1,702,134.</p>	

- to approve the expenditure of £3.5m in the current year of capital resources from the PFI contingency of £10m to accommodate schemes already on site and which are in the Capital Programme records but were not reflected in an earlier report when the Capital Programme was approved.
 - to make adjustments to the Capital Programme to reflect the need to expend £4m in 2004/2005 and £2m in 2005/2006
 - £1.5m for sprinklers in the new school and £0.5m hedge fund for insurance
 - £2.0m to support works related to the PFI scheme.
- These items were the subject of a separate report to the Executive on 11 November. It is intended that these costs would be met from the PFI contingency budget.

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1. Background

- 1.1 As part of the Council's continued capital investment in school buildings, the Executive approved a number of schemes on 25 February 2003 (Minute No. 325) which were due to commence during the 2003-2004 financial year. The TMT also approved on 25 March 2003 a number of schemes with a commencement date in 2004-2005, which could be developed up to design stage as part of the Council's risk assessment strategy in delivering the Council's Capital Programme. These schemes would be considered for commencement in 2003-2004; subject first to CAM (Corporate Asset Management Team) approval and then formal approval through TMT and by the Executive.
- 1.2 This report incorporates schemes approved within the current financial year and those that have been approved by TMT for development up to design stage. Information is given in respect of each individual project where it is considered that there is an associated risk in respect of non delivery, project delay or a financial funding implication which will affect the overall delivery of the Council's capital programme.

- 1.3 As part of the Department's capital risk management strategy the report asks the Executive to consider the options available set out below and detailed in the Appendices attached to this report.
- 1.4 In the preparation of the five year Capital Programme (2003/04 – 2007/08) the Director of Finance has set aside a budget for an element of future inflation from 2004/05 onwards at 5% per annum. Where appropriate an inflation allowance has been included when calculating future costs of schemes outlined in this report. However, it is appropriate to advise the Executive that building costs have risen significantly above the general levels of inflation and are in the order of 15% in the last year. This is particularly so in the east of London where there is a high labour demand and a skills shortage.

2. Proposed Changes

- 2.1 Since the original 2003/04 Capital Programme was approved for schemes in the Education, Arts and Libraries Department, there are a number of approvals and adjustments that the Department would like to request. It is appropriate to highlight to the Executive that in respect of increased costs the building inflation factor for this area of London has a particular relevance when considering the schemes.
- 2.2 The request for scheme changes is summarised below with details about each change being requested given more information throughout the report's Appendices. Annex 1 summarises the proposed revised adjustments for the Capital Programme and Annex 2 gives specific details about the changes for each project.

2.3 **Additional Capital**

Approval is sought for additional capital resources of £578,900 in relation to the following schemes.

(a)	Parsloes	£15,000	(para 5)
(b)	Ripple Infants	£102,000	para 6)
(c)	Warren Comprehensive	£130,000	(para 9)
(d)	Sydney Russell	£86,000	(para 10)
(e)	Adult College	£90,000	(para 18)
(f)	A13 Artscape	£155,900	(para19)
		<u>£578,900</u>	

This is made up of £192,000 external funding, £231,000 held within the inflation provision and £155,900 being the balance of the Council's match funding for the A13 Artscape projects.

2.4 **Inflation Allowance**

Inflation is a major factor in schemes (a)-(e) (see Appendix 2 para 1). A total of £231,000 has already been included within the inflation provision.

2.5 **Savings at Barking Abbey**

The Director of Education, Arts and Libraries has identified a saving on a current project due to the impact of Building Schools for the Future, see section 11 of Annex 2 of this report. As a result, the following saving is offered to support increased costs identified elsewhere in the report.

The scheme is: Barking Abbey £821,260 (para 11)

2.6 **New External Funding Sources**

(a) Additional works have been identified at Ripple Infants Reception Improvements totalling £137,000 (Further details are given in Annex 2 (section 6). These additional costs can be funded from a combination of external sources (£102,000) and a virement from the Council's DDA Capital Funding (£35,000) The new external funding sources can be summarised as follows:

- Schools' Devolved Formula Capital £52,000
- New Deal for Schools DfES Grant £50,000

(b) A contribution to the cost of providing crèche/nursery facilities at the Adult College has been secured. This has come by way of a grant from the Neighbourhood Nursery fund and amounts to £90,000.

- Neighbourhood Nursery Grant £100,000

2.7 **Virements from Other Capital Schemes**

The following savings on current projects can be identified as follows:

Church Schools Contribution	£750,000
DDA Access	£35,000
Barking Abbey	£821,260
Chadwell Heath Youth Shop	£189,000
Barking and Dagenham Training	£700,000
Cambell Infants Nursery	£300,000
	£2,795,260

This identified saving could be used to support the following schemes in terms of the rationale in Annex 2.

Roding/St Teresa Dining	£242,000
Ripple Infants	£35,000
Warren Comprehensive	£780,560
Sydney Russell	£479,700
Dagenham Priory	£400,000
Eastbury/JRCS PFI	£500,000
Beacon Youth Club	£189,000
Adult College	£169,000
	£2,795,260

2.8 **Re-profiling of Projects (delays)**- The Director of Education, Arts and Libraries has identified schemes where progress has not been possible at the intended rate and there is an impact on the 2003/04 budget. Approval is sought therefore to re-profile these schemes largely to 2004/05. The total being delayed is £4,136,730.

These schemes are:

(a)	Roding and St Teresa Dining Accommodation	£475,777
(b)	Nursery Wrap Around Care	£580,000
(c)	Eastbury Manor House	£40,000
(d)	Warren Comprehensive School	£150,000
(e)	Barking Abbey	£2,171,817
(f)	Dagenham Priory	£645,336
(g)	A13 Artscape	£73,800

2.9 **Re-profiling of Projects (brought forward)** The Director of Education, Arts and Libraries has also identified a number of schemes that can be brought forward from 2004/05. Approval is sought, therefore, to re-profile the following schemes:

(a)	Valence Infants and Junior - Kitchen & Dining	£30,000
(b)	DDA - Access Improvements	£35,000
(c)	PFI Capital Contribution	£6,000,000
(d)	Broadway Theatre	£2,297,000
(e)	Valence House Development	£20,000
(f)	Beacon Youth Centre)	£189,000

3. Summary

3.1 The overall effect of this report, as indicated in the attached Appendices 1 and 2, is that an additional £578,900 of capital funding is required in order to fully procure the above mentioned schemes on site. Much of this is due to inflation and increased building costs since original plans were proposed.

3.2 Approval is required for:

- (i) an increased allocation of funding of £5,270,270 to the current 2003/04 Capital Programme;
- (ii) a reduction in the allocation of funding by £6,393,504 in 2004/05
- (iii) an increased allocation of funding in 2005/06 of £1,702,134.

3.3 It is recognised that there are a number of changes here to be considered. These changes have been brought about through conflicting demands and, as indicated in the report, pressures through increased costs, particularly rising building costs. The Education, Arts and Libraries Department is having to look at future years' Capital

Programme to take on board the projected significant increase in pupil numbers in the light of most recent information about proposals to sell land and housing developments.

3.4 This report has been compiled in consultation with the Director of Leisure and Environmental Services and the Director of Finance.

3.5 As Members will already be aware, the Capital Programme for the next 5 years (2003/04 to 2007/08) was provisionally approved in February 2003.

Whilst schemes from 2004/05 onwards will be subject to a rigorous assessment and appraisal process the provisional Capital Programme does provide an indicative idea in regard to both future capital commitments and sources of funding.

Already during this financial year the Executive has approved a number of additions to the Capital Programme including additional funding for the Civic Centre refurbishment, Customer First and issues surrounding the Thames View Housing Estate.

As a consequence any additional capital expenditure required for schemes within the Education sector needs to be met with countervailing savings from existing Education projects.

DEAL Capital Programme Adjustments - October 2003

Establishment	Project	Existing Profile of Expenditure				
		2002/2003 or earlier	2003/2004	2004/2005	2005/2006 and beyond	Total
Nursery Wrap around care		£ -	£ 630,000	£ 250,000	£ 3,000,000	£ 3,880,000
Roding & St Teresa Primary	New kitchen and Dining facilities	£ 4,223	£ 495,777	£ 58,000	£ -	£ 558,000
Church Schools	Council contribution	£ -	£ -	£ 750,000	£ -	£ 750,000
Valance Infants & Juniors	New kitchen and Dining facilities	£ -	£ 20,000	£ 480,000	£ 58,000	£ 558,000
Parsloes Primary	New reception facility	£ -	£ 10,000	£ 134,000	£ -	£ 144,000
Ripple Infants	New reception facility	£ 9,943	£ 80,057	£ -	£ -	£ 90,000
DDA	Various sites	£ -	£ 45,000	£ 100,000	£ -	£ 145,000
Warren Comprehensive	New science and internal accommodation	£ -	£ 180,000	£ 850,000	£ 770,000	£ 1,800,000
Sydney Russell Comprehensive	New ICT block	£ -	£ 580,000	£ 1,722,300	£ -	£ 2,302,300
Barking Abbey Phase 3, 4 & Not Funded Through PFI	General classroom accommodation	£ 2,745,327	£ 3,633,163	£ 500,000	£ -	£ 6,878,490
Dagenham Priory Phase 3 & Dagenham Priory Not Funded Through PFI	New Art and Technology Block	£ 86,893	£ 2,826,451	£ -	£ -	£ 2,913,344
Eastbury Comprehensive & Jo Richardson PFI	PFI fees	£ 564,170	£ 435,830	£ -	£ -	£ 1,000,000
	contribution to PFI deal	£ -	£ -	£ 6,000,000	£ -	£ 6,000,000
Broadway threatre	Redevelopment	£ 355,324	£ 644,676	£ 3,779,000	£ -	£ 4,779,000
Eastbury Manor	Restoration	£ -	£ 100,000	£ 50,000	£ 100,000	£ 250,000
Valance House Site	Redevelopment	£ -	£ -	£ 528,000	£ 1,333,000	£ 1,861,000
Beacon Youth Centre	Redevelopment	£ -	£ 100,000	£ 376,600	£ -	£ 476,600
Chadwell Heath Youth Shop	Development	£ -	£ -	£ 189,000	£ -	£ 189,000
Adult College	Improve Reception Area	£ 72,776	£ 261,224	£ -	£ -	£ 334,000
Barking and Dagenham Training	New Facilities	£ -	£ -	£ 1,000,000	£ 450,000	£ 1,450,000
Cambell Infants	Replace Nursery	£ -	£ 10,000	£ 290,000	£ -	£ 300,000
A13 Artscape	Rollover	£ -	£ 73,800	£ -	£ -	£ 73,800
Overall Totals Existing Funding		£ 3,838,656	£ 10,125,978	£ 17,056,900	£ 5,711,000	£ 36,732,534

Proposed Profile of Expenditure				
2002/2003 or earlier	2003/2004	2004/2005	2005/2006 and beyond	Total

Nursery Wrap around care		£ -	£ 50,000	£ 750,000	£ 3,080,000	£ 3,880,000
Roding & St Teresa Primary	New kitchen and Dining facilities	£ 4,223	£ 20,000	£ 750,000	£ 25,777	£ 800,000
Church Schools	Council contribution	£ -	£ -	£ -	£ -	£ -
Valance Infants & Juniors	New kitchen and Dining facilities	£ -	£ 50,000	£ 500,000	£ 8,000	£ 558,000
Parsloes Primary	New reception facility	£ -	£ 10,000	£ 149,000	£ -	£ 159,000
Ripple Infants	New reception facility	£ 9,943	£ 212,057	£ 5,000	£ -	£ 227,000
DDA	Various sites	£ -	£ 35,000	£ 75,000	£ -	£ 110,000
Warren Comprehensive	New science and internal accommodation	£ -	£ 30,000	£ 1,000,000	£ 1,680,560	£ 2,710,560
Sydney Russell Comprehensive	New ICT block	£ -	£ 580,000	£ 1,722,300	£ 565,700	£ 2,868,000
Barking Abbey Phase 3, 4 & Not Funded Through PFI	General classroom accommodation	£ 2,745,327	£ 1,761,346	£ 1,464,460	£ 86,097	£ 6,057,230
Dagenham Priory Phase 3 & Dagenham Priory Not Funded Through PFI	New Art and Technology Block	£ 86,893	£ 2,181,115	£ 975,336	£ 70,000	£ 3,313,344
Eastbury Comprehensive & Jo Richardson PFI	PFI fees	£ 564,170	£ 735,830	£ 200,000	£ -	£ 1,500,000
	contribution to PFI deal	£ -	£ 6,000,000	£ -	£ -	£ 6,000,000
Broadway threatre	Redevelopment	£ 355,324	£ 2,941,676	£ 1,482,000	£ -	£ 4,779,000
Eastbury Manor	Restoration	£ -	£ 60,000	£ 34,000	£ 156,000	£ 250,000
Valance House Site	Redevelopment	£ -	£ 20,000	£ 100,000	£ 1,741,000	£ 1,861,000
Beacon Youth Centre	Redevelopment	£ -	£ 289,000	£ 376,600	£ -	£ 665,600
Chadwell Heath Youth Shop	Development	£ -	£ -	£ -	£ -	£ -
Adult College	Improve Reception Area	£ 72,776	£ 420,224	£ 100,000	£ -	£ 593,000
Barking and Dagenham Training	New Facilities	£ -	£ -	£ 750,000	£ -	£ 750,000
Cambell Infants	Replace Nursery	£ -	£ -	£ -	£ -	£ -
A13 Artscape	Rollover	£ -	£ -	£ 229,700	£ -	£ 229,700
Overall Totals Proposed Funding		£ 3,838,656	£ 15,396,248	£ 10,663,396	£ 7,413,134	£ 37,311,434
OVERALL CHANGES		£0	£5,270,270	(£6,393,504)	£1,702,134	£578,900

Proposed Funding Change			
Overall Funding Change	Inflation Increase	Transfer	Internal / External Funding Change

Nursery Wrap around care		£0			
Roding & St Teresa Primary	New kitchen and Dining facilities	£242,000	£0	£242,000	£0
Church Schools	Council contribution	(£750,000)	£0	(£750,000)	£0
Valance Infants & Juniors	New kitchen and Dining facilities	£0	£0	£0	£0
Parsloes Primary	New reception facility	£15,000	£15,000	£0	£0
Ripple Infants	New reception facility	£137,000	£0	£35,000	£102,000
DDA	Various sites	(£35,000)	£0	(£35,000)	£0
Warren Comprehensive	New science and internal accommodation	£910,560	£130,000	£780,560	£0
Sydney Russell Comprehensive	New ICT block	£565,700	£86,000	£479,700	£0
Barking Abbey Phase 3, 4 & Not Funded Through PFI	General classroom accommodation	(£821,260)	£0	(£821,260)	£0
Dagenham Priory Phase 3 & Dagenham Priory Not Funded Through PFI	New Art and Technology Block	£400,000	£0	£400,000	£0
Eastbury Comprehensive & Jo Richardson PFI	PFI fees	£500,000	£0	£500,000	£0
	contribution to PFI deal	£0	£0	£0	£0
Broadway threatre	Redevelopment	£0	£0	£0	£0
Eastbury Manor	Restoration	£0	£0	£0	£0
Valance House Site	Redevelopment	£0	£0	£0	£0
Beacon Youth Centre	Redevelopment	£189,000	£0	£189,000	£0
Chadwell Heath Youth Shop	Development	(£189,000)	£0	(£189,000)	£0
Adult College	Improve Reception Area	£259,000	£0	£169,000	£90,000
Barking and Dagenham Training	New Facilities	(£700,000)	£0	(£700,000)	£0
Cambell Infants	Replace Nursery	(£300,000)	£0	(£300,000)	£0
A13 Artscape	Rollover	£155,900	£0	£0	£155,900
Overall Totals Changed Funding		£578,900	£231,000	£0	£347,900

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CAPITAL PROGRAMME ADJUSTMENTS DEAL – NOVEMBER 2003

1. Inflation

- 1.1 The capital programme has generally been costed at prices based on work commencing 2003/04 and, therefore, an inflation element needs to be applied to future years' costs. Within the overall capital programme the Director of Finance has allowed for an element of future inflation which averages at 5% per annum from 2004/05. In analysing the finances of some schemes these factors have been used to reflect the impact of inflation.
- 1.2 It is worth noting that experience shows that construction work in the east of London is in fact attracting higher than average building inflation costs; some have been as high as 15% in the last year. This reflects skills shortages in the area and the substantial labour market demand. Accordingly, whilst an element for inflation has been allowed, clearly with construction costs running higher than the 5% set aside in the capital programme, this is insufficient.

2. Nursery Wrap Around Care

- 2.1 A report was submitted to the Executive on 7 October 2003 reducing the overall budget from £4m to £3,880,000 to support the development of the Thames View Neighbourhood Nursery facility.
- 2.2 The Executive approved (Minute No 62 – 22 July 2003) for the commencement of the design of a childcare facility at John Perry School which would complement the existing nursery. Since then the Council has received information in respect of Childcare Centres which may attract some external funding. It is necessary to develop and submit to the DfES by mid-October a Childcare Development Strategy which will meet Government targets.
- 2.3 In view of the potential to secure external funding for the Council, it is proposed to review the spend profile as indicated on Annex 1. The brief in relation to John Perry Wrap Around Facility is being reviewed to reflect current requirements. A further report will be put to the Executive once the strategy is finalised.

3. Roding & St Teresa Primary Dining and Kitchen Facility

- 3.1 The original proposal for this shared site was for a combined facility to replace the existing HORSIA building which is beyond its life expectancy. Both schools have reflected upon the original proposals supported by the Council and have asked for separate facilities which would better support the management of the schools. Following further discussion with the Headteachers and Governing Bodies, it was agreed to review the scheme and to develop some alternative proposals which would be acceptable to both schools.
- 3.2 Separate feasibility schemes have been costed which meet both schools' requirements, although estimates received are in excess of the budget available. It is recognised that to build a sufficiently large enough building for both schools to accommodate this lunchtime provision would cost £800,000. This level of expenditure is reflected in the revised profile in Annex 1.

4. Valence Infants and Juniors Replacement of Kitchen and Dining Facility

- 4.1 The Executive approved (Minute No 423 – 29 April 2003) the procurement via a modularised/prefabricated building method. The scheme has been developed quickly in conjunction with both schools and Architects. Planning permission is to be shortly submitted and the scheme proposals are within the budget available. The proposal to the Executive is to fully advance this scheme and procure the scheme on site earlier than the original programme of July 2004. This will alter the spend profile as indicated in Annex 1.
- 4.2 It is intended that this scheme will be procured with existing resources, providing the budget is reprofiled.

5. Parsloes Primary New Reception Facility

- 5.1 The Executive approved (Minute No 425 - 29 April 2003) the preferred procurement of the scheme. The original estimate for the construction of this scheme was £144,000 inclusive of professional fees. The latest revised feasibility estimate received from DLES now indicates that this scheme would cost £235,000 plus professional fees at approximately £35,000. This now brings the total cost to £270,000 which is in excess of the budget available. The increased costs are naturally disappointing but reflect the current market conditions and an element for inflation building costs. This leaves the Executive with three options:

- 1 Approve additional capital of £126,000, which would meet all the issues identified in carrying out the scheme which has arisen. Some of this additional cost relates to inflation since the scheme was originally designed and costed 3½ years ago. Provision for inflation has been allowed within the capital programme of £15,000. The remainder of £111,000 relates specifically to increased building costs and reflects expected market costs for this type of work, given more recent knowledge that the quantity surveyor has to hand.

- 2 Abandon the scheme – with this option none of the identified Health and Safety issues will be met.
- 3 To substantially reduce the original brief of the scheme than was originally intended. Here the most serious Health and Safety issues could be addressed although other issues identified in the education asset management plan could not, ie enlargement of office, administration and reception area, improving the interface with parents.

5.2 If the Executive agrees to option 3, i.e. just allowing for inflation, it is anticipated that the spend profile for this project will be as set out in Annex 1. The School has been asked to consider making a contribution to the scheme but feel they are unable to do so at this time, as they have particular demands on their budget.

6. **Ripple Infants New Reception Facility**

6.1 The Executive received a report (Minute No 343 - 11 March 2003) concerning the difficulties relating to the poor ground conditions. The project is now on site and on programme although the current scheme was expanded to resolve a number of other issues on site including improved access and refurbishment of toilets which were identified as part of the education asset management plan and DDA audit. The total value of the scheme is £227,000 including professional fees, which is an increase of £137,000 to the original £90,000 budget. However, £102,000 of the increase can be funded from external sources. This leaves a balance of £35,000 which requires Council funding. It is proposed to transfer £35,000 from the DDA project (*see below*) to fund this additional cost. The breakdown of the funding sources, identified prior to commencement on site, is shown as follows.

£90,000	New Reception from Council capital
£52,000	Contribution made from the school using their Devolved Capital Formula Funding.
£50,000	Identified within New Deal for Schools Standards Fund Grant
£35,000	Identified within the Council's DDA Capital Funding

6.2 For ease of monitoring capital spend through the financial system, the costs are being charged against a single point. The Executive is asked to approve the increasing of the budget under this code heading which will be financed from the various funding streams listed above.

7. **DDA**

- 7.1 These works are in connection with improving accessibility to schools within the Council and is primarily for larger scale works which schools would be unable to fund from their delegated budget. This year works to improve access issues at a number of schools are being undertaken. There is an estimated commitment of £35k. It is proposed to transfer funding of £35k to the Ripple Infants project mentioned above. This will have no effect in delivering the DDA scheme, as the works at Ripple Infants' School are part of that project. The Executive is asked to approve the reprofiling of the DDA budget, as indicated on Annex 1.

8. **Secondary School Investment - Building Schools for the Future (BSF)**

- 8.1 As part of the approval process for this current financial year's capital programme, sums of funding were identified for Barking Abbey and Dagenham Priory. These in total amounted to £3,500,000. Some of this funding was to be linked with future years' investment at the Schools. However, the capital programme requires that future investment would come from external sources, ie PFI or grant.
- 8.2 The Government, through the DfES, have identified an intention for widespread investment in the Secondary School stock and have indicated that funding will be made available through its proposed Building Schools for the Future (BSF) programme. The issue for the Council and for DEAL is when some of this funding will be made available to Barking and Dagenham and how we can link this investment opportunity to the capital programme. Our initial bid has to be made by 19 December 2003 and the results will be known by March 2004.
- 8.3 It is against this background that investment in Secondary Schools will need to be viewed for the future. There are clear demands, through a growing pupil population, which require investment in Secondary School provision and it is not, therefore, practical to just cease the investment programme. However, and this relates specifically to Barking Abbey, we do need to consider in the knowledge of the DfES proposals for BSF how we sensibly ensure investment at Secondary Schools. It will be necessary to delay any investment identified in the Capital Programme for Secondary Schools, other than those already in the full planning phase or on site for obvious reasons, until we are clear about DfES proposals. An outline report concerning BSF is elsewhere on the agenda and a more detailed report, recommending a plan of action, will be coming to the Executive later in the year.

9. **Warren Comprehensive**

- 9.1 The Executive received a report (Minute No 425 – 29 April 2003) regarding the procurement of this scheme. DLES have been working with the school to further develop the original feasibility but concerns have been raised in respect of increasing costs. The revised estimate for the original scheme is £2.7m plus professional fees of £400,000 bringing the total cost of the project to £3.1m. These increased costs are a reflection of the significant changes in building costs since the original concept for the scheme was designed. Some of this increase is represented by inflation costs which

amount to £130,000 and provision has been allowed for within the inflation element of the capital programme. The balance relates to changes in the curriculum requirements as a result of demands at the school to follow particular subject areas, and this revised costing reflects those changes. Further development of the scheme has now ceased until the funding position is clarified. However, the school is identified as operating at 104.7% in terms of capacity and the Council needs to address this overcrowding. This additional cost also deals with this size shortfall. The Executive has two options to consider and is asked to agree a preferred route.

- 1 Undertake a reduced scheme on site available within the budget. This option will address some of the issues identified within the Education Asset Management Plan. It would be anticipated that there would be a reduced impact on raising attainment within the school.
- 2 Increase the budget provision from £1.8m to £3.1m, an increase of £1.3m of which £130,000 is considered attributable to inflation since the scheme was first proposed in 1999. This option would contribute the maximum value in raising attainment within this school.
- 3 Allow a contribution towards the cost of improving the facilities which are required and set as a priority the additional accommodation and toilet requirements but cap the budget at the sum of £2,710,560.

9.2 The Executive is asked to consider and approve one of these three options. Subject to approval the revised budget and spend profile is indicated on Annex 1 and reflects option 3.

10. Sydney Russell Comprehensive New ICT block

10.1 The Executive approved (Minute No 425 - 29 April 2003) the procurement of this approved scheme. £2,302,300 has been allocated within the Council's capital programme. However, the revised estimates received from the Council's Quantity Surveyor have indicated that the construction cost would now be in the order of £2,868,000 which includes professional fees, equipment and the diversion of a high voltage cable. The scheme has been reduced from the original feasibility estimate and no further reductions can be made. In order to proceed with the scheme. Approval is needed to increase and approve the revised budget of £2,868,000 in order to procure the scheme on site.

10.2 Advice has been given that the increased cost of £565,700 is a reflection of the increased building costs for the area since the scheme was designed four years ago. Currently, provision of £86,000 has been set aside within the inflation element of the capital programme, and a balance of £479,700 is therefore required.

10.3 Subject to approval the revised budget and spend profile is indicated on Annex 1.

11. Barking Abbey Phase 4 and Barking Abbey not funded through PFI

- 11.1 The Executive approved the awarding of a contract (Minute No 30 - 8 July 2003) to construct the next phase of development on site. The scheme is financed from both the above mentioned lines within the capital programme. The Executive is asked to approve the merging of these lines into one and to re-profile the programme to reflect the current on site works with a reduced overall value of £6,057,230 producing a saving of £821,260.
- 11.2 As indicated in paragraph 8 above it is proposed not to progress the future phases of the development at Barking Abbey until the DfES issue clear indications about timescales for investment in Barking and Dagenham Secondary Schools. Clearly, we need to interface with the DfES to attract external funding for investment to achieve good quality environments in which the young people of the Borough can learn.

12. Dagenham Priory Phase 3 and Dagenham Priory Not Funded Through PFI

13. Eastbury Comprehensive & Jo Richardson – PFI

- 13.1 The Council PFI contract was reported to the Executive on 29 April 2003 – Minute No 424. First the new Jo Richardson School which is to be located at Castle Green and secondly, Eastbury where there is an amalgamation of the current split sites on to the Rosslyn Road Campus. There are two issues in respect of the current PFI contract which have a financial implication to the capital programme.
- 13.2 These are first fees as we have been required to change the Jo Richardson site location from its original proposals at Barking Reach to Castle Green which has incurred additional costs in respect of abortive works. Of the original budget of £1m, the revised expected outturn costs of these works will now be £1.3m by the financial year end 2003.
- 13.3 In addition to this, there will be a fee requirement upon the Council after financial close of the PFI contract. This is when the procurement stage is on site where there will be a requirement to monitor the development and contractual performance of the PFI contractor and to protect the Council's interests. The PFI financial advisor has estimated that this cost up to 2005 would be £200,000.
- 13.4 The Executive is asked to approve an additional funding from the capital programme of £500,000 to the PFI budget.
- 13.5 The second issue is in respect of the capital contribution towards this project. A figure of £6m is allocated within the capital programme for 2004/05 as a contribution to the cost of securing the PFI scheme at both schools. It is going to be a requirement of the contract that at the time of signing of the contracts with the council, that the council will need to make this £6million available as an initial payment to the contractor Bouygues.
- 13.6 A report setting out the details of the contract including the aspects indicated here will be submitted to the Executive this Autumn. The Executive is asked to bring forward

this sum into the current 2003/4 financial year. Subject to approval the amendments are shown on Annex 1 of the report.

14. **Broadway Theatre Redevelopment**

- 14.1 The Executive approved (Minute No 39 – 17 June 2003) a conditional increase of capital funding and the awarding of the building contract. The project is currently on programme and the Executive is asked to re-profile and bring forward the capital funding to reflect the current progress on site. The amendments are shown on Annex 1.

15. **Eastbury Manor**

- 15.1 The Eastbury Manor project is in the second stage of a three stage project, and currently has £250,000 put aside in the capital programme for 2003 to 2007; this includes £100,000 for this financial year. Council officers have met with respective Lottery officers who indicate strong support for the stage three bid with the following timetable:

- April 2003: completion of Phase II
- November 2003: Stage One application for Phase III
- May 2004: Decision from HLF
- May 2005: Stage Two application for Phase III
- September 2005: final HLF decision
- April 2006: estimated start on site date.

- 15.2 Subject to Executive approval, this timetable means that the allocation of capital funding needs to be adjusted in accordance with Annex 1.

The Executive is asked to approve the re-profiling of the capital budget.

16. **Valence House**

- 16.1 The Valence bid is at an earlier stage, but again Heritage Lottery have verbally indicated their support and the timetable is as follows:

- September 2003: submission of project planning bid
- December 2003: HLF decision
- June 2004: application for Stage One Grant Funding
- December 2004: HLF decision
- March 2005: submission of Stage Two Grand Funding
- August 2005: HLF decision
- March 2006: estimated start on site date.

The capital programme currently indicates a spend of £1,861,000 between 2004 and 2007. However, the timetable means that the allocation of capital funding needs to be adjusted to give the spend profile as set out in Annex 1.

17. Beacon Youth Centre

- 17.1 Work to improve the Beacon Youth Centre has progressed in terms of planning. Instead of separate facilities around the Borough, it is planned to bring the service under a single base. The plans have been costed and are above the budget of £476,600. If we are to achieve the project which is above the threshold originally set, it will be necessary to link other funding. As the scheme for a further Youth Shop has not moved forward, no premises are available. It is intended to remove the project from the Capital Programme and ask the Executive to make the funding designated available of £189,000 for the Beacon Youth Scheme to improve provision for young people and make a base for the Youth Service.
- 17.2 It is proposed to start this scheme in the current year and the spend profile will be £289,000 in 2003/04, and £376,000 in 2004/05 as set out in Annex 1.

18. Adult College

- 18.1 Work was originally planned to be carried out at the Adult College some 7 years ago. The extent of the work was to improve the main reception and entrance to the College and thus the interface with the public. By undertaking this work it also allowed for improving the administration arrangements and by so doing released teaching spaces back to the College to enhance opportunities.
- 18.2 As would be expected during the intervening years, certain things had changed at the College and it has been necessary to deal with the scheme in a revised way. Additionally, no inflation factors had been applied to the budget. The full cost of the scheme is now likely to be £593,000 against an original budget of £334,000. This work has been broken down into phases due to the need to simplify the processes and the demands of the College to maintain the service to the community.
- 1 Phase One - Nursery/crèche provision was originally intended to be provided in a space which is now designated as lecture space. As a consequence, it was necessary to provide an alternative facility through a mobile 'Lilliput' nursery. The cost of this element of the scheme amounted to £206,750 of which an external contribution of £90,000 was available from a DfES grant.
 - 2 Phase Two - Main works to convert existing hall. Contractor is on site from 20 October and the cost is £215,000.
 - 3 Phase Three - Conversion of existing administration area to more useable lecture spaces to meet demand which there is by the community for additional classes. The estimate of cost for this work amounts to £171,250.
- 18.3 The total of this work amounts to £593,000 as indicated above, against a budget provision of £334,000. In addition to this sum £90,000 was secured from the DfES through a grant leaving a balance to finance of £169,000. As indicated above, this project has been in the capital programme for around 7 years and no inflation factors

have been applied. If inflation had been allowed for over the 7 year period that the scheme has been in the programme, then it is likely at 5% per year the budget would have had to be increased in that period by £135,000.

- 18.4 However, a sum of £169,000 of new money is required to support the full programme of providing improved administration and putting it all in one place within the College and release other areas for lecture spaces. The College has worked with the Council collaboratively to develop this scheme and has invested in their buildings in basic provision to raise the suitability of cloakroom facilities and enhance fire protection.

19. Cambell Infants – Replace Nursery

- 19.1 This project is to be put on hold until the opportunity is taken within the Early Years and Childcare Development Plan to integrate provision for education and care. The saving on this scheme amounts to £300,000.

20. Barking and Dagenham Training Services

- 20.1 This project is to relocate the service and free up an area at St.Georges and this is integral to the Social Services long term plan for the development of the site. The current budget is £1,450,000.
- 20.2 There have been difficulties in finding a suitable new base for the service, however, recent discussions with the Jo Richardson Community School do mean it can be relocated there with the impact of producing savings due to sharing of facilities.
- 20.3 The overall saving on this scheme will be £200k and the balance of £750k should be linked to the PFI scheme for expenditure in 2005/6.

21. A13 Artscape

- 21.1 The A13 Artscape Scheme cannot be completed in 2003/04 owing to changes to the scheme requested by the Arts Lottery funding organisation.
- 21.2 Following an analysis of the A13 Arts Lottery spend of the original approved Council match funding, £229,700 remained unspent as at 31 March 2003. Only £73,800 was included in the 2003/04 estimate as a rollover. Additional funding is required for the balance of £155,900* and re-profile £227, 900

Approval is sought to re-profile the scheme into 2004/05, which with the additional funds requested would result in the funding for this projects.

** Of the original approved match funding by LBB £229,700 however, due to an oversight in only £73,800 of this was rolled over to 2003/04. Approval is now sought for additional funds (the remaining £155,900) to also be made available in 2004/05.*

CAPITAL PROGRAMME – SOCIAL SERVICES REVISIONS		
<p>Summary - On the 19 August 2003 a report was presented to the Executive on the current Capital Programme. The Executive were advised that further reports would be presented covering any changes required to the 2003/04 programme.</p> <p>Following a review of all Social Services schemes, this report sets out the adjustments, changes and virements required to deliver the schemes.</p> <p>The affects of these changes result in an additional requirement of £1m for two schemes, offset by an under spend of £430k on the YOT scheme and additional capital receipt of £1.6m generated by reconfiguring one scheme in line with improved service outcome. Without this reconfiguration the schemes are unlikely to proceed.</p> <p>The additional capital receipt referred to above, is in excess of the current £52m land disposal estimate.</p>		
<p>Recommendation - Approval is required for:</p> <p>(1) the changes to the Social Services Capital Programme.</p> <p>(2) the additional £1m resources required for the schemes identified. Noting that the request is supported by both a £430k under spend on a Social Services scheme and an additional capital receipt of £1.6m, generated because of the reconfiguration of a scheme.</p> <p>(3) the re-profiling of the schemes as set out in the report.</p>		
<p>Contact Julia Ross</p> <p>Andy Bere</p>	<p>Director of Social Services</p> <p>Assets Manager</p>	<p>Tel: 020 8227 2300 Fax: 020 8227 2241 Minicom: 020 8227 2462 E mail – julia.ross@lbbd.gov.uk Tel ; 020 8227 2386 Fax : 020 8227 2241 E-mail: andy.bere@lbbd.gov.uk</p>

1. The 2003/04 Capital Programme

The Social Services Department has an agreed five-year Capital Programme totalling £12,100,000*. The original anticipated spend for 2003/04 was forecast to be £6,050,000 or 50% of the total programme.

** = £1m originally allocated to the Social Services Programme for Project No 80 for St Georges Complex Voluntary Sector New build and land scheme is to be transferred to another Programme.*

Because of the scale of the programme and the number of complex issues involved however, this has proved over ambitious and progress to achieve the anticipated level of spend has been slower than expected. All schemes have now been reviewed in line with advice and support from the Capital Programme Management Office and the level of dedicated programme and project management support required to deliver the programme has now been addressed.

Because of this however, a number of changes and re-profiling of spend for 2003/04 is required and these are detailed below.

2. Amendment to Schemes within the 2003/04 Programme

2.1 Grays Court Intermediate Care Resource Centre – (Additional requirement £500k)

This scheme will provide a new intermediate care facility, containing both intermediate care beds and health care facilities, to be built on the site of the former Grays Court OPH.

Following a more detailed specification, drawings and costings of the new facility, the scheme requires an additional £500,000. Alongside this, it will be necessary to re-profile the spending pattern as detailed below -

Original Spending Profile		Revised Spending Profile	
2003/04	£3,000,000*	2003/04	£ 500,000**
2004/05	£1,500,000	2004/05	£4,500,000
Total	£4,500,000	Total	£5,000,000

*£500,000 of which is external funding.

** All of which is external money.

The revenue funding for this scheme is being met from within the re-provisioned running costs of previous residential care homes and PCT funding.

2.2 Residential & Day Care Modernisation – (Additional requirement £500k) - (Additional capital receipt £1.6m)

The scheme will provide both a new residential facility and new day care resource centre for people with a physical and learning disability, which will replace both York House, Tudor House and the services provided on the Gascoigne Centre and St George's site.

The original scheme agreed by the Executive on 12th November 2002, was to build the residential facility on a parcel of land within the boundary of the St George's centre, ahead of the sale of the rest of the site, with the resource centre being built on the Council's vacant land site at D'arcy Gardens. This necessitated the removal of £1.6m anticipated capital receipt from the Land Disposal Programme.

Having reviewed this arrangement and obtained detailed costs and drawings, a better option for both the service users and the new builds would be for all construction to take place on the site of the Gascoigne Centre.

The total cost of this revised scheme is £2.5m (an increase of £500k), but would allow the two land sites originally designated for the new builds to be sold as part of the Land Disposal Programme, generating a capital receipt of £1.6m. The revised spending profile is detailed below.

Revenue costs of the new builds will be met from the previous revenue budgets of the buildings affected.

Original Spending Profile		Revised Spending Profile	
2003/04	£ 1,400,000	2003/04	£ 300,000
2004/05	£ 600,000	2004/05	£ 2,200,000
Total	£ 2,000,000	Total	£ 2,500,000

2.3 Kingsbridge OPH – (re-profile spend)

The refurbishment to the Kingsbridge OPH will provide a nursing care facility. £500,000 of external funding is allocated to this scheme. It is unlikely that the scheme will be sufficiently developed to allow the full spend to take place in 2003/04 and the revised spending profile is likely to be £100k in 2003/04 and £400k in 2004/05.

2.4 Youth Offending Team Relocation – (£430k underspend)

Negotiations to relocate the expanding Youth Offending Team in suitable space close to Barking Town Centre are now being finalised. The original intention was for a new build to accommodate the team, but suitable commercial premises were found in Barking. Following internal alterations, the Youth Offending Team plan to move to their new location in January 2004. Consequently the original cost of the project (£750k) has been less than anticipated and the scheme is due to underspend by approximately £430,000.

The additional revenue funding for the new accommodation will be contained within Social Services resources.