

London Borough of Barking and Dagenham

Notice of Meeting

THE EXECUTIVE

Tuesday, 9 March 2004 - Civic Centre, Dagenham, 7:00 pm

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

Also Invited: Councillor Mrs V Rush for Agenda Item 9.

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

1.03.04

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 24 February 2004 (Pages 1 - 5)**

Business Items

Public Items 3 to 8 and Private Items 13 to 18 are business items. The Chair will move that these be agreed without discussion, unless any Member asks to raise a specific point.

Any discussion of a Private Business Item will take place after the exclusion of the public and press.

3. **Building Schools for the Future (Pages 7 - 29)**
4. **Transfer of the Passenger Transport Service (Pages 31 - 33)**

5. **Review of Charges for the Collection of Trade and Other Waste, Emptying of Cesspools, Vehicle Crossings and MOT's (Pages 35 - 41)**
6. **Fees and Charges 2004 / 2005: Leisure Activities, Cemeteries and Community Halls (Pages 43 - 72)**
7. **Barking Town Centre Market Charges: Fees and Charges (Pages 73 - 77)**
8. **Term Contract for Electrical Repairs and Minor works in Public Buildings and Schools (Pages 79 - 81)**

Discussion Items

9. **Draft Report of the Health and Social Care Partnership Arrangements Scrutiny Panel (Pages 83 - 94)**
10. **Future of Leisure Centres (Pages 95 - 107)**
11. **Any other public items which the Chair decides are urgent**
12. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the 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).

Discussion Items

None.

Business Items

13. **Management of Customer First (Pages 109 - 110)**
Concerns a Staffing Matter (paragraph 1)
14. **Procurement of Capital Projects (Pages 111 - 113)**
Concerns a Contractual Matter (paragraphs 7 and 9)
15. **Term Contract for Street Lighting Maintenance and Replacement Contract 2000 - 2004 - Proposed Extension to Existing Contract and Packaging of Future Tender 2004 - 2008 (Pages 115 - 117)**
Concerns a Contractual Matter (paragraphs 7, 8 and 9)

16. Modernisation of Disability Day and Residential Services - Options for Improving Service Provision (Pages 119 - 128)

Concerns a Contractual Matter (paragraphs 8 and 9)

17. Application For Discretionary Rate Relief (Pages 129 - 134)

Concerns a Particular Company (paragraph 7)

18. Delivery of Housing Services - Community Housing Partnership (Pages 135 - 139)

Concerns Individuals (paragraph 1)

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

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THE EXECUTIVE

Tuesday, 24 February 2004
(7:00 - 9:13 pm)

Present: Councillor C J Fairbrass (Chair), Councillor C Geddes (Deputy Chair), Councillor J L Alexander, Councillor G J Bramley, Councillor S Kallar, Councillor B M Osborn, Councillor J W Porter and Councillor L A Smith

Also Present: Councillor Ms M G Baker and Councillor Mrs V M Rush

Apologies: Councillor M E McKenzie and Councillor T G W Wade

300. Minutes (17 February 2004)

Agreed.

301. Comprehensive Performance Assessment 2005 - The Way Ahead

Received a report summarising the recently published Audit Commission Consultation document 'The CPA 2005 - The Way Ahead', which indicates far reaching changes to the corporate assessment methodology, particularly relating to the role of the shared priorities between central and local government, the Community Strategy and Use of Resources.

Agreed, in order to participate in the consultation process, which will determine how the key external assessment of local authority performance will be undertaken from 2005, that:

1. A final response be submitted to the Audit Commission by their deadline of 27 February 2004; and
2. Barking and Dagenham Council applies to be a pilot authority for the new approach, in order to help shape and influence the new process.

302. Performance Monitoring

The Management Team gave a presentation on, and we discussed, performance against a range of key performance indicators for the 3rd quarter and end of year projections 2003 / 2004 in respect of:

- Best Value Performance Indicators in the Corporate Performance Assessment Basket.
- High Risk Performance Indicators that are considered in the Corporate Performance Assessment.
- Council Scorecard Performance Indicators.
- Public Service Agreement targets.

Agreed:

1. That an annual report on monitoring of the Best Value Performance Plan be submitted to the Assembly;
2. That the Barking and Dagenham Primary Care Trust be requested to provide more timely information in order to provide a more accurate picture of performance in respect of CS 5a and CS 5b; and
3. That officers provide for Members the definitions for the following performance indicators: CS 5a, BV 63, BV 68.

303. Calendar of Meetings

Received a report setting out the Calendar of Meetings for the coming municipal year.

Agreed to recommend the Assembly to approve the Calendar, subject to a number of amendments.

304. Revised Budget 2003 / 2004 and Base Budget 2004 / 2005

Received a report setting out the position of the Council's revenue budgets for 2003 / 2004 and a base budget position for 2004 / 2005.

Agreed, to:

1. The revised budget for 2003 / 2004 in order to reflect decisions made during the year and the base budget for 2004 / 2005 as the initial position for deciding the overall 2004 / 2005 budget, as set out in Appendix A (i) of the report; and
2. The budget transfers reflected within the 2003 / 2004 revised budget, as set out at Appendix A (iii) of the report.

Noted the position on the projected outturn for 2003 / 2004.

305. Council Tax 2004 / 2005 and Medium Term Financial Strategy

Received a report, in accordance with the Council's Constitution, seeking approval for the Revenue Budget and setting of Council Tax, prior to submission to the Assembly for its consideration.

Agreed, to recommend the Assembly to agree:

1. The Budget, as set out in Appendices A and B of the report;
2. A Council Tax increase of 5.9% (including the Greater London Authority precept of £241.33 for a Band D property), as set out in Appendix C of the report;

3. The three year planning figures arising from this budget proposal indicated within the Medium Term Financial Strategy (attached as Appendix D to the report);
4. The Medium Term Financial Strategy to assist the Council in future decision making on the budget and that it is now reviewed on an annual basis; and
5. The position on reserves as set out in paragraph 2.4 of the report.

306. Capital Programme 2004 / 2005 to 2007 / 2008

Received a report setting out the current position with regards to the Capital Programme and proposals for allocating resources for 2004 / 2005 to 2007 / 2008, prior to submission to the Assembly for its consideration.

Agreed:

1. To note the position of the 2003 / 2004 Capital Programme and paragraph 7.4 of the report;
2. To recommend the Assembly to agree the Capital Budget for 2004 / 2005 (as amended by Minute 308 - Housing Investment Programme for 2004/5/6) to be met from the Council's usable capital receipts, as set out in Appendices B to E of the report, and in principle for later years subject to review;
3. The new schemes within the proposed Capital Programme as set out in paragraph 7.1.1 of the report and schemes with additional costs as set out in paragraph 7.1.3 of the report subject to each scheme being reported to the executive before proceeding.;
4. The programme of schemes to be met from external resources as set out in Appendices B to E of the report;
5. That before any scheme proceeds in the Capital Programme that it has all four green indicators arising from the capital appraisal process;
6. That the schemes in Appendices D and E of the report undergo the relevant capital appraisal process and that before any of these schemes proceed they are reported to the Executive for approval for inclusion in the Capital Programme;
7. That the new start schemes identified in paragraph 7.2 of the report only proceed if external funding is obtained;
8. To note the Prudential Indicators for the Authority as set out in Appendix F of the report (as amended by Minute 308 - Housing Investment Programme for 2004/5/6);

9. In principle, and subject to technical resolutions, to the settlement of the outstanding debt to the London Borough of Redbridge arising from the boundary changes in 1994 / 1995 as set out in paragraph 5.6 of the report; and if actioned to substitute the debt repayment to Redbridge for a ring fenced revenue contribution to capital in the Housing Revenue Account.

307. Treasury Management Annual Strategy Statement and the Council's Prudential Indicators

Received a report setting out the Annual Treasury Strategy Statement and Prudential Indicators for the financial year 2004 / 2005 in respect of the Council's Treasury Management functions. The report also set out the Annual Investment Strategy, in order to meet the requirements of guidance issued by the Secretary of State under Section 15(1) of the Local Government Act 2003.

Agreed to recommend the Assembly agrees:

1. The Annual Treasury Strategy Statement for 2004 / 2005;
2. The Annual Investment Strategy for 2004 / 2005, which states the investments the Council may use for the prudent management of its treasury balances (set out in sections 5 and 6 of the report);
3. The authorised borrowing limit of £5 million for 2004 / 2005, which will be the statutory limit determined under section 3(1) of the Local Government Act 2003; and
4. The Prudential Indicators for 2004/05 as set out in Appendix A (as amended by Minute 308 - Housing Investment Programme for 2004/5/6) of the report.

308. Housing Investment Programme for 2004/5/6

Received a report setting out the basis for establishing a programme of investment until such time as the Housing Futures Project is completed in July 2005. The report outlined available resources and proposals for how these can be expended in line with Best Value principles over the next two years.

Agreed, in order to enable the necessary design work and procurement to proceed, to:

1. The approach for the Investment Programme for 2004/5/6 as set out in paragraph 1.3 of the report;
2. A further report to be submitted to the Executive once the assessment proposed has been completed;
3. The budget and provisional allocation of resources for 2004/5/6 as set out in paragraph 2 of the report;
4. The extension of the existing Stock Survey to meet the needs of the Housing Futures Study; and

5. Delegate authority to The Director of Housing and Health to negotiate with the surveyors who undertook the 2002 Stock Condition Survey, NBA, to extend the survey to meet the needs of the Housing Futures Study as detailed in paragraph 3.7.2 of the report.

309. Private Business

Agreed to exclude the public and press for the remainder of the meeting, as the business was confidential.

310. Award of Contract for Housing Futures

Further to Minute 296 (17 February 2004), received a report seeking to award the third contract for the Housing Futures project, to provide an Independent Tenants Advisor.

Agreed, to appoint PPCR Associates at a cost of £65,000 for the period 1 March 2004 to 31 July 2005 for the provision of an Independent Tenants' Advisor, as the proposed contractor has demonstrated the best value for money for the Council in terms of combined price and quality.

311. Land in Abbey Road - Relocation of the Canoe Club

Further to Minute 385 (8 April 2003), received a report detailing proposals for the development of land in Abbey Road owned by both Furlong Homes and the Council. The report sets out proposals for the Canoe Club to be relocated within the development scheme, as it has not been possible to identify an alternative suitable location.

Agreed, in order to facilitate the early conclusion of negotiations for the sale of the Council's land in Abbey Road, Barking to Furlong Homes, thus meeting the Council's needs for affordable housing and also for capital receipts to fund the Capital Programme, to:

1. Approve the re-provision of the Canoe Club within the development;
2. Accept the offer set out in the report for the Council's property in Abbey Road. The capital receipt available to the Council, as land owner, will be reduced to reflect the cost of re-providing the Canoe Club within the scheme; and
3. Delegate the authority to agree the specific terms of the disposal including any amendment to the value to the Director of Leisure and Environmental Services.

Officers in the Leisure and Environmental Services Department will work with the Canoe Club to ensure the implementation of their business plan as a part of the Department's Sports Development activity.

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THE EXECUTIVE**9 MARCH 2004****REPORT OF THE DIRECTOR OF EDUCATION, ARTS AND LIBRARIES**

BUILDING SCHOOLS FOR THE FUTURE		FOR INFORMATION
<p><u>Summary</u></p> <p>To provide the Executive with information about the Expression of Interest that has been made seeking resources from Central Government to support development of the secondary school building stock. This funding is a commitment by the Government to a programme of re-building and renewal to ensure that secondary education has facilities of 21st century standards. It is a national scheme in its formative stages and there will be some significant dialogue with DfES officials before we are able to move forward. The Expression of Interest is designed to be a high level document in order to inform the DfES about the sort of level of investment which Barking and Dagenham would like to see in its school building stock for secondary age pupils. At this stage no commitments are being made.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to support the content of the report and the main body of the bid. It is intended that significant funds are being pursued to further improvements in the future at existing secondary schools and Trinity Special School, with the exception of the Jo Richardson Community School.</p> <p><u>Reason</u></p> <p>The Executive needs to consider this report as it is part of an investment strategy to support the capital programme for future provision.</p>		
<p>Contact Officer: Mike Freeman</p>	<p>Head of Assets and Administration</p>	<p>Tel: 020 8227 3492 Fax: 020 8227 3274 Minicom: 020 8227 3180 E-mail: mike.freeman@lbbd.gov.uk</p>

1. Background

- 1.1 The Executive received a report at its meeting on 7 October 2003 (*Minute No. 133*) concerning Building Schools for the Future (BSF) and advising that all local authorities had been invited to submit Expressions of Interest to support the development of secondary school provision. Where appropriate this would include Special Schools.

1.2 The strategy employed by the Government through BSF will mean significant investment in all of the country's secondary schools over a 10-15 year period. The aim will be to provide learning environments compatible with 21st century education and outcomes that support improvements in achievement. This investment can of course only be achieved if the Government makes funding available and the Council is able to support such investment.

2. Consultation

2.1 As part of the process of compiling an Expression of Interest to the DfES, consultation took place with all Headteachers of secondary schools in order that we could put forward a bid, which was cohesive and agreed.

2.2 Regrettably, the timescale for the submission did not allow for a wider consultation, although subsequent to the submission we have been able to circulate information to interested parties.

3. Compilation of the Bid

3.1 A group of officers within the department have collated the Expression of Interest as a result of the consultation and all secondary schools have been able to contribute an expected outcome in terms of achievement through a range of investment opportunities. This is an exciting development specifically relating buildings to educational achievements.

3.2 The information that was gathered has identified the need to replace a number of school buildings if we are to respond in designing schools which allow the Council's pedagogy to be implemented in full. The Executive will know, through the design development of the Jo Richardson Community School, that there is an implication for larger rooms if we are following the pedagogy strictly.

3.3 As would be expected, if buildings are to be replaced in some significant format, the costs are likely to run into hundreds of millions of pounds and at this stage, our bid is for just over £200m. If this is multiplied across the country, it will be evident that the bill runs into many billions of pounds. The Government will need to consider carefully how it intends to allow authorities to move forward in respect of this programme.

3.4 An extract from the bid is attached as Annex A. A full copy of the bid can be seen by contacting the author of this report.

Background papers:

- DfES document: Building Schools for the Future: Guidance for Local Education Authorities - July 2003

Extract from:**“ Request for Resources to support Raising Achievement Through Building Schools for the Future: Expression of Interest December 2003”**

Barking and Dagenham has a tradition of delivery which it would like to extend to Building Schools for the Future. Throughout recent history there has been investment in the Schools within the Borough although priority has been in respect of addressing issues around condition and sufficiency. It is recognised that many of the schools are of an age where wholesale replacement is an appropriate consideration to address issues in all three areas; that is:

Condition
Suitability
Sufficiency

These papers and supporting documents are designed to underwrite the view from the Council that an Expression of Interest is appropriate and that we hope to secure an early wave of resource allocation. Further that through the recent/current experience of procurement of a PFI scheme, the Council could roll out that knowledge to demonstrate appropriate application as a “Pathfinder” project if the DfES were seeking further pathfinder projects.

Barking and Dagenham are pioneering a new pedagogy. This requires improved facilities for teaching and learning and extends to a more comprehensive use of IT. Fortunately, provision has been made through the test bed initiative to enhance the delivery opportunities of the pedagogy. Recently, the Director General of Schools – Peter Housden – visited the Authority and has expressed his excitement at the leading way in which the Borough’s teaching imparts knowledge to the young people of the Borough. It is envisaged that further visits to broaden people’s understanding of the pedagogy will be organised in the near future.

The borough is embarking on significant expansion of homes as part of Thames Gateway. The impact of this house building is unprecedented in the Borough and will require support for the provision of new secondary school places which have been included in this submission.

Attention is drawn particularly to the section on ‘Schools’ Capital: Improving Its Contribution To Raising Standards’ which hopefully helps to explain the relationship between buildings and achievement. This is further underwritten by the example quoted in Annex J which is a study of attainment at one of the Borough’s Schools.

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GENERAL DEMOGRAPHIC OVERVIEW OF THE BOROUGH

Barking and Dagenham is one of the smaller London Boroughs in terms of area and population. It is situated on the eastern outskirts of Greater London and covers 3,680 hectares. It lies on the north bank of the Thames and has excellent transport links into central London via the road, rail and underground networks. The Borough is also in close proximity to the London City Airport and the proposed channel tunnel Rail Link.

Population

The resident population in Barking and Dagenham as measured in the 2001 Census was 163,944. This represents 2.3% of the total resident population in London. The Borough population has increased within the last 20 years by 12,298 - a gain of 8.1%. This is the third highest rate in comparison with the outer London Boroughs and the 11 highest growth rate compared with all London Boroughs. The boundary changes in 1994 will account for some of this growth (an increase of approximately 10,000 people), though it is certain too that the Borough's extensive new house building programme will affect it. This includes major sites for redevelopment including Lymington Fields in the north of the Borough, the potential University of East London site, South Dagenham and Barking Reach. The overall rate of growth for London stands at 5.4% and the growth rate for England stands at 5%.

The population aged 16 and under as a percentage of the total population in the Borough in 1991 was 22%. This compares to 25% recorded in the Census 2001. The population aged 16 and under has increased by 8,828. This is a 28% growth rate between 1991 and 2001 though also includes the effect of the boundary changes in 1994 where the Borough gained an additional 3,199 children aged 16 and under.

Of the total primary school age population 97% of children attend primary phase schools in Barking and Dagenham. Of the total secondary school age population 91% attend secondary schools in Barking and Dagenham.

The Borough's residents are predominantly working class. Under 14% of children are in high social class households, which is well below the national average of 31% and below the average for those Boroughs identified by Ofsted as statistical neighbours of 19%. Only 3.7% of children are in households where the head has a higher educational qualification. This is by far the lowest proportion in London and significantly below national norms of 13.5% and below that for our statistical neighbours at 8%.

Ethnic Mix

Barking and Dagenham has one of the smallest ethnic group populations in London. According to the Census 2001 14.8% of the population are from ethnic minority groups. This compares to 6.8% recorded in the Census of 1991 and is evidence of an increasingly diverse population. School data is provided in Annex 2.

Between January 2001 and January 2002 the number of asylum/refugee children on school rolls in Barking and Dagenham has almost doubled (from 294 in January 2001 to 588 in January 2002). There are many languages spoken in Barking and Dagenham and these include: Arabic, Bengali, Cantonese, French, German, Greek, Gujarati, Italian, Punjabi, Serbo-Croat, Swahili, Somali, Turkish, Urdu and Vietnamese and more recently Albanian.

Housing

The latest Public and Private Stock Condition Survey suggests there are around 65,745 homes in the Borough. Of these the council owns 22,515 (with around 12,270 properties having been sold through the Right to Buy scheme). There have been over 1,979 homes developed through Housing Associations' new build and purchase of street property schemes. The Borough has 55 tower blocks, mainly concentrated in the Barking area. Major refurbishment of the council's stock is taking place over a 7-year period via its Shape Up for Homes programme. The Borough has a programme for housing development over the next 10 years. The main development is on Barking Reach where a total of between 10,000 – 12,000 homes are planned. Other major developments include South Dagenham which could provide an additional 3,000 new homes, Barking Town Centre with the possibility of 5,000 new homes and the development intended for Lymington Fields, which is expected to support over 700 homes. There are also proposals for the development of the UEL site on Longbridge Road. As more information becomes available the Council will be better able to assess the impact on school places.

Local Economy and Unemployment

In line with the national trend unemployment in the Borough has declined in recent years, from 14.2% in 1993 to 5.2% in January 2000 and to 4.5% as recorded in the Census 2001. New companies are attracted to the Borough due to the Borough's proximity to London and good transport links. The Council has also been successful in a number of major economic and social regeneration projects and is working towards a range of initiatives to improve both the infrastructure and physical environment of the Borough. This has brought a range of opportunities in the construction field offering employment to a high number of people with construction skills.

There are several major manufacturing plants located in the Borough, including Ford Motor Company, Welbeck Steel Services Centre and the international pharmaceutical company, Aventis Pharma (formerly known as Rhone-Poulenc Rorer) which employs 65,000 worldwide. Although the radical reorganisation of Ford at the Dagenham Plant means that cars are no longer being manufactured, Ford have made a multi-million pound investment in diesel engine engineering and manufacturing. In partnership with the London Development Agency (LDA) the first stages of a Centre of Engineering and Manufacturing Excellence (CEME) are underway. The vision for the future of the CEME according to the LDA will 'drive the development of the business district, diversify the industrial base and promote exemplary manufacturing methods. As a further and higher education facility, it will provide local people with the education and skills to underpin the new industrial base. It will be a significant addition to the nation's higher education capacity in manufacturing and engineering'.

As it stands Dagenham remains as London's largest industrial centre and continues to experience growth in the retail, leisure and care sectors. The care sector accounts for 10 per cent of employment in the Borough.

Indices of Deprivation

Barking and Dagenham ranks amongst the most deprived areas in England. It is the 24th most deprived authority of the 354 districts in England according to the Department for Environment, Transport and the Regions index of local conditions to measure levels of deprivation 2000. The May 2002 Inspection Report by OFSTED states that it is sixth most deprived in London and 17 out of its 20 wards have high levels of deprivation, and, at 3.5 per cent, the Borough has the lowest number of adults with higher qualifications in the country. Since the demographic profile of each of the Borough's wards is strikingly similar, the rankings of individual wards are within a relatively narrow range. There are however, wards that can be identified as having a higher rating such as Longbridge and Chadwell Heath and those identified as having the worst such as the old Fanshawe ward (now part of Parsloes) and Gascoigne. Generally those wards with the worst ranking are deprived in terms of employment opportunities, health, unsatisfactory housing, low income, lack of qualifications, child poverty and poor geographical access to services. Higher ranking wards still exhibit a high level of social need with levels of deprivation well above the England average. Data for the new ward boundaries is currently unavailable, the analysis above is therefore based on the old ward boundaries.

SCHOOLS CAPITAL: IMPROVING ITS CONTRIBUTION TO RAISING STANDARDS

BARKING AND DAGENHAM'S STRATEGY FOR RAISING STANDARDS

1. The Council gives high priority to supporting pedagogical leadership in schools. It has a good record on pedagogical innovation in both the primary and secondary phases, in full partnership with schools. A significant proportion of the innovation has made an impact at national level.

2. The achievements of the partnership in pedagogical leadership include:

Beacon Council Status for Transforming Secondary Education 2003/2004.

Strategies for the improvement in English and maths attainment in the primary phase since the mid 1990s. These have raised attainment as fast as anywhere in the country. They have also informed national strategy – ‘the promotion of interactive whole-class teaching began with the important and courageous Barking and Dagenham mathematics experiment’ (Robin Alexander, Culture and Pedagogy, p 597).

Establishing pedagogical continuity between the primary and secondary phases (contribution to Galton’s work on Transfer and Transitions in the Middle Years of Schooling 7-14).

Successful policy borrowing/transfer of policy from Switzerland, Germany and the Netherlands to address pedagogical deficiencies. Policy borrowing in the same spirit as Matthew Arnold in the nineteenth century: “I do not care the least for imparting this or that foreign machinery, whether it be French or German, but only for getting certain English deficiencies supplied”.

The national framework for Key Stage 3 Modern Foreign Languages has been developed by two LBBB colleagues for the national strategy.

Selection for the ICT Test Bed Strategy (one of three LEAs in the country).

Forthcoming QCA/NPS ‘Teaching Through Dialogue’ materials based on experience of LBBB going into every primary school in the country this autumn.

3. Pedagogy is the key link between buildings and standards. The word is helpful because it is wider than teaching and learning. Pedagogy encompasses the performance of teaching together with the theories, beliefs, policies, controversies and spatial forms that inform and shape it. It connects the apparently self-contained act of teaching with culture, structure, mechanisms of social control and the physical context/built environment in which the teaching occurs. Using the term ensures the contribution of building to improvements in educational standards is fully considered.

4. School buildings must therefore support a resilient and flexible pedagogical framework and continuing pedagogical leadership and innovation. They are critical to the success of the changes in teaching and learning which are under way and planned for the future.
5. If school buildings are to support improvements to pedagogy they should have:
 - (a) classrooms which can accommodate interactive whole-class teaching/teaching through dialogue. This form of teaching and learning is, as it were, the default mode – the mode which maximises access to the scarcest resource, the able, knowledgeable teacher;
 - (b) the flexibility to accommodate all other pedagogical arrangements at small group, pairs and individual level;
 - (c) enable ICT to be used effectively in whole-class episodes as well as the other configurations (e.g. pairs or individual stations) in which it is used at present;
 - (d) excellent acoustics which support effective speaking and listening;
 - (e) spaces which enable pupils and students to be cared for, guided and supported effectively, both in the classroom and elsewhere;
 - (f) an overall design which maximises the effectiveness of support staff in this the new workforce remodelling agenda;
 - (g) the capacity to become effective full-service schools which,
 - (i) maximise the support of external agencies and Council departments to the aims and objectives of each school, and
 - (ii) maximise the contribution of education and learning to the work of other agencies and departments of the Council;
 - (h) excellent specialist facilities e.g. in science, music, design and technology etc;
 - (g) plans which maximise teacher and learning efficiency through minimising movement around the school;
 - (j) spaces which enable pupils' attitudes, values and other personal qualities to be developed to the full;
 - (k) a design which promotes and supports inclusivity.

SCHOOL DATA – WHOLE BOROUGH 11-19 AGE RANGE

TABLE A PACKAGE I	Pupil Numbers Y7 – Y11 2003	Pupil Numbers Y12 – Y13 2003	Pupil Numbers Y7 – Y13 2003	Net Cap	% FSM Y7 – Y11 2002	% FSM Y7 – Y11 2003	% 5+ A* - C GCSE/ GNVQ 2000	% 5+ A* - C GCSE/ GNVQ 2001	% 5+ A* - C GCSE/ GNVQ 2002	% 5+ A* - C GCSE/ GNVQ 2003 (P)	Year of Work	% Work type A	% Work type B	% Work type C	% Work type D	Confidence Level	
All Saints	918	194	1112	1073	17.09	15.14	45	51	68	87	2	60	30		10	High	
Barking Abbey	1341	277	1618	1574	16.46	14.54	56	64	54	60	2	85		5	10	High	
Dagenham Priory	945	87	1032	1182	36.47	39.37	26	29	20	25	1	85			15	High	
Eastbrook	1462	138	1600	1680	20.71	16.21	37	29	39	44	3	50	40	10		Medium	
Eastbury	1415	170	1585	1728	29.25	30.81	35	27	38	38	1	60			40	High	
NEW SCHOOL OPENED SEPTEMBER 2002 – BUILDING TO BE COMPLETED SEPTEMBER 2005																	
Jo Richardson																	
Robert Clack	1478	180	1658	1783	35.68	28.48	38	39	47	57	2	85			15	Medium	
Sydney Russell	1405	140	1545	1650	38.07	35.16	26	24	27	37	1	70	20		10	High	
Warren	1205	151	1356	1297	18.79	18.59	40	41	44	45	3	50		30	20	Medium	
Trinity Special (1)			196	200	32.65	35.14	0	0	0	0	2	50			50	High	

(P) – Provisional (1) – Details for whole school 3-19 years

SECONDARY PROVISION

OVERVIEW OF INDIVIDUAL SCHOOLS

1. ALL SAINTS (RC) SCHOOL

1.1 Standard number and future requirements

The standard number for the school is 6FE (11-19 years). The redevelopment would maintain this standard number.

The proposals will include the removal of at least the front block (built in 1953) which is inadequate and difficult to maintain. The replacement will be 3 storey.

All accommodation will need to be assessed against space standards for the pedagogy. This could mean remodelling in the remaining blocks.

The development will link the remaining blocks with the new accommodation, creating a unified school.

As an option, and one which is supported by increased projected demand, the school would like to move from 6fe to 7fe, thus enhancing opportunities for the school.

Because All Saints is a Voluntary Aided school, the funding will probably be Targeted Capital rather than PFI.

1.2 Priorities

The immediate priorities for the school are:

for a dedicated 6th form provision;

for a building to improve the art provision and opportunities; and

for improving site security.

1.3 Retained buildings

The reasonably new block to the rear of the 1953 building could remain but would need to be remodelled and refurbished.

The Arts centre could remain but would need expansion.

1.4 Area requirements (including pedagogy)

School – existing gross area	9,197m ²
School – required gross area (6FE)	10,475m ²
Site – existing area	6.3 hectares (15.6 acres)
Site – DfES recommended site size for 6FE	6.0 hectares (14.8 acres)

There is no present plan to expand the school beyond 6fe. The proposals will be to consolidate and improve the school by a mixture of replacement with new buildings and refurbishment and remodelling of the remaining existing buildings.

2. BARKING ABBEY

2.1 Standard number and future requirements

The standard number is 9FE and is an 11 to 19 school. The proposals will increase the school to 10FE (11-19 years).

It is proposed to develop the school onto one site at Sandringham Road. This proposal could include the redevelopment of the early years, infants and junior school on the site to create a 3 – 19 school and rationalise the whole site.

The new buildings could be 3 – 4 storeys and would include early years, primary provision, the secondary provision and community (extended schools) provision.

2.2 Priorities

The school is a split site with the lower school at Longbridge Road and the upper school at Sandringham Road. The proposal would bring the whole school organisation on to one site.

Much of the existing accommodation on the Sandringham Road site is old and inadequate (1920s building with classrooms around 45m²) or older temporary buildings. These facilities need to be replaced with teaching spaces capable of teaching the pedagogy.

There may be a possibility to develop the Longbridge Road site, once vacant, in partnership with Redbridge as a primary school which would serve both Boroughs and respond to the growing demand for places which will arise through the regeneration of the Barking central area and the Loxford part of Redbridge.

What is clear is the need to improve accommodation at the school “*New buildings have greatly enhanced the working environment, but there are many shortcomings in other areas of the accommodation that hold back learning and achievement*”

Ofsted Inspection Report October 2003

2.3 Retained buildings

The sports centre will need refurbishment and will remain.

The recently completed Media Suite will be incorporated into the new development.

There are continuing plans for new accommodation at Sandringham Road that will remain. Any future developments prior to BSF need careful consideration regarding location and potential BSF proposals.

2.4 Area requirements (including pedagogy) – Sandringham Road

School – existing gross area	12,520m ²
School – required gross area (10FE)	15,937m ²
Site – existing area	*4.8 hectares (11.9 acres)
Site – DfES recommended site size for 10FE	11.4 hectares (28.0 acres)

* Site area does not include the Junior and Infants sites.

The school site is below the DfES recommended areas. Several solutions will be investigated to mitigate the lack of on site external playing facilities:

1. All weather sports surface can count as double area because of the extended, right through the year usage.
2. Innovative solution for inclusion of primary and early years to maximise site usage.
3. Development of a multi-storey school (say up to 4 storeys) to maximise site usage.

3 DAGENHAM PRIORY

3.1 Standard number and future requirements

The standard number is 8FE (11–19 years). However, it operates at 6 FE due to poor narrow very poor circulation routes and unsuitable and insufficient accommodation.

3.2 **Priorities**

The school has a small 6th form, partly due to the real lack of 6th form facilities. The provision of dedicated facilities for the 6th form is a priority. The 6th form is working with other schools developing consortium arrangements in the south of the Borough.

The school is currently 8FE but is temporarily working to an admission number of 220 due to poor accommodation.

The main hall, sports provision and teaching spaces (with the exception of two new blocks) are old and/or inadequate. Much of the accommodation is in temporary buildings.

There is insufficient accommodation for present numbers with all teaching spaces having a minimum 96% usage.

The proposal will be to demolish all but the very latest additions and replace.

The school may need to expand to 10FE due to the new housing to be built at South Dagenham as part of the Thames Gateway developments.

3.3 **Retained buildings**

The single storey dining block is new and can remain if suitable for future plans.

The Art and Technology block is being completed now.

There is a possibility of imminent NOF funding for a new sports centre. Future plans for BSF will incorporate this new complex if the NOF funding is unsuccessful.

3.4 **Area requirements (including pedagogy)**

School – existing gross area	9,271m ²
School – required gross area (10FE)	15,937m ²
Site – existing area (incl. William Ford land)	4.7 hectares (11.6 acres)
Site – DfES recommended site size for 10FE	11.4 hectares (28.0 acres)

The school site is below DfES recommended area for a 10FE secondary school. Two solutions will be investigated to mitigate the lack of on site, external playing facilities:

1. All weather sports surface can count as double area because of the extended, right through the year usage.
2. Identify sports pitches in the adjacent park and protect with an anti-dog fence. These pitches would remain in the community domain and be available for public use and access whilst not in use by the school.

4. EASTBROOK

4.1 Standard number and future requirements

The standard number for the school is 10FE (11-19 years). There are no plans to increase the school above this level.

The major problems for the school is identified as:

The buildings are compacted into a small area of the site leaving little external circulation or play space.

Rooms and internal circulation are too small.

4.2 Priorities

There are two options for development:

1. A small extension of general purpose classrooms and massive refurbishment and remodelling of the existing accommodation.
2. Remove the front building, rationalise, remodel and refurbish the remaining buildings.

Option 2, whilst being more ambitious, would give the opportunity to link the school together and could prove more cost affective for a PFI or partnership proposal.

The amount of building to be removed and replaced will be subject to further study.

The existing Arts, Technology and Science accommodation will need to be replaced or remodelled and extended.

There is insufficient accommodation for present numbers with all teaching spaces having a minimum 96% usage.

The proposal will be to demolish all but the very latest additions and replace.

4.3 Retained buildings

The new blocks to rear could be retained but would need some remodelling to improve room sizes.

Any retained buildings to the rear of the site will require major remodelling to improve the room sizes and proportions.

4.4 Area requirements (including pedagogy)

School – existing gross area	15,235m ²
School – required gross area (10FE)	15,937m ²
Site – existing area	18.9 hectares (46.7 acres)
Site – DfES recommended site size for 10FE	11.4 hectares (28.0 acres)

The site is large enough overall but most of the playing fields are laid over an old refuse tip and is potentially contaminated. The site is also low lying with a high water table and liable to flooding. Part of the development will be to consider remediation of all or part of the land and possibly raising the levels of the playing fields.

5. EASTBURY COMPREHENSIVE

5.1 Standard number and future requirements

The standard number for the school is 10FE (11-19 years). There are no plans to increase the school above this level.

The school at present on two sites but is part of a PFI negotiation to bring it onto one site.

The present PFI contract will provide Phase one of the proposals and will include some new building, some refurbishment and remodelling and some high quality temporary buildings. This will enable the school to organise on to the Rosslyn Road site.

Phase two, planned to be part of the BSF programme, will complete the school and remove the temporary and the 1920's buildings in accordance with the detailed planning approvals.

5.2 Priorities

The priority for the school is to achieve Phase 1 in order to enable it to organise on one site.

5.3 Retained buildings

The retained buildings will be those agreed by the detailed planning approvals.

They include the existing administration block, the school hall, dining and kitchens, the 6th form block, the DT block and the sports complex – all of which were built within the past 10 years.

5.4 Area requirements (including pedagogy)

School – existing gross area	Not applicable
School – required gross area (10FE)	Agreed as part of PFI for 2005.
Site – existing area	4.7 hectares (11.7 acres)
Site – recommended site size for 10FE	11.4 hectares (28.0 acres)

As part of the detailed planning consent, the road between the school and the Faircross Community Building will be closed. This building will then be demolished and the site used for the temporary accommodation to be moved from the JRCS Community School.

For Phase 2, the demountables will be removed and the site developed as an all-weather sports pitch and car parking for the school.

6. JO RICHARDSON COMMUNITY SCHOOL

6.1 Standard number and future requirements

The standard number is set for the school is 8FE (11-19 years). There are no plans to increase the school above this level.

It is expected that the school will need no further accommodation or works other than the PFI contractual lifecycle and replacement proposals.

7. ROBERT CLACK

7.1 Standard number and future requirements

The present school is organised onto two sites and has a standard number for the 2 sites is 10FE (11-19 years).

There are 2 options for the proposals to develop this school:

Option 1 – for the school to remain a split site school with the existing building replaced where necessary, extended where necessary, remodelled and refurbished

Option 2 – is to develop the school onto a single site with all the benefits this would realise.

The Gosfield Road site has small classrooms and a problem with accessibility. It is considered that the buildings on this site are unsuitable. There is a need for further science, DT and general classrooms.

Both sites have a degree of demountable and other temporary accommodation which will need to be removed and incorporated in to the new scheme.

7.2 **Priorities**

The priorities for both sites will be developed once the preferred option has been agreed.

Both sites will require substantial redevelopment with much of the existing accommodation being replaced with new.

A clear strategy and an overall master plan are required.

7.3 **Retained buildings**

To be agreed once the option strategy is decided.

7.4 **Area requirements (including pedagogy)**

Upper School (Gosfield)	
- existing gross area	9,448m ²
Lower School (Gosfield)	
- existing gross area	7,342m ²
School – required gross area (10FE)	15,937m ²
Upper site – existing area	11.6 hectares (28.6 acres)
Lower site – existing area	4.7 hectares (11.6 acres)
DfES recommended site size for 10FE	11.4 hectares (28 acres)

8. SYDNEY RUSSELL

8.1 Standard number and future requirements

The standard number for the school is 10FE (11-19 years). There will no plans to increase the school above this level.

The school is committed to the pedagogy and has invested in IT to all teaching spaces.

The major problems for the school are identified:

Classroom sizes are too small (45-54m²) – especially in the old buildings.

Design Technology has small rooms and inappropriate spaces. Rooms need rationalising and refurbishing.

The Terrapin building has small classrooms substandard construction.

The assembly hall is old, dingy and dark. It is too small for exams being only big enough for one or two year groups.

Externally, the hardplay and hard sports areas are insufficient.

Generally, all buildings are in need of some refurbishment.

8.2 Priorities

The priority would be to replace the front and rear blocks. They have inadequate teaching accommodation and difficult changes of level internally make the unsuitable for disabled people.

The school needs dedicated 6th form facilities.

The school is aiming for a specialism – possibly in IT and Maths. There are, however other options. The accommodation required for the chosen subjects will need to be enhanced.

8.3 Retained buildings

The new sports complex connected to the Terrapin building could remain as part of the new scheme.

Any retained buildings to the rear of the site will require major remodelling to improve the room sizes and proportions.

8.4 Area requirements (including pedagogy)

School – existing gross area	14,845m ²
School – required gross area (10FE)	15,937m ²
Site – existing area	5.9 hectares (14.6 acres)
Site – DfES recommended site size for 10FE	11.4 hectares (28.0 acres)

There is a bid for funding to extend the sports facility by building all-weather pitches. This could be improved by using part of the adjacent park land.

9. WARREN

9.1 Standard number and future requirements

The standard number for the school is 8FE (11-19 years). There are no plans to increase the school above this level.

The school is spread around the site with inadequate teaching accommodation to the front of the site. Much of the administration is to the rear of the site and the sports, dining and music facilities are split away from the main building.

The proposals will probably include the replacement of the front block which has inadequate accommodation.

9.2 Priorities

The school needs a centralised administration block situated to the front of the site ie close to the school entrance.

The existing teaching accommodation is small and will need to be improved to meet the demands of the pedagogy.

There is a lack of dedicated 6th form facilities.

There is a lack of toilets in the school, especially in relation to the more recently completed building.

The sports facility is now in need of substantial refurbishment.

9.3 Retained buildings

The existing buildings that would probably form part of the new school are:

the sports complex;
the new dining and kitchen block (shared with the Junior school);
the new classroom block but with added toilet provision;
the music / recording base if possible.

The other separate block that includes the Head Teacher's office will need to be remodelled if kept.

9.4 Area requirements (including pedagogy)

School – existing gross area	10,301m ²
School – required gross area (8FE)	13,150m ²
Site – existing area	5.1 hectares (12.6 acres)
Site – DfES recommended site size for 8FE	8.4 hectares (20.7 acres)

10. TRINITY SPECIAL SCHOOL

10.1 Standard number and future requirements

Not applicable

10.2 Priorities

There are a number of priorities for the school:

replacement of the front buildings;
inclusion of ICT;
replacement for the Pupils Referral Unit;
creation of an integrated Autism Unit;
additional parking and re-plan external areas generally.

10.3 Buildings to remain

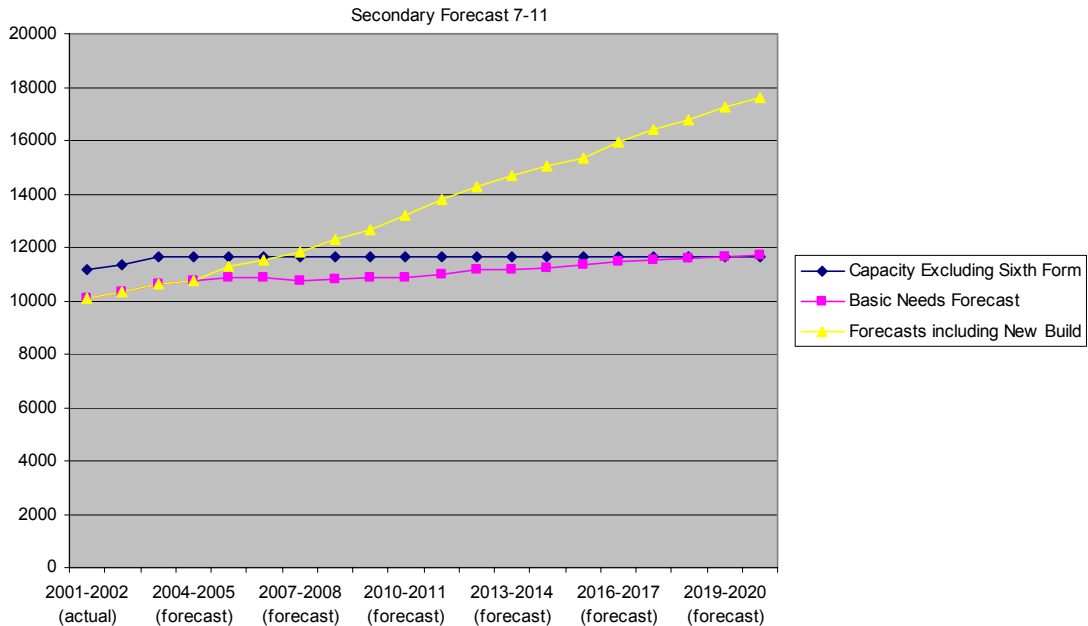
To be determined – no meeting with the school as yet.

10.4 Area requirements (including pedagogy)

School – existing gross area	4950m ²
School – required gross area	No recommendations.
Site – existing area	1.6 hectares (4.0 acres)
Site – DfES recommended site size	No recommendations.

11. NEW SCHOOLS

11.1 The developments within the Borough on the south of the A13 trunk road through Thames Gateway, Barking Town Centre and other major house building sites (Lymington Fields, University of East London etc) are set to add substantial pupil numbers to the current population. The projected numbers will exceed capacity in 2008 when new schools will be required. See chart below:



11.2 In order to accommodate this growth in pupil demand it is planned to provide two new schools, as follows

NEW 8FE SECONDARY (south of Borough)	
Internal gross area	13,150m ²
Site – DfES recommended site size for 8FE	8.4 hectares (20.7 acres)
NEW 6 FE SECONDARY (central Borough)	
Internal gross area	10,475m ²
Site – DfES recommended site size for 6FE	6.0 hectares (14.8 acres)

12. GENERAL NOTES

12.1 The DfES recommended site areas stated are calculated from the DfES Building Bulletin 82 (2002 draft revision) and are the lower area.

12.2 The overall site areas are calculated, taking account of the provision of one all-weather football pitch. This counts for double its area in the calculations.

- 12.3 The recommended gross school building areas are calculated using BB82 (2002 draft revision) with the addition of 10% area for the pedagogy and 10% area for pre-vocational teaching and SEN.
- 12.4 All schools are 11 to 19 and have 6th forms. They are part of 2 local 6th form consortiums; the Northern Consortium which is operating and is well regarded and the Southern Consortium which is being developed.

ASPIRATIONS AND OUTCOMES

The Council is committed to design excellence. The current design of the PFI contract to be signed December 2003 was developed through support from a CAFE enabler. The Council has made a significant contribution to the cost of procurement, design, legal and other support fees to ensure that it gets a building which will make a statement about the concept and value that the Council places in its education provision.

Buildings will need to be flexible, exciting and sufficient in size to embrace the pedagogy. There will need to be hard wiring provision throughout the building in readiness for later installation of test bed technology. Departmental accommodation would need to be suited with appropriate storage, preparation areas and modern equipment and furnishes suitable to a new building. Where practical, it would be intended to use materials from a sustainable source and energy management systems should be an integrated concept of design.

For each school within the Secondary Schools building stock options have been considered in conjunction with the Schools to look at what might be achieved and the education outcomes we might expect. These are set out on annexes A to I. Also attached is a summary of projected costs (high level) to achieve the submission. These costs are based on recent experience of tendered work in the local area. See Annex J.

The Council has invested in schools significantly over the last 10 years due to the commitment of Members of the Council and the recognition that there is a direct relationship between that investment and attainment. Much has been achieved. However, there is a general consensus that significant further investment is essential if we are to move further forward building on the evidence of existing success. This success has to a certain extent been anecdotal up until recently. A more detailed analysis has recently been completed for a very specific project at one of the Borough's schools. This is attached as Annex K.

A hard copy of the required data sheets are attached as Annex L.

The entirety of the Borough's plans to improve school facilities is part of an integrated whole, underwritten by a range of plans. In particular the Asset Management Plan Statement of Priorities helps to demonstrate how these aspirations are linked. For reference a copy of the Statement of Priorities is attached as Annex M. The whole submission is based on discussion and consultation with all Secondary School Headteachers. Governors have considered BSF and the Council's Executive have supported the submission to improve learning opportunities.

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THE EXECUTIVE**9 MARCH 2004****JOINT REPORT FROM THE DIRECTOR OF EDUCATION, ARTS AND LIBRARIES AND
THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

TRANSFER OF THE PASSENGER TRANSPORT SERVICE TO LEISURE AND ENVIRONMENTAL SERVICES DEPARTMENT		FOR DECISION
<p><i>This report is submitted to the Executive as it will affect the future management of the Passenger Transport Service, bringing it under Leisure and Environmental Services Department (LESD), and this impacts on the strategic management decisions that are part of the Executive's role.</i></p> <p><u>Summary</u></p> <p>In accordance with budget reductions for 2004/2005 onwards, it is proposed that Revenue savings could be forthcoming from an amalgamation of transport management. It is also proposed that from 1 April 2004 the responsibility for this service should be transferred from the Director of Education, Arts and Libraries (DEAL) to the Leisure and Environmental Services Department.</p> <p><u>Wards Affected:</u> The service operates in all Wards.</p> <p><u>Recommendation</u></p> <p>The Executive is recommended to approve the amalgamation of Passenger Transport Services (DEAL) with Transport and Waste Services (LESD) with effect from 1 April 2004 and the responsibility for the management of the amalgamated service being transferred to LESD.</p> <p><u>Reason</u></p> <p>To improve the management structure, improve efficiency and achieve the required budgetary savings.</p>		
<p>Contacts: Mike Freeman</p> <p>Mike Mitchell</p>	<p>Head of Assets and Administration DEAL</p> <p>Head of Environmental Management LESD</p>	<p>Tel: 020 8227 3492 Fax: 020 8227 3274 Minicom: 020 8227 3180 E-mail: mike.freeman@lbbd.gov.uk</p> <p>Tel: 020 8227 2677 Fax: 020 8227 2221 Minicom: 020 8227 3034 E-mail: mike.mitchell@lbbd.gov.uk</p>

1. Background

- 1.1 As part of the process for budget reductions for next year 2004/05 and beyond, it is proposed that some Revenue savings could be forthcoming from an amalgamation of transport management. In order to achieve this saving, it will be necessary to bring the management sides together. Currently, for the main part, fleet and the management of the large number of vehicles, including waste and cleansing, is under LESD. It is proposed to maximise the benefits of having a joint management by including within LESD's remit the Passenger Transport Service which currently resides with DEAL.
- 1.2 At the current time, the Passenger Transport Service operates on a Licence held by officers within LESD and there is, therefore, an impetus to bring together the services under a single management structure. It follows, that the officer who currently holds the Licence would have a direct responsibility for service management and overview of operations.

2. Benefits of a Merged Service

- 2.1 The main benefits of bringing together the Passenger Transport Service with other fleet management activities are seen as:
- integrated management opportunities;
 - there is a certain expertise within LESD around transport issues and support will be more widespread;
 - improved communication between officers running similar services;
 - improved opportunities for shared training;
 - possibility of joint use of resources and reduced vehicle down-time;
 - reassessment of working arrangements.
- 2.2 Some initial discussions have been held with the trade unions to advise them of the proposed changes and no objections have been received. Indeed the TGWU have indicated that they see this as a positive move.
- 2.3 A meeting was held with staff last year at which staff were informed of the proposals. Further meetings with staff will be held in the lead up to 1 April 2004.

3. Site Issues

- 3.1 Members will be aware that the current location of the service has been an issue for many years. As a result of the problems identified, the Executive agreed a new location at Creek Road, Barking. This process of relocation has started by visits to inspect the site in conjunction with officers from DEAL and LESD.

4. Service Level Agreements

- 4.1 For the future it will be imperative that SLAs are in place for the provision of a passenger transport service to Social Services and Education. These SLAs are currently under development.

5. Financial Implications

- 5.1 There are no financial implications as a result of the transfer of the Passenger Transport Service to LESD. However, new computerised financial monitoring systems will be introduced into the service during the next year, which will enable much more rigorous financial and resource management monitoring to be embedded in the service.
- 5.2 Both Education and Social Services will be able to monitor their expenditure on transport on a monthly basis once these systems are installed. The savings required from the amalgamation of the management of the transport services in 2004/05 (£50,000) will be realised by the more efficient use of vehicles and staff as a result of the new monitoring system that will be installed. Further savings arising out of the more efficient use of resources will follow in 2005/06 once the new control systems have become embedded

6. Consultation

The Management Team and the following have seen this report and have raised no objections. .

Leisure and Environmental Services Department:

Maureen Perkins, Head of Human Resources, LESD
Bob Cooper, Interim Head of Finance, LESD
Laura Williams, Management Accountant, LESD

Education, Arts and Libraries Department:

Mike Freeman, Head of Administration and Assets, DEAL
Gail Clark, Head of Human Resources, DEAL
Paul Pearson, Head of Finance, DEAL

Social Services Department:

Steve Whitelock, Head of Finance DSS

Corporate Strategy Department:

Hayley Miller - Senior Human Resources Advisor Organisational Development & Employee Relations
Keith Warrior - Employee Relations Officer Organisational Development & Employee Relations.

Trade Unions:

GMB, APEX, TGWU and Unison (consultation is ongoing)

Portfolio Holders:

Councillor Bramley, Safeguarding Children and Young People
Councillor Alexander, Better Education and Learning for All
Councillor Osbourn, Housing Health and Social Care
Councillor Geddes, Deputy Leader Portfolio (finance issues)

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THE EXECUTIVE**9 MARCH 2004****REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

REVIEW OF CHARGES FOR THE COLLECTION OF TRADE AND OTHER WASTE, EMPTYING OF CESSPOOLS, VEHICLE CROSSINGS AND MOT's	FOR DECISION	
<p><i>The Scheme of Delegation reserves the determining of fees and charges to the Executive.</i></p> <p><u>Summary</u></p> <p>This report proposes increased charges for the collection of trade and other waste, and emptying of cesspools; the construction of vehicle crossings; the carrying out of Ministry of Transport Vehicle Tests and other services which are in line with the Charging Policy for Council services.</p> <p>The charges have also been reviewed to take into consideration the increase in disposal costs through East London Waste Authority and Thames Water which the Council has to pay, and these increases will be passed to the relevant users of the service.</p> <p><u>Recommendation</u></p> <p>The Executive is asked to approve the increased charges as set out in this report.</p> <p><u>Reason</u></p> <p>The increases to these charges reflect the current costs of the services provided and increases in costs made to the Authority.</p>		
<p>Contact: Mike Mitchell</p>	<p>Head of Environmental Management</p>	<p>Tel: 020 8227 2677 Fax: 020 8227 2221 Minicom 020 8227 3034 E-mail: mike.mitchell@lbbd.gov.uk</p>

1. Background

- 1.1 It is normal practice to review all charges at this time, in order that increases can be made effective from the 1 April 2004.

2. Collection and Disposal of Trade, Clinical and Other Waste**2.1 Overall Costs**

With effect from 1 April 2004 Landfill Tax will increase by £1.00 to £15.00 per tonne. The advice from The East London Waste Authority (ELWA) is that estimated charges for the transportation and disposal of waste will increase from £29.50 to £30.50 (3.4%). This will have the effect of increasing their charge from £43.50 to £45.50 per tonne.

2.2 A schedule of existing costs, charges and proposed charges for 2004/2005 is set out as Appendix A to this report. The increase in charges contained in this report includes departmental costs, materials, transport and the cost of disposal of the waste for which the net weighted average increase is 3.05%.

3. Clinical Waste Services

3.1 A schedule of existing costs, charges and proposed charges for 2004/2005 is set out as Appendix A to this report. The increase in charges contained in this report includes departmental costs, materials, transport and the cost of disposal of the waste for which the net weighted average increase is 2.97%.

4. Cesspool Emptying

4.1 The Authority provides a service to a decreasing number of sites where we empty cesspools. Of these, 12 are private and two are Borough cemetery sites. Of the private sites two are visited monthly and 10 visited once / twice a year. The two cemeteries are visited weekly.

4.2 As part of the Cemeteries Best Value Review, this aspect of cemeteries' costs was examined and the Review found that the cost of making these connections would be in excess of £55,000. In addition there would be annual charges for sewage disposal. The recovery period would be in excess of 6 years depending on sewage disposal costs.

4.3 The cost of disposal of waste effluent for 2003/2004 was charged at £0.157 per litre. This charge is levied by the Thames Water Authority and is expected to increase to £0.159 for 2004/2005 (Approx. 1.5%).

4.4 Disposal charges will reflect any increases during the year 2004/05.

5. Reuse and Recycling Centre (RRC) (formerly Civic Amenity Site)

5.1 With effect from 24 December 2002, Shanks Waste Services Ltd (SWS), under the Private Financing Initiative (PFI) contract with East London Waste Authority (ELWA), assumed responsibility for the Civic Amenity service. It is free of charge to the residents of the Borough, for the deposit of domestic and garden waste.

5.2 Shanks Waste Services Ltd., also provide for the deposit of commercial waste at the Reuse & Recycling Centre, but there is a charge for the service.

6. Vehicle Crossings

6.1 The provision of a crossing facility for householders to park their vehicles off the highway is authorised by Section 184 of the Highways Act 1980. This Act gives the local Highway Authority the power to construct properly surfaced vehicle crossings over the footway and to charge the occupier of the premises with the cost.

6.2 The proposed charges include known inflation. Unfortunately, the new Highways Maintenance Contract awarded during the 2003/04 financial year increased the Schedule of Rates by almost 30% as a result of the prevailing market conditions in the highways civil engineering industry. This significant rise in unavoidable costs

for the Council has manifested itself in a reduction in the number of residents proceeding with vehicle crossings over the footway after receipt of the initial estimated quote. This has caused a significant increase in the amount of administration work being undertaken to process quotes and, in the event of proven breach of the Highways Act 1990, enforce the regulations where crossovers are needed.

- 6.3 In an effort to encourage residents to complete their application and proceed to a legal crossover, it is proposed that a charge of £25 for each estimate produced is introduced. The £25 charge will be offset against the final cost of the crossover. Officers are confident that this will reduce the number of estimates that are not proceeded with. This system is in operation in a number of other London boroughs and has proved very successful in encouraging residents to complete the works post-estimate.

7. MOT Vehicle Inspection

- 7.1 Through the Council's Transport Workshop, MOT Inspections are provided in Class 4 and Class 7 categories. The Workshop is now also able to provide inspections in Class 5.
- 7.2 Class 5 and Class 7 MOT tests are charged at a rate determined by the Ministry of Transport and are in line with charges made by local garages. The Ministry of Transport suggested rate for Class 4 MOTs is £37.60, however, no local competitors in the area charge the full MOT rate.

8. Bulky Household Collections

A separate report on this issue will be presented to the Executive at the end of May 2004.

9. Financial Implications

9.1 Charging Policy Commission

When considering the recommended increases, the Executive should have regard to the Fundamental Principles set by the Charging Policy Commission and approved by Assembly on 4 July 2001. The Interim Head of Finance for LESD is of the opinion that the proposed charges have regard to the Fundamental Principles. On 1 October 2003 the Assembly agreed that the Charging Policy Commission should be reconvened to assess the progress against its recommendations. The Charging Policy Commission will be undertaking further work over the next financial year and will be reviewing the basis on which existing charges are determined and the possibility of new charges.

9.2 Budget Strategy - 2004/05

The budget strategy for 2004/05 provides for an increase of 2.5% on fees and charges. The Interim Head of Finance for LESD has reviewed the proposed changes in charges and confirms that, overall, this requirement has been met.

10. **Consultation**

The following people have been consulted on this report and have raised no objections:

Bob Cooper, Interim Head of Finance, LESD
Laura Williams, Acting Head of Finance, LESD
Philip Horner, Senior Accountant, LESD
Terry Bevan, Transport and Waste Services

Background Papers

- The Mayor's Municipal Waste Management Strategy
- Executive Minute 325, 18 March 2003 Fees and Charges

**Environmental Management Division
Fees And Charges Estimates For 2004/05**

Waste Collection Services

	Commercial Waste		9 Yard Skip Service		Clinical Waste Service		Refuse Container Hire		Total Service Costs		Comments
	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	
Expenditure	£	£	£	£	£	£	£	£	£	£	
Vehicle Lease Costs	13,170	13,170	0	0	6,940	6,940	0	0	20,110	20,110	
Contractor Charges	52,010	53,700	43,360	44,750	66,650	68,780	29,080	30,000	191,100	197,230	Assume 3.2% increase
Waste Disposal	91,350	95,920	38,370	40,290	0	0	0	0	129,720	136,210	Assume 4.6% increase
Recharged Costs	66,820	68,960	12,700	13,100	18,850	19,460	7,310	7,540	105,680	109,060	Assume 3.2% increase
Capital Charges	10,470	10,470	0	0	0	0	0	0	10,470	10,470	
Total Costs	233,820	242,220	94,430	98,140	92,440	95,180	36,390	37,540	457,080	473,080	
% Increased Costs		3.59		3.93		2.96		3.16		3.50	
Income											
Tonne Mileage	2,520	3,000	0	0	0	0	0	0	2,520	3,000	
Recharged Income	0	0	29,660	31,480	4,000	4,120	0	0	33,660	35,600	
Refuse Bags	52,670	54,420	0	0	0	0	0	0	52,670	54,420	
Euros / Paladins	194,910	200,400	0	0	0	0	0	0	194,910	200,400	
9 Yard Skip	0	0	65,000	66,690	0	0	0	0	65,000	66,690	
Health Authority Charges	0	0	0	0	50,000	45,000	0	0	50,000	45,000	
Private Businesses	0	0	0	0	47,150	48,560	0	0	47,150	48,560	
Bulky Furniture	0	0	0	0	0	0	0	0	0	0	
Euros / Paladins Hire	0	0	0	0	0	0	27,490	28,300	27,490	28,300	
9 Yard Skip Hire	0	0	0	0	0	0	9,930	10,230	9,930	10,230	3% increase, however, reduced income from AHA
Total Income	250,100	257,820	94,660	98,170	101,150	97,680	37,420	38,530	483,330	492,200	
% Increased Income		3.09		3.71		(3.43)		2.97		1.84	
Net Service Surplus ((Cost	16,280	15,600	230	30	8,710	2,500	1,030	990	26,250	19,120	

**Environmental Management Division
Fees And Charges Estimates For 2004/05**

Miscellaneous Charges

Expenditure	Cess Pool Emptying		Sewer Blockages		Footway Crossings		MOT Testing Service		Skip Licences/Permits		Comments
	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	
	£	£	£	£	£	£	£	£	£	£	
Employees	0	0	0	0	0	0	0	0	0	0	
Premises	0	0	0	0	0	0	0	0	0	0	
Transport	0	0	0	0	0	0	0	0	0	0	
Supplies	0	0	0	0	0	0	0	0	0	0	
Contractors	21,500	22,190	73,850	76,210	242,000	249,700	22,430	22,970	0	0	3.2% Increase
Waste Disposal	3,120	3,220	0	0	0	0	0	0	0	0	3.2% Increase
Recharged Costs	2,580	2,660	16,030	16,540	64,600	87,560	0	0	15,000	15,750	3.2% Increase
Capital Charges	0	0	0	0	0	0	0	0	0	0	
Total Costs	27,200	28,070	89,880	92,750	306,600	337,260	22,430	22,970	15,000	15,750	
% Increased Costs		3.20		3.19		10.00		2.41		5.00	
Income											
Recharged Income	21,580	28,070	22,470	23,930	0	0	0	0	0	0	Sewer Blockages - Housing contribute 25%
External Cesspool Charges	5,620	0	0	0	0	0	0	0	0	0	No current demand for this service
Sewer Blockage Charges	0	0	0	0	0	0	0	0	0	0	Private House sewer blockages are cleared FOC
Skip Permits	0	0	0	0	0	0	0	0	15,000	15,750	
Footway Crossing Income	0	0	0	0	306,600	337,260	0	0	0	0	
MOT Income	0	0	0	0	0	0	22,430	22,990	0	0	
Total Income	27,200	28,070	22,470	23,930	306,600	337,260	22,430	22,990	15,000	15,750	
% Increased Income		3.20		6.50		10.00		2.50		5.00	
Net Service Surplus /(Cost)	0	0	(67,410)	(68,820)	0	0	0	20	0	0	

Existing And Proposed Charges

Appendix A1.3

	Current Charge	Current VAT	Current Total	Proposed Charge	Proposed VAT	Proposed Total
	£	£	£	£	£	£
Waste Services						
Trade Refuse Collection						
Refuse Sacks	1.28	0.22	1.50	1.32	0.23	1.55
Euro or Paladin Bin Per Collection	6.47	1.13	7.60	6.64	1.16	7.80
Euro or Paladin Bin Per Collection where there are more than six units on site	4.51	0.79	5.30	4.64	0.81	5.45
Euro or Paladin Bin Annual rental	34.72	6.08	40.80	35.74	6.26	42.00
9 Cubic Yard Demountable Container						
Charge per Collection	75.06	13.14	88.20	76.60	13.40	90.00
Annual Rental	288.77	50.53	339.30	297.87	52.13	350.00
Bulky Furniture Collections						
Quarter Load	19.06	3.34	22.40	21.28	3.72	25.00
Half Load	38.04	6.66	44.70	42.55	7.45	50.00
Full Load	76.26	13.34	89.60	85.11	14.89	100.00
Charge for up to 3 items	-	-	-	8.51	1.49	10.00
Charge for 4th and each subsequent item	-	-	-	4.26	0.74	5.00
Clinical Waste Collections						
Annual Charge For Weekly Collections	210.04	36.76	246.80	216.34	37.86	254.20
Charge Per Sack	4.17	0.73	4.90	4.34	0.76	5.10
Charge Per Box	4.17	0.73	4.90	4.34	0.76	5.10
Miscellaneous Services						
Cesspool Emptying	109.74	19.20	128.94	113.02	19.78	132.80
Provide Footway Crossing Estimate	-	-	-	25.00	-	25.00
Construct Standard Footway Crossing	370.50	-	370.50	408.00	-	408.00
Clear Sewer Blockage - Private House	-	-	-	-	-	-
Class IV MOT Test	30.00	-	30.00	32.00	-	32.00
Class V MOT Test (13 to 16 seats)	43.40	-	43.40	45.70	-	45.70
Class V MOT Test (Over 16 seats)	58.90	-	58.90	61.95	-	61.95
Class VII MOT Test	39.20	-	39.20	44.40	-	44.40
Skip Permit	10.00	-	10.00	10.50	-	10.50

Notes

Trade Refuse Collection

Where the trade premises include residential accommodation e.g. public houses, where NO SEPARATE DOMESTIC COLLECTION IS UNDERTAKEN, an allowance equal to the charge for 2 bins/sacks per week is deducted from the collection charges for each unit of residential accommodation for the account period.

MOT Tests

Class V and Class VII MOT tests are charged at the rates determined by the Ministry and are in line with charges made by local garages. The suggested rate for class IV tests is £37.60, however, no local competitors charge the full rate.

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THE EXECUTIVE**9 MARCH 2004****REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES****FEES AND CHARGES 2004/05: LEISURE ACTIVITIES,
CEMETERIES AND COMMUNITY HALLS****FOR DECISION**

The assessing and determining of Charges and Fees is reserved to the Executive in the Council's Constitution by the Scheme of Delegation.

Summary

This report looks at the range of factors that the Executive is advised to take into account in setting fees and charges for its leisure facilities for 2004/05. In doing so, it provides information that draws comparisons with charges made by neighbouring authorities, and with cross-London average charges, using available data bases.

At the end of the third quarter of the current financial year, attendances at all of the Borough's public leisure facilities are down on the same time last year. This reflects a national trend.

The health benefits of regular sport and physical exercise are well documented and now undeniable. There are therefore major long-term benefits for this Borough and its residents, if the health statistics of the Borough can be improved through regular exercise.

In the spirit of Best Value, Officers are working with certain sports clubs and Community Associations to draw up Delegated Management Agreements for some park pavilions and community halls.

Wards Affected - All Wards in the Borough

Recommendation

The Executive is recommended to:

1. Agree to a simplification of the number and type of Memberships available, not only to offer good value for money to regular and frequent users but also to encourage more people to make regular and more frequent use of facilities, including the removal of the category of off-peak membership;
2. Agree, in principle, to the introduction of a category of Staff Membership in replacement of the long-established concession of free swimming for certain categories of staff, subject to negotiations through the staff negotiating procedure;
3. Agree to the removal of the concept of Day Membership in the majority of cases, by showing standard activity prices, from which Members will be entitled to a discount every time they use facilities;
4. Agree to Officers negotiating with specific sports clubs regarding Delegated Management Agreements for certain pavilions in parks, subject to further reports being presented for approval of details agreed;

5. Agree to the reduction of categories for charging of community halls from three to two;
6. Give Delegated Authority to Officers in LESD to negotiate with users of Mayesbrook Arena and agree the Charges for 2004/05 to get the best available return to the Council.
7. Note the position with regard to Cemeteries Charges.

Reason

To set the Leisure Activity Charges for the forthcoming year in accordance with the principles of the Charging Policy Commission and pending the recommendations of the Leisure Facilities Scrutiny Panel to assist with the Council's Community Priority of "Improving Health, Housing and Social Care" and "Developing Rights and Responsibilities with the Local Community".

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1. Background

1.1 Charging Policy Commission

1.1.1 The fundamental principles, which must be considered when reviewing fees and charges for Council services, were set by the Charging Policy Commission in 2001 and approved by the Assembly on 4 July 2001. There is a starting presumption that charges should be set to recover the full cost of the service, including all overheads, and that any subsidy must be transparent, and demonstrably support or promote Council priorities and policy objectives in an effective manner.

1.1.2 It is now generally accepted, however, that that principle cannot be applied for most leisure facilities provided by this or other Councils, because it would have the effect of simply setting prices beyond the reach of most people, resulting in reduced levels of take up, and consequently of income. A measure of subsidy is, therefore, widespread in the provision of most local authority leisure facilities.

1.1.3 A report was presented to the Executive on 11 March 2003, (Executive Minute 327 refers) which examined, in some detail, the extent of subsidies that are made to various activities. The result was some significant increases in charges for certain activities, or a radical change in the basis on which users were charged. For example, the levying of a standard fee of £3,500 per green to Bowls Clubs, allowing them to charge both their own members and members of the public for use of the greens is an example. That work has not been repeated for the 2004/05 financial year. Instead, effort has been focussed on comparisons with charges elsewhere, recognising the competitive nature of the leisure business in which these aspects of the Council's services operate.

1.2 Pricing Strategy

- 1.2.1 It must always be borne in mind that Leisure Services operate in a competitive market alongside private, public and voluntary sector providers. For many years, therefore, prices have been reviewed annually in order to balance the twin objectives of remaining competitive and attracting high footfall, whilst trying to maximise income.
- 1.2.2 A key factor in this process is to examine charges in neighbouring boroughs, which is done by reference to the *“London Boroughs Sports Amenities Charges Directory”*, which is published by the Leisure Database Company - particularly looking at charges in Havering, Newham and Redbridge. Borough boundaries are not particularly significant to sports players, and two of the Council’s indoor leisure facilities are very close to the Borough boundaries. Thus, whilst some of the Borough’s residents will undoubtedly choose to play sport out of the Borough, the Council’s facilities will also gain customers from other boroughs.
- 1.2.3 The Council’s swimming pools and leisure centres also have a role in line with the Council’s Corporate Priority of *“Improving Health, Housing and Social Care”*, of encouraging residents to take part in sport and exercise, and to make it a regular part of their routine and lifestyle, for the proven health benefits it can bring. Services, such as the long-established GP Referral Scheme, have now developed into the much wider *“Fit for Life”* Scheme, one of the largest schemes in operation in London.
- 1.2.4 In an area of high levels of deprivation, as well as high incidences of life-threatening conditions such as heart disease, overweight and obesity, prices need to be set at a level which, whilst making a realistic contribution to the cost of providing the service, do not create financial barriers to the residents who could most benefit.
- 1.2.5 Prices for last year, 2003/04, increased by an overall average of 6%, greater than the anticipated average increase of the three neighbouring boroughs, which at that time was 2.66%. The average 6% increase takes into account a spread of higher or lower increases to individual activity prices.
- 1.2.6 The result is that whilst remaining broadly in line with overall London average prices, when comparing charges for a selection of the most popular activities with those of our immediate neighbours, Barking and Dagenham’s prices are frequently above the average of the others and in some cases are the most expensive.
- 1.2.7 There is no longer a national performance indicator dealing purely with attendances at leisure facilities. However, the Council does participate in the Sport England National Benchmarking Service, a nationally recognised benchmarking standard within the leisure industry, which looks at the whole picture of leisure facility operations.
- 1.2.8 The Council’s leisure centres monitor visitor numbers on a four-weekly basis, and report them on a regular basis as one of the internal Performance Indicators. There is an industry-wide acknowledgement that attendances at indoor leisure facilities have declined slightly over the last year, which is borne out by the Council facilities records over the first three-quarters of 2003-04. This factor needs to be borne in mind throughout the process of reviewing charges for 2004/05.

- 1.2.9 There are undeniable health benefits to be gained from regular physical activity, whether on the basis of casual or organised sport. It also provides opportunities for social contact and team working. Thus, leisure activities can be seen as assisting in achieving the Community Priorities of *“Improving Health, Housing and Social Care”*, *“Better Education and Learning for All”*, and, via clubs, *“Developing Rights and Responsibilities with the Local Community”*.

2. Membership

- 2.1 Membership schemes are an important feature of encouraging loyalty and a sense of belonging in the users of the facilities, as well as a financial foundation on which income streams are built.
- 2.2 Over the next three years (2004 – 2007), it is proposed to continue streamlining the number and types of membership on offer to users, giving them clearer options on how best they can make the most of the leisure facilities breaking down the perceived barriers to participation and meeting their needs, aspirations and lifestyle’.
- 2.3 In order to achieve this, it is necessary to remove some of the existing membership categories to allow more flexibility in the range of memberships that the leisure centres can offer in the future.

3. Leisure Facilities Scrutiny Panel

- 3.1 In November 2002, the Scrutiny Management Board agreed to set up a Leisure Facilities Scrutiny Panel, with the following Terms of Reference:
- (i) To investigate the range and provision of leisure facilities across the Borough (both Council and private) and whether these offer residents adequate choice and availability.
 - (ii) In doing so, to examine costs and usage of facilities and consider any areas of duplicated provision.
 - (iii) To explore any opportunities for better value, perhaps through joint ventures.
 - (iv) To have regard to equalities and diversity issues.
 - (v) To report back with findings and recommendations.

At the time of writing this report, the Panel has met on four occasions, and has examined issues such as what type and how many leisure activities are taking place within the Borough; electronic access to information related to leisure/sporting activities but has not yet issued a report of its findings or recommendations. This will be submitted in the new financial year.

4. Aims of the Review of Fees and Charges

- 4.1 The main aims of this review of fees and charges for leisure activities are:
- To encourage increased and regular usage of leisure facilities to the benefit of the health of users.
 - To simplify charging arrangements by reducing the number of anomalies in the pricing structure where ever possible.

- To maximise income opportunities.
- To remain competitive in the market place. This means being aware of surrounding boroughs' charging policies, as well as those of private and voluntary sector competitors.
- To recognise that charges should generally remain within the reach of residents, in an area where earnings are lower than the London average, and where there is consequently less disposable income to spend on leisure activities.

5. Pricing Schedules

- 5.1 Three distinct Pricing Schedules are proposed and attached as appendices to this report, as follows:
- | | |
|-----------------------------|-------------------|
| • Pools and Leisure Centres | Appendix A |
| • Park Sports Facilities | Appendix B |
| • Community Halls | Appendix C |
- 5.2 Each schedule shows the current year's (2003/04) actual charges, and next year's (2004-05) recommended charges.
- 5.3 The schedules for Pools & Leisure Centres and Park Sports Facilities also show comparative prices, which have been obtained from two main sources:
- The database maintained by The Leisure Database Company, to which the Council subscribes. This provides comparative charges for most principal leisure activities from other participating London boroughs, and also provides a "cross-London average" charge. In addition, a report of comparative information of the charges made in neighbouring boroughs (Havering, Newham and Redbridge) was commissioned. It should be noted that these charges are those that apply for 2003/04 and that the proposals in this report are for charges for 2004/05.
 - The publication "Charges for Leisure Services Statistics" compiled by CIPFA (Chartered Institute of Public Finance) Statistical Information Service of principal leisure charges for 81% of councils across the country. Of particular relevance is the guidance given regarding price levels that fall in the lowest quartile, the median and the upper quartile. These are available nationally, but of more relevance to this Borough and used in the schedules, are the figures for London.
- 5.4 Comments to Support Pricing Schedule
- 5.4.1 The Pricing Schedules should be read in association with the following information, which is intended to clarify and explain the reasoning behind some of the recommendations.

5.4.2 Pools & Leisure Centres

5.4.2.1 Membership Schemes

The Leisure Centres Service proposes to operate three forms of “membership” which are targeted to assist and encourage participation in sport and exercise on a regular basis.

5.4.2.2 The Leisure Centres will be developing the use of the recently installed direct debit system of payment, allowing members to pay for their chosen membership category by regular instalments, which is now standard practice in the leisure industry.

5.4.2.3 LeisureSmart

This is a conventional and long-standing membership scheme, which gives regular users a discount off the standard activity prices, as well as giving them advanced booking privileges for courts, courses and similar facilities. The LeisureSmart card is usable at Leisure Services Centres (but not Dual-use school sites) in the Borough. The proposed membership charges, at £27 for adults and £14 for juniors, are set so that anyone who uses the facilities more than once a fortnight will save money over a full year. Standard activity charges are discounted by £1 for adults and 50p for juniors, so that those adults using facilities once a week will save around £25 per year by becoming a LeisureSmart member.

5.4.2.4 LeisurePass

LeisurePass is a concessionary scheme for residents in receipt of benefits, or who have a long-term illness or disability, or are in full-time education. For a small annual fee, they receive discounted access to a range of facilities, although only at off-peak times. Since LeisurePass holders are generally not in full-time employment, the assumption is that they will be able to access facilities at other than the busy times.

5.4.3 Proposed Changes to Membership Categories.

5.4.3.1 LeisureActive (New Category)

LeisureActive will offer unlimited access to a specified range of health and fitness facilities, activities and courses in return for an all-inclusive, monthly payment. This is in line with established practice in private health and fitness clubs. Arrangements exist for customers to pay by monthly direct debit. However, they can choose not to renew at the end of any month, without penalty.

5.4.3.2 Staff Membership (New Category)

Subject to discussions, which will be required through the staff Joint Negotiating Committee, Officers request the Council to agree to introduce a further category of LeisureSmart membership, for staff employed by the Council.

Currently, there is an arrangement whereby certain categories of staff are entitled to free swimming at lunchtimes. However, it does not extend to all staff, (teaching staff, for example, are not included), nor does it extend to other activities. There are important benefits to having a fit, active and healthy workforce, and it is now regular practice that employers make provision to encourage staff to partake in sporting/leisure activities.

5.4.3.3 The proposal is that all Council staff, including school staff, be offered personal LeisureSmart membership at a reduced cost of:

First Year	£12	(£6 joining fee + £6 cost of Smart Card
Subsequent Years	£ 6	(nominal administration fee for renewal)

Thereafter, staff would then be entitled to use the full range of facilities and activities, including having the benefits of advance booking privileges, at the discounted rate. It is felt that more staff would be encouraged to use facilities than currently take advantage of the free swim arrangement. The free swim arrangement would cease, and would also be replaced by a discounted swim at member rates.

5.4.4 Off-peak Membership (Category to be removed)

5.4.4.1 The category of LeisureSmart membership, which was only valid at off-peak times, was sold at three quarters of the price of full membership. The intention was to encourage the use of facilities at quieter times when there was spare capacity. In the light of the additional categories of membership now proposed, it is proposed to remove the off-peak membership category for 2004/05. Although this will initially impact on off-peak members, these users will still be able to use the facilities at off-peak rates, which will effectively end the anomaly of discounting the same activity twice.

5.4.5 SuperSmart and AquaSmart

The SuperSmart and AquaSmart categories of membership are being proposed to be withdrawn. The effect of this change will be to streamline membership packages, as similar benefits will be available via LeisureSmart and LeisureActive.

5.5 Activity Charges in Sport and Leisure Centres

5.5.1 Proposed activity charges are set out in Appendix A. In most cases, an increase on the current year's charge (2003/04) is recommended, but not in all cases; the reason being that statistically, overall pool and leisure centre attendances have fallen this current year compared to last year; a national trend. To increase prices in the face of a declining usage would only exacerbate the situation. Increases have therefore been focussed on activities for which there is a stronger, sustaining demand.

5.5.2 Many activity prices are no longer shown as two rates, for members and non-members. Instead, they are shown as one standard activity charge, from which LeisureSmart and LeisureActive members will automatically receive a discount of £1 for adults and 50p for juniors. 'Day Membership' will be removed from the Schedule of Charges, as people who are not LeisureSmart members will simply pay the standard activity charge. However, where the hire/use is a group activity (e.g.

5-a-side, badminton and squash) it is proposed that a set charge will be levied to those players who do not otherwise hold a valid Membership.

5.6 Coaching and Instructed Courses.

It is recommended that a fixed coaching charge should only apply for swimming instruction. All other course fees are set at the discretion of the Leisure Centres in order that they can be flexible and react to demand and variable costs.

6. Park Sports Facilities

6.1 Appendix B provides comparative prices (where available) for charges for outdoor sports in parks and open spaces as well as recommendations for charges for 2004/05.

6.2 Pavilions

6.2.1 Pitch prices normally include use of changing rooms and showers, which are available at most sites. For certain sports like cricket and rugby, the pitch hire fee has always been regarded as including the use of the pavilion and kitchen facilities, for entertaining visiting teams where that is part of the normal social activity surrounding the game itself.

6.2.2 In the case of most of the Council pavilions, there is a "home" club, which plays its competitive matches there throughout the season.

6.2.3 The Officers are in discussion, with most clubs, with a view to drawing up a Delegated Management Agreement with the clubs. This agreement will transfer to the clubs greater responsibility for the management, and operations, including repair maintenance of the pavilions.

6.2.4 Pavilions most likely to be affected by this proposal are:

Park	Club
St Chad's Park	St Chad's Cricket Club
Central Park	Dagenham Rugby Club
Mayesbrook Park	Mayesbrook Sports Association (Barking CC & Euro-Dagenham FC)

Subject to the satisfactory progress of negotiations, it is hoped that a report will be submitted to the members before the end of the financial year 2004/05 on Delegated Management Agreements.

6.3 Mayesbrook Arena

6.3.1 It is recommended that the present practice of negotiated charges for both regular and occasional lettings for the Arena should continue.

7. Community Halls

7.1 The management of community halls transferred to the Leisure and Community Services Division on 1 October 2003. Therefore charges for Saturday and Sunday

bookings administered by the Council are included in this report. Charges for mid-week use fall to the resident Community Association currently.

- 7.2 Charges for Community Halls have been reviewed and increased in line with inflation over the last three years. There were three categories of hall, and therefore three price bands, based on the size and capacity of the halls. As part of this review, it is proposed to reduce the number of categories to two, by combining B and C categories.
- 7.3 Hall bookings for Saturday and Sunday are handled directly by the Council, who provides a caretaking/hall supervision service for these lettings. The minimum booking period is 4 hours, and additional hours can be booked on top of this. For Seabrook and Fanshawe Halls, a premium rate is charged if the hall is booked until midnight, to cover the enhanced rate payable to the Hall Supervisor for work after midnight.
- 7.4 The George Crouch Centre does not currently have a Community Association attached, and due to its location, it is not let out after 7pm. All hall bookings for this centre are therefore dealt with directly by the Council.
- 7.5 Japan Road Community Centre is also not let out on Saturday evenings for social purposes, because of its location and condition.

8. Cemetery Charges

- 8.1 By Minute 84, 19, August 2003, it was agreed that following a substantial increase in Cemetery Charges effective from 1 October 2003 Cemetery Charges for 2004/05 were to be increased by the rate of inflation only, pending a further review to be introduced to coincide with the opening of the proposed new cemetery site at Marks Gate, which was scheduled for summer 2005 and that the next review of Cemetery Charges should be presented to the Executive in February 2005.
- 8.2 The Director of Finance advises an inflation factor of 2.5% should be applied to 2003/04 Charge to calculate the 2004/05 Charges. Further details can be obtained from the Acting Group Manager for Parks, Cemeteries and Security.

9. Financial Implications

9.1 Charging Policy Commission

When considering the recommended increases, the Executive should have regard to the Fundamental Principles set by the Charging Policy Commission and approved by Assembly on 4 July 2001. The Interim Head of Finance for LESD is of the opinion that the proposed charges have regard to the Fundamental Principles.

On 1 October 2003 the Assembly agreed that the Charging Policy Commission should be reconvened to assess the progress against its recommendations.

The Charging Policy Commission will be undertaking further work over the next financial year and will be reviewing the basis on which existing charges are determined and the possibility of new charges.

9.2 Budget Strategy – 2004/05

The budget strategy for 2004/05 provides for an increase of 2.5% on fees and charges.

The Interim Head of Finance for LESD has reviewed the proposed changes in leisure charges and confirms that, overall, this requirement has been met. The risk to generating increased income is the degree of uncertainty around the usage of leisure facilities and as mentioned earlier in the report there has been a drop in the usage of leisure facilities generally in the last year. Therefore, the potential impact on usage if these proposed charges are implemented cannot be determined. It is proposed that the impact on usage be monitored by the Charging Policy Commission and if there is a significant reduction in the generation of income this should be reported back to the Executive at a later date.

The estimated weighted increase from the proposed charges for Park Sports, Leisure Centres and Community Halls is attached as Appendix D.

10. Consultation

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

Bob Cooper, Interim Head of Finance, LESD
Jason Payne, Acting Senior Accountant LESD
Aubrey Allan, Head of Leisure and Community Services
Elaine Bevis, Leisure Centres Manager
Teresa Parish, Leisure and Community Services Manager
Parker Damien, Acting Group Manager for Parks Cemeteries and Security

Background Papers

- Assembly 4 July 2001 - Report of the Charging Policy Commission.
- Executive Minute 347, 19 February 2002 re Mayesbrook Arena Resurfacing and future charges.
- Executive Report and Minute 327, 11 March 2003 - Charges 2003/04 (Re: Leisure Activities).
- Executive report and Minute 84, 19 August 2003 - Cemetery Charges – 2003/2004 and 2004/2005.
- Charges for Leisure Services Statistics 2003-2004 published by CIPFA (August 2003) www.cipfastats.net
- Sports Amenities Charges London Borough's Directory 2003-2004, published by the Leisure Database Company (November 2003) www.leisuredatabase.com
- Sports Amenities Charges 2003-2004 Customised report covering LBB, Havering, Newham and Redbridge. Published by the Leisure Database Company (December 2003) www.leisuredatabase.com
- Assembly Minute 44, 1 October 2004 re Report of the Director of Corporate Strategy and Reconvening of Charging Policy Commission.

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A

Proposed charges are standard activity charges.

LeisureSmart Members will receive an automatic discount of £1 for adults and 50p for juniors off these charges

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04				
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile			
Membership												
LeisureSmart												
<i>Discounted activity charges for regular users, plus booking benefits</i>												
• Adult	£26.30	£27.00							£26.10	£28.45	£41.91	
• Junior	£13.50	£14.00							£8.89	£13.40	£15.89	
• Family	£60.00	£61.00		£15.00			£22.00					
• Staff	N/A	£6.00										
• Joining fee – one-off payment	£5.75	£6.00										
• Replacement card	£5.75	£6.00										
• Adult off-peak	£20.00	Discontinue										
• Junior off-peak	£10.00	Discontinue										
• Family off-peak	£45.00	Discontinue										

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04		
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile	
LeisureActive <u>All-inclusive package of fitness activities</u> <ul style="list-style-type: none"> • Per month • Per year • Joining fee – one-off payment • Replacement swipe card 		£37.00 £407.00 £6.00 £4.00								
LeisurePass <u>Concessionary scheme giving entitlement to reduced charges on certain activities at off-peak times</u> <ul style="list-style-type: none"> • Per year 	£3.00	£3.00								

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04				
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile			
<u>Individual Activity Charges</u>												
<u>Fitness Gym</u>												
• Adult, peak times	£4.40	£4.50	£4.85	£3.80	£4.70	£6.30	£4.68	£5.00	£5.55			
• Adult, off peak	£3.60	£3.70										
• LP, off peak	£1.80											
• Adult, induction	£8.00	£9.00										
• LP, induction		£5.00										
<u>Badminton Court</u>												
• Adult, peak times, ½ hour	£5.00	£5.00										
• Adult, off-peak ½ hour	£3.80	£3.80										
• Junior, peak times ½ hour	£5.00	£4.50										
• Junior, off-peak ½ hour	£2.50	£2.50										
• LP, ½ hour		£2.00										
• Adult, peak times 1 hour	£8.60	£8.60	£8.50	£9.73	£7.50	£8.75	£7.40	£8.20	£8.50			
• Adult, off-peak, 1 hour	£6.10	£6.10		£7.30	£5.35	£8.00						

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04				
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile			
<u>Badminton Court</u>												
• Junior, peak 1 hr	£8.60	£8.10	£7.71	£7.30	£4.50	£7.40						
• Junior, off-peak 1 hr	£4.30	£4.30		£7.30	£3.10	£3.40						
• LP, 1 hour		£3.60										
<u>Squash Court</u>												
Per court, per 40 mins				(40 mins)		(30 mins)						
• Adult, peak times	£6.70	£6.70	£10.68	£9.00		£19.40			£6.70	£8.10		£9.39
• Adult, off-peak	£5.20	£5.20		£6.00		£6.30						
• Junior, peak times	£6.20	£6.20		£6.00		£6.30						
• Junior, off-peak	£3.15	£3.15		£6.00		£4.15						
<i>Badminton and Squash. Courts booked by a LeisureSmart member will receive a single discount of £1 (adult member) or 50p (junior member). Other players who are not LeisureSmart members will be subject to a Day Membership fee of £1 (adult) or 50p (junior).</i>												
<u>Table Tennis</u>												
Per person, per hour			£5.04									
• Adult, peak times	£3.20	£3.20		£3.95	£3.87	£10.20						
• Adult, off-peak times	£2.75	£2.75		£3.95	£2.70	£8.40						
• Junior, peak times	£2.55	£2.55		£3.95	£1.60	£6.50						
• Junior, off-peak times	£1.75	£1.75		£3.95	£1.30	£5.70						
<u>Crèche</u>												
Per child, per hour		£2.00										

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04				CIPFA Distribution (London) 2003 - 04		
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile
<u>Hire of Facilities</u>									
5-a-Side Pitches									
Outdoor synthetic 5-a-side pitch									
• Adult – peak time	£22.00	£25.50							Full size pitch (lit) £67.43 (Unlit) £60.60
• Adult off peak	£18.00	£20.00							Full size Pitch (lit) £61.69 (Unlit) £52.20
• Junior – peak time	£12.00	£15.50							Full size Pitch (lit) £45.28 (Unlit) £33.68
• Junior off peak	£8.00	£10.00							
Outdoor tarmac 5-a-side pitch									
• Adult – peak time	£12.50	£15.50							
• Adult off-peak	£9.50	£11.75							
• Junior – peak time	£6.75	£8.50							
• Junior off-peak	£5.25	£6.50							
<u>5-a-side pitches.</u> Players who are <u>not</u> LeisureSmart members will be subject to a Day Membership fee of £1 (adults) or 50p (juniors) in addition to the pitch fee shown.									

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04			
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile		
<p>Hall & Room Hire Exclusive use for amateur sports purposes. All prices are per hour.</p>											
GLC 8 court hall											
• Whole hall – peak times	£80.00	£82.00		£70.83						£62.38	
• Whole hall off-peak	£56.00	£58.00									
• Half hall – peak times	£40.00	£41.00								£38.04	
• Half hall off peak	£28.00	£34.00									
• Quarter hall – peak times	£20.00	£20.50									
• Quarter hall – off peak	£14.00	£16.00									

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 – 04				
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile			
Hall & Room Hire												
WLSC & ASC 4 court halls												
• Whole hall – peak times	£40.00	£41.00						£66.65	(5 court) £52.00		£38.04	
• Whole hall off-peak	£28.00	£29.00										
• Half hall – peak times	£20.00	£20.50										
• Half hall off peak	£14.00	£16.00										
• Quarter hall – peak times	£10.00	£10.25										
• Quarter hall – off peak	£7.00	£8.00										
Rifle Range (authorised clubs, per hour)												
• WLSC	£15.50	£16.00										
Meeting Room Hire												
• Users with Public Liability Insurance		£24.00										
• Users needing Public Liability Insurance		£27.00										

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04		
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile	
<ul style="list-style-type: none"> Adult ASC & DSP GLC Junior ASC & DSP GLC Family Ticket ASC & DSP GLC 	£2.70 £3.50	£2.80 £3.60	£2.84 £3.28	£2.30	£2.80	£2.60	£2.43 £2.81	£2.68 £2.90	£2.90 £3.45	
<ul style="list-style-type: none"> (2 adults + up to 4 children) 	£1.70 £1.90	£1.80 £2.00	£2.84	£1.40	£1.40	£1.30	£1.20 £1.40	£1.35 £1.63	£1.54 £1.86	
Discount for LeisureSmart family members		£9.20 £10.80 - £3.00								
Book of 10 tickets Calculated at 8 x swim										
<ul style="list-style-type: none"> Adult ASC & DSP GLC 	£21.60 £28.00	£22.40 £28.80								

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04					CIPFA Distribution (London) 2003 - 04				
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile			
Swimming Charges												
Discount per book for LeisureSmart members		-£8.00										
• Junior ASC & DSP GLC	£13.60 £15.20	£14.40 £16.00										
Discount per book for LeisureSmart junior members		-£4.00										
Swimming courses 10 lessons, including badge & certificate												
• Adult	£40.00	£45.00		Per hour £5.10	Per hour £4.15	Per hour £6.50	Per hour £6.50	Per hour £5.00	Per hour £6.50	Per hour £9.00		
Discount per course for LeisureSmart junior members	-£12.00	-£15.00										
• Junior	£32.00	£34.00		Per hour £2.85	Per hour £3.00	Per hour £5.30	Per hour £5.30	Per hour £3.50	Per hour £5.30	Per hour £6.90		
Discount per course for LeisureSmart members	-£6.00	-£6.00										
Recharge for pupils		£0.85										

LEISURE CENTRE & SWIMMING POOL ACTIVITY CHARGES 2004/05

APPENDIX A (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003-04				CIPFA Distribution (London) 2003 - 04			
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile	
Swimming Pool Hire										
Galas, per 3 hour session										
• ASC	£150.00	£160.00								
• DSP	£240.00	£250.00								
Over-run charge, per hour										
• ASC	£75.00	£80.00								
• DSP	£90.00	£95.00								
Club hire, per hour										
• ASC main pool	£36.00	£38.00								
• DSP main pool	£42.00	£44.00								
• DSP learner pool	£26.50	£28.00								
• DSP diving bay	£32.00	£34.00								
				£42.00 £42.00			£49.50 £49.50	£40.76 £40.76	£47.00 £47.00	£59.75 £59.75

PARK SPORTS CHARGES 2004/05

APPENDIX B

<u>Activity</u>	<u>Present charge</u>	<u>Proposed charge</u>	<u>Remarks</u>
Pitch & Putt Annual Season Ticket	£107.00	£107.00	Due to fire in summer 2003 and consequent disruption to service, no increase in charges proposed for 2004 – 05. Discussions in progress regarding a longer term delegated management agreement with current operator.
18 holes per round	£4.00	£4.00	
Senior citizens	£2.00	£2.00	
Junior (Mon – Fri only)	£2.00	£2.00	
• Adult Smartcard member	£3.30	£3.30	Discount of 70p per round
• Junior Smartcard member	£1.65	£1.65	Discount of 35p per round
Tennis Per court, per hour	Free	Free	Other than at Central Park (in association with the golf) it is not cost effective to collect a fee for use of tennis courts
Central Park	£2.00	£2.00	

<u>Activity</u>	Present charge	Proposed charge	Price comparisons 2003 - 04					CIPFA Distribution (London)		
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile	
Cricket <ul style="list-style-type: none"> • Adults, per game • Juniors, per game • Adults, per season (40 games). Includes use of pavilion and kitchen facilities 	£55.00 £27.50 £2200	£56.50 £28.25 £2260	£63.33	£45.50 £22.75	£37.00 £37.00	£41.20 £41.20	£39.75	£52.13	£63.91	
See also comment in report regarding use of pavilions										
Football Fees include pitch, goalposts and, where available, dressing rooms and showers.	£45.00 £22.50 £11.00	£46.50 £23.25 £11.50	£54.99	£32.25 £10.75 £18.40	£53.00 £16.00 £26.50	£41.20 £37.50 £41.20	£40.41	£52.00	£61.38	

PARK SPORTS CHARGES 2004/05

APPENDIX B (cont/)

Activity	Present charge	Proposed charge	Price comparisons 2003 - 04				CIPFA Distribution (London)			
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile	
Adults, per season, every week – 30 games										
<ul style="list-style-type: none"> • If paid in full by October 1st • If paid in 6 monthly instalments 	£1147.50	£1185.75								
<ul style="list-style-type: none"> • Adults, per season, alternate weeks – 15 games • If paid in full by October 1st • If paid by 6 monthly instalments 	£1215.00	£1255.50								
<ul style="list-style-type: none"> • Juniors, per season, every week – 30 weeks • If paid in full by October 1st 	£573.75	£593.00								
	£607.50	£627.75								
	£573.75	£593.00								

PARK SPORTS CHARGES 2004/05

APPENDIX B (cont/)

<u>Activity</u>	Present charge	Proposed charge	Price comparisons 2003 - 04				CIPFA Distribution (London)		
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile
<ul style="list-style-type: none"> If paid by 6 monthly instalments 	£607.50	£627.75							
Juniors, per season, alternate weeks – 15 games									
<ul style="list-style-type: none"> If paid in full by October 1st 	£287.00	£287.00							
<ul style="list-style-type: none"> If paid by 6 monthly instalments 	£303.75	£303.75							
Valence Utd pitch fee									
Delegated Management agreement on pavilion	£11.00	£11.50							
Rugby									
Fees include pitch, dressing rooms and showers				Not available					
Per game	45.00	£46.50	£59.56		£59.00				

<u>Activity</u>	Present charge	Proposed charge	Price comparisons 2003 - 04					CIPFA Distribution (London)				
			London Average	Havering	Newham	Redbridge	Lower quartile	Median	Upper quartile			
Per Season, every week, based on 30 games. See also comment in report regarding use of pavilions		£1185.75										
Hurling Old Dagenham Park – per season	£285.00	£295.00										
Bowling Greens Club rental price, per green Club Guest charge, per hour (kept by Bowls Club)	£3500	£3600										
<ul style="list-style-type: none"> • Adult • Junior / Senior Citizen 	£2.50 £1.25	£2.60 £1.30	£2.49	£2.30 £2.30	Season ticket only Season ticket only	£1.00 £1.00	£1.85	£2.25	£3.00			

PARK SPORTS CHARGES 2004/05

APPENDIX B (cont/)

<u>Activity</u>	Present charge	Proposed charge	Price comparisons 2003 - 04				CIPFA Distribution (London)	
			London Average	Havering	Newham	Redbridge	Lower quartile	Median
<p><u>Pavilion Hire Charges</u> <i>The Leys, Old Dagenham, St Chad's and Mayesbrook Park Pavilions</i> Occasional lettings, minimum 4 hours,</p> <ul style="list-style-type: none"> • Monday to Saturday • Sunday & Bank Holiday <p>Regular lettings</p> <ul style="list-style-type: none"> • Band and Twirlers at Mayesbrook <p>See also comment in report about use of pavilions by sports clubs.</p>	<p>£30.00 per hour</p> <p>£35.00 per hour</p> <p>£5.00 per hour</p>	<p>£31.00 per hour</p> <p>£36.00 per hour</p> <p>£6.00 per hour</p>						
<u>Mayesbrook Arena</u>	Please see comments and recommendation on Delegated Authority for Officers to negotiate.							

END

Category of hall	Current charge			Proposed charge		
	1 st four hours	Additional 1 hours	Premium Charge 2300 to midnight	1 st four hours	Additional hours	Premium Charge 2300 to midnight
A Saturday Fanshawe; Seabrook Ripple; Woodward	£162.25	£32.50	£48.75	£170.00	£34.00	£51.00
	£162.25	£32.50	N/A	£170.00	£34.00	N/A
	£203.00	£40.60	N/A	£210.00	£42.50	N/A
B Marks Gate; Ted Ball; Thames View; Wants	£127.20	£25.50	N/A	£132.50	£26.50	N/A
	£104.50	£21.00	N/A	To be charged as Category B	To be charged as Category B	NA
C Other Halls George Crouch (with Hall Supervisor) Mon – Fri 9am to 7pm 4pm to 7 pm Japan Road (no Hall Supervisor) Saturdays only Heath Park (no Hall Supervisor)						
		£15.00 per hour £20.00 per hour			£15.50 per hour £21.00 per hour	
		£4.50 per hour			£5.00 per hour	
Note:		£4.50 per hour			£5.00 per hour	
<ul style="list-style-type: none"> All bookings also pay 8% Public Liability Insurance, unless hirers already hold their own Public Liability Insurance (PLI) cover, plus £100 deposit against damage. Local clubs, associations and charities receive 12.5% discount off all hall hire fees. <p>Approved hall key holders receive 40% discounts, as no hall supervisor is required.</p>						

APPENDIX D

Estimated Weighted Increase in Income From Proposed Charges 2004-5

Park Sports	Estimated Usage Figures	Current Charges		Proposed Charges			
		Current Charge £	Estimated Income £	Proposed Charge £	Estimated Income £	Total increase in Income £	%
Football adult - VAT on single match price	1260	£38.30	£48,255	£39.57	£49,863.83	£1,609	3.33
Football junior - VAT on single match price	390	£19.15	£7,468	£19.79	£7,717.02	£249	3.33
Mini Soccer - VAT on single match price	150	£9.36	£1,404	£9.79	£1,468.09	£64	4.55
Bowls (green fees 2003/4) - Non VAT	5	£3,500.00	£17,500	£3,600.00	£18,000.00	£500	2.86
Bowls (daily ticket) - VAT	100	£1.60	£160	£1.66	£165.96	£6	4.00
Cricket (Season Ticket) - Non VAT	2	£2,200.00	£4,400	£2,260.00	£4,520.00	£120	2.73
Rugby - VAT	30	£38.30	£1,149	£39.57	£1,187.23	£38	3.33
Pitch & Putt - run on concession basis	concession income	£4,600.00	£4,600	£4,600.00	£4,600.00	£0	0.00
Hurling (Season) - Non VAT	1	£285.00	£285	£295.00	£295.00	£10	3.51
Arena-charges set by Mgmt Negotiation	based on 2002/03 income	£9,859.00	£9,859	£9,859.00	£9,859.00	£0	0.00
Pavilion Hire – VAT	6	£27.66	£166	£28.51	£171.06	£5	3.08
Saleable Goods	based on 2002/03 income	£233.00	£233	£233.00	£233.00	£0	0.00
TOTALS			£95,479		£98,080	£2,601	2.72

APPENDIX D (cont/)

Leisure Centres	Estimated Usage Figures	Current Charges		Proposed Charges			
		Current Charge £	Estimated Income £	Proposed Charge £	Estimated Income £	Total Increase in Income £	%
Hire of Main Pool - Non VAT	1,162	39.00	45,302	41.00	47,626	2,323	5.13
Gala Hire - Non VAT	20	195.00	3,900	205.00	4,100	200	5.13
Swimming	193,312	2.09	403,076	2.17	419,528	16,452	4.08
Adult Swimming Lessons	5,754	31.50	181,245	34.25	197,068	15,823	8.73
Education Recharges	74,596	0.83	61,542	0.85	63,407	1,865	3.03
Squash	12,302	4.52	55,618.48	4.52	55,618.48	0.00	0.00
Badminton	11,006	4.67	51,398.80	4.67	51,398.80	0.00	0.00
Table Tennis	187	2.18	407.82	2.18	407.82	0.00	0.00
Hire Small Hall - Non VAT	3,668	34.00	124,712.00	37.50	137,550.00	12,838.00	10.29
Outdoor Pitches	2,082	10.00	20,820.83	11.43	23,788.91	2,968.08	14.26
Football	757	28.94	21,916.74	29.79	22,561.35	644.61	2.94
Weight Training	54,686	2.98	162,894.47	3.06	167,548.60	4,654.13	2.86
Weight Training Induction Courses	1,220	8.00	9,760.00	9.00	10,980.00	1,220.00	12.50
Rifle Range	40	15.50	613.80	16.00	633.60	19.80	3.23
Day Membership	123,273	0.85	104,913.19	0.85	104,913.19	0.00	0.00
Full Membership	1,246	28.31	35,276.82	28.94	36,054.47	777.65	2.20
TOTALS			1,283,397.85		1,343,183.24	59,785.39	4.66

APPENDIX D (cont/)

Community Halls	Estimated Usage Figures	Current Charges		Proposed Charges			
		Current Charge £	Estimated Income £	Proposed Charge £	Estimated Income £	Total increase in Income £	%
Category A 1st 4 hours Saturday	141	162.25	22,877	170.00	23,970	1,093	4.78
Additional Hours	282	32.50	9,165	34.00	9,588	423	4.62
Premium hours	71	48.75	3,437	51.00	3,596	159	4.62
Category A 1st 4 hours Sunday	47	203.00	9,541	210.00	9,870	329	3.45
Additional Hours	118	40.60	4,771	42.50	4,994	223	4.68
Category B 1st 4 hours	68	127.20	8,650	132.50	9,010	360	4.17
Additional Hours	170	25.50	4,335	26.50	4,505	170	3.92
Category C 1st 4 hours	144	104.50	15,048.00	132.50	19,080.00	4,032.00	26.79
Additional Hours	360	21.00	7,560.00	26.50	9,540.00	1,980.00	26.19
TOTALS			85,383.23		94,152.25	8,769.03	10.27

THE EXECUTIVE**9 MARCH 2004****REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

BARKING TOWN CENTRE MARKET: FEES AND CHARGES 2004/05	FOR DECISION
<p><i>This reports concerns the setting of fees and charges which is a decision reserved to the Executive by the Scheme of Delegation.</i></p> <p><u>Summary</u></p> <p>The Charging Policy Commission set a number of fundamental principles that must be considered when setting charges and this report sets out the current basis on which rental charges are levied on the Traders, and proposes new charges for this service, which reflect those principles.</p> <p>The current charges have been in effect since 1 April 2003. The increases at that date (April 2003) were substantial at approximately 15% covering increases in costs from the inception of the new market in June 2000 and also some restructuring of the charge bands. With this in mind it is proposed that the Fees and Charges for Barking Town Centre Market for 2004-5 should generally rise with inflation.'</p> <p>Additional income from the proposed Market Charges is ring-fenced and can only be used for Market or Town Centre uses.</p> <p>The proposed new charges will still be comparable with those applied by similar local markets.</p> <p><u>Ward Affected</u> - Abbey Ward</p> <p><u>Recommendation</u></p> <p>The Executive is recommended to agree to the increases in the level of charges for trading at the Barking Town Centre Market from 1 April 2004, as set out in paragraph 1.2 of this report.</p> <p><u>Reason</u></p> <p>To set Barking Town Centre Market Fees and Charges for the forthcoming year in accordance with the principles of the Charging Policy Commission and to assist in achieving the Council's Community Priorities of "<i>Raising General Pride in the Borough</i>" and "<i>Regenerating the Local Economy.</i>"</p>	

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1. **Background.**

- 1.1 The Assembly on 4 July 2001 accepted the recommendations of the Charging Policy Commission. The fundamental principles of the Council's policy is that there is a starting presumption that Charges should be set to recover the full cost of the service, including all overheads, and that any subsidy must be transparent and demonstrably support or promote Council priorities and policy objectives in an effective manner.
- 1.2 The original market rentals were set up when the new market opened on 17 June 2000. They were reviewed for the first time last year and as a result the average increase was 15%.

2. **Proposals**

- 2.1 The original assumption was that London Road would be a Food Court area and Ripple Road would be the strongest area of trading. However, the strongest trading area for the Market is the East Street area nearest the Bandstand. The shops and Market stalls appear to compliment each other extremely well in this vicinity, and trade is comparable to Ripple Road and better on average than London Road.
- 2.2 London Road does have some food stalls but also a mix of other products, however, this area is not particularly well placed for general trading.
- 2.3 The weakest area remains the "old" East Street market area, which runs from the National Westminster Bank in the direction away from The Bandstand. This location is furthest removed from the main bus stops, car parks and the Station and is the least favoured area commercially.
- 2.4 It is proposed that:
- (i) the increase in charges from 1 April 2004 is generally in line with inflation since 1 April 2003. There is no restructuring of charges proposed this year.
 - (ii) the previous practice of charging rents per foot of frontage for individual stalls is continued and that the Charges from last year rise by inflation overall (rounded up to the nearest 5p or 10p charge point as appropriate).
 - (iii) In order to retain traders, it is not proposed to change rentals in the Old East Street Area is area

2.5 The proposals would produce the following fees and charges (inclusive of VAT.)

	Midweek			Saturday		
	Present 2003/04	Proposed 2004/05	% +	Present 2003/04	Proposed 2004/05	% +
London Road	£2.50	£2.60	4.0	£2.75	£2.85	3.63
Ripple Road	£2.50	£2.60	4.0	£3.50	£3.60	2.85
East Street	£2.50	£2.60	4.0	£3.50	£3.60	2.85
Station Parade	£2.50	£2.60	4.0	£3.50	£3.60	2.85
“Old ” East Street Area	£2.00	£2.10	5.0	£3.00	£3.10	3.33

Note: Mid week and Saturday charging bands correspond with usual practice and reflects the trade position to charge a higher rate on Saturdays. (Barking Town Centre Market operates on Tuesdays, Thursdays all year round and Fridays before Christmas.)

3. Financial Implications

- 3.1 The principle of operation is that the Councils’ direct costs, including Administration, Finance, Inspection and Rubbish Removal, are to be met before any other charges are made to the Market Account. Beyond this, the Market Operator is paid £10,000 per annum. All remaining income is divided between the Council and the Market Operator. In this way the Council has ‘First Charge’ on the market income, thus avoiding any liability falling on local residents, even if income were to be drastically reduced.
- 3.2 The original market had roughly 20 stalls. In practice, it is necessary for the operator of the new market to sustain in the region of 65 stalls before any income is generated, and this provides the commercial incentive.
- 3.3 It was originally considered that about 80 stalls would represent a satisfactory level, but this expectation has been far exceeded. Since its opening, the market has averaged over 130 stalls daily, and for this financial year the average is currently 137.
- 3.4 It is expected that the new rental prices should add an extra £22,000 per annum on current turnover and this will be divided equally between the Council and the Market Operator.
- 3.5 Attached as Appendix A is a statement of the budgeted expenditure and income for 2003/04 and 2004/05.

4. Future Considerations

- 4.1 The possibility of permanent opening on Friday remains under consideration. This was not considered appropriate in 2003, but it will be reviewed again in 2004. Although an extra day would bring in additional revenue it could damage the market if trade is not strong enough to fully support all four days.

5. Consultation

5.1 The following people have been consulted on this report and are happy with it as it stands.

Bob Cooper, Acting Head of Finance for LESD
Laura Williams, Management Accountant, LESD

Background Papers

- Executive Report and Minute 352, 18 March 2003 re: Barking Town Centre Market Charges 2003/04.

APPENDIX A

Barking Market Projected Costs and Revenues

	Actual 2002-03	Projected 2003-04	Estimate 2004-05
Income	553,700	621,000	640,000
Less:			
Expenses (fixed)	(104,016)	(109,000)	(114,600)
Management Fee	(10,000)	(10,000)	(10,000)
Net Surplus	439,684	502,000	515,400
LBB Share (50%)	219,842	251,000	257,700
LBB Expenditure			
Town Centre Infrastructure	85,866	100,000	59,940
Salaries and Support costs	48,068	60,200	124,980
Promotion and events	43,759	46,200	40,000
Street Cleansing and Refuse Collection	105,739	105,500	110,000
Reps and other misc. items	42,904	48,100	37,380
Total Expenditure	326,336	360,000	372,300
Less Fixed recharges already deducted	(104,016)	(109,000)	(114,600)
Costs to be met by income	222,320	251,000	257,700
(Surplus)/deficit	2,478	0	0

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THE EXECUTIVE**9 MARCH 2004****REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

TERM CONTRACT FOR ELECTRICAL REPAIRS AND MINOR WORKS IN PUBLIC BUILDINGS AND SCHOOLS	FOR DECISION
<p><i>This report is presented to the Executive as it relates to the intention to seek tenders for a contract with a projected value in excess of £200,000, and the Constitution requires the proposal to be reported to the Executive</i></p> <p><u>Summary</u></p> <p>Anticipating the expiry of the existing contract for electrical repairs and minor works in public buildings and schools on 30 June 2004, this report asks for authority to seek tenders using the Restricted Procedure in accordance with European Procurement Directives, for a five-year term contract for electrical repairs and minor works in public buildings and schools. It also asks for a decision on Members' level of involvement in packaging and specification and subsequent award of the contract.</p> <p>Under the current contract, this work involves the day-to-day reactive repairs to electrical installations, minor works of a general nature, such as the installation of additional lighting and power sockets, and annual testing of portable electrical appliances.</p> <p>This work is currently carried out under a three-year term contract awarded to A. J. Sibthorpe & Co. (Ilford) Limited, which is due to expire at the end of June 2004.</p> <p><u>Wards Affected</u> - All</p> <p><u>Recommendations</u></p> <p>The Executive is asked:</p> <ol style="list-style-type: none"> 1. In accordance with Constitution (Contract Rules 3.6), to advise if Members wish to be involved with the packaging and specification of the above mentioned contract and decide the nature of their involvement in the subsequent evaluation and award of the contract; and, 2. Note that should the Executive be content with Officers proceeding without direct Member input in the packaging and specification and evaluation of the tender, a further report will be presented in June 2004 advising of the results of the tender evaluation process and requesting approval to appoint the successful contractor. 	

<u>Reasons</u>		
To provide a safe and cost effective electrical repairs and minor works service to all public buildings and schools, thus helping to achieve one of the Community Priorities of “ <i>Making Barking and Dagenham Cleaner, Greener and Safer</i> ”.		
Contact: Bruce Anderson	Building Services Manager	Tel: 020 8227 3255 Fax: 020 8227 3060 Minicom: 020 8227 3040 E- mail: bruce.anderson@lbbd.gov.uk

1. **Background**

- 1.1 The current three-year term contract was awarded to A. J. Sibthorpe & Co. (Ilford) Limited. (Executive Minute 44, 26 June 2001 refers).
- 1.2 This was the first time an external contractor was engaged under a term contract to carry out reactive electrical repairs and minor works within all public buildings and schools, and was due to the reduction in service provided by the former in-house DLO.
- 1.3 The current contract uses a direct interactive computer link between the Council’s mainframe computer system and the Contractor’s office, similar to all building services term maintenance contracts generated since 1997 and it is intended to continue to use the Information Technology External Contractors (ITEC) system, as it is known, which has greatly improved the administration of these contracts.

2 **Tender Process**

- 2.1 This contract is estimated to be valued at approximately £675,000 over a five-year term. It is confirmed that the relevant provisions of the Contracts Guidance Notes, Contract Rules, Contracts Codes of Practice and Financial Rules of the Council’s Constitution and European Union (EU) Procurement Rules will be fully adhered to.
- 2.2 The tender was advertised in the Official Journal of the European Union (OJEU) as a restricted procedure, under the Directive 93/36/EEC for Services Contracts.
- 2.3 Applicants were asked to complete a pre qualification questionnaire (PQQ), which is due to be returned by 11/02/2004. The applicants are being asked to submit a wide variety of information including equal opportunities, references and financial accounts along with the completed PQQ.
- 2.4 The applicants will be assessed on their economic and financial standing, health and safety standards and technical capability and references. Those whose PQQs are assessed as most advantageous will be offered the opportunity to tender for this work.

2.5 Returned tenders will be assessed by Technical Officers and a further report will be presented to the Executive in June 2004, setting out recommendations on awarding the term contract.

3. Financial Implications

3.1 Client departments/schools are expected to use this contract for reactive and minor works on a call-off basis. The Contractor's costs and Leisure and Environmental Services Department's professional fees will be charged to Revenue budget holders, in accordance with Service Level Agreements.

3.2 The Education, Arts and Libraries Department has advised that whilst schools are encouraged to use the contract (under the Best Value principles) and indeed schools do chose to use this contract, the Department cannot insist that they do.

4. Consultation

4.1 Client Departments and end users of the service have been regularly consulted over the performance of the current Contractor and the customer surveys show a satisfaction rate in excess of 98.6%.

4.2 LESD Officers will carry out a review of the current contract in conjunction with Client departments to continuously improve service levels and reduce costs, following which new tender documentation will be prepared.

The following people have seen this report and have either raised no objection or have confirmed that they are happy with it as it stands.

Colin Beever, Head of Property Services

Andy Carr, Asset Manager, DEAL

Andy Bere, Asset Manager DSS

Peggy Green, Acting Manager of Central Administration, DSS

Paul Ansell, Procurement Officer, FD.

Robert Cooper, Interim Head of Finance, LESD

Paul Daulby, Strategy & Review Team Leader

Ken Jones, Interim Head of Housing Strategy, HHD.

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THE EXECUTIVE**9 MARCH 2004****REPORT OF THE HEALTH AND SOCIAL CARE
PARTNERSHIP ARRANGEMENTS SCRUTINY PANEL**

HEALTH AND SOCIAL CARE PARTNERSHIP ARRANGEMENTS SCRUTINY PANEL	FOR DECISION
<p><i>Final reports of Scrutiny Panels are submitted to the Executive, as set out in paragraph 11 of Article 5B of the Council Constitution.</i></p> <p><u>Summary</u></p> <p>This report covers the Panel's investigation into the termination last August of the joint top management arrangements between the Council and the Barking and Dagenham Primary Care Trust (PCT), and the current status of the partnership. Unfortunately, the Panel was unable to take evidence from all parties concerned but nevertheless it has reached some general conclusions and feels able to offer some useful pointers for any future partnerships or joint working that the Council may consider entering into.</p> <p>The partnership between the Council and the PCT, and in particular the creation in 2001 of a joint post combining the role of Director of Social Services on the Council side and the Chief Executive post on the PCT's, was a ground breaking initiative. It was new and exciting, and there was an eagerness to get things moving quickly. With hindsight, whilst intentions by all concerned at the time were good, this possibly resulted in a lack of attention to detail at the outset in terms of formalising joint agreements to cover all eventualities. Similarly, in relation to employment contracts being properly completed, and everyone being clear about which protocols and so on would apply if needed. These factors did not help situations as they arose later on.</p> <p>There were also cultural differences between the parties, and a lack of detailed understanding about the roles, responsibilities and priorities of all parties, including the North East London Strategic Health Authority (SHA) which performance manages the PCT against national targets. Better communications, and shared debate about problems as and when they arose, would also have helped.</p> <p>Importantly though, from the beginning and throughout, all parties have stated their commitment to the continuation of the partnership and joint working. The formal status and structures surrounding the partnership are sound, and the Panel hopes that any outstanding issues can soon be resolved and confidences restored.</p> <p><u>Recommendations</u></p> <p>To accept that the Panel has been unable to fully complete its task but, nevertheless, to have regard to the check list of issues/good practice which it has raised in Section 7 of the report.</p>	

Reasons

To try to make sure that any existing or future partnerships function as efficiently and effectively as possible.

Contacts: Councillor Val Rush	Lead Member	Tel: 020 8595 1587 Email: valerie.rush@lbbd.gov.uk
Nina Clark	Head of Democratic Support Lead Independent Support Officer	Tel: 020 8227 2114 Fax: 020 8227 2171 Minicom: 020 8227 2685 Email: nina.clark@lbbd.gov.uk
Alan Russell	Head of Audit Independent Support Officer	Tel: 020 8227 2255 Fax: 020 8227 2123 Minicom: 020 8227 2413 Email: alan.russell@lbbd.gov.uk
Valerie Dowdell	Democratic Services Officer	Tel: 020 8227 2756 Fax: 020 8227 2171 Minicom: 020 8227 2685 Email: Valerie.dowdell@lbbd.gov.uk

1. Introduction

- 1.1 At its meeting on 26 November 2003 the Scrutiny Management Board (SMB) agreed to establish this Panel as a result of concerns about the breakdown in the top management arrangements between the Council and the PCT and what had led to this.
- 1.2 The two organisations had entered into a partnership in 2001 and were the first in the country to bring together primary healthcare and social services. This was done in a bid to improve the health and well-being of the Borough's residents in a more effective way than with two separate organisations.
- 1.3 With the exception of Section 7, any reference in this report to "the partners" should be taken to mean the Council and the PCT. Any reference to "all parties" or "the parties" should be taken to mean the Council, the PCT and the SHA. In the National Health Service (NHS) hierarchy the SHA is the next tier up to the PCT and is responsible for setting the PCT's objectives and monitoring its performance.

2. Membership

- 2.1 The Panel Members were Councillor Mrs Rush (Lead Member), Councillors Barns, L Collins, Denyer and Mrs West.
- 2.2 Nina Clark and Alan Russell provided independent officer support, and Val Dowdell provided administrative/secretarial support to the Panel.

3. Terms of Reference

3.1 These were:

- (1) To establish the course of events leading up to and the reasons for the termination of the joint top management arrangements between the Council and the PCT
- (2) To clarify the current status of the partnership
- (3) To examine the implications of the situation and consider any improvements for future partnership working
- (4) To have regard to any equalities and diversity issues
- (5) To report back with findings and any recommendations

4. Work Programme/Evidence Gathering

- 4.1 The Panel held its first meeting on 26 November and met on a further nine occasions during December and January.
- 4.2 It was clear from the outset that in order to determine the course of events that led to the termination of the top management arrangements it would be necessary to interview key postholders within the Council, the PCT and the SHA , and possibly others.
- 4.3 Initially, like all the Council's Scrutiny Panels, the Panel had hoped to conduct its inquiries in the open. However, comments were made by individuals from some of the parties that whilst they would be happy to speak in public about general issues, matters concerning any individual employees and related contractual issues should be discussed in private. The Panel acknowledged that discussions were likely to touch on matters concerning individuals and that it would be difficult to separate these. It was therefore agreed that it would be best to conduct all interviews in private. It was, however, still the Panel's intention to publish an open report at the end of the investigation and this was made known to those who were interviewed.
- 4.4 The Panel interviewed and took evidence from the following people during December:

From the Council -

Councillor Charles Fairbrass, Leader of the Council

Councillor Bryan Osborn, Executive Member and portfolio holder for Housing, Health and Social Care

Councillors Ron Curtis and Cameron Geddes, Members of the Council (written evidence only)

Graham Farrant, Chief Executive

Julia Ross, Director of Social Services (formerly Executive Director of Health and Social Care for the Council and the PCT).

William Ssempala , Corporate Legal Manager and Hayley Miller, Senior HR Advisor – both in the Corporate Strategy Department of the Council (written evidence only)

From the SHA -

Professor Elaine Murphy, Chair

Carolyn Regan, Chief Executive

From the PCT -

Rebecca Scott, Acting Chief Executive (written evidence only - see 4.7)

- 4.5 It also extended invitations to the following individuals but did not get the opportunity to interview them, nor to receive any written evidence from them (see 4.7) -

Ray Parkin, Chair, PCT

Lesley Hawes, Deputy Chair, PCT

Graham Bramley, Sukhinder Gill, Lesley Harrison, and Barry Welch, Non-Executive Directors, PCT

Dr Arun Sharma, Joint Chair of the Professional Executive Committee, and member of the PCT

Surinder Singh Kalsi, Professional Executive Committee nominee to the PCT

Tony Graham, previously Interim Director of Finance to the PCT

From the National Health Service -

Sir Nigel Crisp, Chief Executive

4.6 The Panel also inspected a number of documents:

Various press cuttings relating to the breakdown of the joint top management arrangements

London Borough of Barking and Dagenham (LBBD) Disciplinary Rules for Employees

LBBD Interim Provisions relating to Disciplinary, Warning, Ill Health and Appeals Procedures for Officers

Disciplinary Procedure for the PCT

PCT Annual Report 2002/3

Minutes of the Joint Health and Social Care Board meetings held on 15 April, 17 June and 29 July 2003, and the Board's Constitution

Memorandum of Agreement relating to the provision of health care and social services within the LBBD

Extracts from Pricewaterhouse Coopers Annual Management Letter to the Council for 2001/02

Competency Framework for PCT Leadership

Performance and Development Review Scheme for NHS Chief Executives: Guidance

Report and Minute – Council's Executive 28 October 2003 - relating to the Future Arrangements for the Management of Integrated Health and Social Care Services

LBBD Protocol re Member and Employee Relations

Code of Conduct for NHS Managers

Employment Contracts and related correspondence for the then titled joint post of Director of Social Services and Chief Executive of the Primary Care Trust

Information pack for applicants relating to the appointment of Chairs and Non-Executives of PCTs.

4.7 Unfortunately, during the course of the Panel's investigation and following her own interview, the Chair of the SHA wrote to the Lead Member of the Panel saying that she had concerns and had advised the Chair of the PCT and PCT staff not to attend further meetings. Also, that she did not think it was sensible for NHS staff or Non-Executive Directors of the PCT to be drawn into the process.

Despite several attempts by both the Chair of the SMB and the lead officer for the Panel to clarify mistaken understandings by the Chair of the SHA about the remit and basis of the Panel, she was not prepared to change her stance. However, she has since suggested, in a letter to the Chair of the SMB dated 6 January 2004, that, rather than pursue the scrutiny, the Council and its NHS partners should consider together how to rebuild trust and renewal of joint working. Also, that if external independent support were thought to be helpful in facilitating this, they would be pleased to support such an initiative.

- 4.8 In the light of this letter which the Chair of the SMB reported to the SMB on 14 January 2004, the SMB decided that the Panel should conclude its investigation without taking further evidence or obtaining further information, and produce a short open report based on their knowledge to date. Whilst disappointing for the Panel, the SMB was, however, encouraged by the willingness of the Chair of the SHA to now suggest a joint approach to resolving matters, with external independent support if necessary. The Council had previously, in September 2003, muted the idea of an independent review. The SMB referred the letter from the Chair of the SHA to the Chief Executive of the Council on 15 January 2004 so that he, in liaison with the Leader of the Council, could consider how best to take the matter forward.

5. The events which led to the termination of the joint top management arrangements between the Council and the PCT

- 5.1 It is clear from the evidence taken and the publicity at the time that it was the Council who made the decision on 27 August 2003 to “dismantle the joint top management arrangements” through moving the then Executive Director of Health and Social Care back to her previous position as Director of Social Services with the Council.
- 5.2 Various reasons were given by the Council including (a) differences in cultures between the NHS and the Council, and different accountabilities, which made management across the boundaries complex; (b) different approaches between the Council and the SHA to tackling key improvements highlighted by the then recently announced PCT Star rating; (c) the need for dedicated management resources to accelerate progress which the Council felt should be faster; and (d) the Council’s view that the reorganisation of the NHS had made the PCT a larger organisation than had originally been envisaged.
- 5.3 At the time, the SHA and PCT jointly publicly expressed their surprise and disappointment at the Council’s decision, particularly as they then alleged there had been no consultation with them. These comments were slightly modified during the Panel’s interviews with representatives from the SHA.
- 5.4 The evidence provided to the Panel suggests that the fundamental reasons for the joint top management arrangements breaking down stem from problems which arose due to a number of issues:

- a lack of clarity around employment contracts and related protocols
- inadequate written agreements from the outset around how the partnership would work and how any problems would be resolved
- cultural differences
- poor/inadequate communications
- a lack of understanding about each others' organisations, priorities and pressures.

The initiative was new and exciting and the Panel believes that insufficient attention was given to formalising working protocols to enable both partners to be clear how contentious issues were to be identified and resolved. The employment contracting framework for joint working was inconsistent and misunderstood, and there was no explicit role identified for the SHA in either the partnership or in the working arrangements between the Council and the PCT. The original partnership agreement had been drawn up at the time of the existence of the Barking, Dagenham and Havering Health Authority in 2001. When this body was replaced by the SHA in 2002, the PCT's role was expanding well beyond that originally envisaged by the partnership. The Council did not fully appreciate the potential impact of the SHA's role in performance managing and objective setting for the PCT, nor was it aware of the wider agenda of the SHA. There was no mechanism for discussing competing agendas between all parties and how they related to each other.

Also, there proved to be a lack of formal communication between all parties, and poor recording of meetings and conversations, particularly around serious issues. Too much reliance was placed on trust and assumptions that messages would be relayed to others. The organisational cultures of all the parties are very different and the impact this was to have on the partnership was underestimated.

The culmination of all these issues led to difficulties affecting an individual employee. When matters came to a head during August, the Panel can understand, given the evidence available, why the Council chose to act as it did. The action clearly reflected the Council's caring attitude for its employees but also, in the circumstances, it offered what seems to have been the best way of enabling the partnership to continue.

All parties had been involved in related discussions during the weeks immediately leading up to 27 August 2003.

- 5.5 Conscious that the Panel has not had the opportunity to interview all parties, it is inappropriate to comment in greater detail on the series of events. To do so would be unprofessional and unfair. In any case, the Panel is not prepared to make public any information which relates to the employment of individuals or holders of key positions. There are, however, a number of areas where the Panel can confidently

draw conclusions to assist the formulation of recommendations for general future learning and these are referred to in Section 7 below.

6. The current status of the Partnership

6.1 The current status of the partnership between the Council and the PCT can be summarised by the following:

- (a) there is no longer a joint top management post of Executive Director of Health and Social Care combining the positions of Director of Social Services on the Council's side and Chief Executive of the PCT.
- (b) in deciding to separate the management functions at the end of August 2003 the Council did, however, publicly emphasise that this did not mean the end of joint working between the Council and the PCT, and that it recognised that partnership was essential for the long term future. This continues to be evidenced.
- (c) in response to the Council's statement at that time, the Sha also publicly stated that they remained wholly committed to joint working as the logical way forward to deliver services efficiently. This continues to be their wish.
- (d) in October 2003, the Council's Executive received a report on proposals for future management arrangements of integrated services between the Council and the PCT, clarifying accountability and reporting lines.

It agreed

- (i) to reaffirm the commitment of the Council to integrated working with the PCT, integrated posts and service delivery on health and social care services for the benefit of the local community
 - (ii) the clarifications and new accountabilities outlined in the report, subject to reexamining all titles so that the Council does not have Directors reporting to Directors in future, and
 - (iii) that Council officers will not be accountable to the PCT Board for the delivery of services but that they will be accountable through the acting Chief Executive of the PCT on health matters and may attend Board meetings to deliver and discuss appropriate reports.
- e) in the spring of 2003 the Council and the PCT had formed the Barking and Dagenham Joint Health & Social Care (HSC) Board comprising the Council's Executive and the PCT's Board. A Memorandum of Agreement between the partners formally established the Board and a Constitution governs its operation.

The main purpose of the Board is to manage the integrated provision of health care and social services so as to:

- provide an effective and seamless service for people in need of community based health and social care
- improve the health and social care needs of the local population
- provide a single point of access for people in need of health and social care
- improve the performance, quality and accessibility of social care and health care
- reduce inequalities for people in Barking and Dagenham compared with the wider London and national picture.

In entering into the arrangement both sides agreed to adopt certain principles:

- (i) mutual trust
- (ii) mutual openness and transparency
- (iii) to treat each other equitably and with respect and courtesy
- (iv) a coordinated approach to common problems and objectives
- (v) recognition that each side needs to take account of issues faced by the other and work in partnership to progress and resolve them
- (vi) each to provide early notice in relation to concerns or problems
- (vii) regard for related policies and so on, and to the Board Constitution
- (viii) agreement to be open to challenge and change
- (ix) to act in accordance with the principles of best value.

The Joint HSC Board met in April, June and July 2003 but following the events in August there was a lull and meetings did not resume until 13 January 2004. There appears to have been no formal agreement to abandon meetings temporarily, rather a more unspoken consideration by both sides that it might, in the circumstances of August, be best to put on hold the next joint meeting.

At the 13 January 2004 meeting, the Board agreed minor amendments to their Constitution principally to bring it up to date in terms of the change in the top management arrangements and the role of officers at meetings.

(f) unfortunately this Panel has not been able to conclude its work as completely as it would have liked to. The Panel had hoped that it could make a valuable contribution to any outstanding bridge-building which might be necessary between the parties. It is disappointing to the Panel that it has been unable to do this.

(g) importantly, however, a way forward in terms of rebuilding confidence and renewal of joint working is now being explored as mentioned earlier.

6.2 In conclusion, the formal status of the partnership between the Council and the PCT and related structures appear to be sound, and all parties continue to state their commitment to joint working. The Panel hopes that a joint meeting between all concerned, perhaps facilitated by an independent person of recognised standing, will resolve any outstanding issues and help to restore confidences and strengthen relationships.

7. Implications of the current situation and suggested improvements for future Partnership working

7.1 The implications of the current situation are referred to in the previous sections.

7.2 Due to the fact that the Panel has not had the benefit of detailed input by all parties it would be inappropriate to make specific suggestions related directly to the partnership in question. The investigation has, however, highlighted a number of general issues from which the Panel has formulated a check list of useful pointers for consideration in connection with any current or future partnerships or joint working arrangements that the Council may consider entering into. The list is not in any particular order of importance or priority:

- jointly agree and set clear, measurable, objectives from the outset and be sure about responsibilities and accountabilities
- before making commitments on objectives, joint working and finances, carry out a formal risk assessment to identify any doubt or conflict between each partner's position; update risk assessments at appropriate intervals during the partnership, particularly at times of change
- be aware of, and jointly discuss, the performance frameworks within which the partners operate, both locally and nationally, and assess any related impact on their ability to deliver partnership priorities
- contractual frameworks need to be clear and consistent from the outset with agreed accountabilities and reporting lines
- HR protocols for all posts involved in joint working need to be robust and agreed by all partners
- the arrangements and responsibilities for funding pooled budgets should be clear

- arrangements for subsequently terminating the partnership, if necessary, need to be explicit from the outset
- relevant lead Executive Members should take a prominent role in the personal performance monitoring or appraisal of senior staff involved in partnership or joint working
- any personal performance monitoring or appraisal processes should afford the opportunity for all parties involved to raise issues and to contribute to setting objectives
- protocols need to be documented and agreed to allow potential problems and disputes between partners to be identified early, and resolved; where resolution is not possible there should be clearly defined procedures for involving senior postholders and arbitration arrangements
- corporate governance arrangements for partnerships should be documented to establish required standards of conduct and provide a steer on how business should be conducted. Formal arrangements should be in place from the beginning and all partners should subsequently conform with agreed principles and commitments to each other
- Members and lead officers need to be familiar with the organisational structure, culture and challenges facing their partners, and vice versa. Appropriate training should be considered (e.g. PCT training in local government and social care; Council training in NHS structures and performance frameworks)
- be cautious about entering into partnerships with new organisations or organisations that are experiencing significant organisational change – keep abreast of developments and external influences
- where senior management or Member level changes occur, make sure that new postholders are fully briefed and arrangements made for introductions, induction, and meetings as necessary
- make sure that, as well as other matters, any joint board arrangements are used as a forum for discussing contentious issues and for raising any problems; meetings should be held regularly.
- all meetings between partners and other parties should be supported by an agenda and a list of the individuals involved; records/minutes/notes of formal and informal meetings must be kept and copies forwarded to all relevant parties

- establish from the outset whether there are any parent or umbrella organisations who may have influence over the partnership, and make sure that the relationship is fully understood. Make appropriate contact and/or communication with any such organisation from the beginning, and at appropriate intervals afterwards, to promote good relations and check that there are no concerns or issues which might affect the partnership's ability to be effective
- explore joint campaigning issues for the overall benefit of the partnership (e.g. PCT funding shortfall)
- proactively identify where Council initiatives offer opportunities for partners (e.g. Customer First).

7.3 The Panel has also commented that in fairness to, and for the protection of, Members of the Council, the possible conflict and uncertainty around roles, responsibilities and loyalties that might arise when a Member holds a position on an outside body, either in a Council or private capacity, should be looked into. The lead officers to this Panel, who also lead in relation to standards and ethical issues for the Council, have undertaken to seek advice from the Standards Board for England and to issue guidance to all Members.

8. Equalities and Diversity

- 8.1 There are no specific equalities and diversity issues which have been relevant to the work of this Panel. The Panel's intention was to treat all parties equally and fairly.
- 8.2 One issue which has, however, featured during the process is the vast difference between the organisational cultures. The Panel has recognised this diversity in trying to understand some of the actions and events leading up to the events in the Summer of 2003.

Background Papers:

- Minutes of the Scrutiny Panel held on 26 November, 5, 8, 10, 12 15 and 18 December 2003, and 7, 20 and 26 January 2004.
- Documents listed in para 4.6

(All evidence taken by the Panel during its investigation is strictly confidential but was used in compiling this report).

THE EXECUTIVE**9 MARCH 2004****REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

FUTURE OF LEISURE CENTRES	FOR DECISION
<i>This report covers the setting of policy which is reserved to the Executive.</i>	
<u>Summary</u>	
<p>Following the undertaking of a further consultancy study into the future needs of provision of Leisure Centre Services in Borough, this includes the building of a new Leisure Centre to replace two ageing facilities, assessing the funding requirements and the possible future management options for all of the Borough's Leisure Centres.</p>	
<p>This report provides information with regard to:</p>	
<ul style="list-style-type: none"> • Indicative redevelopment costs of a new Leisure Centre within the Borough. • Funding options to finance the development of the new facility. • Options with regard to the future Management of all the Leisure Centres directly managed by the Council. 	
<u>Wards Affected</u> - The provision affects the entire Borough.	
<u>Recommendations</u>	
<p>The Executive is recommended to agree:</p>	
<ol style="list-style-type: none"> 1. Consideration should be given through the Council's Capital Management Programme to enable a new Leisure Centre to be built within the Borough, subject to proper evaluation and appraisal in due course, the Executive are asked to note that in paragraph 6.4 of this report there is an assumption being made that the Capital finance will be secured, but currently the policy is not to ring-fence any capital receipts to any specific projects. For Officers to continue to investigate the future Management of the Council's Centres through either : <ul style="list-style-type: none"> • An external Trust organisation, whether it be an existing Trust, or one established by the Council; • Managed Direct by the Council; or • Private Public Partnership (PPP) 2. For Officers to continue to work on plans to develop a new Leisure Centre on the existing Wood Lane Sports Centre site. Option 2, the eight-lane swimming pool and teaching pool being the most preferred option. 	

<u>Reason</u>		
To assist the Council in achieving the Community Priorities of “ <i>Promoting Equal Opportunities and Celebrating Diversity</i> ”, “ <i>Better Education and Learning for All</i> ”, “ <i>Improving Health, Housing and Social Care</i> ”, “ <i>Raising General Pride in the Borough</i> ” and “ <i>Regenerating the Local Economy</i> ”.		
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1. **Introduction**

- 1.1 Following the full needs assessment of the Sports Centre facilities in the Borough (and up to 5 kilometres outside) carried out in September 2003, the Council agreed to provide good quality efficiently run Leisure Centres for the residents of the Borough.
- 1.2 From September 2003, Officers have continued to work with Leisure Consultants PMP to further investigate : -
 - the available management options for the future management of all the Borough’s Sport and Leisure Centre facilities.
 - the possibility of building a new Leisure Centre to replace the ageing facilities of Dagenham Swimming Pool and Wood Lane Sports Centre on the existing Wood Lane Sports Centre site.

2. **Management Options Review**

- 2.1 Until 27 December 2003 Goresbrook Leisure Centre was managed through a Compulsory Competitive Tendering Contract with Parkwood Leisure Ltd. As agreed by the Executive on 17 June 2003 the contract with Parkwood Leisure Ltd was terminated; as the management performance of the operator at the leisure Centre has progressively deteriorated to an unacceptable level. As a result the Council currently provides the management of the Leisure Centres facilities through the in-house team.
- 2.2 After carrying out extensive work, two management options have been identified that could be the most suitable to the Council for the future development of the Leisure Centres:

- the transfer of Leisure Centres to a Non-Profit Distributing Organisation (NPDO) either by setting up a new Not for Profit organisation from the existing in-house team, or transferring facilities to an existing NPDO.
 - the development of a Public Private Partnership (PPP)
- 2.3 Consideration of different management arrangements for the provision of Leisure facilities has been explored and utilised by many other local authorities. Appendix A provides details of the form of Leisure Management Contracts currently operated for all of the London boroughs.
- 2.4 The Council's in-house Leisure Centre Team performs to a very high standard currently, but there is a possibility that the Council could gain further service advantages. Non Domestic Rates are currently payable; however, a funding advantage could be reaped by the removal of the need to pay the full Non Domestic Rates if the management of the facilities were to transfer to an NPDO. However, for the time being, in-house provision should also be considered and this is reflected in the recommendations.
- 2.5 Some initial work has been undertaken with regard to the advantages and disadvantages of maintaining Leisure Centre Services in-house. (Mc Alpine Thorpe and Warrior Report 2001, a copy of which can be found in the Members Room). Officers will continue to include within their investigations the option of maintaining the service in-house. The potential NPDO and PPP options will be benchmarked against the in-house option to ensure that all the qualitative aspects that are reflected within the service delivered by the in-house team are not overlooked and will represent the comparator in any evaluation for the other two options.
- 2.6 Securing the long-term future of the management of the Leisure Centres would give the staff job security and assist in responding to the rapidly changing market. The most important factor is to ensure that the management option that is chosen can provide continual re-investment into the Council's Leisure facilities.
- 2.7 Full details of the management options are outlined within the PMP Consultants Report, a copy of which is available in the Members Room or can be obtained from the author.

3. Financial Implications

- 3.1 The financial implications included within this report can be obtained from the PMP Consultant's report.
- 3.2 If Members agree to the recommendations, further work will be required to verify the figures and assumptions made by the consultants. This will be undertaken by preparing a detailed business case and procurement plan for the NPDO and PPP options identified by the consultants. A business case will also be compiled for the in-house service.

- 3.3 Both capital and lifecycle costs relating to the new facility and the capital improvements to generate income to Goresbrook Leisure Centre and Abbey Sports Centre have been considered.
- 3.4 As the new facility will be to replace two of our existing buildings, a consolidation of the facilities that are housed within each building has been proposed for the new facility.
- 3.5 The proposed facility mix for the new Leisure Centre is:-
- 25metre, 6 lane Swimming Pool
 - Four Court Sports Hall
 - Health and Fitness Suite
 - Dance Studio
 - Two Squash Courts
 - Synthetic Turf Pitch (5-a-side Area)
 - Children's Adventure Play Area
 - Crèche
 - Bar and Cafeteria
 - Meeting and multi-use community room
- 3.6 In addition to the above, Officers also asked the Consultants, PMP, to consider a further option which includes an upgrade to the original brief, which is:-
- 25metre, 8 Lane Pool with Spectator Facilities (rather than a 6 Lane Pool)
 - Teaching Pool
- 3.7 Additional refurbishment works need to be carried out at Goresbrook Leisure Centre and Abbey Sports Centre associated with the existing Health and Fitness suites. In both cases; the current facility provision is small and does not meet current and future demands, as indicated in the Consultant's report.
- 3.8 Abbey Sports Centre – built in 1986. Although the facility is exceptionally well maintained, the existing Health and Fitness Suite is very small (circa 20 stations). The most convenient option for increasing this facility would be to remove the two glass backed squash courts and extend the Health and Fitness suite. This would then create a Health and Fitness Suite of approximately 180m², which can accommodate approximately 40 stations, an increase of 20 stations.
- 3.9 Goresbrook Leisure Centre – opened to the public in January 1992. Again for the size of the overall building, the Health and Fitness Suite is very small. At this facility there are two possible opportunities for expansion: -
- i) Extend the existing Health and Fitness facility into the adjacent Dance Studio.
 - ii) Remove the two glass backed squash courts and extend the Health and Fitness Suite into this area.

This would increase the capacity of the Health and Fitness Suite to accommodate a further 50 stations.

- 3.10 Currently, it has been identified that the existing Wood Lane Sports Centre site could accommodate the footprint of any new Leisure Centre, should Members approve this. There are a number of planning issues related to this site which restricts the use and value of the site for other purposes other than that indicated. These issues relate to Green Belt land restrictions of the site. Due consideration of all planning matters will need to be dealt with during the planning process. In addition, Officers would seek to work with colleagues in the Planning and Transportation and Regeneration Implementation Divisions to develop a Master Plan for the proposed new site.

4. Estimate Current Capital Costs of a New Facility

- 4.1 The Capital Costs for building a new facility to replace Dagenham Swimming Pool and Wood Lane Sports Centre are detailed below.

Description	Indicative capital cost (£'000)
Facility mix as outlined in 6.4 (6 Lane Swimming Pool)	7,551
Facility mix as outlined in 6.5 with an 25 metre eight lane swimming pool (instead of six lane), spectator accommodation and learner pool	7,902

- 4.2 The estimated current capital costs detailed above include the cost of the new Sports Centre including swimming pool(s), all weather pitches, drainage, service mains and demolition of existing building and clearance, fees, inflation, piling, asbestos removal (if any), removal of contaminated substrates (if any) and fitness equipment, but exclude VAT. Further details on these options are contained in the PMP report. These costs are at current costs and would be subject to market and industry trends and inflation.
- 4.3 In addition to the above, consideration has to be given to the Crowlands Golf Club adjacent to the Wood Lane Sports Centre. With the current set up, the Golf Club have a right of way across the existing car park between the golf club and the sports centre. This right of way is used by the club for emergency services and for their machinery. This will need to be considered during the Town Planning and Master Plan process.
- 4.4 A full summary of all estimated capital costs, including provisions; professional fees, contingencies, and inflation are detailed in the table below.

	Six Lane Option £'000	Eight Lane Option £'000
Capital works Wood Lane Leisure Centre	7,551	7,902
Capital Works Goresbrook Leisure Centre	191	191
Capital Works Abbey Sports Centre	170	170
Total Capital Works for Project	7,912	8,263
Estimated Inflation	901	941
Grand Total	8,813	9,204

5. Initial Affordability Assessment

- 5.1 In order to assess the affordability of the proposed project, a review of the existing costs of the service has been conducted to establish the amount of budget that is available to support the cost under a PPP or NPDO Contract and to provide an alternative comparator to the in-house option. This is required as a part of the public procurement exercise.
- 5.2 The operation costs included in the revised budgets for 2003/04 for Leisure Centres is £648,000.
- 5.3 For comparison purposes, the affordability limit for 2003/04 has been inflated to match the projected costs of providing Leisure Centre Services under the proposed procurement routes, giving a total of £693,000.
- 5.2 For guidance detailed in the table below is the revised affordability limit and the Year 1 Unitary Charge for the PPP Option or the Management Fee to the NPDO.

	Six Lane PPP £'000	Six Lane NPDO £'000	Eight Lane PPP £'000	Eight Lane NPDO £'000
Year 1 Cost	1,166	441	1,196	451
Affordability Limit	693	693	693	693
Surplus	(473)	*252	(503)	242*

* Which could enable for example 10% minimum to be paid back to the Council.

- 5.3 It is clearly evident that there is a significant difference between the Year 1 costs of the two procurement options. This difference is predominantly from the payment of outstanding debt through borrowing for Capital investment via the PPP, which is not incurred through the NPDO option, coupled with NNDR relief for NPDO.

- 5.4 In relation to the NNDR it has been assumed that 80% discretionary relief will be available to the NPDO option, which equates to approximately £150,000 saving per annum, but not to the PPP option. Work will also be undertaken to set out the costs associated with managing the service in-house over the long-term (10 to 20 years).
- 5.5 In terms of debt finance costs it has been assumed by the consultants that under the NPDO option it would be 4% whilst the PPP option it would be 6.9%.
- 5.6 In summary, the NPDO option provides Year 1 costs within the Affordability Limit. However, this would only be the case if the Council funds the Capital costs and the NPDO reap savings through NNDR.

6. Initial Options Evaluation

- 6.1 PMP Consultant having determined the two main Management options available (NPDO and PPP) in their report, and analysed the indicative costs and income potential from building a new Leisure Centre, and making improvements to the Council's existing buildings, a full evaluation needs to be undertaken to determine the best option for the Council to choose. Along side this consideration will be given to the service remaining in-house using the same criteria as the other options. This will mean that there is fair and transparent consideration and will not unfairly discriminate between any of the options.
- 6.2 In order to undertake a full and balanced financial analysis Officers and Consultants have developed the following models: -
- Indicative commercial models where the private sector designs, builds, finances and operates the facilities
 - NPDO model where the Council provides Capital investment and lifecycle costs and the NPDO operates the facilities
 - Value for Money model, using Net Present Values (NPVs) comparing the cash flows of each of the two procurement options
- 6.3 Public Private Partnership Option – Under a PPP it has been assumed that this option would include a developer, operator, maintenance contractor, and funder will enter into an agreement with the Council to design, build, finance and operate all of the Leisure Centres over a 30 year period.
- 6.4 NPDO and Council Option - it has been assumed that there would be priority consideration given by the Council to finance the construction costs of approximately £10.8 million from the disposal of the Dagenham Swimming Pool site and other leisure/recreational disposal sites, such as un-utilised allotment sites. The Executive need to note that the policy is not to ring-fence any Capital finance gained from disposal and a separate decision will need to be made on this. The lifecycle costs associated with structure, plant and equipment has been included within the Council's cash flows, although these would remain the same if incorporated within the Trust cash flows.

- 6.5 It has also been assumed that the management operator would be an NPDO and would therefore benefit from 80% mandatory NNDR relief.
- 6.6 Comparison of Two Non-Council Run Options - A summary of the two options in terms of the NPV of each option is detailed below.

	PPP contract option £'000	Council / NPDO option £'000
Six lane swimming pool option	16,421	15,245
Eight lane swimming pool option	16,850	15,834

- 6.7 Investment appraisals consider the cash flows paid by the Council over the period of the contract. These cash flows are discounted for inflation and the cost of the capital to arrive at the NPV cash flows. Value for money is achieved by comparing the difference in the cash flows and selecting the lowest NPV.
- 6.8 In NPV terms it is evident that the NPDO eight lane option should be undertaken. However, the net increase in NPV for the eight lane option against the six lane option is £589,000 which over the life of the project is £18,000 per annum.
- 6.9 Non Financial Comparison of the Options

When comparing the NPDO and PPP options, consideration must also be given to the non-financial elements. Detailed in the table below are the non-financial considerations.

Option	Consideration
PPP Option	Provides an integrated approach between each member of the consortium i.e. the Financier, the Developer and the Management Contractor. This approach can provide a mutually optimum solution. Following contract signature the Council also has the comfort of knowing that all risks associated with non-availability of facilities, sub standard performance are the responsibility of the Contractor.
PPP Option	Provides a very commercial approach to leisure centre management. The Council can protect the users through pricing, setting participation targets and opening hours, via an output specification.
NPDO	Council enters into two separate contracts. Council retains the risks of construction; therefore, it is very important to ensure that the design team and architects are very familiar with leisure facility construction. The Council has had previous experience of this at Abbey Sport Centre, which was built on time and within budget.

NPDO	Experienced at operating facilities but not have the full commercial focus that a private operator would have or the protection of a parent company guarantee.
NPDO	Provide better fiscal savings, especially VAT savings and improved community and employee involvement.
NPDO	As the Council's existing Leisure Centres in-house team are strong, there is the opportunity for the Council to set up its own Leisure Trust, which could then if established be used to manage other services, in the future, for example, Parks management. However, there would be a one off cost implication of around £75,000 to £100,000 in set up costs for the Trust.

As mentioned earlier in the report, work will also be undertaken to compile a comparison of non financial elements (e.g. quality of service) associated with retaining the service in its entirety in-house.

7. Conclusion

- 7.1 Although it is true to say that the six-lane swimming pool option is less expensive than the eight-lane facility option when the revenue costs are compared there is very little difference. The main contributory factor is the greater opportunity for offsetting the increased revenue costs, with increased income from the venue, and the added benefit an enhanced eight lane facility will give to the community.
- 7.2 It should also be noted that from a service delivery view, an eight-lane pool will provide additional water space which will allow improved community access and the nearest eight lane swimming pool currently is Barnet. The Borough would have the opportunity to promote regional swimming competitions and may also provide a suitable training facility for the 2012 Olympics.

8. Consultation

- 8.1 The following people have been consulted during the preparation of this report.

Maureen Perkins, Head of Human Resources, LESD
 Robert Cooper, Interim Head of Finance, LESD
 Laura Williams, Management Accountant, LESD
 Tim Lewis, Group Managers, Planning, LESD
 Colin Beever, Head of Property Services, LESD
 Brian Bye, Construction Services Manager, Building Services Group, LESD
 Robin Hanton, Corporate Lawyer & Deputy Monitoring Officer, CS

8.2 The Head of Leisure and Community Service has also held meetings with the Trade Unions to advise them of the work undertaken so far, proposed options and process to take this issue forward. These meetings to date have been positive and the intention is to keep the Unions fully informed and engaged in the process.

Background Papers

- Executive Minute 37, 17 June 2003 Re Leisure Contract – Termination of Goresbrook Contract
- Executive Report and Minute 138, 7 October 2003 re: Future for Leisure – Needs Assessment

Management Arrangements for Leisure Facilities in London

Position in January 2004

L.B. Camden

3 facilities operated by external contractor (Holmes Place).
1 facility managed in-house.

L.B. Greenwich

All facilities operated by Greater London Leisure Ltd (In-House Trust).

L.B Merton

All facilities operated by Greater London Leisure.
Merton originally tried to form a Trust but eventually chose Greater London Leisure.

L.B Newham

All facilities operated by Greater London Leisure.

L.B Waltham Forest

All facilities operated by Greater London Leisure.

Epsom & Erwell

All facilities operated by Greater London Leisure.

L.B. Barnet

All facilities operated by Greater London Leisure.

L.B. Hammersmith & Fulham

In negotiations with Greater London Leisure for them to operate all facilities.

L.B. Hackney

All facilities operated by Leisure Connections Ltd (External Private Contractor).

L.B. Islington

All facilities operated by Aqua Terra Leisure (In House Trust) – also in talks with Bath & Somerset to manage their facilities.

L.B. Haringey

In discussions with Aqua Terra Leisure, contract due to start in March 2004.

L.B. Kensington & Chelsea

All facilities operated by City Centre Leisure Ltd (External Private Contractor).

L.B. Lambeth

1 facility operated by Fusion (In House Trust - formerly Southwark Community Leisure Ltd) all other facilities operated by Leisure Connections Ltd.

L.B. Lewisham

All facilities operated by City Centre Leisure Ltd.

L.B. Southwark

Fusion (In-House Trust – formerly Southwark Community Leisure Ltd), operates all facilities.

L.B. Tower Hamlets

All facilities operated by City Centre Leisure Ltd.

L.B. Wandsworth

All facilities operated by Wandsworth Leisure Community Association Ltd in partnership with D.C. Leisure Management Ltd (possible tax reason).

L.B Westminster

All facilities operated by Cannons Health & Fitness.

L.B. Bexley

All indoor facilities operated under PPP with Boxwood Consortium and Parkwood Leisure. Outdoor facilities still operated in-house.

L.B. Brent

All facilities operated by Leisure Connections Ltd.

L.B. Bromley

New In-House Trust formed (Bromley My Time) will commence operating all facilities from 01.04.2004.

L.B Croydon

All in-house at present, however, soon to transfer to PPP Boxwood Consortium and Parkwood Leisure.

L.B. Ealing

All facilities operated by Leisure Connections Ltd.

L.B. Enfield

In House Trust formed 6 years ago (Enfield Leisure Centres Trust) operates all facilities.

L.B. Harrow

All facilities operated by Leisure Connections Ltd.

L.B. Havering

All facilities operated in-house at present. Have investigated forming own In-House Trust but still undecided as to long-term future management arrangements.

L.B. Hillingdon

All facilities operated in-house

L.B. Hounslow

In House Trust formed 1998 (Community Initiative Partnership) operates all facilities.

L.B Kingston upon Thames

D.C. Leisure Ltd operate 4 facilities – all other facilities operated in-house

L.B. Redbridge

Redbridge Sports Centre – Trust Status In-House

City Centre Leisure Ltd manages Fulwell Cross and Ilford High Road pools.

Education manages Wanstead Sports & Leisure Centre.

L.B Richmond

Some independent leisure facilities managed by Cannons and Hotel leisure chains. All council facilities operated / managed in-house

L.B Sutton

In-House Trust formed 1998 (SCL) operate all facilities

TOTALS

13 Managed by private sector

7 Greater London Leisure Ltd

7 In-house Trust

2 Managed by other neighbouring Council's In-House Trusts

3 Managed direct in-house, which includes L.B Barking and Dagenham

January 2004

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