

London Borough of Barking and Dagenham

Notice of Meeting

THE EXECUTIVE

Tuesday, 25 January 2005 - 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 H J Collins, Councillor S Kallar, Councillor M A McCarthy, Councillor M E McKenzie, Councillor L A Smith and Councillor T G W Wade

Also Invited: Councillor W.F.L Barns for agenda item 7.

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

14.1.05

John Tatam
Director of Corporate Strategy

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AGENDA

1. **Apologies for Absence**
2. **Minutes - To confirm as correct the minutes of the meeting held on 18 January 2005 (to follow)**

Business Items

Public Items 3 to 6 and Private Items 12 to 15 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. **London Housing Strategy and Housing Investment in the Regions (Pages 1 - 21)**

4. **Council's Response to the Government's Reforms on Planning Obligation (Pages 23 - 29)**
5. **Green Roof Advice Note (Pages 31 - 50)**
6. **The Boroughs Draft Sites of Importance for Nature Conservation Document (Pages 51 - 57)**

Discussion Items

7. **Final Report of the Marketing of Shops Scrutiny Panel (Pages 59 - 74)**
8. **Revised Budget 2004 / 2005 and Base Budget 2005 / 2006 (Pages 75 - 104)**
9. **Budget Monitoring Report 2004 / 2005 (Pages 105 - 115)**
10. **Any other public items which the Chair decides are urgent**
11. **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

12. **Pension Fund - Fund Manager Selection (to follow)**
13. **Provision of Extra Care Housing - D'arcy Gardens & Colin Pond Court (Pages 117 - 121)**
14. **Staffing Matter - Social Services Department (restricted circulation, reports circulated separately)**
15. **Staffing Matter - Education, Arts and Libraries Department (restricted circulation, reports circulated separately)**
16. **Any other confidential or exempt items which the Chair decides are urgent**

THE EXECUTIVE

25 JANUARY 2005

REPORT OF THE DIRECTOR OF HOUSING AND HEALTH

LONDON HOUSING STRATEGY AND HOUSING INVESTMENT IN THE REGIONS	FOR DECISION
<p><i>This report concerns housing policy issues affecting the Council, which is a matter reserved to the Executive.</i></p>	
<p>Summary</p>	
<p>The London Housing Board is developing the next London Housing Strategy, due to be published by July 2005. As part of that process it has produced for consultation the Draft London Housing Strategy 2005 - 2016. The consultation period was announced on 12 November 2004 and responses are required by 4 February 2005.</p>	
<p>The East London Housing Partnership (ELHP) agreed at their meeting on 29 November that a sub-regional response should be submitted and that if individual Councils were to make separate responses those points of difference should be notified to the Board. This would enable all partner Councils to understand where any potential differences of view might exist. This would assist in the future development of the sub-regional strategy which needs to be agreed by July 2005. The issues raised in paragraph 3 of this report indicate areas where Members may want to comment on the sub-regional draft and raise points specific to Barking and Dagenham.</p>	
<p>The draft consultation paper does not set out any specific funding plans. However, in a separate consultation document the Office of the Deputy Prime Minister (ODPM) has set out proposals for the national allocation of resources through the regional housing pots between 2006/7 - 2007/8 and beyond. The consultation paper proposes a new formula for calculating the resources and illustrates the likely distribution between the regions for 2006/07 and 2007/08 (total resources are around £2.6 and £2.9 billion respectively). The 2004 Comprehensive Spending Review announced an extra £430 million for new housing supply. £400 million extra has been added to affordable housing funding in 2007/08.</p>	
<p>Recommendations</p>	
<p>The Executive is asked to agree:</p>	
<ol style="list-style-type: none"> 1. The response to the draft London Housing Strategy which endorses the East London Housing Partnership paper in Appendix B with the added specific comments in paragraph 3 of this report; and 2. To note the implications of the ODPM proposals on the regional allocation of future housing investment and endorse the proposed response in paragraph 5. 	

Reason		
The proposed response seeks to influence the next London Housing Strategy to better address the housing and regeneration issues facing East London and in particular, Barking and Dagenham.		
Contact: Ken Jones	Head of Housing Strategic Development	Tel: 020 8227 5703 Fax: 020 8227 Minicom: 020 8227 E-mail: ken.jones@lbbd.gov.uk

1. Background

- 1.1 The London Housing Board is developing the next London Housing Strategy, due to be published by July 2005. As part of that process it has produced for consultation the Draft London Housing Strategy 2005 - 2016. The consultation period was announced on 12 November and responses are required by 4 February 2005. Copies of the document are available in the two Members Rooms and on the ODPM's website.
- 1.2 The London Housing Strategy will seek to inform future housing policy for the period 2005 – 2016 and drive the allocation of future housing capital finance across London. The key themes set out in the consultation document cover increasing the supply of new homes, improving the quality of existing homes and building sustainable communities through to the reduction of homelessness and developing mixed sustainable communities.
- 1.3 Following changes in 2003, ODPM housing resources have been allocated by Ministers on the advice of Regional Housing Boards. Since 2004, the Housing Corporation Approved Development Programme is set on a sub-regional basis. These changes led to a significant change to regional and sub-regional working and as a result the East London Housing Partnership (ELHP) was set up. Cllr Kallar represents the Council on the ELHP Board.
- 1.4 Having agreed the Affordable Investment Framework and more recently the Thames Gateway Vision document, the Board is working co-operatively in a number of areas including the key worker housing programme, private sector renewal and the sharing of good practice in a number of areas across the sub-region. Barking and Dagenham has been pro-active in developing this agenda as exemplified by the decision to be the host and employer for the sub-regional strategy officer, Martin Ling who took up his post in October 2004.
- 1.5 The importance of developing a sub-regional approach to housing policy and delivery has therefore grown and the ELHP covering all Councils in the sub-region is well established.

2. The East London Housing Partnership Draft Response

- 2.1 The ELHP Board agreed on 29 November that a sub-regional response should be submitted and if individual Councils were to make separate responses those points of difference should be notified to the Board to enable all partners to understand where any potential differences of view might exist. This would assist in the future development of the sub-regional strategy which needs to be written and agreed by July 2005. A copy of the draft response is attached at Appendix B.
- 2.1 The ELHP discussed the report at its meeting on 10 January 2005 A verbal update on the outcome of the discussion will be reported to the Executive.

3. Issues for Barking and Dagenham to consider

- 3.1 The ELHP response in Appendix B captures the principal points of concern on the draft London Housing Strategy. However, the following are distinctive issues on which it is considered that Barking and Dagenham should make specific comments in addition to the ELHP document.

3.2 Supply of Housing

Barking and Dagenham support greater emphasis on increasing new housing supply within existing town centres and from council estate renewal projects – raising both housing densities and quality / environmental sustainability and achieving more mixed tenure communities. In many cases, such as Barking Town Centre, this can be achieved earlier than the Sustainable Communities Plan growth areas as this optimizes use of existing transport and social infrastructure. This approach has the added advantage of delivering benefits to existing communities and therefore, should enhance long term social cohesion.

3.3 Delivering More Affordable Housing

Barking and Dagenham supports the approach adopted within the affordable housing supplementary planning guidance to the London Plan. This indicates that affordable housing targets for new developments in London should take account of current levels of social rented homes. Given that the figure for Barking and Dagenham of 38% is significantly higher than the average for London, this will mean that in order to help build sustainable communities, a lower target could be set for the Borough than the London Plan figure. This will aid the delivery of the Council's Housing Strategy and the regeneration objectives for Barking and Dagenham.

3.4 Meeting Decent Homes

The approach adopted by Barking and Dagenham to meeting both the Decent Homes target and tenants' aspirations is based on focusing on localized solutions. The Council's Housing Futures programme is proposing a number of major flatted estate renewal schemes which will provide better quality homes, change current mono tenure patterns for large areas and secure more housing.

3.5 High Quality

Barking and Dagenham support the objectives and wish to make 2 points in relation to increasing both the supply and quality of homes:-

- There is a need to raise the proportion of new homes that are built from modern methods of construction if environmental sustainability is to be maximized. This would be consistent with the development of off site manufacturing facilities in the London Thames Gateway – encouragement should be given to this.
- There should be recognition by the Housing Corporation in determining grant levels that there are costs attached to building to higher environmental standards and that achieving the higher levels of energy and other efficiencies is a major step in terms of making housing affordable for those on low incomes.

3.6 Homelessness

In support of the objectives, Barking and Dagenham make 2 points:-

- The conversion of more temporary to permanent accommodation would be welcomed. The Housing Corporation be encouraged to grant fund housing associations to carry out limited street property purchases, where it can be demonstrated that this is an efficient use of public resources.
- Out of borough placements of homeless families should only be considered as a last resort and that households with specific service needs be accommodated within the originating borough.

3.7 Choice Based Lettings

This draft response does not comment on the proposed pan London Choice Based Lettings Scheme which is set out in the consultation document. This is because the ELHP agreed to discuss this as a specific item on the 10 January. The proposals for such a scheme are at a very early stage and GOL and the ALG have set up a working group consisting of Directors from each sub-region to consider the outline proposals in more detail. David Woods will be one of the sub-region's representatives. It is expected that further consultation on any proposals that emerge will be carried out as a separate exercise by the London Housing Board. The proposals are set out in paragraphs 4.68 – 4.72 of the consultation document, an extract of which has been attached as Appendix A.

4. Housing Investment in the Regions

- 4.1 The Government is proposing to make changes to the methodology for allocating resources nationally for the period 2006/7 and 2007/8. A consultation document 'Housing Investment in the Regions' was issued in December with a closing date for comments of 4 February 2005.

- 4.2 The document proposes adopting a formulaic approach which includes measures of need for affordable housing, the cost of meeting decent homes across all sectors and a separate measure for regeneration/tackling deprivation and disadvantage.
- 4.4 The table below is taken from the consultation paper and shows the likely distribution of resources between the regions for 2006/07 and 2007/08 (total resources are around £2.6 and £2.9 billion respectively). The 2004 Comprehensive Spending Review announced an extra £430 million for new housing supply. £400 million extra funding has been added to affordable housing funding in 2007/08. Of the total funding for affordable housing in 2007/08 (£2.05 billion), £250 million has been allocated to Growth Areas.

	2005/06 £million	2006/07 £million	2007/08 £million	% change 2005/06 to 2007/08
North East	86	86	86	-
Yorkshire and Humber	144	147	156	8
East Midlands	116	122	140	21
East of England	167	191	255	52
London	1,071	1,111	1,220	14
South East	367	380	415	13
South West	137	153	196	43
West Midlands	182	185	194	7
North West	250	250	250	-
Total	2,519	2,625	2,912	15

5. Resource implications

- 5.1 Initial analysis shows that although London would receive a 14% increase compared to 2005/06, its national share drops by 0.6%. There is concern that without a greater share of resources, London will not be able to meet housing need in the capital as exemplified through levels of households in temporary accommodation and through overcrowding. The ALG estimate that London could build 15,000 affordable dwellings p.a. by 2007/08 with 65% of affordable dwellings being social rented if London received 4,000 of the additional 10,000 new social rented dwellings p.a. referred to in the Spending Review 2004. However without such a rise in social rented provision London is not expected to meet its London Plan targets of a minimum overall supply of 23,000 units.. The ALG will be consulting London councils on whether they should further lobby Government on behalf of the capital. The ALG suggest that insufficient weighting may have been given to the severe overcrowding factor and there is concern that the 'affordability' calculation in the new formula is flawed and has worked against London's interests.

5.2 £250 million has been separated for affordable housing in growth areas. Four regions fall within this allocation: London, East, South East and East Midlands. London's share of the growth areas funding is 40%, an additional £100m in cash terms, with the majority targeted at the Thames Gateway.

6. Consultation

6.1 The London Housing Board is carrying out extensive pan London consultation with all councils, housing providers and other agencies including tenant representative bodies.

6.2 The following were consulted in the preparation of this report:

Head of Regeneration Implementation
Director of Finance

Background Papers

- Draft Housing Strategy 2005 – 2016, via the ODPM's website
http://www.go-london.gov.uk/housing/draft_housing_strategy_2005.asp

Chapter 4: Where do we want to be and how do we get there?

precisely the levels and nature of need, across London, for supporting people services and supported housing, and ensure that its aims and spending plans are aligned with the investment plans of the London Housing Strategy.

4.3.3. Creating mixed and sustainable communities

The aim of this strategy is to encourage more mixed neighbourhoods – in terms of income, economic activity, tenure, household size, ethnicity; more sustainable communities and a more even spread of social housing across London.

4.64 In the interests of sustainability, social cohesion and equality, there is a need to ensure that sites across all of London continue to be exploited for affordable housing and that new developments and regeneration lead to more mixed and sustainable communities. Where this means investing in areas with higher land and housing values, it also means that a balance needs to be struck between the overall number of new homes that could be developed and a more even spread of affordable housing across London.

Means

4.65 Planning guidance already encourages local planning authorities to support the development of mixed and balanced communities in order to avoid areas of concentrated deprivation.^{xii} In addition, Office of the Deputy prime Minister has proposed lowering the threshold above which affordable housing can be sought, from 25 dwelling to 15 dwellings. This will facilitate a better mix of housing on smaller development sites. Practice guidance that outlines the principles of creating mixed communities will also be published by the end of 2004. And the Government is currently consulting on the reform of S.106 Agreements and will ensure that any reform supports the development of mixed communities.

4.66 Additional means proposed to encourage the development of more mixed and sustainable communities are:

- using sustainability criteria for judging investment and lettings proposals;
- promoting choice and mobility among tenants;
- promoting estate renewal and best practice in designing and planning;
- developing good practice in managing mixed community sites and anti-social behaviour, and recommending its incorporation into planning guidance; and

Chapter 4: Where do we want to be and how do we get there?

- reducing overcrowding.

4.67 Developing and using sustainability criteria for investment and lettings policies:

Measures of sustainability could be developed and adopted, building on the Housing Corporation's sustainability toolkit.^{xiii} These would be used in evaluating all housing investment proposals and lettings policies. Such measures could include existing tenure mix, dwelling size mix, child density, the proportion of residents who are or will be economically active, ethnic mix etc, as well as infrastructure. Housing associations are required to use the toolkit before applying for funding for a scheme. The London Housing Board proposes developing and promoting the use of this toolkit, and its development, possibly in combination with other sustainability criteria – like that developed by the Sustainable Communities Taskforce - in agreement with Office of the Deputy prime Minister.

4.68 Promoting mobility and choice based lettings.

Choice based letting schemes increase mobility in the social sector by giving council tenants more say about where they want to live. They have a higher stake in their community as a result. Existing borough based and sub-regional schemes are at an early stage in their development, but has been estimated that 239,000 people in social accommodation in London would like to move home and 35,000 of these would consider a move outside London. If more people could be encouraged to move, this would free up properties for homeless and overcrowded households.^{xiv}

4.69 Historically, social lettings have taken place within boroughs, although there have been various schemes to help social tenants who wish to move across London or to other regions. However, the focus has now shifted to providing opportunities for people who want to move within their sub-region, across London, or out of London.

4.70 Schemes such as Housing Organisation Mobility and Exchange Services (HOMES) and London Alliance West and North (LAWN) have provided assistance with moves to other regions. These schemes are to be transferred to a new Housing and Employment Mobility Services (HEMS) scheme that is being introduced in 2005 by Office of the Deputy prime Minister. And the Housing Corporation, London Housing Federation and Association of Local Government are developing protocols for sub-regional housing allocations and lettings in London.

4.71 Against this background, there are opportunities to promote the further development of choice and mobility by:

- establishing a pan-London choice based letting scheme that covers all local authority and housing association properties in London;
- adopting common local authority and housing association housing registers;

Chapter 4: Where do we want to be and how do we get there?

- boroughs identifying, through their housing needs surveys of existing social tenants and waiting list applicants, who is interested in moves across or outside of London;
- developing more effective links with the HEMS scheme for promoting moves outside of London; and
- considering the role of the private sector in choice based lettings and moving towards tenure-neutral schemes.

4.72 In addition to increasing satisfaction for tenants and housing staff, contributing to more sustainable communities and reducing homelessness, accelerating the development of choice based lettings schemes could also contribute to reducing under-occupation and overcrowding. A pan-London scheme could also help to better match supply and demand, since the capacity for delivering new housing and the excess demand for housing are often in different sub regions within London. And a pan-London accessible housing register could be developed as part of such a scheme. The Board will develop detailed proposals on how a proposed pan-London choice based letting scheme would work.

4.73 Supporting estate or area renewal schemes involving large-scale refurbishment or replacement of stock can also support the development of more mixed and sustainable communities. Where there is the potential to increase the total number of homes over and above the existing numbers of social homes, new intermediate and private sector homes can contribute to a greater mix. Many such schemes are underway across London, generally as part of wider regeneration or neighbourhood renewal programmes.

4.74 Promoting best practice guidance on designing, planning and building for mixed communities. There are many examples of successful mixed communities and some best practice has already been developed – in terms of building design, area planning and management. Further work on articulating and spreading this best practice remains important though – particularly in addressing concerns held by some developers that mixed communities lead to a reduction in property values. The Board proposes pulling together by existing best practice guidance, and combining it with other best practice in the design, planning and building conducive to successful mixed communities. This best practice guidance will feed into the review of the London Plan.

4.75 Developing good practice in managing mixed community sites and anti-social behaviour: Not only do mixed communities need to be planned and designed well (see paragraph 4.74 above), they also need to be managed well. The Board proposes pulling together some best practice guidance on how to manage such communities so as avoid potential pitfalls and ensure they function well.

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Report to: East London Housing Partnership Board
Author: Martin Ling – Thames Gateway Strategy Officer
Date: 10th January 2005
Report Title: London Housing Strategy

1.0 Purpose

- 1.1 To update the Partnership on the development of Government Office for London and Greater London Authority London Housing Strategy and to seek approval for the outline draft response attached at Appendix 1

2.0 Recommendations

- 2.1 To note the report and comment on the draft response attached at Appendix 1.

That further written comments and copies of any individual Borough responses are sent to Martin Ling by Friday 22nd January 2005.

That following incorporation of further comments, the response is signed off by the Chair of the ELHP by the 4th February 2005 deadline.

3.0 Background

- 3.1 The London Housing Board is developing the next London Housing Strategy, due to be published by July 2005. As part of that process it has produced for consultation the Draft London Housing Strategy 2005 - 2016. The consultation period was announced on the 12th November and responses are required by Friday 4 February 2005.

The London Housing Strategy will seek to inform future housing policy for the period 2005 – 2016 and drive the allocation of future allocation of housing capital finance across London. The key themes set out in the consultation document cover increasing the supply of new homes, improving the quality of existing homes and building sustainable communities through the reduction of homelessness and developing mixed sustainable communities.

The draft paper does not set out any specific funding plans. However, in a separate consultation document the ODPM have set out future proposals for allocation resources through the regional housing pots between 2006/7 and 2007/8 and beyond. A separate report on this consultation paper will be discussed elsewhere on the agenda.

- 3.2 The response attached is in line with the response made by the ELHP to the first round of consultation in July 2003, the ELHP Affordable Housing Investment Framework and approach set out in the Vision for Sustainable Development in the London Thames Gateway' derived from the LSE study.

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Date: 14/12/2004

The Government Office of London

London Housing Strategy 2005 -2016 – Comments of Draft for consultation.

This response is submitted on behalf of the East London Housing Partnership, which comprises the seven east London Boroughs and the Corporation of London which makes up the East London Sub-Region. It has been produced by the Officer responsible for Sub-regional Co-ordination, Martin Ling, who is employed through the London Borough of Barking Dagenham but works with all partner Boroughs and the Corporation of London on an equal basis.

The ELHP produced an Affordable Housing Investment Framework for the Sub-Region in 2003. In November 2004 the ELHP produced a summary document entitled a 'Vision for Sustainable Development in the London Thames Gateway' which set out our approach to the development of a full housing policy which will achieve a long term sustainable housing programme in the Thames Gateway. The sub-region also provided a response to the first round of consultation on the London Housing Strategy in July 2004.

This response is consistent with the views and approaches set out in these documents that have been agreed by all partner Authorities.

In general terms we are disappointed that the draft strategy does not set a clear vision for future housing provision to match the needs of the growing world city. Our thinking on these issues in the Thames Gateway is now well developed and is closely linked into areas such as transport and other infrastructure, health, employment, affordability, sustainability, community cohesion and how we can meet the needs of our black and minority ethnic communities. The current draft is light on the detail of how these challenges can be met, and we would want to see a bolder commitment to ensure areas for growth work, identifying the additional funding with a similar commitment to tackle existing housing decay across all tenures in the final draft.

We have now been working for over 18 months as a sub-regional partnership at both a political and officer level alongside our partner RSLs and other agencies. The London Housing Strategy will be key to the development of this partnership over the next decade and we would welcome a set of clear principles and a commitments from the London Housing Board that we can take forward and prepare to deliver. We have an excellent opportunity in our sub-region to help tackle the challenge set out in the document and would welcome much greater clarity from the Strategy to match our own vision.

**The comments set out below follow the format of the document from page 23 –
Where do we want to be and how do we get there?**

1.0 INCREASING THE NUMBER OF NEW HOMES

1.1 Increasing new supply – The Thames Gateway

The sub-region is well placed to contribute to the new supply of housing and is working closely with a range of partners on the development of major site in Newham, Barking and Dagenham and Havering. Many sites are within the Zones of Change identified in the London Thames Gateway Development and Investment Framework (TGDIF) and are covered by the planning and other responsibilities that will be taken on by the new London Urban Development Council.

We note that the draft strategy suggests that the location of new homes should include the Thames Gateway but does not go as far as endorsing the statement set out in the London Plan which states that East London is the Mayor's priority area for development, regeneration and infrastructure improvement. The London Plan suggests that the sub-region should plan for at least 104,000 additional homes and 249,000 jobs by 2016. The ELHP would welcome a clearer statement of intent for the sub-region more in line with our vision and the statements set out in the London Plan.

The TGDIF set out a target of 91,000 new homes for the Gateway which the ELHP has challenged through its vision document. We have supported the argument that the Gateway could potential provide up to 150,000 new homes, but through a twin track approach;

Regenerating and developing existing town centres; we advocate a bold approach to regenerating existing town centres, promoting local area action frameworks, encouraging infill developments, redeveloping low density estates, opening up debate about UDP requirements and sharing good practice on S106 agreements. For example, this approach to regenerating existing town centres has been adopted in Barking Town Centre which has been translated via a Framework plan into a major regeneration programme. Barking Town Centre is a key strategic location only 15 minutes away by the C2C rail connection from Central London and has the potential to provide around 4000 net new homes applying higher densities, in genuinely mixed communities, bringing forward high quality housing that meets the needs of the existing and new population. . Such an approach requires integrated support for both new build and refurbishment of existing private sector properties.

One example of this is the Tanner Street Gateway site this area saw the demolition of 3, 1960's high rise blocks and a new development that delivers;

- 65% affordable 35% private sale, with larger family sized homes available across all tenure types
- Density has been increased from 488 hr per ha to 683 hr per ha, maximising the sites proximity to the transport hub.
- The homes all have private amenity space either as a balcony of courtyard garden

- The affordable tenure homes include, general needs rent, shared ownership, intermediate rent and self build shared ownership providing more housing choice in the Town Centre.

These are also fully compliant with the London Plan and the Sustainable Communities plan in terms of density, high quality design, improved balances of tenure mix and maximising opportunities in existing town centres to take full advantage of existing infrastructure and transport links.

Developing new major sites; Ensuring the necessary infrastructure is put in place to support new housing, built at higher densities and provided through a longer term programme. Our view is that only by building at higher densities will we ensure enough quality, a critical mass of people and services, environmental protection and sufficient value to generate investment in the infrastructure and links into existing communities.

We therefore welcome the London Housing Strategy approach to adopt a longer term view till 2016, but argue that for the substantial opportunities provided in the Gateway, a more staggered approach, possibly up to around 2030 is adopted, with more careful planning and investment in the infrastructure to ensure the development of successful sustainable communities. We welcome the ongoing contributions of this debate from our partner organisations and would support further research into the potential capacity, densification, transport requirements and other critical issues which will impact upon the long term success of the Gateway project.

1.2 Increasing new supply – Private Sector Housing

The ELHP supports the notion that the private sector should be seen as a long term housing option, not just a short term one forced on those with nowhere else to go. The ELHP has successfully launched its sub-regional private sector renewal programme to generate both new supply and improve the housing conditions of the vulnerable living in the private sector.

In 2005, the London Borough of Newham will launch its Open Space Initiative in which a new organisation will enter into a partnering agreement with the Borough to acquire properties on the open market and provide higher quality accommodation for homeless families. Whilst neither of these programmes increase the supply of housing per se, they will demonstrate a commitment to working at a sub-regional level and developing innovative solutions to current problems through the private sector.

As there is a high level of empty properties in the sub-region, the East London Affordable Investment Framework, pressed for the Housing Corporation to support the acquisition of properties through compulsory purchase orders by pledging to fund necessary rehabilitation work. We would welcome clearer guidance and a dedicated funding stream that would support innovative partnerships to consider this type of activity.

Town centres are too often a focus for urban decay. The East London Renewal Partnership is already seeking to address some of the underlying causes of this. It would be helpful to our programme if a Housing Corporation challenge fund could support this

area of work. We believe Housing Regeneration Companies or similar agencies could be useful partners in this programme.

Growth in multiple occupation and overcrowding is the standard market response to housing shortages. London now houses over half of the nation's Houses in Multiple Occupation and these are particularly associated with poor conditions and poor management leading to anti-social behaviour. It is inappropriate that the draft Housing Strategy makes no mention of this sub-sector when it is subject to major change through the mandatory licensing of larger properties.

In addition to the means set out in 4.7 of the document, we would therefore welcome the opportunity to develop more initiatives, perhaps with further pump prime funding to tackle both conditions in the private sector and increase supply.

1.3 Delivering more Affordable Housing – Targets

The ELHP broadly supports the London Plan target of 50% of new homes each year being affordable. Because of the acute need within the sub-region our investment strategy states that we would seek 70% of our resources being directed at our rent programme with 10% of funding being targeted at supported housing schemes. However, in line with our vision statement we recognise the need to create new developments with a mix of incomes, tenures and uses particularly on large scale developments.

The tenure profile within individual Boroughs across the sub-region is extremely varied ranging from 9% social housing in Redbridge, 38% in Barking and Dagenham through to over 50% in Hackney and Tower Hamlets. In order to create mixed but sustainable communities and tackle acute housing need, we need to ensure a flexible, measured approach to new sites across the sub-region.

We will continue to maximise the provision of affordable housing across the sub-region but are cautious about the assertion that the targets are kept under review and should not therefore be prescriptive to every site and new development. Ultimately we would want to see an increased mix of tenures across all Boroughs and to try and ensure that we do not increase disproportionately, the levels of social housing in areas where benefit dependency and poverty already exist, which in turn have a knock on effect on the cost of health and other support services in Boroughs that already have high levels deprivation. We will follow with interest the East Thames pilot study of reducing social rents across 3 east London boroughs to see if it encourages economic activity amongst tenants.

This view is consistent with our vision for sustainable development set out above.

1.4 Delivering more Affordable Housing – Type of Housing

Our investment document asserts that because of the high level of overcrowding and need for larger family dwellings, 40 % of new homes should be built at three bedroom/5 person and above. Latest ADP figures show only 27% of new properties across London are 3 beds or above. We welcome the acknowledgement of this in the consultation document but would want a more explicit commitment and in turn funding to increase

provision at these bedroom levels. Otherwise housing delivery will be continue to be driven down the route of prioritising smaller units, key worker units etc, which require less grant funding and therefore produce more housing but not of the type required in the sub-region to tackle the acute housing problems our residents and many others across London face.

We do however recognise that building family size homes at increased densities can create higher service charges and push low income or benefit dependent households towards being caught in a poverty trap. We recommend that the London Housing Strategy makes a firm commitment to fund research or develop pilot schemes that can look to produce innovative solutions to this problem. We would favour an approach that looks at both design and management issues.

1.5 Delivering more Affordable Housing – Intermediate market

We support the continued development of key worker and intermediate housing as it fits in with our vision to develop an infrastructure which can support a growing population and economy in the sub-region. We have a well developed sub-regional programme which is supporting three schemes - shared ownership, intermediate rent and Home buy. The latter scheme is particularly popular and we recommend that the impact, popularity and cost of all intermediate schemes are fully evaluated so that we ensure resources are targeted effectively. In addition we intend that some of the new units generated by the East London Renewal Partnership shall be used for key worker accommodation, normally be for non-family occupancy in view of their town centre locations.

As with the supply of affordable housing for rent, we also have concerns about the type of housing being produced – too much emphasis on smaller units with little recognition and appropriate grant funding for family sized units of which there is a substantial demand from key workers. For example evidence is slowly emerging that the take up of keyworker flatted units in the sub-region is slow even where properties are located close to transport nodes. The type of intermediate tenure provided is also important and intermediate rent is proving far more popular. Monitoring and review of the type of affordable housing provided is critical for successful future planning

1.6 Delivering more Affordable Housing – Supported Housing

The ELHP is currently reviewing the provision and need for supported housing in the sub-region and we support the assertion in the consultation document (4.22) that more work is needed to clarify the need and demand for supported housing across London. In line with our investment strategy we will continue to target 10% of our programmed resources at supported housing schemes.

A particular concern is the need to ensure that the Supporting People grant national allocation framework is brought in line with the new Supported Housing targets in the growth areas.

In terms of supply, we advocate a mixed funding approach with full participation from a range of partners across the private and public sector.

For example, In Barking and Dagenham, between 1998 and 2004, the prudent use of Local Authority Social Housing Grant and Right to Buy receipts enabled the Authority to provide a full range of accommodation and accommodation with care to meet the needs of the elderly population, which also released 297 family homes and flats for general needs use. The abolition of LASHG has effectively stifled the Authorities ability to major such innovative schemes work and whilst we are not arguing for a return to previous funding regimes, we would argue for the development of funding streams that can enable such innovation to work.

1.7 Ensuring new housing is of high quality

The ELHP supports all the means set out in the consultation document for ensuring new housing is built to the highest possible standards. This is of particular significance to our vision for the sub-region and our support for building at higher densities in the Thames Gateway. There are numerous examples across East London where poor design has led to higher repair costs, general deterioration of the environment and increased management costs. Issues such as community safety, sound proofing and low energy and low cost services will be of great importance if we are to design lifetime homes for sustainable communities.

We would suggest that the current target of 25% of all homes being built through modern methods of construction is increased to X%.

In delivering modern methods of construction, consideration needs to be given to setting up off site manufacturing capacity in growth areas to ensure delivery can add to efficiency savings and environmental sustainability.

1.8 Reducing the number of empty homes

In addition to comments made at 1.2 and 1.6 above we support the means set out in this section at 1.33. Our comments on developing sub-regional partnership working are particularly pertinent to the bullet points that highlight the role of RSLs and Local Authorities. Housing Regeneration Companies or similar partner organisations with appropriate development and management capability are best suited to deliver Empty Property Management Orders, Final Management Orders for Housing in Multiple Occupation and the Compulsory Purchase Powers the government intends should support such Orders within the Housing Act (2004).

2.0 IMPROVING THE QUALITY OF EXISTING HOMES

2.1 Meeting decent homes standards in all tenures

Public sector

The ELHP supports the aim to bring all homes up to a decent standard by 2010 and all Boroughs are working towards completing option appraisals accordingly. The sub-region is keen to ensure that the commitment to fund this programme between now and 2010 is

maintained, especially as the statistics demonstrate that east London has the highest percentage of non –decent homes and a renewal cost of nearly £830m.

In line with vision statement we are committed to trying to ensure that future funding streams are targeted at our existing communities as well as new developments so that a better quality of home, choice and opportunity is available to all our residents. Ensuring a fair distribution of resources will in term help us achieve our longer term aims of developing sustainable and cohesive communities across the whole sub-region.

Private Sector

The draft evidence base points out that 74% of London's housing stock is in the private sector compared with 65% in 1984. The government's national goal is that the percentage of vulnerable residents living in decent homes in the private sector should rise to 65% by 2006, 70% by 2010 and 75% by 2020. The private rented sector now houses more tenants than Local Authorities and an increasing proportion are classified by government as vulnerable. Any strategy to create sustainable communities must address market failure in private sector housing.

The evidence base notes that it is the vulnerable elderly who remain in London into old age. Equity release is not appropriate to fund the often minor works required to keep their homes safe. The strategy should consider setting up a revolving loan fund to support loans for essential repairs recoverable on death or sale of the property.

Disabled Facility Grants are currently oversubscribed by 40% largely through the failure of Stock Transfer Companies to maintain the support for adaptations previously provided by Local Authority owners. They are currently inadequate to support the government's goal of sustaining independent living for elderly private sector residents.

The Housing Act (2004) increases enforcement powers to address thermal comfort failures but removes repair powers for privately rented homes. Future budget settlements should recognise the increased reliance this will place on financial incentives to achieve government Decent Homes targets for private sector housing.

2.2 Improving the physical environment of local neighbourhoods

The ELHP supports the aims and means set out in this section. Our focussed programme on existing town centre sites which includes work with existing owners of unused properties in town centres will have a particular regenerative impact through the high profile of such locations.

3.0 BUILDING SUSTAINABLE COMMUNITIES

3.1 Preventing homelessness and reducing repeat homelessness

Tackling Homelessness

The ELHP supports the aims set out in this section and as previously referred to be working in a number of areas to tackle these issues, particularly through the Open Space scheme.

We reiterate the point about developing innovative schemes to reduce empty homes and increase supply through private sector renewal schemes.

With regard to the point concerning increasing the number of lettings to homeless people we refer to the points made in sections 1.3 and 1.4 with regard to the levels of affordable homes, tenure mix and affordability. If we are to achieve our longer term vision it is essential that we are sensitive to all these different pressures and welcome the recognition in the consultation document that a blanket approach to lettings to homeless households can mitigate against the aim of creating sustainable communities.

As demonstrated by the statistical analysis, the sub-region has high levels of homelessness, overcrowding, and our inner Borough scores have high levels of deprivation. We reiterate that our support for a flexible and balanced approach does not undermine our commitment to aim 70% of resources to social housing for rent (a proportion of which will go to tackling homelessness) and reduce the acute housing problems in our sub – region.

Sub-Regional Homelessness Strategies

We note the proposal to introduce a requirement for sub-regions to develop 3-5 year action plans on better tackling homelessness. As demonstrated in this response, the sub-region is already working across a number of levels that impact on homelessness and would welcome the encouragement suggested in the document to continue with this work.

Should we suggest that this encouragement for funding comes in the form of revenue funding? i.e funding for a co-ordinator?

Whilst recognising that leasing arrangements will inevitably lead to placements in lower priced areas of housing we are concerned that tenants with particular support needs are often displaced from locations where they benefit from support from friends and family to areas where support services are already over-stretched. To reduce the impact of these policies on east London we would recommend that;

- New tenants are provided with the longest possible tenure in any new location so they can build commitment to the area and there is minimum disruption to the schooling and other needs of vulnerable families.
- The NOTIFY scheme for sharing information on incoming households is extended to cover placements by Social Services Departments and the National Asylum Seekers Service as a priority.

Choice based Lettings

Response will depend on the outcome of ELHP Board discussion – separate paper being produced

3.2 Meeting Diverse Housing Needs

The ELHP has a hugely diverse population and we support the undertaking that the London Housing Board will carry out an Equalities Impact Assessment into the impact of the 2003 strategy and the development of the 2005 – 2016 strategy. The ELHP supports both the targets and the means in this section.

With regard to the role of B&ME RSLs, the ELHP hosted a seminar in early January 2005 which explored how BME RSLs could contribute further to the aim of community cohesion across the sub-region (*add in outcomes*).

We note the current targets of 55% of ADP for meeting the needs of BME households and 15% of allocation being targeted to BME RSL projects and would wish to work up a fuller sub-regional response to what the targets are for the 2006 /8 programme in the run up to that bidding round.

3.3 Mixed and sustainable communities

The issues set out in this section reflect a number of the points made in this submission concerning the development of sustainable communities, many of which are expanded upon in the documents referred to at the start of this document.

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THE EXECUTIVE

25 JANUARY 2005

REPORT OF THE DIRECTOR OF REGENERATION AND ENVIRONMENT

COUNCIL'S RESPONSE TO THE GOVERNMENT'S REFORMS ON PLANNING OBLIGATIONS	DECISION
<p>This report concerns a strategic policy issue, which is reserved to the Executive.</p> <p>Summary</p> <p>The Government proposes to revise Circular 1/97 which sets out the Government's policy on 'planning obligations'. Planning obligations, also known as section 106 agreements are agreements between Council and the developer requiring developers to make cash or in-kind contributions towards a range of infrastructure and services needed to ensure the success of a new development.</p> <p>The reforms are proposed in order to promote speed, certainty, transparency, and accountability in negotiations for planning obligations.</p> <p>In general, the revised Circular (and the Good Practice Guidance which accompanies the Circular) should be supported and welcomed as it will assist us in preparing policy and provides additional flexibility in ways to negotiate the mitigation measures to address the impacts of development.</p> <p>The consultation documents are technical however there are implications for the Executive to consider including:</p> <ul style="list-style-type: none"> • The retention of the 'necessity test' • Use of pooled contributions and maintenance payments • Affordable housing as a planning obligation • Infrastructure capacity • The borough's capacity to deliver <p>Recommendations</p> <p>The Executive is asked to agree the response to the Government's reforms as set out in Appendix 1 of this report.</p> <p>Reason</p> <p>The response has been prepared in consultation and has the support of the Department of Regeneration and Environment.</p>	
<p>Contact Officer: Peter Wright</p>	<p>Head of Planning</p> <p>Tel: 020 8227 3900 Fax: 020 8227 3774 Minicom: 020 8227 3034 E-mail: peter.wright@lbbd.gov.uk</p>

1. Introduction

- 1.1 The legislative basis for planning obligations is in section 12(1) of the Planning and Compensation Act 1991 which substituted section 106 of the Town and Country Planning Act 1990. It permits local authorities and developers to make agreements over the use of land, including those, which require sums to be paid to the local authority.
- 1.2 The current policy on planning obligations, as set out in Circular 1/97 requires fair, open and reasonable negotiation of planning obligations, so that the obligations allow development to go ahead which might otherwise have been refused. However, case law confirmed a broader interpretation of the type of developer contribution that can be agreed under s106. So in practice, local authorities are accepting contributions from developers that go beyond the definition in Circular 1/97.
- 1.3 The government proposes changes to Circular 1/97 to address the criticism raised in previous consultations. The draft Circular will be supported by good practice guidance but will not be published until the draft Circular has been finalised. Comments are sought on the structure of the guidance.
- 1.4 The Government proposed changes to the planning obligation system in November 2003 in which we provided a response. It is considered that our concerns were addressed in 3 forms: answered, recognised but not addressed and question remains.
- 1.5 Our response to this consultation is set out in Appendix 1.

2. Key messages for the Executive to consider

- 2.1 The 'Necessity Test'¹. The revised Circular retains the policy tests from Circular 1/97, whilst simplifying and clarifying the first policy test for acceptable planning obligations, by placing greater emphasis on the requirement for obligations to be necessary in order to make the development acceptable in planning terms. The draft revised Circular is therefore proposing in that s106 should continue to be an impact mitigation or positive planning measure linked to planning necessity and that it should not be used for tax-like purposes such as the capture of land value increases for purposes not directly necessary for development to proceed.
- 2.2 Affordable Housing: The draft revised Circular separates affordable housing and identifies it as a positive planning measure, while requiring it to comply with the Circular's policy tests. This does not change existing practices in securing affordable housing but provides increased certainty. This is in line with Kate Barker's distinction between impact mitigation and affordable housing.

¹ The Secretary of State's policy requires, amongst other factors that planning obligations are only sought where they meet all of the following tests: A planning obligation must be a) necessary to make the proposed development acceptable in planning terms, b) relevant to planning, c) directly related to the proposed development; d) fairly and reasonably related in scale and kind to the proposed development; and e) reasonable in all other aspects.

- 2.3 Maintenance payments: The draft revised Circular allows Local Planning Authorities (LPAs) to require contributions to maintenance from developers for a limited period, in cases where the new infrastructure is primarily for the development or where it cannot immediately be supported by mainstream public funding. This is on condition that the contributions should be time-limited and that LPA's and developers should agree in advance how the payments will be made. Where an asset is intended for wider public use, the costs of maintenance should normally be borne by the body or authority which will be responsible for it.
- 2.4 Pooled contributions The draft revised Circular also sets out guidance on the use of pooled contributions, where they are clearly linked to specific infrastructure (i.e. they must not be tax-like)- where they can support development and to ensure fairer and more equitable distribution of the costs of infrastructure. This pooling can take place between developments or between LPAs. According to the revised Circular, LPAs should set out in advance the need for the infrastructure and the likelihood of a contribution being sought.
- 2.5 Infrastructure capacity It is difficult to justify asking new development to sponsor meeting wider backlog deficiencies and difficult to quantify and allocate such demands to individual developments. Moreover, its against national policy. However spare capacity in public infrastructure should not automatically be gifted free of charge to developers, except where long-term spare capacity in an area can be forecast robustly.
- 2.6 The Borough's capacity to deliver. With the new emphasis on planning policy as the basis for negotiation, our Borough's policy should be detailed and robust. Extensive work and resources will be required to identify and co-ordinate our priorities, needs, setting of costs and monitoring. The skills to prepare this type of policy are specialised. This issue is pressing as effective implementation is needed to maximise the opportunities in new development. This issue will be subject to another report in 2005.

3. Work Program on Planning Obligations

- 3.1 The responsibility for planning obligations sits within the Policy and Strategy Group. An indicative work program for 2005 will be:
- making the case to 's106 self-fund' dedicated section 106 officer.
 - determine the Borough-wide planning obligation priorities.
 - debrief the Council on the finalised Circular.
 - preparing planning obligation policy within the new LDF format.
 - continue managing and monitoring existing agreements.
 - establish a protocol and procedure for processing negotiations.

4. Conclusions

- 4.1 The Executive Committee are asked to approve the response in Appendix 1 to be submitted to the Office of the Deputy Prime Minister on 28 January 2005.

5. Consultation

5.1 The following officers have been consulted in the preparation of this report:

Niall Bolger – Director of Regeneration and Environment

Jeremy Wright - Head of Regeneration

Gordon Glenday – Group Manager Sustainable Development Group

Tim Lewis - Group Manager of Development Control

Background Papers

- Draft Revised Circular on Planning Obligations, Consultation document, November 2004, Office of the Deputy Prime Minister, London.
- Reforming Planning Obligations: the Use of Standard Charges, A survey of current practice and examination of issues, with a proposed framework for standard charges systems, November 2004, GVA Grimley for the Office of Deputy Prime Minister, London.

Appendix 1 – Our Response to the proposed reforms (January 2004)

Phone: 020 8227 3898
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Minicom: 020 8227 3034
E-mail: emma.demaine@lbbd.gov.uk

Paul Martin
Officer of the Deputy Prime Minister
Planning Policies Division (B)
Zone 4/J4
Eland House
Bressenden Place
London SW1E 5DU

25 January 2005

Dear Paul

London Borough of Barking and Dagenham's response to the Government's proposed draft revised circular on planning obligations

Thank you for the opportunity to comment on the revised draft Circular and its proposed changes. We welcome the reforms and our views are set out in the following page.

Should you have any queries regarding our response or wish to discuss the reforms further, please don't hesitate to contact myself on 020 8227 3900 or Emma Demaine on 020 8227 3898.

Yours sincerely

Peter Wright
Head of Planning and Transportation

London Borough of Barking and Dagenham
Third Floor, 127 Ripple Road, Barking
IG11 7PB

Appendix 1 – Our response

Circular para	Topic	Comments
1-10	Retention/simplification of policy tests	In principle, we support the retention of the necessity test and the new emphasis on planning policies.
3, 11-16	Typology for use of planning obligations	We support the identification of categories of planning obligations however there is concern that the way Class 3 type planning obligations are expressed suggests that they should not be encouraged or supported because of the tenuous link between need and the development. It is often these types of obligations that tangibly make development acceptable and are what the community would support because they are more tangible than investing in infrastructure. To avoid challenge, more guidance should be provided on the minimum requirements for demonstrating the linkage between the development and class 3 planning obligations.
12-14	Contributions for affordable housing	We support that the Circular separates the affordable housing policy from impact mitigation typology and recognise that affordable housing is a government priority however it should be expressed that local authorities should be able to determine their own priorities.
18	Maintenance payments	We support the use of maintenance payments for the provision of facilities which are predominantly for the benefit of the users of the associated development or neighbouring residents.
19-21	Pooled contributions	We support the use of pooling contributions to assist in paying for future provision of infrastructure.
8, 24-27	Local planning obligations policies	Agree to how planning obligations fit into the LDF however the detail required for SPDs still requires further guidance.
28	Joining-up across public sector	We support ensuring a joined up approach in the production of policy for planning obligations and the consultation process will reflect that however after policy has been set, it is considered not necessary to consult agencies and partners all the time.
29-31	Formulae and standard charges	We support the use of standard charges and formulae. The Good Practice Guidance identifies that ‘few local authorities have the skills and resources to construct a robust comprehensive charging system’ therefore further guidance and resources should be made available to local

Circular para	Topic	Comments
		authorities to address this issue.
32	Standard agreements/undertakings	We support in principle the use of standard agreements as it provides greater certainty and increases the speed of negotiations, however it should be at the local authorities' discretion as to whether they use a standard agreement or use agreements drafted individually.
33-35	Use of independent third parties	We support the use of independent third parties however the guidance should clearly express that this approach is optional and should provide guidance on who would pay for their use.
36	Cost recovery	We support the statement in para 36 which states that local authorities can recover cost incurred during the process of agreeing a planning obligation, particularly for s106 officers, legal fees, monitoring and implementation of obligations.
38-40	Use of unilateral undertakings	We support the use of unilateral undertakings and are of the view that their use should be promoted.
41	Monitoring and implementation of obligations	We support the fact that planning obligations need to be monitored and made publicly available. Further guidance on the minimum requirements that should be monitored and displayed would be helpful.
Other	Comments on proposed structure of Good Practice Guidance	We do not have any concerns with the structure of the guidance document.
	Appeal time limits for modification and discharge of planning obligations	We support reducing the time limit for appeal to 3 months in line with other appeals. This would benefit our development control processes greatly and allow officer's capacity to move on to other applications.

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THE EXECUTIVE

25 JANUARY 2005

REPORT FROM THE DIRECTOR OF REGENERATION AND ENVIRONMENT

GREEN ROOFS ADVICE NOTE	FOR DECISION	
<p><i>This report contains policy issues of a strategic nature, on which decision is reserved to the Executive.</i></p> <p>Summary</p> <p>The Green Roof Advice Note will serve to outline best practice guidance on the incorporation of green roofs in new development schemes. The advice will also inform the review of local statutory planning policy.</p> <p>Wards effected: All wards may be potentially affected as green roofs are encouraged throughout the Borough.</p> <p>Recommendation</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Adopt the Green Roofs Advice Note, attached as Appendix 1; and 2. Agree that Green Roofs should be installed as part of new development schemes wherever possible as part of the regeneration agenda of the Borough. <p>Reasons</p> <p>To support the Community Priority of 'Making Barking and Dagenham Cleaner, Greener and Safer' and support biodiversity, provide habitat links, provide open space, positively contribute to the character and appearance, provide noise insulation and assist in reducing surface water run off.</p>		
<p>Contact Gordon Glenday</p>	<p>Group Manager Sustainable Development Group</p>	<p>Tel: 020 8227 3929 Fax: 020 8227 3896 E-mail: gordon.glenday@lbbd.gov.uk</p>

1. Background

- 1.1 A green roof is composed of various layers that create an environment suitable for plant growth. There are two types of green roofs there are intensive and extensive. Intensive roofs are made up from a deep layer of soil and can support a variety of plants and shrubs. They are a good way to provide amenity open space and to improve the character and appearance of an area. Extensive roofs are lightweight and are made up of shallower growing material and are often referred to as 'Brown Roofs'. They can recreate wasteland habitats. These are particularly good for reducing the decline rare birds such as the black redstart.

2. Proposal

- 2.1 The Green Roof Advice Note will serve to outline the Councils best practice guidance on incorporating green roofs into new development schemes. The Advice will also inform the review of local statutory planning policy.
- 2.2 The Advice Note offers information to assist with the implementation of green roofs. It covers planning guidance and legislation, structural capacity, weight, costs, irrigation, plant selection and maintenance.
- 2.3 Green roofs can provide value for biodiversity as they create habitat and shelter and feeding opportunities for local wildlife. They also improve the view of nearby buildings, provide extra insulation, help cleanse the air of dust and pollutants and reduce surface water run off.
- 2.4 Green Roofs are in keeping with national regional and local planning policy guidance and are considered best practice as part of the greening of buildings by Greater London Authority, English Nature, the Wildfowl and Wetlands Centre and the London Development Agency.

3. Implications and Consultation

- 3.1 The installation of green roofs will have some revenue implications. These will be identified within the planning process and/or within existing budgets. Partnership working with relevant internal teams including Development Control, Regeneration and Assets Management and Development will be ongoing.
- 3.2 Green Roofs should be installed as part of new development schemes wherever possible as part of the regeneration agenda of the Borough. They can provide a range of environmental benefits such as supporting our much-valued biodiversity and can also create areas of amenity.

4. Consultation

- 4.1 The following were consulted:
 - 4.1.1 Internal; Urban Design, Planning Policy, Development control, Building Control, Regeneration and Implementation, Housing, Parks and Leisure.
 - 4.1.2 External; The Corporation of London, Living Roofs The City of Chicago, Bauder, The University of Sheffield, English Nature, The Greater London Authority, Eco-schemes, The London Wildlife Trust, The London Wildlife Trust, The Horniman *Museum*.

Background Papers on the Preparation of this Report

- Green roofs research Advice Note, Corporation of London, (2002)
- Planning Policy Guidance Note 9, 'Nature Conservation' (1994)
- Planning Policy Statement 9, 'Biodiversity and Geology' Consultation Draft (2004)
- The London Plan, 'Spatial Development Strategy' (2004)
- The Community Strategy, Building Communities Transforming Lives (2004)
- Barking and Dagenham's Unitary Development Plan, (1995)
- Best Practice; Green Roofs are considered best practice as part of the greening of buildings by the Greater London Authority, English Nature, the Wildfowl and wetlands Centre and the London Development Agency in their joint document 'Design for Biodiversity', 2004

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GREEN ROOFS ADVICE NOTE

CONTENTS

CHAPTER 1 - Introduction

The Purpose of the Document
The Status of the Document
What are Green Roofs?
The Structure of a Green Roof
The Types of Green Roofs
The Benefits to installing a Green Roof

CHAPTER 2 - Background and Context

National Planning Policy
Regional Planning Policy
Local Policy Context

CHAPTER 3 - What Type of Roof Would Best Suit my Development?

What function will the Green Roof Serve?
Intensive Roofs and the Provision of Amenity
Extensive Roofs and the Provision of Biodiversity

CHAPTER 4 - Cost and Design

Cost
Structural Capacity
Access
Selection of Plants and Growing Materials
Irrigation
Drainage

Appendices

A. Further Methods of Greening Urban Spaces
B. Explanation of Policies
C. Images
D. References and Sources of Further Information

CHAPTER 1

Introduction

The Purpose of the Document

1.1 The aim of this advice note is to provide guidance for planners, developers, architects and facility managers to steer and assist them on the implementation of green roofs.

Status of the Document

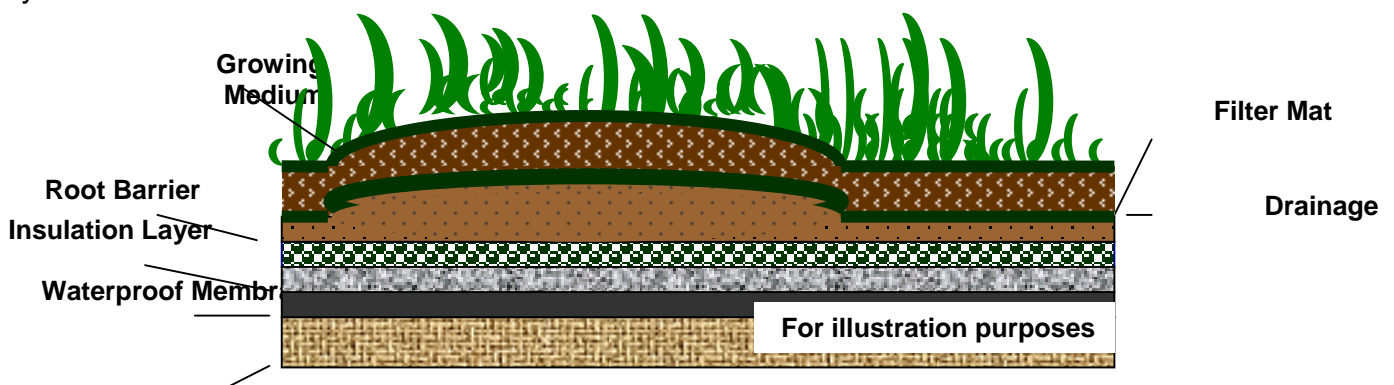
1.2 An advice note is based on the Mayors London Plan and national and local statutory guidance. This is discussed further in Chapter 2. The Advice Note should be read in conjunction with, but not in replacement to local planning policy.

What are Green Roofs?

1.3 Green roofs convert a roof area into green space for amenity use and for the benefit of biodiversity. They are composed of layers that create an environment suitable for plant growth.

Structure of a Green Roof

1.4 Typically a green roof begins (starting from the bottom) with a waterproof membrane to protect the building from leaks, an insulation layer and a further protective layer which will prevent damage from any penetrating roots, or other structural movement. Some designs may incorporate the insulation layer as part of the protective layer. The option also exists for the insulation layer to be placed above the protective layer instead of below.



1.5 **Roof Deck** drainage layer is put down. This can be made of lightweight gravel or light granulated clay. The drainage layer serves to keep the growing medium aerated and will retain excess water. It is also possible for the drainage layer to be used to store water for use by the plants at a later time. It is important for maintenance purposes that drainage points are made accessible from above. On top of the drainage

layer, a filter mat can be placed to allow water to soak through but will serve to prevent the erosion of fine soil.

1.6 The top layers of a green roof system include growing medium, plants, and a wind blanket. The growing medium consists of lightweight material (see below) and will assist with drainage as well as providing nutrients to the plants. The purpose of the wind blanket is to protect the growing medium until the roots of the plants take hold.

The types of Green Roof

1.7 There are two main types of green roof, intensive and extensive. Intensive roofs are composed of a deep layer of soil which can support a range of plants, trees and shrubs. The planting of native species can provide a rich habitat for wildlife.

1.8 Extensive roofs or brown roofs as otherwise referred, are lightweight with shallow growing material. They require little maintenance. There are 3 varieties. These are sedum mats, sedum pug planted systems and self colonised or seeded systems. Plug planted and seeded systems are preferable. They involve the planting of flowers into the mesh of the roof and therefore which are much better for biodiversity.

The Benefits of Installing a Green Roof

- 1.9 Green roofs can be designed to give a wide range of benefits. These include:
- value for biodiversity – providing habitat, shelter and feeding opportunities,
 - a link in the urban network of green spaces,
 - assisting in meeting the targets of our biodiversity action plan,
 - improving the character and appearance of the building and the surrounding area,
 - offering a design opportunity that can boost environmental credentials of a business,
 - providing extra heat and noise insulation,
 - helping to cleanse the air of some dust and pollutants,
 - reducing surface water run off and;
 - creating new open space for relaxation.

“Apart from our green roof creating a feeling of connectedness between our building and its surrounding gardens, it also provides an insulation layer to keep in heat in winter, and cool by evaporation in summer. It benefits the atmosphere by absorbing pollutants from the busy south circular road nearby, and its native wildflower meadow habitat provides a riot of colour in summer and an oasis for native insect and other invertebrate wildlife. The building’s occupants greatly enjoy working in a building whilst being entertained by visiting squirrels and birds.” Lucy-Anne Bishop, Environment Projects Officer and Office occupier at CUE Building Horniman Museum

CHAPTER 2

Background and Context

National Planning Policy Guidance Notes

2.1 Planning Policy Guidance Note 9, 'Nature Conservation' (1994) Section 16, outlines the importance of sensitive landscaping and planting, the creation, maintenance and management of landscape features important to wildlife and the adaptation of derelict areas to provide extended habitats.

2.2 Planning Policy Statement 9, 'Biodiversity and Geology' Consultation Draft (2004) Section (vii) outlines "Development Policies should promote opportunities for the incorporation of beneficial biodiversity and geological features within the design of development."

2.3 The Biodiversity Strategy for England, 'Working with the Grain of Nature' (2002) strongly encourages development that supports and enhances wildlife habitats. It highlights the essential role of biodiversity conservation in the creation of sustainable urban communities in the built environment.

Regional Planning Policy

2.4 The London Plan, 'Spatial Development Strategy' (2004) Policy 4B. 1 'Design Principles for a Compact City' outlines that all developments should be sustainable, durable and adaptable, attractive to look at and respect the natural environment. Section 4.43 outlines that London is a green city with rich biodiversity. It states that development proposals should respect and enhance and enrich the natural environment and incorporate greening and planting initiatives.

2.5 The Mayors Biodiversity Strategy, 'Connecting with London's Nature' (2002) Proposal 5 states "Biodiversity should be considered in all planning applications. Policy 5 states the Mayor will seek to ensure that opportunities are taken to green the built environment within development proposals and to use open spaces in ecologically sensitive ways. "

Local Policy Context

2.6 Barking and Dagenham's Community Strategy 'Building Communities Transforming Lives' (2004) sets out a framework that aims to make the borough a better place to live, work and spend leisure time. It is the Council's core document. Green roofs can assist in meeting the Community Priority of making the borough Cleaner, Greener, and Safer by increasing natural habitats in the urban environment.

2.7 Barking and Dagenham's Unitary Development Plan, 1995 outlines the borough commitment to protecting and enhancing local wildlife within the planning process.

This is demonstrated by planning policies:

- G50 Diversity of Habitats,

- G36 Noise and Vibration
- G46 New Developments,
- DE3 Nature Conservation and the Build Environment,
- DE10 Waterfront Developments,
- DE9 Energy Conservation and;
- H20 Residential Developments.

2.8 For more information on these policies and their links to green roofs please see Appendix B.

CHAPTER 3

What type of Roof is most appropriate for my Development?

What function does the Roof want to serve?

3.1 The prime function of the green roof will be considered on the merits of each planning application. To determine the best type of roof for an application the following guide should be considered;

Intensive Roofs and the Provision of Amenity

3.2 Green roofs for amenity should contribute to the character and appearance of an area. Planting therefore is recommended to be visible at street level. Where possible these roofs should include an area for public amenity especially in areas built to a high density. Green roofs for amenity are not a substitute for the provision of open space.

3.3 A roof for visual and public amenity use will need to be 'Intensive'. It should be noted that these roofs require regular maintenance but can provide similar amenity as a small urban park.

3.4 Commercial developments such as financial services and banks¹ and offices², community facilities³ and residential developments may be best suited for this type of roof due to either their high profile or use by the community.

Extensive Roofs and the Provision of Biodiversity

3.5 Although all green roofs support biodiversity some can be specifically designed to maximise the benefits towards ecology. A green roof for purely biodiversity will have to be an 'extensive'. It should include plug planting in the growing medium layer with sedum's or sown with a seed mix known to be suitable for the local environment.

3.6 The important to bring in expertise from a body that understands the local ecology when building an extensive green roof for biodiversity purposes to assure the planting is successful.

¹ As defined in the Use Classes Order (England and Wales) A2

² As defined in the Use Classes Order (England and Wales) B1

³ As defined in the Use Classes Order (England and Wales) D1/D2

3.7 These roofs are particularly suited to developments on brownfield land, in /or adjacent to greenbelt land, wildlife corridors, protected sites for nature conservation and/or where mitigation measure for ecology are required. Extensive roofs are lightweight therefore they may also be considered appropriate for industrial developments⁴.

⁴ As defined in the Use Classes Order (England and Wales) B1/B2

CHAPTER 4

Cost and Maintenance

Costs

4.1 Like any building material the cost of a green roof per sq. m varies considerably depending on its quality. Both intensive and extensive roofs start from approximately £100 per sq. m. A basic extensive roof can be installed for minimal cost. This is because structural reinforcement becomes unnecessary; the installation of an irrigation system will not be required, and maintenance involved will be low.

Maintenance

4.2 Extensive green roofs should be checked annually and any unwanted plants removed. Intensive green roofs must be watered and weeded similar to a conventional garden. Larger plants, shrubs and trees must be pruned to ensure safety during windy conditions. Drains and gutters must be inspected and cleared frequently to avoid plant material causing blockages.

CHAPTER 5

Design Considerations

Condition of the existing roof

5.1 An ideal time to consider building a green roof is when the existing roof needs to be replaced, or indeed when a new building is to be developed. This way, features such as a waterproof layer, and a protective root-resistant layer can be made an integral part of the new roof. 'Retrofitting' a green roof onto an existing roof is possible, but this will mean taking into account the roof's faults, such as existing leaks, damage and inability to resist roots.

Structural capacity of the existing/new roof

5.2 This will be a primary factor in what type of roof can be installed. It should be factored into a development proposal from the beginning. New buildings can be designed with adequate structural capacity for any type of green roof. Extensive roofs weigh approximately 60-150 kg/m² and intensive roofs weigh about 200-500 Kg/m².

5.3 To determine the exact weight, the following should be taken into account:

- the type of green roof to be installed,
- the water storage system,
- the type of growing medium and plants,
- equipment for heating, ventilating and air conditioning and;
- volume of users.

Access to the Roof

5.4 It is important to consider how will people access the roof and how will equipment and material be transported during construction and operation stages. Green roofs can be developed at any pitch however the flatter the roof the easier it will be to access and maintain.

Selection of Plants and Growing Materials

5.5 The types of plants suitable for growing on a green roof will partly depend on the level of maintenance that will be available during its lifetime. It will also depend on whether the roof has an in-built irrigation and watering system or have areas of protection such as shade and shelter.

5.6 Choosing local seed varieties will, however, enable both extensive and intensive green roofs to contribute to local biodiversity. The windy conditions typical of a rooftop will also mean that hardy drought-resistant vegetation, such as mosses and stonecrops, will establish itself and thrive more easily. The green roofs growing medium should be can made up of high-quality compost and recycled materials which are procured locally where possible.

5.7 It is recommended that crushed demolition waste be used on an extensive green roof. This has environmental benefits including recycling of materials, and reducing the need for the transport and disposal of the waste. Crushed bricks, concrete etc form drainage and growing media that can support a diverse plant and invertebrate communities, which in turn benefit higher forms of wildlife.

5.8 The possibilities for an intensive green roof are considerably greater. The roof can contain trees, shrubs, meadows, flowerbeds and even features such as a pond.

Irrigation

5.9 Ideally, extensive and intensive roofs should be designed to eliminate or reduce the need for watering, by planting drought-resistant vegetation. More formal types of planting may require an irrigation system or water connection to the roof. Rainwater can be collected from the roof's run-off, stored and reused for watering when required.

Drainage

5.10 Excess water that is not absorbed within the garden must be effectively drained from the rooftop. Failure to do so will result in water being held on the roof that could cause rot and add weight. A waterlogged green roof will also have little insulation effect.

Appendix A: Further Methods of Greening Urban Spaces

6.1 Installing a green roof is one of several ways in which plants and trees can be used to improve the quality of life in our urban environment. These include:

- planting trees by the roadside and by buildings;
- incorporating trees and vegetation in courtyards;
- Incorporating rockeries, loggeries, compost heaps and seedfeeders where possible.
- creating balcony gardens;
- creating vertical habitats alongside walls of buildings; and
- attaching bird and bat boxes (different types and locations for different birds) to the sides of buildings.

6.2 As well as some obvious benefits such as the positive visual impacts and the provision of habitats for wildlife, there are some other, perhaps less appreciated, benefits of having increased plant life and trees in the urban environment.

6.3 Their existence serves to improve the air quality for the human population. Trees, for example, have the effect of filtering out dust in the air as their leaves absorb airborne particles. By photosynthesis, plant life absorbs carbon dioxide in our atmosphere, thus serving to maintain a healthier balance in our urban environment. Plants growing alongside building walls absorb pollutants from the air and serve to protect the structure from the effects of sun, rain and wind; it is a mistaken belief that plants will inevitably damage built structures.

6.4 Vegetation also works to absorb pollutants such as copper and lead from rainwater and therefore prevent them from being discharged into our groundwater, streams and rivers. Rainwater is retained for much longer with the absorbent surfaces provided by trees, soil and vegetation and this eases the pressure on sewers during periods of wet weather.

Appendix B. Explanation of Policies

Barking and Dagenham's Unitary Development Plan

7.1 Barking and Dagenham's Unitary Development Plan, 1995 outlines the boroughs commitment to protecting and enhancing local wildlife within the planning process. This is demonstrated by planning policy G50 'Diversity of Habitats'.

7.2 G50 "The council will endeavour to increase the diversity of ecological habitats in the borough either through its own initiatives or by encouraging other public or private agencies, or developers to do so."

Biodiversity in the Built Environment

7.3 Greening the urban environment is a key mechanism to support and enhance the boroughs wildlife. The council considers the development of green and brown roofs and roof gardens as a principle instrument to achieving this goal. This is endorsed by planning policy G46 'New Developments'.

7.4 G46 "The council will encourage the integration of nature conservation in new development... This would involve, for example, the use of particular features and/or habitat types, such as native tree and shrub species, hedges, grasses, and wild flowers. Where appropriate the council would expect landscape schemes to include proposals for the 'greening of buildings' with the use of well favouring plant and shrub species that are a benefit to wildlife."

High Quality Design

7.5 The incorporation of green and brown roofs and roof gardens is also recognised as a tool for delivering high quality design. It is the councils' view they reflect the use of premium materials. They are also considered to positively complement surrounding landscapes especially in environmentally sensitive locations. This is endorsed by planning policy DE3 'Nature Conservation and the Built Environment'. Specific reference is also made to developments on the waterfront in policy DE10.

7.6 DE3 "The council will ensure that there is a nature conservation input into large development schemes by the use of sympathetic design criteria in the layout and landscape detail of the scheme."

7.7 DE10 "Applications for [waterfront] the following developments should comply with the following criteria, part v) provide an interesting and varied roofscape:"

Assisting in the Delivery of Sustainable Design

7.8 Green roofs are great providers of thermal insulation. They have the ability to cool buildings in the summer and insulate them during the winter. This therefore reduces the demand on heating and cooling systems. The council considers the incorporation of green and brown roofs as a useful tool in the provision of energy

efficient thermal insulation in line with policy DE9 'Energy Conservation' and policy H20 'Residential Developments'.

7.9 DE9 "The council will seek to ensure that new development and its refurbishment's are energy efficient through greater thermal insulation, more efficient layout and design of buildings. "

7.10 H20 "The council will encourage the use of energy efficient building techniques in the construction of new residential development. "

7.11 The combination of soil, plants and trapped layers of air within green roof systems can act as a sound insulation barrier. Sound waves are absorbed, reflected or deflected. The growing medium tends to block lower sound frequencies whilst the plants block higher frequencies. The amount of sound insulation is dependent on the system used and the substrate depth. A green roof with a 12-cm substrate layer can reduce sound by 40dB and one of 20 cm by 46-50dB. The council therefore considers the instillation of green and brown roofs as a best practice in reducing noise and vibration in line with planning policy G36.

7.12 G36 "When considering applications for new development the council will seek to ensure that new noise sensitive development is protected from unacceptable noise from existing sources"

Appendix C: Explanation of Images

Image 1	Chicago Centre for Green Technology Photograph: City of Chicago, Department of Environment
Image 2	Green Roof at Chicago City hall Photograph: City of Chicago, Department of Environment
Image 3	Green Roof at Chicago City Hall Photograph: City of Chicago, Department of Environment
Image 4	Chesewater Visitor Centre Photograph: Bauder Ltd.
Image 6	Galashiels Scottish Public Pension Agency Photograph: Bauder Ltd.
Image 7	Abbey Photograph: Bauder Ltd.
Image 8	Great Notley Photograph: Bauder Ltd.
Image 9	Canary Wharf Photograph: Bauder Ltd.
Image 10	Riverhead Infants School Photograph: Bauder Ltd.
Image 11	Osaka, Hong Kong Photograph, McAllister & EcoSchemes
Image 12	Jon Broome Segal House, Lewisham Photograph EcoSchemes

Appendix D. References and Sources of Further Information

In addition to the literature available on green roofs, there are also a number of websites and organisations, which may prove to be useful when considering the development of a green roof. Please note LB. Barking and Dagenham is not responsible for the external web links and addresses outlined below and that there are other organisations that can give advice on green roofs.

Useful Publications	Comment
Dunnett, N. & Kingsbury, N. (2004) <i>Planting Green Roofs and Living Walls</i> . Timber Press, Portland, Oregon.	This is the UK's first book on Green Roofs. It was produced by the University of Sheffield.
Johnston, J. and Newton, J. (1993) <i>Building Green</i> , London Ecology Unit, 1993 ISBN 1 871045 18 5	A useful guide with information on types of plants appropriate for green roofs.
City of Chicago <i>Chicago's Green Rooftops</i> , Available at: www.cityofchicago.org [April 2003]	A guide to rooftop gardening.
English Nature (tbc) Green Roofs: their existing status and potential for conserving biodiversity in urban areas', English Nature Research Report 498.	A technical report on green roofs including a schedule of intensive green roofs and extensive green roofs in England and Wales. The report is due for publication in May 2003. For further information contact English Nature's Urban Advisor david.knight@english-nature.org.uk or in London pete.massini@english-nature.org.uk
Erisco Bauder, 2000 <i>Waterproofing Systems for Landscape Roofs</i> . Available at: www.erisco-bauder.co.uk [April 2003]	A booklet demonstrating the products of the manufacturers Erisco Bauder in various green roof systems
Roofscapes Inc, 2002, <i>Roof Benefits</i> . Available at: www.roofmeadow.com [May 2003]	A summary of the potential benefits associated with green roofs.

Useful Contact Points	Comment
Gary Grant, Eco-Schemes Ltd 7 Lea Combe, Axminster EX13 5LJ Phone 01297 34552 email: gary.grant@ecoschemes.com	Gary Grant is an ecologist and designer of green roofs. He is also the principal author of English Nature's Green Roof Study (English Nature Research Report 498)
James Farrell, Biodiversity Team, Greater London Authority (GLA) Tel: 020 7983 4990 James.Farrell@London.gov.uk City Hall, The Queen's Walk London, SE1 2AA	The Biodiversity Team members specialise in a range of biodiversity topics including green roofs.
William Moreno, The London Biodiversity Partnership. Tel: 020 7921 5479, c/o The London Wildlife Trust, Harling House, 47 – 51 Great Suffolk St, London SE1 0BS	The members of the London Biodiversity Partnership (LBP) represent a broad spectrum of interest groups and expertise in London. The LBP is responsible for producing the London Biodiversity Action Plans for London.
Lucy-Anne Bishop, Education and Environment Project Officer, The Horniman Museum, Forest Hill, Tel: 020 8699 1872	Lucy-Anne Bishop will be able to provide information on the environmental aspects of the CUE Building.

Useful Contact Points	Comment
<p>Gyongyver Kadas g.kadas@btinternet.com</p>	<p>Gyongyver has carried out a MSc study of “invertebrates on green roofs: how roof design can maximise biodiversity in the urban environment”. She is currently working on long term research, the purpose of which will be to inform planners and designers about the biodiversity benefits of green roofs.</p>

Useful Websites	
<p>www.zedfactory.com</p>	<p>Website for the Bill Dunster architectural practice which specialises in designing Zero (fossil) Emissions Developments. The ‘Zedproducts’ includes green roofs - see ‘Zedproduct’ F.</p>
<p>www.architype.co.uk</p>	<p>Architype specialise in ecological and sustainable architecture and building practices. They have designed a number of green roofs in the UK.</p>
<p>www.uncommonplants.com</p>	<p>Provides advice on plants suitable for rooftop gardens.</p>
<p>www.blackredstarts.org.uk</p>	<p>Provides advice on designing roofs to benefit black redstarts</p>
<p>www.greenroofs.com</p>	<p>Website dedicated to sharing and exchanging information on green roofs.</p>
<p>www.lbp.org.uk</p>	<p>The website for the London Biodiversity Partnership</p>
<p>http://fesweb.ntu.ac.uk/staffwebs/greenroofs/aboutGRandESB.htm</p>	<p>Interesting website set up by the School of Property and Construction, The Nottingham Trent University</p>
<p>www.livingroofs.org.uk</p>	<p>This website outlines the A-Z on Green Roofs, what they are, their benefits and how to implement them.</p>
<p>www.roofmeadow.com</p>	<p>This is an American based website for ‘Roofscapes Inc’, whose services include design consultation, specifications, construction management, installation and lifetime services and maintenance.</p>

In the preparation of this document we acknowledge the Green Roofs research advice note, produced jointly by the Corporation of London and the British Council for Offices in 2003, on which this is based.

THE EXECUTIVE

25 JANUARY 2005

REPORT FROM THE DIRECTOR OF THE REGENERATION AND ENVIRONMENT

THE DRAFT BOROUGH'S SITES OF IMPORTANCE FOR NATURE CONSERVATION DOCUMENT (SINC), 2003		FOR DECISION
<p><i>This report contains policy issues of a strategic nature on which decision is reserved to the Executive.</i></p> <p>Summary</p> <p>The report sets out the proposed revisions of the Borough's Sites of Importance for Nature Conservation, which were last surveyed in 1992.</p> <ul style="list-style-type: none"> • The report involves the reduction or de-designation of sites such as Barking Levels and Reede Road Allotments to make way for Barking Riverside and the Reede Road Housing Development. • The document also supports the safeguarding of areas of local value such as Wellgate Community Farm, Scrattons Farm Ecopark and the Goresbrook Ship and Shovel. <p>Wards Effected:</p> <p>Thames, Goresbrook, Abbey, Eastbrook, Albion and River, Thames and Whalebone.</p> <p>Recommendations</p> <p>The Executive is recommended to agree to the revisions of the borough's Sites of Importance for Nature Conservation (SINC) as set out section 2 of this report.</p> <p>Reasons</p> <ul style="list-style-type: none"> • For the provision of up to date information on the ecological assets in the Borough. • To accommodate the Council's programme of regeneration and renewal. • To inform emerging local and regional statutory planning policy. 		
<p>Contact Gordon Glenday</p>	<p>Group Manager Sustainable Development Group</p>	<p>Tel: 020 8227 3929 Fax: 020 8227 3896 E-mail: gordon.glenday@lbbd.gov.uk</p>

1. Background

- 1.1 The Sites of Importance for Nature Conservation (SINC) were last surveyed in 1992. Barking and Dagenham Council in partnership with the Greater London Authority (GLA) undertook their review in 2003. The proposed revisions aim to protect our wildlife habitats by safeguarding our sites of ecological value both for their own biological merit as assets in the urban environment and as important

social, educational and recreational resources for local people. The Executive is requested to agree the following sites. They are coming forward for decision at this time as they are now considered priority so they may be incorporated into emerging developing proposals and emerging local and regional statutory planning policy.

2. Proposal

2.1 Following ecological survey work the alterations summarised below have been put forward based on the following criteria: representation, habitat rarity, species rarity, habitat richness, species richness, size, important population of species, ancient character, typical urban character, cultural and historic character, geographical position, access, use and potential aesthetic appeal. Set out below is a summary of changes and a brief justification for their alteration. A list of all the sites and a map showing their location is attached as Appendix A.

Site	Designation	Alteration	Reason	Code	Ward
Barking Levels	Site of Metropolitan Importance	Significantly reduced	To make way for Barking Riverside Development. The most significant residential development in Thames Gateway.	MO89	Thames
Thameside Park City Farm	Site of Local Importance	New Site	The city farm partakes in a variety of community initiatives such as walks and courses. It also contains native hedge of Hawthorne and neutral grasslands.	B&DL10	Thames
The Chase Nature Reserve	Site of Metropolitan Importance	Increased to include Eastbrookend Country Park	Discovery of nationally scarce and declining mature black poplar (<i>Populus nigra</i> ssp. <i>Betulifolia</i>)	M090	Eastbrook
Goresbrook/Ship and Shovel Sewer	Borough Importance Grade 1	Increased	The lower section of the site was part of the former Barking Levels. Much valued wetland plants such as galingale (<i>Cyperus longus</i>) and yellow iris (<i>Iris pseudacorus</i>) have been discovered. The site also supports watervoles a nationally protected species.	B&DB107	Goresbrook
(Whalebone lane Hedge) Marks Gate Hedge and Hainult Road Allotments	Borough Importance Grade 1	Increased	This is located in land inherited from Havering. It has been increased due to the discovery of the borough's only ancient woodland including predunculate oak.	B&DB108	Chadwell Heath

Wellgate Community Farm	Site of Local Importance	New Site	This site sustains important pond life. Specially protected crested newts have been reported at this location.	B&DL09	Chadwell Heath
Scrattons Farm Ecopark (Morrison Road Rough)	Borough Importance Grade 2	Upgraded from a site of Local Importance.	Formally known as Morrison Road Rough. Wildlife site in an area, which has poor accessibility to open space. It is greatly supported by the local community. The site contains neutral grasslands such as great reedmace (<i>Typha latifolia</i>) The site will be de-designated as a land proposal site in the Development Plan review and will be designated as outlined.	B&DB110	Goresbrook
Dagenham Breach and Lower Beam River	Site of Borough Importance Grade 1	Reduced	Slightly decreased on northern side to make way for the new A13.	B&DB103	River
Lady Tower Trust Playing Fields	Site of Local Importance	Unchanged	Now lies in Newham due to borough boundary changes.	B&DL01	Abbey
Reede Road Allotments, Pondsfield park and the adjacent railside	Site of Local Importance	Reduced	Reduced to include Pondsfield park and the adjacent railside to make way for housing development.	B&DBL07	Alibon
Lymington Fields	Site of Borough Importance Grade 11	De-designated	To make way for the Lymington Fields development for community and housing uses.	B&DB110 5	Whalebone

Designations

- **Site of Metropolitan Importance:** These represent London's finest habitats and are the highest priority for protection. These are designated in the Mayors London Plan, (2004)
- **Site of Borough Importance:** These are divided into grade 1 and 2. They both represent sites that are of high value to the locality. Any loss of these would result in a significant loss to the borough however grade one is of a higher priority for protection. Protection of these sites is left up to local discretion.
 - **Site of Local Importance:** These are sites of value to local residents and schools. Protection of these sites is left up to local discretion.

3. Implications and Consultations

- 3.1 The Sites of Importance for Nature Conservation (SINC) are a way to preserve and enhance Barking and Dagenham habitats and species. The revisions will also serve to inform the decision making in the planning process.

- 3.2 The developer will be expected to incur the financial implications where mitigation measures are required. Council led developments will be expected to incorporate high standards of mitigation on sites in, on or adjacent to these areas of nature conservation value.
- 3.3 External grants and funding schemes may be sought for the improvement and regeneration of the Boroughs Sites of Importance for Nature Conservation.

4. Consultation

- 4.1 Copies of the full report may be found within the Member Room Archives. The Parks and Leisure Department led on the consultation of the Sites of Importance of Nature Conservation. Please find a list of the consultees below.

Internal

- Officers across the Regeneration and Environment Department

External

- J. Archer, Lead Officer Biodiversity, GLA
- D. Vickers, Habitat Surveyor
- English Nature,
- London Natural History Society
- The Environment Agency,
- Ford
- Colin Plant Consultant Entomologists,
- The Becontree Organic Growers,
- Network Rail
- Cluttons
- Barking and Dagenham Biodiversity Partnership
- Scrattons Farm Residents Association

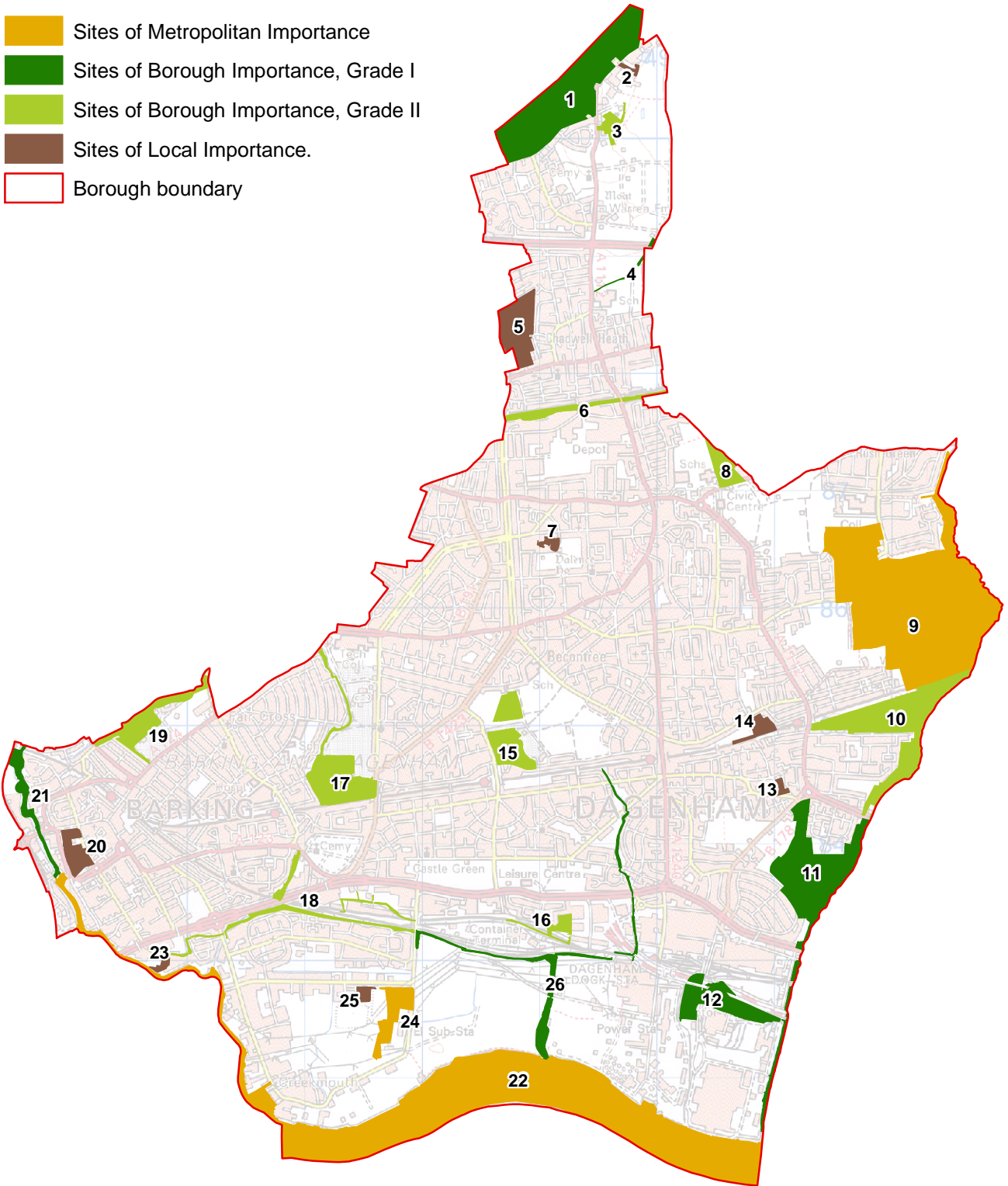
Background Papers on the Preparation of this Report

- London Ecology Unit, Nature Conservation in Barking and Dagenham Ecology Handbook, (1992)
- Sites of Importance for Nature Conservation in Barking and Dagenham, (October 2003)
- The Greater London Authority, The Mayors London Plan, Spatial Development Strategy, (2004)

- 1, Furze House Farm, B&DBI02
- 2, Wellgate Community Farm, B&DL09
- 3, Whites Farm, B&DBII06
- 4, Marks Hedge and Hainault Road, B&DBI08
- 5, St. Chads Park, B&DL04
- 6, Romford Line Railsides in Barking, B&DBII11
- 7, Valence House Gardens, B&DL05
- 8, Wantz Lake, B&DBII09
- 9, The Chase and Eastbrookend, M090
- 10, The Mid Beam Valley in Barking, B&DBI05
- 11, Beam Valley South in Dagenham, B&DBI04
- 12, Dagenham Breach and the Lower Bream, B&DBI03
- 13, St Peter's and St Paul's Churchyard, Dagenham, B&DL08
- 14, Pondfield Park, B&DL07
- 15, Parsloes Park, B&DBII04
- 16, Scratton's Farm Ecopark, B&DBII10
- 17, Mayesbrook Park Lakes, B&DBII03
- 18, Mayes Brook and associated watercourses, B&DBII02
- 19, Barking Park and Loxford Water, B&DBII01
- 20, Barking Abbey Ruins and St Margaret's Churchyard, B&DL02
- 21, The River Roding in Barking, B&DBI01
- 22, The River Thames and tidal tributaries, M031
- 23, Gascoigne Road Pumping Station, B&DL03
- 24, Ripple Nature Reserve, M089
- 25, Thameside Park City Farm, B&DL10
- 26, Goresbrook and the Ship & Shovel, B&DBI07

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- Sites of Metropolitan Importance
- Sites of Borough Importance, Grade I
- Sites of Borough Importance, Grade II
- Sites of Local Importance.
- Borough boundary



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THE EXECUTIVE

25 JANUARY 2005

DRAFT FINAL REPORT OF THE MARKETING OF SHOPS SCRUTINY PANEL

MARKETING OF SHOPS SCRUTINY PANEL	FOR DECISION
<p><i>Final Reports of Scrutiny Panels are submitted to the following parts of the Political Structure as set out in Paragraph 11 of Article 5B of the Constitution:</i></p> <ul style="list-style-type: none"> (i) <i>Scrutiny Management Board – for any advice or suggestions prior to finalisation and formal presentation to the Assembly</i> (ii) <i>The Executive – for consideration and, if necessary, response in a separate report or verbally to the Assembly</i> (iii) <i>The Assembly – for adoption of the report, its findings and recommendations</i> <p>Summary</p> <p>This report details the action taken to meet the Panel's terms of reference, having regard to the timescale for the work of the Panel.</p> <p>As a starting point, the Panel considered the Council's overall objective from the letting of Council and privately owned commercial properties which is to obtain not only the best commercial advantage but also best environmental and social advantage to the local community.</p> <p>Having regard to the types of shopping parades that are in the Borough, statistics were provided as to the number of Council owned units. This included the current level of vacancies and the income streams generated. Similar details for privately owned shops were not available.</p> <p>Glenny has been acting as the Council's contractor for commercial estates management since 1998. Details of the agreed letting process of Council owned shops, based upon financial viability, were provided which includes a vacant property checklist and a Guide to Leasing a Business Property for new applicants. This did not address the needs of the community nor potential planning considerations.</p> <p>As a marker to the performance of the letting process, the Panel noted that only two complaints had been received since 31 January 2003, only one of which was upheld. Another indicator of performance was the comparison of the marketing of shops with other boroughs.</p> <p>The Panel then considered the difficulties experienced in the management and letting of vacant shops, particularly in relation to location and condition of shop units coupled with a nominal repairs budget.</p> <p>The influences of the Unitary Development Plan (UDP) and emerging Local Development Framework (LDF) were noted. In particular, with respect to the latter, the links between economic development, social cohesion and environmental sustainability. These will be brought together under a new retail health check, which includes a Statement of Community Involvement and future planning policies for the Borough.</p>	

Support for failing retail areas from a regeneration perspective was also outlined, notably the exemptions from Best Value (BV) under the General Disposal Consent. Other Council powers to control vacant shops were considered, including estate management, health and safety and the Council as landlord, including the limitations of the 'Stay Open' clause in the Council's standard form of lease. Information as to the limited powers available to control privately owned shops and their use was presented

Finally the Panel had regard to the influences the emerging LDF may have in the conversion of vacant shops into disabled flats to meet the Council's wider housing needs.

The report raises the following key points:

Property Services, together with Glenny provide an efficient, comprehensive service in managing and letting vacant shops in the Borough.

Securing tenants based on their financial viability ensures the Council's Best Value (BV) objective is met but it is important to meet the needs of the community and to provide easy access to convenience goods in secondary locations (i.e. shops on a main road with a substantial passing trade) and tertiary locations (i.e. shops on side streets with a limited passing trade). Proposals to introduce Ward Member consultation as part of the letting process and the effects of the emerging LDF, notably the Statement of Community Involvement, will look to address this. In addition, exemptions from best financial considerations (Best Value) on the grounds of economic, social or environmental well being are now possible under the General Disposal Consent.

Council powers are extremely limited in ensuring shops are kept open and privately owned shops are kept in good condition whilst costly refurbishment/upkeep of Council owned vacant properties is limited due to budget constraints.

However, potentially costly anti-social behaviour as a consequence of properties being vacant is addressed through weekly health and safety site visits.

Planning, regeneration and the work being done on the emerging LDF influence the provision/marketing of shops within the Borough

Consideration to the conversion of suitable, non viable empty premises to disabled flats may meet the needs of the wider community.

Recommendations

This Panel, in light of its investigations and representations received, make the following recommendations:

1. To include contact details of the Barking and Dagenham Chamber of Commerce, who can refer applicants to Counsellors for advice on preparing business plans for new businesses, in the Council's 'Guide to Leasing a Business Property'. It is also to include the contact details of Regeneration's Economic Development Team. The Panel also recommends that a leaflet explaining retail training opportunities through the Regeneration and Environment Department is included in the Guide.

2. Ward Member consultation should become an integral part of the letting process to meet the needs of the community. In so doing they should be consulted before a decision is taken on what offer for tenancy to accept. The Panel also recommends that where Ward Members views differ from Property Services the matter will be referred to the Director of Regeneration and Environment personally for a decision and that the Scheme of Delegation be reworded to reflect this
3. To provide DRE with the opportunity to review lets having regard to the General Disposal Consent, which allows economic, social or environmental well being to be considered over BV when deciding to let a vacant property, prior to marketing a property.
4. Planning Officers should be consulted on any planning considerations prior to the DRE deciding what offers to accept as part of the lettings process.
5. The Statement of Community Involvement (a requirement of the emerging LDF) should include a survey of what type of shops the public would wish to see in parades.
6. To retain "Keep Open" clauses in the Council's standard form of lease so that the Council can take legal action and to deter tenants from closing their business.
7. To refer suitable, non viable empty premises that have been extensively marketed to the Housing Strategy Division to be considered for conversion to flats, subject to planning and other considerations.

Reason

To meet the needs of the community by applying a holistic approach to the marketing and management of Council owned shops and by, meeting the needs of local communities, to influence the provision of private shops in the Borough.

Lead Member: Councillor W F L Barns	Lead Member	Tel: 0208 594 1509 E-mail: fred.barns@lbbd.gov.uk
Julie Willing	Democratic and Electoral Services	Tel: 0208 227 2119 Fax: 020 8227 2171 Minicom: 020 8227 2685 E-mail: julie.willing@lbbd.gov.uk

1 Introduction

- 1.1 At its meeting on 28 April 2004 the Scrutiny Management Board (SMB) agreed to set up a Scrutiny Panel to examine the way the Council markets and manages its own vacant shops and is able to influence the provision of private shops in the Borough.

2 Membership

- 2.1 The membership of the Panel comprised Councillors W F L Barns (Lead Member), Mrs J E Bruce, Mrs J E Cooper, Mrs K J Flint and D S Milles.

- 2.2 John Tame, Business Centre Co-ordinator, Chamber of Commerce, was the Panel's external representative.
- 2.3 Jim Mack, Head of Asset Management and Development, Regeneration and Environment Department (DRE), was the lead service officer, Roger Phillips, Head of Housing Business Services, Housing and Health Department, was the independent scrutiny support officer and Julie Willing, Democratic and Electoral Services, provided administrative support to the Panel.
- 2.4 Other officers who attended the Panel included:
- Colin Beever, Head of Property Services, DRE
 - Jeremy Grint, Head of Regeneration, DRE
 - Tim Lewis, Development Control Group Manager, DRE
 - Rob Farley, Senior Planning Officer, DRE
 - Muhammad Saleem, Solicitor to the Council, Corporate Strategy Department (CSD)
 - Linda Parker, Corporate Legal Manager, CSD
 - Nick Slater, Professional Services Officer, Asset Management & Development, Corporate Estates Team, DRE
- 2.5 Representations were also made by:
- Nick Vivian, Director responsible for Asset and Property Management Division, Glenny
 - Jonathan Hunnibal, Associate Director, Glenny.

3 Terms of Reference

- 3.1 The terms of reference of the Panel were:
- (i) To examine the way that the Council (a) markets and manages its own vacant shops and (b) is able to influence the provision of private shops in the Borough.
 - (ii) In doing so, to give particular consideration to the outcomes in terms of choice and environmental aspects, and to have regard to planning and wider regeneration aspects.
 - (iii) To have regard to any equalities and diversity, and health issues
 - (iv) To report back with findings and any recommendations

4 Work Programme

- 4.1 The Panel met on the following dates – 10 August, 6 September, 20 September, 4 October, 18 October and 1 November 2004.

5 Background

- 5.1 The Council's objective is to obtain the best commercial advantage from the letting of their own properties and to obtain the best environmental/social advantage to the local community and to influence similar objectives to commercial units in the private sector

by providing the widest possible choice of retail outlets (i.e. greengrocers, specialists shops)

5.2 There are three categories of shopping parades:

Primary (e.g. Barking Town Centre and the Heathway)

Secondary (i.e. shops on a main road with a substantial passing trade, e.g. Hedgemans Road, Woodward Road, Church Elm Lane)

Tertiary (i.e. shops on a side street with limited passing trade, e.g. Church Street, Stansgate Road, Althorne Way, Chelmer Crescent)

5.3 At present the Council owns the freehold of 273 shops in 25 parades. The Council also has a leasehold in two other shops in Barking. One is held by the Department of Education, Arts and Libraries for their youth services, the other was acquired as part of the Vicarage Fields development.

5.4 Currently there are 14 vacant shop units of which 10 are currently being marketed and of these, seven are currently under offer (as at 18.10.2004). The remaining four shops are in Julia Gardens and are being held for possible conversion to a community hall. There are more parades that are entirely privately owned and the Council does not have exclusive ownership in all the other parades where it has property. In some cases it is a minority owner.

5.5 Below is a summary of the Council's commercial property portfolio and the average income from the different classes of property the Council currently holds:

Class	No. of Properties	Rental Income (£)	Average Income/Property (£)
Health Facilities	24	187,159	7,798
Industrial	34	551,104	16,209
Leisure	39	162,744	4,173
Miscellaneous	44	341,966	7,772
Retail Shops	273	1,610,859	5,901

6 Council's Letting Agent

6.1 The Council's BV Report for Property (2001/2002) noted that the Council had outsourced the commercial property functions approximately five years previously under the old Compulsory Competitive Tendering regime. That report also noted that Property Services were regarded essentially as the Council's 'estate agent' and that the contracts were let externally rather than via internal bids to address resource difficulties in the team at the time.

- 6.2 Glenny has been the Council's contractor for the Commercial Estates Management and has been responsible for managing the Council's commercial portfolio since 1998. The contract was originally for three years and this was extended for a further two years as Property Services were involved with producing the BV Report.
- 6.3 The Council's Estates Management Contract was re-tendered in 2003 and Glenny was found to be the most cost effective provider of all the bidders. Their total bid was approximately 30% less than their nearest rival. The contract was extended for a further three years again with an option to extend for a further 2 years.
- 6.4 Working with Glenny, the Council has introduced a system of vetting applicants for commercial properties, which includes rigorous financial checking. Applicants are required to produce business plans, analysis of the business plans, bank reference etc.
- 6.5 An incentive scheme that rewards applicants who complete new lettings quickly has been introduced. There is no evidence that this has had any impact at this point.
- 6.6 Glenny provide unrivalled local market knowledge within the Borough and a comprehensive range of integrated services to maximise the Council's assets. Their offices are strategically/centrally located and they have established a good working partnership and understanding of the Council's Core Objectives. They work with the Council to ensure BV letting and adhere to Key Performance indicators to promote and enhance the Key Objectives, notably a Cleaner, Greener, Safer Borough.

7 Current Letting Process of Vacant Council Shops

- 7.1 Once a property has been vacated it is inspected by Glenny who prepare a 'Vacant Property Checklist' to confirm all necessary immediate steps have been taken (i.e. security, repairs, rubbish clearance) and any urgent remedial work is carried out by the Council. A weekly check of all empty properties is carried out to ensure health and safety requirements are met.
- 7.2 Due to cost implications, the ingoing tenant is responsible for all other matters identified in the report once the property is let (i.e. refurbishment). There is a rent free period to assist new shop keepers during refurbishment of the premises and potential tenants are advised to include such costs in their business plans for consideration. However, refurbishment can be extremely costly and is unlikely to attract financially sound tenants or increase the letting potential of vacant premises in tertiary locations.
- 7.3 Glenny then produce a Marketing report for the Council's Property Services. Once approved, Glenny commences marketing (for a standard minimum six week period – this continues until a suitable applicant is found if no offers have been received).
- 7.4 A Guide to Leasing a business property is available to new applicants. The Guide explains some of the concepts involved in leasing a commercial property and the things that Glenny will be looking for when they assess various applicants for commercial properties. Applicants should have a sound business knowledge and are advised to seek their own legal advice. However, it may be appropriate to offer new businesses relevant training, i.e. food hygiene.

- 7.5 The Landlord and Tenant relationship is by definition 'adversarial' in nature. Nevertheless, the 'Guide to Leasing a Business Property' is a valuable tool to aid prospective tenants and is clearly written. It has been crystal marked for Plain English and is available in the community languages and has a range of useful contact details.
- 7.6 At the end of the six week period Glenny provide the Council with a table summarising all the applicants/offers received and outlining their financial soundness, (County Court Judgements (CCJ), bank references, an appraisal of the business plan, independent references and financial viability based upon a report from the Council's external business consultant and appraiser), together with a recommendation of which is the tenant with the best financial appraisal.
- 7.7 The information provided also includes any rent free periods requested, proposed user clause(s) and planning considerations (i.e. is a planning change required and whether there is likely to be any problem in obtaining permission).
- 7.8 The table is reviewed by Property Services and a decision about which offer to accept is made based upon the financial standing of the potential tenant, the proposed use, planning requirements, existing uses in the parade and any other appropriate implications e.g. parking requirements, potential to attract nuisance etc.
- 7.9 Glenny are then informed of which offer to accept and negotiate the heads of terms to be approved by the Council's Property Services and agreed by the successful bidder. Glenny instruct solicitors to complete the letting and the lease is completed.

8 Complaints

- 8.1 There have been two Stage 2 Corporate Complaints and one enquiry received by the Council's Corporate Complaints Section since 31 January 2003 . One of the complaints, concerning a delay in responding to an enquiry, was upheld. The other complainant was not happy with service given by the Council as a whole and felt they had come across various barriers when trying to rent a business premises in the borough. This complaint was investigated and it was found that customers receive prompt and fair service from the Department.

9 Comparison of Marketing with other Boroughs

- 9.1 A comparison of the letting process of void premises across neighbouring local authorities was undertaken to see whether or not the number of void premises was similar or disproportionately high to this Borough. Six local authorities were approached but only three responded. Levels of voids compared favourably with other authorities.

10 Difficulties experienced in the management and letting of vacant shops

- 10.1 The partnership with Glenny is considered successful, has proved very effective and has reduced the Council's voids to a minimum. Nevertheless there are issues concerning the shopping parades:
- The majority of the shopping parades owned by the Council are not in primary locations, with some of the parades in locations having very low levels of passing trade resulting in low levels of turnover.

- Quality of shop units and relatively poor state of repair. The commercial property portfolio has a nominal repairs budget. Ingoing tenants lease shops without repairs being carried out and rent free periods are agreed to reflect the cost of the works undertaken. Refurbishing properties prior to letting is also unlikely to result in lettings to tenants with a strong financial base and would therefore probably not be a justifiable expenditure.

10.2 The Council's longstanding policy is to provide as wide a mixture of different uses as possible within a parade to meet the various needs of residents. Whilst this approach reduces the number of directly competing units in the same parade, it also limits the letting opportunities available to the Council. However, if the Council were to decide that its main aim in owning retail shops is simply income, then this policy could be reconsidered.

11 Planning Perspective/Council influences on shopping parades.

11.1 The Borough's Unitary Development Plan (UDP) seeks to protect the vitality and viability of shopping areas by restricting the number of 'non-retail' uses permissible within individual retail parades. A balance is sought between pure retail activities (as defined within Class A1 of the Use Classes Order) and other complementary services uses such as banks, estate agents (Class A2 uses) and restaurants/takeaways (Class A3).

11.2 In most local shopping parades the Council seeks to restrict the proportion of non-retail frontage to a maximum of 30% of the measured frontage. In primary shopping areas this percentage is reduced to 15% and in tertiary areas it can be raised to 60% or be wholly unrestricted. However, shopping patterns have changed over the years and some shopping centres have become run down and subject to a large number of vacancies. In these circumstances, the Council will consider exceptions to the above policy where it can be demonstrated that a shop has been vacant for a substantial period of time despite attempts to let it at reasonable terms.

11.3 The Council must also implement local and central Government policy which seeks to focus development, especially retail development, in locations accessible by a choice of means of transport. Out-of-centre shopping sites are taking away trade and some shops are not doing well because of changes in shopping patterns. Out-of-centre sites that would be likely to impact on the vitality and viability of existing town centres are therefore highly unlikely to be granted planning permission.

11.4 The Council can have a significant influence through planning policy by allowing conversions and change of use away from retail uses in failing parades. This would however be a market led solution as the Council could not force owners to make changes.

12 Unitary Development Plan (UDP) / Local Development Framework (LDF)

12.1 The Council adopted its current UDP in 1995. A fresh review of the UDP has been proposed and it is intended that this will be replaced with a new style development plan known as a LDF.

12.2 The LDF is a requirement of new Government legislation and is seen as a key document in the delivery of the sustainable development agenda. The production of the LDF is a three year programme, to adoption, and will require buy-in from across the

Council's various departments since it will be the delivery mechanism for planning and other Council strategies and policies, such as the Community Strategy, Air Quality Strategy and will include a Spatial Strategy. The LDF will bring together all the elements that are involved in the delivery of economic development, social cohesion and environmental sustainability and will provide a greater scope of what planning should consider.

12.3 Existing Government Planning Policy Guidance looks to assess need and protect retail. New guidance being brought about by the LDF will require DRE to commission consultants to undertake a Health Check for all shopping centres and parades within the borough and requires a survey of population change, economic growth or decline, retail floor space, shop counts, expenditure patterns, accessibility, pedestrian flows and consumer attitudes.

12.4 This will be used as the base for determining future planning policy for the shopping areas of the borough.

Important considerations will be:

- The opportunity for expansion, improvement or redevelopment and the need to encourage the best of existing retail facilities;
- The scope for diversification of uses to broaden the range of town centre activities;
- The opportunity for housing and offices, particularly in mixed use developments;
- Accessibility, the impact of traffic and the availability of public transport.

12.5 Forming part of the legislation, a 'Statement of Community Involvement' will also be required setting out how the community will be involved in the LDF process and major planning applications. It will identify who the Council will involve, why, how and when. The Government is keen for the community to be involved as early as practical in the planning process and the document will be independently examined.

12.6 The evidence gathered will be the basis to consider a change of use of a shop, taking account of, amongst other things quality, quantity and convenience. A retail health check is already being undertaken by the Barking and Dagenham Local Strategic Partnership. However, the numbers of different categories of shops must tie in with figures set by the Greater London Authority (GLA).

13 Regeneration Perspective

13.1 The Council has influence through regeneration in dealing with 'failing' retail areas through providing alternative uses using Compulsory Purchase Orders. This includes using tertiary shop units to develop proposals around social enterprise, e.g. start units for cultural industries, thus linking the provision and marketing of shops with wider regeneration projects.

13.2 Retail and customer service training up to NVQ Level 2 is currently available in Barking and Dagenham provided through the Learning and Skills Council London East, the contract for which is currently being retendered

13.3 In addition, training for retailers in Barking Town Centre is in place and it is intended to promote this scheme across the Borough.

13.4 The Local Government Act 1972, Section 123, requires Councils to obtain best consideration when disposing of assets. However, a new General Disposal Consent became effective from 1 September 2003 which permits local authorities to dispose of property at less than best consideration on social, economic and environmental grounds. Under the new provisions discounts of up to £2 million per disposal can be agreed.

14 Other powers to control vacant shops

14.1 Planning

- Conditions can be imposed in planning consents. As a more flexible alternative, a Local Planning Authority (LPA) and landowner or occupier can enter into an agreement to regulate use and other matters.

14.2 Estate Management

- Pro-active management of the shops to try to obtain as wide a mix of tenants as possible in order to maximise the choice for the community.

14.3 Health and Safety Legislation

- Employers are liable for the health safety and well being of its employees
- Employers are required to ensure that every workplace, modification, extension or conversion under their control complies with any appropriate requirement of the Regulations

14.4 Where the Council is the Landlord

- The standard form of lease controls such things as:
 - authorised use
 - opening hours
 - repairs and maintenance
 - indemnity (including health and safety)
 - use lease terms to control/limit nuisance to adjoining occupiers, residents and customers

14.5 “Keep Open” Clause

- The Council cannot force a tenant to keep a shop open for business unless the lease contains a “Keep Open” clause.
- The Council’s standard form of lease includes a “Keep Open” clause, and therefore, the Council should in theory be able to take legal action to enforce this covenant in the event that a trader were to deliberately keep a property closed.

- However, recent case law has severely limited the landlord's powers to enforce "Keep Open" clauses and it is likely following a recent House of Lords decision that the most that the Council would receive would be an award for damages, not a directive to the tenant to open the property for business. However damages can only be obtained where financial loss can be shown, e.g. a key tenant not staying open in a shopping parade or centre.
- Without the clause no action by the Council would be possible whereas with it, the threat of legal action could make many tenants reconsider their decision to close a property.
- Damages will only be payable where the landlord can prove clear financial loss e.g. a key tenant in a shopping centre or parade and affecting the viability and rental income from the rest of the parade.

14.6 Privately Owned Shops

- The Council has no right to require privately owned shops to be kept in a good state of repair and condition unless they become a danger to the public (Dangerous Structure Notice)
- The Council has certain powers through planning, building control (Dangerous Structure Notices), licensing and environmental health legislation to curtail the use of and the opening hours of shops in which it has no legal interest.

15 Secondary/Smaller shopping parades

- 15.1 Small shopping parades within residential areas perform an important function for local people particularly with 'topping up' purchases which may be bought at larger shops in bigger centres. They also provide people with easy access often to convenience goods and in that sense are important in sustainability terms. They also provide a community focus, particularly where there are shops such as small post offices and add variety to an area.
- 15.2 It is considered that the closure of sub-post offices has had and will continue to have a detrimental effect on the viability of some shops and shopping parades. There will be a reduction in the 'draw' to certain shops and parades thereby reducing the amount of money spent in the shops and thus affecting the financial viability of certain shops and parades.

16 Equality and Diversity

- 16.1 Shops in secondary and tertiary locations contribute to local community integration.
- 16.2 Prospective tenants are invited to complete an Equal Opportunities Monitoring Form. However very few do and they cannot be required to do so, hence a breakdown of lets by ethnicity was not available to the Panel.
- 16.3 Current planning policy makes it possible to convert vacant shops into flats. However, there have been problems in the past because vacant shops in the middle of parades, rather than at the ends, had been converted. The resulting 'break' in a row of shops has had an impact on trade either side of the converted flat and is not necessarily the better

option for a disabled person who would be required to navigate around shoppers to access/exit a property that is in the middle of a parade. The policy may be reviewed through the LDF to address the above problems. However, whilst finance for conversions could be raised through the Housing Strategy Division through Registered Social Landlords (RSLs), the cost of conversion could be substantial given that it may be necessary/more appropriate to rebuild an entire block/row of shops.

17 Conclusion

- 17.1 The number of empty properties compared favourably with neighbouring boroughs and the number of Corporate Complaints lodged in relation to the marketing of shops is, over a long period, minimal. This is a positive indication that Property Services provide an efficient, effective customer friendly service to potential/existing tenants and that Glenny, working in partnership with the Council, provide both best value and good practice.
- 17.2 However, Glenny let on a purely financial basis. Whilst the stringent financial checking may have to some extent eliminated, as far as possible, the 'have a go' tenants, the low rental level that the Council's commercial shops can command, does mean that the Council still receives many such applicants.
- 17.3 The table drawn up by Glenny is reviewed by Property Services and a decision about which offer to accept is made based upon the financial standing of the potential tenant, the proposed use, planning requirements, existing uses in the parade and any other appropriate implications e.g. parking requirements, potential to attract nuisance etc.
- 17.4 The Panel acknowledges the financially based argument that it is better, for example, to open a hot food shop rather than for a shop to remain empty until a tenant whose trade will benefit the wider community or meet a gap in the market (i.e. a specialised shop) can be found. However, by consulting Ward Members before deciding what offer to accept based upon an applicant's financial viability, the needs of the community may be better met.
- 17.5 The Panel found that rent free periods to assist new shop keepers overcomes costly refurbishment of the premises to the Council whilst regular inspections of vacant properties safeguards against the increased potential for costly anti-social behaviour (i.e. broken windows) leading to health and safety risks for which the Council would be liable.
- 17.6 Marketing of shops either owned or let by the private sector is influenced by a range of services within the Council, including planning and regeneration.
- 17.7 The Panel in recognising that the existing UDP seeks to protect the vitality and viability of shopping areas by restricting the number of non-retail uses permissible within individual retail parades, also acknowledges that the emerging LDF will increase the planning influence on the provision and marketing of shops
- 17.8 The Council has lost appeals against the change of use of a premises on the basis of this is given greater consideration where 30% (a randomly set figure) of shops are vacant. The emerging LDF is seen as a much better tool than current policy because of its overall balanced approach.

- 17.9 Under Section 123 of the Local Government Act 1972 Council's are required to obtain best consideration when disposing of assets. On 1 September 2003 the revised General Disposal Consent became effective. The General Disposal Consent allows local authorities to dispose of assets at a discount of up to £2 million less than best consideration per transaction if there are benefits in terms of economic, social or environmental well being.
- 17.10 The Council's standard form of lease has a "Keep Open" clause'. Whilst the most that the Council would be likely to receive would be an award for damages and not a directive to the tenant to open the property for business, without the clause, no action at all would be possible. The clause may also act as a deterrent to tenants considering to close a property.
- 17.11 The loss of secondary/smaller shopping parades and resulting loss of easy access to convenience goods can be detrimental to both people with limited access (those who find it difficult to travel by public transport, notably older people, the disabled and those with young children) and the 'body' of the local community.
- 17.12 Whilst the LDF will take accessibility into account, it is imperative that the utmost is done to save these types of shops.
- 17.13 The policy difficulties encountered in converting vacant shops to residential flats may be addressed through the LDF which will look at the vitality and viability of shops. Where extensive marketing has failed to find a suitable or viable lessee for a shop premises and the shop is not located in an unsuitable centralised position in a parade, consideration should be given to the conversion to a residential home. In these circumstances, and where all efforts to let a shop have failed, this should be referred to the Housing Strategy Division who may be able to identify funding opportunities with key RSL's.

Background Papers used in the preparation of this report:

Public copies of agendas and minutes of the Marketing of Shops Scrutiny Panel meetings held on 10 August, 6 September, 20 September, 4 October, 18 October and 1 November 2004.

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MARKETING OF SHOPS SCRUTINY PANEL

Recommendation	Officer responsible for implementation (Department)	Deadline for implementation	How progress will be monitored
To include contact details of the Barking and Dagenham Chamber of Commerce in the Council's "Guide to Leasing a Business Property".	Colin Beever Department of Regeneration and Environment Economic Development Team	3/2/04	Six monthly progress report to SMB
To include details of appropriate training in the above Guide.	Colin Beever Department of Regeneration and Environment Economic Development Team	3/2/04	Six monthly progress report to SMB
To consult Ward Members before a decision is taken as to what offer for tenancy to accept. To amend the Council's Scheme of Delegation to reflect this.	Colin Beever Department of Regeneration and Environment Economic Development Team Julie Willing Corporate Strategy Department Democratic and Electoral Services	3/2/04 3/2/04	Six monthly progress report to SMB
To provide Regeneration and Environmental Department with the opportunity to review lets having regard to the General Disposal Consent exemptions from best consideration on the grounds of either economic, social or environmental well being prior to marketing a vacant property.	Colin Beever Department of Regeneration and Environment Economic Development Team	3/2/04	Six monthly progress report to SMB

<p>To refer decisions to apply the General Disposal Consent exemptions from best consideration on the grounds of either economic, social or environmental well being to the DRE on the advice of Regeneration and Environment Department.</p>	<p>Colin Beever Department of Regeneration and Environment Economic Development Team</p>	<p>3/2/04</p>	<p>Six monthly progress report to SMB</p>
<p>To consult Planning Officers on any planning considerations prior to any decision being made as to what offer to accept.</p>	<p>Colin Beever Department of Regeneration and Environment Economic Development Team</p>	<p>3/2/04</p>	<p>Six monthly progress report to SMB</p>
<p>To undertake a survey of what type of shop the public wants forms part of the Statement of Community Involvement evidence base in relation to the LDF.</p>	<p>Gordon Glenday Department of Regeneration and Environment Strategic Planning</p>	<p>3/2/04</p>	<p>Six monthly progress report to SMB</p>
<p>To retain 'Keep Open' Clauses in the Council's standard form of lease.</p>	<p>Colin Beever Department of Regeneration and Environment Economic Development Team and Muhammad Saleem Corporate Strategy Department Legal Services</p>	<p>3/2/04</p>	<p>Six monthly progress report to SMB</p>
<p>To refer appropriate, non viable empty premises to the Housing Strategy Division to be considered for conversion to flats.</p>	<p>Colin Beever Department of Regeneration and Environment Economic Development Team</p>	<p>3/2/04</p>	<p>Six monthly progress report to SMB</p>

THE EXECUTIVE

25 JANUARY 2005

REPORT OF THE DIRECTOR OF FINANCE

REVISED BUDGET 2004 / 2005 AND BASE BUDGET 2005 / 2006	FOR DECISION	
<p><i>This report advises on the Council budget position for 2004 / 2005 and 2005 / 2006.</i></p> <p>Summary</p> <p>This report sets out the position of the Council's revenue budgets for 2004 / 2005 and a base budget position for 2005 / 2006.</p> <p>The report reflects:</p> <ul style="list-style-type: none"> (a) a revised budget for 2004 / 2005, taking into account changes approved by Members during the year; (b) issues relating to the likely outturn for the year as currently projected; (c) a base budget for 2005 / 2006, which is the starting point for decisions on setting the 2005 / 2006 budget. <p>Recommendations</p> <p>The Executive is recommended to:</p> <ol style="list-style-type: none"> 1. Agree the revised budget for 2004 / 2005 and the base budget for 2005 / 2006 as set out in Appendix A (i). 2. Agree the budget virements for the 2004 / 2005 revised budget as set out at Appendix A (iii); and 3. Note the position on the projected outturn for 2004 / 2005. <p>Reason</p> <p>The Council's budget position for 2004 / 2005 needs to be amended to reflect decisions made during the year. The base budget for 2005 / 2006 also needs to be approved as the initial position for deciding the overall 2005 / 2006 budget.</p>		
<p>Contact Officer: Joe Chesterton</p>	<p>Head of Financial Services</p>	<p>Tel: 020 8227 2932 Minicom: 020 8227 2413 E-mail: joe.chesterton@lbbd.gov.uk</p>

1. Background

- 1.1 Each year the Council's budget needs to be updated to reflect agreed changes in the base arising from various factors e.g. inflation, Executive decisions, etc. They also need to reflect the latest views of Directors in the allocation of the overall budget to and within specific services under their control.
- 1.2 The process for updating these budgets commences in about September each year and in arriving at these final budgets relevant Departments have been consulted throughout the process.

2. Revised Budget for 2004/05

- 2.1. The revised budget of the Council and matters relating to it are set out at Appendix A. These show a total revised budget for the Council of £220.168 million.
- 2.2. Appendix A (i) to the report sets out the original budgets for each Service adjusted for allocations from contingencies and reserves during the year. The figures also reflect certain changes to central department recharges between Services, which it is appropriate to include in the budgets at this stage. The budget arising from these changes is the revised budget for the Authority which will be used to monitor financial performance for the remainder of the financial year 2004/05.
- 2.3. The revised budget for 2004/05 also reflect transfers between budgets (virements within Service's), which are required in order to stay within the overall approved budget. Some of these transfers exceed £50,000 in value and under the Constitution; these require formal approval by the Executive. A complete listing of these transfers is provided at Appendix A (iii) and Executive's approval to these changes is sought.

3. Base Budget for 2005/06

- 3.1. The base budget is the starting point for each year's budget and for 2005/06 the overall position is £232.825 million. Included within this sum is an allocation for additional employers contribution for the Pension Fund of 3%. The base budget for 2005/06 for each Service is also shown at Appendix A (i) along with a reconciliation of these budgets at Appendix (ii).

4. Projected Outturn 2004/05

- 4.1. Monitoring reports have been provided to the Executive throughout the year highlighting budgetary control issues and year end forecasts. The last report to Executive on 21st December 2004 indicated the projected outturn to be broadly in line with the budget for 2004/05. This was based upon the position at the end of October.

- 4.2. The latest position, as at the end of November, is being reported in detail in a report elsewhere on this agenda. Overall, that report highlights that at the end of November 2004, the Council has a projected underspend of around £2 million for the year end. Current projections indicate that there are still financial pressures within the Education and Corporate Strategy budgets and that these are now likely to impact on the final position by the end of the current financial year. The position at the end of November is that for Education there is, as in the last monitoring report, a projected overspend of about £250,000. For Corporate Strategy there is now projected overspend of £110,000. For Social Services it is indicated that an underspend of around £1.5 million is now likely to be the end of year position. An additional factor currently showing is a very favorable position with interest on balances of around £800,000.

Background Papers

Oracle reports

Working papers in Financial Services

Budget Monitoring reports to the Executive

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**REVISED BUDGET 2004/05
BASE BUDGET 2005/06**

Appendix A(i) Original Budget 2004/05, Revised Budget and Base Budget 2005/06 by Service

Appendix A(ii) Reconciliation of Original Budget 2004/05 to Base Budget 2005/06

Appendix A(iii) Budget transfers over £50,000 included in Revised Budget.

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BARKING AND DAGENHAM SPENDING 2004/2005

	Original Budget 2004/05 £'000	Revised Budget 2004/05 £'000	Base Budget 2004/05 £'000
Service Areas			
Education	127,539	129,089	133,280
Corporate Management	5,533	5,638	5,748
Corporate Strategy	1,542	1,982	1,841
Finance	0	0	0
Health and Consumer Services	2,314	2,282	2,390
Environment, Highways, Roads & Transport	16,745	17,249	18,729
Housing (General Fund)	2,791	3,217	4,420
Planning & Development	2,393	2,519	2,669
Regeneration Partnerships	1,195	1,195	1,288
Arts, Libraries & Cultural Services	5,239	5,239	5,878
Social Services	66,380	66,826	70,557
Open Spaces, Recreation & Sport	8,440	8,370	9,050
General Finance	(25,965)	(30,175)	(29,191)
Land & Property	(376)	298	(565)
Housing Revenue Account	0	0	0
Thames Gateway London Partnership	0	0	0
Total Spending on Services	213,770	213,729	226,094
Other Operating Income and Expenditure			
Contingency	863	904	1,349
Levies and Precepts :			
East London Waste Authority	4,881	4,881	5,001
Lee Valley Regional Park Authority	142	142	150
London Pension Fund Authority	134	134	138
Environmental Agency	88	88	93
G.L. Magistrates Court Authority	290	290	0
Sub Total	5,535	5,535	5,382
Base Budget	220,168	220,168	232,825

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EDUCATION
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
SCHOOLS DELEGATED FUNDS			
Primary Schools	63,171	56,367	57,099
Secondary Schools	46,998	44,145	46,595
Special Needs - Schools & Services	16,116	14,835	14,332
School Meals Service	73	-95	-77
EDUCATION GRANT PROGRAMMES	2,627	2,627	2,976
EARLY YEARS AND NURSERIES	-4,896	73	1,507
CONTINUING EDUCATION			
Barking Adult College	318	860	127
Barking & Dagenham Training Unit	431	297	150
Student Awards and Pensions	862	643	516
YOUTH AND COMMUNITY SERVICE	1,851	1,660	1,732
OTHER SERVICES			
Education Support Services	-14	7,677	8,323
Education Transport Services	0	0	0
TOTAL NET EXPENDITURE	127,539	129,089	133,280

CORPORATE MANAGEMENT
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Corporate & Democratic Core	5,533	5,638	5,748
TOTAL NET EXPENDITURE	5,533	5,638	5,748

CORPORATE STRATEGY
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Chief Executive	0	0	0
Corporate HR	0	11	0
Legal and Democratic Services	-168	-76	-235
Policy & Review	505	645	639
Other Support Services	0	0	0
Grants and Donations	1,205	1,402	1,437
TOTAL NET EXPENDITURE	1,542	1,982	1,841

FINANCE DEPARTMENT
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Finance Department	0	0	0
TOTAL NET EXPENDITURE	0	0	0

HEALTH & CONSUMER SERVICES
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Trading Standards	579	583	598
Environmental Health	1,735	1,699	1,792
TOTAL NET EXPENDITURE	2,314	2,282	2,390

ENVIRONMENT HIGHWAYS ROADS & TRANSPORT
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Public Conveniences	366	306	327
Refuse Collection	3,016	3,016	3,204
Cleansing Services	2,332	2,750	2,815
Vehicle Fleet Management	0	0	0
Waste Disposal	0	0	0
Sewerage/Sewage Disposal	498	578	497
Civic Amenity Site	0	0	0
Traffic Management & Control	454	493	465
On & Off Street Parking	1,017	567	1,159
Road Safety	513	513	564
Frizlands Depot Account	0	0	0
Departmental Internal Support	0	0	0
Technical Division Support	0	0	0
Streetscene, Transport & Waste Support	0	0	0
Registrar of Births, Deaths and Marriages Emergency Planning, Security Services & Office Buildings	789	814	593
Highway Maintenance	7,761	8,212	9,105
Former DSO Services	0	0	0
TOTAL NET EXPENDITURE	16,745	17,249	18,729

HOUSING GENERAL FUND
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
General Housing	2,791	3,217	4,420
Housing Benefits	0	0	0
TOTAL NET EXPENDITURE	2,791	3,217	4,420

PLANNING & DEVELOPMENT
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Planning General & Strategy	2,108	2,234	2,371
Barking Reach	285	285	298
Building, Development & Building Planning Control	0	0	0
Barking & Other Street Markets	0	0	0
TOTAL NET EXPENDITURE	2,393	2,519	2,669

REGENERATION PARTNERSHIPS
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Artscape	452	452	0
TGLP Contribution from LBBD	236	236	1,288
European Social Fund	248	248	0
Neighbourhood Renewal Fund	0	0	0
Children's Fund	0	0	0
Intensive Supervision and Surveillance	0	0	0
New Opportunities Fund	0	0	0
London Riverside SRB and Jobnet	0	0	0
London Riverside Core Costs	259	259	0
LDA Single Programme	0	0	0
Surestart Thames View	0	0	0
Surestart Marks Gate	0	0	0
Sure Start Abbey	0	0	0
Sure Start Gascoigne	0	0	0
TOTAL NET EXPENDITURE	1,195	1,195	1,288

ARTS, LIBRARIES & CULTURAL SERVICES
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Libraries Service	3,920	3,875	4,131
Museums Service	317	362	383
Welfare and Other Catering Services	42	42	48
Eastbury Manor House	185	185	205
Arts Development	111	111	117
Butler's Court Teachers Hostel	11	11	13
Broadway Theatre	525	525	834
Heritage	62	62	68
Corporate Website	66	66	79
TOTAL NET EXPENDITURE	5,239	5,239	5,878

SOCIAL SERVICES
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
CHILDREN AND FAMILIES SERVICES			
Residential Care Providers	9,219	9,257	9,229
Other Care Providers, Commissioning, Social Work	12,088	12,177	15,080
OLDER PERSONS SERVICES			
Residential Care Providers	11,388	11,428	12,212
Other Care Providers, Assessment & Care Management	17,543	17,626	17,099
PHYSICAL DISABILITY			
Residential Care Providers	727	731	675
Other Care Providers, Assessment & Care Management	5,047	5,044	5,378
LEARNING DISABLED			
Residential Care Providers	3,156	3,318	3,767
Other Care Providers, Purchasing, & Care Management	3,723	3,741	3,712
MENTAL HEALTH/SUBSTANCE MISUSE			
Residential Care Providers	1,024	929	883
Other Care Providers, Purchasing & Care Management	2,034	2,141	2,173
SERVICE STRATEGY AND REGULATION	432	434	350
TOTAL NET EXPENDITURE	66,380	66,826	70,557

LEISURE & AMENITIES
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Parks & Open Spaces	4,057	3,956	4,322
Cemeteries	362	417	414
Allotments	34	34	26
Community Halls	949	911	863
Security	120	120	143
Registrars	0	0	118
Sports Centres & Broadway Theatre	2,472	2,472	2,646
General Entertainments, Dagenham Town Show & Barking Carnival	235	235	253
Recreation and Parks Division Departmental Support	0	0	0
Recreation Development	264	264	300
Former DSO Trading Accounts	-52	-39	-35
TOTAL NET EXPENDITURE	8,440	8,370	9,050

GENERAL FINANCE
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
General and Capital Financing & Interest Receipts	-25,965	-30,175	-29,191
TOTAL NET EXPENDITURE	-25,965	-30,175	-29,191

LAND & PROPERTY
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Land Management	431	905	377
Dagenham Heathway Properties	-88	-88	-85
Roycraft House	26	26	53
Vicarage Fields	-50	-50	-48
Other Industrial Areas & Estates	-386	-386	-395
Miscellaneous Properties	-309	-309	-305
Housing Revenue Account Commercial Properties	0	0	0
Barking Reach	0	0	0
Property Services	0	200	-162
TOTAL NET EXPENDITURE	-376	298	-565

HOUSING REVENUE ACCOUNT
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Housing Revenue Account	0	0	0
TOTAL NET EXPENDITURE	0	0	0

THAMES GATEWAY LONDON PARTNERSHIP
SUMMARY OF ESTIMATES

	2004/05 ORIGINAL BUDGET £'000	2004/05 REVISED BUDGET £'000	2005/06 BASE BUDGET £'000
Thames Gateway London Partnership - Core Budget	0	0	0
Thames Gateway Youth Football Project	0	0	0
LDA Projects	0	0	0
ODPM Projects	0	0	0
LSC Projects	0	0	0
TOTAL NET EXPENDITURE	0	0	0

Appendix A (ii)

RECONCILIATION OF ORIGINAL BUDGET 2004/05 TO BASE BUDGET 2005/06

SERVICE	ORIGINAL BUDGET 2004/2005 £000	INFLATION £000	FSS FUNDAMENTAL CHANGES £000	TRANSFERS FROM RESERVES £000	CAPITAL CHARGES £000	OTHER ADJUSTMENTS £000	BASE BUDGET 2005/2006 £000	INCREASE £000	%
EDUCATION	127,539	4,757			984	0	133,280	5,741	
CORPORATE MANAGEMENT	5,533	215					5,748	215	
CORPORATE STRATEGY DEPARTMENT	1,543	63				235	1,841	298	
FINANCE DEPARTMENT	0	672			176	(848)	0	0	
HEALTH AND CONSUMER SERVICES	2,314	108				(32)	2,390	76	
ENVIRONMENT HIGHWAYS ROADS & TRANSPORT	16,745	478	137	742	1,186	183	18,729	1,984	
HOUSING (GENERAL FUND)	2,791	107			780		4,420	1,629	
PLANNING & DEVELOPMENT	2,393	166			13	97	2,669	276	
REGENERATION PARTNERSHIPS	1,195	81				12	1,288	93	
ARTS LIBRARIES AND CULTURAL SERVICES	5,239	276			333	30	5,878	639	
SOCIAL SERVICES	66,379	2,694	1,140		344	0	70,557	4,178	
OPEN SPACES RECREATION AND SPORT	8,440	280			235	95	9,050	610	
GENERAL FINANCE	(25,965)	34		428	(4,048)	360	(29,191)	(3,226)	
LAND AND PROPERTY	(376)	7			(3)	(193)	(665)	(189)	
HOUSING REVENUE ACCOUNT	0						0	0	
THAMES GATEWAY LONDON PARTNERSHIP	0						0	0	
CONTINGENCY	863					486	1,349	486	
TOTAL REQUIREMENTS LONDON BOROUGH OF BARKING AND DAGENHAM	214,633	9,938	1,277	1,170	0	425	227,443	12,810	5.97%
LEVIES									
EAST LONDON WASTE AUTHORITY	4,881	120		0	0	0	5,001	120	
LEE VALLEY REGIONAL PARK AUTHORITY	142	8		0	0	0	150	8	
LONDON PENSION FUND AUTHORITY	134	4		0	0	0	138	4	
ENVIRONMENT AGENCY	88	5		0	0	0	93	5	
G.L. MAGISTRATES COURT AUTHORITY	290		(290)	0	0	0	0	(290)	
	220,168	10,075	987	1,170	0	425	232,825	12,657	5.75%

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**Budget Virements to the Revised
Budget requiring Executive Approval**

<u>Service</u>	<u>Detail of Transfer Required</u>	<u>Change in Budget</u>	
		<u>Increase £'s</u>	<u>Reduction £'s</u>
<u>EDUCATION</u>	Adult College LEA recoupment	50,000	50,000
	Non-maintained school fees Admin Department	100,000	100,000
	TOTAL EDUCATION	150,000	150,000
<u>HOUSING & HEALTH</u>	Homelessness – GA13: Additional expenditure being incurred in Homeless as a result of fall in use of B & B due to greater use of PSL	120,000	
	Private Sector – GA09: Due to potential under spend in the Private Sector Capital programme, full capitalisation of salaries may not be possible.	300,000	
	Housing Benefit – GA14: Significant under spend on Housing Benefit due to Rollover in 2004-05 which was a result of delays in spending the 2002-2003 Rollover. There has also been additional subsidy and a high recovery of overpaid benefits		420,000
TOTAL HOUSING AND HEALTH	420,000	420,000	
<u>SOCIAL SERVICES</u>	Children and Families – External Residential Care		150,000
	Children and Families – Day care / Family support	300,000	
	Children and Families – Social Work		150,000
	Older Persons – Residential Care	120,000	
	Older Persons - Care Management	120,000	
	Older Persons – Day Care / Support Services		240,000
	Phys. Disability – Day Care / Packages	195,000	
	Mental Health - Care Management		195,000
TOTAL SOCIAL SERVICES	735,000	735,000	

**REGENERATION
AND
ENVIRONMENT**

Leisure Services

Goresbrook LC Wages	95,700	
Goresbrook Contractors		95,700
<i>Health Suite workers who were previously employed by a contractor, now employed directly.</i>		

Public Conveniences

Demolition costs of 2 sites	20,000	
Savings from unmanning sites		20,000
Savings from unmanning sites		20,000
Savings from unmanning sites		20,000
Savings from unmanning sites		20,000
<i>Savings from the "unmanning" of the 4 remaining manned public conveniences are intended, in part, to fund the demolition of two sites which have been closed for some time and have become dangerous due to excessive vandalism.</i>		

Street Cleansing

Street Cleansing – Wages	60,000	
Street Cleansing – Vehicles	28,000	
Street Cleansing – Recharges		20,000
Street Cleansing – Income		5,000
Street Cleansing - Contractors	40,000	

The Street Cleansing service has incurred additional costs in the current financial year as a result of employee sickness and vehicle breakdowns. There has also been a marked increase in the quantity of fly tipping.

Traffic

Traffic Management – Other Authorities	18,000	
<i>Increased levy from TfL in respect of traffic signal maintenance.</i>		

Regeneration Partnerships

HERE.4524 Economic Initiatives	55,280	
HERE.5002 Payments to consultants		55,280

Revised estimate for Economic Initiatives and Promotions agreed in consultation with Service Head.

Parking

Parking Enforcement - Employees	180,000	
Parking Enforcement - Transport	5,000	
CCTV Monitoring - Employees	40,000	
CCTV Monitoring - Recharges		40,000
Parking Admin - Recharges	40,000	
On Street Parking - Income		450,000

The costs of additional Enforcement and CCTV monitoring employees have been more than off set by the additional income generated from increased numbers of Penalty Charge notices.

Parking

Abandoned Vehicles – Contractors		20,000
Untaxed Vehicles – Contractors		10,000
End Of Life – Contractors		200,000

The “End Of Life” budget for the additional measures required for the safe disposal of abandoned vehicles will not be required in the current financial year. The successful “Operation Scrap It” has led to a reduced number of abandoned and untaxed vehicles for this Authority to directly deal with.

Frizlands Depot

Frizlands Depot – Premises	40,000	
Frizlands Depot – Supplies	5,000	
Frizlands Depot – Contractors	9,000	
Frizlands Depot – Recharges		54,000
Frizlands Depot – Recharges	54,000	

The site is in need of new CCTV security equipment together with improvements to the workshop ventilation system. The budgets for Supplies and Contractor recharges are also inadequate.

Highways

Reactive Maintenance – IT Costs	50,000	
Street Lighting – Contractors	40,000	
Reactive Maintenance – Contractors	60,000	
Advertising Revenue - Income	120,000	
Structural Maintenance - Contractors	70,000	

This virement is necessary as a result of upgrades to the Symology system, low levels of income from advertising agreements and increased demand for highways maintenance.

TOTAL REGENERATION & ENVIRONMENT

1,029,980	1,029,980
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<u>CORPORATE STRATEGY</u>	<u>Corporate Strategy</u>		
	Land Charges Income	170,000	
	Legal services – Employees		70,000
	Legal Services – Supplies		18,000
	Legal Services – Agency Costs		6,500
	Legal Services – Income		3,000
	Democratic Services – Employees		33,000
	Policy Division – Agency Costs		18,500
	Other Support Services		21,000
	<i>This virement is necessary due to the reduction in demand for land searches to be undertaken directly by the local authority.</i>		
TOTAL CORPORATE STRATEGY	170,000	170,000	

THE EXECUTIVE

25 JANUARY 2005

REPORT OF THE DIRECTOR OF FINANCE

BUDGET MONITORING REPORT APRIL TO NOVEMBER 2004 / 2005	FOR DECISION
<i>This report relates to the regular monitoring of the Council's budget.</i>	
Summary	
The report updates the Executive on the Council's revenue and capital position from the beginning of April to the end of November 2004.	
For revenue, it highlights continuing pressures on Education and Corporate Strategy totalling about £0.4 million and a projected underspend of £1.5 million for Social Services with other remaining Council services broadly on target to meet their budget requirements by the year end. This is offset by a favourable position of interest on balances of about £0.8 million giving an overall projected underspend for the Council's budget of around £2 million.	
In order to alleviate the projected service overspends by the year-end the Director of Education, Arts and Libraries is continuing to review elements of his Service's budget to ensure a balanced position by the year end. In the meantime, he is continuing to closely monitor the position. The Director of Corporate Strategy is also continuing to address the position where possible within his Department to limit the overspend by the year end.	
For the Housing Revenue Account, minimal pressures currently exist which can be contained within the relevant working balance by the year end of £2.6 million.	
For capital, the latest position is that there has been spend of around £34 million on the overall budgeted programme of £91.772 million, with a current projection of a total spend of nearly £86.2 million (94%) by the year end. This aspect will need to be closely monitored by Directors to ensure maximum programmed spend is achieved by the year end.	
Recommendations	
Members are asked to:	
<ol style="list-style-type: none"> 1. Note the current position of the Council's revenue and capital budget. 2. Note that the Directors of Education, Arts and Libraries and Corporate Strategy continue to review their budgets to ensure where possible a balanced position. 3. Note that as part of the budget setting process for 2005/06 consideration will be made for the Social Services current underspend position of £1.5 million and the earmarking of relevant resources for e-priority outcomes expected of the Council. 4. Note the position and projected out-turn for the Housing Revenue Account. 	

<u>Reason</u>		
As a matter of good financial practise, the Executive should be regularly updated with the position on the Council's budget.		
Contact Officer Joe Chesterton	Head of Financial Services	Tel:020 8227 2932 Minicom: 020 8227 2413 E-mail joe.chesterton@lbbd.gov.uk

1. Overview for Revenue Budget

- 1.1 At the end of November 2004, the Council has a projected underspend of around £2 million for the year end. Current projections indicate that there are still financial pressures within the Education and Corporate Strategy budgets and that these are now likely to impact on the final position by the end of the current financial year. The position at the end of November is that for Education there is, as in the last monitoring report, a projected overspend of about £250,000. For Corporate Strategy there is now projected overspend of £110,000. For Social Services it is indicated that an underspend of around £1.5 million is now likely to be the end of year position. Offsetting these factors is currently a very favourable position on interest on balances of around £800,000.

2. Service Position

2.1 General

- 2.1.1 Details of each service's current financial position are provided in Appendix A. It is expected such variances are now becoming close to the expected outturn position of the year but in areas of service overspend continual work is required by Directors to ensure a reduction in these current forecasts.
- 2.1.2 At the Executive meeting on 16th November, Members were advised that roll forwards from 2003/04 for the revenue budget amounting to some £1.9 million had been added to the relevant Departmental budgets. It is important to remind Members that Directors use these funds to deliver the relevant services associated with the agreed roll forwards and this will be closely monitored for the remainder of the financial year.

2.2 Education

- 2.2.1 The Director of Education, Arts and Libraries reported the Education budget position to the Executive on 19 October. The report highlighted in year pressures on the Education Service of £846,000. In addition, it was also approved that there is the need to meet £300,000 of the 2003/04 overspend position. An action plan totalling £923,000 to address this overspend position of £1,146,000 was approved and if fully delivered would enable the position to reduce to £223,000.

- 2.2.2 The current position is that a projected overspend of £247,000 is likely to be the outturn for the year. This is made up of a positive position of £53,000 for in year activities but offset by the £300,000 requirement from 2003/04. The Director is continuing to pursue detailed monitoring of the position at his regular Policy and Strategy group of all senior Education staff and will continue to examine other areas of his budget to ensure maximum savings are delivered to address a balanced budget by the year end.
- 2.2.3 The position is being continually monitored by the Director alongside support from the Finance Department and Members will be apprised of the ongoing situation in future monitoring reports.

2.3 Other Services

- 2.3.1 The position to date for Social Services is showing an underspend around £1.5 million. However, as is usual for this service winter pressures are still likely to affect this underspend position. However, as we are now eight months into the monitoring of this year's budget further work by the Director has ascertained that the expected position for the year is now likely to be as indicated above. Consideration of this underlying revenue position for social services will be taken into account as part of the 2005/06 budget setting process by identifying this sum as a roll forward amount, which will enable utilisation of £1.5 million in 2005/06.
- 2.3.2 For Corporate Strategy the Director has implemented a relevant action plan after highlighting pressures of about £230,000 earlier in the year. However, the latest position now indicates an overspend by the year end of £110,000, which primarily results from a continuing downward trend for income on land charges. This particular issue amounts to an additional £100k loss of income and the Director is to undertake a review of the service provision. This issue will also need to be addressed as part of the 2005/06 budget process.
- 2.3.3 In respect of the Finance Department there is an underspend position of about £125,000 against budget for this time of the year but agreed recruitment and other pressures is likely to reduce this to an underspend of around £50,000 by the year end.
- 2.3.4 The Housing Department is currently showing a marginal underspend against it's total budget of £5.1m.
- 2.3.5 The Regeneration and Environment Department is currently indicating a broadly balanced position against budget at the end of November with pressures in planning and leisure being offset by favourable positions in car parking, land and property. It is also anticipated that the Department will have a balanced budget by the year end.
- 2.3.6 The Executive in December 2004 agreed it's IEG (Implementing Electronic Government) statement and associated resources of £0.5 million. Given the current budget position it would be prudent to earmark some of the net underspend as a supplementary resource to support the e-priority outcomes required of the Council. This position could be considered as part of this year's budget setting process.

3. Housing Revenue Account (HRA)

- 3.1 The HRA working balance as at the 31st March 2005 was originally estimated to be £2.6 million. Although some early pressures have been identified within the newly created Neighbourhood Environmental Services Division, these are relatively small and can be contained within the overall budgets. It is, therefore, anticipated at this stage of the year that the working balance will remain at £2.6 million by the end of 2004/05.

4. Interest on Balances

- 4.1 The current position is that this area of the budget is continuing to show signs of much better performance and that current projections show an anticipated favourable variance by the end of the year. As at the end of November this is now estimated at about £800,000. The favourable position is arising due to the recent increases in interest rates, performance on investments being better than expected coupled with a larger investment base due to earlier Capital receipts being generated from land disposals and right to buy sales. This positive position will allow the strengthening of Council balances at the year end.

5. Savings and Growth – Budget Decisions 2004/05

- 5.1 The Savings and Growth items approved by Members as part of the 2004/05 budget process is being closely monitored by relevant Directors and the Director of Finance. Total savings for the EPCS block amounted to £ 3.479 million and growth of £2.583 million. A summary by Department on their performance to date for meeting these targets is shown at Appendix B. The latest position for 2004/05 is that the majority of the level of savings required and growth commitment is being contained within relevant Departmental budgets. Where specific savings items are not being actioned the relevant Directors have reviewed their budgets appropriately. This relates to both the Corporate Strategy and Housing & Health Departments where the Directors have identified other areas of savings to ensure the identified target has been met for the year.

6. Capital Programme

- 6.1 The Capital Programme is being actively managed by the Capital Programme Management Office (CPMO) team in the Department of Regeneration and Environment alongside financial input from the Finance Department. A Summary of the latest position for the 2004/05 programme is shown in Appendix C.
- 6.2 As at the end of November approximately £34 million of this year's programme has been spent out of an overall original budget for the year of around £91.8 million. This compares with an actual spend at the end of June of only £9.3 million and at the end of September of £20.5 million. It is quite usual for the majority of spending on capital schemes to occur in the latter part of the year as a result of tender exercises, consultation etc and the spend to the end of November is consistent with the pattern of spend in the last financial year. However, it must be noted that currently, two thirds through the year, only 37% of the programme has actually been spent.

- 6.3 The Capital Programme has increased from the original programmed level of £91.772 million by around £20 million to a working budget of £111.766million, due mainly to carry forwards from 2003/04 and recent Executive decisions on profiling of schemes and new external funding. The current projections indicate that there will be an overall spend by the year end of some £86.2 million (94% of the original budget).
- 6.4 The carry forwards from 2003/04 have been incorporated into relevant capital monitoring reports and it is, therefore, enabling a much clearer picture of the progress of each scheme within the programme to be undertaken and a firmer position on the projected outturn of the overall programme to be established.
- 6.5 As a result a number of major schemes across all Departments have been highlighted as needing reprofiling into 2005/06 and later years which required Executive approval and this was received in December 2004. The programme is now been reviewed for these amendments and the updated position will now be reflected in the next monitoring report.
- 6.6 Regular liaison between the CMPO and project sponsors is taking place to ensure that projections of spend on the remaining capital schemes are robust and achievable by the year end. It is important, therefore, that Directors are closely monitoring this position to achieve full spend of their programmed budgets by the year end.

Background Papers

Oracle reports
CPMO reports

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REVENUE BUDGET 2004/2005**SUMMARY OF POSITION - APRIL TO NOVEMBER 2004**

	<u>Original Budget</u>	<u>Working Budget</u>	<u>Projected Outturn</u>	<u>Projected Outturn Variation</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Department</u>				
Corporate Strategy	1,543	1,982	2,092	110
Education, Arts & Libraries	132,778	134,232	134,479	247
Finance	-	-	-50	-50
Housing & Health	5,105	5,492	5,452	-40
Regeneration and Environment	28,396	28,936	28,936	0
Social Services	66,380	66,826	65,326	-1,500
Total for Department's	234,202	237,468	236,235	-1,233
<u>Other Services</u>				
Corporate Management	5,533	5,638	5,638	0
General Finance	-25,965	-28,928	-29,728	-800
Contingency	863	455	455	0
Levies	5,535	5,535	5,535	0
Total for Other Services	-14,034	-17,300	-18,100	-800
Total Council Budget	220,168	220,168	218,135	-2,033

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BUDGET SAVINGS AND GROWTH 2004/05
(EPCS SERVICES)

SAVINGS

BUDGET SAVINGS 2004/05		
SUMMARY		
Department	Amount £'000	Projected Outturn £'000
Corporate Strategy	713	512
Education, Arts and Libraries	45	45
Finance	340	340
Housing and Health	527	444
Regeneration and Environmental Services	1,768	1,768
Social Services	86	86
TOTAL	<u>3,479</u>	<u>3,195</u>

Comments:

Overall current projections by Directors indicate that there will be a shortfall of £284,000 in the agreed savings target of £3.497 million and this arises within the Housing and Health and Corporate Strategy Department's. This position mainly relates to staff saving options. Further work has been undertaken by Directors to ensure the full savings figure is delivered by the year end.

GROWTH

BUDGET GROWTH 2004/05		
SUMMARY		
Department	Amount £'000	Projected Outturn £'000
Corporate Strategy	0	0
Education, Arts and Libraries	240	240
Finance	230	230
Housing and Health	205	205
Regeneration and Environmental Services	1,280	1,280
Social Services	213	213
Corporate	415	415
TOTAL	<u>2,583</u>	<u>2,583</u>

Comments:

Directors currently anticipate the full use of the agreed growth in the budget of £2.583 million. Of the above sum for Corporate growth, £315K relates to provision for Cleaner, Greener, Safer initiatives.

Plans are currently being formulated to commit this budget. However, it is likely that a budget carry forward will need to be considered for this area.

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CAPITAL PROGRAMME 2004/2005SUMMARY OF EXPENDITURE - APRIL TO NOVEMBER 2004

	<u>Original Budget</u>	<u>Working Budget</u>	<u>Projected Outturn</u>	<u>Projected Outturn Variation against Working Budget</u>	<u>Projected Outturn Variation against Original Budget</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Department</u>					
Corporate Strategy	500	4,255	3,187	-1,068	2687
Education, Arts & Libraries	28,215	32,820	21,710	-11,110	-6505
Finance	1,950	2,116	1,078	-1,038	-872
Housing & Health	34,596	40,526	38,593	-1,933	3997
Regeneration and Environment	18,261	23,348	15,004	-8,344	-3257
Social Services	8,250	7,460	5,725	-1,735	-2525
Total for Department Schemes	91,772	110,525	85,297	-25,228	-6,475
<u>Accountable Body Schemes</u>					
Regeneration and Environment	-	1,242	895	-347	895
Total for Accountable Body Schemes	-	1,242	895	-347	895
Total for all Schemes	91,772	111,767	86,192	-25,575	-5,580

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